AMERICAN ATTITUDES
TOWARD GERMANY, 1918-1932

DISSERTATION
Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of the Ohio State University

By
KLAUS FERDINAND SCHOENTHAL, M. A.

The Ohio State University
1959

Approved by:

[Signature]
Adviser
Department of History
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapters:</th>
<th>Pages:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>I. The Legacy of War</td>
<td>3</td>
</tr>
<tr>
<td>II. Early Postwar Reactions Toward Germany</td>
<td>23</td>
</tr>
<tr>
<td>III. The Separate Peace Treaty</td>
<td>66</td>
</tr>
<tr>
<td>IV. Relief Work and the Beginning of Revisionism</td>
<td>83</td>
</tr>
<tr>
<td>V. Economic Relations, 1919-1923</td>
<td>106</td>
</tr>
<tr>
<td>VI. The Reparations Problem</td>
<td>123</td>
</tr>
<tr>
<td>VII. American Diplomacy and the Dawes Plan</td>
<td>146</td>
</tr>
<tr>
<td>VIII. Economic Relations, 1924-1929</td>
<td>162</td>
</tr>
<tr>
<td>IX. Revisionism in Full Swing</td>
<td>182</td>
</tr>
<tr>
<td>X. Reappraisal of German Foreign Policy</td>
<td>204</td>
</tr>
<tr>
<td>XI. New Apprehensions</td>
<td>216</td>
</tr>
<tr>
<td>XII. Impact of the Young Plan and the Depression</td>
<td>236</td>
</tr>
<tr>
<td>XIII. The Decline of the Weimar Republic</td>
<td>254</td>
</tr>
<tr>
<td>XIV. Conclusion</td>
<td>268</td>
</tr>
<tr>
<td>Appendixes</td>
<td>272</td>
</tr>
<tr>
<td>Bibliography</td>
<td>277</td>
</tr>
<tr>
<td>Autobiography</td>
<td>286</td>
</tr>
</tbody>
</table>
INTRODUCTION

Current studies in German-American relations have primarily restricted themselves to a discussion of diplomatic problems. There were a number of groups in the United States, however, which expressed their opinions and criticisms outside the system of diplomacy. These groups exerted a varying degree of influence on the ideas which helped to shape official American policies toward Germany. Moreover, the effect of popular attitudes and pressure groups on policy formation was particularly strong in the postwar era of weak presidential leadership. An investigation, therefore, of American sentiments toward Germany as expressed or recorded by newspapers, magazines, and books, and of the interest groups they represented should provide a valuable supplement to a history of American diplomatic relations in the interwar period. The following paper attempts to fill a gap in previous research by describing the historical development of these sentiments and to determine their approximate influence on and significance for the political and economic relations between the two countries in the period from spring 1918 to summer 1932.

Research in the field of political behavior shows that in recent years not more than a quarter of all adult Americans could be called "politically active." In the isolationist 1920's, even less people were concerned with foreign relations,

1. Julian L. Woodward and Elmo Roper, "Political Activities of American Citizens," American Political Science Review (Dec. 1950), pp.872-85, define "political activity" as active participation in several or at least one of the following: (1) voting at the polls; (2) supporting pressure groups by being a member of them; (3) personally communicating directly with legislators; (4) participating in political party activity and thus acquiring a claim on legislators; and (5) engaging in habitual dissemination of political opinion through word-of-mouth communication to other citizens.
and more specifically with Germany. For this reason, the present study is primarily focused on an analysis of a representative selection of influential public attitudes. Since there is no consensus among competent writers on the question of who has most political power and does or has done most to influence the formation of policy in the United States, the method of selection here introduced follows what the author considered as most appropriate for the subject.

It is based on two hypotheses: First, it is assumed that a comprehensive examination of archive materials, Congressional debates and hearings, and other sources pertaining to the United States' policy toward Germany would reveal the largest available amount of data on the question of what groups tried to influence governmental actions. Second, it is also assumed that an investigation of important daily newspapers from all sections of the country, and of contemporary magazines and books, would show the sentiments of influential individuals and groups engaged in public discussion and involved in the forming of attitudes toward Germany.

It should be possible on the basis of such a selection of sources to arrive at certain valid conclusions concerning the historical development of American attitudes toward republican Germany.

Chapter I

THE LEGACY OF WAR

German-American diplomatic relations had begun to deteriorate before the First World War under the impact of political and economic rivalries. Germany and the United States were political antagonists in the Pacific and the Caribbean where both countries were late-comers in the race for imperialistic expansion. At the same time, German economic competition in South America became increasingly stiff. Under these circumstances, distrust of German designs grew in this country. This was by no means restricted to diplomatic circles. By 1914, the major newspapers, and a growing number of influential American citizens, especially politicians and businessmen, were "more or less anti-German."¹ Their main targets of criticism were German imperialism as shown in the Venezuelan incident of 1902, the Kaiser's blustering speeches, his government's "arrogance," and German militarism.²

It is not surprising, therefore, that a large number of Americans favored the cause of the allies when the First World War broke out. Many individuals of political and social influence were anti-German from the outset. Thus Count Bernstorff relates in his Memoirs that his many social contacts in Washington proved worthless from the very beginning of the war "because the so-called Four Hundred departed in a body into the enemy camp."³

Germany also lacked supporters among important historical and political writers. This was somewhat surprising since the older generation of college and university teachers, especially in the


² Ibid., pp.222-24.

historical profession, had either studied in Germany or studied German methods of research. These experiences might have produced a favorable impression or even a sentimental attachment to that country. Yet among the early historical evaluations of the European war, none was especially friendly toward Germany and Austria. Not a single historian publishing during the years from 1914 to 1917 seems to have felt that the Central Powers were, as they claimed, waging a defensive war.

Even authors who made great efforts to be impartial in their discussions of the background of the European war, showed an inclination to put more blame on Germany or Austria than on the allies. This tendency was already visible in the first American book on the origin of the war, Albert B. Hart's *The War in Europe*, which was completed in October 1914. Though Hart found the main cause for the war in the spirit of militarism which in his opinion permeated all European powers, he censored Austria especially for pushing the matter unnecessarily with its ultimatum to Serbia.

Carlton J.H. Hayes' textbook *A Political and Social History of Modern Europe*, the first edition of which appeared in 1916, discussed the origin of the war in a similar manner. The deeper causes of war, Hayes explained, were such obstacles to peace as armaments and the acceptance of "scientific" justifications of nationalism and militarism. They had developed in all European nations almost equally and existed also in America. But the immediate cause of the war was the mistaken foreign policy of Germany. The German government, Hayes thought, was more to blame than others, because it had "misjudged the temper of Russia" and


5. Ibid., pp.101ff.

had helped Austria in the moment of crisis believing that the
Russians would yield without a fight. 7

Such restrained criticisms, however, had far less impact on
the reading public than the popularly written attacks on Germany
by men like James M. Beck, a prominent jurist, and William R.
Thayer, a widely read historian.

Beck's *The Evidence in the Case* was according to the author
an "impartial" investigation to determine which power was morally
guilty of bringing about the war. Beck based his argument on the
allied official document releases which he judged to be reliable.
At the same time, he accused the Germans of having suppressed "docu-
ments of vital importance." 9 Beck's forceful indictment ended with
the conclusion that Germany and Austria had "precipitated the war
in a manner so underhanded as to suggest a trap." 10 His book was
widely read and commented upon by other authors. Its importance
can be assessed by the fact that it launched the "war-guilt
question" which was to have a decisive influence on American
sentiments toward Germany during and after the war. 11

Particularly well received by the reading public was William
R. Thayer's *Germany Versus Civilization* which appeared in March
1916. Thayer found the key to the understanding of contemporary
Germany in her "Prussianization" which he maintained had been
going on since 1870. This process, largely overlooked by Ameri-
cans, had transformed all Germany from a nation of "thinkers,


8. James H. Beck, *The Evidence in the Case* (New York:
G.P. Putnam's Sons, 1914).


Thought to 1922*, unpublished Ph.D. dissertation (The American
University, 1951), pp.142ff.
scholars, visionaries...docile peasants and masterful musicians," to "Moloch worshippers thirsting for world empire." Thayer traced the Prussians back to the Huns and Vandals whose blood thirstiness and submissiveness had persisted through all centuries. He found the roots of the war in an innate "bloodlust" which was a racial characteristic of the Teutons. He had no doubt whatsoever that Germany had deliberately plotted the war. Like other wartime writers, he referred to Beck's book for further investigation, calling it the "best" brief analysis on the subject.

Friends of the German cause could not prevent such attacks from making a deep impression in the United States. Though they were still a sizeable group in 1914, they were always on the defense and a poorly organized defense at that. Most resourceful among them were obviously the German-Americans. The mere number of American citizens of German descent was impressive. The census of 1910 reported 8,282,618 persons in the United States who were wholly or partly of German origin, and more than 2,500,000 who were born in Germany. These figures, however, make the strength of the pro-German element appear larger than it really was. Americans of German descent were not a close-knit group. Especially in the last two decades before the war, the extent of Americanization and the corresponding loosening of ties with the "Old Country" was clearly demonstrated by the decreasing number of subscriptions to the German-language press.

The decline of the German-language papers had much to do with the lack of important issues discussed in their columns.

13. Ibid., pp.24-30, 126.
Before 1914, they were mostly concerned with petty local and social affairs. The only exception was their fight against the increasing pressure of the prohibitionists. Yet indignation over this pressure was the only political sentiment which all Americans of German descent shared. To oppose prohibition they founded the German-American Alliance, and the rapid rise of this organization testifies to the fact that it succeeded to some extent in halting the disintegration of German-American group consciousness. By 1914, the Alliance had more than 2 million members and was the largest ethnic pressure group in the country.\textsuperscript{15} But the prohibition controversy, although it provided a common political cause for German-Americans throughout the country, was mostly fought on the local municipal and county level.

When the European War began, therefore, German-Americans were not well prepared for any nation-wide political campaign. Since the English-language press for the most part reported the allied viewpoint uncritically, the small minority of German-language papers was literally alone in showing the official German position which they adopted with equal lack of critical judgment. The very fact that they were usually the only expression of pro-German opinions gave them a certain importance evidenced in a considerable increase of subscriptions. But the language barrier tended to restrict their influence to the German-speaking Americans. The attempt of some big city papers to feature bilingual editorials and thus to cater to Americans of non-German descent had only a minimum of success. The circulation of the German-American press even in 1914-1917 was not very large. At its peak in 1917, it had less than 950,000 subscribers.\textsuperscript{16} Thus one can assume that no more than 2 million adult German-Americans were influenced by the German-language press. The anti-allied group, therefore, was a rather

\begin{footnotes}
\item[15.] Ibid., pp.233-34.
\item[16.] Ibid., p.243.
\end{footnotes}
small minority, even if one includes the strongly anti-English Hearst press, the Irish and the Anti-War group among the Socialists who were more embarrassing than helpful to most pro-Germans. Moreover, few German-Americans held positions of political or journalistic leadership, and "at the outset a number of influential German-Americans hesitated to join in the German relief work lest their activities be considered violations of American neutrality." 17

In addition to widely believed atrocity stories, there were certain events during the war which seemed to show to a majority of Americans that Germany actually was in the wrong. It was hard to defend Germany's invasion of Belgium; it was even more difficult to defend the use of Germany's new weapon, the submarine, which was largely considered a cruel and insidious instrument of war; and it was impossible to hold the mounting tide of anti-German feelings when in 1915 a German submarine sank the "Lusitania" with heavy loss of American life. Thereafter, American neutrality depended mainly on whether or not Germany would make unlimited use of submarines.

The "Lusitania" crisis, although it strengthened the anti-German sentiment in the United States, did not directly lead to war with the Central Powers. In May 1916, tension between the United States and Germany diminished because the Imperial government agreed to have its submarine commanders surface and observe the rules of visit and search before attacking any neutral merchant vessel. By January 1917, however, the predominant influence in the German government had fallen into the hands of men who were convinced that a more vigorous use of submarines would lead to a speedy victory. Historians generally agree that their decision to resume unrestricted submarine warfare was the immediate reason for America's entry into the war. On April 6, 1917,

17. Ibid., p.242.
the United States became an associate of the allies and their chief source of supplies.

Most of the resulting public reactions against Germany and American defenders of Germany have been thoroughly discussed and need not be repeated here. One important consequence of the involvement of the United States in the war was the fact that the German-Americans, the Irish, the Socialists, and some other groups and individuals known for their neutralist attitude were now accused of pro-Germanism or lack of patriotism. The pro-allied view, since 1914 the view of an increasing majority of Americans, had become the only acceptable view and was violently impressed on the minority. Under these circumstances, the propaganda to make people hate Germany, ably supported by the British propagandists in America, was overwhelmingly successful.

This war propaganda was most effectively carried on by the Federal Government itself through its new agency, the Committee

---

on Public Information, under the leadership of George Creel. Congress and state governments also joined in the effort of making America "fighting mad." The official war propaganda of the federal and state governments had two purposes. One was to strengthen the national fighting morale by making the enemy beyond the sea thoroughly hated, and the other was to make sure that no "hyphenate" or anti-allied attitude hampered the war effort.

The first objective was largely reached by the extraordinarily successful work of the Creel Committee and such institutions of public opinion as churches and newspapers which cooperated with Creel's agents. The Committee showered the country with a huge mass of information about the enemy discussing his culture, his political system, and his alleged designs in the war.

There is little doubt that Creel used some reliable evidence, and that he persuaded most Americans to believe that the material he published was unbiased. In defending the activities of the Committee, he later claimed that in contrast to allied and enemy propaganda, the publications of his agency were truthful. He correctly pointed out that he tried to avoid the more sensational stories of alleged atrocities, and by employing the services of a number of professional historians, he actually gave an appearance of objectivity. A close investigation of the books issued by the Committee, however, shows that objectivity could not always be maintained in the atmosphere of wartime excitement.

Creel's Committee published a large number of pamphlets and distributed 11 larger publications and books. These were


mostly written by professional historians and had a total circulation of 20,264,588.\(^{22}\)

Most important among these was a rather detailed defense of the American position with the title *How the War Came to America*.\(^{23}\) The publication had been carefully prepared by Creel and his historian-associate, Guy Stanton Ford of the University of Minnesota. To insure a larger degree of historical accuracy, Ford had the book reviewed by two renowned colleagues, Carl Becker, then at Cornell, and J.T. Shotwell of Columbia University. Finally the work was read and officially approved by the President and Secretary of State Robert Lansing. It was the best and most comprehensive explanation of the official view of America's entry into the war.\(^{24}\)

Creel's White Book tried to prove that the United States had entered the war because Germany had combined generally immoral actions with violations of neutral rights and an attack on traditional American policies. Immoral actions were the invasion of Belgium and the widely reported German atrocities which the book accepted at face value.\(^{25}\) Although these actions had endangered American neutrality, the United States had at first remained neutral and was solely concerned with the clarification of neutral rights on the high seas. This was of much importance to America


\(^{24}\) Creel, *op.cit.*, pp.102-03, calls it "an American White Book."

\(^{25}\) *How War Came*, *op.cit.*, pp.2-8.
whose foreign policy had traditionally been aimed at the attainment of an international maritime code binding for all and based on right rather than might. The European war had resulted in disputes over this question with both Britain and Germany. The main controversy, however, came over Germany's high sea war zones, especially after the sinking of the "Lusitania" which appeared to the authors as "an attack on our rights" defying the "fundamental concepts of humanity." This act created a particularly serious situation because Germany, unlike Britain, had no arbitration treaty with the United States. Thus war was the only recourse in case diplomatic conversations were unsuccessful. Yet the United States did not choose to fight, mainly because of German promises to restrict submarine warfare. Sometime thereafter, however, relations between the two countries were again strained by the Zimmermann note proposing an alliance with Mexico with the object of conquering Texas, New Mexico, and Arizona. Germany thereby made a "direct assault on the Monroe Doctrine" and thus on traditional American foreign policy. Finally, Germany's government ordered unrestricted submarine warfare. The United States, thereupon, broke off relations with Germany and armed merchant ships. This was the end of neutrality, and after some further sinkings of American ships, war soon followed.

After this discussion of the events leading to America's entry into the war, Creel's book proceeded to expose German war designs and to explain the meaning of the war as a whole. German policy had been characterized by arrogance and intolerance toward other points of view and other systems of government. Germans had "a fanatical faith in the destiny of German Kultur as a
system that must rule the world." The Imperial Government had "through years...tended toward aggression upon the rights of others," and in 1914, it had been ready "instantly to march upon other nations...even those who had given no offense." If, therefore, there was still any doubt as to who began the war, there could be no uncertainty in the minds of the authors, that Germany had been better prepared than other nations. They phrased their argument in a manner which made no other conclusion possible. Germany's chief responsibility for the war was implied in their interpretation, but the American White Book did not flatly assert that Germany alone was responsible for war. It thus did not take a clear stand on the war-guilt question and thereby differed markedly from similar allied publications.

How the War Came to America strongly emphasized the autocratic aspects of Germany's history and contemporary government and it presumed an automatic connection between autocracy and aggression. The basic issue of the war, therefore, was not limited to the defense of American neutral rights. The war was interpreted as a fight of the forces of democracy and international morality against autocracy and aggression. If this was so, however, the question remained why the United States had hesitated so long before joining the allies. The authors gave a somewhat strained answer. They explained that America remained neutral from 1914 to 1917 because the basic issues of the war became clear only as time elapsed. As German violations of maritime rights became more severe, the American people finally learned to see Germany's war aims. Especially in 1917, with the overthrow of the Russian Tsar, the meaning of the war as a conflict between Freedom and Autocracy became evident.

29. Ibid., pp.20-21.
30. Ibid., pp.20ff.
31. Ibid., pp.41ff.
Some of these arguments were not valid. Creel failed to prove that the war was basically a moral struggle between the forces of freedom and autocracy. He made it appear as if the allies had since 1914 fought autocracy, though Tsarist Russia had been more autocratic than either Germany or Austria. Neither was there any explanation of why by 1917 Americans had come to recognize Germany as the aggressor. How the resumption of submarine warfare could retrospectively reveal the aggressive aims of three preceding years was not quite clear. Alleged atrocities and the Tsar's abdication could certainly not prove any preceding plots of the German government either. A clear indictment calling Germany responsible for the outbreak of the war would have been more effective. But on that point, How the War Came to America was rather vague, and the invasion of Belgium, which had been given first rank importance by the British, was barely mentioned.

These inconsistencies were due to the fact that the political purpose of Creel's book was more important than its historical accuracy. It was designed not as an exercise in logic but as an instrument for victory. Therefore, facts had to be arranged so as to induce the firm belief that the European allies had fought a just war right from the beginning; but that the United States was also quite justified in entering the struggle belatedly.

Despite Creel's claim to the contrary, the research methods used for a number of the Committee's publications were hardly more reliable than those used by other belligerents. This can be shown by an investigation of the various pamphlets and books which followed this elaborate and carefully written book.

None of these were as comprehensive in scope and only one of them, The President's Flag Day Address, had an equally large

circulation of more than 6 million copies. The Flag Day Address, given by Wilson on June 14, 1917 in Washington, D.C., was issued by Creel's Committee with an appendix of annotated documents. It deviated little from the first part of How the War Came to America. Wilson maintained that the United States had been "forced" into the war by German aggression and insults. He stressed the activities of German spies in America, of the hostile Zimmermann note, and finally elaborated on German war aims, especially alleged plans for expansion toward the East.33

Each of the other publications treated one of the various themes discussed above. There was another explanation of America's entry into the war by a Stanford historian who largely repeated Wilson's and Creel's arguments.34 One pamphlet tried to prove the close connection between German Kultur and aggression by gleaning numerous statements from books or speeches of German intellectuals and statesmen.35 In a similar manner, another booklet compiled critical remarks by Germans about their militaristic society.36 There was a more detailed discussion of German militarism treating the subject without much exaggeration but making it appear as if only Germany had been militaristic in pre-war Europe.37 German policies were attacked in a pamphlet called German Plots and Intrigues.38 By far the least reliable were two compilations

33. Ibid., pp.7ff.
of annotated allied documents on alleged German atrocities. More acceptable, but overstressing the autocracy of the Kaiser, was Charles D. Hazen's *The Government of Germany.*

One of the most interesting publications was the "Sisson Documents" which the Committee published despite strong reservations of the State Department. Edgar Sisson was an American journalist in Russia who immediately after the November Revolution had bought 69 documents which tried to show that the Bolshevik Revolution was entirely engineered by the German General Staff which allegedly through secret agents in Russia had been able to control the Bolshevik Party. Although they came from an obscure source, and many of them were photographs for which no originals were ever found, Sisson believed in their authenticity and thought that he had made a sensational discovery. He used these papers as proof for his theory that the Bolsheviks had been subservient agents of the Germans even after the November Revolution, and tried to show that the reported quarrels between the new Russian Government and Germany over the harsh terms of the Brest-Litovsk Peace Treaty were a mere sham. These documents have been recognized as forgeries only very recently. That they were taken seriously by many historians for a number of years is largely due to the fact that the Committee on Public Information published them as reliable evidence in 1918.

The research methods of Creel's Committee cannot be demonstrated better than by an examination of the procedure involved

---


in the publication of these papers. Neither Creel nor any of his closest advisers knew the Russian language. For this reason they asked the wartime National Board for Historical Service for expert advice. This association appointed an historian who did not know any Russian, and a Russian linguist who was not an historian, to investigate the reliability of Sisson's documents. The 2,300 word report of these experts left much to be desired if compared with the usual professional precautions, but nevertheless claimed authenticity for almost all of these papers, adding that the others showed high probability of truthfulness. Thus bolstered by expert opinion, the Sisson papers were published and subsequently created a prolonged discussion in the press.

With the exception of Hazen's book, none of these publications came close to scholarly standards. There was a lack of critical attitude toward the available documentary material, an often onesided selection of sources and aspects of discussion, and quite frequently an unconcealed war-like spirit in most of these books. Ten out of eleven were mostly propaganda, not history, even where they contained some valuable historical information to back up the views of their authors. Since the Committee's publications were edited with the help of professional experts, however, and because they were released by a government agency, they made the impression of being impartial and objective.

Besides these copiously documented works, the Committee issued also monthly bulletins and other printed matter designed to convince Americans about the righteousness of their war effort. The bulletins frequently furnished the information for the nation's 75,000 speakers and Four-Minute-Men and were used for a total of

43. Kennan, op. cit., p.137.
44. Ibid., p.133.
7.5 million speeches given to more than 314 million listeners everywhere in the country. The content of these bulletins is indicated by such titles as: "What Our Enemy Really Is," "Unmasking German Propaganda," "The Danger to Democracy," "Danger to America," and "Tribute to Our Allies." 45

The governmental efforts to advertise the war were effectively supported by local newspapers, by preachers, and by movies, all emphasizing the importance and the mission of the war. In addition, various individuals felt acall to convince their countrymen that the war resembled a fight between good and evil. Among the innumerable pamphlets circulated the most famous was the Reverend Newell Dwight Hillis' fanatical diatribe A Murder Most Foul. 46 This booklet was filled with a selection of the most shocking stories of rape and murder allegedly committed by the Germans. Apparently just for this reason, it became particularly attractive for the sensation hungry readers of wartime America. How many of Hillis' pamphlets were distributed and read is unknown. But their wide circulation is indicated by the fact that the four millionth copy is preserved in the Hoover Library of War, Revolution, and Peace at Stanford University.

The propaganda issued by the Committee on Public Information was thus eagerly emulated by different sections of the population. The governmental attempts to show the black side of the enemy were exaggerated and further blackened by local interest in sensational war news. When the state and governmental authorities tried to Americanize all persons thoroughly and to prevent treason

and sabotage the local population felt encouraged to take violent measures.

The patriotic fight against an alleged or possible enemy within the United States had two aims: to make the country's educational system adjust to the ideological requirements of the war, and to eliminate the influence of the neutralists and pro-Germans. Both had a strong influence on forcing any pro-German opinion into silence—at least until the end of the war.

The attitude of the more extreme patriotic circles toward the problem of education during the war can be demonstrated by a passage from a speech by Senator Young of Iowa, given before leading educators and government officials in December, 1917: "Ninety per cent of all the men and women who teach the German language," the Senator claimed, "are traitors and out of sympathy with the government." \(^{47}\) At the same time Governor Alexander of Idaho announced that "Law or no law...German is not taught in the State of Idaho, probably never will be, even after the war is over...You can count on Idaho. Whatever is wanted we will furnish, no matter what it is." \(^{48}\)

A number of influential groups and organizations, such as the National Security League, the Council for National Defense with its innumerable local branches and committees, the United States Chamber of Commerce, and the International Rotary engaged in a hysterical persecution of teachers and saw to it that city after city abolished the teaching of German in the public schools. German language instruction was prohibited mainly on the local level, but a number of states followed suit and summarily prohibited it within their borders. \(^{49}\) Creel and his Committee were much disturbed about the hysteria of pri-

\(^{47}\) Quoted from Lewis P. Todd, Wartime Relations of the Federal Government and the Public Schools, 1917-1918 (New York: Teachers College, Columbia University, 1945), p.73.

\(^{48}\) Ibid.

\(^{49}\) Ibid.
vate patriotic organizations and made attempts to subdue and control them, although without success. He and his historian-assistant Guy S. Ford repeatedly objected to the barring of school textbooks which they felt were wrongly suspected of favoring the enemy. One typical example was the state of Montana's action, despite Ford's advice to the contrary, to bar from its public schools a history textbook by W.M. West because it was allegedly pro-German. Creel maintained that a main reason for this charge was West's statement that at a certain time, "Christianity advanced from the Rhine to the Elbe." West's critics apparently believed that any identification of Germany with Christianity was un-American.

Through its well-known "Lusk laws," the state of New York prohibited textbooks which contained statements "seditious in character, disloyal to the United States, or favorable to the cause of any foreign country with which the United States is now at war," and set up a Commission to hear private complaints against any textbook which might then be barred by its decision. Even the Federal Government took part in similar activities. The Department of Military Censorship, in a memorandum of September 30, 1918, listed 77 books which had to be withdrawn from circulation in the military camps.

It is evident that American school children and students in many states thus got an interpretation of Germany, German history, and the war which was largely colored by biased views. Not until several years after the end of the war was there much opportunity to see more than one side of the question.

49. Ibid., pp.71ff.
50. Creel, op.cit., pp.443ff; also cf. Todd, op.cit., p.75.
51. Ibid., p.78.
52. Ibid.
There are no exact figures available concerning the number of teachers who were dismissed on account of their alleged disloyalty or pro-German attitude during the war. A study by Bessie L. Pierce reports a number of cases where dismissals were given on the grounds of German descent when coupled with pacifist attitudes or utterances doubting the accuracy of the atrocity stories. The study comes to the conclusion that relatively few teachers were dismissed, though it lists more than 20 cases of dismissals on the grounds of disloyalty in the state of New York alone. One can safely maintain that teachers, at least in some parts of the nation, were intimidated and kept under close surveillance, especially if they were of German descent.

The attempt to keep close watch over possible traitors and spies led to the creation of local vigilante groups called "Security Leagues" or "Loyalty Leagues" which constantly hazarded their fellow-citizens of German origin. They were particularly suspicious of the use of the German language on the telephone or in the pulpit. German books were thrown out of some libraries and publicly burned or sold as trash. German composers disappeared from concert programs, and German dishes were no longer served in hotels. People who were suspected of being lukewarm toward the war effort and whose contributions to the "war drives" were considered unsatisfactory by local extremists got their houses smeared with yellow paint. German societies postponed their conventions, and some were never revived after the war. German place, street, and family names were frequently


54 Ibid., p.122.
Although the German-language papers, the strongest force which held the German group together, made immediate efforts to show their loyalty as soon as America entered the war, they were frequently brought to financial ruin and "suspensions occurred everywhere." By 1920 almost half of all the publications still existent in 1917 had disappeared for good. Only 26 dailies with a circulation of less than 250,000, half of them published in Ohio, Wisconsin, and Illinois, were left.

The war diminished the influence of the German-Americans considerably. Before 1917 they had been a vociferous though not a very powerful minority and had commanded a sizeable following among a large part of Americans of German origin. But by 1919, their strength as a cohesive ethnic group had dwindled. They could hardly hope to decisively affect American attitudes toward Germany in the postwar years.

If any change of public opinion was to occur, it had to be initiated by forces stronger than the persistently declining and isolated German societies and German-language papers. In most Americans the hatred of Germany was too deeply ingrained to expect a speedy change of sentiments. With the exception of the War of Independence and the Civil War, never had such an overwhelming majority of Americans been so convinced of having a just reason for hating an enemy. In both earlier cases these feelings became long established traditions of continued distrust and dislike. The reasons for the comparatively rapid development of friendlier German-American relations can best be understood by a close investigation of the main groups of opinion which existed in the United States at the time of the armistice and by an analysis of their immediate reaction to certain postwar events.

56. Ibid., pp.271-72.
57. Ibid., p.273.
Chapter II

EARLY POSTWAR REACTIONS TOWARD GERMANY

The very violence and hysteria of wartime persecution reflected the fact that in 1917 there was still a sizable minority of Americans who were opposed to participation in the war. Though these anti-war groups were forced into silence, not all of them were weakened as much as the German-Americans. Among those opponents of war who were of non-German descent, a number of progressives and socialists showed stubborn resistance to all attempts of oppression, and after the war they soon reasserted themselves.

Their opportunity to free themselves from the shackles of conformity came with the election campaign of 1918. The Republican attack on Wilson's peace program split public opinion and encouraged the dissenter to again participate in the public debate on the treatment of the enemy. By the time of the armistice, several different opinions on Germany had thus evolved and replaced the one view which alone had been condoned during the war.

This increasing diversification of public opinion in respect to Germany, was reinforced by the discussion of the peace treaty. After the armistice, Germany became the center of a nationwide debate which lasted into the spring of 1920 when the Versailles Treaty suffered its final defeat in the Senate. The consequence of this debate was a significant change of American opinion on the former enemy. At the end of this period the United States was removed so far from the wartime feelings of hostility that the attitudes toward Germany showed the characteristic postwar division into five main categories which ranged all the way from continued suspicion to outright adoration of Germany's people and politics.
Part of this development began as a reaction to the same suppression of free speech which had crushed the political power of the German-Americans. For the Progressives and Socialists who opposed the war, persecution had a quite different consequence than for the German-Americans. It mainly resulted in deep resentment and opposition to the government. The wartime experiences of these two groups, therefore, should be investigated before one can appraise their postwar influence on public opinion.

