

HOW CLOSE WE WERE: THE MEDIATION THAT COULD HAVE PREVENTED WWII

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To the editor: I would like to submit the following book proposal and excerpt for your review. It is a historical fiction extracted from the Keynes Documents which were recently uncovered in Munich, Germany.

It was recently disclosed by German Officials that an elderly man, Mr. Cornelius Gurlitt, kept hidden in his apartment about 1,500 pieces of Nazi art worth roughly \$1.4 billion¹. While this shocking discovery has been splashed all over the headlines of newspapers, reporters have not given much attention to some documents of extreme historical importance that were also uncovered among the art. These documents, which were neatly tucked away among the art, were written by John Maynard Keynes regarding the last days of his involvement with the Treaty of Versailles.

The treaty is known to have been the catalyst for World War II. It was neither strong enough to completely cripple a defeated Germany nor lenient enough to allow Germany to recover. This is what ultimately allowed a radical faction to rise to power in post-war Germany and lead Europe down the path to war. This understanding of the Treaty has lead many scholars to question what if any number of things had gone differently at Versailles. Until now, however, no one could have imagined how closely the world came to having such alternate results. This is precisely why *The Keynes Documents* are so significant.

The Keynes Documents reveal the story of a secret mediation that took place against the backdrop of one of the most “lavishly documented political gathering[s] of all time²” between the representatives of Germany and those of the Allied Powers.

¹ Smale, Alison. "Report of Nazi-Looted Trove Puts Art World in an Uproar." New York Times 4 Nov. 2013. <http://www.nytimes.com/2013/11/05/arts/design/trove-of-apparently-nazi-looted-art-found-in-munich-apartment.html?_r=0>. See Appendix A.

² Czernin. *Versailles, 1919*. Pg V.

How such a meeting was able to be conducted without it being revealed to the public is difficult to comprehend. Still, this secret mediation focused on the treaty terms that the Allies presented and it is evident from the documents that Keynes' goal was to get both sides to come to more agreeable terms. While the documents discuss nearly all of the treaty provisions, the most revealing and exciting sections involve the harshest parts of the treaty including Germany's territorial losses, German disarmament, and, finally, the dubious provision *Article 231*, which is known as the War Guilt clause³. The historical significance of *The Keynes Documents* demands literary attention⁴. Included in this proposal are samplings from the book which discuss the most significant aspects of the secret mediation.

³ Czernin. *Versailles, 1919*. 352.

⁴ The *Keynes Documents* are fictitious documents which explore what might have happened if a mediation between Germany, the United States, Britain, and France had taken place. John Maynard Keynes is the mediator of this secret meeting and the documents detail his thoughts as the mediation takes place. It should be noted that Keynes takes a relaxed approach as mediator and as the outcome begins to look increasingly positive, Keynes allows the parties to control what is going on. Unfortunately, he does not realize how sensitive an issue the War Guilt clause is for the Germans and his initial style backfires on him.

As John stood on his hotel balcony, he noticed how particularly quiet Versailles was that evening. While such silence would have been a welcome relief just a few months prior, on a night like tonight, John dreaded such stillness. It was a foreboding silence that made him tense, especially given what was about to take place. As the small clock on the fireplace mantle chimed, John noted that he only had an hour left to prepare. It was ten o'clock. What was to happen this evening, he thought, could potentially be the most important moment of his life. Still, John stood for a moment longer on his balcony of the Trianon Palace Hotel⁵ finding comfort in the crisp chill of the nighttime breeze. He began to question his place of choice for the meeting. After all, this was the very hotel where Germany had first been presented with the unsavory terms of the treaty earlier that same month⁶. It was now the end of May and the only thing that had been resolved conclusively was that Germany had no intention of signing the treaty as it existed.

That is what tonight was about, that is why John chose the Trianon Palace Hotel. Tonight was to be the night that he would conduct a secret mediation between France's Prime Minister George Clemenceau, Britain's Prime Minister David Lloyd George, America's President Woodrow Wilson, and Germany's Foreign Minister and head delegate Count Ulrich Brockdorff-Rantzau. He mused over the fact that these men had chosen him, John Maynard Keynes, to mediate the Treaty of Versailles. He understood what that meant, particularly because of his involvement with the treaty talks up to this point⁷. John knew that should Germany be coerced into signing the treaty, it would have dire consequences not only on Germany, but all of Europe. Tonight was his chance to change that. The clock chimed again; eleven o'clock. At any moment they would arrive.

Prime Minister David Lloyd George was the first to arrive at the hotel room. He greeted John with a smile and said, "We

⁵ Czernin, Ferdinand. *Versailles, 1919*. G.P. Putnam's Sons: New York, 1964. 332.

⁶ Czernin. *Versailles, 1919*. 332.

⁷ Markwell, Donald. *John Maynard Keynes and International Relation*. Oxford: New York, 2006. 54.

should have just had this meeting at the Majestic⁸ and saved ourselves the trip out here, don't you think Mr. Keynes?"

"I thought you wanted to keep this a secret," John responded.

"Yes, of course, but I think you could have picked a place closer to Paris." Lloyd George replied smiling. Before John could explain his choice, there was a knock at the door and President Wilson entered the room. Shortly after Count Brockdorff-Rantzau arrived and he was followed by Prime Minister Clemenceau. Each of the men assured the others that he had come alone and swore that each had ensured no one had followed. With this confirmation, the mediation got underway.

John had spent much of the afternoon preparing the room. In the middle of the room was a fairly large, round table that John had purposely selected for this mediation; he thought that it would facilitate communication and would prevent anyone from being on a particular side. The chairs were plush arm chairs that would be comfortable for the duration of the mediation, which might go for hours. He also had a pitcher of water and a box of cigars on the table. Finally, he kept the balcony window open so that the cool calming night air could blow in. John invited everyone to join him at the table and he poured himself a glass of water.

