

The International History of the Twenties



The embittering experience of the First World War and the Versailles peacemaking bred a distaste for Europe's old problems, and world politics in general, in the United States. The U.S. rejection of membership in the League of Nations, the imposition of harsh immigration restrictions, and the erection of high protective tariffs during the interwar era bespoke of the nation's disillusionment and the embrace by some Americans of a postwar mood of isolationism. Yet, in recent scholarship, historians have rejected the once popular notion that the United States pursued a postwar isolationist foreign policy. Scholars instead have analyzed the U.S.-led globalizing trends of the interwar era. Indeed, by the 1920s the world had become more interconnected and interdependent than ever before, and growing numbers of Americans enjoyed the benefits of international engagement. American participation in the world marketplace accelerated, mass communications and entertainment internationalized culture, and national leaders, often at the behest of private citizens, worked to prevent another Armageddon.

Throughout the 1920s, the Republican administrations of Warren G. Harding, Calvin Coolidge, and Herbert Hoover attempted to use nonmilitary methods, including trade and disarmament agreements, to construct a prosperous and peaceful world order. The Washington Conference of 1920–1921 mandated steep cuts in naval armaments, especially in capital, or large, ships. The Dawes Plan, brokered by the Coolidge administration in 1924, arranged for the banking giant J.P. Morgan and Associates to loan \$200 million to the German government to facilitate the repayment of loans and war reparations. U.S. occupation forces continued to police the Caribbean, but as resistance to U.S. hegemony gained strength, Washington officials struck alliances with Latin American elites and military leaders and planned to reduce their reliance on American military power to advance the nation's economic and security interests. In 1928, the United States even sponsored, along with the French government, the Kellogg-Briand Pact that declared war to be an illegal instrument of international diplomacy.

America's private sector, especially business interests, often played a lead. In the 1920s, American exports flooded the U.S. international market, introducing well-established brand names such as GE, RCA, and General Motors to consumers in Britain and the continent. To circumvent European tariffs, U.S. companies exported investment capital and built manufacturing plants abroad. In the tropics of Central America and the Caribbean, American firms bulldozed forests and planted thousands of acres of bananas, coffee, and other foodstuffs, most of which found their way back to North America for consumption. American mining companies extracted valuable minerals from Central and South American mines and shipped them north for sale to U.S. manufacturers. As New York replaced war-strained London as the world's financial capital, U.S. financial firms spanned the globe. Hollywood played an important role in exporting popular culture by transmitting sparkling images of modern American life to Canada, Europe, Latin America, and Asia. Internationalism also found expression at the grassroots level. Educators internationalized curriculums, universities established exchange programs, and tourists traversed the globe. Women's organizations, with multinational memberships, worked to place disarmament, human rights, world hunger, and sexual equality on the international relations agenda.

Americanization, as some have labeled the economic and cultural offensive, influenced the world's societies and peoples unevenly. U.S. consumer culture usually appealed to middle-class and affluent Europeans, although numerous critics observed that the American way threatened both local producers and long-established cultures. In Latin America, elites and governing officials often collaborated with U.S. groups, but North American commercial penetration often undermined subsistence agriculture, disrupted local communities, and bred a dependence on export markets that paralleled that of colonial economies worldwide. Low wages and poor working conditions provoked waves of labor unrest and state repression.

When the Great Depression shook the global economy in the early 1930s, the entire international system fell into disarray. Debts and reparations went unpaid, trade wars broke out, and the collapse of production and banking networks crippled world markets. Militarists in Germany and Japan preached racial chauvinism and vowed destruction of the Versailles settlement and postwar nonaggression and disarmament pacts. As fervent nationalism drove countries away from America's dream of peace and prosperity, a second world war seemed possible.

What went wrong? Had Washington's faith in trade and disarmament been misplaced—even naïve? Did U.S. officials rely too heavily on private interests to advance the national interest—encouraging financial practices that exacerbated international inequalities and tariffs that stifled global economic growth? Had the United States pursued, as many scholars have argued, shortsighted unilateralist policies that enriched the United States at the expense of global stability? Would U.S. membership in the multilateral League of Nations, and a willingness to coordinate policies on trade and debt, have made a difference? Or, did the crisis come as a consequence of capitalist cycles, political ambition, and national rivalries that transcended Washington's control? Put another way, was the gathering storm of such intensity that it would have overwhelmed, regardless? The history of the internationalist twenties raises questions that are central to understanding the coming of the Second World War. They are echoed in the debates taking place over the accelerating pace of globalization in the early twenty-first century.

D O C U M E N T S

In Document 1, dated November 12, 1921, Secretary of State Charles Evans Hughes addresses the Washington Conference on naval disarmament. In making the case that arms reductions would permit public funds to be more wisely applied to economic rehabilitation and growth, Hughes boldly asks the major powers to scrap great numbers of warships. The Five Power Treaty of 1922 did just that. Document 2, a *Chicago Tribune* editorial of November 13, 1921, expresses what many Americans believed after the First World War: that Europe was hopelessly entrapped in rivalries and the United States ought to stay clear until the Continent set its house in order. Not all peace advocates, however, imbibed the *Tribune's* isolationist sentiment. In Document 3, a speech before the American Historical Association on December 29, 1922, Secretary Hughes identifies German reconstruction and the reparations issue as keys to European stability and recommends the mobilization of private experts to devise solutions. Hughes's proposals came to fruition in the Dawes Plan of 1924, which set a schedule for German reparations payments and provided for private American loans to alleviate Germany's economic plight.

Few foreign observers perceived the United States to be wedded to isolationism. Document 4 is a selection from *The Destiny of a Continent* (1925) by the prolific Argentine anti-imperialist writer Manuel Ugarte, who identifies the United States as a "New Rome" that annexes wealth rather than territory, manipulates native politics, and creates a detrimental dependency among Latin Americans. Document 5, Edward G. Lowry's article "Trade Follows Film" (*Saturday Evening Post*, November 7, 1925), reveals the link between economic and cultural expansion in the 1920s as American-made movies penetrated world markets. When civil war threatened the pro-U.S. government in Nicaragua in 1927, Washington dispatched troops to the Central American nation and aroused an impassioned anti-Americanism. While the leaders of Nicaragua's conservative and liberal parties acquiesced in the U.S. presence, a devout nationalist named Augusto César Sandino led a rural insurgency to oust the intruders. Document 6 consists of an interview conducted with Sandino by Carlton Beals, published on March 14, 1928, by *The Nation*, a liberal opinion magazine. Sandino conveyed his implacable opposition to foreign occupation and laid out terms for a negotiated settlement. The insurgency ended and U.S. marines withdrew in January 1933 following the establishment of an independent government, but Sandino was ambushed and executed the following year by the U.S.-trained Nicaraguan National Guard. The leftist Sandinista Party in contemporary Nicaragua takes its name from the 1920s patriot.

