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*Private Diplomacy During
the Interwar Years:
A Confluence of Mormonism,
Nazism, and Investor Advocacy*

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PRIVATE DIPLOMACY DURING THE INTERWAR YEARS: A CONFLUENCE OF MORMONISM, NAZISM, AND INVESTOR ADVOCACY

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Abstract

An academic field once called diplomatic history has, in recent years, become known as the history of foreign relations. The different name accounts for the emergence of private diplomacy as a matter for scholarly examination. Transnational lobbyists now outnumber ambassadors in national capitals. That trend was only beginning to emerge in the 1930s, when J. Reuben Clark, an obscure but capable diplomat, international lawyer, and religious prelate, practiced private diplomacy on behalf of disparate clients. As president of the Foreign Bondholders Protective Council, Clark represented ordinary Americans whose small loans to foreign governments were threatened by default during the Great Depression. As second-in-command of the Utah-based Mormon church, Clark interceded with overseas governments on behalf of his denomination's foreign congregations and its enthusiastic American missionaries. Clark's faith-based diplomacy brought religious fervor to international debt collection, but his profound anti-Semitism may have influenced the tenor of his diplomacy, especially in pre-war Nazi Germany.

Introduction

When Nazi Germany's *Reichsbank* president, Hjalmar Schacht, seated himself across from a thick-jowled American lawyer in August 1938, the colorless but cunning minister knew he faced a formidable adversary. One month before the allies appeased Hitler in Munich, the *Führer's* financial wizard negotiated carefully with a well-connected representative of Germany's American creditors. J. Reuben Clark, Jr., former undersecretary of state and ambassador to Mexico, had come to Berlin on a dual mission.

By day, the retiring president of the Foreign Bondholders Protective Council represented the fleeting hopes of desperate small investors, who saw their life savings imperiled by a worldwide depression and a swaggering Teutonic behemoth that threatened to cast off its debts. By night, as second-in-command of the Utah-based Church of Jesus Christ of Latter-day Saints, Clark encouraged and cajoled German Mormons and their American missionaries, whose fervent belief in Christ's impending millennial reign

drove their determination to proselytize in Hitler's thousand-year Reich. The two seemingly unconnected interests evolved into a symbiotic relationship. Thanks to Clark's skilled negotiating, and Nazi Germany's desire to avoid provoking the slumbering American giant, both America's creditors and Germany's Mormons fared much better than they would have if their interests had remained unconnected.

A Utah farm boy turned Ivy League-educated lawyer and statesman, Clark approached international debt collection with religious zeal, and consequently salvaged a mission many thought destined to fail. When the partisan Republican accepted Franklin Roosevelt's challenge to head the quasi-governmental government agency that attempted to collect the uncollectible, insiders may have thought FDR was playing Pontius Pilate with America's small investors. If Clark failed, the Democratic president could wash his hands of a problem that began under his Republican predecessors and blame failure on one of the GOP's own, while simultaneously witnessing the downfall of a pesky but persistent New Deal critic.

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As a member of the Mormons' ruling triumvirate, Clark spearheaded a revitalized church charity plan that discouraged Utahns from partaking of the welfare state. He considered New Deal economics as wanton and ill advised as the investment schemes that had marketed flimsy foreign securities to unsuspecting Americans during the helter-skelter financial climate of the roaring twenties. Three-quarters of a million ordinary citizens, most of whom feared the loss of individual life savings that often totaled no more than a few thousand dollars, could not have found a better champion—one an American president underestimated but the Nazi leadership respected.

This is the enigmatic story of private diplomacy practiced by a skilled international lawyer and accomplished statesman who led a life of contradictions. A westerner who ingratiated himself with the eastern establishment, Clark prided himself at never quite fitting in—even among his fellow Mormons. Clark refused to serve liquor at Washington socials and Mexico City embassy functions, but his private files reflected inebriation with anti-Semitism—a prejudice generally not shared by his coreligionists. Possessing an intellect that won him editorship of the Columbia University Law Review as a young man, Clark later in life wrote letters equating communism and Zionism, a stance unbecoming a discerning statesman.

Thanks to the dual challenge of simultaneously representing the nation's small creditors and his religious denomination, an otherwise obscure diplomat and church official rose to a position of importance in the secular and religious world of the early twentieth century. This man of many contradictions, whose ecclesiastical position ostensibly gifted him with the skill of prophecy, proceeded to work miracles in the temporal world of international finance.

Mormon in Babylon, Diplomat in Zion

Doctoral students studying for their comprehensive examinations in the history of American foreign relations usually devote a single note card to J. Reuben Clark, Jr. As an undersecretary of state in 1928, Clark wrote his *Memorandum on the Monroe Doctrine*,

which freed the Coolidge administration from the interventionist exigencies of the Roosevelt Corollary to the Monroe Doctrine.¹ What had been a weekend's work, seventeen pages of hurriedly condensed text, earned this most unusual Mormon a tiny bit of immortality in the annals of secular history.

Likewise, the fastidious student may become familiar with Clark's *Right to Protect Citizens in Foreign Countries by Landing Forces*, which he penned in 1912 in his capacity as Solicitor of State. Written to justify William Howard Taft's desire to send troops south of the border during the first years of the Mexican Revolution, an intervention that would not take place until Woodrow Wilson's administration, it became a standard reference for subsequent presidents—including John F. Kennedy, who consulted it during the Cuban Missile Crisis the year after Clark's death (Fox, 196).

Non-Mormon scholars pay less attention to the remainder of Clark's public career, which reached its zenith in 1929 when the Utahn turned easterner became United States Ambassador to Mexico. Along the way, Clark's experience as an international lawyer, in government service during Republican administrations and in private practice when Democrats occupied the White House, prepared him for the unique role he subsequently played in simultaneously defending the interests of America's aggrieved foreign bondholders and the Mormon church's international mission.

Most intriguing, however, is the road he took from the insularity of the nineteenth century intermountain west to prominence in a world that most Mormons feared and mistrusted. One of Clark's biographers, Frank Fox (1980, 429), characterized the expanse east of the Wasatch Front as Babylon, a godless republic that had murdered the prophet Joseph Smith and threatened the very existence of the restored gospel.² Fellow Mormons who admired Clark for his success "back east" lauded his unwillingness to let his faith backslide under the influence of America's Babylonians, citing religious mores that manifested themselves, for example, in Clark's insistence that no beverage stronger than lemonade be served in the embassy at Mexico City (Fox 1980, 550; Quinn 2002, 34).

Such a view refuses to take into consideration the one great vice that Clark acquired when he left “Zion”—one atypical of most Mormons—an often-expressed anti-Semitism uncharacteristic of the rest his public and church service, and that he may have employed to the benefit of his secular and religious clients when he dealt with Third Reich officials.³

When young J. Reuben Clark delivered the valedictory address at the University of Utah in 1898, he decried the influx of Asian and southern European immigrants into turn-of-the-century America, calling the latter the “foul sewage of Europe.” (Salt Lake Herald, 1898; Quinn 2002, 325). Then, dissatisfied with the life of a schoolteacher a few years later, he embarked upon an adventure that would expose him to more cosmopolitan influences than most Utahns of that era. The move east, in 1903 to Columbia University law school and in 1906 to the State Department, did little to change his outlook. Clark’s views underwent the normal progression and modification that occurs throughout adult life, but his core values retained the provincialism of his upbringing—xenophobic, racist, and isolationist. Although he exhibited the characteristic lawyer’s willingness to represent clients and views that differed from his personal beliefs, his internal prejudices seemed to defy moderation.