Once everyone was comfortably seated, John began, "Good evening gentlemen, as I am sure you are aware, I am John Keynes and I will be your mediator this evening. In a moment I would like to go around the room and have everyone introduce themselves and to briefly explain what they are seeking to accomplish at this mediation. First, however, I would like to tell you about myself. I am an economist by profession and I am a member of the British delegation to the Peace Conference⁹. I have been involved with the Treasury Department and my main concern has been the reparation provisions¹⁰. I understand that my connection with the British

⁸ Dillon, Dr. Emile Joseph. The Inside Story of The Peace Conference. New York: Harper & Brothers, 1920. Pg 21. The Project Gutenberg. 26 Dec. 2004. Nov. 2013 <http://www.gutenberg.org/files/14477/14477-h/14477-h.htm#CHAPTER_III>.

⁹ Markwell. *John Maynard Keynes and International Relation*. 54.

¹⁰ Markwell. *John Maynard Keynes and International Relation*. 73.

delegation may be troubling to some, so before we begin, does anyone have any concerns they would like addressed?"

Brockdorff- Rantzau, with a thick German accent, responded "Yes, of course I have a problem with this! I only came tonight because I was told that the mediator would be neutral. Then again, Germany expected to be included in the treaty negotiations¹¹ as well, so I suppose it should not shock me that the Germans have once again been slighted by the Allies!" The Count was all but ready to leave at this early juncture, but John implored, "Count Brockdorff- Rantzau, please give this mediation a chance. I can assure you that despite the appearance of bias, I am more than capable of being a neutral mediator. My goal is simply to help the four great nations that each of you represent to negotiate more agreeable terms that will benefit all of us."

Clemenceau leaned back in his chair and brought his hand to his chin. A skeptical smile curled to his lips as he asked, "Keynes, I think you believe that this treaty is too harsh on those German scoundrels. They are *entirely* to blame for the death and destruction that has befallen all of Europe and this treaty does not even begin to repay our nations for the chaos that has been wrought! This German is right; this whole thing will be a waste of time. The Germans should just accept their punishment and pay for their wrongs!"

Keynes stood up, threw his hands down on the table and sternly stated, "Gentlemen! For the sake of the world we must try to figure this out! Despite French aims, the goal tonight is not to dismember the German nation and leave it to the wolves. If you all truly seek an end to this war and do not want to risk the spread of Bolshevik ideology into a beleaguered Germany¹², we must try to come to a better agreement." The Count and Clemenceau exchanged glances, leaned back slowly in their chairs, and let the mediation proceed.

After a few tense moments, President Wilson spoke up, voicing his concern that, "even though you're well versed in the complexities of the reparations sections, John, are you really

¹¹ Czernin. *Versailles, 1919*. 71.

¹² Markwell. *John Maynard Keynes and International Relation*. 55.

qualified to deal with the other terms we need to discuss? Namely, are you qualified to deal with the land division issues and Germany's disarmament?" "Well, Mr. President, my job here is to facilitate a discussion among the four of you and even though those topics are not my area of expertise, I understand them in general. Also keep in mind that these other provisions will factor into the economic sanctions¹³ on Germany, so I believe that I will be capable of leading this mediation successfully," Keynes replied. At this Wilson nodded with satisfaction and all agreed to continue with the mediation.

After this initial exchange, each delegate introduced themselves and explained what they had hoped the treaty would look like¹⁴. Clemenceau spoke first, demanding safety for the people of France by whatever means necessary¹⁵. Furthermore, he made it clear that he sought revenge for the way the Germans had embarrassed the French in 1871 at the end of the Franco-Prussian War¹⁶. Lloyd George agreed with Clemenceau that Germany should pay for the war, but sought only to extract reparations and not revenge¹⁷. Furthermore, Great Britain had an interest in seeing the German navy downsized so that it could maintain its own, well known naval supremacy. Wilson reiterated his Fourteen Points plan which he had laid out prior to the Conference¹⁸; he was adamant about implementing these ideas. The Count was the last to speak and stated that Germany understood that it had been defeated, but that her people deserved more than such an "unrealizable and intolerable"¹⁹ peace.

¹³ This is in reference to several provisions throughout the Treaty of Versailles which credit certain concessions Germany is to make with having made payments toward the total reparations expected from the Allies.

¹⁴ "Keynes predicts economic chaos." 2013. *The History Channel website*. <<http://www.history.com/this-day-in-history/keynes-predicts-economic-chaos>>

¹⁵ By this, Clemenceau meant that he sought the destruction of Germany.

¹⁶ "Franco-German War." *Encyclopedia Britannica*. <<http://www.britannica.com/EBchecked/topic/216971/Franco-German-War>>.

¹⁷ Czernin. *Versailles, 1919*. 284.

¹⁸ "President Woodrow Wilson's Fourteen Points." *The Avalon Project: Documents in Law, History and Diplomacy*. 2008. Yale Law School; Lillian Goldman Law Library. Nov. 2013 <http://avalon.law.yale.edu/20th_century/wilson14.asp>.

¹⁹ "Against Versailles." *The Living Age (1897-1941)* Sept. 1, 1929: 25. *ProQuest*. Web. 18 Nov. 2013. Pg 2.

“Okay, so there are many things that we need to address tonight²⁰. But before we begin to look at the provision, I just want to remind everyone that everything said tonight is confidential, and, in addition, we have all agreed to keep this mediation a secret. Should any agreement be reached in this mediation, you have all sworn to collectively present that agreement at the Conference as an alternative that has been in progress for some time. Being the representatives of the four most important nations at this Conference, it is unlikely that you will have any substantial objections from the Italians, Belgians, or Japanese²¹. Furthermore, if an agreement is reached tonight, you have all sworn that that will be the agreement you each present to your respective nations for final consideration and to do everything humanly possible to ensure its passage. At that point, each of you will be considered to have fulfilled your duties as part of tonight’s agreement. Is everyone still in accord with those requirements?” Keynes stated.

