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Hervé Joly, ed., *L'Économie de la zone non occupée 1940-1942*. Paris: CTHS, 2007. 378 pp. 32.00 € ISBN 9-782735-506279.

Review by Kenneth Mouré, University of California at Santa Barbara.

In June 1940 the Nazis carved France into separate zones as one of their strategies to fragment the country. The resulting disarticulation of the national economy and its amputation from external trade seriously weakened France. It also proved a powerful means to gain French compliance and concessions in the misguided hope that cooperation with the Nazis would win French authorities greater control and allow a reintegration and revival of the national economy. This conference volume on the economy of the *zone non occupée* (ZNO) provides a variety of approaches to the nature and economic impact of the division of France. Although its focus is the ZNO, it treats the ZNO in the broader contexts of the national economy, French international trade, and economic experience in the 1930s and the immediate postwar years.

Hervé Joly points out in his introduction that there has been little historical attention to the economy of the ZNO. In fact, the French economy during the Second World War is overdue for a synthetic survey and reassessment, given the rich output of new work in recent years and the limitations of Alfred Sauvy's hasty survey thirty years ago.<sup>[1]</sup> Joly provides background on the diversity and the economic importance of the ZNO, which as well as agricultural resources, included important industrial production concentrated around the major cities (particularly Lyon and Marseille), a strong export sector, unique natural resources (including bauxite for aluminum production for aircraft) and greater coal production than in the occupied zone, which had lost its main coalfields to German control in 1940. A basic question for the conference, inherent in the title, is whether the ZNO constituted a distinct economic region and period in French economic history. Was there an "economy of the unoccupied zone"?

The question posed in the introduction and conclusion and answered indirectly by most contributors in their assessments of the changes in particular industries and regions and in comparisons with economic developments before and after is clearly "no." The region was not self-sufficient, and it suffered from a combination of lost resources and markets through the interruption of external trade, from the disintegration with national and European markets, and from German efforts to extract economic resources from the ZNO without paying the cost of formal occupation until November 1942. The ZNO's economy, then, was dependent on integration with national and international markets. The German strategy of fragmentation reduced output, with adverse results for the French citizenry and for the German war economy. The severing of ties domestically and internationally limited raw material supplies and product markets, and many firms sought to work for the Germans as a strategy to stay in business. French firms offered to deliver aluminum to German aeronautics firms in July 1940, contracting to do so in August 1940 (p. 33). Silk producers in the Lyon region sought German contracts in August 1940, cut off from their main sources of supply in the Far East and from their main markets in Paris (p. 213). The mineral water firm Perrier, having lost access to markets abroad that had taken 90 percent of its prewar output, sold two-thirds of its output to Germans in 1943-44, which allowed it to obtain power and transport for its product (pp. 268-70). Yet the ZNO's industrial contribution to the German war effort was slight compared to that of the occupied zone. In 1943, the southern zone (now occupied) provided only 7 percent of the French industrial output delivered to Germany, while producing 28 percent of France's total output (p. 48). By this measure, there was a

clear difference in degree of exploitation between North and South even after the ZNO was occupied.

The volume is divided into five sections, treating economic relations with neighboring countries (Germany, Italy and Switzerland), inter-zone commerce, large national firms (the *Compagnie générale d'électricité* and the *Crédit lyonnais*), local firms and international markets, and aryanization in the ZNO. The similarities between the two zones are more striking than the differences. The black market appeared as rapidly in the ZNO as in the north, its development owing much more to shortages and regional differences in supply and prices than to the German efforts to purchase hoarded goods. Fabrice Grenard explains that the demarcation line provided opportunities for a flow of illicit goods that mostly moved from south to north. State campaigns to gather non-ferrous metals achieved substantially greater success in the ZNO, which Chad Denton attributes to the absence of German occupiers. With the economy in French hands, the Germans had seized less metal from private stocks, and there was a greater public belief in Vichy propaganda. Aryanization measures were undertaken quickly in the ZNO, in advance of German demands and formal legislation, though with regional variations. Tal Bruttman shows how established departmental administrations in the Isère were prompt to assist in the enforcement of anti-Semitic measures, but Laurent Douzou and Bénédicte Gavand state the *Commissariat Général des Questions Juives* in Lyon complained frequently of insufficient cooperation from local authorities, and Renée Dray-Bensoussan finds that aryanization in Marseille underwent considerable acceleration when the Germans occupied the ZNO. Practice varied according to local circumstances: the individuals, opportunities and economies altered behavior, making generalizations difficult.

Several themes do emerge from the collection overall. The first is the renewed emphasis on the degree to which the breakup of a national economy took a heavy toll on business life and economic output. The loss of access to raw materials and markets reduced output and made the French vulnerable to German pressures, as well as willing to seek accommodation in order to preserve firms and employment by obtaining access to essential raw materials and to markets for finished goods. The shortages and the German control of raw materials and transport encouraged collaboration and black market activity (the two often went together). Focus on industries in the ZNO makes good sense for identifying the ways in which particular sectors were damaged by the Occupation.