In private practice during the Wilson administration, he defended Japanese interests in the United States, a relationship born of earlier service as legal point man in Elihu Root’s State Department during the San Francisco school board crisis.⁴ Yet, decades later when a Mormon wrote him for advice about marrying a girl of Asian ancestry, Clark expressed his firm opposition based on race (Clark, 1945; Quinn 1983, 224-5). An isolationist of the first rank, despite his authorship of the interventionist *Right to Protect Citizens*, Clark couched his opposition to American overseas adventurism in terms of the “color-hate that was dominant and which had antagonized the colonial peoples of the world” (Quinn 1983, 222). Yet, as a member of the Mormon hierarchy, he supported plans to continue genealogical screening of potential converts from South Africa, in order to protect the Mormon priesthood from “any man having one drop of the blood of Cain in him” (Quinn 1983, 229).⁵

Having established a private law practice with offices in New York, Washington, and Salt Lake City after Democrat Woodrow Wilson assumed the presidency in 1913, Clark embarked upon a series of multiyear arbitrations with foreign governments that proved him uniquely qualified to represent the interests of America’s foreign bondholders nearly two decades later. As State Department Solicitor during the Taft administration, Clark had been instrumental in setting up an arbitration that eventually settled more than ten billion dollars of accumulated claims between the United States and Great Britain, some of which dated as far back as the War of 1812.

In private practice after the change of presidential administrations, he became chief counsel for the American side. Following service as a major in the judge advocate general’s office during World War I, Clark assumed responsibility for an arbitration board that tackled a stickier mess, American claims that resulted from the Mexican Revolution of 1910-17. Less successful than he had been with the British claims, Clark gained valuable insight into the process of attempting to exhort payment from a country whose depressed economy prevented satisfactory debt service.

The experience also paved the way for Clark’s return to appointive government service, during which he made two unsuccessful attempts to win the Republican senatorial nomination from Utah. On both occasions, in 1922 and 1928, Clark ran headlong into corrupt machine politics—surprising only with regard to the religious preference of the powerbroker. In predominantly Mormon Utah of the 1920s, Ernest Bamberger, the heir to a Jewish family that controlled a consortium of mining and manufacturing interests, ran a strong but mysterious Republican political organization at the statewide level—a political machine that would eventually propel him to Utah’s governorship. “The Sevens,” a moniker with Old Testament connotations, consisted of an inner cell of seven directors, each of whom would surreptitiously recruit seven underlings, forming a political pyramid that could buy votes for Bamberger without revealing the identities of those higher up the chain (Fox 1980, 407, 415).

Clark, the son of a Mormon pioneer, had spent the greater part of his adult life away from his home state, and thus faced the unnerving political charge of being an “outsider.” He also confronted a nominating convention that had been bought with Bamberger’s money (Fox 1980, 418). Two of Clark’s biographers, Fox and Quinn, fault the novice politician for not conducting a longer and more aggressive campaign, and legitimate doubt exists as to the intensity of his desire for the nomination. Nevertheless, the experience of dealing with Bamberger’s machine, which both times failed to defeat Democrat William H. King in the general election, embittered Clark and provided one more possible explanation for his uncharacteristic Mormon anti-Semitism (Quinn 1983, 172; 2002, 325).

In 1926, Clark’s experience with the Mexican-American Claims Commission led to his appointment as Ambassador Dwight Morrow’s legal advisor at the embassy in Mexico City. There Clark completed his education in Mexican politics, while being paid off-budget out of wealthy Morrow’s pocket. Clark’s yearlong stint as undersecretary of state began in 1928, just in time to pen the *Clark Memorandum*. When Morrow, Clark’s State Department colleague under Elihu Root and Philander Knox, decided in 1929 to run for the senate from New Jersey, Herbert Hoover surprised the Washington diplomatic establishment by nominating Clark as ambassador to President Ortez Rubio’s government. Newspapers chided Hoover for the appointment, questioning whether a man of Clark’s modest means could afford the bountiful out-of-pocket entertainment expenses that an ambassador was expected to contribute as a customary obligation of a position normally reserved for well-heeled blue bloods (Fox 1980, 541; Quinn 2002, 34).

Morrow, for example, left a privately purchased trove of liquor, which Clark’s biographer Frank Fox (1970, 550) reported to be worth \$800,000, in the embassy basement when Morrow departed Mexico City. However unprepared Clark may have been for the financial requisites of the job, his knowledge of Mexican power politics surprised his critics and delighted Foggy Bottom. Clark recognized Rubio as a figurehead, and many years of dealing with the power structure south of the Rio Grand had acquainted him

with the real boss, Plutarco Elias Calles. Whenever the new American ambassador had a concern that required action, his embassy-funded limousine brought him to the gates of Calles’s rural estate (Fox 1980, 555, 562).

The Mormon hierarchy in Salt Lake City could not help notice its rising star of the east. Heber J. Grant, President of the Church of Jesus Christ of Latter-day Saints and the Mormons’ “Prophet, Seer, and Revelator,” realized the need to infuse the church’s leadership with talented practitioners of foreign diplomacy. These were the waning days of “the gathering,” the end of an earlier period in which Mormons urged converts to emigrate to Utah. The church would need to practice private diplomacy as advocates of its overseas congregations, and from Grant’s viewpoint no diplomat must have seemed more qualified than Clark.

When in December of 1931 a vacancy occurred in the First Presidency, the church’s running triumvirate, Grant first thought of Senator Reed Smoot.⁶ But Smoot’s Senate seniority was considered too valuable to sacrifice. Grant, a partisan Republican himself, could not foresee the impending end of Smoot’s government career only one year later, when the thirty-year veteran fell victim to the congressional sea change that accompanied Franklin D. Roosevelt’s Democratic landslide. In early 1932, Clark became the first lay Mormon invited to become a member of the denomination’s ruling troika, without first being an apostle, since Brigham Young’s son in 1872 (Quinn 1983, 34).

That proved fortuitous not only for Clark, whose ambassadorship would end when Hoover lost the presidential election later that year, but also for America’s foreign bondholders and Germany’s Mormons, whose cause would soon be championed by a prophet of God.⁷

The Roots of the Foreign Debt Crisis

The First World War and its immediate aftermath marked a turning point in America’s financial relationship with the world. The United States relinquished its customary position as a net debtor

nation, and instead became the world's creditor. Latin America, always dependent on American investment, saw that dependence increase. Its options for alternative borrowing narrowed as the Old World licked its war wounds. Europe, previously the world's banker, absorbed an explosion of imports from America, both real goods and financial services, which included borrowing on an unprecedented scale.

In 1920, for example, the United States increased its foreign lending by 25 percent over the previous fiscal year, ushering in for America, in the words of Joseph F. Davies (1975, 85), "a period of expansion, speculation, and extravagance, the likes of which had never before been seen in this country or the world." Defeated Germany, crushed under the dual burdens of Versailles Treaty reparations and an early 1920s cycle of inflation that saw the Weimar Republic printing currency around the clock, turned for its financial relief to the economic juggernaut that had insured its defeat in the Great War. In the helter-skelter financial climate of the twenties, it was an opportunity that small American lenders eagerly embraced but would later profoundly regret.