Each of the leaders agreed, but Wilson asked “What if one of us should decide not to follow through with this agreement though? How could we all ensure that the others will keep their word?”

Keynes looked at the four men sitting around the table and stated, “First of all, you have each given your word that you will honor any agreement reached here tonight; otherwise we are all wasting our time. However, if that is not enough assurance, keep in mind that each of you will leave here tonight with a copy of the document, signed by each of you, showing that you have all come up with and agreed to these new terms. Moreover, should this still not be satisfactory, I suppose there is always the final possibility that you could resume the war.” John hoped that the thought of renewed hostilities would be enough to deter any one from breaking an agreement. Furthermore, he thought it might also encourage the men to reach an agreement tonight.

²⁰ Keynes does not address the fact that this mediation is like an Appellate Mediation in that there is already a decided victor. The focus of the mediation in this case is on the sanctions (damages) that are being imposed on Germany. Additionally, ensuring that both sides are aware of the consequences of not reaching an agreement is crucial.

²¹ Czernin. *Versailles, 1919*. 331-332.

While John contemplated his statement, the four leaders reassured one another that they would stay true to the commitments. Yet, despite this reassurance the tension in the room was palpable because everyone understood what was at stake. Negotiations without the Germans had taken five months and resulted in an 80,000 word document with 400 provisions²² that the Germans, from the moment they read it, had no intention of signing²³. That is why the four men had decided to meet in secrecy; there would be fewer opinions and a greater chance of success.

At this point John took out a copy of the treaty and suggested that the best way to dissect it would be to begin with the most controversial sections, addressing them in the same order that they appeared in the treaty. That meant starting with land division²⁴. “Gentlemen,” Keynes began, “let’s examine Articles 31 to 127 which are the territorial changes proposed by Clemenceau, Lloyd George, and Wilson. What provisions here most concern you Count Brockdorff- Rantzau?” The count replied with a stern face, “All of them... but we understand that we have lost this war and must make concessions. However, I cannot agree to the terms concerning the Saar Basin, Alsace- Lorraine, and Poland²⁵. We have already agreed to withdraw troops from the Rhineland, which makes us vulnerable along our western front. For France to demand Alsace- Lorraine and the Saar Basin, it is simply too much. Furthermore, it is clear that the only motive is revenge. They do not even try to hide it; look at Section V, it says ‘The High Contracting Parties, recognizing the *moral* obligation to redress the *wrong* done by Germany in 1871.’²⁶ We did no wrong, we simply won the war, and now they are seeking to spite us.”

Clemenceau retorted, “You took what was not yours and we are simply taking it back. Also, just as Article 45 itself states²⁷,

²² Czernin. *Versailles, 1919*. V.

²³ Czernin. *Versailles, 1919*. 352.

²⁴ Map located in Appendix C

(<http://img513.imageshack.us/img513/174/versaillesiw8.jpg>)

²⁵ See Appendix D: *Treaty of Versailles*. Section IV- Saar Basin; Section V- Alsace- Lorraine; Section VIII- Poland

²⁶ *Treaty of Versailles*. Part II, Section V – Alsace- Lorraine.

²⁷ *Treaty of Versailles*. Part II, Section IV – Saar Basin, Article 45

we are taking the Saar for the coal. You destroyed our mines in the north, and we will take yours as reimbursement for that damage.”

The Count replied, “How are we to even begin making the outrageous reparations payments demanded of us if you insist on taking some of our most profitable lands?”

“That, gentlemen, is why we are here,” Keynes stated. “Germany needs some way to repay all of you. There must be a way that we can do that.”

Keynes listened as the parties began to work with one another in dividing the land. Wilson proposed that for the fifteen year period that France was supposed to occupy the Saar Basin²⁸, England, with the help of the League of Nations, would maintain control over the area and divide the mining sites between the two nations. France would be allotted three-fourths of all viable coal mines, and Germany would mine the remainder. Germany would still lose possession of the Saar, but instead of “... [ceding it] to France in full and absolute possession,²⁹” it would belong to England for the fifteen year period. Additionally, the plebiscite suggested in Chapter III of the Annex would still take place³⁰, allowing the inhabitants of the Saar to choose to unify with either France or Germany. As for Alsace- Lorraine, France would not permit Germany to maintain any portion of the region, but Clemenceau did agree to credit Germany for any property belonging to the German Empire or its states³¹ of which France would take possession. Clemenceau further agreed to remove Article 74 entirely from the treaty, ensuring France would not confiscate the property of German nationals³². Finally, Count Brockdorff- Rantzau proposed a deal where he would agree to the remaining terms of the land division section, if the Allies would consider greater concessions regarding Poland.

²⁸ *Treaty of Versailles*. Part II, Section IV- Saar Basin, Annex: Chapter III, 34

²⁹ *Treaty of Versailles*. Part II, Section IV – Saar Basin, Article 45

³⁰ *Treaty of Versailles*. Part II, Section IV- Saar Basin, Annex: Chapter III

³¹ *Treaty of Versailles*. Part II, Section V – Alsace- Lorraine, Article 56; See map in Appendix C

³² *Treaty of Versailles*. Part II, Section V – Alsace- Lorraine, Article 53 and Article 74

The treaty designated a portion of land for Poland that would cause Eastern Prussia to be isolated from the rest of the Nation³³. The idea stemmed from Wilson's Fourteen Points³⁴ where he sought to give the Poles access to the Sea. Brockdorff-Rantzau was greatly troubled by the treaty provisions that effectuated Wilson's plan. He pointed out that "you cannot suggest splitting Germany as you have it here in this document and believe that Germans will stand for it. If you must give Poland access to the Baltic, do so by other means, but do not force Germany to rely on Polish sympathies so that Eastern Prussia and the rest of our nation can function as one, undivided entity as it had before the war."