The first group, the neutralist Progressives were actually the core of the later "isolationists." These men were represented in Washington by a few Senators who in March 1917, filibustered against the Armed Ships Bill designed to arm American merchant ships against submarines. Most of them were Progressive Republicans coming from and having most of their followers in the agrarian states of the West and Middlewest. They distrusted eastern bankers and their ties with England, and stuck with tenacity to the American tradition of non-involvement in European quarrels.

Their most outstanding and best known leader was Senator Robert M. La Follette of Wisconsin. His political career during the war tells much of the whole group he represented. Although the nation's press had attacked him almost unanimously after his fight against the Armed Ships Bill, he still had a large following when the war started. He carried enough weight to persuade a Senate majority to eliminate a press censorship provision from the Espionage Act and his fight for freedom of speech in war and his Resolution for

a Declaration of American War Aims won him additional friends.\footnote{La Follette, op.cit., p.738.}

The War Aims Resolution, however, also increased the number of La Follette's enemies. In the press, it was largely considered "pro-German" because it proposed a common fund of all belligerents for the restoration of devastated regions rather than an indemnity by Germany.\footnote{Congressional Record, 65th Congr., 1st Sess. (Aug.11, 1917), Vol.55, Pt.1, pp.50, 56.} In many parts of the country, this plan was considered everything from "untimely talk of peace" to outright treason. La Follette was called a "disloyal Senator" and a "traitor in disguise" doing the "dirty work of the Kaiser."\footnote{La Follette, op.cit., pp.759-60. See also New York Times, Aug. 16, 1917, p.14.}

The peak of the popular campaign against him was reached after a speech before the Non-Partisan League held in St. Paul on September 20, 1917. This speech epitomized the mid-Western Progressives' main criticism of the American war effort. It was mainly a plea to have the pending War Revenue Bill amended so as to finance the war profits rather than bonds.

Such a proposal could hardly have been called disloyal, but La Follette went one step further by criticizing the government for having joined the allies precipitately and without careful deliberation. These statements were misrepresented by an agent of the Associated Press news service, and consequently the entire press, with few exceptions, joined in a chorus of indignant attacks.\footnote{Ibid., pp.767-900 give the most detailed account of the}

Though it could be proved that he had been misquoted in the papers, an attempt was made to expel him from the Senate, and patriotic societies like the American Defense Society showered the Senate Subcommittee which investigated La Follette with letters and resolutions demanding his ouster.\footnote{Local vigilante...}
groups and papers began to force his old friends and followers to make patriotic statements against him. On January 14, 1918, at a faculty meeting of the University of Wisconsin, a condemnation memorial was introduced by a professor who stated that La Folletteism was synonymous with treason, and signatures were collected from the faculty. Other universities joined in similar drives and few faculty members dared to dissent, although many did not sign without some hesitation.  

On March 7, 1918, the New York World published an editorial entitled "La Follette the Outcast," which appropriately described his isolated position. Until the end of the war, he remained a political exile. Despite the desperate attempts of two remaining papers to defend him against character assassination, the kind of progressivism with which he had grown to prominence was temporarily ostracized with him. War hysteria treated "La Folletteism" no better than allegedly disloyal German-Americans. Yet, significantly, La Follette did not lose his Senate seat. Thus anti-war Progressives retained some political power which they hoped to increase after the armistice.

Less numerous than German-Americans and La Follette Progressives were the American Socialists. They had since 1914 attacked the war as a contest of greedy, imperialistic capitalists and advised that America should stay aloof. Immediately after the entry of the campaign to expel La Follette from the Senate.

7. Ibid., pp.836-37.
8. Ibid., p.837.
10. These were La Follette’s own La Follette Magazine and the newly-started Capital Times in Madison, Wisconsin.
into the war, however, a small number of them did what most Socialists had done in other belligerent countries: they found that the defense of the nation came first and consequently joined in the united war effort.\textsuperscript{11} Most members of the Socialist Party, however, were opposed to America's participation in the war. In an emergency convention of the Socialists which immediately followed the declaration of war, a four-fifths majority of the delegates voted for what came to be known as the \textit{St. Louis Anti-War Manifesto}. This resolution vowed "allegiance to the principle of internationalism and working class solidarity the world over" and proclaimed the Socialists' "unalterable opposition to the war just declared by the government of the United States." The \textit{St. Louis Manifesto} disagreed sharply with the then common Western belief that the Central Powers had started the war by deliberate aggression. It asserted instead that the war was an outgrowth of "imperialism" which in turn led to an armaments race. "The ghastly war in Europe," it concluded, "was not caused by an accidental event, nor by the policy or institutions of any single nation. It was the logical outcome of the competitive capitalist system." The Manifesto went so far as to condemn the American entry into the war as a "crime against the people of the United States and the nations of the world."\textsuperscript{12}

Despite the defection of the pro-war Socialists who successfully prevented strikes in a number of industries, the \textit{St. Louis Convention} was followed up by a number of protest demonstrations and speeches which showed by their very size of attendance that the anti-war Socialists still had a considerable following. After

\textsuperscript{11} Ray Ginger, \textit{The Bending Cross} (New Brunswick: Rutgers University Press, 1949), pp.341-44.

the passage of the Espionage Act, however, anti-war and anti-
conscription meetings were systematically persecuted. News-
papers which supported the St. Louis Resolution were suspended,
and a large number of opponents of the war, especially Socialist
leaders who had advocated resistance to the Conscription Law,
were imprisoned. On September 7, 1917, federal agents launched
simultaneous raids on the International Workers of the World (IWW),
an anarcho-syndicalist union, and on Socialist headquarters all
over the country. Tarring and feathering, even mobbing of the homes of dissenters
and whipping them in some cases, were successful methods of inti-
midating Socialists and pacifists. By the end of the year, few
Socialists dared to openly adhere to the St. Louis Manifesto.

Meyer London of New York, the only Socialist congressman, announced
that the Party's view coincided with the President's war objectives.
Socialist aldermen of New York City supported a Liberty Loan drive.
The alternative was very clearly a prison sentence.

Fully aware of the danger, Eugene V. Debs, the best-known
leader and five-times presidential candidate of the American
Socialists chose this alternative. He gave an anti-war speech
in Canton, Ohio, in June 1918, which finally led to a ten-year
prison term. He thereby achieved his main purpose of getting
headlines and arousing the public which had become alarmingly un-
concerned about the destruction of civil rights during the war.
He also strengthened the courage of those of his followers who
were intimidated. Yet although Debs was a man who was widely re-
spected, even by people who disagreed with his views, he was

unable to alter the trend of a wartime America which had stifled free speech.

The suppression of the opinions of many German-Americans, of La Follette neutralists, and of anti-war Socialists was a consequence of participation in the war. Restrictions lessened, however, as soon as the defeat of the enemy was secured and postwar problems became more urgent. The turning point was the election of 1918. With the revival of domestic political rivalries, minority opinions were to a large degree released from wartime suppressions and could therefore influence the formation of public attitudes towards the enemy.

The resumption of party rivalries during the last months of the war was a surprise to the American public since both major parties had frequently declared that a united stand was necessary in order to defeat the enemy. A united effort seemed to be the more mandatory after the allies had received a considerable blow in the fall of 1917, when Germany forced peace upon Russia and was thus able to concentrate additional troops on the Western Front. To some observers, the Central Powers seemed to be close to victory when they, in the spring of 1918, made a desperate and initially successful offensive which drove the French armies toward the Marne river.

It was during these anxious days, when the Allied Front seemed to crack, that unity in the United States was at its height. Only ex-President Theodore Roosevelt, who had constantly attacked the Democrats for lack of determination and leadership in the war, did not halt his criticisms.  

17. _New York Times_, May 2, 1918, p.3; May 18, 1918, p.13.
exception among Republicans who at that time almost universally agreed with the opinion of another party leader, former Secretary of State Elihu Root. In a much publicized address before the National Security League in New York City, Root said that he would pay absolutely no attention to the party affiliation of a candidate for Congress. The only important question was whether a candidate had been "a loyal win-the-war American." Senators and Congres­ sional opponents of the opposition party frequently supported the administration's war bills. "I have cast no party vote and made no party speech in the Senate since the war began..." wrote the bitter enemy of the President, Henry Cabot Lodge, in a letter to a friend in March, 1918, "and while it continues," he promised, "I do not intend to do so." A change of this policy, however, came only a few months later. In August and September, 1918, it became increasingly clear that the fortunes of battle had definitively turned. Germany and her tottering allies were on the retrat.

With the immediate war danger passing, old domestic rivalries in America no longer needed to be suppressed. Moreover, Congres­ sional elections were coming up in November. Thus it became in­ expedient for the opposition to go along with the Administration on all major issues. Instead, it needed a good target for criticism. The war efforts of the Administration did not provide this at the time of the daily advances on the battle fields. It would have been difficult to convince voters who saw the German armies retreat that the government was incapable. For this reason, Republicans preferred to identify themselves with the successful progress of the war, claim the merits for it themselves, and select the President's peace program as their main target. The

question of how to treat the enemy in defeat became thus a prime subject of public discussion.

The architects of this campaign strategy were the newly-elected National Chairman of the Republicans, Will Hays of Indiana; the Party's House leader, Simeon D. Fess; and the leading Republican Senator, Henry Cabot Lodge. As early as June 1918, Hays toured the country to instruct local party organizers in the three main points of the Republican campaign plan: First, to work for immediate victory; second, to prepare the country instantly for the solution of postwar problems; third, to prevent a "peace without victory." The last point was certainly the most significant. The attack on Wilson's well-known "peace without victory" plea of 1917 supplied Republican party orators with ample ammunition against a "soft peace," but it really meant the Party's refusal of the Administration's liberal peace program. This strategy finally resulted in a clash of opinions out of which emerged certain main American postwar attitudes toward Germany.

The future treatment of the enemy became a major campaign issue with Lodge's speech before the Senate on August 23rd. The Senator did not yet go as far as to frankly oppose Wilson's Fourteen Points. By asking for a harsh treatment of the enemy, however, he identified himself with the prevalent national mood of hatred and revenge. His demand: "We must go to Berlin and there dictate peace," certainly deviated from the more conciliatory utterances of the President. Lodge was the first to dramatize publicly the Republican demand for a "complete victory" as he called it in a campaign speech on August 30. This was "the


one great object" which his party would best promote.22

Following these campaign openers, Simeon D. Fess produced a formal campaign manifesto. "Republican success," it claimed, "will not only insure the most vigorous persecution of the war, but it will be the guarantee against a compromise."23 The aim was obviously to make the Democrats appear less vigorous in their persecution of the war and inclined toward a very mild treatment of the enemy. Lodge, and in the last weeks of the campaign also Roosevelt, made it clear that preceding any negotiations the Republican Party demanded Germany's "unconditional surrender."24

Worried Democratic party leaders soon recognized that their opponents thereby identified themselves with a mood which Secretary of State Robert Lansing described as "increasing bitterness toward the German people and ... demands for retaliation which are almost savage in their vindictiveness."25

Wilson's answer to this challenge was an "appeal" to the American people to elect a Democratic congress lest the allies consider his leadership repudiated. This turned out to be a poor vote getter. It rather played into the hands of Republicans like Lodge who, since August 1918, had attempted to utilize foreign affairs for partisan politics.26 The outcome of the elections in November showed the astuteness of the Republican strategy. The Democrats lost their majority in both Houses.

---

22. Ibid., pp.430-31.
23. Ibid., p.431.
26. Paxson, op.cit., pp.430ff. blamed Wilson for making foreign policy a partisan matter by his "appeal" of October 25, 1918. This contradicts Paxson's own description, op.cit. pp.429ff., which makes Lodge appear as the originator of this
The strong and continued disagreement of the major parties
on matters of foreign policy had the side-effect of reintroduc-
ing a better opportunity to discuss German-American relations
without restrictions. As soon as it became possible to have two
opposing peace plans, it was no longer possible to suppress other
points of view. The election campaign, therefore, had an impor-
tant influence on the formation of attitudes towards Germany.

From September 1918 to March 1920, Germany consequently re-
mained the focus of a nationwide debate which can be traced through
the newspaper articles and public speeches of the time. This de-
bate had two stages of development. The first stage, lasting from
September to November, 1918, reflected the problems and political
attitudes brought forth by the election campaign and the armistice.
The impact of the war was then still so strong that only a limited
amount of diverging opinions emerged. The second stage began ap-
proximately in the last days of November, 1918, and lasted through
the months of the peace conference until the defeat of the Treaty
of Versailles in the Senate in March 1920. It showed a much lar-
ger variety of opinions not only because of the increasing influ-
ence of postwar vexations, which diverted attention from the de-
feated enemy, but also because of the complexity of the peace
treaty which could be seen and judged from many points of view.
By March 1920, therefore, all the main postwar attitudes toward
Germany had clearly developed; and each was backed by a particu-
lar section of the American public.

The preliminary negotiations which led to the armistice were
conducted when the election campaign approached its peak. Many
newspapers and public speakers, therefore, reflected their party
kind of election strategy. Cf. also Garraty, op.cit., pp.343ff.
preference when discussing the pre-armistice exchange of notes between the German and the United States governments in October 1918. Democratic politicians like Senators Hitchcock and Overman, and a score of pro-Democratic newspapers backed the President. Among the latter were the New York Times, the New York World, the Newark News, the Boston Post; and in the West and Midwest, the Los Angeles Times, and the Pittsburgh Dispatch. But independent papers like the Springfield Republican and even the Republican St. Paul Pioneer Press, and the usually anti-Wilsonian Chicago Tribune believed that the President had outmaneuvred the enemy.

Among Republican politicians, only Senator Borah of Idaho, then already an important member of the Senate Foreign Relations Committee, supported Wilson's diplomatic strategy. Lodge, who was the Chairman of this Committee, led the large group of men who were critical of Wilson's negotiations. He was 'keenly disappointed' with the exchange of notes. "There should be no discussion with the German government," he said, "until they are ready and compelled to accept the terms we think it right to impose." Theodore Roosevelt seconded Lodge. He asserted that "any effort to fight and to negotiate at the same time is bound to damage the fighting side of the combination."28

It seems that Lodge and Roosevelt, by playing on the sentiment of revenge and the widespread fear of a 'soft' peace, brought to their side many papers, Republican and other, which had followed the chief executive without much criticism through the war. "If the achievement of the world's proper purpose in this war demands, as it does, an unconditional surrender, why not say so now?" demanded the Philadelphia Public Ledger. The Boston

27. Charles Seymour, American Diplomacy during the World War (Baltimore: Johns Hopkins Press, 1934), pp.212-52 is the best detailed account of Wilson's diplomacy immediately preceding the armistice.

Transcript which had for years advocated the use of military rather than diplomatic action against Germany, said that Wilson's notes revived "the ugly memoirs of the sterile 'Lusitania' series." The Chicago Evening Post considered the notes as a source of danger for the future because they might give the German government "a chance to string their people along till winter comes and compels the dying away of Foch's merciless offensive." Similarly, the Denver Rocky Mountain News feared that a prolonged "diplomatic correspondence...might give the enemy time to mend the break along the fronts." The Salt Lake City Herald regretted that Wilson was "not more decisive." Among southern papers, the Memphis Commercial Appeal summarily condemned "negotiations with an outlaw and a murderer" except on an "unconditional-surrender basis."

And even the usually democratic New Orleans Times-Picayune criticized the President because "the note as it stands will impress millions on both sides of the ocean as a modification, even in some sense a retreat, from the fine and straightforward position which he took on September 28th."

The success of the Republican attack on Wilson's diplomacy resulted from the still undiminished war hatred prevalent in the last days before the armistice. The amount of hostility that was expressed in the American press in these days can be demonstrated by an incident which otherwise would have produced little comment. On October 23, 1918, a Dutch ship landed a cargo of German made toys in New York which had been ordered before the American entry into the war but not released by the Dutch authorities until then. The incident created a widespread storm of indignation and bitter comments in the press which were particularly revealing in regard to then prevalent views concerning postwar German-American relations. Thus the Baltimore Sun suspected that this was a deliberate German trial balloon for a postwar "economic

29. Ibid., p.18.
invasion" of the United States. The Hartford Courant said that the Germans might be surprised at the military successes of the allies, but that they would be even more surprised at the defeat they would experience when they once more attempted to resume trade relations with the world. The New York Globe and the New York Times wrote editorials on the event, calling attention to the widely believed atrocity stories of German soldiers who had allegedly maltreated Belgian children.\textsuperscript{30}

There was a widespread boycott drive led by the American Defense Society which at a meeting of November 8th protested against "Hun-made" toys and introduced plans for a nationwide boycott of all German-made goods. The Boycott Committee of the Society issued an appeal that "customers examine all toys and merchandise carefully for the stamp 'made in Germany,'" in order to "show Germany that goods made by her bloody-handed baby-killers will not be tolerated in America."\textsuperscript{31} The New York Hardware Age published an editorial admonishing the American people not to force the thousands of Belgian orphans and French children adopted into American homes to play with German-made toys. The editors received over 7,000 letters on the subject and maintained that they had been asked to distribute 250,700 reprints of this editorial, all on direct request.\textsuperscript{32} Many women clubs also announced their indignation and demanded that the toys either be sent back to Germany or destroyed. When one of the unhappy co-signers of the cargo refused to accept delivery and declared "We feel that American children should have American-made toys, and are therefore willing to accept any loss...occasioned by the refusal of this

\textsuperscript{30} Ibid., Nov. 9, 1918, p. 13.

\textsuperscript{31} Ibid.

\textsuperscript{32} Ibid., p. 14.
shipment," he was congratulated by the New York Globe and the Manufacturer's Record on his patriotic stand.  

A more moderate position was taken by men who were now engaged in the difficult work of planning a workable peace. Secretary of State Lansing, who had for some time been worried about the excesses of war feelings in the United States, gave an address in October, 1918, in which he urged discrimination between "the responsible and the irresponsible, between the master and the serf." Lansing foresaw an era of future German-American relations which was to be free of hostility. His speech was conspicuous in that it showed no hatred. He wanted the German war leaders to be punished and the government thoroughly reformed. The abdication of the Kaiser would not be enough, "but if he should abdicate in favor of a democratic Germany, it would mean something." In that case, Lansing thought, normal and peaceful relations with the enemy would be possible as with any other nation. Such views, however, were at that time restricted primarily to members of the State Department and high-ranking government and military officials with diplomatic experience such as Food Administrator Herbert Hoover and the American Chief of Staff General Tasker Bliss. It seemed that only men intimately acquainted with European affairs were able to form constructive ideas about future relations with the enemy. The vast majority of political and administrative leaders merely demanded punishment or revenge and were little informed of the pressing needs of European reconstruction.

In the last days of the war, there were only a handful of newspapers which foresaw the generally friendly relations that

---

33. Ibid.
34. Ibid.
were to be established with Germany within the next decade. Their optimism resulted primarily from their wholehearted approval of the German revolution which in their opinion marked the end of autocracy in Germany and the beginning of a democratic development. This view was mainly represented by the Socialist papers and the German-language press which saw a strong difference between a misled, but intrinsically "good" German people and their "bad" war government. The Socialist Call summarized this minority opinion in an editorial which showed satisfaction that "Kaiserism in Germany was going down... and...the people of Germany speak for themselves." The Call stressed that Germany would soon become a democracy, and that the people of other nations would then be glad "to speak with her and through peace parleys bring the great war to an end."36

The first part of the armistice debate on Germany showed a marked difference from the violent onesidedness of the war. In the main, it brought out three contrasting attitudes toward the enemy. The majority of newspapers who had wholeheartedly supported the war did not see any reason to change their hostility toward Germany as victory approached. They were still far from approving of the reestablishment of peaceful trade relations with the Central Powers. The uproar caused by the German toy cargo landed in October showed quite clearly that the idea of again having to accept German import goods was revolting to most Americans, particularly those who had been influenced by the allied atrocity propaganda. Most Americans were convinced that the German government was responsible for the most outrageous

crimes and that there was not much of a difference between the government which had planned the atrocities and the people who had executed them. Hatred toward Germany was also emphasized by the election campaign of 1918 in which the victorious party had announced its desire for a harsh peace based on "unconditional surrender." For the vast majority of Americans, political revenge and economic boycott seemed to be the proper way of dealing with the enemy.

Quite different was the opinion of the small number of Socialist and German-language papers which had not been suspended during the war. These papers had joined in the attack on the Imperial Government in 1917, but as victory drew near, they began to make a difference between the German people and their rulers. For them a major war aim had been reached when Germany ousted the Kaiser and thus, they thought, showed her determination to set up a democratic government. In the opinion of these minority papers, Germany would soon become an equal among nations, and peaceful diplomatic and trade relations would therefore be restored in the near future.

Between these opposing views stood the very small number of influential administrative officers who belonged to the intimate group of Presidential advisers. Their view was neither influenced by the strong emotions of hatred and revenge nor could they agree with the optimistic prognosis of the German-language press. Their main desire was to build a durable peace which would avoid the most extreme injustices. They were well enough informed of the enormous destruction of the war and the general economic helplessness of Europe to stress the need for reconstruction besides that of just reparations to the allies. Since they were men of influence and power, their liberal peace program was espoused by a far larger section of American public opinion than Socialists and German-Americans could command. Most Democrats and also liberal magazines such as the Nation
and *New Republic* agreed with them on many points. But as the postwar debate on Germany went into its second stage, their influence gradually began to wane.

By December 1918, the discussion of German affairs entered its second post-armistice stage of development. During this period of about 15 months, there were three important developments which tended to overshadow the dominant position of Germany in world politics and to therefore mitigate the hostile feelings toward the Reich.

First of all, public censorship was now focused on Russia and world communism. The so-called Red Scare which gripped the United States during this period gave a new outlet for stored up feelings of hostility, and the increasing concern over contemporary Communists partially eclipsed the fear of yesterday's enemy.

Secondly, public antipathy towards Germany cooled under the general desire to return to "normalcy." During the war, the energies and minds of all citizens had been focused on the one aim of victory. After 1918, however, citizens returned with zest to fields of interest which were less worldshaking. Baseball and other domestic sports, cars and movies, the stockmarket, and the beginning of a big real estate boom, stole more and more headlines in the newspapers. Especially in regions traditionally remote from international trade and politics such as the rural Midwest, South and West, a rising interest in petty local club affairs, in games and amusement, in the parochial politics of prohibition, and in small town society could be observed. This increasing indifference to world developments was to become

---

even more noticeable after the defeat of the Treaty of Versailles.

In the third place, the discussion of the Peace Treaty tended to divert attention from Germany because its provisions affected the claims of almost all European and Asian countries. Numerous American immigrant associations who were drawn into the debate tended to champion the demands of their respective Old Countries and began to quarrel among themselves. By its very complexity, the Treaty of Versailles encouraged people to see the German problem from a more aloof position as one part of many world problems, and from a multiplicity of angles. When the fight over the Treaty reached its height, therefore, America's attitude toward Germany was again, as in prewar days, expressed by a spectrum of diverging opinions.

The American press showed a considerable interest in the revolutionary stirrings in Germany at the end of the war. Most papers hoped anxiously that the Bolsheviks would not take over the German government and thus saw Germany's domestic problems through the looking glass of the contemporary middle-class apprehensions over American "Reds." Typical was the Newark News which reminded its readers of what had happened when Russia collapsed. "It has been the history of countries," it said, "when their defeat was so utter as to produce a revolution that the transition was accompanied by a temporary ascendancy of an extremely radical element." The paper was fearful that this element would take over the reins in Germany, but hoped that later more moderate forces would somehow prevail.38

The apprehension over the left-wing elements in Germany led some editors to a change of mind. Whereas during the war German conservatism had been a favorite target of attack, now conservative virtues were stressed as a barrier to communism. Thus the New York Evening Sun maintained that the Germans were "too

38. Literary Digest (Nov. 23, 1918), LIX, 9.
enlightened, too thoroughly disciplined" to go Bolshevik. Yet it warned that the revolutionary situation in Germany represented a very real danger. "Germany has long been the home of radical ideas, and from Germany have gone out leaders of radical movements of other lands...the Germans have throughout their history displayed no capacity for managing their own affairs." 39

Ex-President William Howard Taft in an article in the Public Ledger hinted that the allied armies might be needed to fight Bolshevism to prevent "a massacre of all who are respectable, thrifty, educated, and decent." Frank H. Simonds, the conservative military critic of the New York Tribune, believed that there were no reasons to expect "a return to old conditions of peace and quiet soon." Simonds noted the parallelism between the revolutions in Russia and Germany and reminded his readers that the Russian revolution was brought about by German influence and was "based upon the ideas of the German Socialists." He concluded that a new war of ideas had begun between Central Europe and the Western nations. "It may lead to a new war," he said, "before the old war has finally been liquidated." The New York Globe warned that "if Germany's wild men succeed in enlisting...the brutish elements of the German Army," the consequences for the world would be most serious. 40

But a number of eastern papers quoted in a Literary Digest newspaper poll pointed out that Germany had a larger middle class than Russia, a fact which would make proletarian supremacy unlikely. They believed as did the New York American and the Hearst papers that the Germans revolted more against political than economic or social ills. 41 The New Republic maintained that the question asked "everywhere" was whether or not the

39. Ibid., p.9.
40. Ibid.
41. Ibid., pp.9-10.
world would be saved from anarchy in Central Europe. It doubted if the revolutionaries could "assure us that our peoples, especially those of France, Belgium, and Italy, should remain uncontaminated." It saw the danger of a "new though concealed war against social revolutionaries in all countries" which might make the League of Nations a new Holy Alliance. 42

Wholehearted approval of the revolutionary stirrings of November 1918 in Germany was given only in the Socialist and the German-American papers. A typical representative of their view was the New York Call which predicted a race between reform and revolution with power drifting gradually to the Socialists. It denounced the way non-Socialist editors "conjured blood and massacre" out of the "comparatively peaceful changes" in Germany. It insisted that the transfer of power in Austria, Bavaria and a number of German cities was accomplished with a minimum of disorder, and that "on the whole there was less violence than occurs in a New York election with Tammany thugs on the job." 43 A number of papers and weeklies which were rather on the conservative side, called attention to the economic basis of the revolutionary stirrings. The Wall Street Journal boiled it down to the question of whether or not Central Europe should have "bread or bolshevism?" Victory, it claimed, made the allied peoples "through their governments, responsible for world conditions." 44 A similar view was also taken by the Allied Food Administrator Herbert Hoover and by President Wilson in his address on the signing of the armistice: "It ought presently to be possible to lift the fear of utter misery," Wilson said on this occasion, "and set...minds and energies free for the great and hazardous task of political reconstruction...Hunger does not breed reform; it breeds madness

---

42. *New Republic* (Nov. 9, 1918), XVII, 31.
43. *Literary Digest* (Nov. 23, 1918), LIX, 10.
and all the ugly distempers which make an ordered life impossible." For the President, it was of primary importance to make Germany safe for democracy rather than to punish her. 45

It should be pointed out in this connection that this was not mere lofty idealism for which he has sometimes been criticized. Wilson combined his humanitarian view towards the defeated enemy with two realistic political aims. He wanted to prevent the spread of communism into Central Europe and hoped that in the long run, reconstruction and economic rehabilitation would safeguard the victory. His main declaration of the United States relief policy, therefore, included the demand to immediately provide the former enemy countries with the necessary foodstuffs. 46 This declaration, in the form of a memorandum, was sent to the Foreign Ministers of France, Great Britain, and Italy on December 1, 1918. In some way, it served as an official introduction for Herbert Hoover who on Wilson's suggestion had arrived in Paris a few days earlier to become Director-General of Relief.

In the following months, Hoover was the most important American spokesman on matters of relief, especially food shipments to the enemy countries. His opinions carried great weight because through his experience as organizer of the Belgian Relief Commission and as Allied Food Administrator, he had become respected in and outside the United States as an able administrator and authority on the international food situation. In his book, The Ordeal of Woodrow Wilson, Hoover has maintained that it was largely because of his insistence that a provision had been inserted into Article XXI of the Armistice saying that "The Allies and the United States contemplate the provisioning

---
46. Herbert Hoover, op.cit., pp.96-98.
of Germany during the Armistice. As Director-General of Relief and one of the top economic advisers of the President at the Versailles Conference, he fought incessantly to have the allied blockade partially lifted in order to make it possible to feed the starving enemy populations.

At first he seemed to be successful. On December 24th, the allies adopted his plan to allow neutrals and newly established countries to buy medical supplies and food, and to trade these goods freely with enemy countries in exchange for goods non-competitive with allied exports. Yet seven days later, the allied blockade authorities reversed this decision. From then on, until the German delegation signed the Treaty of Versailles in June 1919, Hoover fought a bitter and largely losing fight sometimes against the British and always against the French who wanted to use the blockade as a weapon which would force the Germans to sign the Peace Treaty. The intricate and tiresome negotiations over this point have been amply discussed elsewhere. For the purpose of this paper, it suffices to show that American diplomacy favored an early end of the allied blockade but was not successful in this objective.