Nongovernmental agents of empire, especially commercial retailers, relied on nonmilitary methods to spread American consumer products and U.S. influence in interwar Europe. Document 7 is an advertisement for the New York City firm Erwin, Wasey and Company that appeared in the trade journal *Printer's Ink* on July 25, 1929, highlighting how modern communications systems provided the capability to launch sales campaigns almost instantly on behalf of U.S. clients across the European continent. Private sector exporters also benefited from Washington's consistent support for international economic expansion. Under Secretary Herbert Hoover's leadership (1921–1929), the Commerce Department expanded its international activities—navigating foreign tariff laws and producing extensive market research for U.S. investors and retailers. Document 8 is a map of sales areas in northern and central Europe produced by the department in 1933 that pointed American companies in the direction of the continent's richest markets.

DOCU M E N T 1

Secretary of State Charles Evans Hughes Advocates Naval Disarmament, 1921

We not only have the lessons of the past to guide us, not only do we have the reaction from the disillusioning experiences of war, but we must meet the challenge of imperative economic demands. What was convenient or highly desirable before is now a matter of vital necessity. If there is to be economic rehabilitation, if the longings for reasonable progress are not to be denied, if we are to be spared the uprisings of peoples made desperate in the desire to shake off burdens no longer endurable, competition in armament must stop. The present opportunity not only derives its advantage from a general appreciation of this fact, but the power to deal with the exigency now rests with a small group of nations, represented here, who have every reason to desire peace and to promote amity. . . . Is it not plain that the time has passed for mere resolutions that the responsible Powers should examine the question of limitation of armament? We can no longer content ourselves with investigations, with statistics, with reports, with the circumlocution of inquiry. The essential facts are sufficiently known. The time has come, and this Conference has been called, not for general resolutions or mutual advice, but for action. . . .

It is apparent that this can not be accomplished without serious sacrifices. Enormous sums have been expended upon ships under construction and building programs which are now under way can not be given up without heavy loss. Yet if the present construction of capital ships goes forward other ships will inevitably be built to rival them and this will lead to still others. Thus the race will continue so long as ability to continue lasts. The effort to escape sacrifices is futile. We must face them or yield our purpose. . . .

In making the present proposal the United States is most solicitous to deal with the question upon an entirely reasonable and practicable basis, to the end that the just interests of all shall be adequately guarded and that national security and defense shall be maintained. Four general principles have been applied:

1. That all capital-ship building programs, either actual or projected, should be abandoned;
2. That further reduction should be made through the scrapping of certain of the older ships;
3. That in general regard should be had to the existing naval strength of the Powers concerned;
4. That the capital ship tonnage should be used as the measurement of strength for navies and a proportionate allowance of auxiliary combatant craft prescribed.

The principal features of the proposed agreement are as follows:

Capital Ships

United States. The United States is now completing its program of 1916 calling for 10 new battleships and 6 battle cruisers. One battleship has been completed. The others are in various stages of construction; in some cases from 60 to over 80 per cent of the construction has been done. On these 15 capital ships now being built over \$330,000,000 have been spent. Still, the United States is willing in the interest of an immediate limitation of naval armament to scrap all these ships.

The United States proposes, if this plan is accepted—

1. To scrap all capital ships now under construction. This includes 6 battle cruisers and 7 battleships on the ways and in course of building, and 2 battleships launched.

The total number of new capital ships thus to be scrapped is 15. The total tonnage of the new capital ships when completed would be 618,000 tons.

2. To scrap all of the older battleships up to, but not including, the *Delaware* and *North Dakota*. The number of these old battleships to be scrapped is 15. Their total tonnage is 227,740 tons.

Thus the number of capital ships to be scrapped by the United States, if this plan is accepted, is 30, with an aggregate tonnage (including that of ships in construction, if completed) of 845,740 tons.

Great Britain. The plan contemplates that Great Britain and Japan shall take action which is fairly commensurate with this action on the part of the United States.

It is proposed that Great Britain—

1. Shall stop further construction of the 4 new *Hoods*, the new capital ships not laid down but upon which money has been spent. These 4 ships, if completed, would have tonnage displacement of 172,000 tons.
2. Shall, in addition, scrap her pre-dreadnaughts, second line battleships, and first line battleships up to, but not including, the *King George V* class.

These, with certain pre-dreadnaughts which it is understood have already been scrapped, would amount to 19 capital ships and a tonnage reduction of 411,375 tons.

The total tonnage of ships thus to be scrapped by Great Britain (including the tonnage of the 4 *Hoods*, if completed) would be 583,375 tons.

Japan. It is proposed that Japan

1. Shall abandon her program of ships not yet laid down, viz., the *Kii*, *Owari*, No. 7 and No. 8 battleships, and Nos. 5, 6, 7, and 8, battle cruisers.

It should be observed that this does not involve the stopping of construction, as the construction of none of these ships has been begun.

2. Shall scrap 3 capital ships (the *Mutsu* launched, the *Tosa*, and *Kago* in course of building) and 4 battle cruisers (the *Amagi* and *Akagi* in course of building, and

This document can be found in the U.S. Congress, *Senate Documents*, 67th Congress, 1st Session (Washington, D.C.: Government Printing Office, 1921), Doc. No. 77, pp. 13-17.

the *Atroga* and *Takao* not yet laid down, but for which certain material has been assembled).

The total number of new capital ships to be scrapped under this paragraph is seven. The total tonnage of these new capital ships when completed would be 289,100 tons.

3. Shall scrap all pre-dreadnaughts and battleships of the second line. This would include the scrapping of all ships up to, but not including, the *Settsu*; that is, the scrapping of 10 older ships, with a total tonnage of 159,828 tons.

The total reduction of tonnage on vessels existing, laid down, or for which material has been assembled (taking the tonnage of the new ships when completed), would be 448,928 tons.