"What would you have us do?" questioned Wilson. "It is necessary for Poland to have access to the seas so that she need not rely on *German* sympathies, or that of any other nation, in order to conduct trade with others beside her neighbors. If Europe is to recover from this war, free trade is necessary and aside from that, Article 89 ensures that Poland will not hinder Germany in the movement of persons and goods over these newly acquired lands."³⁵

Keynes suggested, "what if the territory that is being given to Poland was narrowed, so that there was only a small portion of Polish territory separating Eastern Prussia from the rest of Germany? Or, another option might even be to give Poland access to the Baltic over Eastern Prussia instead of splitting Germany." The Allies were receptive to the first option, but the Count was adamant about keeping Germany whole. However, in the interest of keeping as much territory as possible, the Count conceded to giving Poland access to the Baltic through Germany, but he was able to keep control over the Posen territory which contained good farmland that could produce food for a hungry Germany³⁶. With

³³ *Treaty of Versailles*. Part II, Section VIII – Poland, Article 87

³⁴ "President Woodrow Wilson's Fourteen Points," Section XIII; See Appendix D

³⁵ *Treaty of Versailles*. Part II, Section VIII – Poland, Article 89

³⁶ Czernin. *Versailles, 1919*. 352. (Note: In actuality, Count Brockdorff-Rantzau had no problem giving up the Posen because its population was mostly Polish. He did, however, desire to import agricultural produce from the area because the British blockade had been successful and a starving Germany population was in dire need of food as was noted in *John Maynard Keynes and International Relations* on page 55.)

the Polish issue settled, the mediation's focus shifted to the next point of contention, the demilitarization of Germany.

At this point, John realized that the mediation was going better than he expected. He knew Germany would be in a difficult position, given that they had lost the war³⁷. Even still, Germany commanded respect from the other nations, especially with the threat of resumed hostilities lingering. Regardless, John was pleased with the level of communication between the parties and that compromises were being reached. As the discussion about Part V of the treaty began, Germany expressed disapproval concerning the limited time frame to demilitarize, the fact that war materials had to be destroyed and could not be sold, and finally, the fact that German war ships not in German ports would be surrendered³⁸.

Count Brockdorff- Rantzau began, "I understand that the Allied powers want to ensure that Germany will not be able to revolt against these overly burdensome treaty provisions, but they are asking too much here. Not only must we destroy a good portion of our provisions for war, but we are burdened with the cost of doing so as well³⁹. Moreover, we are not even given the option to sell such goods; no, we *must* destroy them.⁴⁰ Still, the most absurd provision is that Germany is being made to forfeit any of our war ships that sit beyond our ports.⁴¹ It would be more beneficial to both sides, I believe, to let us sell some of our weapon supply and if you are interested in Germany's recovery, you will return our ships so they can be put to some manner of good use."

"First," stated Lloyd George, "I doubt Wilson will agree to let you sell your weapons because he seeks to reduce the world's militaries to only what is necessary to defend one's nation⁴². That is exactly what these provisions leave to you and nothing more.

³⁷ Similar to an appellate mediation, here the parties have disproportionate power. It is important to instill in them the possible outcomes should agreement not be reached, which is what Keynes has been doing.

³⁸ *Treaty of Versailles*. Part V: Military, Naval and Air Clauses

³⁹ *Treaty of Versailles*. Part V, Section I, Chapter 2 – Armament, Munitions and Material, Article 169 and Section IV, Article 206

⁴⁰ *Treaty of Versailles*. Part V, Section I, Chapter 2 – Armament, Munitions and Material, Article 170

⁴¹ *Treaty of Versailles*. Part V, Section II – Naval Clauses, Article 184

⁴² "President Woodrow Wilson's Fourteen Points," Section XIII

Secondly, it is meant to firmly ensure that there is no easy way for Germany to reclaim her arms by simply buying them back. Finally, in regard to your warships, they should be safely at harbor this many months after the war. If not, it seems to me either they were captured or their presence has more menacing implications. In either instance, they should be surrendered.” Lloyd George replied.

“While the destruction of surplus German arms may be reasonable, I cannot allow our ships to be confiscated simply because they are not in our ports. They could be put to good use as the treaty itself has mentioned in Article 181,⁴³” stated the Count.

Wilson interjected, “I think it would be in the best interest of all nations if Germany were to have her ships returned and disarmed at her own expense. At very least, those ships which would be most useful in commerce should be returned.” Lloyd George was not happy with Wilson’s suggestion. However, the men undertook to discuss these provisions. The result was Germany would be given back many of its light cruisers, but would forfeit any armored ships, destroyers or torpedo boats not in its ports⁴⁴. Furthermore, Germany would be allowed to keep ten percent more of its existing cache of arms, munitions, and other war materials and agreed to surrender the rest to the Allied forces within two months as provided for in Article 169.⁴⁵

With two of the most contentious issues settled, John was confident that the mediation would be a success. He had gotten the parties to discuss hotly contested issues with civility and they had taken the lead themselves at this point. Tackling the reparations sections, he thought, would be a breeze and then the only thing left would be to have the parties write up their new agreement. John reminded the four that, “we have one more part to cover this evening Gentlemen; that is, Articles 231 to 247 and...” Before John could even finish his sentence, however, Count Brockdorff-Rantzau interjected, “Germany will NOT agree to Article 231⁴⁶ in

⁴³ *Treaty of Versailles*. Part V, Section II – Naval Clauses, Article 181

⁴⁴ *Treaty of Versailles*. Part V, Section II – Naval Clauses, Article 181

⁴⁵ *Treaty of Versailles*. Part V, Section I, Chapter 2 – Armament, Munitions and Material, Article 169

⁴⁶ *Treaty of Versailles*. Part VIII, Section I, Article 231; This section is known as the “War Guilt” Clause (*Versailles, 1919. 352*)

any capacity. That must be removed immediately. ‘Germany accepts the responsibility of Germany and her allies for *causing all the loss and damage* to which the [Allies ...] have been subjected as a consequence of the war *imposed upon them* by the *aggression* of Germany and her allies.’⁴⁷ This is entirely untrue. Germany has fought a defensive war⁴⁸ and I absolutely refuse to submit to these false allegations.”