Second, the weakness of the Vichy state is manifest in its inability to bargain effectively with the Germans or to retain the loyalty of its subjects. German and Italian authorities imposed their desired economic terms; Vichy's efforts to shelter the French economy obtained only the concessions German authorities were ready to concede. French authorities could never bargain as equals. French businessmen quickly recognized the advantage of direct negotiation with the Germans. Aspiring to manage the economy, Vichy produced a proliferation of rules and regulations that fostered irritation rather than compliance. Fabrice Grenard quotes a Bank of France summary of business views in the ZNO in June 1941 regarding the excess of Vichy regulations: "Far from bringing about a better distribution, they paralyze production, encouraging illicit hoarding and clandestine transactions to the detriment of honest commerce" (pp. 123-4).

Third, the vulnerability of particular sectors is re-emphasized: small and medium-sized firms had less bargaining power with the state, less influence with the *Comités d'organisation* that directed policy and resources in their economic sector[2], and fewer resources for purchasing raw materials in the flourishing illicit economy. In addition, smaller firms that moved from the occupied zone to escape German persecution did not integrate easily into local economies, which had been strained by the Depression and then disrupted by war and occupation. Such firms were often early targets for aryanization measures.

Fourth, efforts to adapt to the immediate crises in supply, transport and markets were seldom conditioned by longer-term strategies for survival. At the international level, German plans to annex

France's main industrial regions did not include the ZNO, which was targeted for longer-term exploitation by both Italy and Germany through an accord reached in Wiesbaden in July 1940 (p. 32). Swiss authorities treated the French with toleration when Vichy failed to follow through on agreements, looking forward to a return to normalcy after the war. At the level of the firm, immediate concerns prevailed. Even when firms had prepared to withdraw from obvious regions of battle, no one planned for defeat. After the fall of France, large national firms like the *Compagnie générale de l'électricité* and the *Crédit lyonnais* struggled to maintain employment and provide scarce resources for their workers. The nature of the economic rupture—shortages of raw materials, transport and markets—was not expected to be durable, and choices about production and collaboration reflected concerns for immediate survival (*l'adaptation sous contrainte*) in the expectation that constraints would ease. Amid the turmoil and uncertainties of defeat and occupation, mere survival became the top priority.

Overall, the collection does not alter our view of economic troubles in Occupied France so much as add greater depth of focus and detail to a bleak picture. This volume is the seventh in a series publishing the contributions from conferences organized by the CNRS *Groupe de recherche 2539* on "*Les entreprises françaises sous l'Occupation*." [3] It is in the nature of such endeavors that the results can vary in their consistency of essays and the completeness of overall coverage. The cumulative contribution to our understanding, however, is substantial. Future volumes on consumption industries, postwar economic purges, and industrial firms in the French colonies will be well worth watching for.

#### LIST OF ESSAYS

Hervé Joly, "Introduction"

Arne Radtke-Delacor, "Les commandes allemandes en zone non occupée: premières approches"

Brunello Mantelli, "Entre arrogance et impuissance: les rapports économiques entre l'Italie monarcho-fasciste et la France de Vichy, 1940-1943"

Marc Perrenoud, "Les relations économiques de la Suisse avec la zone non occupée de la France"

Fabrice Grenard, "Contourner les réglementations liées aux pénuries et à la fragmentation du marché: le marché noir en zone non occupée et les circuits d'échanges clandestins interzones"

Chad Denton, "Des poids et des mesures: la collaboration économique franco-allemande à travers la réquisition des métaux non ferreux, une comparaison entre les zones Nord et Sud"

Yves Bouvier, "De l'intérêt d'une organisation décentralisée: la Compagnie générale d'électricité en zone non occupée"

Alain Plessis, "Le Crédit lyonnais: une grande entreprise entre siège parisien et activités en zone non occupée"

Pierre Vernus, "La soierie lyonnaise face à ses marchés parisien et étrangers"

Robert Mencherini, "Sur l'évolution de quelques secteurs «traditionnelles» de l'industrie marseillaise pendant la Seconde Guerre mondiale"

Nicolas Marty, "Perrier, entreprise languedocienne à capitaux anglais et exportatrice en zone non occupée"

Pierre Judet, "Un système productif localisé dans la zone non occupée: croissance-survie et conflits"

internes dans la vallée de l'Arve"

Tal Bruttman, "Les premières aryanisations en zone non occupée à travers l'exemple isérois (1940-1941)"

Laurent Douzou and Bénédicte Gavand, "L'aryanisation des entreprises à Lyon"

Renée Dray-Bensoussan, "Quelques aspects particuliers de l'aryanisation des entreprises à Marseille"

Michel Margairaz, "Conclusions"

#### NOTES

[1] Alfred Sauvy, *La vie économique des français de 1939 à 1945* (Paris: Flammarion, 1978); also important is Alan S. Milward's *The New Order and the French Economy* (Oxford: Clarendon Press, 1970). For Vichy administration of the French economy, Michel Margairaz, *L'État, les finances et l'économie: Histoire d'une conversion, 1932-1952* (Paris: CHEFF, 1991) is essential. For a survey of recent work on the French economy during the Occupation, see Kenneth Mouré, "Economic Choice in Dark Times: The Vichy Economy," *French Politics, Culture and Society* 25 (2007):108-30.

[2] For new work on the *Comités d'organisation*, see Hervé Joly, ed., *Les comités d'organisation et l'économie dirigée du régime de Vichy* (Caen: Centre de recherche d'histoire quantitative, 2004).

[3] See their website at: <http://gdr2539.ish-lyon.cnrs.fr/>

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