Thus, under this plan there would be immediately destroyed, of the navies of the three Powers, 66 capital fighting ships, built and building, with a total tonnage of 1,878,043.

It is proposed that it should be agreed by the United States, Great Britain, and Japan that their navies, with respect to capital ships, within three months after the making of the agreement shall consist of certain ships designated in the proposal and numbering for the United States 18, for Great Britain 22, for Japan 10. . . .

With the acceptance of this plan the burden of meeting the demands of competition in naval armament will be lifted. Enormous sums will be released to aid the progress of civilization. At the same time the proper demands of national defense will be adequately met and the nations will have ample opportunity during the naval holiday of 10 years to consider their future course. Preparation for offensive naval war will stop now.



D O C U M E N T 2

The Isolationist Chicago Tribune Denounces Europe's Folly, 1921

It is natural that pacifists and excited humanitarians should stress the evil consequences of the world war at this time. It is equally natural that foreign statesmen and public agencies should join them in keeping this phase of the European situation [of famine and insurrections] before us. It gives a tremendous momentum to the pacifist propaganda, and it relieves the governments and peoples of Europe of a large part of their responsibility for the present condition of their affairs.

But the American mind should clear itself on this point. No one will deny that the war is responsible directly for a vast wastage of life and property. But what needs recognition and emphasis at this moment . . . is that had common sense and self-control governed the policies of the governments and the sentiments of the peoples of Europe their affairs would not be tottering now on the rim of chaos.

On the contrary, were there wisdom and courage in the statesmanship of Europe, were there the same selfless devotion in chancelleries and parliaments as

was exhibited on the battlefield, Europe would have been today well on the way to recovery.

The expenditures of the war and the intensification of long existing animosities and jealousies undoubtedly have complicated the problems of statecraft and of government. Undoubtedly the temporary depletion of man power and the temporary exhaustion of body and spirit among the war worn peoples were a burden which recovery has had to assume. Undoubtedly the wastage of wealth and diversion of productive agencies were a handicap to expeditious restoration.

But that these are chiefly responsible for the present state of Europe we do not admit and the future judgment of history, we are confident, will deny.

It is chiefly the folly which has been persistently demonstrated by governments and people since the war that is responsible for Europe's condition today. It is because the moment hostilities ceased and the enemy was disarmed, victors and vanquished turned their backs on the healing and constructive principles they had solemnly asserted from time to time when matters were going against them at the battle front, that the European nations almost without exception have been going down hill. There never in history has been a more perfect illustration of the ancient sarcasm: "When the devil is sick, the devil a monk would be; when the devil is well, the devil a monk is he."

If we wish to know why Europe is in the present state, we cannot do better than to draw a parallel between the assertions of purpose and principle of the allies and "associated" powers in 1916, '17, and '18, and what has actually happened since Nov. 11, 1918.

The war was a gigantic folly and waste. No one will deny that. But it was not so foolish nor so wasteful as the peace which has followed it. The European governments, those who come at our invitation and those who remain away, would have us believe they are mere victims of the war. They say nothing of what the war did for them. We might remind them that they profited as well as lost by the war. Many of them were freed from age long tyranny. They got rid of kaisers and saber clattering aristocracies. They were given freedom, and their present state shows how little they have known how to profit by it. They have been given new territories and new resources, and they have shown how little they deserve their good fortune. The last three years in Europe have been given not to sane efforts to heal wounds, remove hostilities, develop cooperation for the common economic restoration which is essential to the life of each. On the contrary, they have been marked by new wars and destruction, by new animosities and rivalries, by a refusal to face facts, make necessary sacrifices and compromises for financial and economic recovery, by greedy grabbing of territory and new adventures in the very imperialism which brought about the war.

It is well for Americans and their representatives to keep this in mind. The appeal to America's disinterestedness is unfairly fortified by the assumption that Europe is the innocent victim of one egotist's or one nation's ruthless ambition. We can take due account of the disastrous effects of the Prussian effort at dominance, but that should not overshadow the stubborn errors which began over again on the very threshold of peace, and which have made the peace more destructive than the war. When the European governments and peoples are ready to make a real peace, which cannot arrive until they give over the policies and attitudes that produced the

world war, America will then not fail to give generous aid. But America would be foolish to contribute to the support of present methods or give any encouragement to the spirit which now prevails in the old world.

D O C U M E N T 3

Debts and German Reparations: Hughes Calls on Private Experts for Help, 1922

The economic conditions in Europe give us the greatest concern. They have long received the earnest consideration of the administration. It is idle to say that we are not interested in these problems, for we are deeply interested from an economic standpoint, as our credits and markets are involved, and from a humanitarian standpoint as the heart of the American people goes out to those who are in distress. We cannot dispose of these problems by calling them European, for they are world problems and we cannot escape the injurious consequences of a failure to settle them.

They are, however, European problems in the sense that they cannot be solved without the consent of European Governments. We cannot consent for them. The key to the settlement is in their hands, not in ours.

The crux of the European situation lies in the settlement of reparations. There will be no adjustments of other needs, however pressing, until a definite and accepted basis for the discharge of reparation claims has been fixed. It is futile to attempt to erect any economic structure in Europe until the foundation is laid.

How can the United States help in this matter? We are not seeking reparations. We are, indeed, asking for the reimbursement of the costs of our army of occupation, and with good reason, for we have maintained our army in Europe at the request of the Allies and of Germany, and under an agreement that its cost with like army costs should be a first charge upon the amounts paid by Germany. Others have been paid and we have not been paid.

But we are not seeking general reparations. We are bearing our own burden and through our loans a large part of Europe's burden in addition. No demands of ours stand in the way of a proper settlement of the reparations question.

Of course we hold the obligations of European Governments and there has been much discussion abroad and here with respect to them. There has been a persistent attempt ever since the Armistice to link up the debts owing to our Government with reparations or with projects of cancellation. This attempt was resisted in a determined manner under the former administration and under the present administration. The matter is plain enough from our standpoint. The capacity of Germany to pay is not at all affected by any indebtedness of any of the Allies to us. That indebtedness does not diminish Germany's capacity, and its removal would not increase her capacity. For example, if France had been able to finance her part in the war without borrowing at all from us, that is, by taxation and internal loans, the problem of what Germany could pay would be exactly the same. Moreover, so far as the debtors to

the United States are concerned, they have unsettled credit balances, and their condition and capacity to pay cannot be properly determined until the amount that can be realized on these credits for reparations has been determined. . . .