To this, Clemenceau replied, “You cannot refuse this article. You *are* entirely to blame for all of the destruction in France and you were the ones whose bombs fell on London⁴⁹. It is only right that you admit to the wrongs you have committed against the Allied nations. We will take nothing less and *this* is non-negotiable.”

“If this provision remains, then I will not. I will not continue with this mediation,” Count Brockdorff- Rantzau snapped as he began to stand.

John implored the Count to sit back down. They had made so much progress; surely they could come to a compromise on this provision as well. “Why don’t we leave Article 231 until we have finished going through the remaining reparations sections? It will give everyone a moment to relax and maybe we can find another solution before we even get to that section.” “There is no point,” the Count responded coldly, his eyes fixed on Clemenceau. “If they are unwilling to consider...”⁵⁰

“I am unwilling to consider!” bellowed Clemenceau. “I will sign nothing without some provision where Germany admits its guilt!”

“And we shall never admit guilt to something that we did not do! The German people will never stand for this and I shall

⁴⁷ *Treaty of Versailles*. Part VIII, Section I, Article 231

⁴⁸ Czernin. *Versailles, 1919*. 334.

⁴⁹ Payne, David. "The Bombing of Britain in the Great War." [The Western Front Association](#). 11 Dec. 2008.

<<http://www.westernfrontassociation.com/component/content/article/121-aerial-warfare/876-bombing-britain-war.html>>.

⁵⁰ John Maynard Keynes had intended to call a caucus at this point, but tempers had flared and an impasse was reached. At this point there was truly little that John could do.

encourage them to resist such reprehensible terms as these. You can do with the other terms we have agreed upon what you will. I am done!” Brockdorff- Rantzau countered.

“Good! Then you will just accept the terms as they were originally presented to you or be invaded!” Clemenceau yelled in response.

John tried one last time to get the men to calm down, reminding them of the consequences should any one of them leave, but neither Clemenceau nor Brockdorff- Rantzau would consider compromise on Article 231. Eventually, the room fell silent and everyone knew that there was no use in trying to proceed, for an impasse had been reached. Brockdorff- Rantzau rose slowly from his chair and left the room, slamming the door shut behind him. Clemenceau, Wilson, and Lloyd George all left shortly thereafter without saying a word. John sat in his chair and shook his head in disbelief. They had been so close to a real peace and he feared for the future. He knew the proposed peace as it was would not last, for it was no peace at all.

Appendices:
Appendix A: New York Times Article

The New York Times

November 4, 2013

Report of Nazi-Looted Trove Puts Art World in an Uproar



Lennart Preiss/Getty Images

The Munich apartment building where the authorities were said to have found about 1,400 works of art that were confiscated under the Nazis or sold cheaply by owners trying to flee Hitler.

By ALISON SMALE

BERLIN — There was no hint that the older man who called a couple of years back about selling a picture could be sitting on an unimaginable trove of art confiscated or banned by the Nazis. When the proffered work, “Lion Tamer” by the German artist Max Beckmann, was collected, the seller seemed to be a proper gentleman in Munich dispensing with a lone, dusty art gem at the end of his life.

It was a “fantastic picture,” recalled Karl-Sax Feddersen of the Cologne auction house Lempertz, who noted how pleased the auction house team was with the auction price: 864,000 euros, or \$1.17 million.

When he learned on Monday that the Beckmann seller, Cornelius Gurlitt, now 80, had reportedly sat on hundreds of works,

including art by Picasso and Matisse, that were confiscated under the Nazis or sold cheaply by owners desperate to flee Hitler, Mr. Feddersen was amazed. "Imagine!" he said, envisaging seeing and selling such a collection.

The Bavarian authorities swooped in on Mr. Gurlitt's home and seized about 1,500 works estimated to be worth \$1.4 billion, according to the news magazine Focus. German officials said the raid occurred on Feb. 28, 2012.

If confirmed, the discovery would be one of the biggest finds of vanished art in years. But word of it left almost equally big questions unanswered: Why did the German authorities let nearly two years pass before such a sizable find was disclosed? What will become of the recovered works of art? Did Mr. Gurlitt continue to make sales even after the raid? And where is he today?

There are no reports that Mr. Gurlitt has been detained or charged, and questions about the history of the artworks, including whether they were confiscated or subject to a forced or voluntary sale, would determine whether a current sale or auction would be judged legitimate.

Since news of the find was first reported Sunday, the German authorities have come under fierce criticism in the art world as to why they did not make the discovery public.

Even on Monday, Bavarian and federal German officials who knew of the spectacular raid remained quiet. The German government's only comment, from a spokesman, Steffen Seibert, was that it was aware of the case. However, the German authorities scheduled a news conference for Tuesday.

"They should have come out with this list pronto," said Jonathan Petropoulos, the author of "The Faustian Bargain: The Art World in Nazi Germany."

"That's the way that restitution works," Mr. Petropoulos added, calling it "unconscionable" that the authorities "sat on the trove for two and a half years," particularly because it appeared to be an exceptionally large find.

The trail to the artworks, the magazine said, stemmed from an incident in September 2010, when Bavarian customs officials on a train to Germany from Switzerland became suspicious after finding Mr. Gurlitt carrying €9,000, or about \$12,150, in crisp €500 notes.

