

American Diplomacy in the 1920s

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In recent years a debate concerning the nature of American foreign policy in the 1920s has stirred considerable controversy among historians. Reduced to its simplest terms, the debate has centered on the question of whether or not America followed a policy of isolationism. Historians such as Selig Adler and Foster Rhea Dulles, who admire President Woodrow Wilson and his vision of a League of Nations that would ensure international peace and security through the collective action of its members, have argued that U.S. foreign policy was largely one of aloofness and withdrawal from world affairs during the 1920s. They maintain that the Senate's rejection of the Treaty of Versailles and membership in the League, as well as the subsequent refusal of Republican administrations to make political commitments to preserve the peace, led to a policy and sentiment that can be properly characterized as isolationism. These historians view American diplomacy in the 1920s as weak, halting, and timid and claim that it contributed significantly to the breakdown of the international order in the 1930s which, in turn, resulted in World War II.

Revisionists such as Carl Parrini and Melvyn P. Leffler, who have followed the lead of radical historian William A. Williams, maintain that America was extremely active in international affairs in the 1920s and that its diplomacy was not isolationist. Its leaders, they claim, vigorously pursued international objectives of peace, stability, and prosperity but through economic diplomacy rather than through binding treaties and political commitments.

The debate over whether or not American diplomacy in the 1920s was isolationist is of limited usefulness because it is more semantic than real. The defeat of the treaty in the United States and the persistent instability in Europe after the war did cause the sense of despair and hopelessness that gripped the American public and prompted many citizens to reject Wilsonianism and its advocacy of political commitments. To this extent, a mood of isolationism

xisted in the United States which affected diplomacy and disappointed Wilsonian internationalists, who wanted their country to lay a direct political role in world affairs. It is also clear, however, that except from 1917 to 1920, America was never more active in international affairs until the eve of World War II than it was during the 1920s. This apparent paradox helps to explain why the controversy focusing on isolationism has raged for so long without producing a consensus on the nature of American foreign policy in the 1920s.

Recent scholarship on the diplomacy of the postwar decade has provided several clues which help to clarify the nature of U.S. foreign policy. These studies indicate that the 1920s were a transitional decade in the shaping of twentieth-century American diplomacy. Republican policymakers rejected the traditional aloofness from international affairs associated with the nineteenth and early twentieth centuries but were not prepared to embrace the kind of international commitment that has characterized the post-World War II era. Policy in the 1920s simply took on a new form, making it difficult for observers then, as well as now, to characterize: America was restrained yet active in foreign affairs during the 1920s. Three basic elements combined to shape Republican foreign policy. First, the treaty debacle in the United States and the public disillusionment with Wilsonianism created what Adler has called an "isolationist impulse." Policy-makers were aware that close association with the League, or any indication of political commitment in international affairs, would bring a sharp reaction from Congress and the public. Thus, they avoided political commitments and what became known as collective security.

Second, officials in Washington had great faith in the theory that economic, rather than political, forces would be the key to maintaining peace and stability in the postwar world. This view was based on the optimistic premise that advances in technology, communication, and transportation were making the world more interdependent and would lead to greater mutual trust among peoples. By solving economic problems and creating greater prosperity, these leaders hoped to build an international community in which the benefits of peace would be so evident that war would be unthinkable. The American strategy of economic diplomacy relied on two concepts that were in evidence throughout the decade: 1) that independent business experts should help shape diplomacy because of their skill in this area and their objectivity in the face of political

pressures; and 2) that economic and political agreements should be voluntary, based on mutual benefit and the enforcement power of public opinion.

Third, policymakers believed that the United States enjoyed basic economic and military security and should not pursue any policy that might endanger either. This conception of its place in the world was a restraining force in foreign policy because it limited the sacrifices America would make or the risks it would take to ensure world stability. To many leaders of the era, the nation was an unassailable economic and military fortress. The United States would be active in international affairs in the 1920s so long as no



"WHY THIS CHICKEN CROSSED THE ROAD." (Rochester Herald, 1921, Library of Congress)

political commitment was required or economic concession sought at might weaken its presumed security. The historian Joan Hoff-ilson has aptly named this policy "independent internationalism," while others have called it "continentalism."