In 1924 the Dawes Plan solved the immediate problem posed by runaway German inflation by stabilizing the mark and prescribing a triangular cash flow. American banks loaned money to Germany, which used part of the proceeds to pay its war reparations to its victorious European adversaries, mainly Britain and France. They, in turn, sent a portion of the money back to the United States as payment for American manufactured goods, and to service their own war debts. As the 1920s roared on, and the cycle of borrowing escalated, a second American-initiated design for refinancing Germany's reparation debt emerged, the Young Plan of early 1929. Then, as the stock market crash of October 1929 loomed, storm clouds of another variety gathered in Europe and the United States. In Germany, Adolf Hitler's National Socialists found an effective rallying cry by protesting perceived American control of their economy mandated by the two plans. Conversely, American investors found themselves overextended when economic turbulence hit.

John Foster Dulles (1933, 44-5; Sessions 1992, 10), whose legal career as a representative of America's

large corporate creditors preceded by two decades his service as secretary of state, observed a reckless and speculative investment climate that "found our bankers and our investing public less experienced than if the shift from debtor to creditor position had been a gradual one." It was not exclusively a matter of U. S. government credits granted to overseas governments, nor solely large banks and financial syndicates bankrolling foreign regimes. Rather, the lure of unrealistically high interest rates, combined with unenforceable security clauses that gave an illusion of legitimacy to shaky bond issues, enticed thousands of small Americans into a financial quagmire that, like slow quicksand, methodically and mercilessly swallowed their life savings before their eyes.

Frolicking in the laissez-faire climate of the 1920s, Americans became afflicted with what historian Gene Sessions (1992, 11) called "a national disease of speculation," a malady with "roots in postwar abundance and prosperity." For many, the promises should have appeared obviously unrealistic. Countries with the worst credit records offered the highest interest rates to make their bonds attractive in competition with more stable issuing authorities. Legalistic language contained in the investment contracts they signed proved unenforceable in an epoch when the only reliable method of collecting from a recalcitrant foreign government was seizure of its customs house.

These were the waning days of what diplomatic historians call the era of "dollar diplomacy," when corporate behemoths such as the United Fruit Company could influence the American government to exercise armed intervention against a Central American government that nationalized its plantations. However, few individual American investors possessed sufficient clout to demand that their government send in the Marines. Most creditors that J. Ruben Clark eventually represented owned small portfolios, which nevertheless represented significant portions of their personal savings.

For example, approximately 96 percent of those who held Chilean bonds had less than \$20,000 worth, with an average of only \$800 per person. Many reported holdings

of more than \$20,000 actually represented trust accounts of small holders (Sessions 1992, 8).

The financial community served not only as a willing conduit from foreign governments who wished to borrow from American citizens who had money to invest, but America's bankers and investment houses practically fell over each other in the rush to solicit new overseas bond issues. With almost no government regulation of the foreign securities business, investment capital made a headlong dash overseas. Knowledgeable Germans joked about their inability to find hotel rooms in their own country, filled by American financiers who solicited not only the Weimar Republic's national government, but also municipalities throughout the country (Davies 1978, 45; Sessions 1983, 16). *Reichsbank* President Hjalmar Schacht, with whom J. Reuben Clark would later deal, protested the tide of American investment that flowed into his country for projects that would neither generate internal economic growth nor the capital needed to service his country's external debt.

Sessions (1992, 16) cites local borrowing for municipal swimming pools as an example. The same energetic solicitation occurred in Latin American countries, already burdened by loans conditioned upon unrealistically high interest rates, to unstable governments destined to pass on a legacy of indebtedness to their successors. So unscrupulous were America's loan solicitors that a U. S. Senate committee in 1934 charged them with writing

one of the most scandalous chapters in the history of American investment banking. The sale of these foreign issues was characterized by practices and abuses which were violative of the most elementary principles of business ethics (SR 1445).

The worldwide depression that began in late 1929 cast a pall over already worsening prospects for repayment of these speculative loans. Even before the October 29th Wall Street crash sent shudders through the world's financial community, many loans found themselves endangered for political reasons. Hitler was not the only leader who exploited his nation's

indebtedness with populist rhetoric. Taking their cue from the French Revolutionary oratory of 1789, Latin American leaders argued for suspension of intergovernmental debt service contracted by their overthrown predecessors: "the sovereignty of peoples is not bound by the treaties of tyrants" (Reisner 1982, 20; Sessions 1992, 15).

As economic conditions worsened, bombastic speechmaking gave way to practical considerations. Debt service, even when governments resolved to pay, fell low on the priority list when internal needs dictated other uses of funds. For example, between 1928 and 1932, market prices for coffee, petroleum, wheat, and tin fell by 40 percent, which created serious revenue problems for the governments of Columbia, Peru, Argentina, and Bolivia (Jorgensen and Sachs, 57). As the Weimar Republic took its last breath in early January of 1933, approximately nine million fewer Germans were employed than in 1929, a figure that represented two fifths of the work force (Overy 1996, 32). Even if the debtor nation genuinely desired to service their obligations, payment became impossible.

Some three-quarters of a million Americans had invested \$15.4 billion abroad by the time of the stock market crash. With some issues already lagging behind prescribed payment schedules before the depression began, the trend toward default accelerated as the world plunged into an economic abyss. Bolivia suspended payment on several issues in January of 1931, followed by Peru in April. By August, revolution and a drop in nitrite prices prompted Chile to renege (Jorgensen and Sachs, 59-61). By the end of September 1933, bonds valued at more than two billion dollars were in some state of default, double the delinquency of just one year earlier (Sessions 1992, 17-18, 28). By 1934, the only Latin American states that had not suspended normal debt servicing were Argentina, Haiti, and the Dominican Republic (Jorgensen and Sachs, 61).

When the Third Reich suddenly announced suspension of payment on all external bonds in May of 1934, many of its desperate American creditors prayed for divine intervention. That help came in the form of a man designated by his church as a prophet of God, J. Reuben Clark.

Birth of the Foreign Bondholders Protective Council

Sessions (1992, 8) tells the story of a Nebraska resident, H. J. Becker, who prepared for retirement in the late 1920s by investing receipts from the sale of his neighborhood bakery into a portfolio of German and Latin American securities. Having received no payments for several years, Becker penned a letter in early 1933 to FDR, in which he expressed frustration with “Wall Street bankers” for “a loss that they knew was coming.” The Midwestern retiree comprehended only part of the problem.

All parties involved, the bankers, the U. S. Department of State, and both the outgoing Hoover and incoming Roosevelt administrations, understood the situation well. However, they had other concerns. Bankers and investment houses that had participated in the madcap rush to market foreign bonds often adhered to other priorities for collection. Many foreign borrowers had become accustomed to easy American credit, and some engaged in the equivalent of borrowing from one line of credit to pay off another. Bankers got into the business of providing short-term credits to countries already heavily indebted, and their demands for service of these obligations took precedence over pressing those debtors to pay small individual bondholders.