The inquiries spurred by the money eventually led investigators to the apartment in Munich, the magazine said, reporting that Mr. Gurlitt had apparently lived there for decades, selling off pictures as needed over the years, to judge by empty frames found in his home. Emma Bahlmann, an employee of the Cologne auction house that sold the Beckmann work, said she went to an apartment with Mr. Gurlitt but saw no evidence of other artworks as she took the Beckmann off the wall.

The hundreds of works found in the Munich apartment reported to have been raided by authorities — including paintings but also many graphics and even an engraving by Albrecht Dürer, the German Renaissance artist — were taken to a customs facility near Munich for storage, Focus said. Meike Hoffmann, an art historian at an institute specializing in Nazi-confiscated art at the Free University in Berlin, was engaged to go through the discovered works.

Ms. Hoffmann declined to talk to reporters on Sunday or Monday about what she described in an email as “this case.”

But a video of a conference in September, posted on the institute’s website, showed her saying that her institute would soon be doing more work associated with Hildebrand Gurlitt, Cornelius Gurlitt’s father. The elder Mr. Gurlitt had trouble with the Nazis because he was deemed a quarter Jewish under the Nuremberg race laws, and he was dismissed from two museum posts. Yet he was also one of the few Germans granted permission by Joseph Goebbels, Hitler’s propaganda chief, to sell confiscated art. Sales to foreign buyers were meant to fill Nazi coffers, but art historians have documented many sales in Germany, as well as proceeds pocketed by the dealers involved.

“The research institute has had comprehensive material from private ownership put at its disposal,” Ms. Hoffmann said at the meeting. The materials “were completely unknown till now and will bring much to light.”

Hildebrand Gurlitt was detained and questioned by Americans investigating art looting just after the war ended in May 1945, Mr. Petropoulos said. The elder Mr. Gurlitt, who had an apartment in Dresden during the war, is said to have told the authorities that his collection burned in the bombing of that city in February 1945.

The German authorities have established several offices aimed at assisting in finding out the complex provenance of artworks that were seized by the Nazis or by invading Soviet troops at the end of World War II, and that were then sold off cheaply but according to legal formalities, or that simply disappeared in the chaos.

Any claims that do arise from the Gurlitt case are likely to take years to sort out. German museums whose collections were ravaged by the Nazis are as likely to submit claims as the heirs of Jewish collectors and dealers whose work was confiscated by the Nazis. The sale of the Beckmann painting by the Cologne auction house represented what Mr. Feddersen characterized as a relatively rare occasion in which Jewish heirs — in this case the heirs to Alfred Flechtheim, a gallery owner and dealer forced to flee Nazi Germany who died poor in London in 1937 — were able to share proceeds with the owner, Mr. Gurlitt.

The Galerie Kornfeld, a gallery in Bern, Switzerland, reported by Focus to have been the source of the cash found on Mr. Gurlitt on the train in 2010, denied having any dealings with him since 1990. Back then, the Galerie Kornfeld said in a statement, Mr. Gurlitt got 38,250 Swiss francs from selling works on paper by artists whose work was confiscated by the Nazis in 1937 as “degenerate.”

Hildebrand Gurlitt had acquired the works his son sold in 1990 “for cheap money in the years after 1938,” the Kornfeld gallery’s statement said. Cornelius Gurlitt never declared that he inherited the works upon the death of his mother, Helene, in 1967, the gallery said. (Hildebrand Gurlitt died in a traffic accident in 1956.)

The Bern gallery said Eberhard Kornfeld, who runs the gallery, was not available to speak to a reporter by phone. His gallery’s statement did not provide details of past dealings with Mr. Gurlitt, but emphasized how carefully one must distinguish between confiscated art and art that was acquired legally, even if the acquisition now seems to have been strange or made under duress.

These works “are freely available for purchase to this day,” the statement said.

Mr. Kornfeld was recently portrayed as dealing in art looted from Jews in a proceeding that made its way to the United States Supreme Court, which declined to hear the case. He has denied the allegations.

His gallery’s statement said: “Cornelius Gurlitt’s statement to customs authorities in 2010 that the money came from business dealings with the Galerie Kornfeld in Bern is not accurate. The last sales date back to 1990.”

The gallery indicated, however, that its business with Mr. Gurlitt was mutually satisfying. For 16 years after those last dealings, Cornelius Gurlitt regularly received mailed catalogs from Kornfeld, sent to his Munich address. Only after 2006 were they returned, the gallery said, with a stamp indicating “Reception refused” or “Undeliverable.”

Patricia Cohen contributed reporting from New York, and Chris Cottrell from Berlin.

This article has been revised to reflect the following correction:

Correction: November 9, 2013

An article on Tuesday about the seizure by Bavarian authorities of valuable art work that had been confiscated by the Nazis or sold cheaply by owners desperate to flee Hitler included an incorrect date from the newsmagazine Focus for the authorities’ raid at the Munich apartment of an 80-year-old man. It was on Feb. 28, 2012 — not in the spring of 2011. Thus nearly two years, not more than two years, passed between the seizure and its public disclosure.⁵¹

⁵¹ Smale, Alison. "Report of Nazi-Looted Trove Puts Art World in an Uproar." New York Times 4 Nov. 2013. <http://www.nytimes.com/2013/11/05/arts/design/trove-of-apparently-nazi-looted-art-found-in-munich-apartment.html?_r=0>.

Appendix B: Relevant Treaty Provisions

Peace Treaty of Versailles

Articles 31 - 117 and Annexes: Political Clauses for Europe

Part II, Section IV: Saar Basin.

ARTICLE 45 - As compensation for the destruction of the coal-mines in the north of France and as part payment towards the total reparation due from Germany for the damage resulting from the war, Germany cedes to France in full and absolute possession, with exclusive rights of exploitation, unencumbered and free from all debts and charges of any kind, the coal-mines situated in the Saar Basin as defined in Article 48.