The debate over the Treaty of Versailles, with its controversial League of Nations section, dominated American foreign policy in the early 1920s. In retrospect, Wilson's statement that the 1920 election should be "a great and solemn referendum" on the League issue proved to be a costly error. The election results turned out to be not just a landslide for the Republicans but what Democratic National chairman Joseph P. Tumulty termed an earthquake. Although Vice President-elect Calvin Coolidge doubted if Warren G. Harding's overwhelming victory meant that the American people opposed membership in the League of Nations, most politicians and media representatives believed otherwise. In early 1921, President Harding, who had equivocated on the issue during the recent campaign, declared that the question of membership in the League was as dead as slavery. Republican leaders realized that they would have to distance themselves from the tarnished mantle of Wilsonian internationalism or face the wrath of many in Congress who boasted with Senator Henry Cabot Lodge that they had "torn up Wilsonianism by its roots."

Republican presidential leadership during the 1920s reflected both the party and the public's desire to repudiate the missionary ideal and strong personal authority in foreign affairs associated with Wilson. Harding, who possessed at best a second-rate mind, made clear that his secretary of state would run the State Department and make vital decisions. The Ohio president was content to allow Charles Evans Hughes (1921-1925), Secretary of Commerce, Herbert Hoover (1921-1928), and Secretary of the Treasury Andrew Mellon (1921-1932) make most foreign policy decisions. Coolidge, who served as president for most of the decade, followed similar policy, although his secretary of state, Frank B. Kellogg (1925-1929), was not as capable as Hughes. Both Harding and Coolidge were better informed and more astute in foreign affairs than historians have generally conceded, but they deliberately chose to play a subordinate role in that area. President Hoover, who is considered one of the most knowledgeable of all public officials in diplomatic matters during the 1920s, did not initiate any bold policies in foreign relations. For all his experience and expertise in diplomacy, Hoover, perhaps more than either Harding or Coolidge,

feared and disliked encountering congressional opposition and usually avoided diplomatic measures likely to stir up Congress against his administration. For the most part, presidential leadership in foreign affairs was weak in the 1920s, and most of the initiative in that field devolved on the secretary of state, his department, and other interested cabinet members who often confronted a suspicious Congress.

Secretary of State Hughes was largely responsible for shaping the nation's diplomacy in the early part of the decade. A confirmed internationalist, he sought to reestablish American influence in the critical task of reconstructing Europe. Sensitive to charges that he was a "bewhiskered Wilson," Hughes appointed U.S. diplomats to sit on important League-affiliated bodies, such as the Reparations Commission and the Supreme Council, as "unofficial observers." These observers participated in discussions and outlined American policy but did not vote. Nevertheless, the influence of unofficial diplomats such as Roland Boyden was considerable because of America's dominant financial position in the world and the desire of European leaders to mobilize U.S. capital to help solve the pressing problems of reconstruction. After snubbing the League of Nations in the early days of the administration by failing to answer official communications from Geneva, Hughes and Harding began to cooperate with the League on a variety of humanitarian matters. By mid-decade American delegates served on committees and conferences relating to such problems as the opium trade, white slavery traffic, and improving world health. Later in the decade the United States participated in League deliberations that were more clearly economic and political, including conferences on world disarmament.

The main thrust of America's European diplomacy, however, was directed toward the problem of postwar reconstruction. Europe had been devastated by the Great War. Its economy was shattered, political tensions were high, rearmament was under way, and the future political and economic stability of the Continent was in doubt. Hughes and other Republican leaders recognized that European instability directly affected U.S. interests. They addressed the question of European reconstruction by drawing on the experience gained in the Progressive Era, the war, and the recent peace settlement.