Likewise, the State Department considered the bondholders’ plight only in the context of other foreign relations matters. In many cases, America’s “foreign ministry” considered other intergovernmental disputes more important, such as the status of a country’s obligations to larger institutional creditors, or in the case of World War I allies, payment for wartime credits granted. When bondholders attempted to deal directly with overseas governments, through their own ad hoc consortiums, their disparate claims created confusion abroad that served to bewilder foreign leaders and aggravate the professional diplomats who represented the United State in overseas capitals. Generally, the State Department provided counsel only to bankers or other investment houses, and then only prior to floatation of a bond issue that it considered harmful to the national interest.

For example, if an investment bank suspected money loaned abroad would promote a monopoly of raw materials needed in the United States, or would be used for military purposes, the State Department welcomed prior consultation (Sessions 1992, 21-2). For the aggrieved individual citizen, the government provided scant representation, either before or after sale. In the early 1930s, however, the upsurge of foreign defaults not only forced the State Department to revise its stance, but also attracted the attention of the presidency. The impetus was political.

For Herbert Hoover’s nightmarish presidency, the foreign bondholders’ crisis was only one additional bad dream. For Franklin Roosevelt, it served as political capital during the election but became a liability once he won. During both German financial crises, before the Dawes Plan in 1924 and after the worldwide depression began in 1929, America’s bankers pursued a policy that urged government war-debt cancellation, so that the resources of both the former Allied and Central Powers antagonists could be focused on repaying private loans. According to historian David M. Kennedy (1999, 73), this set up a “Wall Street versus Main Street” confrontation between big-time creditors and ordinary taxpayers who owned no bonds.

It was a struggle that caught the beleaguered small bondholders in the middle. When on June 20, 1931 Hoover proposed a one-year moratorium on payment of intergovernmental debts and reparations, Main Street reacted with indignation that the taxpayers’ money would be sacrificed to save the bankers’ (Kennedy 1999, 74). Lost in the argument were the small bondholders’ interests, which stood little to gain from a proposed yearlong intergovernmental payment holiday that would undoubtedly direct funds toward large institutional private investors, but promised no channel to small investors like Nebraska’s Mr. Becker, whose interests diverged from those of both Wall Street and Main Street.

It was only when Roosevelt made the foreign bondholders an issue in the 1932 presidential election that Hoover moved to find a governmental solution. Two schools of thought existed, but neither promised a panacea for collecting debts

that were subject to no effective adjudication under international law. Hoover favored the first, a quasi-governmental agency that would have official status and the support of the State Department, but would be funded by private contributions. For many years the British had operated such an organization that effectively cajoled overseas government on behalf of John Bull's bankers and private investors.

Roosevelt disagreed, at least during the campaign. He argued that such an agency would be dependent for its financial support on the same investment banks and issue houses that had solicited the private investors whom the commission was designed to represent. Instead, FDR advocated a second school of thought: an official government agency that would be financed with taxpayer funds and run by the Federal Trade Commission.

The Hoover administration took the first steps toward formation of the quasi-official organization, built upon the British model, in April of 1932. Under the direction of Henry L. Stimpson, Hoover's secretary of state, a Harvard-trained economist named Herbert Feis summoned fifteen distinguished financiers, lawyers, and academics for an exploratory meeting.⁸ One invited member of the group who could not attend but promised to serve had extensive experience with international claims, dating back two decades to his service on American commissions that arbitrated such disputes with Great Britain and Mexico. The American ambassador to Mexico, J. Reuben Clark, was preparing to end his official government service and embark upon a three-decade career as a member of the Mormon church's ruling triumvirate (Sessions 1991, 25, 31).

Campaigning for president, Roosevelt continued to criticize plans for the quasi-official council, advocated his alternative, a bondholders' organization with stronger ties to the government. When FDR defeated Hoover in a landslide the following November, Washington insiders took it for granted that such an enhanced council had been foreordained. With Roosevelt's blessing, Congress subsequently transformed Senator Hiram Johnson's bill, which would have created a federally funded corporation of foreign bondholders, into the National Securities Act of 1933. The provision, which became known as

Title II, did not become effective when FDR signed the bill, however. Few people noticed, on the bill's last day in a congressional conference committee, when Senator Ben Cohen, at Roosevelt's behest, included a "saving clause," that gave the president the right to delay implementation of the government-funded corporation (Sessions 1992, 27).

Roosevelt, despite his electioneering rhetoric on behalf of the bondholders, had no intention of ever activating such a governmental agency. Henry Cabot Lodge, who once described FDR as "a well meaning, nice young fellow, but light," would have admired the new president's craftiness (Conlin 1997, 745). Roosevelt abandoned the government-funded council and instead favored precisely the kind of quasi-governmental agency, built upon the British model, that he had previously criticized Hoover for advocating. A Title II corporation, in FDR's view, would clash with the State Department in its relations with foreign governments, issue "official" statistics of questionable accuracy, and subject the government to political pressure, to which a more independent council would be immune (Sessions 1992, 28). By detaching bondholders' advocacy from the administration, Roosevelt could also avoid criticism should the new organization perform below expectations. That, considering the Herculean task that awaited, proved to be a reasonable expectation.

Given the eventuality that a highly partisan Republican would lead the Foreign Bondholders' Protective Council, Roosevelt positioned himself to reap extensive political capital should the organization fail. FDR's first choice, Democrat Raymond Stevens, whose government service had been limited to being minister to Siam, held the FBPC's presidency for less than a year. When Stevens resigned because of ill health, J. Reuben Clark rose from the council's solicitor position to its presidency, an ascension that paralleled his rapid rise from ecclesiastical obscurity to second-in-command of the Mormon church—positions he held concurrently.

Because of Clark's intense Republican partisanship, before and during his FBPC presidency, the failure to effectively collect foreign debts would have given Roosevelt, as a sitting president, the same opportunity to blame Republicans that he did as a

candidate on the stump. What FDR didn't recognize was Clark's bulldog tenacity, reflected visually in his jowled countenance and fueled from within by a sense of the righteousness of the bondholders' cause. With decades of international debt collection strategies in his head, but little more than moral suasion in his quiver, Clark went was set to wage holy war for America's small bondholders.

Mormonism and Hitlerism – A Confluence of World Views

When Elbert Thomas of Utah, a member of the Senate Foreign Relations Committee, visited U.S. Ambassador Thomas Dodd at the embassy in Berlin in July of 1934, the two former college professors embarked upon a discussion that befuddled the ambassador. Dodd (1941, 135-6) wrote in his diary: "It has always been hard for me to understand how a man of intellectual distinction can be interested in Mormon missionary work. There are other than religious aspects to Hitler's let-up on the Mormons."

Dodd should have realized the significance of the conversation. The answer to "Hitler's letup on the Mormons" sat across from him that day—not Senator Thomas exclusively, but the Mormons' ability to flex sufficient political muscle while simultaneously convincing Hitler's regime that the American sect posed no threat to the Third Reich. Thomas was interested in more than religious proselyting that day; he had traveled to Germany to perform the religious equivalent of showing the flag.⁹ Throughout the prewar period, powerful American Mormons made their interests known in Nazi Germany. In 1935, Thomas's senatorial predecessor, Reed Smoot, wrote a complimentary article about Nazi Germany in a European church publication that was subsequently translated into German. Smoot made numerous references to Nazi racial policy and the parallels with Mormonism (Smoot 1935, 338-42). In 1936, the Mormons' European mission president, Joseph F. Merrill, visited Berlin and spoke to a group of 700 church members in Berlin. (*Deseret News*, 1936). A year later, Clark's superior and the denomination's "Prophet, Seer, and Revelator," Heber J. Grant, came to Frankfurt to speak to a similar assembly of the faithful. On each occasion, the revered prelates spoke

in front of a large swastika banner, a picture of which appeared in the *Deseret News*, the church-owned Salt Lake City daily newspaper (*Deseret News*, 1937). In 1938 and 1939, it fell to J. Reuben Clark to represent the Mormon hierarchy with personal visits to Berlin. On each occasion, the message to believers was similar: remain faithful and obey the law. Such high-level entreats to the Third Reich sent an important two-part message. First, the Mormons constituted no threat to the Nazis. Secondly, powerful and influential leaders who possessed connections with the American government represented this small American religious sect.