We have no desire to see Germany relieved of her responsibility for the war or of her just obligations to make reparation for the injuries due to her aggression. There is not the slightest desire that France shall lose any part of her just claim. On the other hand, we do not wish to see a prostrate Germany. There can be no economic recuperation in Europe unless Germany recuperates. There will be no permanent peace unless economic satisfactions are enjoyed. There must be hope, and industry must have promise of reward if there is to be prosperity. We should view with disfavor measures which instead of producing reparations would threaten disaster.

Some of our own people have suggested that the United States should assume the role of arbiter. There is one sufficient answer to this suggestion, and that is that we have not been asked to assume the role of arbiter. There could be no such arbitration unless it were invited, and it would be an extraordinary and unprecedented thing for us to ask for such an invitation.

I do not think that we should endeavor to take such a burden of responsibility. We have quite enough to bear without drawing to ourselves all the ill-feeling which would result from disappointed hopes and a settlement which would be viewed as forced upon nations by this country which at the same time is demanding the payment of the debts owing to it. . . .

Why should they [statesmen] not invite men of the highest authority in finance in their respective countries—men of such prestige, experience and honor that their agreement upon the amount to be paid, and upon a financial plan for working out the payments, would be accepted throughout the world as the most authoritative expression obtainable? Governments need not bind themselves in advance to accept the recommendations, but they can at least make possible such an inquiry with their approval, and free the men who may represent their country in such a commission from any responsibility to Foreign Offices and from any duty to obey political instructions. In other words, they may invite an answer to this difficult and pressing question from men of such standing and in such circumstances of freedom as will ensure a reply prompted only by knowledge and conscience. I have no doubt that distinguished Americans would be willing to serve in such a commission.

D O C U M E N T 4

The Argentine Writer Manuel Ugarte Identifies the United States as the "New Rome," 1923

The flexibility of North American imperialism in its external activities, and the diverse forms which it adopts according to circumstances, the racial composition and the social conditions of the peoples upon which its action is exercised, is one

of the most significant phenomena of this century from the point of view of political science. Never in all history has such an irresistible or marvellously concerted force been developed as that which the United States are bringing to bear upon the peoples which are geographically or politically within its reach in the south of the Continent or on the shores of the sea. . . . At times imperious, at other times suave, in certain cases apparently disinterested, in others implacable in its greed, pondering like a chess-player who foresees every possible move, with a breadth of vision embracing many centuries, better-informed and more resolute than any, without flits of passion, without forgetfulness, without fine sensibilities, without fear, carrying out a world activity in which everything is foreseen—North American imperialism is the most perfect instrument of domination which has been known throughout the ages.

By adding to what we may call the scientific legacy of past imperialism the initiative born of its own inspiration and surroundings, this great nation has subverted every principle in the sphere of politics just as it had already transformed them in the sphere of material progress. Even the European powers, when confronted with North American diplomacy, are like a rapier pitted against a revolver. In the order of ideas with which we are dealing, Washington has modified the whole perspective. The first conquerors, with their elementary type of mind, annexed the inhabitants in the guise of slaves. Those who came afterwards annexed territories without inhabitants. The United States . . . inaugurated the system of annexing wealth, apart from inhabitants or territories, disdaining outward shows in order to arrive at the essentials of domination without a dead-weight of areas to administer and multitudes to govern. . . .

Thus there has arisen within their spheres of influence an infinite variety of forms and shades. The new imperialism, far from applying a formula or a panacea, has founded a system of special diagnosis for every case, taking into account the area of the region, its geographical situation, the density of its population, its origin, predominating racial composition, level of civilisation, customs, neighbours, whatever may favour or hinder resistance, whatever may induce assimilation or alienation by reason of affinities or differences of race, whatever has to be brought about with a view to future contingencies. The higher motives of force or healthy activity which give direction to expansionist energy, watch particularly over the racial purity of the group and reject every addition which is not identical with it. To annex peoples is to modify the composition of one's own blood, and the invader who does not desire to be diluted, but to perpetuate himself, avoids as far as possible any impairing or enfeebling of the superiority which he claims. . . .

That species of action which makes itself felt in the form of financial pressure, international tutelage, and political censorship admits of every advantage with no risk. In the development of these tactics imperialist policy has given evidence of that incomparable dexterity which is admired even by its victims. In the financial sphere its tendency is to control the markets to the exclusion of all competition, to take upon itself the regulation of any production to which it attaches any value, and to lead the small nations on to contract debts which afterwards provoke conflicts, give rise to claims, and prepare the way for interference favourable to the extension of its virtual sovereignty. In the sphere of external policy it appoints itself the defender of these peoples, obliging the world to accept its intervention in treating with them.

and drawing them as satellites into its orbit. In the internal order it encourages the diffusion of whatever increases its prestige, forwards the ambitions of those men who favour its influence, and opposes the spread of all influences of a different nature, blocking the way peremptorily to those who, from a superior sagacity or patriotism, try to maintain their nationality unimpaired. . . .

Here it foments tyrannies, there it supports attempts at revolution, always constituting itself the conciliator or the arbiter, and indefinitely pressing events in the direction of the two ends which it sets before it: first in the moral order, to increase anarchy, so as to bring discredit upon the country, and second, in the political order, to get rid of national representatives who are refractory to the dominant influence, till they meet with a weak or not very enlightened man who, out of inexperience or impatience, will make himself the accomplice of its domination. . . .

The greatest triumph of this system has consisted in the fact that it has come to be a cause of success within our own life. As the source of expedients in our civil struggles, as the dispenser of favours in official life, it has driven not only those who are impatient, but even the most incorruptible and upright to the utmost limit of what can be granted without abdication. In this manner it has proceeded to create subconsciously, in the countries it has "manipulated," a peculiar state of mind, which admits the collaboration in its civil struggles of forces not arising from their own surroundings, and allows an element of foreign life and interest to enter into every national act or project. . . .