American foreign policy leaders in the 1920s placed great emphasis on economic diplomacy. Stunned by the tragedy of the

recent war, they questioned whether dependence on political commitments, military alliances, or large expenditures on armaments would prevent a future world conflict. Many argued that these very policies had led to the outbreak of the Great War. Instead, policymakers held that economic prosperity and stability might lead to future peace. Hughes emphasized this point when he stated that "there will be no permanent peace unless economic satisfactions are enjoyed." Business as well as political leaders stressed that the scientific advancements in communication, transportation, and technology made in the early part of the century and accelerated by the war would lead to a prosperous world society linked together in peaceful effort. Economic, rather than political, forces would shape the future, and governments should pursue policies that conformed to the movement of economic forces rather than impeded them. As the leading industrial and creditor nation, the United States would play a vital role in shaping post-war events if a coherent policy of economic diplomacy could be implemented.

The country's leaders also insisted that policy objectives should be pursued through voluntary agreements and with the aid and counsel of independent business experts. Both measures were brought about in part by the defeat of the Versailles treaty and the reaction against Wilsonianism. They were expedients designed to camouflage American diplomacy from the eyes of the Senate and deflect criticism that the nation was entangled in the affairs of Europe. The use of voluntary agreements also reflected the view that political commitments and military alliances did not prevent wars, or at least had not in 1914. Hughes once remarked that "the alternative of friendly settlements is resort to coercion, and if you wish peace you must pursue the methods of friendly intercourse between governments . . . there is no other way." The use of independent business experts to implement diplomacy was based in part on the experience of the Progressive Era and the war, which showed that scientific management of governmental problems was more efficient, more equitable, and served the public interest. As Michael Hogan has pointed out, this form of public/private power sharing in diplomacy "conformed with the American political economy, avoided wasteful and undemocratic state capitalism, and guaranteed a more efficient and peaceful management of world affairs." In confronting the problem of European reconstruction along with many other diplomatic issues of the 1920s, American leaders relied

heavily on economic diplomacy, voluntarism, and the use of business experts to achieve their goals.

This diplomatic strategy was first put to the test in confronting the problems associated with European reconstruction. Much of the Continent was devastated by both the military and economic effects of the war. Parts of France and Belgium, as well as areas in eastern Europe, were destroyed by the advancing and retreating armies. The economies of most major nations were plagued by heavy indebtedness and persistent inflation. Germany, which had the strongest prewar economy, was saddled with a reparations debt under the Versailles treaty which was set in 1921 at \$33 billion, an enormous sum at that time. Although some recent historians such as Marc Trachtenberg maintain that Germany could have repaid the debt, American leaders were heavily influenced by the British economist John Maynard Keynes, who held that Germany was the key to European reconstruction and that it could not recover unless the reparations debt was reduced substantially. The United States had a vital stake in German and European recovery because without it America's trade, foreign investment, and eventually its entire economy were bound to suffer. Beyond this, the continuing economic paralysis on the Continent might trigger social upheaval and the spread of bolshevism into central and western Europe. The unresolved reparations dispute also heightened tensions between Germany and France and indirectly threatened political stability in all parts of Europe.

The United States had an indirect stake in the reparations controversy in that major Allied nations owed it more than \$10 billion in war debts. Beginning in 1919, Allied leaders urged the United States to cancel these debts in exchange for a commensurate reduction in German reparations. Although some reductions were made in the war debt payment agreements of the 1920s, American leaders refused to cancel them. Leffler has argued persuasively that domestic political considerations were the main cause of the U.S. stance on war debts. Cancellation would have meant higher taxes for Americans because the original war loans were raised by selling wartime bonds. The Republican administrations of the 1920s placed a high priority on aiding in the economic rehabilitation and political pacification of Europe but not to the extent that it might cause undue sacrifice or political turmoil in the United States. The refusal to cancel the war debts is an example of the domestic

restraint under which American diplomats had to pursue foreign policy objectives.