ARTICLE 47 - In order to make in due time permanent provision for the government of the Saar Basin in accordance with the wishes of the populations, France and Germany agree to the provisions of Chapter III of the Annex hereto.

Chapter III: Plebiscite.

34. At the termination of a period of fifteen years from the coming into force of the present Treaty, the population of the territory of the Saar Basin will be called upon to indicate their desires in the following manner: A vote will take place by communes or districts, on the three following alternatives: (a) maintenance of the regime established by the present Treaty and by this Annex; (b) union with France; (c) union with Germany.

All persons without distinction of sex, more than twenty years old at the date of the voting, resident in the territory at the date of the signature of the present Treaty, will have the right to vote. The other conditions, methods, and the date of the voting shall be fixed by the Council of the League of Nations in such a way as to secure the freedom, secrecy and trustworthiness of the voting.

Section V: Alsace- Lorraine.

The HIGH CONTRACTING PARTIES, recognising the moral obligation to redress the wrong done by Germany in 1871 both to

the rights of France and to the wishes of the population of Alsace and Lorraine, which were separated from their country in spite of the solemn protest of their representatives at the Assembly of Bordeaux

Agree upon the following Articles:

ARTICLE 51 - The territories which were ceded to Germany in accordance with the Preliminaries of Peace signed at Versailles on February 26, 1871, and the Treaty of Frankfurt of May 10, 1871, are restored to French sovereignty as from the date of the Armistice of November 11, 1918. The provisions of the Treaties establishing the delimitation of the frontiers before 1871 shall be restored.

ARTICLE 56 - In conformity with the provisions of Article 256 of Part IX (Financial Clauses) of the present Treaty, France shall enter into possession of all property and estate, within the territories referred to in Article 51, which belong to the German Empire or German States, without any payment or credit on this account to any of the States ceding the territories.

This provision applies to all movable or immovable property of public or private domain together with all rights whatsoever belonging to the German Empire or German States or to their administrative areas. Crown property and the property of the former Emperor or other German sovereigns shall be assimilated to property of the public domain.

ARTICLE 74 - The French Government reserves the right to retain and liquidate all the property, rights and interests which German nationals or societies controlled by Germany possessed in the territories referred to in Article 51 on November 11, 1918, subject to the conditions laid down in the last paragraph of Article 53 above. Germany will directly compensate her nationals who may have been dispossessed by the aforesaid liquidations. The product of these liquidations shall be applied in accordance with the stipulations of Sections III and IV of Part X (Economic Clauses) of the present Treaty.

Section VIII: Poland.

ARTICLE 87 - Germany, in conformity with the action already taken by the Allied and Associated Powers, recognises the complete independence of Poland, and renounces in her favour all rights and title over the territory bounded by the Baltic Sea, the eastern frontier of Germany as laid down in Article 27 of Part II (Boundaries of Germany) of the present Treaty up to a point situated about 2 kilometres to the east of Lorzendorf, then a line to the acute angle which the northern boundary of Upper Silesia makes about 3 kilometres north-west of Simmenau, then the boundary of Upper Silesia to its meeting point with the old frontier between Germany and Russia, then this frontier to the point where it crosses the course of the Niemen, and then the northern frontier of East Prussia as laid down in Article 28 of Part II aforesaid.

The provisions of this Article do not, however, apply to the territories of East Prussia and the Free City of Danzig, as defined in Article 28 of Part II (Boundaries of Germany) and in Article 100 of Section XI (Danzig) of this Part.

The boundaries of Poland not laid down in the present Treaty will be subsequently determined by the Principal Allied and Associated Powers. A Commission consisting of seven members, five of whom shall be nominated by the Principal Allied and Associated Powers, one by Germany and one by Poland, shall be constituted fifteen days after the coming into force of the present Treaty to delimit on the spot the frontier line between Poland and Germany. The decisions of the Commission will be taken by a majority of votes and shall be binding upon the parties concerned.

ARTICLE 89 - Poland undertakes to accord freedom of transit to persons, goods, vessels, carriages, wagons, and mails in transit between East Prussia and the rest of Germany over Polish territory, including territorial waters, and to treat them at least as favourably as the persons, goods, vessels, carriages, wagons and mails respectively of Polish or of any other more favoured nationality, origin importation, starting point, or ownerships as regards facilities, restrictions and all other matters. Goods in transit shall be exempt from all customs or other similar duties. Freedom of

transit will extend to telegraphic and telephonic services under the conditions laid down by the conventions referred to in Article 98.

Articles 159-213: Military, Naval and Air Clauses

Part V: Military, Naval and Air Clauses.

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow.

Section I: Military Clauses

Chapter II: Armament, Munitions and Material

ARTICLE 169 - Within two months from the coming into force of the present Treaty German arms, munitions and war material, including anti-aircraft material, existing in Germany in excess of the quantities allowed, must be surrendered to the Governments of the Principal Allied and Associated Powers to be destroyed or rendered useless. This will also apply to any special plant intended for the manufacture of military material, except such as may be recognised as necessary for equipping the authorised strength of the German army.

The surrender in question will be effected at such points in German territory as may be selected by the said Governments. Within the same period arms, munitions and war material, including anti-aircraft material, of origin other than German, in whatever state they may be, will be delivered to the said Governments, who will decide as to their disposal.

Arms and munitions which on account of the successive reductions in the strength of the German army become in excess of the amounts authorised by Tables II and III annexed to this Section must be handed over in the manner laid down above within such periods as may be decided by the Conferences referred to in Article 163.

ARTICLE 170 - Importation into Germany of arms, munitions and war material of every kind shall be strictly prohibited. The same

applies to the manufacture for, and export to, foreign countries of arms, munitions and war material of every kind.