When we consider the work of imperialism in America as a whole, it is impossible to refrain from a certain admiration for the magnitude of its effort and the clearness of its conceptions. Never in all history has such subtlety been seen, combined with such a capacity for sustained action. It is evident, I repeat, that from the Spanish-American point of view we have to do with a policy which we ought all to work together to check. A good number of us have been writing and speaking in this sense without intermission for long years. But if we are to stem the advance, our most urgent task is to arrive at a full knowledge of the truth, and to give up vain speech-making. Every strong people extends its ambitions as far as its arms can reach, and every weak people lasts just so long as its energy for defending itself endures. In sacrificing doctrines in order to favour its present and future greatness, the new Rome believes itself to be accomplishing a duty, since it is thus preparing that world dominion for which it considers itself to be set apart. By developing to its full volume and protecting itself against these risks, Latin America would preserve its personality.



DOCUMENT 5

"Trade Follows the Film," 1925

The sun, it now appears, never sets on the British Empire and the American motion picture. It is a droll companionship, and one which is beginning to evoke comment and provoke inquiry in exalted quarters in foreign parts. The world at large has

This document can be found in Edward G. Lowry, "Trade Follows the Film," *Saturday Evening Post*, 198 (November 7, 1925), 12–13, 151, 158.

become so accustomed to seeing the British Empire take this daily promenade in the sun alone that it now lifts its eyebrows and regards the scene with what the fictionists of another day used to call mixed emotions.

In the British the spectacle calls forth a touch of asperity. The French are puzzled and ask, "Is it an amour?" The Germans have begun to dig in and erect barriers. All of them are in varying degrees alarmed by the portent. They are just a teeny bit afraid of this gay, laughing, amusing hussy who parades the whole wide world with such assurance and to such applause from the diverse races and breeds of men....

Our pictures are doing for us what the Prince of Wales so frankly and so capably is doing for the British. International trade is, of course, based on good will. The Prince for some years now has been going about all over the world promoting good will for his countrymen and subjects. Incidentally he has helped trade. Everybody remembers when he was last in New York he set a vogue for blue shirts with soft collars, for a style of hat that blossomed in the shop windows even before he departed, and for gray flannels. Every day what he wore was chronicled in the newspapers, and the youth who set store by styles were quick to copy him. The same thing, it is fair to suppose, happened in the colonies and in South America. The heir apparent did something to introduce and popularize English clothes, shoes, hats, pipes and what not.

Happily, or unhappily—just as you choose—we have no royal family to do that sort of thing for us. But now the word comes from abroad, from many quarters and in increasing volume, that the movie stars and their associates, and the happy and handsome environment in which they are displayed in the films are creating and stimulating a demand for American wares. We now hear that the old saying that trade follows the flag is archaic and out of joint.

"Trade follows the film" is the cry from overseas. It is the discovery of this new factor in international relationships that has caused the flutter. When the movies were simply an amusement and a relaxation and a form of entertainment for the millions, they could be laughed at by the sophisticates as examples of crude American taste, and no harm was done. But once it became clear that the films directly influenced the currents of trade—that from Spain, the Near East, Chile, the Argentine and Brazil were coming demands for American office furniture, shoes, hardware, clothing and types of California bungalows—"like those we see in the movies," then the pictures became a menace and a peril to the foreign trader. His pocketbook touched, he became aroused and began to appeal to his government.

The Prince of Wales himself, as a promoter of trade and good will for his people, was among the earliest to declare and disclose the potency of our pictures as a competitor in securing foreign trade. As long ago as 1923 the Prince was saying in a speech before the British National Film League that the importance of the film industry deserved attention. There was the imperial aspect, he urged. Trade followed the film, he said, and films were a real aid both to the development of imperial trade and the work of individual firms. The film helped to bring together nations speaking different languages. It had no one language of its own, but could convey its ideas in all languages. And so on to the extent of nearly a column in the

London Morning Post, in which the speech was reported. The same newspaper, commenting on the Prince's outgiving, said: "If the United States abolished its diplomatic and consular services, kept its ships in harbor and its tourists at home, and retired from the world's markets, its citizens, its problems, its towns and countryside, its roads, motor cars, counting houses and saloons would still be familiar in the uttermost corners of the world.... The film is to America what the flag was once to Britain. By its means Uncle Sam may hope some day, if he be not checked in time, to Americanize the world...."

For whatever may be said about our movies, the stubborn fact stands up that millions of all sorts of people all over the world like them and are willing to pay habitually and constantly to see them. Neither in Germany, England, France, Italy nor Scandinavia can they make pictures with such a universal appeal. I will not be put in the light of a defender or champion of the quality of the American movie; I am not a fan. But their world dominance is an incontestable fact. They are popular, they are affecting trade, they are coloring the minds and changing the desires of foreign peoples, they are the most vivid and potent projection—however distorted—of life in the United States that foreigners receive. The stay-at-homes abroad get their conception of us from our pictures. Whether that condition is or is not deplorable, it is a proved fact.

Now what is the secret of this great popularity and success? It is built on a firm economic basis. For that, the motion-picture industry can take no credit. Lady Luck dealt our producers a hand all aces. The great domestic market afforded in the United States makes it possible to have \$1,000,000 superfeatures. Here we have 40 percent of all the motion-picture theaters in the world. The average weekly attendance at these theaters in the United States is something more than 50,000,000. This great throng pays admissions of about \$500,000,000 annually. That is the solid-rock basis on which the American producer has built his world-wide domination.

With this great supporting, pleasure-loving, money-spending public at home he can afford to experiment, to develop, to lavish expenditures on his productions. If he only just breaks even on a \$1,000,000 picture at home, he is still in a comfortable position, for he can count on his export for a profit. It is this domestic market, which no foreign producer has, that gives our industry its solid base. The figures prove it. In 1913, 32,000,000 linear feet of film were exported. In 1928, 200,000,000 feet were sent abroad. On the other hand, only 425 foreign pictures were sent here in 1922, and of these only six were sold and exhibited. The number of imported films has increased in the past three years, but the proportion of imports to exports remains about the same. The foreign and the domestic fan are as one in preferring the American picture to all others.

Now what quality is inherent in the American picture that causes every sort of foreigner—English, German, French, Italian, South American, Central European and Asiatic—to prefer it to his own? What is it in the American picture that has made it a trade and political factor? There is no definite answer, but the industry offers suggestions and possible explanations. One of these, made to me, is this:

There is no laughter in the European films. They lack gaiety, light-heartedness, sprightliness. They do not portray happiness. There is not in them anywhere any sense of irresponsible children at play. These lacking qualities are supplied in almost every

American film. Our pictures show people having fun. They reflect freedom, prosperity, happiness, a higher standard of living in clothing, houses, interiors, motor cars—all the material appurtenances of good living.