Their approach to the problem of European reconstruction was to use patience and economic diplomacy. As the United States was the world's leading creditor nation, its capital would be needed to bring about European recovery. Working in cooperation with U.S. international banking firms, the State Department made it clear that capital would not be available for European reconstruction until the German reparations debt had been scaled down to a reasonable figure. Although recent studies indicate that France's reparations policy was more flexible than previously thought, its leaders considered a substantial reparations debt as a kind of ransom to ensure their nation's security and a safeguard to protect the Treaty of Versailles. The growing revisionist view of the treaty touched off by Keynes's *The Economic Consequences of the Peace* (1919), Berlin's refusal or inability to meet reparations quotas, and the general British and American sympathy for the German position combined, however, to undermine French policy. In desperation, France jeopardized its entente with Britain by occupying the German Ruhr valley in January 1923 in order to collect reparations. During the months and days prior to the French military move, Hughes offered to establish an independent conference of business experts to set reparations within what he described as Germany's "capacity to pay." The French military gamble temporarily sidelined the so-called Hughes Plan. Hughes responded philosophically by declaring "that each side would probably have to 'enjoy its own bit of chaos' until a disposition to a fair settlement had been created."

The Ruhr occupation resulted in the near collapse of the German economy and frustration for France's attempt to collect reparations. By November 1923, Premier Raymond Poincaré, with American encouragement, authorized the Reparations Commission to summon financial experts to study the reparations question. The Dawes Committee convened in Paris in January 1924 and included Owen D. Young, chairman of both General Electric and RCA, and Chicago banker Charles G. Dawes, who were selected with the advice and consent of the State Department. Although ostensibly independent experts, Young and Dawes worked in close cooperation with the State and Commerce departments. During early 1924 the Dawes Committee turned out a report which suggested a major revision in the reparations system. The report called for a year-by-year schedule of payments, the reorganization of Germany's

financial structure under an independent expert called the Agent General for Reparations, and a sizable private loan for Germany to help revitalize its economy. The plan was to be a temporary system to determine how much Berlin could actually pay.

During the summer of 1924, American leaders, including Young and Ambassador to Britain Frank B. Kellogg, lobbied to gain French and German acceptance of the Dawes Plan. This was accomplished at the London Conference of July 1924. The powerful New York banking firm of J. P. Morgan and Company agreed to underwrite a substantial portion of the German Dawes loan after it was agreed that France would evacuate the Ruhr and that the power of the Reparations Commission to declare German defaults on reparations would be restricted.

The Dawes Plan, which went into effect in the fall, had an immediate positive impact on European economic and political conditions. American capital began to flow into Germany, and, through the office of the Agent General for Reparations, payments were transferred to the Allies. On the surface the German economy prospered, but its recovery was fueled by a torrent of short-term loans, mainly from America, which overly optimistic investors poured into the country. Contrary to the advice of Dawes Plan architect Young, German leaders failed to use the loans for productive purposes that would ensure a future trade surplus capable of meeting the reparations debt from solely domestic resources. Instead, the foreign loans were largely used for nonproductive purposes and to meet current reparations quotas. This created a dangerous situation because the Dawes Plan now rested squarely on the willingness of foreign investors to provide Germany with a continuous supply of short-term capital.

Despite the dangerous economic conditions developing in Germany, European leaders greeted the Dawes Plan and the anticipated economic recovery in a spirit of trust and conciliation. In 1925, Allied and German leaders met in Locarno to discuss a series of agreements designed to guarantee the existing borders in parts of Europe. During the course of the discussions, President Coolidge made it plain that the continued flow of American capital to Europe was dependent on some kind of security agreement on the Continent. On December 1, 1925, the Locarno treaties were signed by German and Allied leaders. The most important of these treaties was an agreement confirming the inviolability of the Franco-German and Belgo-German frontiers and the demilitarized zone of

the Rhineland. A feeling of euphoria swept Europe which contemporary observers hailed as the "spirit of Locarno." To many it appeared that the hatred and bitterness associated with the war were over, and a new era of peace and conciliation was at hand. For American policymakers the Dawes Plan and resulting Locarno pacts appeared to be a singular triumph of their economic diplomacy.

The new era proved to be more an illusion than a reality. The spirit of Locarno only disguised the fact that Germany was thoroughly determined to revise the Versailles settlement by conciliation if possible, or by force if necessary. So long as Europe was relatively prosperous and the former enemies remained strong, Foreign Minister Gustav Stresemann was content to unchain his country through diplomacy. German and European prosperity, however, largely depended on the Dawes Plan and the American short-term loans that supported it. By the end of the decade, Germany was finding it difficult to meet the increasing yearly reparations quotas stipulated in the plan. European leaders agreed in 1928 that it was time to establish a final reparations plan that would set Germany's total debt as well as a new yearly payment schedule. Such a plan would allow it to assess its total obligation to the Allies and presumably work harder to put its economic affairs in order.