Section II: Naval Clauses

ARTICLE 181 - After the expiration of a period of two months from the coming into force of the present Treaty the German naval forces in commission must not exceed: 6 battleships of the Deutschland or Lothringen type, 6 light cruisers, 12 destroyers, 12 torpedo boats, or an equal number of ships constructed to replace them as provided in Article 190. No submarines are to be included. All other warships, except where there is provision to the contrary in the present Treaty, must be placed in reserve or devoted to commercial purposes.

ARTICLE 184 - From the date of the coming into force of the present Treaty all the German surface warships which are not in German ports cease to belong to Germany, who renounces all rights over them. Vessels which, in compliance with the Armistice of November 11, 1918, are now interned in the ports of the Allied and Associated Powers are declared to be finally surrendered. Vessels which are now interned in neutral ports will be there surrendered to the Governments of the Principal Allied and Associated Powers. The German Government must address a notification to that effect to the neutral Powers on the coming into force of the present Treaty.

Section IV: Inter- Allied Commissions of Control.

ARTICLE 203 - All the military, naval and air clauses contained in the present Treaty, for the execution of which a time-limit is prescribed, shall be executed by Germany under the control of Inter-Allied Commissions specially appointed for this purpose by the Principal Allied and Associated Powers.

ARTICLE 204 - The Inter-Allied Commissions of Control will be specially charged with the duty of seeing to the complete execution of the delivery, destruction, demolition and rendering things useless to be carried out at the expense of the German Government in accordance with the present Treaty. They will communicate to the German authorities the decisions which the Principal Allied

and Associated Powers have reserved the right to take, or which the execution of the military, naval and air clauses may necessitate.

ARTICLE 206 - The German Government must give all necessary facilities for the accomplishment of their missions to the Inter-Allied Commissions of Control and to their members. It shall attach a qualified representative to each Inter-Allied Commission of Control for the purpose of receiving the communications which the Commission may have to address to the German Government and of supplying or procuring for the Commission all information or documents which may be required.

The German Government must in all cases furnish at its own cost all labour and material required to effect the deliveries and the works of destruction, dismantling, demolition, and of rendering things useless, provided for in the present Treaty.

Articles 231-247 and Annexes: Reparations

Part VIII: Reparation.

Section I – General Provisions.

ARTICLE 231 - The Allied and Associated Governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.⁵²

⁵² *Treaty of Versailles*. <<http://net.lib.byu.edu/~rdh7/wwi/versailles.html>> (Note: Only provisions mentioned above appear in this appendix.)

Appendix C: Map of Germany

Map of Germany in 1920:
Land Division According to the Treaty of Versailles



(<http://img513.imageshack.us/img513/174/versaillesiw8.jpg>)

This map is a digitally enhanced version of the map found among the *Keynes Documents*.⁵³

⁵³ This image has been altered from its original form. The words “Area Lost by Germany (1919-1921)” were added in an attempt to make the image comport with idea that the map was found among documents from 1919.

Appendix D: President Woodrow Wilson's Fourteen Points

President Woodrow Wilson's Fourteen Points: January 8, 1918

It will be our wish and purpose that the processes of peace, when they are begun, shall be absolutely open and that they shall involve and permit henceforth no secret understandings of any kind. The day of conquest and aggrandizement is gone by; so is also the day of secret covenants entered into in the interest of particular governments and likely at some unlooked-for moment to upset the peace of the world. It is this happy fact, now clear to the view of every public man whose thoughts do not still linger in an age that is dead and gone, which makes it possible for every nation whose purposes are consistent with justice and the peace of the world to avow now or at any other time the objects it has in view.

We entered this war because violations of right had occurred which touched us to the quick and made the life of our own people impossible unless they were corrected and the world secure once for all against their recurrence. What we demand in this war, therefore, is nothing peculiar to ourselves. It is that the world be made fit and safe to live in; and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world as against force and selfish aggression. All the peoples of the world are in effect partners in this interest, and for our own part we see very clearly that unless justice be done to others it will not be done to us. The programme of the world's peace, therefore, is our programme; and that programme, the only possible programme, as we see it, is this:

I. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind but diplomacy shall proceed always frankly and in the public view.

II. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

IV. Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

V. A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined.

VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

VII. Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with all other free nations. No other single act will serve as this will serve to restore confidence among the nations in the laws which they have themselves set and determined for the government of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the

world for nearly fifty years, should be righted, in order that peace may once more be made secure in the interest of all.

IX. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity to autonomous development.

XI. Rumania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guarantees of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

XII. The Turkish portion of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantees.

XIII. An independent Polish state should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

XIV. A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

In regard to these essential rectifications of wrong and assertions of right we feel ourselves to be intimate partners of all the governments and peoples associated together against the

Imperialists. We cannot be separated in interest or divided in purpose. We stand together until the end.

For such arrangements and covenants we are willing to fight and to continue to fight until they are achieved; but only because we wish the right to prevail and desire a just and stable peace such as can be secured only by removing the chief provocations to war, which this programme does remove. We have no jealousy of German greatness, and there is nothing in this programme that impairs it. We grudge her no achievement or distinction of learning or of pacific enterprise such as have made her record very bright and very enviable. We do not wish to injure her or to block in any way her legitimate influence or power. We do not wish to fight her either with arms or with hostile arrangements of trade if she is willing to associate herself with us and the other peace-loving nations of the world in covenants of justice and law and fair dealing. We wish her only to accept a place of equality among the peoples of the world, -- the new world in which we now live, -- instead of a place of mastery.⁵⁴

⁵⁴ President Woodrow Wilson's Fourteen Points." The Avalon Project: Documents in Law, History and Diplomacy. 2008. Yale Law School; Lillian Goldman Law Library. Nov. 2013 <http://avalon.law.yale.edu/20th_century/wilson14.asp>.