While according to Hoover's recollection, all American delegates at the peace conference agreed with his view and "considered a rigid blockade utter folly because it created unemployment, prevented economic recovery, and fertilized communism," there was no such complete unanimity in the American press. A

47. Ibid., p.151.
48. Ibid., p.155.
50. Hoover, op.cit., pp.171-72 describe how the first food was sent into Germany in March 1919. For details, see infra, p. 84.
few days after the armistice, Hoover stated that the blockade on food to the enemy states had to be lifted if one wanted to prevent anarchy in Europe. "The applause was hardly overwhelming," he later recalled, "and there was comment that a bit of anarchy would be good for them." There were a number of American newspapers who quite similarly viewed food shortage in Germany as a question of crime and punishment. The New York Evening Post stood for a number of papers when it reminded its readers that the "farmlands of Belgium and northern France have been rendered sterile and practically uninhabitable by the Hun who has shown a malicious delight in destroying vine and fruit trees...and carried off the stock and destroyed farmers' implements" in the occupied territories. Under these circumstances a number of journalists saw no grounds for mercy. The Literary Digest, although it usually withheld its own opinion when giving its newspaper polls, here identified itself expressly with the more vindictive tone which could be heard in the newspaper judgments of the European allies. "The pathetic walls of Germany," the Digest maintained, "are merely for stage effect. A chorus of testimony has gone up from every allied correspondent... and all agree that in starving Germany food is far more plentiful than in parts of France and Belgium." This assertion was based on a newspaper poll quoting five English news reports, and on evidence collected by the French that Germany itself admitted having enough food. The facts were almost entirely gleaned from the German newspaper press before the armistice when German papers were still officially controlled by governmental authorities who doctored up the figures to strengthen their people's

52. Ibid., p.75.
53. Literary Digest (Nov.23, 1918), LIX, 9.
54. Ibid., p.10.
fighting morale.

The groups opposing the plan to supply Germany with food mainly consisted of people who wanted punishment and revenge or who feared that Germany was simply playing a clever trick with the outcry of an alleged famine. The cries for help, concluded the Literary Digest, were merely designed to "induce the sentimentalists in the allied countries to press for the lifting of the blockade," which was by many considered the main means by which Germany could be forced to accept the allied peace settlement. 55

Such sentiments of distrust were bound to decrease as more became known of the pitiful economic conditions and the political confusion of post-armistice Germany. This, however, was not the main cause of the gradual decrease of hostility toward Germany during 1919 and 1920. Reliable information about a foreign country played a small role in comparison to the conspicuous change of interest which took place in most American minds during this period. Although it is difficult to measure exactly how much attention was thus diverted from Germany by the new domestic sensations and excitement of postwar America, a clear indication of the general trend can be given by a comparison of the number of articles printed on various subjects in the New York Times.

The New York Times Index shows that the interest in Germany declined rapidly during 1919. In the first three months of that year, the Index listed 715 different news reports and articles on Germany, 22 of them editorials. In the second quarter of 1919, the total number of different news items and articles listed was down to 449; in the months from July to September to 299; and in the last three months of the year, only 185 different news reports and articles on Germany were printed in the New York Times. Only 7 of these were editorials. The news coverage on Germany.

55. Ibid.
thus showed a decline of almost 75 per cent in numbers of news items and articles, and a 68 per cent decline in numbers of editorials from the first to the last quarter of 1919. This decrease in the number of articles and news reports on Germany continued through the years 1920, 1921, and 1922. Only in 1923, when the French invaded the Ruhr district was there a sharp increase in news coverage which sometimes reached wartime proportions.56 Thereafter, interest in Germany, insofar as it was shown by the amount of printing space in the New York Times, decreased again.

In the first years after the war, the low point of interest in Germany according to this measuring scale seems to have come in the first three months of 1921 when the New York Times printed only one-sixth of the number of articles and news items published from January through March of 1919.57 While at this time the news coverage of such countries as France and Australia showed a similar reduction of printing space, there had been a gradual expansion of the coverage of other news, especially sports.58 Other American dailies, especially in the isolationist Midwest and West, where newspapers traditionally were far less interested in European affairs than the New York Times, showed a very similar change. In some instances, the increased interest in domestic and non-political matters relegated all foreign news for several days to obscure parts of inside pages. All this happened while news agencies improved their foreign staffs and thus made it possible to have easy access to news in areas which could be only superficially covered during and immediately after the war.

While many Americans were increasingly absorbed by the

56. See Appendix I.
57. Ibid.
excitements and problems on the domestic scene and became thus indifferent toward all foreign countries, including Germany, others were still violently debating which attitude to take toward the enemy countries. The most important incident which gave new life to this debate immediately after the armistice was the hearings before a Senate Subcommittee which investigated publisher William Randolph Hearst because of alleged disloyalty during the war. Hearst, who owned a growing chain of eleven newspapers in 1918, had up to 1917 tried to play up the traditional anti-English sentiment among certain Americans in the hope of gaining subscribers. Until the United States entered the war, therefore, he could be accused of having directed his papers to further anti-allied and anti-war policies. Though he had switched his papers' course in 1917, the investigating committee suspected that he had actually helped the German war effort.

In December 1918, such charges could still stir up much emotion. Some of the witnesses who testified against Hearst were still gripped by the wartime psychosis. An Army Intelligence Officer by the name of Captain Lester, for instance, testified:

"If every official in the government service of the United States, from the chief executive, and every male citizen from the age of 18 and up," had read Hearst's articles, Germany would have won the war. "It would have been unconditional surrender by the United States."  

On the basis of such and similar accusations, Hearst was strongly attacked by a number of newspapers especially in the Midwest like the St. Louis Star and the Peoria Transcript, but


60. Literary Digest (Dec.21, 1918), LX, 59.
also by some eastern dailies like the Springfield Republican and the Christian Science Monitor. A large section of the press agreed that he had helped Germany in some way his papers' attacks on England.\(^{61}\) For a great many Americans any criticism of an allied power was considered proof enough of "pro-Germanism."

This, however, was only one side of the question. That Hearst would be criticized while the memory of the war was still in everybody's mind could only be expected. The unusual and significant part of the debate was rather the way in which Hearst defended himself. In his New York American, he answered his opponents that "it was the undoubted lawful right of every free American to sympathize with anyone or with none of the European belligerents." He claimed that a number of telegrams which he had sent to his editors in 1917, and which were submitted to the hearings "emphasized the one idea that in all things the papers must be American—not British papers, not German papers, but...American papers."\(^{62}\) At the same time, Hearst published a letter in all his dailies which affirmed this viewpoint and added: "The American histories I have read in my school and college courses and since that time clearly demonstrated that the best way to be pro-American is sometimes to be anti-English. I was neither pro-English nor pro-German. My attitude was that of Mercutio: 'a plague o' both your houses.'"\(^{63}\) In December 1918, this was the most forceful expression of a view which was to gain strength in America throughout the following decade. It was this attitude which later supported the so-called isolationists who yearned for a reintroduction of the traditional American policy of non-entanglement with European affairs. That it

\(^{61}\) Ibid.

\(^{62}\) Ibid.

\(^{63}\) Ibid.
prevailed over its opponents was partially due to a growing estrangement between the United States and its wartime associates. Hearst had thus not only the increasing indifference of his countrymen toward all international problems on his side. The fact that he survived the hearings unharmed shows that the wartime suppression of minority opinions was gradually breaking down in some areas.

Just as the Hearst hearings went on, the first cracks appeared in the friendship between the United States and the European allies. Six weeks after the armistice, public opinion became increasingly aware of the fact that American peace aims did not converge with those of the British and the French, and consequently, newspapers in all parts of the country became gradually more suspicious of allied designs.

Americans had entered the war with a serious belief in the high and seemingly simple ideals of their President. The tiresome and complicated negotiations which began with the armistice and lasted through the Paris Peace Conference resulted in a widespread feeling of disgust with international politics and especially with the politicians of the Old World.

People began to believe that Wilson allowed most of his ideals to be whittled down and compromised in the lengthy haggling with foreign diplomats. America had ostentatiously fought for the "freedom of the seas." But on the insistence of the British, this ancient and cherished principle of American foreign policy had to be modified and decisively weakened when the Fourteen Points became the basis of the armistice negotiations.

Soon afterwards some rumors leaked out from Paris that the British and especially the French did not go along with the American demand to lift the blockade in order to feed the enemy countries and neutrals. The disappointment over the French grew when it became known on New Year's day 1919, that Clemenceau had won
an overwhelming vote of confidence in the French Chamber of Deputies with a policy speech which expressed loyalty to the "old system of alliances called the balance of power." This was like a slap in the face for President Wilson who only two weeks earlier had given an address in London demanding the abolition of the balance of power policy which most Americans then believed to be one of the causes of the war.

The reaction to Clemenceau's speech, therefore, was strongly unfavorable. The Seattle Times wrote: "Clemenceau waved a red flag at the American bull." The United States "might have been induced to concede something of their independence... to a League of Nations" but was "fundamentally and eternally opposed to entangling alliances with Europe." The Minneapolis Tribune and other Republican papers pointed out that Clemenceau's address marked a new discordant note among the allies and warned that although treaty powers might finally achieve unity, it was now apparent that they started from very different viewpoints. The discord was also stressed by the independent Washington Herald which maintained that Clemenceau's speech had created a "dangerous condition." The Philadelphia Public Ledger called it "a betrayal of the ideals to which civilization ostensibly subscribed in waging war." On the Democratic side, the New York World contended that Clemenceau could hardly expect that Americans would accept his view. "The League of Nations still remains an interesting and hopeful experiment; but the system of balance of power is a failure which has cost more than 6 million lives and over $100 billion." No possible argument could justify the American people's sustaining a system

65. Ibid., Dec.11, 1918, pp.1,2.
66. Literary Digest (Jan.11, 1919), LX, 4.
which would involve America in all the political intrigues of Europe. It would be far better "to return at once to the old policy of isolationism..."67 Such a remark shows that the disagreement with the allies might lead even a pro-Wilsonian paper into an attitude of disillusionment concerning an active international policy.

It must be pointed out that the estrangement from the political aims of the allies did not automatically create an attitude of friendship toward Germany, but the hostility toward this nation was gradually overcome by the increasing disillusionment with all foreign nations in general. A large number of papers began to express disgust with the policies of the European allies almost as much as they had formerly expressed hatred toward Germany, and this had an obvious influence on German-American relations. By 1919 an increasing number of Americans no longer thought that Germany was the chief or only troublemaker on the international scene.

News from Germany in early 1919 did not always favor such a trend. Information from a foreign country always contributes to the picture which the public forms of it, but at this time, the things most frequently discussed gave contradictory impressions which were both favorable and unfavorable towards the Germans.

On the unfavorable side were the reports in American newspapers about the jubilant way Germany received her homecoming soldiers. It was widely noticed that the soldiers were greeted by large public ovations and with pride, almost as if they were victors. Though there is evidence that there was also much sadness and hardly much rejoicing in most regions of Germany, 68 this

67. Ibid.

point was not stressed by American newsmen. More conspicuous to them was the fact that some Germans behaved as if this was more an honorable stalemate than a defeat, and such an attitude was incomprehensible to Americans except as an expression of German defiance and insolence. For this reason, the press commented rather caustically on these reports. A good example was the cartoonist Knott in the Dallas News who in early January drew a cartoon showing a ragged beaten up soldier with the caption: "Hail the Vanquished Victor Comes." Photos showing the triumphant reception of German soldiers in their home towns were published in a number of papers and certainly did not evoke much sympathy.

Other news from Germany made a more favorable impression on American readers. In January 1919, Germany had elected a Constituent Assembly which a few months later was to form a Constitution. The election had been preceded by the attempt of a Communist coup d'état in Berlin which ended in a complete rout of the rebels whose leaders were killed. This emphasized the general trend which Americans saw in these elections. It was epitomized in the headline of the New York Evening Sun: "Germany Votes for Order." The Germans, said the Sun, "in face of a serious crisis brought about by their military defeat and national humiliation... acquitted themselves creditably and displayed a sanity that gives promise of the establishment of a stable government." The New York World happily commented that the Soviet plan was "buried." More skeptical was the New York Tribune which warned its readers that the Right was still powerful despite its defeat in the election. "Their method of restoration is not parliamentary action. It must be taken for granted that Hindenburg still dreams of becoming the General Monk of a German restoration. The Globe admitted

that Germany had a better chance of political progress than at any time since the suppression of the Liberals in 1848. Yet its editors believed that it was too "early to say everything is clear." The German people were full of political naïveté and hypocrisy, combining a "dreaming faculty with...the spirit of scientific barbarism."70

This gives a view of the range of opinion expressed in the press of various sections of the country. It went from outright approval and hope for a democratic future to a more or less moderate expression of continued distrust, the majority sharing the latter attitude.

Although Germany was only one of the many countries involved in the Paris Peace Treaty, the nationwide debate which immediately followed the publication of the treaty terms had a considerable influence on the attitudes toward the former enemy. The Treaty was in most cases received with approval and even with rejoicing. The public debate which began on the 15th of February, showed a general desire to have war and particularly German militarism eradicated once and for all. The New York Tribune rejoiced in the expectation "that Germany is to be thoroughly de-Prussianized." The New York World wrote: "Taking the Treaty in connection with the League of Nations, the great outstanding fact is that the imperialistic system which has cost the world so much blood and treasure is ended for all times...German world power...is obliterated. Thus passes away the system of Frederick the Great, the system of Krupp, the system of Tirpitz."71 The New York Times too concluded hopefully: "Against

70. Literary Digest (March 17, 1919), LXI, 13-14.
71. Ibid., p. 17.
the German peril the world is made safe." 72

Many other papers showed satisfaction particularly with those clauses of the Treaty which were designed to restrain the restoration of German military might. "The greatest military power in the world," said the Kansas City Star, "is reduced by this peace, not to third or fourth rank merely but to actual helplessness." The Journal of Commerce was pleased that militarism was now an impossible luxury for the German people. The general agreement was that the peace terms were harsh but essentially just in view of the calamity which most editors believed Germany had brought upon the world. 73 Numerous newspapers pointed out that relatively little German territory was taken away by the Treaty and that it contained no provision to put the entire cost of the war upon the vanquished. 74 The New York Globe felt that it was an advantage for Germany that her "military and naval establishments were reduced," for this would save many millions of revenue and "free young men for productive activity." 75 Many Americans still believed that a free country should not have a military draft system in peacetime.

While these views represented the overwhelming majority of American newspaper opinion, there was also a certain amount of criticism and disappointment in the press. Most disappointed of all were the German-American papers. The New York Staats-Zeitung simply reprinted Wilson's Fourteen Points conspicuously on its editorial page and made no further comment on the Treaty. 76 The New York Herald predicted that it would strengthen the conservatives in Germany who would discuss the treaty terms under

73. Literary Digest (March 17, 1919), LMI, 13-14.
74. Ibid., p.14.
75. Ibid., pp.12-13.
76. Ibid., p.16.
the caption "Out of My Bones Shall My Avenger Rise." It believed that a peace settlement which simply stirred up new hostilities necessarily failed in its purpose. The socialist New York Volkszeitung called the Treaty "a breach of confidence," since the armistice had been signed "only after President Wilson, in his own name and that of his allies, pledged himself to the Fourteen Points as a foundation of the Peace Treaty." The conference, said the Detroit Abend, had ended "in bitterness and hate," and the St. Louis Westliche Post called the Treaty "a death knell to German independence in all spheres save that of abstract science."

A large number of non-German papers agreed with the criticism that the Treaty was not based on Wilson's Fourteen Points. The most determined critic was O.G. Villard of the liberal Nation who discussed the peace under the headline "Madness at Versailles." Villard maintained that because of this Treaty "President Wilson stands today discredited and condemned. His rhetorical phrases... which men now doubt he himself ever really believed will never again fall with hypnotic charm upon the ears of eager multitudes. The camouflage of ethical precept... has been stripped away, and the peoples of the world see revealed, not a friend faithful to the last, but an arrogant autocrat and a compromising politician."

The New Republic, another liberal magazine, was equally bitter.

Some papers, however, tended to defend just this divergence between the Peace Treaty and the Fourteen Points. The Wall Street Journal simply explained that "the people of the United States repudiated the Fourteen Points at the Congressional elections in November, when a Republican Congress was elected on the

77. Ibid.
78. Nation (May 17, 1919), CVIII, 778-80; cf. also (Dec. 14, 1918), CVII, 118.
79. New Republic (Nov. 23, 1918), XVII, 87-89 contains the main fears and chief demands of the magazine which are simply
straightforward slogan of 'unconditional surrender.'" The Boston Transcript which had always been anti-Wilsonian praised the peace as essentially realistic in noting its disagreement with the Fourteen Points. "Several of the most important of these idealistic principles," it wrote, "have gone by the board under the test of stern necessity...Resting their claims upon these Fourteen Points, the Germans have found that they have been leaning on a broken reed."

The various ethnic groups in America reacted to the Treaty in proportion to the advantages or disadvantages it promised their Old Countries. French language papers in Maine and Louisiana, and the Polish and Czech press, therefore, supported the peace settlement just as strongly as the Irish, German and Italian papers attacked it. The foreign language papers with their rather small number of subscribers could, however, not influence much of the debate. They could merely emphasize the fact that there was a rift in the American press which made Americans split on the issue of Versailles into a large pro-Treaty majority and a small anti-Treaty minority.

It was of some influence on American views that a similar dualism developed at the same time within the American Peace Conference delegation and more significantly in the Senate. After the final form of the Treaty had been completed, some of the "young men" of the American delegation to the conference met in a Paris hotel room and discussed the results. Most of them had been eager adherents of the President's liberal peace program of January 1918 and were now thoroughly disillusioned. William C. Bullitt, the 28-year-old Chief of Intelligence of the American delegation, Adolf A. Berle, Jr., age 24, and acting

---

80. Ibid., p.15.

Chief of the Russian section, and young Samuel E. Morison, later a well-known historian, agreed after a heated debate that they should resign from the peace delegation. Bullitt and Morison actually did so a few days later and attacked the Treaty in their letters of resignation as a betrayal of Wilson's pledges. Bullitt went further in sending a letter to the President on May 17, 1919 which pathetically explained the position of the disillusioned idealist. "I am sorry," he wrote, "that you did not fight our fight to the finish and that you had so little faith in the millions of men, like myself, who had faith in you. Our government has consented now to deliver the suffering peoples of the world to new oppressions, subjections, and dismemberments—a new century of war." In September, Bullitt became one of the chief witnesses in the hearings on the Versailles Treaty before the Senate Foreign Relations Committee, headed by Senator Lodge. He showed official papers, his own memoranda on private conversations, and other confidential material which amply supported the growing belief in Wilson's "betrayal." Bullitt's views were very close to those of the Nation, and like this magazine, he represented a small but vociferous minority. His inside information, however, made his utterances more embarrassing to the treaty-makers than the articles of the liberal magazines.

The liberal minority's disillusionment with the peace settlement and their bitter opposition to the majority members


of the American peace delegation was skillfully utilized by the anti-Wilsonian diehards in the Senate. Senator Lodge was mainly interested in the political gains of his party when he procured wide publicity for such witnesses as Mr. Bullitt. His strategy was bound to have some effect even outside the ranks of Republican voters by providing a change of attitude toward the former enemies. The hearings in which critics of Versailles like Bullitt testified, were published and distributed by the Government Printing Office. One can safely assume that they left the impression on many readers that the peace treaty was not quite a just and honest settlement. Some must have been convinced that Versailles was no more than the outcome of vicious Old World diplomacy by which Wilson and his delegation had been taken in. People who were converted to such a belief felt hardly more hatred or distrust for prostrate Germany than they felt for their former allies who were now suspected of having used American men, money, and equipment for their own selfish aims.

This impression was also given by the men who opposed the Treaty in the Senate though they did so for different reasons than either the German-Americans or the disillusioned liberals. The "irreconcilables" in the Senate, as they were later called, were a group of men who combined two trains of thought. Some of them like William F. Borah of Idaho, were opposed to a League of Nations because it contradicted their conception of nationalism and their interpretation of American political traditions. For them, the League and especially Article X of the Covenant, represented an entangling alliance which would oblige the United States to oppose future aggressors with American armed forces.

Other Senators were mainly interested in defeating their Democratic rivals. Albert J. Beveridge, a leading Republican politician from Indiana had written Theodore Roosevelt as early as July 1918: "Wilson has hoisted the motley flag of
internationalism. Thank God he has. That makes the issue, doesn't it? Straight Americanism for us," and he reemphasized his point after the election of 1918 in another letter to Roosevelt: "...if we are to abandon the issue of Nationalism versus Internationalism as exemplified in Mr. Wilson's League of Nations scheme, what issue have we?"\(^\text{85}\)

In a similar manner, Henry Cabot Lodge and other "irreconcilables" were willing to use this promising issue for the advantage of their party. Their strategy was to defeat Wilson and the Democrats by defeating the League. A few days after the first uncompleted version of the treaty was given to the press in February 1919, Senator Lodge was visited by his colleague, Frank B. Brandegee of Connecticut, who had an astute idea of how to bind enough Senators to a scheme which would ensure the defeat of a League of Nations as stipulated in the Treaty. This plan was the so-called Round Robin, a declaration demanding "immediately... the expedition of the urgent business of negotiating peace terms with Germany..." and recommending that the League be taken up thereafter "for careful consideration." This declaration had 37 signatures attached to it when Lodge asked permission to read it in the late evening of March 3rd, 1919, before the Senate adjourned. The Round Robin was not voted on but it served as a declaration of war to the supporters of the League and made clear to the public that it would be difficult if not impossible to get the necessary two-thirds majority which would pass the Treaty.\(^\text{86}\)

The bitter debate which followed when the Senate reconvened in the fall of that year has been thoroughly investigated and discussed and need not be repeated here. On the whole, it left

\(^\text{85}\) W. Stull Holt, Treaties Defeated by the Senate (Baltimore: Johns Hopkins Press, 1923), pp.478-96.

behind a feeling of disgust over matters of foreign affairs in general and therefore can be said to have strengthened the American indifference toward world politics. Its main consequence for German-American relations was the fact that the Treaty of Versailles was voted down in the Senate in October 1919, and finally repudiated by another vote in March 1920, and that this dissociated the United States from the allies.

The twenty months preceding the final rejection of the Treaty were of immense importance for the formation of peace-time attitudes toward Germany in the United States. In the last six months of 1918, the revival of partisan politics and the end of hostilities through the armistice had provided Americans with a new opportunity to disagree sharply on subjects of foreign policy. Free speech in matters concerning Germany was again permitted and with it developed a milder attitude towards the enemy in some quarters. This development was strengthened somewhat by the news of food shortage in central Europe and the fact that Germany set up a democratic government after the war. More important was the impact of a growing estrangement between the United States and the allies during the peace negotiations which was utilized by the Republicans to bring the wartime administration and the President into bad repute.

As the vote on the Treaty was taken, partisan politics thus helped again to influence the attitudes toward Germany. While the Treaty and its shortcomings were hotly debated throughout the country, the center of interest shifted from hatred of Germany to growing suspicion that the allies were not much better than the enemy. In some instances, people even began to believe that Germany had been wronged. The subsequent disillusionment
with Old World politics and the general indifference toward all matters of foreign policy also tended to soften the wartime hostility toward Germany. At the same time, the defeat of the Treaty in the Senate strengthened the diplomatic position of the new German government by opening the way for a separate treaty or the revision of the old one. It was already a gain for the Germans that the strongest and wealthiest of the former enemies had no obligation to penalize Germany by sanctions if she did not follow the allied interpretation of the Versailles settlement. All this produced a new diversity of opinions about Germany which was reflected by the fact that by spring 1920, five main attitudes toward the former enemy had clearly emerged. Each of them was subscribed to by certain groups, individuals, and publications.

First there was the continuing belief that Germany should be penalized because of the harm she had done to the allies, particularly to France. This was not only held by the definitely pro-French groups represented by the French-language press and people who were instinctively anti-German, but also by all those who were still under the predominant influence of the wartime agitation against Germany. Also, certain nationalistic groups, for instance the American Legion, shared this attitude as did the admirers of the late Theodore Roosevelt whose views in the press were represented by the Independent, the Outlook, Everybody's Magazine, the Metropolitan, and the Kansas City Star. The war had forced sentimental ties of strong loyalty to France and for some Americans it was therefore a matter of honor to defend the allies.

The second attitude was one of disinterest and distrust of European politics in general. It was held by people who thought that Germany was merely one of all those quarrelsome European countries which should take care of their worries just as America
should take care of her own. A great number of Republican politicians and papers, especially in the West and Midwest, espoused this view. These sentiments towards European problems in general implied a certain indifference towards Germany, and under the influence of the irreconcilables and the disillusionment with Wilsonian peace ideals, this group had gained much strength by March 1920.

There were in the third place many who felt that Americans should not abstain from world problems but should cooperate with European allies through some substitute for the League of Nations. This attitude, therefore, was close to the position of the allies in demanding fulfillment of the Treaty and a stable order in Europe based on the Versailles agreement. Yet it also included the possibility of treaty revision and the dislike of such allied policies toward Germany which might disrupt her political and economic stability. These demands, therefore, were backed by a majority of Wilson's followers, by farm and labor organizations, by the majority of clergymen and educational leaders, and even by some well-known Republicans like Herbert Hoover, and Charles Evans Hughes. In 1920, this attitude had more adherents than any of the others, at least among those who cared to engage in the political discussion. For these people, the German problem was usually seen as one part of many other European and world problems. They had a flexible attitude which depended mainly on the development of French and British policies toward Germany and the broad questions of world economics.

The fourth attitude towards Germany was that of the "liberals." This term is to be understood to include people whose idealistic enthusiasm had been inflamed by Wilson's Fourteen Points and by the vision of a conciliatory peace which would exclude hatred and exploitation from world politics. In the eyes of this group, the Treaty of Versailles was a grave disappointment because they
thought that it preserved the imperialism and political hypocrisies of the Old World. Since they considered Versailles an unjust peace settlement, the liberals had a more conciliatory view toward the former enemy. They also stressed the democratic setup of the Weimarian regime. The Nation and the New Republic were the most important publications which adhered to this view.

Finally, there were the adherents of a fifth attitude who in all questions of international politics adopted the German point of view. It had relatively few supporters, whose most important mouthpiece was the German-language press. This definitely pro-German attitude, however, never gained much influence.

The five main attitudes toward Germany had thus clearly emerged by 1920, and during the following decade, American views continued to be divided along these lines. Throughout the 1920's, most Americans adhered to the middle-of-the-road positions which were somewhere between the extremes of the pro-French and the pro-German views. Where the majority of Americans stood depended mainly upon a number of political events and the development of economic and cultural relations with Germany. While the major shifts of public opinion thus took place within the framework of the five main attitudes, there were nevertheless, a large number of Americans who wavered between one position and another. Moreover, there were many who were not interested in the German problem at all. Not everyone, therefore, could be exactly identified with one of these five categories. Yet in subsequent years, everyone who wanted to join the discussion on Germany shared to some degree one or the other of the attitudes described.
Chapter III

THE SEPARATE PEACE TREATY

The rejection of the Treaty in the Senate was soon utilized by the leaders of the majority to again push their demand for a separate treaty of peace with Germany. In their Round Robin of March 1919, the opponents of Wilson had first indicated their desire for such an alternative to Versailles. On December 13, 1919, after the Peace Settlement had been defeated for the first time, Senator Philander B. Knox of Pennsylvania made a second attempt in this direction. He demanded that the Senate should declare by unanimous decision that there existed a state of peace with Germany. But one of the Democratic Senators objected, and consequently a decision was not reached.¹

Seven days later, Knox introduced a Senate Joint Resolution repealing the Joint Resolution of 1917 which had declared that a state of war existed between Germany and the United States.² Knox's resolution was reported back to the Committee on Foreign Relations. Although for the next months there was very little heard about the matter, it was again to come up.

On April 8, 1920, a few weeks after the Versailles Treaty had been rejected for the second time, another Republican from Pennsylvania, Representative Porter, introduced a Joint Resolution "terminating the state of war" with Germany.³ It was reported back to the House by the Foreign Relations Committee a few days later and passed the House in April. Then it was amended by the Senate along the lines of Senator Knox's resolution. This meant that the Senate sent the resolution back to the House suggesting

² Ibid., p.960, Senate Joint Resolution 139.
that the war should not only be terminated, but that the Joint Resolution of 1917 declaring war should be repealed. Although the House concurred in this amendment, President Wilson vetoed the measure, and Congress was not able to override his veto.\(^4\)

The Porter Resolution was widely discussed in the newspapers, which divided mainly along party lines just as the votes in Congress did. Most of the Democratic papers, and especially the Southern press, came out strongly against the Joint Resolution and a possible separate treaty of peace with Germany. The Norfolk Virginian-Pilot, the Raleigh News and Observer, and the Birmingham Age Herald said the Republicans played politics. The Buffalo Times called the Porter Resolution "an anomaly and a humbug." The Washington Post sided with the Administration and with the minority report saying that the resolution was unconstitutional and would not be accepted by Germany. The Brooklyn Eagle was one of the few Democratic papers which did not denounce the resolution as a matter of principle. But it accepted it only as an emergency measure and declared: "Since there is no hope of peace by treaty at the moment, it is better to resume relations with Germany by resolution than to await the inauguration of the new administration in 1921." The independent Springfield Republican denounced the resolution as a usurpation of treaty making power by Congress and warned that a collision with the Reparation Commission would follow. Most of the Republican papers, however, were wholeheartedly in favor of the Porter Resolution because they considered it to be the only way to get out of the war.\(^5\)

The outgoing Democratic administration was particularly

4. Ibid., Pt.7, p.7447.
embarrassed by the Porter Resolution because Germany had early expressed the desire for a separate treaty with the United States. Her fight was naturally for the revision or destruction of the Versailles scheme, and she considered the irreconcilables as her allies in that fight. The State Department, however, did not want to be identified with German designs. Bainbridge Colby, who was Secretary of State up to March 1921, was annoyed to read in the newspapers one morning that the German Foreign Minister, Dr. Walter Simons, had visited Commissioner Dresel in Berlin to inform the American government of Germany's desire for a separate peace. Colby sent an unusually harsh note to Dresel on February 16, 1921, demanding that he make clear to the German officials that he was "not aware just what attitude...will be taken" by the American government and that the Commissioner was "not authorized to enter into discussions of his nature, as they may readily give rise to inferences both misleading and incorrect." For the moment, this was the end of any negotiations about this question.

When the Republican Administration took office in March 1921, there was much uncertainty as to how it would act upon the Treaty of Versailles. Some groups both inside and outside the United States, therefore, made attempts to influence it.