The European intelligentsia criticize the happy endings of our stories as bad art. But to peoples recovering from the shock of war, and whose financial, economic and social problems are not yet solved, these happy pictures are beacons of hope. They seem to show the way to peace, prosperity and happiness. They make the spectators forget their cares and worries and anxieties. They bring relaxation and give entertainment. They are an escape from the daily routine of work. They open a fresh new world of play where there are no class restrictions or the inertia that comes of despair. That is why American pictures are popular abroad. I think, too, we know more of what can be done with the camera.

It may be that that is the true reason. We are at that particular period of our history and growth that gives us happiness in youth and strength and wealth. We are an extraordinarily fortunate and blessed people. Not all of us realize it. But the rest of the world does and is constantly reminded of it by our movies. It has awakened desires in them for some of the things we possess. That is what has made the movie a factor in trade and in our international relationships. That is why trade begins to follow the film.

And it all began as a five-cent peep show. An astonishing evolution, isn't it?

D O C U M E N T 6

The Journalist Carlton Beals Reports on Augusto César Sandino's Revolution, 1928

Though the wind howled over Remango [since the beginning of hostilities one of Sandino's key outposts] we spent the night snugly in the long barracks. The soldiers were as free and easy as if the enemy were a thousand miles away instead of on the next ridge. The barracks were made of huge driven poles with a high thatched roof. At one end were kitchen tables made of tree trunks split in half or slabs of stone set on wooden posts. The walls were lined with bunks of rawhide stretching over poles pegged against the wall as a protection from the wind. The *Juanos* or camp women had erected a little shrine presided over by Saint Anthony and decorated, with colored tissue paper, against which burned a carbide lamp. A baby squalled from a sisal hammock. Soldiers, each with his rifle by his side, clustered in groups, some telling stories—the attack on Ocotol, the surprise assault against the Machos in Las Cruces, the burning of the hacienda El Hule, and the violation of women by the hated Gringos—and here was I in their midst, a Macho Yankee Gringo, yet treated with all consideration and the greatest deference....

Sandino had taken most of the horses and mules with him from Remango, but Captain Altamirano managed to scare up three mounts for Sequiera, Colindres, and myself. Mine was a huge white horse with asthma and a mangy nose. He proved to be clumsier than a cow, and paid no attention to spur or quirt. The beast fell twice on the steep, muddy trail from Remango, almost hurling me into the valley. After the second time I gave up the struggle and proceeded on foot through mud ankle deep....

On the first night we stopped, several miles before we reached the Coco River, at the home of a woman whose son, a civilian, had been killed by an airplane bomb. "We made a very tiny coffin," she remarked, without visible emotion, "because both his legs were blown off...."

A few miles from Jinotega, where a hundred marines were stationed, our little group of thirty men swung boldly, in broad daylight, out through the smiling open country of farms and meadows filled with cattle and wild horses; but occasionally the men scanned the sky apprehensively for airplanes. Here the soldiers singled out the farms of *Cachurecos* (Conservatives) and confiscated horses and saddles. This was the only instance of forced requisitioning I observed on the entire trip. At a ranch-house riddled with the bullets of innumerable conflicts where, during his earlier struggles, Sandino had his headquarters, we learn that he has just arrived in San Rafael del Norte. We dispatch a courier.

At eight o'clock a courier from Sandino, Colonel R., galloped to our camp with a message wrapped around his battery flashlight. Two hours of hard riding, he said, would put us in San Rafael....

As we swung around a bend, the red eye of a charcoal furnace appeared on the side of the mountain. Soon we were at the first sentry outpost.

"*Quien viva?*"

"*Viva Nicaragua!*"

"Give the countersign."

"Don't sell out the fatherland."

"Advance one by one to be recognized."

A short, youngish soldier with a dark-green uniform and smoked glasses took me in tow, saying in perfect English, "You are the American," and "A warm welcome, sir."

Soon we were passing down the main street. Block after block the same pe-remptory challenge rang through dark guns which barred our passage till the final summons: "Stick close to the wall; advance one by one."

At the main sentry barracks the entire company was lined up at attention; rifles snapped from the ground to the shoulder as we passed. After sundry haltings we arrived at the main barracks, the sound of bugles splitting the night. Sandino's troops are evidently excellently disciplined. Colonel Estrada of General Sandino's personal staff informed us that Sandino would not see us till morning....

After the customary formalities we were taken off at eleven-thirty to dine.... Finally the officers withdrew, whereupon Colonel R. and his beautiful wife pulled out the family album. Yawning, we duly admired the contents. A more interesting series of photographs showed the bombing of Chinandega by American pilots. Horrible scenes, indeed! An entire street laid in ruins and sprinkled with mangled bodies. A hospital with tumbled walls and broken bodies of patients. A bank building with a smashed safe.

From "With Sandino in Nicaragua, IV, Sandino to Himself" by Carlton Beals. Reprinted with permission from the March 14, 1928 issue of *The Nation*. For subscription information, call 1-800-333-8536. Portions of each week's *Nation* magazine can be accessed at <http://www.thenation.com>.

After too few hours of sleep the blast of the bugler brought me to, fumbling for matches and shoes at the grim hour of four, according to schedule. In less than half an hour, Sandino received me in his office in the rear main barracks by the light of a lantern.

Sandino was born on May 19, 1893, in the village of Niquinohomo. He is short, not more than five feet five. When I saw him he was dressed in a uniform of dark brown with almost black puttees, immaculately polished; a silk red-and-black handkerchief knotted about his throat; and a broad-brimmed Texas Stetson hat, pulled low over his forehead and pinched shovel-shaped. Occasionally, as we conversed, he showed his sombrero to the back of his head and hitched his chair forward. This gesture revealed straight black hair and a full forehead. His face makes a straight line from the temple to the jaw-bone. His jaw-bone makes a sharp angle with the rest of his face, slanting to an even, firm jaw. His regular, curved eyebrows are arched high above liquid black eyes without visible pupils. His eyes are of remarkable mobility and refraction to light—quick, intense eyes. He is utterly without vices, has an unequivocal sense of personal justice and a keen eye for the welfare of the humblest soldier. "Many battles have made our hearts hard, but our souls strong" is one of his pet sayings. I am not sure of the first part of the epigram, for in all the soldiers and all of the officers I talked to he has stimulated a fierce affection and a blind loyalty and has instilled his own burning hatred of the invader.