In one of the early works on new religious movements in the Third Reich, historian Christine Elizabeth King (1981, 71) may have ruffled feathers among faith-promoting Mormon historians when she proclaimed that Mormons and Nazis shared a "*Weltanschauung*, a conjunction of worldviews." Inasmuch as Hitler respected power and organization, plus rigid adherence to authority, the British historian's analysis remains relevant in its comparison with a church that is also hierarchical and authoritarian in nature.

Mormons stood out among the smaller foreign-based denominations in Nazi Germany for their ability to preserve both the lives of their members and the preponderance of their religious practice. From Hitler's ascension to power in January 1933, to the German invasion of Poland that began World War II in September 1939, no other foreign sect fared so well. Rival Christian sectarians suffered Nazi persecution, lost their ability to congregate, or substantially altered their practices to conform to Hitler's dogma. By contrast, German Mormons practiced their religion almost as freely as they had during the enlightened but unstable days of the Weimar Republic.

While Mormon youth traded their khaki scout shirts and colorful neckerchiefs for comparable Hitler Youth regalia, Jehovah's Witnesses wore purple triangles in concentration camps. While Christian Scientists struggled for their sect's existence, a fight they would eventually lose, the shock troops of Mormonism, young American missionaries, still crossed the Atlantic unchallenged

to proselytize in Hitler's Germany. While Seventh Day Adventists progressively mutated into an entity virtually unrecognizable by the American parent church, Mormons maintained their spiritual tenets while blending into Hitler's temporal world with chameleon-like skill.

J. Reuben Clark played a significant role in the German Mormons' success, as an influential American whose connection to this church the Nazi government must have known, and for the strategy he may have recommended that prevented the discrimination and persecution that other small religions experienced. Foremost among the policies German Mormons practiced was rigid adherence to the *Twelfth Article of Faith*, promulgated by Joseph Smith in the early nineteenth century, but ignored for as long as early Mormons fought the U.S. government over the issue of polygamy: "We believe in being subject to kings, presidents, rulers, and magistrates, in obeying, honoring and sustaining the law." Mormons learned their lesson during the struggle over polygamy, and by the time Hitler came to power, they "rendered unto Caesar" by blindly obeying the *Führer*.

As second-in-command of the Mormon hierarchy, Clark likely influenced the appointment of politically astute mission presidents, American Mormons who not only supervised the proselyting effort, but also served as senior prelates for the 13,400 German church members. These American agents did everything they could to emphasize each common thread that existed between Mormonism and Hitlerism, and to sell the connection to their flock. When missionaries mailed copies of the Book of Mormon to Third Reich officials, a rumor spread among church members that Hitler had read the faith's most revered scripture. When the Nazis adopted a day of fasting, optimistic Mormons believe they copied the Latter-day Saint practice. Mormons emphasized their common fascination with genealogy, and publicly expressed delight when Hitler's racial policies opened previously closed civil and religious birth registers for family history research (Scharffs 1970, 86-87; D. Clark 1933, 3, 7.).

Mission presidents moved proactively in many significant ways. Elizabeth Welker, wife of

Berlin-based mission president Roy Welker, wrote complimentary articles for her hometown newspaper regarding the Hitler Youth movement (E. Welker 1937). When she sent copies to the Reich youth ministry, Gertrude Scholtz-Klink, the Nazi women's leader, befriended her. The two women met socially, and on several occasions both Elizabeth Welker and Scholtz-Klink traveled in the same car with Hitler on the way to Nazi youth rallies (R. Welker 1973, 2).

Roy Welker's legion of young missionaries also practiced basketball diplomacy in Hitler's Germany. Basketball debuted as a "demonstration" sport in the 1936 Berlin Olympics. Host Germany dispatched its second-string handball squad, whose players had never before touched a basketball, into international competition (Krüger 2000, 1). When missionaries played a series of exhibitions against several German army teams in the mid-1930s, Reich sports officials asked the Mormons to help prepare the German team.

Not only did they eagerly undertake that assignment, but records of the German-Austrian mission indicate that four missionaries "officiated" the games (Scharffs 1970, 86). A subsequent conversation with one of those missionaries reveals that the young Mormons served as official scorers for the Olympic basketball games (Merrill 2001, 1). In early 1936, only one month after American Jewish groups led a well-publicized but unsuccessful drive for an American boycott of the Hitler Olympics, the Mormon church-owned Salt Lake City daily newspaper, the *Deseret News*, ran a six-column picture of the German team giving the Hitler salute. Text of the accompanying article boasted:

In Germany Herr Hitler has sought the services of the Elders to teach basketball to the team he hopes will achieve a *Nordic victory* at the Olympic Games to be held this year in Berlin (emphasis added). (Bennon 1936, 1, 6).

When the Welkers returned home in 1937, and one of Roy's first official duties was an address to the semiannual LDS General Conference, a two-day faith promoting convocation in Salt Lake City. The recently replaced mission president said: "Nazi dislike of Jews and hatred of communism are at the root of most propaganda against that nation."

Historian D. Michael Quinn (2002, 284) takes issue with Welker's comment: "This LDS mission leader claimed that Jews and communists were responsible for the published criticism of the Nazis." Shortly after Welker's speech in the Salt Lake Tabernacle, the recently returned mission president told a civic group: "Jews are safer in Germany today than in any other parts of the world" (Salt Lake Tribune, 1937). The latter constituted an incredible statement when one considers that Welker lived in Berlin during the three years during which Jews were expelled from most professions, saw their property seized, lost their German citizenship, and were subject to repeated harassment by brown-shirted storm troopers.

To replace the Welkers, the Mormon hierarchy dispatched Salt Lake City businessman Alfred C. Rees, who spoke fluent German, to the Berlin-based mission. Rees considered his primary duty to be church-state relations. He responded energetically when an unfavorable article appeared in the Nazi party daily, the *Völkischer Beobachter*. He protested vociferously to the propaganda ministry and secured permission to write a rebuttal, which ran in a prominent place in a subsequent edition. Then he obtained the newspaper's commitment to reproduce the article, in pamphlet form, for distribution by Mormon missionaries (Lindsey 1990, 2).¹⁰

Conscious of Nazi xenophobia regarding foreign religious sects and the party's obvious enmity against anything Jewish, these senior Mormon officials in Germany did everything possible to avoid offending the Reich. They purged church hymns of references to Israel, Zion, and other lyrics that could suggest sympathy with Judaism. As pressure on Germany's Jews increased, Mormons practically abandoned their Jewish converts. In 1938 at one meetinghouse in Hamburg, the branch president (pastor) put up a sign: "*Juden ist der entrtritt verboten.*" (Entry to Jews is forbidden.) He intended to bar entry to a convert from Judaism, who disappeared later that year after *Kristallnacht*, and who later died in Theresienstadt (King 1982, 76; Tobler and Keele 1980, 21).