As soon as Warren Harding had become the new President of the United States, the editor of the American Monthly and wartime leader of pro-German propaganda in America, George S. Viereck, sent a resolution adopted by the German American Citizens' League to all newspapers. It asserted that it was the "obvious purpose of the sudden English, French, and Belgian invasion of Germany" which made the Treaty of Versailles a

---

scrap of paper, "to thwart the policies of President Harding."
The resolution rebuked "the impudence of foreign propagandists
and their American tools." It demanded disentanglement of the
United States from Europe and expressed confidence in the Pre-
sident's ability "to steer a course ruggedly and aggressively
American." 7

The French also tried to influence American public opinion
and the American government in sending one of France's most popu-
lar diplomats, René Viviani, former Premier and Minister of For-
 reign Affairs, to the United States. Viviani toured mainly the
East where he had old friends, and gave a number of speeches.
There is no doubt that his visit aroused much more favorable
feelings for France than Simons' government and Vierreck's German-
Americans could evoke in favor of Germany. The New York Times
wrote in an editorial on April 4, 1921, that on going back to
France, Viviani could tell his countrymen that he had "found
the American people unchanged" and "loyal to France and England."
The editorial asserted that the Americans would "not intensify
the confusion and danger of European affairs by declaring a se-
parate peace with Germany." 8

There was still some hope at this time that a revised Ver-
sailles Treaty might become the way to arrive at peace with
Germany. Charles Evans Hughes, now Secretary of State, was one
of the thirty-one Republican leaders who had come out with a
pro-League address before the election of 1920. Presidential
candidate Harding had also belonged to this group. When the
new government took over, the New York Times was one of the papers
which applauded Hughes and Harding when they declared that they

7. New York Times, Apr. 4, 1921, p. 12; Vierreck referred to
the allied "sanctions" of March 8. On that day a number of Ruhr
district cities had been occupied to enforce German payment of
reparations.

8. Ibid.
wanted to uphold all rights claimed under the victory. 9

Yet such declarations aroused hostile feelings among the enemies of the Treaty in the Senate. M. J. Pusey, Hughes' biographer, wrote that the Secretary of State

got a foretaste of what was to come when Senator Brandegee went to the State Department to offer his advice. The Senator was blunt and blustering. Hughes answered in his most incisive and devastating manner. Waggling with excitement, Brandegee dashed back to the Capitol and told his colleagues that they could expect the Versailles Treaty with the next White House messenger; that "whiskered" Secretary of State would soon have the country in the League of Nations.10

Under these circumstances, the anti-League force in the Senate hastened to bring the Knox Joint Resolution to a vote before the President had time to send a revised Treaty of Versailles to the Senate.

In the meantime, the separate peace issue was discussed again in the newspapers because an international crisis had forced Hughes to make the first statement about the course desired by the Harding government in regard to Germany. This crisis came up after a conference in London which had not reached an agreement about the reparations prescribed in the Versailles Treaty. The allies, therefore, sent an ultimatum to the German government by which they threatened certain "sanctions" according to the provisions of the Treaty of Versailles, if Germany would not pay more reparations. They rejected the German assertion that the 20 billion gold marks demanded under Article 235 of the Treaty had been paid. On May 15, 1921, the Reparation Commission maintained that Germany's figures were inflated. The Commission demanded 12 billion gold marks still due under

that Article until May 1921. 11

Eight days later, the German government sent a memorandum to the Department of State in which Simons set forth that "the German Government regrets extremely that at the London Conference an agreement was not reached in the reparations question ... It will gladly submit the examination of its own financial capability of payment to the decision of unbiased experts." 12 Thereby the German government referred to Article 234 of the Versailles Treaty which said that the "Reparation Commission shall from time to time consider the resources and capacity of Germany, and, after giving her representatives a just opportunity to be heard, shall have the discretion to extend the date and to modify the form of payments." 13

The allies who had come together in London had sent a copy of their ultimatum to the State Department. The Secretary of State, therefore, knew that they had decided to apply "sanctions" by occupying the towns of Duisburg, Ruhrort, and Düsseldorf. In this manner they hoped to enforce their views concerning reparation payments. This brought Hughes into a difficult position. Personally he favored the ratification of revised Treaty of Versailles, and he believed that the fulfillment of its reparation conditions was necessary for the restoration of prosperity in Europe, particularly in France which had suffered most by the devastations of the war. But he could not count on strong support from the President, and he did not want to "drag the Administration into the maelstrom which had engulfed Wilson." 14

12. Ibid., p.3.
Therefore, he drafted an answer to Simons' memorandum which said:

The American Government is pleased to note in the informal memorandum of Dr. Simons the unequivocal expression on the part of the German Government of its desire to afford reparation up to the limit of German ability to pay. This Government stands with the Governments of the Allies in holding Germany responsible for the war and therefore morally bound to make reparations as far as possible.

Then Hughes told the German government that negotiations could be reopened on a new basis and might "lead to a prompt settlement," which should satisfy both the claims of the Allies and Germany's desire to "renew her productive activities."15

This letter to Simons was interpreted in different ways. The Nation, the mouthpiece of the liberals, referred to the "prompt settlement" Hughes had mentioned and expressed gratification that "some steps forward are to be taken promptly." It asserted that there was unanimity in the press that after Hughes' answer to Simons a separate treaty with Germany should be promptly negotiated and that the United States would not enter the League of Nations. The Nation hoped "that opportunity will be given to Mr. Harding to mediate between France, England, and Germany."16

But actually there was not complete agreement in the press on how to interpret Hughes' words about a prompt settlement on the basis of new negotiations. There was the strong force of pro-League papers which applauded Hughes' letter because of its first part which demanded reparations as far as possible and held Germany responsible for the war. But most editors were of a similar opinion as the Weekly Review which wanted a "harmless" separate peace that would not weaken the connection with the

16. Nation (Apr.21, 1921), CXII, 528.
allies. It should "embody in a document words like those of Hughes' answer to Dr. Simons, but broader, in that it should express support of the finality of the Versailles settlement." Otherwise, a separate treaty would be purchased "at the cost of incalculable danger to the world's well-being." 17

The decision came a few weeks later when Senator Lodge succeeded in bringing the Knox Resolution to a vote. On May 1, 1921, the majority passed the resolution over 23 nays of the Democrats who partly were bound in pairs. Immediately afterwards, the President was won over at a dinner party in Lodge's house. 18 It was now clear that the unilateral declaration of peace on the part of the United States was secured.

Obviously Harding's opinion had altogether changed. As recently as April 12, 1921, in his Message to Congress, the President had announced that the only possible course would be "to engage under the existing treaty....It would be idle to declare on separate treaties of peace." The New York Times, one of the most influential pro-Versailles papers, had been delighted. 19 It had been overlooked at that time, however, that Harding had cautiously added that he would support a revised Treaty of Versailles, unless this would turn out to be impossible. This little sentence he now used as a loophole. After the dinner party with Senator Lodge, Harding announced that the Secretary of State could revise the Treaty, that is, it actually had turned out to be impossible to accept the Versailles settlement. Harding was not an "Enigma on Separate Peace" as wrote the New York Times. 20

He had made a decision.

In his decisions the President leaned very heavily on the advice of his friends in the Senate. The country would see very soon that he was dependent on such advice in all his major decisions and that he did not make decisions alone. Harding had no influence on the attitudes of the country towards Germany. In the future, not the President but the Secretary of State and to some extent the Secretary of Commerce were to become the only men in the Cabinet who were important in the formation of public sentiment toward the former enemy.

The Knox Resolution ran into some unexpected opposition when the House did not concur in the repeal-of-war clause; and after long negotiations, the Senate had to agree to a compromise. The final text of the Joint Resolution thus merely "terminated" the war, claimed all rights the United States would have had under the Treaty of Versailles, and refused all obligations of this Treaty, particularly everything connected with the Covenant of the League of Nations. In this form the Resolution was passed in both Houses by July 1, and signed by the President on July 2, 1921.21

Hughes was not happy about the situation, but he yielded to the inevitable. On July 5, he sent a message to Dresel in Berlin which shows that he had a clear-cut plan: "Resumption of diplomatic relations," the Secretary instructed his representative, "will depend largely on the attitude taken by the German Government" in regard to reparations and other rights mentioned in various parts of the Treaty of Versailles. "The United States," he declared, "will not enter into any treaty which fails to secure them."

After a detailed discussion with the new German Foreign 21. Congressional Record, 67th Congr., 1st Sess. (July. 1, 1921), Vol.61, Pt.3, pp.3285, 3286.
Minister, Dr. Friedrich Rosen, Dresel was allowed to sign a Separate Treaty of Peace with Germany on August 25th. It expressed the desire of both the United States and Germany to restore friendly relations and terminated the war formally under the condition that the United States would enjoy all rights claimed under the Treaty of Versailles "notwithstanding the fact that such Treaty has not been ratified." One paragraph emphasized that the United States would not be bound "by any action of any League of Nations...unless the United States shall expressly give its assent to such action." 22

In October 1921, the Treaty was signed by the President and accepted by the Senate as well as by the German Reichstag. With the exchange of ratifications on November 11, 1921, Dresel was made Chargé d'Affairs in Germany and the German government was allowed to send diplomatic representatives to the United States.

The "irreconcilables" were not entirely satisfied, however. They generally agreed that the Versailles Treaty as a whole was now definitely dead for the United States. But the compromise form of the Joint Resolution had enabled the Secretary of State to secure the claims of the United States according to the articles of the controversial treaty. Hughes had succeeded in keeping the United States on the side of the allies by basing the American claims on the same ground as the claims of the French and the British. The Senate had been able to force the Administration in a certain direction, but the Administration had acted in its own way. A full victory of the irreconcilables would have implied the complete destruction of anything connected

with Versailles and the war alliance.

Senator Borah, therefore, voted against the peace treaty. In his speech before the Senate he declared that the Knox Resolution ended the state of war, but that the Treaty in its existing form was the first step in a direction which would finally lead to the acceptance of the Versailles Treaty. Borah criticized the President for deciding to "appoint a representative to sit on the Reparation Commission." Senator James A. Reed also opposed the separate treaty, and Senator La Follette spoke against the existing form of the separate treaty because the claims were based on Versailles. He favored a complete renunciation of the very rights which Hughes required Dresel to safeguard. Senator Lodge expressed the feelings of most of the Republican Senators by saying that he was satisfied that by this treaty of peace with Germany, the United States gave notice to Germany and the world for the first time in a formal, diplomatic document that America would assume no obligations concerning the Versailles provisions dealing with the League and with the boundaries of European and non-European countries.

The press divided mainly according to party lines and therefore did not show much of a different view than the parties in Congress. In 1921, the opinions of the newspapers in regard to the Versailles Treaty and the problem of a separate peace treaty were hardly different from those published in 1919. The establishment of the separate peace, however, convinced some of the Democrats that the new facts had to be accepted and that politics had to be changed accordingly.

Senator Hitchcock's approval of the treaty was one of the most conspicuous signs of the new changed policy which would soon win support within the Democratic ranks. The Democratic

24. Ibid., p. 5791.
Los Angeles Times stressed Hitchcock's complete approval of the treaty and agreed with this realistic policy in its report on the peace treaty on August 25, 1921. But the New York Times was still in favor of the Versailles scheme and denounced "the futile German policy" of "driving a wedge between the United States and her Allies." Current Opinion criticized the new treaty: "There is an uneasy feeling that this last chapter in our war with Germany has been smeared by personal and partisan politics." The magazine quoted several newspapers in that connection. The New York Evening Post, for instance, said that the Americans will regret this solution, but they will accept it "...because for many months they have been preparing themselves for the inevitable.... But it is only the inevitable of politics to which they submit for the present." The Springfield Republican was strongly against the separate treaty, just as it was against the Porter Resolution in 1920. It made its challenge, like Current Opinion, on ethical grounds and spoke of the "everlasting reproach and shame enveloping like a nasty mist the separate treaty." It held the irreconcilables responsible for it. Both Hughes and Harding, it said, would have favored a revised Treaty of Versailles.

The Louisville Courier-Journal spoke of the "shame and ignominy of the treaty, the "atrocities" of which consisted in its claiming the advantages of the Treaty of Versailles and the refusal of its obligations. The New York World called it a "German victory," while the Indianapolis News voiced the mainly prevailing feeling in saying: "It will be ratified with a feeling of relief, but certainly with no feeling of pride." 26

The Independent, representing the pro-French attitude, had always preferred close ties with the allies and was therefore critical of the separate treaty. Yet it felt that it was necessitated by the failure of the Senate to ratify the Treaty of Versailles. The editors were disappointed that the separate treaty did not include that part of the Versailles Treaty which had demanded the trial of the Kaiser and the war-criminals."28

Such cries for punishment became very rare in the years following the separate treaty of peace with Germany. It was widely recognized that the treaty had not only terminated the war but that it had also introduced a new period of peaceful relations and mutual trade. Consequently, some of the press and magazine articles ceased to speak about the deficiencies of the past and preferred to look into the future. "The world wants an orderly and fair peace," said the Ohio State Journal, a typical spokesman of Midwestern Republicanism:

It is tired of war and the turmoil that followed. Trade languishes...economic conditions are unhappy...face the future and put reconstruction under way with full speed...there need be no longer delay in reaching the conclusion.29

The Nation used its characteristically strong language in hoping "that with the war officially ended," the government will now promptly undo some of the war crimes and wrongs, release the political prisoners, and restore the stolen German property and patents.30 A very similar view was less aggressively presented in the German-language press.31

The newspaper discussion of the separate peace treaty reflected the fact that a new relationship between Germany and the United States was established. Insofar as this new situation formally terminated the war, hardly anyone in America was dissatisfied with it. Adherents of the pro-French and nationalistic

attitude toward Germany, however, were disappointed that peace had been established in a legal form which separated the United States from its wartime allies. The leaders of the Democratic Party and other followers of Wilsonianism reluctantly accepted the new treaty when they had to bow to the inevitable. For them the most important parts of the new treaty were those which safeguarded the rights the United States would have enjoyed under the Versailles settlement. To those Democrats who did not succumb to the provincialism of the 1920's, a separate treaty meant, at least temporarily, the renunciation of their country's participation in the League of Nations. But they still hoped for some cooperation with the allies in enforcing world peace. They remained internationalists and they continued to favor the allies over the former enemy.

Most adherents of the liberal attitude were not opposed to internationalism either. Since, however, they interpreted the Versailles plan as an outgrowth of Old World imperialism and injustice, the separate treaty symbolized for them a first step in the right direction. They advocated as the next step for the United States the abrogation or magnanimous arbitration of the war claims which were still under custody. For the liberals, real peace would not come until all rights and claims resulting from victory and a forced peace had been given up. The pro-Germans held a very similar view.

For the adherents of the fifth attitude, the "isolationists" in the broadest sense of the term, the separate treaty with Germany was almost all they could hope for. They were generally in agreement with the rights claimed in the separate treaty as long as this did not entangle the United States with the political affairs of Europe. Those who interpreted the clauses referring

30. Nation (July 13, 1921), CXIII, 34.
31. Literary Digest (Sept. 10, 1921), LXX, 10-11.
to the rights of the United States under the Versailles Treaty in this way, could safely consider the new treaty as a complete victory. Yet those isolationists who like Borah and La Follette considered these clauses an unnecessary and ambiguous tie to the hated Versailles plan, were not satisfied and therefore they finally stood closer to the attitude of the liberals and the pro-Germans.

The Peace Treaty with Germany was the first step of a development which changed the original five-fold division between the main American attitudes toward Germany.

One of the most important consequences of the peace treaty was that from 1921 on, it put the pro-French and nationalistic groups into a defensive and increasingly isolated position. Until the separate treaty was signed, they had been able to count upon the support of the much more powerful and numerous groups which adhered to the Wilsonian position. As soon as these once ardent supporters of the League accepted the inevitable, however, they had come closer to their former adversaries the isolationists.

The center of discussion had thus shifted to the question of whether or not the separate peace treaty obliterated the League altogether, or whether those of its provisions which were based on the Versailles settlement left the door open to cooperation with the allies. For the isolationists and their friends, American participation in the League was buried once and for all, and no substitute cooperation with European powers to solve European problems was permissible. The Wilsonians and other pro-League groups, however, interpreted the new treaty as a settlement that was parallel rather than opposed to Versailles. In subsequent years, neither interpretation proved to be wholly correct. As future events showed, the truth lay somewhere between these two views. It soon turned out, therefore, that the supporters of
both the originally Wilsonian and the isolationist attitude would be hardly distinguishable on some points. For this reason, and because of the fact that most Americans held one of these two attitudes, it was later possible to develop an official policy toward Germany which was backed by a majority of Americans.

Both the pro-Germans and the liberals were so hostile toward anything which reminded them of the Versailles Treaty that they were not closer to an acceptance of the separate peace treaty than were the followers of the pro-French and nationalistic view. The new treaty with Germany had, however, a profound consequence for both of them. While before 1921 there was still a distinct difference between people who espoused the pro-German view and the adherents of the liberal attitude, the separate peace treaty erased these differences to such an extent that for all practical purposes they were now united. The adherents of the liberal and the pro-German attitude toward Germany agreed in believing that the new treaty was only a small step in the right direction. But they deeply resented the fact that Secretary Hughes had secured the same rights for the United States which the Treaty of Versailles had given the allies. Both liberals and pro-Germans demanded adamantly that any identification of the United States with the injustices which they saw in Versailles should be completely eliminated. They especially called for the release of all German properties still under the control of the Alien Property Custodian. 32

Although the pro-Germans and liberals were both small minority groups, and therefore could not hope for an immediate attainment of their objectives, the same separate peace treaty which they criticized so harshly had strengthened their forces considerably. For in subsequent years, while their most determined opponents were a force of diminishing influence, they

themselves had been strengthened by uniting their forces. As it was, the peace treaty cleared the way for a number of developments which were highly favored by the advocates of a closer German-American cooperation.
Chapter IV

RELIEF WORK AND THE BEGINNING OF REVISIONISM

The four years from 1920 to 1923 were of particular significance for the restoration of friendly relations between the United States and Germany. During this period, American attitudes toward Germany were gradually modified by three main influences. In the first place, the sentiments of most journalists and many other people were affected by the well-organized propaganda for European Relief, and the minds of a much smaller but ultimately influential group of intellectual and political leaders were exposed to the early beginnings of revisionist writings on the World War. Secondly, business circles showed in these years, a growing interest in trade with Germany which led to negotiations of a new treaty of commerce and the arbitration of mutual claims resulting from the war. Finally, there was a growing public and diplomatic interest in the political and economic crisis which began to develop over the war reparations demanded from Germany. These factors and their influence on American attitudes toward Germany will be discussed in the following three chapters.

One of the most important factors which influenced the American people after the First World War was the propaganda for European Relief. The relief measures were vigorously supported by distinguished citizens of the United States and skillfully organized throughout the nation. The records about the relief activities in the twenties, however, are not complete, because much of the effective help which America gave to other nations resulted from local and private initiative. This study will discuss only the main developments of the relief work insofar as they affected the formation of American attitudes toward Germany.
After the armistice of 1918, the allies did not lift the blockade, and Germany had thus to wait for several months until it could receive the badly needed food supplies she wanted to buy. For many Germans, the end of the war meant the beginning of a period of near starvation which aggravated the restlessness and revolutionary fervor of the urban masses. The situation became so serious that Alonzo E. Taylor, American Investigator in Germany, wrote a letter to the State Department on February 11, 1919, which urgently requested a minimum of 320,000 tons of flour and 100,000 tons of pork monthly for half a year in order to stave off starvation.¹ Food deliveries for Germany did not begin, however, before the Brussels Agreement of March 1919 eased some of the restrictions of the blockade. Under its provisions, Relief Administrator Hoover was permitted to send a monthly amount of 300,000 tons of flour and 70,000 tons of fat to Germany. Altogether he sold $130,000,000 of foodstuffs through the American Relief Administration (ARA).²

Most Americans were at this time not willing to include Germany in relief work. When Congress in 1919 appropriated $100 millions for European Relief, Senator Lodge introduced and secured an amendment exempting ex-enemy countries from the use of these funds. The Philadelphia Evening Ledger commented on this senatorial vote: "If Germany can be made safe only by hunger and torment and relative poverty, then it is better for the rest of the world that she be made to endure hunger, torment, and poverty."³ Hoover found still so much hatred in some parts of the allied and American press that he issued on March 21st,

a statement entitled "Why We Are Feeding Germany." In this statement he explained the humanitarian, the economic, and the political reasons that made these food sales necessary. He also pointed out that German ships were used for the deliveries and that these ships brought home American soldiers on their way to America. "Let us not befog our minds," the statement ended, "with the idea that we are feeding Germany out of charity. She is paying for her food. All that we have done for Germany is to lift the blockade to a degree that allows her...to purchase emergency supplies, at full prices." After this was released to the press, opposition to Hoover's food sales abated.

Relief for Germany as distinguished from food sales began in July 1919 when the American Society of Friends (Quakers) decided to help Germany in about the same way as other countries were helped by the ARA. An investigation committee was sent to Germany composed of Jane Addams, Dr. Alice Hamilton, Carolena M. Wood from the United States and some English and Dutch members. Soon afterwards, the organization of practical relief work began in the form of a child-feeding program.

The Quaker relief work for Germany would not have succeeded without the help of Hoover who, after the reorganization of the ARA as a private organization, gave it financial assistance. The ARA cared for the shipping of the supplies to Hamburg and loaded them into cars billed to the points designated by the Quakers. All details of organizing child-feeding kitchens in Germany and their administration were to be carried out by the Quakers. "The funds being soon too small," said Sidney Brooks, the main authority in the field,

Hoover decided to appeal to the American public.... For this appeal the European Relief Council was founded, the member organizations being: The American Friends' Service Committee, American Red Cross, American Relief Administration, Federal Council of

Churches of Christ in America, Joint Distribution Committee for Jewish War Sufferers, Knights of Columbus, National Catholic Welfare Council, YMCA. Herbert Hoover was elected chairman...5

The foundation of the European Relief Council at the end of 1920 marked a remarkable change in relief work policies, for now the former enemy countries were expressly included in the agitation for help. The propaganda drive of the Council, the so-called Hoover Drive which swept the country from December 1920 to April 1921, was the most effective propaganda move in the United States since the Creel Committee had been dissolved. In every state a voluntary organization was established, and in every important city a local committee was founded for the large collection for the Council's Children's Relief Fund which was destined to feed about 3,500,000 children in Europe.

Hoover opened the drive with speeches and the magazine Literary Digest, in its November and December issues in 1920, took the lead in a nationwide press campaign for the Hoover Drive. It established a special Literary Digest Child Feeding Fund for which big advertisements were made in several important newspapers. The New York Times in its issue of December 22, 1920, had a whole page reserved for a Christmas time advertisement for the Literary Digest Fund.6 There was hardly a paper in the whole country which did not endorse Hoover's Relief Council.

The climax of the campaign was Hoover's $1000 plate dinner in New York City on December 29, 1920, for which the guests were served simple meals in tin cups like those which children in Europe were getting. A big empty chair symbolized the three and a half million children who were the "invisible guests" of the dinner. One of the speakers was General Pershing, former

commander of the American troops in Europe, who said that German and Austrian children should be helped like all others. In the following days and weeks at many dinners and banquets "invisible guests" were present, as for instance, at President-elect Harding's Christmas Dinner in Marion on December 20, 1920.7

Hoover had appealed especially to all religious groups when he started his gigantic collection. And these groups, above all, were actively engaged in charity even years after the Hoover Drive had been successfully closed. The religious groups which were to become particularly interested in helping their German brethren were the Jews, the Catholics, the Lutherans, the Reformed Church groups, the Methodists, the Baptists, and the Mennonites. The American Jewish Joint Distribution Committee sent goods to Germany which in the years 1919 to 1924 amounted to about $1 million, part of which was collected and distributed by the European Relief Council in 1921.8

The Catholics had many local boards and a less centralized organization than some of the other denominations. The Central Bureau in St. Louis was one of the larger institutions. A considerable amount of gifts was sent by American Catholics to a special bureau under the sponsorship of Pope Benedict in Rome who had endorsed the Hoover Drive publicly in 1920. When the German food situation became increasingly serious again in consequence of the Ruhr occupation in 1923, the Pope again called for help. Consequently the Apostolic Delegate in Washington D.C. established a papal relief organization for German Catholics which was named the Catholic Central Clothing Committee. This organization sent considerable amounts of food and clothing to Germany.9


8. Hermann Stöhr, So Half Amerika (Stettin, Germany:
In July 1919, the National Lutheran Council sent delegates to Europe who studied the situation of the Lutheran Churches in different countries. Soon a committee was established in Leipzig which supervised the distribution of gifts and money. Lutherans, up to 1925, sent goods to Germany valued at $870,000. Other money was collected to help the German missionary organizations which had suffered seriously during the war and from the consequent depreciation of German money. The Iowa Synod made an extra collection for the country of Luther. The Missouri Synod had a special division for Germany in its American Lutheran Board for Relief in Europe in the years 1919 to 1924.\textsuperscript{10}

The Reformed Churches did not leave many records of their relief work, but they made a number of collections for European Relief.\textsuperscript{11} The Baptists and Methodists collected a considerable amount of money and gifts, part of which was sent to Germany. And the Mennonites collected several hundred thousand dollars which were partly sent to Germany through the cooperation of the German Red Cross.\textsuperscript{12}

The Women's Church Committee of International Good-Will collected gifts for several months. On April 1, 1924, Major General John O'Reyan, former commander of a division in Europe, made a speech for this Committee at a big mass meeting. He said it was Christian people's duty to help the starving German children and that sympathy and helpfulness toward Germany would promote peace. The speech was broadcasted by radio corporations.\textsuperscript{13} In addition, numerous local organizations continued to collect money and gifts for Germany after 1921 in Boston,
Milwaukee, New York, Chicago and other cities.  

As a whole, the effect of the relief work can be summarized as follows: After the relief propaganda of the Quakers and, on a much larger scale, of the Hoover Drive, the American public became more and more accustomed to include the former enemy countries in the general relief activities. About seven million Americans had contributed to the Children's Relief Fund of Hoover's European Relief Council and every contributor knew that part of his money would help the children of his former enemy. The Hoover Drive in this form enjoyed the universal support of the press and of leading citizens of the United States. The main religious denominations and several local organizations cooperated with the European Relief Council and launched a great many smaller relief drives in the following years. Innumerable personal contacts between groups and individuals in Germany and America were the result of all these relief activities.

There were also other reasons which made Americans look at the Germans just in the same way as other European people. Old cultural contacts, interrupted during the war, were reestablished. German cultural, political, and religious leaders like Thomas Mann, the novelist, Bernhard Dernburg, former Minister of Finance, and Adolf v. Harnack, famous church historian, were asked again to write articles in American magazines. The Harvard Theological Review in 1921 again began to print articles by German authors. The American people became accustomed to hear the German point

13. Ibid., pp.216-17.
15. Ibid., p.163.
of view as one of possible standpoints wherever international questions were discussed.

Beginning with the year 1920, international student contacts were reestablished on the part of the Americans on a broader scale. Of particular importance in this field were the efforts of the World's Students Christian Federation because it tried very early to reconcile the feelings between different nationalities. The first American delegation of this Students Federation visited Germany in May 1920. 18

"Renewed understanding with Germany," says Ruth Rouse, the historian of the World's Students Christian Federation, was difficult. The Germans suffered from the idea that wrong had been done to them; they felt deeply the effects of the blockade on German women and children. They were ignorant of much that Allied students leaders knew and vice versa...

The American students did much to lead the French and the German delegations to a peaceful cooperation when 35 nationalities came together at the first world-wide postwar student meeting at St. Beatenburg, Switzerland in 1920. 19

Such cultural contacts, however, had a rather limited effect because they touched only a small number of Americans. More influential were the revisionist ideas which, after 1920, were to convince an increasing number of Americans that the world war had not been brought about by Germany alone.

The original revisionists were men who opposed the official allied explanation of the origin of the war. They believed that Germany was not or at least not mainly responsible for the war

19. Ibid., p.214.
and that German war-guilt was a propaganda dogma which was contradicted by the "real facts." Since Great Britain allowed for a larger amount of freedom of speech during the war than any other great power, it was only natural that the first revisionist tracts were published in that country. Even before the American entry into the war, therefore, a part of the American reading public became acquainted with the shocking "revelations" of E.E. Morel's *Ten Years of Secret Diplomacy*. 20

Morel had been a Member of Parliament from 1910-15. He had opposed the foreign policy of Sir Edward Grey and when Britain entered the war, he became the leader of a small group of radical intellectuals who suspected that behind the morelistic facade of entente propaganda, there were the ugly aims of imperialism and French revenge. As regards British policy, he tried to show by some hitherto unpublished documents that Britain did not fight for Belgium but was drawn into the war because a blundering policy of secret alliances had entangled her hopelessly with French and Russian schemes. Morel's book was published concurrently with Francis Neilson's *How Diplomats Make War*, another scathing attack on the alliance policy of all European powers. Neilson believed that he could prove that France and Russia had been at least as responsible for the war as Germany.

These books had great popularity among American readers in the last months of neutrality. Neilson's book sold out its second American edition by May 1916. 21 But the effect of these attacks was limited. With American participation in the war and the ensuing limitations on free speech they were largely forgotten.

Morel, in the meantime, worked assiduously in London to convince his countrymen of the falsehood of the war-guilt thesis.


He did not only use his pen, he also showed a remarkable talent of organization by building up during the war an association called the Union of Democratic Control (UDC). This group was led by a number of radical intellectuals. Among its members were well-known university professors like the philosopher Bertrand Russell and the historian G.P. Gooch. It also had close connections with the Independent Labor Party, and socialist leaders like Ramsay MacDonald were among its founders. The close contact of the UDC with labor accounted for its rapid increase in membership. By the end of the war it had more than 650,000 members. The Union's numerous pamphlets demanded the abolition of secret diplomacy, universal disarmament, and a liberal, non-punitive peace settlement after the victory over Germany.

For all its large membership, however, the UDC still remained a small minority in England, and its leaders were therefore very pleased when they found an ally in the government of the United States. Morel had tried early to acquaint America with the views of the British radicals. A few days after the sinking of the "Lusitania," he sent a public "Appeal to President Wilson" beseeching him to intervene for peace. This Appeal was published in the New York Tribune, July 4, 1915. At that time, a number of UDC publicists, like G. Lowes Dickinson, H.N. Brailsford and Norman Angell had found an outlet for their articles in the New Republic which, a recent author maintained, the American President read frequently.

More intimate contacts with the United States were established

---


25. Ibid., p.68.
when the President's agent Colonel Edward M. House made his two journeys to Europe in 1915 and 1916 and the leaders of the UDC promised him strong backing for Wilson's peace moves. Even after these peace negotiations failed, Wilson remained in constant communication with the radicals. His famous Fourteen Points contained some of their most cherished demands including that which called for a League of Nations.