"Death is but a tiny moment of discomfort not to be taken seriously," he repeats over and over to his soldiers. Or he will say: "Death most quickly singles out him who fears death."

There is a religious note in his thinking. He frequently mentions God—"God the ultimate arbiter of our battles," or "God willing, we go on to victory," or "God and our mountains fight for us." His sayings run from tongue to tongue through his little army.

In our interview with Sandino he first mentioned some battles fought near Chipote. He claimed that all told nearly four hundred marines had lost their lives. This, of course, was an obvious exaggeration. General Feland insisted that only seventeen have died, but I am convinced after talking with many marine officers that the American casualties total between forty and sixty.

After describing the manner in which several American airplanes were brought down, Sandino in rapid fire gave me the basis of his demands in the present struggle: first, evacuation of Nicaraguan territory by the marines; second, the appointment of an impartial civilian President chosen by the notables of the three parties—one who has never been President and never a candidate for the Presidency; third, supervision of the elections by Latin America.

"The day these conditions are carried out," declared Sandino, "I will immediately cease all hostilities and disband my forces. In addition I shall never accept a government position, elective or otherwise. I shall not accept any government salary or pension. No position, no salary—this I swear. I will not accept any personal reward either today or tomorrow, or at any time in the future."

He left his chair and paced to and fro to emphasize this point. He stated vehemently: "Never, never will I accept public office. I am fully capable of gaining a livelihood for myself and my wife in some humble, happy pursuit. By trade I am

a mechanic and if necessary I will return to my trade. Nor will I ever take up arms again in any struggle between the Liberals and Conservatives, nor, indeed, in any other domestic struggle—only in case of a new foreign invasion. We have taken up arms from the love of our country because all other leaders have betrayed it and have sold themselves out to the foreigner or have bent the neck in cowardice. We, in our own house, are fighting for our inalienable rights. What right have foreign troops to call us outlaws and bandits and to say that we are the aggressors? I repeat that we are in our own house. We declare that we will never live in cowardly peace under a government installed by a foreign Power. Is this patriotism or is it not? And when the invader is vanquished, as some day he must be, my men will be content with their plots of ground, their tools, their mules, and their families."

DOCCUMENT 7

U.S. Advertisers Pedal America's Big Brands to Europe, 1929

They spent \$288,072 in EUROPE in one month

and were not even there!

How would you like to buy \$288,072 worth of European advertising in one month as easily as that? The client wants immediate results in two cities and one hotel. Our European office handled the campaign. It takes experience to do such a job as this. Erwin, Wasey & Company has the oldest experience of any American advertising agency on the European continent. It takes size as well through to American consumers.

Company estimates that approximately 100,000,000 people are in Europe, where you can talk with men who look upon European advertising problems with the viewpoint of two continents... That only can be won by a true conception of the European situation in American terms. You will be welcome.

If foreign offices in 11 foreign countries with 12 years' experience.

ERWIN, WASEY and COMPANY, Ltd.

Other offices in:
AMSTERDAM
ANTWERP
BRISBANE
BUDAPEST
COPENHAGEN
HAMBURG
LONDON
LYONS
MILAN
PARIS
PRAGUE
STOCKHOLM
SWITZERLAND
VIENNA
ZURICH



DOCUMENT 8

The U. S. Department of Commerce Maps the European Market, 1933



ESSAYS

In the first essay, Frank Costigliola of the University of Connecticut provides an overview of U.S. foreign relations during the twenties. According to Costigliola, the immediate post-World War I years were a time when American leaders worked for orderly growth of the world capitalist system to manage the economic, political, and cultural upheaval that arose out of the war. Once the world descended into chaos in the 1930s, there was little Americans could do because neither Europeans nor Americans would have tolerated massive U.S. intervention. One of Costigliola's contributions to our understanding of the 1920s is the spotlighting of American cultural expansions through Hollywood films and other cultural exports—a phenomenon that calls into question the "isolationist" label and accents the era's internationalizing trends.

In the second essay, Victoria de Grazia of Columbia University challenges the isolationist theme by analyzing the market revolution that U.S. businesses sparked in postwar Europe. De Grazia argues that the United States replaced Europe's old regime of commerce, culture, and taste with new standards of production and exchange.

and established the world's first regime of mass consumption. Attractively packaged and heavily advertised consumer durables, some exported from the United States and others produced by foreign subsidiaries of U.S. companies, took the old world by storm during the first three decades of the twentieth century, often with the marketing assistance of the U.S. government's Bureau of Foreign and Domestic Research.

In the last essay, Thomas F. O'Brien of the University of Houston explains how U.S.-led capitalism sustained a different impact on Latin America. O'Brien highlights how U.S. corporations—often backed by U.S. military intervention—introduced technological change and raised economic output in the region. But he also emphasizes that U.S. economic power generated dehumanizing work conditions, social inequality, and violence. Workers regularly resisted newly imposed labor discipline by forming unions or by clinging to their status as independent day laborers. U.S. business leaders and philanthropic groups—along with many Latin American elites—often characterized the malcontents as racial inferiors who failed to appreciate modern progress, and Washington regularly dispatched economic advisers and marines to bolster pro-U.S. regimes. Anti-American revolutions nonetheless reverberated across the area, from Mexico to Haiti to Nicaragua, throughout the interwar era.

U.S. Cultural Expansion in an Era of Systemic Upheaval

FRANK COSTIGLIOLA

In the quarter-century following the Great Crash, many historians wrote the 1920s off as a decade of amusing antics, precarious prosperity, and isolationist diplomacy. One example of such an approach is Frederick Lewis Allen's *Only Yesterday*, published in the midst of the Depression, which poked fun at a silly decade of flat-chested flappers, narrow-minded businessmen, and tight-fisted diplomats. All this, Allen suggested, especially when mixed with bathtub gin, had to end in a crash. Though his focus was broad, Allen denigrated the achievements of the 1920s.