In February 1929 the Young Committee of financial experts, which included Young and Thomas W. Lamont of J. P. Morgan and Company, met in Paris and hammered out a new reparations plan. The resulting Young Plan set German reparations at about \$8 billion and reduced yearly payments below Dawes Plan levels. Subsequent agreements which helped implement the plan in 1930 called for the early military evacuation of the Rhineland and the establishment of the Bank of International Settlements, which would facilitate reparations transfers. German payments were to run for fifty-nine years, the same time span as the Allied war debt obligations to America, and during the last twenty-two years the two debts exactly corresponded. This linkage between war debts and reparations angered President Hoover, who became wary of the new reparations agreement and ultimately refused to ratify the Young Plan. Young, who had earlier urged Hoover to cancel the war debts and reduce American tariff barriers, was frustrated by the president's lack of support. He hoped that the new reparations plan, in combination with the Bank of International Settlements, might make it possible to commercialize all the wartime debts and thus put the whole issue out of the realm of future political conflict. Young

maintained that Hoover was afraid to take the initiative on the war debt and tariff issues because he might incur the wrath of domestic interests that were well represented in Congress. The cancellation of war debts and tariff reductions, in Young's view, would stimulate world trade and facilitate the removal of the war debt and reparations questions from the political arena. Hoover held firm in his position and even signed a higher tariff law, the Hawley-Smoot Act, in 1930.

The conflict in views between Hoover and Young indicated one of the liabilities of using private business experts to carry out public policy. It also showed that Hoover, like Coolidge and Harding before him, pursued a policy of continentalism, which put domestic priorities far ahead of economic sacrifices that might have ameliorated international tensions during the 1920s. The Great Depression, which was triggered by the Wall Street crash of 1929, curtailed short-term lending to Germany and undermined the Young Plan. By 1932, Berlin defaulted on reparations, with Allied acquiescence, and this led to a series of German initiatives that struck at the heart of the Versailles system and destabilized international politics in the 1930s.

In addition to their reliance on economic diplomacy, American leaders believed that international disarmament would help guarantee worldwide security and stability. Their emphasis on disarmament in the 1920s was a reaction to the massive slaughter of the Great War and conformed to the prevailing view that economic progress, rather than military might, was the best safeguard against future wars. In fact, the two threads of American policy were linked. The cost of armaments in many countries caused both domestic and international economic problems and often led to political instability. Disarmament would help to eliminate wasteful expenditures and in the process promote commercial expansion and peace. Beyond this, most Americans believed that the prewar arms race had been a major cause of World War I.

The advocates of disarmament were active both in government and in the society as a whole. Reacting to the devastation of the war and its aftermath, disarmament advocates "fired the formation of the most dynamic peace movement in American history," Charles DeBenedetti has written. The peace seekers founded a variety of organizations supported by internationalists, pacifists, and liberal reformers. Such groups as the League of Nations Non-Partisan Association, the War Resisters' League, and the National Council for

the Prevention of War thrived during the 1920s. One of the most striking successes in terms of publicity was the American Peace Award offered by millionaire publisher Edward W. Bok in 1923. The \$100,000 award was to go to the author of the best brief plan to involve the United States in maintaining world peace. Veteran peace activist Charles H. Levermore won the award in 1924, but his plan was never adopted. Despite the lack of unity in the peace movement, it did have an impact on government policy.

In the spring of 1921 a coalition of peace groups, including feminists, Protestants, and internationalists, gathered to force President Harding to take the initiative in world disarmament. As a result of their efforts and with the support of Senator William E. Borah, Harding convened the Washington Conference of 1921–22. Although the agenda was limited, it offered an opportunity to stop the naval arms race and stabilize political affairs in the Far East. Delegates from the Big Three naval powers—America, Britain, and Japan, along with French and Italian representatives—assembled in Washington in late 1921 to open the first postwar disarmament conference.