Only in the last months of the war did Wilson's ties with the radicals weaken. When he unsuccessfully grappled with Europe's conservative statesmen in Paris to salvage at least part of the liberal peace program, the radicals of the UDC became as disappointed as the liberals in America. They never gave up their belief in a new diplomacy which would replace the old balance of power policy. For this reason and because the Versailles Treaty did not seem to them a non-punitive settlement, it is not surprising that they marshalled their forces against the Treaty as soon as it was signed.

After the war, therefore, the UDC publicists became the core of English revisionism, and it soon turned out that they not only had similar ideals as some of the American revisionists, but that they also exerted some influence on the development of the revisionist creed in this country.

The first revisionist writings in the United States showed nevertheless very scant traces of direct British influence. It was only at a later time that the fusion of British and American revisionism became apparent. Though some American revisionists must have remembered Morel's and Neilson's arguments, revisionism

in this country did not begin with any new editions of their books. Instead it began after the revolutionary governments of Russia, Germany and Austria opened their diplomatic files in order to embarrass their respective Old Regimes. Thus by 1920, historians fell upon a quite unsuspected host of new documents which were to cast new light on the war guilt discussion.

The American revisionists were very fortunate that their most important standard bearer was a scholar of unblemished reputation. The first American who utilized the new documents and thus cleared the way for the revisionists was Sidney B. Fay. Fay had not voiced any opinions on the origin of the war while the evidence was scanty. In a private letter he explained his belief "that we in the United States were being fed a great deal of silly propaganda arising from the war hatred and hysteria, and that some day documents would be published which would allow sober historians to arrive at a more just estimate."27 In 1920 and 1921, Fay elaborated his findings in three articles published in the American Historical Review.28

Using unemotional and unsensational language, Fay concluded that a number of presumptions which led to the war-guilt thesis were plainly wrong. He maintained that Germany had not plotted the war. The documents, now available for the first time in sufficient amount, showed that in the last weeks before the war, Germany had in fact tried to restrain Austria from going to war with Serbia. Fay admitted that the Kaiser's policy had been

---
27. Quoted from J. Alexander, op. cit., who got it from an unpublished manuscript by Dr. Selig Adler. The larger part of this manuscript has apparently been published in the Journal of Modern History (1951), XXIII, under the title "The War Guilt Question and American Disillusionment, 1918-28." But Fay's letter was not included.

"mismanaged" and that Germany had suffered from an "encirclement nightmare." But the Kaiser did not expect war, and Chancellor Bethman-Hollweg's policy was definitely aimed at peace. It was Austria which had to bear the blame for creating a situation in July 1914, which made "localization" of the Austro-Serbian conflict impossible. Fay denied the official American explanation of Germany's better preparedness for war. He maintained that France and Russia had strengthened their military forces in spring 1914, and that this "more than offset the German increases of 1913." While Austria was most to blame, Russia was about as responsible for the conflict because of its precipitate mobilization. "Looking merely at the events of these 3 days (July 29-31, 1914)," Fay contended, "one can easily see how the Germans have become convinced that the war was forced upon them." Yet Germany's charges that it was England who pushed her into the war he found to be untenable, and he called the evidence for Belgian troop movements at the German border prefabricated forgeries. Most significant was Fay's final conclusion: Though the actual events precipitating the war were not plotted by Germany, no power was as responsible as she for the general conditions leading to the war. Germany had carelessly given a "free hand" to Austria in early July 1914; she had blocked several important peace proposals; and, above all, "no country was so responsible as Germany...for the growth of militarism." Thus Germany was guilty in a larger sense, while the immediate responsibility lay with Austria whose intransigence played into the hands of the Russian militarists, and their mobilization

29. Ibid., XXV, 623.
30. Ibid., XXVI, 52.
31. Ibid., p.53.
order resulted in German mobilization and war. Of the other nations, Belgium was innocent, France was chided for encouraging Russia before (though not during) the crisis, and England was censured for her secret understandings. None of the European Great Powers had a clear record of innocence, according to Fay.

Such an interpretation once it became generally accepted was equally damaging for the pro-French and the pro-Treaty groups. For both had identified themselves with the official version of German war guilt upon which the Versailles settlement had based its reparations claims. If it could be shown without doubt that Germany was only partially guilty, and that the official war histories of the allies had to be revised, the reparations bill might have to be revised too. Certainly, the acceptance of Fay's view had political implications, and we shall see that in the end it strengthened not only the pro-German group, but also the isolationists whose main prejudices concerning European immoral diplomacy were reinforced by the thesis of multiple war guilt.

In 1921, however, Fay's articles were only known to a limited number of professional historians. The majority of Americans were still strongly convinced of the German war guilt. As shown above, Secretary Hughes, when turning down the German quest for mediation in May 1921, reaffirmed that the government of the United States "stands with the Government of the Allies in holding Germany responsible for the war and therefore morally bound to make reparations as far as possible." 34


33. Art.231 of the Versailles Treaty was the so-called war-guilt paragraph which based the allied claim for reparations on Germany's responsibility for the war.

34. Supra, p.72.
This was the last time, however, that the Department of State expressly identified itself with the war guilt doctrine. That it was still the generally accepted view can be seen from the fact that on May 26, 1921, Representative A.M. Michaelson was shouted down in Congress when he answered Hughes' declaration by a revisionist speech which bitterly attacked British war propaganda. This first revisionist speech in Congress made no converts. It resulted only in general indignation.

The year 1921 was a rather weak beginning for the small minority which wanted to revise the official explanation of the causes of the war. Yet, a considerable change came in the years 1922 and 1923. The Nation, on October 11, 1922, published L.S. Gannett's article "They All Lied" and in the same issue his "Documents in Diplomatic Deceit." 35 These articles stirred up a great sensation. Gannett had read Fay's articles and he knew the revisionist book of the Frenchman René Marchand, Un Livre Noir. 36 Gannett went further than Fay. He tried to prove that the world war had actually been prepared by imperialistic diplomats in France and Russia. There is no doubt that his well documented articles convinced many of his readers. There was now a growing distrust of all European diplomacy in America. This made Gannett's story all the more believable. The disappointment over the war, and the hostility to the Versailles scheme made more people willing to believe in the arguments of the revisionists.

Moreover, American readers were by then provided with a constant flow of new books which all influenced them in the same


way. Lord Loreburn's attack on English foreign policy\textsuperscript{37} which came out several months before Fay's first article, received little attention. More sensational was the widely read book of another Englishman, Philip Gibb's \emph{Now It Can Be Told}, which was published concurrently with Fay's articles. But these books only prepared for what was to come. The great year of early revisionism was 1922 when the American public for the first time was showered by a large number of revisionist books at one time. This was mainly due to the fact that in that year, two large New York publishing houses, the B.W. Huebsch Co. and Alfred A. Knopf had begun to specialize in revisionist books.\textsuperscript{38}

At the same time, revisionism had expanded from an attempt to revise an historical interpretation to the political claim that the Versailles Treaty should be revised. The first attack along these lines had been made as early as 1919 by John M. Keynes' famous book, \emph{The Economic Consequences of the Peace}.\textsuperscript{39} Keynes who at that time was already well known as a brilliant economist, attempted to prove in this book that the economic provisions of the Versailles Treaty hampered the reconstruction of Germany and its neighbors and thus led to the economic ruin of Europe. The book appeared in time for the peace treaty debate in the Senate and Senator Borah used it to quote long passages before floor and galleries when he fought the Versailles settlement. In 1922, at the peak of the discussion on German war guilt, Keynes wrote a sequel to his book which he called \emph{A Revision of the Treaty},\textsuperscript{40} and a few months later, historical revisionism which attacked the war guilt thesis, and political

\textsuperscript{37} The Earl Robert J.R. Loreburn, \textit{op.cit.}, passim.

\textsuperscript{38} Selig Adler, \textit{op.cit.}, p.11.

\textsuperscript{39} John Maynard Keynes, \emph{The Economic Consequences of the Peace} (New York: Harcourt, Brace and Howe, 1919, 1920).

\textsuperscript{40} J.M. Keynes, \emph{A Revision of the Treaty} (New York: Harcourt, Brace and Co., 1922).
revisionism which aimed at the revision of the Versailles Treaty were combined in Albert J. Nock's *The Myth of a Guilty Nation*.\(^{41}\) This had first appeared in a series of articles in *The Freeman* and was then published in book form by Huebsch in 1922. Nock's primary purpose was not to deny that Germany had any "guilt" at all. He merely refused to admit that Germany alone was responsible for the war, and then concluded: "If the German government may not be assumed to be solely responsible for the war, the Versailles Treaty...is indefensible; for it is constructed wholly upon that assumption."\(^{42}\) Nock then repeated Keynes' claim that the Treaty was economically unworkable. He hoped, therefore, that the Treaty would be revised as soon as public opinion had changed and the war passions cooled. The main purpose of his book was quite obviously to help bring about such a change.

While the Germans were mainly lamenting their injured honor and the injustice they had suffered,\(^{43}\) leading intellectuals among their former enemies had thus forged the strongest weapon for them. The argument that the provisions of the Versailles Treaty would necessarily hinder economic reconstruction in Europe and would injure world prosperity became more and more effective after 1922. When Senator Robert L. Owen of Oklahoma made a revisionist speech before the Senate on December 18, 1923, and asserted that "documents now...out of hiding" had destroyed forever the premise of exclusive German guilt, he was not shouted down.\(^{44}\) There had been a big change of opinion in the last two years.

This did not mean that American public opinion had swung to an entirely pro-German view. The revisionists merely spread


\(^{42}\) Ibid., p. 6
the belief that "the German people were neither better nor worse than others in Europe," as the Catholic World expressed it in quoting one of the revisionist books by Philip Gibbs. In November 1923, the same magazine, again quoting Gibbs, came out against Old World diplomats in saying: "The diplomats can't change the world without changing the people." Indignation over the diplomacy of the Old World, not friendly attitudes towards Germany, was the foremost effect of early revisionism in America.

In the years from 1920 to 1923, relief work and revisionism thus reinforced the early postwar tendency to view Germany as one of many troublesome European countries rather than as an exceptionally evil power. The attitudes of most Americans toward Germany was not unsympathetic. But in almost all cases it was far from enthusiastic, and it can be shown that some of the bitter feelings had not yet died.

This came out quite clearly in the reaction of the press to a speech by the newly appointed Ambassador to Berlin, A.B. Houghton. Before leaving for Germany in April 1922, Houghton stirred quite an uproar when he expressed the hope that "the few years of war and misunderstanding" which had separated the German and American peoples would soon be forgotten and what would be remembered were the years of friendship which had bound them together before the war.

The speech was immediately attacked by an American Legion Post which protested against the word "misunderstanding."

43. A good example of German literature on the subject is Karl F. Nowak, Versailles (New York: Payson and Clarke, 1929), passim.

44. Congressional Record, 68th Congr., 1st Sess. (Dec. 18,
Newspapers divided sharply upon the subject. The speech was denounced by the New York Tribune and the New York Globe. The New York Evening Post, however, praised Houghton for "refusing to enter upon his mission with a hymn of hate on his lips," and the New York World agreed adding that "the time has passed for fanning old passions as the best proof of patriotism." The Philadelphia Public Ledger stood close to those groups which represented the isolationist majority. "Much of the hate prevalent in Europe," it commented, "has been made to order by politicians." It saw no reason for further perpetuation of this hatred and thus largely agreed with Houghton's view.

The reaction to Houghton's speech showed that public opinion on the German problem was still largely divided, and that the changes in public attitudes which resulted from the relief activities and the beginning of revisionism were rather limited. It is important in this connection to point out that this was not only due to the fact that wartime feelings lingered on in the minds of many Americans, but that these feelings of distrust were strongly reinforced by some sensational news which showed that Germany's new democracy was still weak. Most Americans looked with obvious distaste on the activities of the German Communists, but were much more suspicious of the right-wing fanatics who tried to undermine the republic on several occasions. News about right-wing uprisings, such as the Kapp putsch in 1920,

45. Catholic World (Jan.1924), CXVIII, 541.
46. Ibid. (Nov.1923), CVII, 254-55.
47. Literary Digest (Apr.15, 1922), LXXIII, 14.
48. Ibid.
caused particular apprehension since many Americans still suspected Germany of an inclination toward authoritarianism and militarism. It was headline news, therefore, when one of the leading politicians of the Weimar Republic, Mathias Erzberger, was assassinated by two former officers in August 1921.49

Another sensational political murder shook the German Republic in 1922 when its able Foreign Minister, Walter Rathenau, fell victim to the bullets of a number of anti-Semitic and nationalist fanatics.50 Such occurrences could hardly win much sympathy in America, and since uprisings and assassinations recurred with deplorable regularity year after year, some people wondered whether the democratic government in Berlin could long survive.

There were also other features of the Weimar Republic which filled some usually friendly Americans with suspicion. The merger of big industries alienated some liberal groups. The New Republic, for instance, despite its generally favorable view of Germany, attacked the business government which had been built up "within the shell of the democratic government" of Germany. It complained that

those who still have faith in the future of the German democratic State view with the deepest misgivings this tendency of business to break away and form an organization more powerful than parliament.51

The Nation was indignant when it heard about violence and socialist mob riots which had broken up political meetings and speeches in Germany,52 and the Weekly Review53 criticized the instability of the German government in Berlin and the strength of Bavarian separatism.

50. Ibid., July 9, 1922, Pt.2, p.4.
51. New Republic (Feb.1, 1921), XV, 280-82.
In the end, however, the very fact that the Constitution was not overthrown began to convince some editors that the republican government showed more resilience than they had first expected. The gradual turn to a view which put more trust in German democracy was apparent by 1923 and came out most clearly in the discussion of the Bavarian beerhall revolt of November 1923 which was set off by Hitler and General Ludendorff.

The activities of Hitler in Bavaria had been covered by the New York Times as early as 1922 when most other papers did not pay attention to him. During 1923, the New York Times was one of very few papers which called attention to Hitler's "rise as a popular idol in Bavaria." What caused its particular concern was his private army which he had built up on fascist lines. On March 25, 1923, the New York Times even published a report on the front page asserting that Berlin was excited because Hitler's forces were said to be gathering for an attack to overthrow the government.54

While this shows the apprehension of primarily one newspaper, Hitler did not get general attention in the American press until his putsch of November 9, 1923. The main reason why this Bavarian rebellion was front page news everywhere was that General Ludendorff was Hitler's associate. For while Hitler was largely unknown at that time, Ludendorff was remembered as Germany's former wartime "dictator."

While Ludendorff's name alone might have induced many newspaper editors to take a grave view of the putsch, the interesting

52. S.M. Bouton, "Germany's Pink Surge," Nation (Nov.2, 1921), CXIII, pp.24ff.
fact about the press comments was that most of them had a rather optimistic note. Since the uprising was defeated within 24 hours, the German government got a rather favorable press. The New York Times was satisfied that both Ludendorff and Hitler were "down and out" and the government actually strengthened by its victory. The New York Tribune paid little attention to Hitler but rejoiced that Ludendorff "ends his career in ignominy and as a common traitor." The underestimation of the Nazis as a political force was well demonstrated by the Utica Press which believed that Hitler, who was merely a former Austrian sign painter, was only "the cover behind which Ludendorff and his monarchist associates organized the putsch." The New York Herald ridiculed the revolt and said that "Ludendorff may never live down the laughter." And there were frequent references to the affair as a comic opera revolt.

The Boston Post gave the opinion that only the Ruhr invasion had given support to Hitler's fascist party. "That so long planned a monarchist movement could end in so great a fizzle shows that Republican Germany is stronger than suspected." The favorable comments were so much in the majority that the Baltimore Sun stood almost alone when it warned: "While neither Hitler nor Ludendorff is of the caliber to unite Germany under reactionary control, there can be little doubt that the majority opinion throughout all sections of the Reich is daily becoming more favorable to the Bavarian ideal, which is for a firm dictatorship in the first place, with a more effective opposition to France to follow."

News services informed the American people soon afterwards that Hitler had been put to trial. While he was imprisoned, hardly anyone in the United States showed much interest in his small and

55. Literary Digest (Nov. 24, 1923), LXXIX, 14.


57. Literary Digest (Nov. 24, 1923), LXXIX, 14.
discredited group of followers. By 1923, American opinions of Germany were more sympathetic than ever before in any postwar year. The curious fact was that sympathies had developed with little help by the Germans themselves.

The increasing friendliness toward Germany which followed the relief activities and the revisionists' battle against the war guilt clause was at first outbalanced by continuing apprehension of German politics. The lack of stability of the Weimarian coalition governments, and the political uprisings and assassinations in the early 1920's resulted in continued fear that the right wing might yet come to power. While some of this feeling remained even in 1923, many newspapers had by then recognized that the democratic government in Berlin had unsuspected staying power. Especially the failure of Hitler's putsch, though it was put down by men with little democratic leanings, seemed to show that the constitutional government was able to survive. When the critical period of 1923 to 1924 was finally overcome and democracy seemed secured, some of the apprehensions were consequently allayed.
Chapter V

ECONOMIC RELATIONS, 1919-1923

The mutual desire for trade helped much to improve the relations between Germany and the United States in the early post-war years. As soon as businessmen, and especially farm interests, realized that Germany would again become a big market for American goods, these groups began to change their views and the former enemy became a sought-after trade partner. With the reestablishment of trade relations, therefore, a section of the American business community became vitally interested in the economic recovery of Germany. It is obvious that this led some people to reexamine their wartime views, and while most of them changed their opinions only moderately, in some instances, exporters even identified themselves with the demands of the pro-German groups.

During the war, commerce between Germany and the United States had come to a complete standstill. American exporters had then such a profitable business with Britain, France, and their allies that the eclipse of German-American trade was hardly noticed. After the armistice, however, when there was less need for American surplus products in allied countries, exporters became more eager to restore commercial relations with Germany. They then recalled that although the United States and Germany had been competitors in certain manufactured goods before the war, this had been more than outweighed by the mutual advantage which a rapidly rising trade volume had given both countries. After Britain, Germany had been the most important trade partner of the United States before 1914, and the dollar value of exports to Germany had increased faster than the exports to Britain.

Germany had been a particularly profitable market because exports into that country had been almost twice as valuable as the imports. The official statistics of the Department of Commerce
gave an import total of $186,042,644 for 1912, and $184,211,352 for 1913; while total exports to Germany were estimated at $330,450,630 and $351,930,541 for the two years respectively.¹ The total dollar value of direct exports to Germany for the years 1917 and 1918, however, was only $3,275.² Traders who looked at these statistics over obviously hoped that Germany would again become an export market, and especially the farm interests noted that Germany needed larger amounts of agricultural goods than ever after the Versailles Treaty had deprived her of some of the most fertile farm areas. Though a number of manufacturers also hoped for a good peacetime market, the farmers were especially interested in the reestablishment of trade relations with Germany since the disposal of their surplus production had been for decades their most difficult problem.

The first major trade agreement, therefore, was a sale of food products which was arranged by Herbert Hoover in 1919.³ Hoover was well aware of the fact that the food which Germany would buy from the United States would help not only Germany but the exporting farmers of his own country as well. Yet the reopening of trade relations turned out to be very difficult, for the financing of the desired German purchases was an almost unsurmountable obstacle. This was due mainly to the Treaty of Versailles which gave reparation payments priority over all other payments. The German government, therefore, was continually short of exchange. Because of America's high protective tariff, the most natural kind of trade agreement, exchange of imports

¹. Cf. Appendix II.

². Ibid. This diminutive figure is somewhat misleading since in the first months of 1917 some exports were channeled into Germany via the Netherlands and other neutral nations. Yet it is certain that exports to Germany had fallen to an all-time low.

³. Supra, p.84.
for exports, was possible to only a very limited extent. Moreover, until 1921, trade was still hindered by the formal existence of war. Businessmen, therefore, were strongly interested in a peace treaty with Germany. The National Association of Credit Men, a representative organization of American businessmen who wanted to extend credits to Germany, was among the foremost groups urging the separate peace treaty in March 1921.¹

But a peace treaty was not a complete solution. To remove the main impediment to the revival of commercial relations, some American business groups pressed for a more promising solution of the financing problem. Since the capital Germany still possessed in neutral countries in 1919 had dwindled away, nothing appeared more helpful to exporters than a loan by the government of the United States. The first attempt to obtain such government credit was destroyed by Senator Lodge's amendment to the European Relief bill of 1919 exempting ex-enemy countries from the use of the $100 million appropriation for European Relief.²

A few months later, agricultural interests pressed Congress to find another solution for financing the desired German food purchases. A bill was introduced to amend the War Finance Corporation Act in order to extend credit to Germany for the sum of $1,000,000,000. In the Hearings on May 19, 1920, the representatives of different agricultural branches, including live-stock, all pointed out that the agricultural situation, particularly in the cotton producing South, was such as to make the pending credit to Germany urgently necessary. The sole exception among the witnesses was a Brooklyn lawyer, William H. Allen, who maintained that Germany was not as poor as she claimed, that the United States could not afford such a big loan, and that the

² Supra, p.84.
Kuhn and Loeb banking firm representing German capitalists stood behind the bill. In spite of strong support, the measure was dropped after some time and a governmental loan was never extended to Germany. She had to rely on private loans in financing her trade.

When the peace treaty was ratified in November 1921, it did not contain the desired provisions which would protect business transactions between Germany and the United States. For this reason, there was still a feeling of risk and insecurity in trading with German firms or the German government. This was sharpened by certain actions of the German government. American property was sequestrated in Germany during the first years after the war, just as German property had been by the American Custodian of Alien Property. Soon after, the ratification of the peace treaty, Germany had to release the American property of prewar days, but the question arose as to what would happen to the other American claims under that treaty. Not until further negotiations had settled this question was confidence fully restored.

In the meantime some private loans were arranged. But these loans were not always used for the most productive purposes. They ushered in the wild speculations which were so strongly denounced after the depression of 1929. It should be pointed out, however, that in the case of Germany no other way of financing trade was easily possible. The trouble was that much of the money was not used for trade alone. From 1918 to 1922, a tremendous amount of American capital was lured into large-scale inflationary speculation and wholesale buying of German securities. Interest rates up to 300% promised large profits. But they were made on depreciated money, and when the mark became

almost worthless in and after 1922, losses were large.

There were warnings, but rather late. The Harvard Business Review, for instance, in its October issue in 1923, published an article which tried to give information about the real value of German shares and dividends. A yearly dividend of 300% depreciated currency for a share bought in 1923, the article explained, would mean not more than 1% in gold marks. If, however, the share had been bought in 1922, the gold mark dividend of 1923 would be only 1/2%, for the money had lost half of its value in the meantime. On the whole, there was amazingly little discussion of the dangers of speculation in an era in which it was a popular belief that anyone willing to take a risk could make a fortune.  

German real estate was one of the most profitable fields of speculation. Reports about the opportunities of making a fortune even with comparatively little money appeared in different newspapers. The New York Times, which may serve as an example for numerous other papers, reported the purchase of a valuable house in Germany for a few dollars. In December 1922, the same paper announced the investment of $100 million in German industry planned by a newly established company for which the young Franklin D. Roosevelt was spokesman. Roosevelt advocated such investment in industry as a "move to evade losses in depreciated money."

The United European Investors, Ltd., which Roosevelt founded in Canada in 1922 is a characteristic example of the methods used by speculators when it turned out that the value of the German mark depreciated with increasing speed. The company published a number of advertisements in New York papers declaring

---

that it was its purpose to "exchange its shares for German marks held by American investors and to invest these marks in actual values in Germany." Investments were to be made "in real estate, mortgages, securities, and participation in industrial and commercial enterprises." Roosevelt, under whose names these advertisements were published, explained that "the directors will take advantage of the present money stringency in Germany and of the purchasing power of the mark which is far greater than reflected in exchange quotations."  

The New York Times on August 21, 1924, maintained that Roosevelt's company had liquidated with a profit of more than 200% after the inflation had run its course. The Company was still a profitable enterprise when Roosevelt sold out his part in the holdings in 1926, but by that time, speculating with devaluated marks had become a matter of the past.

Most speculators who tried their luck with buying German currency in the early 1920's experienced quite substantial losses when the hoped for upturn of the market did not occur. Before a large number of them were aware of the extent of their losses, the State Department became worried about the situation. Secretary Hughes, who here showed that he was to some extent willing to act independently of senatorial pressure, warned bankers against the enormous extension of credit to Germany.

In the summer of 1921, the government, on Hughes' suggestion, decided "to maintain a watch over loan offerings made to the American public." J.P. Morgan and Co. and a few other banking firms were asked to discuss the subject with the President.


11. Fusfeld, Ibid.
and the Secretaries of State, Commerce, and Treasury. The financiers in this conference gave a promise "that American investment bankers would notify the State Department of contemplated transactions" and give it an opportunity to comment on the advisability of every specific loan. It soon turned out, however, that some investment bankers did not keep this promise. In March 1922, therefore, the government announced that all issuers of foreign loans to be sold to the public were explicitly required to ask for written advice by the State Department before concluding any transaction.

This loan advice scheme was not successful because the State Department merely made objections, and then did not enforce them. It had little success in discouraging the investment firms from engaging in business of dubious value. The lack of administrative determination can be at least partially explained by the view generally shared in governmental circles that Germany had to be built up economically in order to be able to pay reparations. Large loans seemed to be the best way to achieve this aim. Restrictions on loans, therefore, were not only contradicting the professed laissez-faire policy toward business but also a foreign policy designed to support Europe by American capital. Under these circumstances, no serious interference with private lending could be expected. There was as yet little awareness of the service the government could have given to investors by helping to plan foreign investments so as to give both protection to American capital and profitable utilization of dollars for European reconstruction.

American newspapers in the early 1920's were more concerned with the possibility of facing a dangerous industrial competitor in postwar Germany than with loans and speculations. There were two reasons which brought this topic to public attention: the German export boom prior to 1922, and the pressure of the American chemical industry.

In the years before 1922, there had been widespread fear that American trade would be seriously injured by the big, but short-lived German export boom. In that year, however, German exports decreased and apprehensions were allayed. On May 10, an article in the Chicago Tribune was read into the Congressional Record which expressed satisfaction that "during the last six months authorities in the Department of Commerce have discovered signs of collapse" in the German economy. In March 1922, for the first time since the war, Germany's imports had been much higher than her exports, and thus the "Bogy of World Trade," as German competition was called in the article, was fading.\(^\text{14}\)

Newspaper opinion of Germany as a possible competitor changed to some extent under the influence of Germany's economic decline in 1922 and 1923. But even before 1922, certain editors maintained that the danger of German competition was a legend. The Los Angeles Times, for instance, explained in August 1921, that Germany had lost about 40% of her steel making capacity through the war and the Versailles Treaty.\(^\text{15}\) Nations Business predicted that German combines would strive to win back their old markets especially for potash, dyestuffs, and steel products, and Germany's low wages would imply lower producing costs, but there was "no need for American exporters to lose sleep over the pros-


\(^{15}\) Los Angeles Times, August 25, 1921, p.10.
pect of their competition." Iron Age pointed out that competition was natural because Germany needed a surplus for reparation payments which could only be obtained by competing on the world market. The Bulletin of the National City Bank of New York criticized "scare stories" about would-be German competition, and Textile World asserted that low wages and production costs because of inflation would only be temporary. In the latter part of 1922, such views were generally held in the business community.

While many papers and magazines succeeded in convincing their readers that American business did not have to fear German competition, there were some interest groups in America which tried to keep alive the fear of Germany as an economic rival. Outstanding among these was the chemical industry. The question of German-American competition in dyestuffs came up in Congress in connection with the tariff debate. On that occasion the claims of the Du Pont and National Aniline companies to special protection under the pretext of saving America from dependence on the German dye monopoly were sharply attacked by Senator George H. Moses. He asserted that these companies were seeking illegal rights and denounced the American dyemakers as no better than the monopolistic German dye trust. After this debate, the influence of the dyemakers' lobby in Congress declined. They did not get the desired amount of protection by Congress. Consequently, the effect of this interest group on public opinion was mainly restricted to some warnings against the German competitor published in the American Dyestuff Reporter.

17. Iron Age (July 28, 1921), CVIII, 211.
18. Quotes from Nations Business (Nov. 1922), X, 45.
By the end of 1923, most American business circles felt concerned not about German competition but about the decline of American trade with Germany which resulted from the reparation crisis and German currency depreciation. The Harvard Business Review reported in October 1923, that "since the occupation of the Ruhr and consequent derangement of European business," the effect on part of the American export business had been severe. From January to July 1923, exports of copper had fallen to one third and exports of lead to one fifth of the corresponding figures of 1922. There had been fewer sales in cotton, of which the Germans had been the largest purchasers, and less exports of wheat, flour, and other important commodities.\(^2\)

Such statistics were necessarily alarming to American producers especially since the price of these commodities had dropped considerably since the war. The decline of trade with Germany and with Europe generally silenced any fear of dangerous German competition. When exports to Germany decreased in 1923,\(^2\) American businessmen became increasingly interested in measures which would bring to an end the political and economic crisis resulting from the reparations controversy.

\(^2\) American Dyestuff Reporter (Mar. 10, 1924), III, 171.
\(^2\) Cf. Appendix II.
1925 to 1929. The first of these treaties was signed on August 10, 1922. It established a Mixed Claims Commission consisting of one German and one American Commissioner and an American umpire who should fix the financial obligations devolving upon Germany as a result of the peace treaty of 1921. This Commission did very satisfactory work in fixing the exact amount of claims of American citizens arising as a consequence of the war. Even though it did not arouse much public enthusiasm in the first years of its existence, its work did a great deal to remove the bitter feelings which still remained as a consequence of the war.²³

An important indication of a friendlier attitude of the government of the United States was the Winslow Act of March 4, 1923 which can be considered as the official opener to the negotiations of the second treaty. This Act amended the Trading With the Enemy Act of 1917 in such a way as to release 80 per cent of the German property held by the American government and restore it to its original owners.²⁴

Following this was a Treaty of Friendship, Commerce, and Consular Rights which was signed in 1923, but not ratified until 1925. The most important provision of the Treaty applied the most-favored-nation clause on a mutual basis to all German and American citizens who wanted to engage in trade or any legitimate business in either country. Without this agreement, much of the German prosperity of the late 1920's would have been impossible.