The dark side of J. Reuben Clark becomes readily apparent when one delves into the depth of his anti-Semitism. One of his biographers noted that many

Americans of his epoch possessed negative feelings about their Jewish countrymen (Quinn 1983, 226; Quinn 2002, 319). But Clark was no garden variety anti-Semite. He did not limit himself, as historian Gene Sessions contends, to private and "occasional" public off-color remarks (Sessions 1992, 76.) Clark's expressed anti-Jewish feelings consistently for most of his adult life, and did not seem concerned about leaving a trail of such sentiments in his correspondence. As his career progressed, he became a distributor of printed hate tracts.

An examination of his papers at the Brigham Young University library reveals a thick file, replete with a collection of anti-Semitic pamphlets, often in multiple copies, and receipts for printed material he ordered on a regular basis (JRCP, Box 286, Folder F). Clark became fascinated early in life with *The Protocols of the Learned Elders of Zion*, a nineteenth century forgery that emanated in czarist Russia, which purports to outline a design for world domination by the international Jewish financial community. He ordered numerous copies of one particular printing of this vitriolic book, which he distributed to friends. As late as 1958, three years prior to his death, he continued to replenish his supply by ordering from the same printing house in Houston. Correspondence with friends and associates, both prominent and otherwise, reveal that Clark imagined a connection between Judaism and communism, especially with regard to the Zionist movement.

To Earnest L. Wilkinson, a Utah attorney who later became president of BYU, Clark recommends reading the *Protocols*, calling its contents "chilling" (Clark, 1949). To Ezra Taft Benson, Dwight Eisenhower's secretary of agriculture and later president of the Mormon church, Clark refers to point paper linking communism and Zionism, and recommends Benson read the *Protocols* (Clark 1957.) To Allan Dulles, at the time a partner with his brother John Foster in the New York law firm of Sullivan & Cromwell, Clark writes expressing his pre-World War II worries that the United States may relax its limitation on the immigration of German Jews. During World War II, in the same year that the SS began wholesale gassings in death camps across Eastern Europe, Clark wrote former President

Herbert Hoover, expressing his belief that Jews are “essentially revolutionary . . . unscrupulous . . . and cruel.” (Clark 1942; Quinn 1983, 226; 2002, 325).

Clark also maintained extensive newspaper clipping files on matters of interest. One of the more common subjects deals with Zionist pressure to settle Palestine after World War II. In addition, Clark seems to have been fascinated by the 1939 voyage of the SS *St. Louis*, which became the subject of the 1976 movie, *Voyage of the Damned*. Clark’s clipping file contains contemporary details, reported on a day-by-day basis, of the shipload of German Jews that could not find a North American port that would accept its refugees from Hitler’s terror. An attached one-page tear sheet reveals a display advertisement, purchased in an unnamed newspaper by a pro-Zionist group during the SS *St. Louis*’s saga, that called for the establishment of a Jewish army. Clark’s distinctive handwriting can be discerned in the margins: “To whom should they show allegiance?” Another article features heavy underlining in grease pencil regarding the first Orthodox rabbi allowed to recite a prayer before an opening session of Congress (JRCP, Box 313).

It is difficult to consign Clark’s rabid anti-Semitism to being solely a personal vice with only personal implications. As an influential American private diplomat, who negotiated with officials of the Third Reich’s state bank and finance ministry, Clark found himself in position to articulate his prejudices to a receptive audience. In doing so, stilted impressions about the attitudes of both his government and his church may have been conveyed. Clark sat across the negotiating table in Berlin with Hjalmar Schacht on at least two occasions, in June of 1937 and August of 1938, and corresponded with the Nazi finance minister periodically.

Schacht was not merely a central bank chairman or ordinary cabinet minister. Instead, the American educated financier, who held a doctorate in economics and spoke flawless English without an accent, was both an enthusiastic Nazi and a favorite of Adolf Hitler. If ever there existed an individual positioned to influence the fortunes of both the foreign bondholders and Germany’s Mormons, it was the *Reichsbank* president.¹¹ Whether Clark communicated his anti-Semitic feelings in these

meetings, as he did casually with acquaintances back home, remains a matter for conjecture. Without doubt, however, the diplomat-turned-prelate reaffirmed the Mormons’ baseline belief in obeying the law of the land, as this was the coordinated strategy in place at the time. His faithful, Clark undoubtedly affirmed to Schacht, posed no threat to the Third Reich.

Efficacy of the Foreign Bondholders Protective Council

Evaluating the performance of a bondholders’ advocacy council remains infinitely more difficult than scorekeeping at a sporting event. The scoreboard is much harder to read and the clock never runs out. No matter how formidable the opposition, the game is never over unless a claimant quits. J. Reuben Clark, the indomitable coach, put his ragtag team of American creditors on the field against overwhelming odds in the 1930s. Accustomed to playing as individuals, the bondholders had trouble adhering to a cohesive game plan. At times they fought among each other more stridently than they worked together.

A winning season, which would have been characterized by collecting more money than the investors lost, was out of the question. Often, it became necessary to change the rules as the game progressed. Rather than being paid in full, bondholders had to settle for partial victories, such as continued interest payments with little hope of recovering principal, or settlement at a fraction of an investment’s face value. The fact that Clark’s team won at all, in the face of such superior opposition, seems miraculous in itself.

Before the bondholders could form a cohesive strategy, they had to stop competing among themselves. To a degree, they never did. One of Clark’s greatest challenges emanated from the days before the FBPC’s inception—consolidating the various and disparate organizations that claimed to represent the creditors. Because Roosevelt opted against a Title II corporation, which would have claimed official government status, Clark’s FBPC always found its legitimacy being questioned, both

by the confused American public and besieged debtor governments. Some independent councils were organized by a certain bank or consortium of issue houses, and worked only for payment of their own bonds. Others specialized in bonds sold to a particular country or world region.

A third type of independent bondholders' organization operated solely in the interest of making a profit, a situation that invited graft. A few investors suffered the dual indignity of squandering money in the bond market, then losing the fees paid to committees that disappeared shortly after their inception (Sessions 1992, 23-4).

A companion problem, born of the FBPC's quasi-official status, concerned funding. Few individual bondholders could afford to bankroll the committee's efforts, a condition that relegated the financial burden to the banks and issue houses that had, in many cases, been responsible for soliciting and marketing speculative investments. As previously stated, this created in some cases a conflict of interest for the banks. Should they urge debtor nations to service their long-term bonds, or instead pay the short-duration notes the banks had issued to tide them over? For most financial institutions, the answer was obvious (Sessions 1992, 25-6). This resulting mistrust, in the public's eye, led to a Securities and Exchange Commission investigation of the FBPC, conducted in late 1935.

For several weeks, newspaper pages filled with reports of testimony, including Clark's spirited defense, that only served to weaken the FBPC in its quest for legitimacy. Only when the SEC gave the FBPC a clean bill of health was Clark able to set about eradicating suspicion. Closer examination would have belied most doubt, at least with regard to the FBPC's president. So concerned was Clark for the agency's financial well being, that midway through his tenure as president, he wrote a letter declining his salary for the duration of his service (Sessions 1992, 71-75).