However historians evaluate the years 1919–33, they must come to grips with the period's central force: political, economic, and cultural upheaval. That systemic instability has often blinded historians to the real accomplishments of the era. Much of the recent historical literature performs a valuable corrective by considering the decade on its own terms, as a period of relative peace and prosperity. These works remind us that most Americans and Europeans of the 1920s believed they could avoid the catastrophes of war and depression. To disparage the 1920s as a period of "false" prosperity and peace because those happy conditions did not endure is to distort history. Certainly the economic and political collapse in the Great Depression evidenced a terrible failure. Yet it is impossible to show how the disaster could have been avoided. By 1929 it was probably beyond the power of the United States to save the international order short of massive intervention—something neither Americans nor Europeans would have tolerated. Moreover, the dissolution of post-World War II prosperity should make us more humble and sympathetic in our criticism of those who were unable to preserve post-World War I prosperity. . . .

In the political realm, instability emerged from the Versailles, St. Germain, and Trianon treaties which made up the 1919 peace settlement. The key point was that these treaties were an international issue, an object of debate and struggle that ended only with the outbreak of war in 1939. The treaties imposed a settlement that the defeated nations—Germany, Austria, and Hungary—did not accept and that three of the four main victors—the United States, Great Britain, and Italy—soon saw as at least partially unwise and unsatisfactory. In opposition to the defeated nations, which wanted to overthrow the treaties, France and its eastern allies—Poland, Czechoslovakia, and Rumania—sought to preserve the 1919 settlement.

American pressures and sympathies, both official and unofficial, lay toward moderate treaty revision. Most Americans opposed a total overthrow of Versailles. They did not want to see Germany free of all fetters, nor did they appreciate any change, political, economic or social, that was drastic and destabilizing. Yet the peace treaties were too harsh, many Americans believed, and hampered integration of the defeated powers, particularly Germany, into a stable, prosperous, and peaceful Europe. Although the United States refused to form political alliances with Europeans after 1919, it consistently favored slow, moderate peace treaty revision that would ease the burdens on Germany. In the reparations conferences of 1924 and 1929, the unofficial American representatives who dominated the proceedings substantially transformed reparations from a club with which to beat Germany to a contractual debt owed by Germany. In 1924, at American and British insistence, France reluctantly relinquished its right under Versailles to march into Germany in case of reparations default. Americans encouraged Europeans to accept Germany into the Locarno Pacts and the League of Nations. In 1931, President Herbert Hoover and Secretary of State Henry L. Stimson went so far as to urge the French to pressure their Polish ally to revise the Polish corridor in Germany's favor. . . .

This American solution of peaceful change, of moderate Versailles revision, fit with the Progressive reform tradition such policymakers as Herbert Hoover and Charles E. Hughes carried with them into the postwar years. Like the Progressives of the previous decade, makers of American foreign policy in the 1920s sought stability and order through slow reform that would give repressed groups (workers in the 1910s, Germans in the 1920s) a stake in the improved, fairer system.

American leaders opposed sudden overthrow of the peace treaties just as they opposed socialist revolution at home or anywhere else. Taken in its widest context, the policy of peaceful change was part of America's effort throughout the twentieth century to combat revolutionary upheaval with moderate reform. Pacifying and rebuilding Germany was integral to containing the Bolshevik revolution. Bolshevik Russia presented both a symbolic and a substantive threat to the peaceful change alternative. Most American leaders viewed the Soviet Union as revolution incarnate, despite Moscow's caution and conservatism. If Germany's political and economic structure collapsed, its people, Americans feared, might in desperation forge a Russian alliance to overthrow both Versailles and capitalism. Their very opposition to revolution led Hoover, Hughes, and other American leaders to combat the French policy of rigidly enforcing Versailles, which would only build up pressures for change until they exploded in revolutionary upheaval. . . .

Americans preferred the middle road of democratic capitalism. Yet when faced with the options of revolutionary socialism or fascist order, Americans consistently

picked the latter. The United States maintained cordial relations with Benito Mussolini, funding Italy's war debt on favorable terms, allowing private bankers to make large loans, and cooperating closely in 1931 on disarmament and political issues. . . .

Confronted with disorder in the European and world economies, the United States responded with a solution parallel to the political answer of peaceful change. Orderly growth in the international capitalist economy, Americans believed, would reduce political tensions and the threat of revolution while expanding markets and investment opportunities for United States business. Although the United States carefully measured its political entanglements in Europe, its economic involvement was broad and deep. In the 1920s, moreover, economics and business enjoyed enormous popular prestige in both America and Europe. For reasons of conviction and of expedience, the United States government approached basically political questions such as reparations from an economic or business perspective. This economic emphasis was particularly suited to American policy's decentralized implementation and to its goal of a prosperous Europe. By 1923-24, government officials, central bankers, and top private businessmen forged a loose alliance. Although tactical differences often separated these leaders, they usually cooperated enough to present Europeans with a united front on war debt, loan, and other issues.

Before the crash, Americans pressed the Europeans to adopt the international gold standard, reduce government expenditures, and fund war debts and reparations. This financial program, the Yankees believed, would lay the foundation for Europe's recovery and reestablish an orderly flow of goods and capital. Responding to American and internal pressures, most European governments adopted the gold standard in the 1920s. This move boosted both international business and the power of America's huge gold reserve, but also burdened the world economy with a rigid monetary system that probably depressed prices. Similar consequences followed from American efforts to impose order upon the chaos of war debts and reparations. Under U.S. prodding, by 1929 the Allies and Germany settled these political debts on a fixed, reduced basis. This helped stabilize the world credit system, but the rigid debt settlements, like the rigid gold standard, proved brittle in the Depression. . . .

These political and economic relations can only be understood in their cultural context. The term *culture* is here comprehensively defined to include high culture such as literature, painting, and formal music; popular entertainment forms such as jazz, dancing, film, and sports; mundane matters such as household appliances, foods, and gadgets; more abstract concerns such as religion, philosophy, and language; attitudes toward work, play, money, and war; and finally technological innovations that had sociological implications, such as increased emphasis on machines, statistics, and mass assembly-line production.

Europeans interpreted virtually every manifestation of American culture, whether it was music, films, or automobiles, as the product of a society dominated by technology and the machine. America's technological superiority, moreover, made other aspects of its culture more attractive to Europeans. And it was this technological influence that persisted in Europe after the fad for Americans faded in the Great Depression. In virtually every cultural aspect, there was significant interchange between America and Europe during the 1919-33 period, with most, but not all, of the influence flowing eastward.