Secretary of State Hughes stunned the delegates at the opening session by calling for an immediate end to the naval race. He proposed that Britain, America, and Japan reduce the number of their capital ships to conform to a relative power ratio of 5:5:3, respectively, and that no new battleships be constructed for ten years. France and Italy were assigned a ratio of 1.75 in the Hughes formula. In all, the secretary called for the major powers to scrap more than sixty ships. One British admiral was purported to have remarked that Hughes was preparing to scrap more English ships than the navies of the world had sunk in “a cycle of centuries.” The Five-Power Treaty, signed the following year, incorporated the Hughes proposal and stipulated that neither the United States nor Britain could build new bases or strengthen existing ones in the Far East. The latter concession guaranteed naval superiority in Asian waters to Japan. The delegates, largely because of French opposition, were unable to negotiate a disarmament agreement to cover submarines and cruisers.

Although the disarmament negotiations received most of the headlines, the conference was equally concerned with establishing a new order in Asia. As a result, two multinational pacts were signed to replace the imperialistic system symbolized by the Anglo-Japanese alliance of 1902. A Four-Power Treaty, signed by Britain,

France, America, and Japan, abrogated the former alliance and called for its signatories to maintain the status quo in Asia. Under the Nine-Power Treaty, signed by all nations having an interest in Asia with the exception of the Soviet Union, it was agreed to respect the integrity of China in conformity with the Open Door policy. The treaties contained no provisions for enforcement and thus rested on the goodwill of the signatories and the presumed weight of world opinion.

In light of the events of the 1930s and 1940s, many historians have criticized the noncoercive, voluntary nature of the Washington treaties. Since voluntarism was a vital aspect of Republican policy, which also included an emphasis on economic diplomacy and disarmament, it would be fairer to evaluate the Washington Conference in view of the totality of American foreign policy of the 1920s. It can be argued that the treaties failed to provide lasting security not because of their voluntary nature per se but because American economic diplomacy did not generate an expanding commercial system in which economic satisfactions were enjoyed by all nations. Japan, it should be remembered, started on its aggressive course mainly in response to the deteriorating state of the world's economy in the early 1930s.

Further attempts at naval disarmament were not as successful as the Five-Power Treaty. The Geneva Conference of 1927 failed to reach an agreement on cruisers because of an Anglo-American dispute over the desirability of limiting light, as opposed to heavy, vessels. At the 1930 London Naval Conference the United States, Japan, and Britain reached an agreement concerning their relative strengths in terms of light and heavy cruisers and submarines, but it was seriously undermined by an escape clause that allowed any of the three powers to suspend the agreement if they felt threatened by a nonsignatory nation.

The most highly publicized peace initiative in the 1920s was the Kellogg-Briand Pact. This treaty, which called for states to renounce war as an instrument of national policy and to settle all disputes by peaceful means, was eventually ratified by sixty-three powers. The origins of the pact can be traced to the early 1920s when Chicago lawyer Salmon Levinson organized the American Committee for the Outlawry of War and insisted that war was like collective murder and should be considered a crime before the law. In 1927, Columbia University professor James T. Shotwell took up the theme and urged Paris to sign with Washington a bilateral treaty

outlawing war. French foreign minister Aristide Briand, desiring an understanding with the United States that might bolster French security, cautiously endorsed Shotwell's plan. Pressured by various peace groups and the Franco-American amity resulting from Charles A. Lindbergh's solo flight to Paris in May 1927, the Coolidge administration began to consider the plan seriously. Secretary of State Kellogg took the lead in early 1928 by offering to France and other countries a treaty to outlaw offensive war as an instrument of national policy. The multilateral agreement was much less significant to the French, who had hoped for a private security understanding with America, but France, the United States, and thirteen other nations signed the officially named Paris Peace Pact in August 1928. The U.S. Senate ratified the treaty in January 1929 by a vote of 85 to 1.