Nevertheless, even Clark's old employer, the State Department, erected barriers—primarily by refusing to share information regarding debtor nations. Cordell Hull's administration distrusted an

agency that purported to conduct private diplomacy in competition with the government, even if the State Department was not interested in the bondholders' fate. The real conflict was political, however. Clark's State Department had been Republican; Hull's was filled with New Deal Democrats. When in Washington or New York, Clark departed himself in a politically cooperative way. But when the Los Angeles Limited took him back to the heartland, the old GOP partisan emerged. Clark made speeches in favor of Kansas governor Alf Landon's quixotic effort to unseat Franklin Roosevelt in the 1936 presidential election. But the focus of Clark's partisanship, and of the resentment it generated, concerned his effort to wean Mormons from their dependence on New Deal social legislation (Quinn 1992, 79-80).

Before Roosevelt came to power, the Mormon hierarchy uttered no objection to government welfare. Since Mormons paid taxes, needy among the flock were entitled to its share of the proceeds. That changed when the New Deal appeared. Since the turn of the twentieth century, Mormonism as a political philosophy had been steering a gradual turn to the right. Communalism based on theocracy gave way to individual self-reliance as Mormons struggled to separate church from state. Heber J. Grant, who hired J. Reuben Clark as a prophet of God, stood farther to the right than Clark, an almost unimaginable political concept, when it came to dealing with the New Deal (Quinn 2002, 57). Clark had to resist Grant's desire to declare a Mormon jihad against FDR.

The senior prophet entertained serious notions of a church endorsement of Landon in the 1936 presidential election, a move that the more cosmopolitan Clark realized would have negative consequences for Mormons in Zion and elsewhere (Quinn 2002, 80-5). For his part, Clark publicly advocated Landon's candidacy, but was careful to do so outside of Utah, where—if he were recognized at all—it would be for his past diplomatic service and not for his connection with his church.

Clark's plan for Utahns was, ironically, a renewed forum of communalism, this time based on a comprehensive, centralized church welfare system designed and administered by the ecclesiastical

second-in-command. Clark's design, which replaced the old "stake-based" (diocesan) system of granting poor relief, became the forerunner of the Mormon welfare scheme that Ronald Reagan would praise many decades later as an alternative to the government dole.¹² Clark wrote numerous unsigned editorials for the *Deseret News*, and spoke every six months from the pulpit in the Temple Square Tabernacle at General Conference. The theme: faithful Mormons should turn away from the state and toward the church (Sessions 1992, 83).

Clark's efforts enjoyed limited success. Mormons adopted one of the world's more successful church welfare systems, but Utahns resoundingly supported FDR at the polls in 1936, and more recent studies have shown that the flock never turned away from the New Deal's helping hand (Quinn 1997, 136-7).

The political problems this stance caused for Clark and the FBPC may be considered unavoidable, as was Clark's extreme partisanship itself. Clark was simply a political animal, often too wild to be tamed in the interests of higher goals. As a Columbia University law student in 1903-06, he followed the progress of the Smoot hearings with undivided interest, and never thereafter considered himself apolitical.¹³ In private practice during the latter years of the Wilson administration, Clark wrote speeches for his old State Department boss, Philander Knox, when the latter served as one of the Senate's bitter-ender opponents of the League of Nations (Fox 1980, 283). Never a fan of Herbert Hoover early in his career, Clark became close friends with the ex-president later in life. As biographer Fox (1980, 600) remarks, they had a "common enemy" in the New Deal. While in church service after the Second World War, Clark's secular voice expressed stern opposition to America's entry into the United Nations, as he had opposed America's proposed entry into the League of Nations decades before (Quinn 2002, 312-3).

Despite the problems that his intense partisanship created, Clark continued his quest for the bondholders' financial salvation, often using only the power of moral suasion and promise of a restored credit reputation when dealing with a foreign government that held the upper hand. On occasion, the council clashed

with other countries' bondholder relief committees, and in other instances, Clark complained that debtor nations showed favoritism to creditors elsewhere. In spite of the distractions of politics, the SEC hearings, struggles for funding, and fights with other bondholder representatives, the council continued to make day-to-day progress, negotiating and reworking painstaking agreements that gave America's foreign creditors, if not substantive relief, a degree of hope. By the late 1930s, the FBPC was able to report measured success in achieving payments from debtor nations (Sessions 1992, 102).

Clark served as President of the FBPC from 1933 to 1938, and thereafter remained an active member of its Board of Directors and a frequent negotiator. When he visited the *Reichsbank* headquarters in 1938, as part of a European trip that combined church and bondholder business, he had already stepped down as president, but pursued collection with the customary vigor. As his correspondence files show, he remained an active participant in reviving and resuscitating morbid foreign obligations until his death in 1961. As was the case for the latter half of his presidency, he did so without pay.

That is the least that could have been expected from a prophet of God.

Conclusion

The effectiveness of private diplomacy can most accurately be judged when a non-governmental agency engages in a single, clearly definable mission, such as lobbying a government for or against a particular piece of legislation during a defined parliamentary session or presidential administration. It becomes more difficult to assign success or failure when the advocate argues in favor of the disparate needs of a large class of clients, such as foreign bondholders or members of a particular church, over a long period of time. J. Reuben Clark had no European Parliament to which he could address his concerns regarding his beleaguered bondholders, nor could he be certain that his limited contacts within the government of the Third Reich, as influential as officials such as Hjalmar Schacht could be, would effectively work to the benefit of the Mormons in Germany.

Nevertheless, discernable benefit can be deduced from his efforts on both fronts. By keeping the bondholders' issue alive, Clark prevented foreign governments from summarily and conveniently writing off financial obligations to which they committed themselves in more prosperous times or under predecessor administrations. This is the best that could have been expected during an epoch that predated enactment of the comprehensive and more sophisticated financial mandates and controls underwritten by western governments in the post-Second World War period.

In this respect, Clark's religious worldview proved to be an asset in the secular sphere of debt collection. It impeded a more pragmatic, lawyerly approach that may have otherwise advocated writing off debts that appeared uncollectible. Someone else, employing strictly secular values, may have deduced that the cost of continued debt collection efforts may have outweighed the potential benefits. J. Reuben Clark would have never thought this way. Paying one's debts, either as an individual or as a nation, equated to Christian honor, an approach that drove Clark's determination to squeeze the Teutonic turnip for the last available pfennig.

Regarding the Mormons, Clark's coreligionists survived the Third Reich and emerged in discernibly better condition than their rival new religious sects. One-quarter of Germany's Jehovah's Witnesses died in Nazi concentrations camps, and others such as Christian Scientists had to take their worship underground by the beginning of the war. Seventh Day Adventists, having relinquished their insistence on Saturdays free of secular concerns, became a religious entity almost indistinguishable from mainline Christianity. All that remained was the faith's health code.

By contrast, the Mormons experienced no real persecution. Occasionally, Gestapo agents attended Sunday meetings and took notes, especially after a Hamburg teenager used his church's typewriter and mimeograph machine to produce anti-Hitler tracts in 1942--an offense for which he was executed. (Tobler and Keele 1980). However, the Nazis closed no congregations. Mormons suffered no more during the Second World War than did the rest of

the German civilian population. The faithful lost husbands and sons on the battlefield. Meetinghouses in metropolitan areas were destroyed in Allied air raids. Congregations consolidated, warned each other of pending air strikes, and provided mutual relief in the aftermath.