Although the State Department had been negotiating several new agreements of this kind, Germany was the first European


country with which the United States concluded such a treaty of commerce and friendship. It is significant that it was drafted, negotiated, and signed in the same year in which the heated discussion on the reparations problem reached its climax. This was an indication of the fact that the United States, after the French occupation of the Ruhr, felt free to determine its policies toward Germany without any special consideration of its former allies. This important shift of policy, then hardly noticed in the press, signified the victory of a pro-German faction within the State Department over a pro-French group which before that time had exercised a greater influence on governmental decisions.

Since 1919, when the terms of the Versailles Treaty were published, the Department of State had been informed and advised about German affairs in a rather contradictory manner. From a number of listening posts, such as The Hague, London, Copenhagen, Berne, Coblenz, and Berlin, the Department was continually informed about the internal conditions of Germany, frequently by messages which painted a sympathetic picture of the new republican government and in some cases called for economic aid.  

W. Grant Smith, Chargé in Copenhagen, Commissioner Loring Dresel, American representative in Berlin, and a Captain Gherradi of the United States Navy, special agent of the State Department, all reported the widespread Spartacist (Bolshevist) disturbances in Kiel, Bremen, Düsseldorf, and other large

---

The American Minister in Berne gave notice that the Swiss Foreign Minister urged the United States government to aid Germany against Bolshevism since he gravely feared its spread to Switzerland. Commissioner Dresel in Berlin advised to admit Germany to the League of Nations to strengthen "the parties of order and true democracy which oppose Bolshevism." He observed that the new German government deserved help because it was "clearly democratic in form and sentiment, and stands unquestionably for a republican form of government."

Other American diplomats who had adopted a similarly friendly attitude toward the emerging Weimar Republic, sometimes added to their fear of Bolshevism a deep distrust of French policies. It was here that they collided with the pro-French group among Foreign Service officials. Chargé Smith in Copenhagen began the attack on the French in January 1919 in a message to the State Department which charged that France was "doing all to promote Bolshevism in Germany." Annoyance over French policies grew in diplomatic circles as soon as it became increasingly clear that France was aiming at a separation of the Rhineland from Germany. Major-General Henry T. Allen, the Commander of the American troops in Coblenz, frequently complained to Washington about the French designs to interfere with his command and later with the internal policies of the German Rhineland.

In February 1920, the American observer on the Rhineland High Commission, Pierpont Noyes, sent a bluntly anti-French re-

26. Ibid.
29. National Archives, Chargé Smith to Secr. of State (Jan. 24, 1919), MS., File no. 862.00/493.
port to the State Department. He maintained that American representation on the Rhineland High Commission and the continued presence of American troops in Coblenz would unduly encourage French encroachments on Germany, and therefore suggested the withdrawal of both. He advised further that German "good faith" should be trusted and he attacked the Versailles Treaty for not fixing a final reparations sum which he thought should not be higher than $10 billions. Two weeks later, on March 6, Noyes offered his resignation because of his strong opposition to any occupation of German territory "beyond perhaps the period necessary to put in effect disarmament... Two sinister purposes," he continued,

are developing with allied occupation as basis: first, determination to effect separation of the Rhine territory from Germany; second, the plan to use local disturbances or...dereliction in fulfillment of impossible reparations demands as an excuse for invading and occupying the Ruhr.

He added that the British Rhine High Commissioner, Sir Harold Stuart, "works with me always and agrees."32

The government in Washington, however, was not to any large degree influenced by such views since their effect was neutralized by the fact that Ambassador Wallace in Paris strongly protested against Noyes' reports.33 Wallace was the leading exponent of the pro-French faction among American diplomats. His views, which favored strict German fulfillment of the Versailles Treaty, prevailed for three different reasons. One was the fact that the

32. Ibid.
pro-German group was constantly weakened by resignations or recalls from office. Thus Chargé Smith left Denmark and the Foreign Service early in 1919; and Wallace's strongest opponent, Pierpont Noyes, was relieved of his post on May 17, after the Versailles Treaty had suffered its first defeat in the Senate. Ambassador Wallace, however, stayed in office until 1921.

Another reason why Wallace's suggestion not to disturb French designs against Germany was acceptable to the State Department was that such a view made any American involvement in European affairs unnecessary. In addition, Bainbridge Colby, Wilson's last Secretary of State, showed an extreme aversion to grapple with any of the problems of German-American relations after the Treaty had been defeated. His main political aim apparently was to stay out of trouble. This was also the reason why he reacted so sharply to Dresel's talk with a German official concerning the possibility of a separate peace.

Under these circumstances, Ambassador Wallace's advice not to interfere with French plans sounded reasonable to the government. This was so even after Hughes succeeded Colby especially since the Ambassador in Paris made it clear that he did not fully agree with the "hostile attitude" of Premier Poincaré, and that he favored a reparations sum within the realm of economic possibility. With such a mildly pro-French view, Wallace had the stronger arguments in the tug of war with Dresel who had remained on his post and therefore became Wallace's most effective antagonist.

Dresel and Wallace continued to disagree in their interpre-

34. Ibid., pp.32-33.
35. Infra, p.12, n.41.
36. Supra, p.68.
tation of subsequent events. Thus Dresel criticized sharply the French occupation of Frankfurt and Hanau in 1920 and suspected that the troops had moved in to stay, while Wallace assured the State Department that this was not a matter of concern and only a temporary measure. 38

Similarly, Wallace and Dresel disagreed on the German assertions of outrages allegedly committed by French colored troops in occupied territory. While Dresel apparently took most German allegations at face value, Wallace maintained that only in a very few cases had there been assaults on women. While admitting that this caused unfavorable publicity, he called most of the German complaints propagandistic exaggerations. 39 It is evident that the State Department took Wallace's view in this case. It answered a request on the French troops which had been made by Senator Seldon B. Spencer of Missouri by explaining that "In the opinion of this Department, this agitation against French colored troops is nothing but propaganda...the Department has made no particular effort to secure further information in this matter." 40

In the following years, Hughes saw at first no reason to criticize French policies as sharply as Dresel was inclined to do. Only in 1923, when the reparations crisis reached its height, did the Department of State gradually steer away from its moderately pro-French course. It did then no longer avoid a policy which in some circles would be considered as an affront to France, or as a one-sided attempt to help Germany. 41

---

38. Ibid., p.316.
39. Ibid., p.329.
41. By 1923, both Dresel and Wallace had been replaced. Myron
While interest in trade with Germany increased considerably in this period, not all members of the business community desired closer commercial relations. Since Germany imported mostly foodstuffs and cotton, farmers had a particularly large interest in German trade. Among the manufacturing circles, however, there was at first some fear of Germany as a menacing competitor. Early trade relations were also marred by the instability of the German currency which led to heavy losses for some American speculators.

Only when trade relations slackened to some degree in 1923, the fear of German competition vanished. Moreover, the government of the United States showed by that time increasing willingness to improve trade relations by new agreements with Germany. The settlement of the mutual war claims also strengthened the confidence of American businessmen.

Although the State Department was up to 1923 predominantly influenced by its pro-French faction, the need for trade gradually helped to change the originally very cool attitude toward Germany. Political events in Europe, however, did most to diminish the influence of the pro-French diplomats. When the quarrel over German reparations led to a crisis in 1923, French policies caused much dismay in the United States, and the pro-German faction consequently became more influential.

T. Herrick became Ambassador to France in 1921, and one year later, Alonzo M. Houghton was sent to Berlin as the first postwar Ambassador to Germany. The change in personnel, however, did not eliminate the basic antagonism between the pro-German and the pro-French factions in the State Department.
American attitudes toward Germany changed considerably under the impact of the separate peace treaty, the relief work, the beginning of revisionism, and the reestablishment of trade relations with Central Europe. While there was in many circles a continued feeling of apprehension over the immaturity and weakness of German democracy, and while many Americans feared that German militarism was still powerful, nevertheless by 1923, one could discern a strong trend toward viewing Germany with no more concern than any other European country. There was also a growing feeling that France rather than Germany was the big militarist and as this view took hold, Americans began gradually to feel more sympathy for Germany. Nothing shows this change quite as strikingly as an investigation of American views on the reparations problem.

German reparation payments came first into the focus of general interest at the time of the armistice which rather vaguely provided for "reparation of all damages done to the civilian population of the allies and their property by the aggression of Germany by land, by sea and from the air."¹ It was then not a foregone conclusion for all Americans that this excluded reparation payments to this country. In December 1918, when Secretary of the Navy Josephus Daniels gave a widely publicized speech saying that the United States would ask for no territory and no indemnity, a number of newspapers protested vigorously. The New York Times, the Syracuse Post-Standard,


123
the Buffalo Express, the Sacramento Bee and a number of other papers insisted that the United States should only renounce war costs, but should claim, in the words of the Post-Standard: "payment to the last penny for losses suffered through illegal warfare," which the editor estimated to amount to 375,000 tons of shipping and 775 civilian lives. The New York Times felt that it would be "rank injustice" if the burden of payment for losses would be passed on "to the innocent shoulders of the American taxpayer."  

One indignant Senator, Miles Poindexter of Washington, even brought the matter up in the Senate. He made a short speech condemning the announcement of the Secretary of the Navy as representing only the administration, but contradicting the demands of the American people. To substantiate his view, he read into the Congressional Record an editorial of the Oakland Enquirer of December 3rd, 1918, which flatly demanded that Germany should pay "the expenditure of the United States in this war of defense."  

While not all papers would go so far as to demand an indemnity for the United States, the general consensus of most of the press was that reparation payments were not only an obligation but also due punishment of the enemy. Wilson's message to Poincaré that "final settlement of the issues of the war will not only rebuke... acts of terror and spliation, but made men everywhere aware that they cannot be ventured upon without the certainty of just punishment," seemed to confirm the newspapers' views. The Pittsburgh Post, for instance, commented on this message by demanding "punitive justice" rather than "merely the doing of justice." At the same time, however, correspondent David Lawrence telegraphed from Paris to the New York Evening Post another remark by Wilson saying

2. Literary Digest (Dec. 28, 1918), LIX, 12; these demands, however, were quietly dropped by all of these papers at a later time, cf. infra, p. 127.

3. Congressional Record, 65th Congr., 3rd Sess. (Dec. 14,
that even such fiendish wrongs as those committed by the Central Empires should not be punished by committing new wrongs. This was a view, however, which then found little acclaim.  

A great number of papers were at this time close to British Prime Minister Lloyd George's demand that Germany should pay the cost of the war to the limits of her capacity. The New York Globe agreed with many other papers when it said that the "no indemnities" principle of Wilson's wartime addresses was abandoned by "pretty much everybody..." The Washington Post expressed happiness over the fact that the homecoming soldiers were "a great political force...a worldwind of destruction rising against the deluded, the feeble, and the treasonable among Americans, those who are beginning to protect the unrepentent enemy against punishment...." The soldiers would see to it "that unless every American public official helps to make Germany pay for the damage she has caused, he must take the consequences." The New York Tribune contrasted "stricken France" and "unravished Germany," and the Philadelphia Public Ledger saw in this contrast proof that the allies would pay Germany if Germany would not pay reparations to France and Belgium. "If there were no reparations...Germany would enter the profitable competition of peace with a heavy handicap in her favor." The Ledger also discussed whether it would not be wise to put a limit on indemnity payments dependent on "how heavy a burden can safely be laid upon the German people without risk of Bolshevism." In this respect, the Ledger went beyond the mere demand for large payments which was expressed by most papers without much consideration for detail. The majority of editors defined the amount of reparations vaguely as a bill high enough to redress wrongs and to prevent the vanquished


4. Literary Digest (Dec. 28, 1918), LIX, 12.
from recovering faster than the victor.\(^5\)

Among those papers and magazines which tried to assess the amount of reparations that would be feasible, there was much discord. The *New Republic* wrote the smallest bill. It demanded $10,000,000,000 for reparations and repeated George Bernard Shaw's opinion in the British *Manchester Guardian* that for those who were sufficiently intelligent to understand what the downfall and failure of a great power meant, the punishment had already been terrible enough. The *New Republic* stood alone in maintaining that in order to prevent chaos in Europe, one had to set Germany "on her legs again."\(^6\)

A few papers as the *New York Sun* and the *Philadelphia Enquirer*, although they were during the war uncompromisingly opposed to Germany, said it would be impossible to collect "anything like the whole cost of the war from Germany." They implied hereby the later demand for a reparations sum dependent upon Germany's capacity to pay.\(^7\)

The *New York Times* went even further in its estimate of reparations payments than Lloyd George's famous election campaign bill of $120 billion. It published a table of expenses which totaled $123 billion by allotting $41.5 billion to Britain, $26.8 billion to France, $21.5 billion to Russia, $18 billion to the United States, and the rest to Belgium, Italy and others.\(^8\) It did not then discuss the question of whether or not Germany could pay this amount. It seems that most papers were at this time quite optimistic in respect to Germany's capacity to pay a large indemnity. The Indianapolis *Times* and the *Mobile Register*, for instance, based their views on British sources like the *Daily

\(^5\) Ibid.

\(^6\) *New Republic* (Nov. 23, 1918), XVII, 87-89.

\(^7\) *Literary Digest* (Dec. 28, 1918), LIX, 12-13.

Mail, which pointed to the possibility of exploiting German mineral deposits allegedly valued at close to $400,000,000,000 and then added the large properties of the Hohenzollern and other princely families.

The most detailed account of how Germany should pay her reparations was given by Gustave Miller of the New York Tribune who explained to his readers how Germany could pay an indemnity of $100,000,000,000 within 39 and a half years. Essentially, his plan was to utilize the savings the German treasury would enjoy by eliminating the expenditures for the upkeep of the Royal Houses, the Navy and Army, and the Colonies. Germany could also increase revenues by raising the rates for postage, railroads, telephone, telegraph, streetcars as well as consumer taxes. The transfer problem was not touched.

With the exception of the New Republic, no newspaper kept its views unchanged with respect to the reparations question in the following years. But there was reason to believe that readers would soon forget what editors had written in December 1918; for from 1918 to 1921, the reparations question was hardly discussed at all in America. This was to some degree due to the fact that the Reparation Commission set up under the Treaty did not publish the amount demanded until 1921. Other parts of the Versailles agreement, therefore, stole the headlines; and after the Senate defeated the Treaty, there was a general slackening of interest in foreign affairs. Moreover, the United States, in her separate treaty with Germany and subsequent agreements, did not demand reparations. While in 1918 a number of newspapers attacked the Administration vigorously when it suggested that America would not demand indemnities, these protests proved to be shortlived, and demands for American reparations were quietly dropped within

9. Literary Digest, loc. cit.

10. There were merely mutual claims to be adjusted by the Mixed Claims Commission. Cf. supra, p.116.
a few months after the armistice. The reparations problem had thus become a matter of relations between different foreign powers and could be almost forgotten by the newspapers. The government of the United States, however, could not avoid being diplomatically involved in the first major crisis which developed in Europe over the reparation difficulties.

In March 1921, Germany was declared in "default of her obligations and engagements" by the Reparation Commission. One month later, on April 20, Chancellor Konstantin Fehrenbach and Foreign Minister Dr. Simons wrote the State Department that they

notwithstanding the still existing technical state of war, respectfully petition the President of the United States of America to mediate the reparation question and to fix the sum to be paid by Germany to the Allied Powers and...to secure the consent of the Allied Powers to such mediation.12

If the United States had acted as was requested in this plea, it would have been directly involved in European affairs. For this reason, Secretary Hughes abstained from mediation. His specific answer through Commissioner Dresel stated that

this Government could not agree to mediate the question of reparations with a view to acting as umpire...in its settlement. Impressed, however, with the seriousness of the issues involved as they affect the whole world this Government strongly desires that there should be an immediate resumption of negotiations.

Thus the Secretary shielded himself against the vigilance of the "irreconcilables." Yet Hughes saw clearer than most leaders of his party that the United States itself might suffer economically if a political crisis resulted from a clash over reparations. Therefore, he asked the German government to "promptly formulate such proposals as would present a proper basis for discussion." The United States would then "consider

bringing the matter to the attention of the Allied Governments in a manner acceptable to them in order that negotiations may speedily be resumed."13

Dr. Simons sent the German proposals to Washington on April 24. Then, on May 2, after Hughes had met the Ambassadors of France, Britain, Italy, Belgium, and Japan; the German government was informed that the American government could not "reach the conclusion that the proposals afford a basis for discussion acceptable to the Allied Governments." Hughes urged Germany "at once to make directly to the Allied Governments clear, definite, and adequate proposals."14 But it was too late. The allies sent an ultimatum to Germany in which they threatened to occupy the Ruhr district unless the Germans would accept their "London Schedule" of annual reparation payments. The Fehrenbach government fell, and Germany accepted the London Schedule unconditionally on May 11, 1921. Yet the problem was not solved. Among the few papers who recognized this at that time was the American Journal of International Law which said in an editorial in July 1921 that new difficulties would soon arise since the London Schedule did not solve the reparation problem, but merely delayed the crisis soon to come.15

In January 1922, Germany was granted a moratorium for her January and February payments, but a plan to float an international loan was refused by a Committee of Bankers led by John Pierpont Morgan. The Reparations Commission did not consent to J.P. Morgan's demand that the obligations of such a loan should have priority over all other obligations.16

13. Ibid., p.44.
15. American Journal of International Law (July 1921), XV, 411-418; the London Schedule of payments demanded a sum of 132 billion gold marks to be paid in 37 annual installments.
16. The Reparation Problem, op.cit., p.3.
After these preliminary negotiations failed, Franco-German relations deteriorated more and more. Measures of retaliation were threatened by the French government after Germany on July 15, made an incomplete payment; and the French showed that they meant business when they put state property in Alsace-Lorraine under seal on August 5. The Reparations Commission then granted another six months moratorium for German payments; but there developed a further crisis in August, because Britain had changed her mind and was from now on inclined to revise the London Schedule to which France and Belgium would not consent.

It was of some importance for the development of American attitudes toward Germany that French policy in 1922 had aroused the indignation of a number of powerful Senators. It was strongly resented when Poincaré declared early in the year that the United States had no legal right to demand payment of $25,000,000 for occupation costs from the sum which Germany had paid to the Reparations Commission. The allies, he said, were not bound by the Treaty of Versailles. Poincaré won no friends in the United States with this speech. Senator Borah immediately demanded the recall of the American occupation troops, one thousand of which were still in Coblenz. Though the troops continued to stay in Germany, and the allies finally agreed to pay the American troops out of reparation funds, there remained a feeling of resentment towards the French government after this incident.

France lost an important friend in the Senate when Senator Hitchcock, the former leader in the fight for acceptance of the Versailles Treaty, turned gradually anti-French in 1922. On August 31, he made a speech before the Senate demanding an American protest against certain crimes which French colored troops

18. The Reparations Problem, op. cit., p. 5.
were supposed to have committed in the Rhineland. Three months later, this speech was followed by a rather strong rebuke of former French Premier Clemenceau who had exhorted Americans on November 21st, while on a visit to the United States: "I want you to interfere with Europe, because you left it too soon." Hitchcock's answer came two days later in the Senate. He did not exactly refer to Clemenceau's statement, but he denounced French policy instead and used what up to that time was the strongest anti-French language heard in the Senate. "France," Hitchcock said,

in spite of the declarations of economists in all the countries of the world continues to demand of Germany reparations that are absolutely impossible...There are two Germanies, and if the opportunity is given this Germany will be...as much a republic as France. But it cannot remain a republic, it is bound to be driven into bolshevism or militarism by such policies as are maintained by the French government.

Hitchcock then accused the French of a militaristic policy: "France is maintaining an army of 700,000 men, the largest army ever maintained by any nation in time of peace." The British had only 200,000, the Americans 125,000, and the Germans 100,000. Moreover, the French had not yet ratified the disarmament agreements of the Washington Conference. "I believe," concluded Hitchcock, "there will be no sentiment in the United States in favor of supporting French policy until some serious effort shall have been made to carry out the clause of the Treaty of Versailles which implied disarmament."19 Senator Borah supported Hitchcock and asserted that the militaristic faction of France was in power.20

Only the Democratic Senator Henry L. Myers of Montana made a long and complaining speech in which he regretted Hitchcock's

20. Ibid., pp. 53-54.
change of opinion. He pointed out that France had been the "natural friend" of the United States since the very beginning of its history, and asked: "What is France to do besides prepare herself for the day which inevitably must come...when a rehabilitated and revivified Germany will renew her age-long war against France?" He said he could not feel pity for Germany and he wished the Senators would all read the book of Dr. Newell D. Hillis about the German atrocities in the world war.  

"I do not want to see Germany destroyed," Myers said, "I want her people to make money, and then I want to see it taken away from them and applied upon the reparations due France and Belgium." Myers' speech was the last important public expression of an attitude towards Germany based on the principle of penalizing atrocities. This argument did not find friends in the Senate in subsequent years.

In the meantime, the reparations crisis was moving towards its climax. The German government constantly tried to convince the allies that it was impossible to fulfill their reparations demands unless they were correlated to Germany's capacity to pay. The French government, however, whose budget was largely dependent on regular reparation payments, felt that it had to hold fast to every part of the London Schedule of payments. Premier Poincaré was determined to apply the widest possible interpretation to the "sanctions" to which the allies were entitled in the Treaty.

Under these circumstances, the six month moratorium which the Reparations Commission had granted to Germany in 1922 could provide nothing more than a short breathing space. On November 22, a German request to appoint a Committee of Experts which would fix reparations according to Germany's capacity to pay was rejected by the allies as were additional German proposals for another moratorium. Finally, on December 26th, Germany was declared in default of timber deliveries to France for the year 1922. It was obvious that this move was used by Poincaré as a final threat of applying sanctions. He was determined to occupy the Ruhr district in order to "create the will to pay" in Germany.23

The British government was strongly opposed to such a policy. It had fought the French in the Reparations Commission when the vote was taken on Germany's default, and on January 22, 1923, it made an unsuccessful proposal to revise the London Schedule of payments. Two days later, Prime Minister Bonar Law stated the British view by warning that the French plan would fail in obtaining results "and have a grave and even disastrous effect upon the economic situation in Europe."24

The split between the French and the British on the reparations question did not go unnoticed in the United States and in the ensuing debate, most Americans seemed to be closer to Bonar Law's view than to that of Poincaré. In the first days of 1923, most newspapers carried headlines on their front pages about the increasingly critical situation in Europe. On the 8th of January, 1923, it became known that France had decided to occupy the Ruhr in spite of Britain's disapproval.25 The next day, Germany

25. Los Angeles Times, the New Orleans Times-Picayune, and the Ohio State Journal all brought reports on their front pages but no editorials on this question between Jan.2 and Jan.9, 1923.
was declared in default of deliveries of coal to France, and on January 11, 1923, French engineers, guarded by a strong detachment of French troops together with some Belgian forces, invaded the Ruhr district around the city of Essen.

Germany did not wage war. She decided, however, to fight the French pressure by "passive resistance." On January 14, the German government suspended any payments to the powers participating in the Ruhr occupation and declared that this occupation was a violation of the Versailles Treaty. The Reparations Commission answered by declaring Germany in default of payments and informed Berlin that the six months moratorium granted before had lapsed, and consequently the London Schedule was effective.26

The crisis was serious enough to cause a nationwide and bitter debate in Congress as well as in the press. On January 20, the socialist Representative Meyer London of New York made a strong speech against the French invasion of the Ruhr before the House. He said:

I would have the American Congress express in kind but solemn words a desire that the invaded territory be evacuated. I would ask that the President be instructed to mediate....I want to say that the Treaty (of Versailles) has no moral sanction in the mind of any thinking man. The Versailles Treaty...was dictated by physical force, and one of the most infamous things committed by that Treaty was to compel a nation to admit that it was the only guilty nation....If it is right for France to invade German territory in order to collect money, it would be right for America to invade...to collect the $3,000,000,000 she (France) owes America.27

Three weeks later, Edward Voigt, a Congressman of German

ancestry, introduced a House Joint Resolution protesting
against the Ruhr occupation and requesting the President to
summon an economic conference demanding settlement of the French
debts. The resolution was sent to the Foreign Relations Committee,
but it was never reported back. 28

More moderate opponents of French policy stressed the economic
consequences of the Ruhr occupation. For this reason, Senator
Pat Harrison of Mississippi read in the Senate a report of the
International Trade Commission of the Southern Commercial Congress
which had made an investigation of the economy of various Euro­
pean countries. In this investigation it was pointed out that
Holland, as neutral observer, agreed with the conclusion of this
Commission "that Germany cannot pay." Furthermore, the Commission
asserted that the "inability of many American farmers...to market
their crops at a satisfactory profit is due to the lack of a for­
eign market for the surplus products." 29

A few weeks later, a group of American business men coming
home from Europe informed the Secretary of State that conditions
were ripe for prosperity if "the matter between France, Belgium,
and Germany" could only be adjusted. 30 The State Department had
thus ample reason to take a grave view of the disruption of eco­
nomic relations. Hughes decided, therefore, to use at least
some indirect means by which he could hope to put pressure upon
the French.

On the same day that the French and Belgians moved into the
Ruhr district, Hughes recalled the last American troops from
Coblenz. He obviously wanted to show that America would not

28. Ibid., Pt.4, p.3666, House Joint Resolution 444.
29. Ibid., Pt.3, pp.2380-81.
participate in any occupation which in part appeared illegal. He did not feel, however, that he could do more than indirectly show that France was not supported by America in its Ruhr policy. While this caused resentment in the French press, Hughes could not expect it to have an influence on Poincaré's decisions. Indeed, since he represented an administration which was resolved to stay aloof from Europe, he could not hope to do much about the situation. Instead he listened to the oracle of public opinion at home which was too diversified to suggest any policy which would have had majority backing.

How large a role public opinion did play in Hughes' thought at that time can be seen from a conversation with the British Ambassador shortly after the French march into the Ruhr area. On that occasion Hughes pointed out that American views in regard to the Ruhr occupation were "divided." There was a "considerable body of opinion to the effect that France had been devastated" and that she was now going into Germany to get the reparations she was entitled to, and it was hoped she would succeed. Hughes added that those who held that view were quite influential. He then mentioned that there was also a pro-German group which would like to have the American government "go in," and another group which would like America to "stay out." Hughes finally referred to a fourth group which was "taking a view of the matter in its relation to the economic rehabilitation of Europe." The Secretary said that this group was much concerned "not only with the direct consequences of the action of the French, but with the indirect consequences to which so many were oblivious." He cited, for instance, the strangulation of German credit, the lack of orders for the German industry in this time of insecurity, and the effects on the economy of countries like Italy and Switzerland which were dependent on
German coal. Obviously, Hughes shared this view himself.\footnote{Ibid. (1923), II, 52-55.}

The British Ambassador answered that British public opinion was divided, too, and that it was very difficult, therefore, for the government to do anything definite about the situation. After Hughes had asked the Ambassador if he thought that the French were in the mood to accept any suggestion and the Ambassador had denied this, they agreed that both governments had to wait until the time when such suggestion would be welcomed by France.\footnote{Ibid.} Thus the United States did exactly what Senator Duncan U. Fletcher of Florida advised in his complacent statement before the Senate on February 13: "The only course open to us now...is to devote our attention to our own affairs and let other countries settle their own problems in their own way."\footnote{Congressional Record, 67th Congr., 4th Sess. (Feb. 13, 1923), Vol. 64, Pt. 4, p. 3562.}

Meanwhile, the press discussed the crisis rather excitedly and disagreed thoroughly on what attitude to take. The Ruhr occupation was strongly supported by the French-language papers\footnote{Congressional Record, 67th Congr., 4th Sess. (Feb. 13, 1923), Vol. 64, Pt. 4, p. 3562.} which, however, represented only a small group of Franco-Americans. Comparatively speaking, the strongest pro-French pressure was exerted by the American Legion. On January 16, 1923, a resolution was passed by the National Executive Committee of the American Legion at Indianapolis. This resolution, printed in the Congressional Record on January 20, "resolved that the action of France (the occupation of the Ruhr district) was and is justified."\footnote{Congressional Record, 67th Congr., 4th Sess. (Feb. 13, 1923), Vol. 64, Pt. 4, p. 3562.}

The New York Times on January 29, supported the view of an address given at Atlantic City by the National Commander of the Legion, Colonel Alvin M. Owsley, who criticized Hughes' policy, particularly in regard to the sudden withdrawal of the American
troops. "While cautious statesmanship is neutral or antagonistic to the occupation of the Ruhr," said Colonel Owsley, "the American soldier is declaring himself as one entitled to be heard. He speaks out in a spirit of bravery and alliance."36 Most of the other expressions of pro-French views came from the Northeastern section of the country and from New Orleans. The Boston Transcript hoped that the French would now "quickly bring the Berlin Government to its senses."37 The Providence Journal believed the occupation was "the most constructive step taken in months toward the solution of the vexed reparation problem. " And the Providence Bulletin demanded: "If France is the only nation that has the courage to act, then more power to her!"38

Such opinions were most prevalent among the more conservative papers of the Northeast and in Louisiana which had traditionally close ties to France. In most other sections of the country, the Ruhr invasion was accepted with less enthusiasm. While pro-French papers did not alter their opinions, a number of groups who were formerly undecided now became more impatient with France. A good example was the Los Angeles Times which originally had a rather critical view towards Germany. After the French had marched into the Ruhr, however, it became more skeptical of Poincaré's reparation demands. In its editorial of January 11, the Times wrote:

There is a question whether (German) payment would be advisable, if it were possible. Even for the future of France it may not be best.... A bankrupt neighbor becomes a heavy charge.40

Many other papers were definitely against the French move from the very start. The New York World said: "A terrible responsibility" had been assumed by France. The measures were

34. Literary Digest (Jan. 20, 1923), LXVI, 9.
"in the opinion of the whole world...dangerous, provocative and self-defeating." The Washington Post demanded that "a greater force than the will of France should operate to induce France to withdraw." The Springfield Republican asserted that "the invasion of the Ruhr is regarded as a declaration of war by French militarists, and the German view is shared by the masses throughout Europe." The San Francisco Chronicle assured its readers that its "objection is not due to sympathy" with Germany, but to the fact that "it might throw 60 million exceedingly competent people into close collaboration with the Russian Hordes which sorely need some leadership...to involve Europe in an orgy of destruction." 41

The most interesting consequence of the Ruhr occupation was the fact that some papers showed a gradual change as the crisis progressed. Appeals to the French for moderation multiplied after the German government had published a conciliatory note which was a far step from the original defiance shown in Berlin. The new note offered for the first time tangible guarantees to ensure the reparations payments. These guarantees referred especially to railroad bonds, real estate, and the government excises on tobacco, sugar, wine and other alcoholic beverages. The Germans repeated their offer to accept the decision of a group of international experts to fix the final reparations sum. This note was received very favorably by the American press. The offer of guarantees was stressed by the Kansas City Star and the Philadelphia Inquirer which agreed with numerous other

38. Ibid.
papers that the offer was distinctly better than previous German notes and complied with the French demands to a large degree. The Buffalo News wrote that "precipitate rejection by France... would confirm the thought many hold that Poincaré did not wish Germany to pay." The New York Herald's Washington correspondent claimed that "official Washington found the note favorable" for a settlement.42

When the German government ended passive resistance in the Ruhr area, most papers were inclined to believe in a speedy solution of the reparations problem. The Ohio State Journal stood for many papers when it thought that "rapid adjustment" was in sight.43 Yet there were also editors who were by then thoroughly disgusted with the long drawn out quarrel and believed with the Charleston News and Courier that crisis would continue to follow crisis in the Old World. Some papers which had been pro-French at the beginning of the Ruhr invasion now realized that France because of her stubborn refusal to accept a committee of experts, was moving away from the desires of the State Department. Instead of defending Poincaré as before, the New Orleans Times-Picayune and the St. Louis Star now condemned all European statesmen equally.44

The growing criticism of France in the United States was also highlighted by the utterances of a number of important government officials whose word counted even more since they were known as experts who had had long and intimate contact with the French government. In summer 1923, the former commander of the American troops in Coblenz, General Allen, published his Rhineland Journal45 which contained a large number of diary

42. Ibid. (June 23, 1923), LXXVI, 5-7.
44. Literary Digest (Oct.6, 1923), LXXVI, 7-9.
notices with evidence of the French intrigues aimed at the separation of the Rhineland from Germany. With its exposure of a new kind of secret diplomacy, this book was highly embarrassing to the French.