By any standards the Kellogg-Briand Pact was a weak instrument for preventing future wars. Senator Carter Glass remarked that it was not "worth a postage stamp" in terms of maintaining permanent peace. The pact divided the numerous peace groups. Some peace activists such as Shotwell maintained that it was the first step in revising America's neutrality status in time of war and opening the way for cooperation with the League of Nations in imposing sanctions on aggressor nations. Other peace reformers noted that the pact was ratified at the same time that Congress was increasing naval strength and U.S. Marines were invading Nicaragua. They saw the pact as a smoke screen camouflaging the more pressing problems that stood in the way of maintaining a lasting peace. At best the Kellogg-Briand Pact was a voluntary agreement which the United States might interpret as a justification for taking indirect action against aggressors in time of war. Above all, the pact was a clear manifestation of America's independent internationalism in the 1920s.

The Latin American diplomacy of the United States stood in contrast to its relations with the rest of the world. American leaders still paid homage to the Monroe Doctrine and the Roosevelt Corollary to that document and considered Latin America a U.S. sphere of influence. As a result of the war, American trade and investments expanded rapidly and supplanted those of European powers that previously had had an important economic stake in the region's republics. With the support of Secretary of Commerce Hoover's Bureau of Foreign and Domestic Commerce, American businessmen gained dominance over markets and economies in Latin

America during the 1920s. In contrast to the Open Door style of economic diplomacy practiced in other parts of the world, however, the U.S. government encouraged closed door techniques in Latin America. The same cartels and special trading agreements that Washington objected to in Europe, the Middle East, or Asia formed the basis of inter-American trade. Under the doctrine of continentalism, Latin America was considered a special province of the United States, and different economic and political rules applied in that region.

During the early part of the century the United States had maintained stability and thwarted outside intervention in Latin America through the use of military force. By 1920 the Central American trouble spots—Santo Domingo, Cuba, Panama, Haiti, and Nicaragua—had been stabilized through U.S. military efforts. This policy of direct intervention and a commitment to preserve political stability contrasted sharply with America's economic diplomacy in other parts of the world.

By the early 1920s the threat of foreign intervention in Latin America receded, and this encouraged U.S. policymakers to pursue a less interventionist strategy in that region. The rise of intense nationalism and the undermining of old-style imperialism, which came about as a result of World War I, also caused Washington to reevaluate its interventionist policies. Secretary of State Hughes took the initiative by making several goodwill tours in South America and by terminating the U.S. military occupation in Santo Domingo. America's attempt to live down its image as the Colossus of the North, however, was at best halting during the postwar decade. In 1926, President Coolidge ordered marines into Nicaragua to quell internal disturbances, even though American forces had been withdrawn as recently as the previous year. Under pressure from peace groups and congressional critics, he moderated his policy toward Nicaragua and appointed a special troubleshooter, Henry Stimson, to work out a nonmilitary solution to the crisis.

Although U.S. forces remained in Nicaragua until 1933, Coolidge's action indicated a new direction in the nation's approach to Latin American problems. In a similar vein, he responded with caution and restraint to a crisis in Mexico triggered by the recent revolution in that country and to a dispute over subsoil mineral rights. Pressed again by peace activists and congressmen weary of the old-style interventionist tactics, the president appointed former Amherst College classmate Dwight Morrow as ambassador to

Mexico. Morrow charmed his Mexican hosts and negotiated a satisfactory settlement on the issue of subsoil mineral rights, thereby averting a serious crisis. Taken as a whole, the nation's Latin American policy conformed with the overall thrust of U.S. diplomacy in the 1920s, despite the important exceptions cited above. Washington's policymakers, for the most part, eschewed the use of military force and attempted to stabilize the region through the use of eco-