By maintaining the preponderance of their pre-war practices, Mormons found themselves in a better position to continue their religious life in post-war Germany. Their accommodationist policy toward the Nazis provided valuable skills in dealing with successor totalitarian governments, such as the Soviet occupation forces in eastern Germany and the German Democratic Republic. Likewise, Mormons steered clear of political controversy in Latin America by pledging allegiance to right-wing dictators in Chile and Argentina in the 1970s. In the mid-1980s, half a decade before the fall of the Berlin Wall, the Mormons negotiated a reciprocal exchange of missionaries with congregations in East Germany and received approval to build the first Mormon temple behind the Iron Curtain. It was a remarkable concession by a Marxist government to a western religion, one that built on the legacy established by a hard working diplomat whom the faithful considered to be blessed with the gift of prophesy.

Notes

1. Proclaimed by President James Monroe in 1823, the Monroe Doctrine sought to prevent Spain from re-colonizing or exerting a dominant economic influence over its former Latin American colonies. It also warned other European powers, primarily Great Britain, against establishing spheres of influence in the Americas. By Theodore Roosevelt's administration at the turn of the twentieth century, American concerns about the nature of such interference had evolved. Europe no longer seemed to threaten the political independence of Latin American republics, but considerable Old World investment in the Americas seemed to invite the possibility of armed intervention in order to collect debts and protect equity. The Roosevelt Corollary asserted the right of the United States to rebuff such European intervention, and went so far as to proclaim the right of preemptory American action in cases of governmental instability in the Americas. It exceeded the interventionist right claimed by the original Monroe Doctrine because it justified American action not only against European interlopers, but also against western hemisphere governments. When Secretary of State Frank Kellogg concluded negotiations on the Kellogg-Briand Pact in 1929, a treaty that ostensibly outlawed war, Kellogg worried that "Monroe Doctrine cultists" would mount an effort to prevent Senate ratification-similar to the campaign that saw the Treaty of Versailles, and its associated League of Nations, go down to defeat. He assigned his undersecretary, J. Reuben Clark, to write a position paper on the Monroe Doctrine that repudiated the Roosevelt Corollary, so as to claim that America *never* stated the right to interfere militarily in the internal affairs of sovereign nations. Clark hurriedly condensed some 238 pages of a longer report into the document that became known as the *Clark Memorandum*. Throughout his lifetime, Clark exhibited no special pride of authorship in the work for which he is remembered the most (Fox 1980, 513-8; Sessions 1992, 46-7).
2. Mormons claim that they are not "reformers" in the Protestant sense, but rather recipients of God's mantle, "restored" to the earth in the nineteenth century after the Catholic Church's "great apostasy" a few centuries after Christ. Although Joseph Smith, Jr. founded the denomination in 1830 in western New York state, Mormon theology embraces significant trappings of the Old Testament, including the continued existence of prophets designated to lead the faithful. A mob murdered Smith in Illinois in 1844, insuring the Mormon founder's legacy as a martyred messenger of God.
3. Mormon sociologist Armand L. Mauss cites a "Semitic identification" with Jews. Latter-day Saints believe that Book of Mormon personalities, whom they say were the ancestors of today's Native Americans, came from the lost tribes of Israel. (Mauss 1968, 11). BYU historian Douglas Tobler says LDS core theology embraces Judaism, and that Mormons have a track record of befriending Utah's small Jewish community (Tobler 1992, 60). Jews have served as mayor of Salt Lake City and governor of Utah.
4. When the San Francisco school board announced plans to segregate some 200 students of Japanese ancestry in 1907, Theodore Roosevelt intervened in what threatened to become an international incident that endangered American trade in the Far East. Roosevelt's brokered settlement allowed the students to attend school with other children and did not embarrass Japan by specifically prohibiting Japanese immigration, but achieved a comparable racist goal by having Japan "voluntarily" limit emigration of its citizens. For twenty years, no one from Japan legally immigrated to the United States.
5. Clark subscribed to the Mormon belief that blacks had descended from the lineage of Cain through Noah's son Ham, and that the Negroid phenotype was a mark of punishment by God for Cain's murder of Abel, thereby rendering a person of color ineligible for the otherwise universal male Mormon priesthood. The practice continued long after Clark's death, until 1978 when a combination of public scorn, internal

- embarrassment, and boycotts against Brigham Young University's athletic teams prompted Mormon prophet Spencer W. Kimball to pronounce a "revelation from God" granting the priesthood to all Mormon males over the age of twelve, regardless of ethnicity.
6. The Mormon Church is ruled through a series of concentric leadership circles, composed of all-male priesthood holders. General Authorities, who numbered no more than 70 in the 1930s, form the basis of full-time leadership in what is otherwise a lay church. Inside that circle resides the Council of the Twelve Apostles, from which the prophet ascends by seniority. The First Presidency, patterned on the model of Peter, James, and John, whom the Mormons consider to have been Christ's most significant disciples, is composed of the prophet and two assistants. Customarily, each assistant, called a first and second counselor, come from the ranks of the apostles. But, as in the case of J. Reuben Clark, that was not required.
 7. Although Mormons would have considered only Grant to be *the* Prophet, each member of the First Presidency is considered to be infused with the gift of prophesy, and is entitled to be regarded as a prophet in his own right. Sessions uses abundant religious symbolism in his 1992 study of Clark's secular duties as FBPC chairman.
 8. In 1930 Feis wrote the definitive academic study of international lending prior to World War I. *Europe, the World's Banker, 1870-1914* (New Haven: Yale) is still assigned in university-level classes today. Feis served as a state department advisor for international economic affairs from 1931 to 1943, successfully transcending Republican and Democratic administrations.
 9. Although a sitting United States senator at the time, part of Thomas' travel and lodging expenses were being furnished by a German government grant, an *Oberlaender* fellowship, awarded while Thomas was a professor at the University of Utah. Thus, when Thomas met with Hitler's aid, Rudolf Hess, during his 1934 trip, he represented the Mormon Church as not only a senator but also as a well-respected academic (Tobler 1992, 78).
 10. Thousands of pamphlets, printed by the Nazi ministry of propaganda, were subsequently used in both the East and West German missions.
 11. Schacht was in position to hear Clark's grievance that concerned restoration of the privilege of buying registered *Reichmarks* by parents of American missionaries. Nazi Germany exercised strict currency controls, but one who could buy registered marks received a favorable exchange rate. Early in his career in the First Presidency, Clark attempted to restore this privilege by exercising contact with his old state department friends.
 12. A stake is a Mormon ecclesiastical unit roughly comparable to a Catholic diocese. For a critique of Reagan's appraisal of the Mormon welfare system, see John Heinerman and Anson Shupe, *The Mormon Corporate Empire*. Boston: Beacon, 1985, 180.
 13. Reed Smoot came to turn-of-the-century Washington as a veteran Mormon apostle and a rookie U.S. Senator. Even though Smoot was a monogamist, the Senate delayed seating him for three years in a controversy over the continuation of Mormon polygamy. Theodore Roosevelt eventually brokered a compromise that allowed Smoot to assume his senate seat in return for a second declaration reaffirming the Mormon's original 1890 Manifesto that abolished polygamy.

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