The most sensational and unsuspected attack on the French, however, came from former President Wilson. It was headline news all over the country when Wilson broke his long voluntary silence to broadcast a speech on armistice day in which he scolded both the American people for their refusal to fulfill their international responsibilities, and the French for making "waste paper of the Treaty." It was quite characteristic of the mood of public opinion that in the discussion following this speech, Wilson was strongly rebuked for his attack on the American people; but there was virtually no criticism of his blast against the French.

Shortly after Wilson's speech, the former American observer at the Reparations Commission, Roland W. Boyden, directed another broadside at the French government in a speech at the Waldorf-Astoria. He accused France of trying to enforce impossible demands by military measures. He also charged that this policy led to Germany's paying even less than would have been possible under reasonable conditions. The basic mistake of the Paris Peace Conference had been the failure to base reparation demands on Germany's capacity to pay. This failure, in Boyden's opinion, was responsible for the economic and also the political decay of Germany which was as costly for the Germans as it was for their creditors.

While Allen criticized the political tactics of the French, and Wilson attacked them primarily on moral grounds, Boyden dwelled on the economic problem of reparations with which he

---


was most familiar. Since this lay at the bottom of the Franco-German crisis, it was particularly timely that an important book on the subject was published just as the conflict was most intense. Harold G. Moulton's *Germany's Capacity to Pay*[^49] was a scholarly economic study of the reparations problem which aroused much public discussion in the latter part of 1923. It was favorably reviewed in *Nations Business*[^50] and many other publications.

In this book Moulton tried to prove that Germany's capacity to pay reparations was limited. Since her convertible assets, such as foreign currency and securities, gold stocks, and arms, had already been given away, any further payments depended on the surplus of exports over imports. Export surpluses, however, could only be obtained by underselling competitors and thus cut into the creditors' commerce. The author concluded, therefore, that "the only way to collect your bill is to let your competitor put you out of business."

Payments in kind were no exception to this rule since they diminished the size of exports, a part of which were always needed in exchange for those imports which kept the debtor's economy productive and solvent. Neither was there any hope for an increase of reparations when peacetime conditions led to a growth of German national wealth. For national wealth was not transferable across national borders unless one resorted to currency transfers which would result in a runaway inflation if not backed by export surplus. Moulton maintained that arrangements could


[^50]: *Nations Business* (Nov. 1923), XI, 8.
be made to conceal all this for a short time, but since the re-
parations demands extended over decades they would prove un-
workable in the present form.

The book thus came to a negative conclusion and did not
offer the creditors any solution of their problem. Yet it
was up to then the most thorough and cogent analysis of the
economic side of the reparations question. Only those Ameri-
can publications which represented the pro-French groups at-
tacked some of Moulton's assertions. The Independent, for
instance, said: "Germany is starving because she is not able
to handle her money problem well enough." Moulton, declared
the Independent, was not right in saying that paper currency
inflation could not be checked once it was fully under way.51
But these were minor points. Even the Independent did not con-
tradic Moulton's main thesis that reparations could only be
paid from export surpluses. To the extent that Moulton had
put across this conclusion he made his readers skeptical about
the economic feasibility of the allied reparations demands. It
is certain that his book helped to bring American economists and
businessmen closer to the revisionist view held by the German
government.

There were still other criticisms. One cannot get a com-
plete picture of American opinions on the Ruhr occupation without
taking into consideration the attitudes of labor and farm circles
and the church groups. Their views carried added weight since
they had, like the diplomats, not participated in the public
discussion before the crisis reached its peak. Even during the
first months of the Ruhr occupation, the American Federationist,
the official publication of the AF of L, did not make any com-
ments on the situation. Its generally friendly attitude toward

51. Independent (Febr. 2, 1924), XII, 68-69.
the workers in the Ruhr area came out in the January edition of 1924, when it announced that money would be collected for the former strikers against the French occupation. "We have the duty," it said, "to help the German trade union movement maintain itself as the defender of democracy against the terrific onslaught of Bolshevik propaganda and the monarchists."52

The Ruhr invasion received much criticism by the farm interests. One of their spokesmen in the Midwest, for instance, the Racine Wisconsin Agriculturalist, complained that in the United States the chief sufferer of the occupation would be the farmer. The Germans needed nearly $200 million foodstuffs annually and did not know how to pay for it, explained this farm journal. They "made little money enough.... But if France seizes their big industries," they would "have none at all."53

The attitude of the farmers was thus close to that of the most embittered critics of the French occupation, the German-language press and the liberal magazines.54 But also a number of religious papers and journals came on this occasion very close to the pro-German point of view. One reason for this was the fact that the Pope had denounced the march into the Ruhr district. Catholic World, for that reason, came out strongly against French policy and commented editorially on the papal disapproval of the occupation and the subsequent "aggressive answers (to the Pope) in French journals."55

On the Protestant side, the French were criticized mainly as a consequence of the trend toward pacifism which could be

52. American Federationist (Jan. 1924), XXXI, 92.
53. Literary Digest (Jan. 20, 1923), 8.
54. Ibid.
55. Catholic World (Oct. 1923), CXVIII, 121.
found in many Protestant churches after the war. Religious pacifists did much to swell the membership of the numerous peace societies which flourished in the 1920's. All of these were united in their general distrust of militarism with which the march of French troops into the Ruhr was identified. Since Poincaré was not willing to substitute judicial arbitration and compromise for military force, he turned the phalanx of American peace associations solidly against himself.

The Ruhr invasion thus brought a substantial amount of American public opinion closer to the pro-German point of view. One must realize, however, that this was not due to any particular enthusiasm for Germany, but rather to the widespread and bitter criticism of the French. The occupation of the Ruhr district shows more clearly than any other postwar event that American attitudes toward Germany did not solely depend on relations with that country, but were largely determined by the views on France and her policies.

This was inevitable as long as France and Germany remained bitter antagonists. Throughout the early 1920's a strengthening of the pro-German groups meant a weakening of the pro-French and vice versa. Most of the developments shown in the preceding chapters, therefore, cast as much light on German-American relations as on American attitudes toward France. Between 1918 and 1923, Americans had moved closer to the pro-German point of view in the same degree as they had moved away from their wartime loyalty for France. The critical view which most Americans took in regard to the Ruhr occupation resulted indirectly in sympathy for Germany.

Chapter VII

AMERICAN DIPLOMACY AND THE DAWES PLAN

The negotiations which brought the reparations crisis to an end again showed how much American attitudes toward Germany depended upon relations with France. Particularly important in this connection was the attitude of the Secretary of State. For it was American diplomacy which despite much hesitation, finally dared to act and thus ended the deadlock between France and Germany.

As things were, it was more unusual that Secretary Hughes acted at all than that he acted so late. Ever since the defeat of the Treaty of Versailles, the State Department had not had much influence on the formation of attitudes toward Germany. The separate peace treaty originated in Congress. Neither had the diplomats much influence on the change of views brought about by relief work, revisionism and trade. It was only at the peak of the reparations crisis that the State Department made an independent move and thus helped to shape some of the attitudes toward Germany.

There was, indeed, no other institution which could have acted in the interest of the nation. When the Ruhr occupation began to threaten American investments and trade in Europe, it became obvious that forceful diplomatic action would be more effective than the contradictory policies which public opinion advocated. It was also clear that the United States, because of its neutral position and financial strength, was more capable than other nations to use diplomatic pressure that would enforce a settlement. At that moment, there was no other great power which could have influenced Poincaré's decision; for Britain, which had emphatically opposed the Ruhr occupation, had been skill-
fully isolated by France and was deeply distrusted by the French government. European diplomats believed that the United States, if working in concert with other nations, could probably delay Poincaré's action and bring about a last minute attempt at arbitration.

The strong desire of many European countries to do something about the situation in cooperation with the United States was demonstrated by the frequent requests on the part of neutrals for American intervention. The months of November and December 1922, showed a flurry of diplomatic activity. The Swiss government, for instance, informed the Department of State of its fears of an economic breakdown in Germany with grave consequences for Switzerland. It desired that a moratorium of reparations payments be granted immediately. The Italian Ambassador in Paris told Ambassador Herrick that all Europe waited for a decisive word from America; and the Swedish Minister in Washington asked whether several neutral countries should send a common note requesting the United States to intervene in the reparations quarrel. He was told, however, that confidential talks between the United States and France were in progress and such action, therefore, would not be desirable.

Hughes would thus have had much diplomatic support for almost anything he had chosen to do. That he did not do anything was not merely due to his fear of the isolationist Senators. Had he been genuinely interested in forceful diplomatic action at that time, he could at least have discussed the situation

2. Ibid., p.128.
3. National Archives, Memo of conversation between Under-Secretary Phillips and Minister of Sweden (Nov.16, 1922), MS. 46200, R29/2288.
with a few influential Senators to create Congressional support or to find out how far he could go without dragging the Administration into serious domestic difficulties. Yet there is no evidence in the files of the National Archives that he had any other plan at that time than to just sit and wait till the French themselves recognized the futility of the Ruhr occupation. Recent research has shown that there were two reasons for Hughes' hesitation which were at least as potent as his fear of the irreconcilables. One was that Hughes himself was quite disinterested in foreign entanglements if they could be avoided at all; and the other reason was his defense of the peculiar position the United States took in regard to the allied war debts.

Hughes was not as much of an "internationalist" as his biographer describes him. He believed, at least by 1922, in aloofness from European affairs almost as strongly as Senator Borah, and his speeches at that time show that he was equally steeped in the traditional American belief in non-entanglement with Europe. Any active interference which would have committed the government politically in Europe could not be expected from him. If the United States could help at all in the reparations question, only economic help was possible.

In the economic field, however, there was another stumbling block which delayed American action. This was the American view in respect to the allied war debts. The European allies, including Russia, owed the United States the total amount of more than $10 billions. France alone owed more than $3 billions, and her demand for high German cash reparations was partially based on the argument that she needed the money to pay her American debts. As long as the United States insisted on full repayment, the allied war debts thus tended to harden French

---

demands from Germany. This is one of the reasons why historians later claimed that it would have been better for the United States to have cancelled most of the debts, especially since not much was ever paid anyway. But it is easy to judge with the advantage of hindsight. In the early 1920's, Congress as well as the Cabinet insisted doggedly on repayment in full. Secretary of the Treasury Andrew Mellon in 1921 asked Congress for permission to accept direct payments from Germany on allied debt accounts, hoping that this would facilitate the repayment of the allies. But Congress refused to give him such powers and instead created the World War Foreign Debt Commission which had to deal directly with the debtors. A special law of February 9, 1922 prohibited substitution of allied debts by reparations. Britain, the only creditor nation aside from the United States, thereupon offered to cancel the payments of her own debtors if the United States would do likewise. But this was indignantly refused by the United States.

There were some American diplomats in Europe, however, who were worried that the Congressional view on allied debts complicated European tensions and who therefore felt that the argument that debts had legally nothing to do with reparations bypassed the problem. The leader among these men was Ambassador Houghton in Berlin. On October 23, 1922, he wrote a long letter to Hughes in which he apologized for giving the "unsolicited advice" that America should cancel the debts of the allies. American help, said Houghton, was the only way of preventing Europe from destroying itself. Houghton asked for permission to express these

6. Gescher, op. cit., pp.80-81 which contains parts of Hughes' speech of Nov.30, 1922. This speech affirms non-entanglement with European affairs as the historically sanctioned basis of American foreign policy.

7. Ibid., p.102.

views in a private speech. He was supported by W.R. Castle, the Chief of the State Department's Division of Western European Affairs, who was at that time in Berlin. It is possible that such action on the part of the American government could have persuaded the European powers to restrict their demands for German payments. Britain and France had always refused to pay the huge war debts out of their own surpluses. They held the view that the debts could not be paid except from German reparations. In this situation any American advice to diminish reparation demands without an offer to reduce war debts at the same time sounded hypocritical to European statesmen.

Hughes, however, knew that Congress alone could cancel the debts of the allies, and that Congress would not undo the laws just passed. Houghton was not allowed, therefore, to make his private speech. America's policy through all these years was to stress the theoretical absence of any connection between debts and reparations.

Since direct government interference as well as a reduction of war debts was out of the question, Hughes did not have much freedom of action. The only way out seemed to be a plan which apparently originated in the mind of Ronald Boyden, the American observer at the Reparations Commission. On October 14, 1922, Boyden sent a long urgent telegram to Washington in which he explained that the French would not make any concessions at the present moment even though the English and the Belgians would. Unless the United States would intervene, Boyden predicted, the French would cause a complete breakdown of Germany which would mean the end of all reparations. To prevent the


worst, it was necessary to restore confidence and credit inside and outside Germany. Boyden believed that the American government could save the situation by publicly appealing to "common sense" and by proposing the appointment of an international committee of experts which would work out the necessary fiscal reforms and thus make Germany pay. Such a public appeal, Boyden believed, would be accepted by all governments except the French, and he assumed that even the French government would secretly be in favor of it, for he could not imagine that France really expected practical advantages from its policies. If France, however, opposed the American proposal, it would soon be forced to give in because of the pressure of world public opinion and the insistence of the "reasonable" Frenchmen. He added that it would be more probable that the French would agree in case the principle of a "capacity to pay as established by experts" would be extended to France's foreign debts.  

Hughes answered three days later, and refused to discuss foreign war debts. But he held that in the long run, the French would be unable to resist the logic of the experts committee plan. He thought, however, that it was still too early to publicly announce this plan. He wished to get an agreement with the allied diplomats by confidential negotiations. At any rate, he did not want to propose a plan only to see it refused.  

The plan suggested by Boyden actually represents the original proposal for what later came to be known as the Dawes Plan. For Hughes, it represented an avenue of action that would avoid both direct governmental interference in Europe and another discussion of allied debt reductions. The Secretary immediately used this plan for a number of discussions with the British, and especially

11. This letter was first discovered by Gescher, op. cit., p.115.

the French Ambassadors, but he was unable to commit the French government to anything specific. Four weeks passed and nothing was achieved by the confidential conversations. Poincaré had several talks with Herrick on the subject but always evaded the issue. It is interesting to note, however, that Herrick was anxious to give his reports to Washington a consoling tone and tried to impress the French cause on the State Department just as onesidedly as Houghton in his concurrent telegrams fervidly supported the Germans. The old dichotomy between the pro-Germans and the pro-French in the State Department, which we have already noted in our discussion of Wallace and Dresel, thus reappeared.

Houghton, incidentally, had not been informed of the new plan. It was much easier for Herrick, under these circumstances, to convince Hughes that it was still too early to make anything public. Hughes, therefore, neither acted fast nor firmly. His apprehension mounted, however, when Boyden lost his patience and wired him that there was "...no hope to make any impression on Poincaré personally....If you want to do anything effective to stop this you must in my judgement make some public utterance with the idea of helping reasonable French opinion...also stiffening Belgium, Italy and England in maintaining their undoubted conviction that this policy means disaster." Boyden's dispatch preceded another note from Herrick advising delay. This time, however, the Ambassador in Paris was too late. Hughes, apparently before reading Herrick's last dispatch, had

13. Ibid., p.119.
15. Supra, p.104.
in the meantime notified the American Historical Association, where he was slated to give a speech on November 29, that he intended to make a few remarks on the reparations question. On that date then, the Secretary finally made Boyden's Plan public. He pointed out that he did not want Germany released from her obligations but that he did not wish to see her destroyed either. "If statesmen cannot agree," Hughes said,

Why should they not invite men of the highest authority in finance in their respective countries—men of such prestige...that their agreement upon the amount to be paid, and upon the financial plan for working out the payments would be accepted throughout the world as the most authoritative expression obtainable?...They should invite men of such standing and in such circumstances of freedom as will insure a reply prompted only by knowledge and conscience. I have no doubt that distinguished Americans would be willing to serve in such a commission.18

Hughes suggested that German payments be fixed by a committee of experts rather than the Reparation Commission alone. This implied that not the London Schedule but German capacity to pay would be the basis of the new financial plan. But this was far less unusual than the fact that Hughes proposed the cooperation of American experts, if the allied powers would agree to his proposal.

All this was very close to the desires the German government had repeatedly expressed since 1921. There was only one part in Hughes' proposal which was really new and deviated from the German petitions. This new idea was to work out a plan for reparations payments by financial rather than by political experts, so that the American government would not be directly involved.

It is amazing that almost all American press comments on the New Haven speech overlooked the fact that Hughes now had led the

American government toward a policy which favored the German and British interpretations of the Versailles Treaty and was far from the French and Belgian points of view. The discussion concentrated mainly on that part of the speech which proposed the cooperation of the United States in an unofficial way by "distinguished Americans" of high financial authority.

Many papers were very much in favor of Hughes' speech. "Even Hearst papers see no evil in it," wrote the Literary Digest. Thus the New York American was particularly delighted with the idea of sending "first class businessmen" to Europe. The New York Evening Mail approved it, and the Providence Journal saw in Hughes' plan "an additional element of hope." A number of Midwestern papers agreed with the Rochester Herald which hoped that "the shuffling and dodging that has been going on in Washington upon the question of European reconstruction ever since 1920 shall cease." The New York Times led the anti-isolationist papers in rejoicing that "the fond idea of isolationism crashes to the earth" and went so far as to maintain that "...the tongue of America has been loosened to say what is really her heart. For America does not desire to stand aloof."

The Reparations Commission, however, did not appoint a committee of experts until the economic futility of the occupation became apparent. Once the Ruhr district was occupied Germany introduced "passive resistance." Since this was paid for by inflationary money, Germany's economy was severely damaged. After nine months the stalemate came to an end. On September 26, 1923, when the mark had fallen to one trillionth of its par value, Reichspresident Friedrich Ebert and the newly formed German cabinet under chancellor Gustav Stresemann proclaimed

19. Literary Digest (Jan. 13, 1923), LXXVI, 8.
20. Ibid., pp. 8-10.
the end of passive resistance. Poincaré, who had been struggling all this time against the increasing strength of the conciliatory wing of the French parliament, soon thereafter decided to take up Hughes' proposal as a basis for new negotiations.

On November 30, the allies finally agreed to appoint two committees of experts, one of which should fix the sum Germany was able to pay while the other should find out the approximate amount of German holdings in foreign countries. Hughes had to be constantly on guard against the suspicion of the isolationists and pretended that the United States government would not have anything to do with all this. But it was on his advice that the Reparation Commission appointed General Charles Dawes, a well-known Chicago banker, as the main American representative for an international Committee of Experts under the provisions of Article 234 of the Versailles Treaty. General Dawes became chairman of the first and most important committee on January 14, 1924. The plan which was worked out by this committee, therefore, was called the "Dawes Plan."

After thorough investigations the Committee of Experts on April 9, 1924, published a report which proposed certain measures for stabilizing Germany's internal finances by a reorganization of the Reichsbank. It proposed that a transfer committee should be created to supervise reparation payments. The London Schedule was abandoned and Germany's total liability was left to later determination, but standard annuities of 2.5 billion marks were advocated as a possible minimum. The Reparation Commission accepted this plan with surprising speed by an unanimous vote on April 11, and on April 14, the German government accepted "in principle." 22


Four months later, an interallied conference in London agreed on a program for the application of the experts' plan. There was an entirely different atmosphere in these new London negotiations. Poincaré had been defeated in the election of May 11, 1924, and even the President of the French Republic, Alexandre Millerand, had been forced to retreat. France was now represented by anti-Poincarist politicians. Her negotiator in London was the new and conciliatory Premier Edouard Herriot.

Germany was invited to join the conference, and on August 5, the German Chancellor Wilhelm Marx arrived in London. After more than three weeks of negotiations a protocol of agreement was issued, and on August 30, the formal signatures were affixed. Finally, on September 1, after the first payment to the Reparation Commission had been made by Germany, the Commission declared that the Dawes Plan was "in effect." Europe's most ruinous post-war crisis was over.

While throughout this period sentiment for Germany was growing, an astounding blunder of German diplomacy revived some of the old anti-German feelings. On February 3, 1924, when the flags of all embassies in Washington were floating at half-mast on occasion of the death of Woodrow Wilson, the German Embassy did not render the usual diplomatic courtesy. According to a report of the New York Times of February 7, which was read in the House by Representative Tom Connally, this lack of courtesy was due to a misunderstanding between Foreign Minister Stresemann and his Ambassador in Washington. The flag was floating at half-mast two days later at the hour of Wilson's funeral.

Representative Connally, after reading the report demanded amid strong applause that the State Department should investigate

---

23. Secretary Hughes helped to bring about a speedy success of the London negotiations by touring the European capitals, and prodding their statesmen. To shield himself against the suspicions of the isolationists he travelled on vacation as a
the matter and "tell...why the attention of the German government
had not been called to this palpable affront..." But Stresemann, now Foreign Minister, and President Ebert expressed their
regret, and Hughes did not pursue the matter.

Naturally the flag incident aroused, above all, the anti-
German feelings of the pro-French group of Americans. A resolu-
tion by the Pitt County Post of the American Legion was printed
in the Congressional Record. It "resolved that (the county post)
greatly deplores and positively resents the attitude displayed
by the German Embassy...(and) that the proper authorities take
all necessary steps to rectify such inimical action..." The
District of Columbia department of the American Legion and es-
pecially its pioneer post, the George Washington Post, No.1, of
which the late President had been a member, also protested strongly. On February 9, the Veterans of Foreign Wars of the United
States adopted a motion censuring the German Embassy. An irate
band of Americans nailed the Stars and Stripes on the door of the
German Embassy the day after Wilson's funeral, and the New York
times mentioned a group of bankers who declared that the flag
incident would presumably kill the German loans necessary to make
the Dawes Plan work, and that the relief work in Germany might be
hurt. The leader of the German Relief of 1923 and 1924, former
commander of the American occupation troops in Coblenz, General
H.T. Allen, however, denied that the incident would have any in-
fluence on the continuation of relief activities, and Reverend

representative of the American Bar Association rather than any
official diplomatic mission.

24. Congressional Record, 68th Congr., 1st Sess. (Febr. 7,
1924), Vol.65, Pt.3, p.2274.
25. Ibid., p.2538.
27. Ibid., Feb.9, 1924, p.17.
28. Ibid., Feb.7, 1924, p.1; Ohio State Journal, Feb.7,
Dr. S.M. Calvert, General Secretary of the Federate Council of Churches, made a similar statement in behalf of the religious relief organizations.29

Some Republican papers, as for instance, the Ohio State Journal, reported the flag incident on the front page,30 and most of the Democratic press denounced the blunder of the German Embassy strongly. The New York Times may serve as an example. It said in an editorial that the incident must be interpreted as a desperate attempt to maintain the myth that the Germans were not beaten in the war but that Wilson had lured them into defeat by his Fourteen Points. The editorial ridiculed this "German legend," saying that the flag incident "gives the world one more glimpse into the mighty and mysterious depths of the German mentality and good taste."31

The incident showed that by 1924, anti-German feelings could easily be reawakened in America by diplomatic blunders. Since there was no other cause of friction between the two countries, however, the flag affair was soon forgotten, and had no far reaching effects on German-American relations. The last time it was mentioned in the press was on March 17, when Ambassador Otto Ludwig Wiedfeldt tendered his resignation because of some misunderstandings with Foreign Minister Stresemann which resulted from the flag episode.32 In the end, however, Wiedfeldt remained in Washington for another year.

In the meantime, American public opinion had again become primarily concerned with the more important issue of reparations. When the Dawes report was published, therefore, it aroused almost

1924, p.1

as much discussion as had the reparation crisis, and a large percentage of the public discussion over the plan reflected American attitudes toward Germany.

The pro-French groups were united in accepting the Dawes solution because, as the *Outlook* said, it finally forced Germany to "pay her duty." The *American Legion Magazine* said that the Dawes report showed that the Legion's stand in favor of the French occupation of the Ruhr was sound. It was right that France in 1924 still continued to occupy the Ruhr because this gave the French "a stronghold in Germany." The pro-German and liberal attitudes were most ably represented by the *Nation* which claimed that the "plan was taken by the foreigner as the final guarantee that German commerce should be throttled at any moment that it threatened its competitors....If Germany survives under this plan it will not be by virtue of her own right or merit but by the sufferance of her enemies." The *Nation* was outraged that the Dawes Committee had not dared to fix a lower reparations sum.

Between these extremes stood a broad majority of groups and newspapers which were relieved that the great crisis was over. The *Ohio State Journal* said: "The outlook is promising complete success," and called the Dawes Plan a "notable offering to the wellbeing of the world." The New Orleans *Times-Picayune* thought that all merit was due to Premier Herriot's conciliatory attitude at the London Conference of August 1924. Current *Opinion* was particularly delighted that Premier Herriot as well as Chancellor Marx were backed by the good will of his people.

33. *Outlook* (Sept.10, 1924), CXXXVIII, 40-41.
34. *Nation* (Sept.24, 1924), CXXIX, 318-20; see also *Literary Digest* (Oct.1, 1924), LXXXIII, 18ff.
The New York Times approved the scheme of the experts and pointed to the almost universal applause by the bankers. 38

The Commercial and Financial Chronicle defended the American bankers against certain rumors saying that their "bargaining attitudes" had delayed the negotiations in London. The Chronicle said that the delay, if there had been any, could only have been due to the presence of too many diplomats. It attacked Hughes and other members of the government who had made "vacation trips" to London in order to help under this disguise unofficially and as private citizens for the establishment of an agreement. "The American bankers," asserted the Chronicle, "had no need of the presence of government officials, for their own position was impregnable and their ability to state and maintain it was clearly shown."39 The overestimation of the businessmen, so characteristic for the 1920's, and the scorn for politicians especially diplomats in the age of "isolationism" is well expressed by this view.

One must admit, however, that without the help of large loans by American bankers, the Dawes Plan could not have been put into effect. It ushered in that period of the "twenties" in which America placed financial and commercial problems in the front and cared little about questions of international politics.

One of the most important changes brought about by the Dawes Plan was the emergence of the bankers as a group which exerted increasing influence on the public attitudes towards Germany. Their unanimous support of the Plan helped to blur the differences between the internationalists and the isolationists who both, though for different reasons, favored Dawes' attempt to pacify

---

Europe by promoting business rather than relying on politics. The Dawes settlement did not diminish the antagonism which separated the adherents of the other three attitudes. The Plan was equally resented by the pro-Germans and Socialists as well as the liberal groups all of which opposed high German reparations payments; yet it was received with enthusiasm by the pro-French faction which interpreted it as a French victory and hoped it to be an efficient means to extract due payments from Germany. Thus in the fall of 1924, the adherents of the pro-French, the pro-German, and the liberal attitudes stood unaltered on the ground they had taken when the occupation of the Ruhr began.
Chapter VIII

ECONOMIC RELATIONS, 1924-1929

The original intention of the Dawes Plan was to create the economic conditions which would enable Germany to pay reparations. As a consequence, although the Plan obviously had important political implications, it was most effective and influential in the field of international economics. Up to the Great Depression, therefore, German-American relations were dominated by commerce, loans and American economic penetration into the industries of Germany.

The initial reason for this development was the fact that the German economy needed a good bit of pump-priming in order to recover from the devastation of the Ruhr crisis. This could not be done without the help of American banks. The Dawes Plan provided for a reconstruction loan to the German government of 800 million marks ($191 million). Although most of this had to be floated on the American money market, a bond issue of $100 million was immediately over-subscribed.1 This and the conciliatory political atmosphere in Europe created a rapidly increasing interest in German investments among American bankers. Within three months after this original Dawes loan, private investments in Germany amounted to another $14 million.2

One of the most important immediate results of the Dawes loan was the fact that it enabled the Reichsbank to abandon its transitional currency. The new notes issued by the Reichsbank

were backed by gold, and the German mark, therefore, sold at a stable ratio to the dollar throughout the next five years. This as well as Germany's regular reparations payments under the Dawes Plan, created a very favorable business climate. At the same time, Germany's economy developed a particular need for foreign capital. In order to be able to regularly transfer the required annuities, Germany had to increase her exports. The main goal, of the German government, therefore, and indeed of everyone who wanted to prevent another reparations crisis, was to further industrial production in every way. German industries, under these circumstances, developed an ambitious program of expansion and rationalization which in turn required enormous amounts of capital to modernize machinery and to lower production costs.