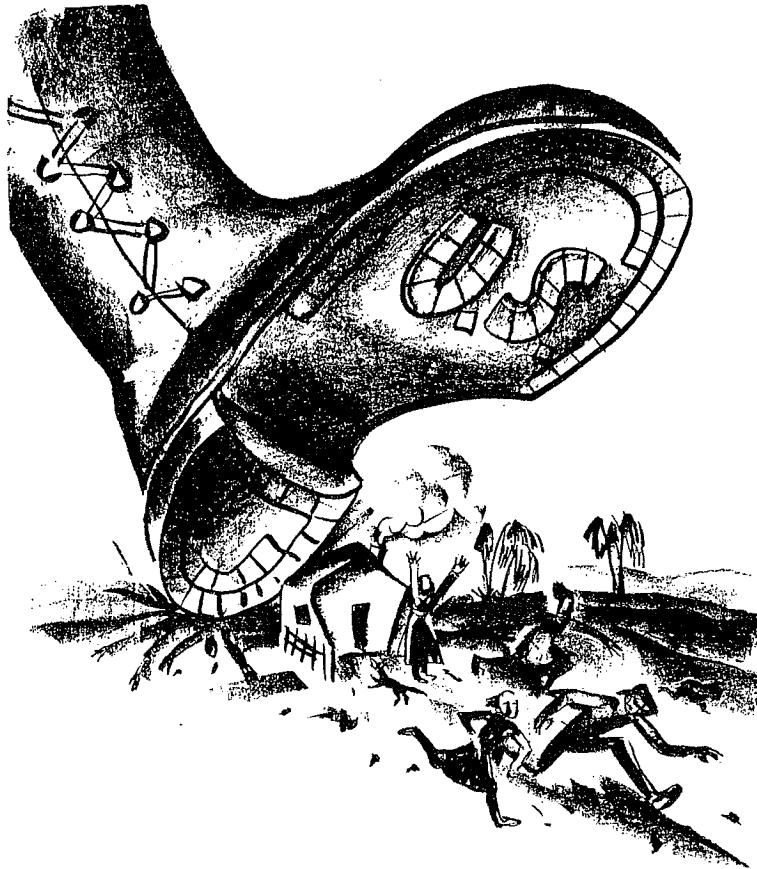


Illustration by Hygo Gellert

"Goodwill." A critical view of U.S. policy in Nicaragua in the 1920s. (*New Masses*, Library of Congress)

nommic diplomacy. Many historians have correctly noted that the roots of Franklin Roosevelt's Good Neighbor policy can be seen in the 1920s.

Foreign policy in the 1920s, with its emphasis on economic diplomacy, public/private power sharing, voluntarism, continental self-sufficiency, and disarmament and its rejection of direct military commitments, might seem strange and quaint to the contemporary observer. Yet, in the past two decades, American leaders have reconsidered and tested many of these same options in addressing international problems of the present. As a result of a long and costly Cold War struggle, in which military commitment and resort to the use of arms became a watchword of U.S. policy, many Americans now recognize the limits of the nation's vast military power. A seemingly futile nuclear arms race has rekindled interest in disarmament as a viable diplomatic option. The increasing interdependence of the world economy has reemphasized the importance of economic diplomacy and underscored the necessity of public/private power sharing in solving many international economic as well as political problems. The oil crisis of the 1970s has renewed some interest in continental self-sufficiency. Even the concept of voluntarism, which was anathema to post-World War II leaders, is again spoken of as a viable, although limited, strategy in the recent era of détente.

The current reconsideration of diplomatic strategies associated with the 1920s does not mean that U.S. foreign policy in that decade can be termed a success. American leaders in the post-World War I decade overvalued the usefulness of voluntary agreements and underestimated the value of military commitments. Attempts to bring about meaningful disarmament in the 1920s were in many cases naive and illusory. The reliance on public/private power sharing worked well in some instances, most notably the Dawes Plan, but was poorly coordinated in other cases, such as in the Young Plan negotiations. America's strategy of continental self-sufficiency, in both a military and an economic sense, was narrowly conceived in the 1920s in light of the technological breakthroughs with possible military applications and the emerging interdependent world economy. The nation's high tariffs and its refusal to cancel the war debts ran counter to the larger policies of economic diplomacy designed to ensure world peace and stability through an ever-expanding commercial network. In retrospect, the 1920s were a transitional decade in American foreign policy in which new strategies

in diplomacy were attempted. Some were innovative and relatively successful, and others proved to be shortsighted and ineffective.

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