Within Germany this made for an even closer than usual relationship between banking and industry. The typical big German banks which were most instrumental in creating the boom of the Dawes Plan era were joint-stock banks. They were deeply involved in the mergers and cartel formations which were so characteristic of the period. The trend towards bigness and rationalization had begun when German corporations lost their foreign branch factories after the war, and used the compensation they received for their lost subsidiaries for investments inside the Reich. Big-scale bank speculation was the means by which this process could be continued in the mid-twenties. The Darmstädter Bank was the most famous of the big investment houses and had added importance in the 1920's because its director, Hjalmar Schacht, became President of the Reichsbank. But there were also public and semi-public organizations like the Transport Kredit Bank, and the Reichs Kredit AG. which now went into more and more speculative ventures. While these were the banks which were most

trusted because of their semi-official character, and therefore received most of the long-term loans issued at that time, there were also private joint-stock banks which operated chiefly with short-term funds.4

Since the opportunities for industrial expansion and thus the demands for loans from abroad were virtually unlimited, German interest rates were high. This and the psychological consequence of the fact that loans to Germany had American governmental sanction lured an enormous amount of investors into the German loan market. Their enthusiasm was so great that they overlooked the fact that part of the expansion was financed by banks without adequate reserves. When short-term loans on high interest rates became easily available, the banks abandoned their prewar policy of retarding expansion when their own resources dwindled. But this was a time of easy borrowing and the lenders were indiscriminate. The ratio of banking capital and other reserves to deposits changed from 1:4 in 1913 to 1:15 in 1930. This was possible because short-term loan business became so brisk that short-term credits were also used for long-term loans offered by the banks themselves.5

The obvious source for the large amounts of capital consumed in this speculative boom was the United States, but also to some extent Great Britain, the Netherlands, Sweden, and Switzerland. The demand for capital in these countries was even larger when it turned out that France did not participate to any large extent in German investments. The reasons for this were due to political considerations. The French demand for security tended to direct capital surplus into such countries as Czechoslovakia and Poland which were built up as possible allies against a

4. Ibid., pp.193-94.
5. Ibid., pp.194-95.
revengeful Germany, just as Russia had been offered French capital before the war.

The political shadow which lay over the international loan business, however, was completely ignored by the self-confident business world of the "prosperity decade." American businessmen in the 1920's became converts to an ideology which made them believe that the good profits of the boom would go on forever, and that in domestic as well as in international affairs, they would do better without the help of government. It was in this period of heavy lending, therefore, that governmental advice was most fervidly resented. There was a somewhat strained relationship between the State Department which still demanded that investors give notice of their foreign loans, and certain financiers who did all they could to prevent any "meddling" by the government. This situation had a considerable influence on the way loans were given.

The foreign affairs files of the National Archives are filled with the constant complaints of diplomats over careless and unproductive investments and with correspondence regarding firms which tried to elude governmental supervision. In the first month of the Dawes Plan, it seemed as if the German government itself would be able to restrict some of the most unproductive foreign loans. Consul-General A.W. Kliefoth in Munich sent a letter in November 1924 to the State Department in which he explained with obvious relief that the German government had restricted all foreign loans to states and municipalities. A new decree was then issued saying that only on the suggestion of the Federal Minister of Finance was it allowed to receive foreign

---

6. On the agreement with bankers that investors should consult the State Department about all pending foreign loans, see Supra, pp.111-12.
capital for states and municipalities. The decree terminated on January 1, 1925, however, and the Consul-General's confident hope that it would be extended from time to time proved to be unfounded. 7

As things were, the federal structure of the Weimar Republic made it quite improbable that the Berlin government would be able to curb the states' demands to take matters largely into their own hands. The state governments were even more jealous of retaining control over some foreign loan contracts since they hoped to keep their precarious hold over the voting masses by lavish welfare and social housing measures. All that the federal government could do, therefore, was to create an Advisory Agency (Beratungsstelle) consisting of the representatives of the states' financial ministeries and a representative of the Federal Ministry of Finance which should decide on the advisability of any municipal or state loans from abroad. It is true that this Agency limited the size of a number of loans for which it received petitions, and in some rare cases, even rejected a loan completely. 8 But the federal government was always in a minority when votes were taken and the representatives of the states tended to be extremely lenient since they were more under political pressure than the Ministry of Finance in Berlin.

The only way of preventing careless lending, therefore, was to restrict loans of doubtful security either by the government or by voluntary restriction on the part of the lenders in the investing country itself. The American diplomats who were closest to the debtors and therefore most clearly foresaw the danger of careless lending methods became increasingly worried when the

7. National Archives, Kiefoth letter to State Department (Nov. 4, 1924), MS. File no. 862.51, 1842.

deadline of the first decree against foreign lending drew near. Frequently consuls and ambassadors urged the State Department to take steps to restrict the sale of long-term as well as short-term securities, and the placement of mortgages directly with the smaller American banks and investors, especially in the Middle West.

One example was Ambassador Houghton's letter of December 16, 1924, in which he advised the State Department to persuade the big New York banks to introduce certain measures of caution. He especially proposed that these banks should "promptly advise all correspondents and smaller inland centers, particularly in the German middle Western (sic) communities of the necessity of caution." This warning was immediately sent to the Department of Commerce.

Secretary Hoover in his answer thought that it was appropriate to have "some restrictions." He referred to a talk with Hughes of some days ago in which he had held the view that the floating of German credits ought to be restricted until it was clear under which conditions repayment of such loans was possible and especially if they would have priority over the claims of the Reparations Commission. Secretary Hughes soon found out that there was no priority of foreign private loans and answered Hoover:

When bankers have consulted the Department with respect to recently proposed German financing, they have been advised of the possible complications on this score as well as of the fact that the German government is regulating foreign borrowing...of German municipalities and other political subdivisions. This Department will continue to direct these elements of the situation to the attention of the American bankers that may consult it....Until Transfer Committee


10. Ibid., Secretary Hoover to Secretary of State (Dec.20,
...reaches a formal decision on the matter, it is not clear to me what official action this Government can take since these appear to be primarily matters of business risk.11

As it turned out, the Transfer Committee never reached any official conclusion in this matter. And unless pressed hard, it could not have been expected to submit a formal decision. For on one hand, it knew that regular reparation payments would be jeopardized as soon as the flow of American loans into Germany stopped, and it therefore wanted to avoid making any pronouncements which would hurt German credit. On the other hand, the Transfer Committee was unwilling to officially renounce the priority of reparation payments before all other German debts. It was therefore diplomatic enough to remain silent. The State Department, hiding behind its doctrine of business risk, left things as they were.12

One can understand the laissez-faire attitude of the Administration somewhat more easily if one realizes that it was not troubled by firms which cried for better advice from or protection by the government. Quite on the contrary, most complaints came from investment houses which deliberately tried to elude even that kind of ineffective supervision which Hughes and Hoover had demanded in 1922 when they informed the bankers that contemplated foreign loans should be filed in the State Department to make possible advice on particular dangers.

A characteristic example of the State Department's ineptness

---

11. Ibid., Hughes to Secretary of Commerce (Dec. 30, 1924), MS. File no. 862.51/1858.

12. On evasions of Transfer Committee, cf. ibid., Kellogg's note to Hoover, May 7, 1925, that Transfer Committee had said it was not its business to look after private loans and that "nature should be allowed to take its course," MS. File no. 862.51/1858.
in dealing with the situation was the $10 million loan to the Friedrich Krupp Company which was floated on December 29, 1924. The State Department heard of this for the first time when on December 27th it received a phone call by the former American expert on reparations at the Paris Peace Conference, John Foster Dulles. Dulles introduced himself as Counsel for "the Morgan firm" on German external loans and added that he was now working with another banking group which was about to bring out an issue of Krupp notes. The reason for his call was that he had heard certain rumors on renewed Franco-German difficulties concerning disarmament and was now worried that the success of his business was endangered. He therefore asked whether Secretary Hughes could "softpedal" these rumors "as otherwise business cannot be done." He added that he should be mentioned as a Morgan counsel and that the Secretary be informed that this loan was "issued under the Dawes Plan." Inquiries showed, however, that he worked for a syndicate with which Morgan was not associated. During another phone conversation, he also admitted that his loan was not set up under the Dawes Plan. Yet he insisted that it was in accordance with "the general recommendations contained in the Dawes Plan that capital should be supplied to German manufacturing industries." Assistant Secretary of State Harrison, who was Dulles' partner in this conversation, then asked him why he had not informed the State Department earlier. Dulles professed his surprise that the State Department's wish to be informed related to private loans rather than governmental issues. But Harrison knew that several of the firms for which Dulles worked were well aware of the Department's desire to be consulted in such matters.

13. Ibid., Harrison memo of phone call conversation with Dulles (Dec. 27, 1924), MS. File no 862.51/1859.
14. Ibid.
Dulles had made his first phone call on the 27th of December which was a Saturday, and it was for this reason somewhat difficult to fulfil Dulles' wish when he finally asked whether the Department could approve the loan immediately. The harrassed Assistant Secretary, however, agreed to make a few more phone calls that afternoon.

But there was no chance for an approval at all. The Commerce Department when informed of the loan, mentioned Krupp's competition with American firms in foreign trade, especially the opposition of "locomotive builders and manufacturers of agricultural machinery." Yet in view of the fact that the loan was to be issued on the following Monday, nothing could be done about it. On Monday morning, an official of the Commerce Department informed the State Department that "since the loan had now been advertised, no comment from the Department of Commerce is called for."15

The case was closed by a letter to Dulles written by Harrison which bore the handwritten mark: "approved by the Secretary." The text of this letter showed the entire helplessness of the State Department on such occasions: "Inasmuch as the financing in question was not brought to the attention of the Department so that it was afforded opportunity to deal with it before public announcement of it was made, this Department does not feel in the position to express any views on the matter at this time."16

The Krupp loan shows quite clearly that the Administration was not capable of doing anything effectively about the dangers of careless lending and speculation as long as it stuck to its basic policy of laissez-faire. The only thing that Secretary of Commerce Hoover, who was more worried than anyone else in

15. Ibid., Harrison memo of phone calls with Dr. Winston, Department of Treasury, and Dr. Klein, Department of Commerce (Dec. 27, 1924), MS. File no. 862.51/1859.

16. Ibid., phone call, Mr. Jones speaking for Dr. Klein,
the Cabinet, could do was to exhort businessmen at various meetings of their moral responsibility to safeguard the monies in their trust. It must be added, however, that a number of the most important banking houses which dealt with Germany scrupulously consulted the State Department about each contemplated loan. The leading example of this was the House of Dillon, Read and Company which was closely associated with Dawes' own bank in Chicago. It is obvious, however, that the cooperation of the investment bankers was purely a matter of their own choice.

Loans to big business firms in Germany like those issued by Dulles' syndicate of bankers or by Dillon, Read and Company, however, were not the main worry in the following years. The main trouble was the loan business with municipalities and states. It was on this point that the State Department received a number of complaints which in some cases even came from private investors. The Flattery Finance Company for instance implored the State Department several times to take "a stand on Germany as determined as the one on the Russian debt." The head of the firm, Mr. M. Douglas Flattery of Boston, thereby referred to the fact that numerous American investors had lost money before the Ruhr occupation. He therefore demanded that no loans should be given to German cities until the old investments were paid.

The majority of complaints, however, came from American diplomats in Europe. S. Parker Gilbert, who unofficially but on suggestion by the State Department had been appointed Receiver-General of Reparations, told the State Department that he was

Commerce Department and Harrison letter to Dulles (Jan.7, 1925), MS. File no. 862.51/1859.


18. National Archives, Flattery letters to State Department (Sept.5, 1925), MSS. File nos. 862.51/2018, /2046.
"personally opposed" to foreign loans to German municipalities. He demanded that the money for local improvement be raised within Germany.¹⁹ For the German cities, however, it seemed to be better business to sell bonds in the United States than to pay even higher interest rates to their own banks. Ambassador Jacob G. Schurman, who replaced Houghton in February 1925, pointed out that the German government had to play "more than the usual amount of politics and is not always able to take a firm stand" in respect to foreign loans because of the "shifty Reichstag's majority."²⁰ There were also some protests by a few Congressmen and Senators who were worried about the lax attitude of the Administration.²¹ Yet the State Department's hands-off policy received backing from an unsuspected quarter when the United States Supreme Court handed down its decision of November 23rd, 1926, in the case of Deutsche Bank vs. Humphrey, which said in part:

> An obligation in terms of the currency of a foreign country takes the risk of currency fluctuations and whether creditor or debtor profits by the changes, the law takes no account of it.²²

Thus Hughes' theory of business risk which did not justify governmental intervention was vindicated by the highest court of the land. Only Congress could now restrict the American foreign loan business, and Congress would not act to touch the prerogatives of laissez-faire as regards investments. Within a year of the Supreme Court's decision, even some of the former advocates of a firm governmental intervention had changed.

¹⁹. Ibid., Gilbert to Secretary of State (date unreadable), MS. File no. 862.51/2007.

²⁰. Ibid., Schurman to Secretary of State (Sept. 15, 1925), MS. File no. 862.51/2039.

²¹. Cf. National Archives, letters to Secr. of State, (various dates, 1925), MSS. File nos. 862.51/2049ff.

²². United States Supreme Court, Deutsche Bank vs. Humphrey,
their opinion. Ambassador Schurman is the best example. When on vacation in November 1927, he explained to a New York Herald Tribune reporter that loans to Berlin aided industries. He indicated that German communities were often business ventures to some extent. In Berlin, for instance, utilities and transportation were owned by the city.

The conditions for floating loans in great amounts, whether for productive or unproductive purposes, were thus very favorable in the late 1920's. It is no wonder then, that at the end of 1926 the foreign indebtedness of German banks alone amounted to $870 million in short-term credits. In the peak year of 1929, this figure had increased to more than $2 billion, and if one includes similar obligations of German business houses and government corporations, the totals are estimated at $2 billions for 1926 and almost $3 billions in the fall of 1929.23

These loans and investments were in almost all cases given on the unrealistic premise that there was no politics involved at all; yet in fact, some municipal loans were merely used for vote getting purposes and in some cases they helped to strengthen the political sentiments which later undermined the Weimar Republic.

One typical example is the fact that practically every hamlet and every city in Germany built at that time monuments for their soldiers who were killed in the Great War. It is inevitable that some of the money for local improvements which was borrowed from foreign countries was also spent on such purposes. The lender usually looked only at the interest rates he was going to receive and was completely unaware of what would be done with his money.

(Nov.23, 1926), XLVII, 66.

Those who did believe that any interference in the loan transactions was undesirable because large scale loans enabled Germany to pay reparations and thus help keep the peace of Europe, were not quite right either. For though reparations may partly have been paid with the help of foreign currency attracted by international loans, most of the reparations were transferred without the help of loans, and municipal loans certainly did less to help solve the reparations problem than those that were used in order to build up Germany's export industries. But this is perhaps less important than the fact that the loans were floated and wasted in a manner which in the end made it improbable that most of them would ever be repaid. The indiscriminate lending practices of the late 1920's reinforced the unsound banking practices of the German industrial banks. The financial basis of the German economy had become so weak that a few years after the Dawes Plan was enacted, a considerable number of German banks were wholly dependent on the steady access to new short-term loans. Most of the German banks were not sound investment risks. Their solvency depended on the continuance of the boom. The investment public of the United States was like a banker who wanted to lend money to a speculator who had squandered the profits he had made in the bull market and now wanted to borrow on margin without equity. As long as the market rose, this could go on. But only as long as that. When the slump came, the losses were heavy.

The precarious financial situation of Germany was the more deplorable as the United States began to have a real stake in the German economy in the 1920's. Immediately after the issuance

---

24 For a discussion of this subject cf. Ray Ovid Hall,
of the first Dawes Plan loan, a large number of American companies began to establish branch factories in Germany, and in some cases, bought out competitors or arranged mergers. There were also innumerable patent and licensing agreements between firms of both countries. America realized that Germany was a most profitable market. The most significant development which tied the two economies together was the amount of influence and control in German industries which American corporations acquired in the late 1920's.

This process went on rather quietly and unannounced. One gets a very inadequate picture of what really happened if one merely relies on the occasional remarks and news reports in the contemporary dailies and magazines. It is not possible to understand the change which took place in the commercial relations between Germany and the United States in this period without a summary of the main areas of penetration of American capital in German industrial enterprises. The most reliable source in this field is F.A. Southard's *American Industry in Europe*. Southard discusses 16 branches of industry in which penetration had become particularly important. He begins with the auto industry which had a singularly large amount of American influence. There were by 1931 assembly plants and factories all over Germany which represented such American firms as Hudson, Chrysler, Willys-Overland-Crosley, and Studebaker. There were also smaller firms like Durant and Graham-Paige. Even more important was that some American firms held large blocks of shares in leading German producers. The Budd Company, for instance, held 27 per cent in the German Adler Werke; and Pratt-Whitney Aircraft had an agreement and stock participation in the

big Bayerische Motoren-Werke (BMW). In 1929, General Motors bought 80 per cent of the stock of the then largest German car producer, the Opel AG, which produced 30 per cent of all German passenger vehicles, or 200 a day. The close connection and interlocking control of German and American firms which sometimes resulted from the American corporate penetration can be demonstrated by the fact that Ford founded a German company and began production in Berlin in 1926. Because of constant expansion, this German Ford company floated 40 per cent of its shares on the Berlin stock market, most of which was bought by the I.G. Farben Dye Trust. In the end, no one knew how much of the control was in German, and how much in American hands.

Even in the German chemical industry which once was the undisputed domain of the Germans, American firms began to buy control in some instances. Du Pont, for instance, had minority holdings and working agreements with a number of smaller German firms and American Cynamid owned 50 per cent of the Kaliwerke Sollstedt. Sometimes, as in film production, an American firm would begin from the bottom despite the presence of German competitors. Thus the Eastman Kodak Company became an efficient competitor of the German Agfa which was owned by the I.G. Farben.

The leading American industry in Europe was indisputedly the electrical industry. According to Southard, "there remains no single German electrical manufacturing company in which, remotely or directly, General Electric influence is not felt." The biggest German companies in the field, Siemens and the A.E.G., which in turn controlled the Osram electrical bulb factory, both had sold important minority holdings of their

the following three pages is taken from this book.

26. Du Pont also established close connections with the I.G. Farben, but there is lack of reliable information on the relations of the two chemical giants in the 1920's.

27. Ibid., p.17.
stock to General Electric which sent five Americans, Owen D. Young among them, to the A.E.G. Board of Directors in 1929.

Among minor industries, the American Libbey-Owens Glass Co. established a branch factory in Germany which by 1929 produced 39 per cent of the total German glass manufacture. Yale, the American producer of door locks, owned Borge und Kasten G.m.b.H., the largest makers of door locks in Europe.

American corporations also had a considerable influence in certain German iron furnaces, as for instance the American Rolling Mill Co., whose iron products were made by the Vereinigte Stahlwerke under a licensing agreement. W.A. Harriman and Co. had an interest in the Upper Silesian zinc mines which were split into Polish and German holdings because of the new boundary of the Versailles Treaty. Harriman's politically neutral position facilitated the operation of the industries on both sides of the border, and later he formed a Silesian-American Holding Corporation with German participation which controlled the largest European zinc mines. In 1929, Harriman pacified another group of businessmen whose steel mills lay idle because of the German-Polish friction in Upper Silesia. His new holding company was called The Consolidated Silesian Steel Corporation.

The American motion picture industry was strongly entrenched in Europe, though mostly by sales organizations rather than by production. One exception was the German Parufamen (Ufa) which sold control to MGM, Paramount, and others in 1926, on the basis of a marketing agreement which provided for the release of 50 American and 20 German films annually. The most well-known German newsreel was provided by the American Fox Co. Warner Bros. produced some films in Germany. Altogether 33 per cent of the

---

German movie market was served by the American film industry in 1929 despite the powerful competition of the Tonbild syndicate (TOBIS), which was partially controlled by the A.E.G. and Siemens who in turn were largely controlled by American companies.

In addition, American interests were large in such industries as phonographic disks (Victor Talking Machines), telegraph and wireless communication (RCA), rental rolling stock (American Tank Car Co.), the manufacture of telephones (International Telephone and Telegraph), and petroleum (Standard Oil Co. of New Jersey).

A number of American tire factories, especially Goodyear and Goodrich, were represented in Germany. Goodrich sold his 25 per cent stock of the Continental Caoutchouc und Guttapercha Co. to a German investment bank when that company merged in 1929 with three smaller firms to form the big Continental Gummiwerke. Finally, American capital was also backing the biggest German department store chains, Tietz and Karstadt. Woolworth, which had stores in England since 1909, did not enter Germany until 1927, but from then on opened two or three stores every month up until the depression. American companies were also involved in such industrial branches as cutlery and razors, radio, heating and ventilating, pencil and pen production, agricultural equipment, sewing machines, elevators, pneumatic tools, and various kinds of household and factory equipment.29

Finally, there was also a big foodstuff industry in Germany, especially meatpacking, and the United Fruit Co., which operated under the name of its English subsidiary, Elder and Fryfes. Indeed there was hardly any branch of industry in the 1920's which did not attempt to do business in Germany by either building up

---

29. Ibid., passim.
branch factories, by licensing agreements, or by acquiring large blocks of German stocks. 30

The effects of American penetration into German industries made a large part of the business community interested in a stable German government which would favor peaceful trade relations. Above all, the new ties with German business firms kept the interest in Germany as a trade partner alive. Germany was recognized as a steadily expanding market for American exports.

In the latter part of the 1920's, Germany became the most important trade partner for the United States next to Great Britain and Canada. Trade statistics show a steady rise of imports as well as exports. What is more important, the average annual exports for the years 1925-27, if compared with the pre-war period of 1912-14, had risen at a faster rate than those of Britain and France. 31

During the 1920's, almost exactly 50 per cent of all American exports went to Europe. The German share in this European export total was no less than 17.6 per cent, or 8.75 per cent of all American exports. Most exports to Germany consisted of raw materials and foodstuffs. Cotton alone was bought by Germans at the average of $217 million annually from 1925 to 1927, which was half of all imports from the United States counted together. In no other important trading country's import account did cotton play an equal role. Great Britain, for instance, which then also bought cotton to the amount of $217 million annually, re-


ceived percentage wise a much smaller amount of cotton from the United States. No more than 23 per cent of the dollar value of American exports to Britain consisted of cotton.\(^32\)

The next important item among exports to Germany was foodstuffs, especially lard, grain, and fruits. Their total value in the years 1925-27 amounted to $87.4 million annually. While the food market remained comparatively stagnant, however, American exporters rapidly expanded their sales of oils and machinery. Especially the increase in exports of machinery, vehicles, and manufactured goods was conspicuous in the middle of the decade. In these export categories, goods of no more than $43.4 million had been sold annually in the peak trade years before the world war. This figure had almost doubled by 1925-27 when $84 million of these goods were sent to Germany. During the latter part of the decade, this was certainly the most important trend in the export business with Germany. Except for the depression, an increasingly large share of American sales would have resulted from the expansion of exports of machinery and manufactured goods.

The United States was also becoming a major export market for German industries. However, total imports from Germany lagged considerably behind the exports throughout the decade. Especially in the years from 1919 to 1925, German exports to the United States had less than 50 per cent of the value of the goods the United States sold in Germany. Germany's major markets lay outside the United States. While American exports totaled more than $400 million for every year of the Dawes Plan era,\(^33\) German exports to the United States were steadily below the $200 million line and reached even in the peak year of 1929

\(^32\) Ibid.; cf. Appendix III.

\(^33\) National Industrial Conference Board, op.cit., Table no. 2, p.30.
no more than a dollar value of $254 million as opposed to $410 million worth of goods which the United States sold in Germany. Yet on the average, imports gained on exports to Germany with every year of the decade. This shows that the threats of boycotts, which had been so frequent at the end of the war, were soon forgotten. Americans gradually became accustomed again to buy manufactured goods with the label "Made in Germany." Especially in the optical industry (lenses, medical instruments, photographic cameras), the chemical industry, in machine production, and even in the toy industry, which had been so strongly attacked in 1918, German salesmen made inroads on the American consumer market.

Loans, economic penetration, and mutual trade were of dominant importance for the formation of American attitudes toward Germany in the last half of the decade. The old fears of Germany as a competitor had almost completely vanished by 1929. Rapid increase of exports to Germany and the numerous international licensing agreements between various companies of the two countries had done much to restore friendly and peaceful relations. More Americans than ever before came into close contact with Germans, and many businessmen lived in Germany as representatives of their firms. Under these circumstances, it was no wonder that Americans in the Dawes Plan era accepted with greater willingness the new provocative theories which tried to prove that Germany had even in wartime not been worse than other countries.

Chapter IX

REVISIONISM IN FULL SWING

In 1922 the discussion of the new revisionist theories had stirred up much attention in intellectual circles in America. There is no evidence, however, that it had much influence outside the confines of this minority. Though a few revisionist speeches were given in Congress, one can safely say that whatever opinions the majority of Americans had in regard to war guilt and Versailles, they were as yet not much affected by revisionist opinions. The entire question of whether or not Germany was solely responsible for the war was so much of a theoretical quibble and required so much expert knowledge that it seemed to have little attraction for the general public. Yet in the end, revisionism succeeded in reaching many other groups than merely the historical and political experts and the intellectuals in general; and once it had found a larger audience, it was to have a profound impact on American attitudes toward Germany.

The political developments in Europe, especially the critical attitude toward France during the reparations crisis, and the increasingly friendly relations with the German government helped to prepare the ground for the revisionists. But this alone cannot explain the wide attention which these beliefs finally received. The interest in the new interpretation of the origin of the war, and sometimes also the more violent demands for a revision of the Versailles Treaty which developed as a consequence of revisionism, were most decisively reinforced by the ceaseless activities of the most outspoken and bellicose of American revisionists, the historian Harry E. Barnes.
Barnes had himself contributed to the formation of the official interpretation of the war when he was a statistician in the War Department during the war.\(^1\) In 1921, however, after reading Fay's articles in the *American Historical Review*, he had experienced a conversion of almost religious intensity and hence became the most ardent American revisionist in the historical profession.

Barnes presented his views as early as January 1922 when he reviewed E.R. Turner's textbook, *Europe Since 1870.*,\(^2\) in the *New Republic.*\(^3\) On this occasion, he accused Turner of having disregarded Fay's articles and of being partial to the Entente. Barnes' first revisionist review showed as yet little of his later preference for strong language. His pragmatic philosophy of history, however, was already apparent. For him, Turner was not simply wrong in putting all the blame for the war on Germany. Turner's book was also an obstacle to the solution of contemporary international problems. Barnes announced here for the first time his "profound conviction that the persistence of this primitive scapegoat psychology in our interpretation of contemporary European history is the most fatal obstacle to any sane appraisal and solution of the world situation today."\(^3\)

With this enunciation of his basic belief, Barnes attracted little attention. His main campaign did not start until 1924 when he, again in the *New Republic*, debunked a whole series of historical books in a lengthy review with the telling title: "Seven Books Against the Germans."\(^4\) His main target was the

---

new edition of Hazen's *Europe Since 1815*. The first edition of this book had come out in 1916, and in his 1923 edition Hazen had left his conclusions in respect to the causes of the war unchanged. Barnes was thoroughly enraged that a historian could still maintain that Germany had plotted the war more than two years after this had been refuted by Pay. Since relevant documents had been analyzed not only by Pay but also by Charles A. Beard and George P. Gooch, Barnes could not understand how Hazen could publish such a "grotesquely misleading account" and not change it 'one iota after the new evidence became available." If a historian "refuses to take cognizance of a vast mass of first-hand source material which has completely revolutionized our knowledge of what he himself regards as the greatest crisis in human history, we clearly have a case of criminal levity." To Barnes, the only explanation for so much stubbornness was that Hazen was mentally unbalanced. Once a victim of wartime hysteria he had been unable to free himself from his prejudices. Barnes therefore referred the case to "the psychiatrist with his proficiency in dealing with such mechanisms as the flight from reality, compensation, projection, defense-mechanisms, the Jehovah complex, and the fixed idea." It was not the last time that Barnes would utilize his superficial knowledge of psychology in polemics against a colleague.

Meantime he had found an occasion to outline his own views on the causes of the war in a timely booklet, *The Reparations Problem and the Dawes Report* which he wrote in cooperation with J.W. Crook and Frank H. Hankins. This publication came out in

---


the Amherst Alumni Reading and Study series and went further than Pay in revising the official view on German war guilt. In more dispassionate language than in his reviews, Barnes discussed the new evidence available which in his opinion changed the war guilt presupposition completely. He not only quoted the recent articles by Pay and Schmitt, but also referred to the books by Beard, Earle, and Gooch, and a large amount of memoirs written by allied statesmen to corroborate his view that "in the most fundamental sense the responsibility rests upon no nation." He found the basic reasons for the war in nationalism, imperialism, militarism, and the balance of power system of which all great powers had been both victims and exponents. Immediate responsibility he placed primarily on "Yugoslav propaganda (sic), Austrian imperialism...and precipitate Russian mobilization" rather than a German plot. While this Amherst publication gave Barnes an opportunity to show that his view was supported by a great number of authorities, the circulation of the booklet was obviously small, and it is mainly of interest here for the purpose of tracing the development of his views.

Barnes was to change his views continuously in the following years. It seems that he could never make up his mind as to which nation was most guilty until he finally ended up exculpating the Central Powers completely. His vacillations in this respect increased with the number of his allies.

9. Charles A. Beard, Cross Currents in Europe Today (Boston: Marshal Jones Co., 1922),
It was not difficult for Barnes to find new supporters of revisionism. While still working on his Amherst booklet, he found an important ally for his campaign in *Current History*. This magazine published Barnes' views on the cause of the war in May 1924. The point of departure of his article was Article 231 of the Versailles Treaty which, in his opinion, placed the responsibility for the war exclusively on Germany, or at least could be interpreted in this manner. Barnes thought that the new documents and the research work done by men as S.B. Fay, B.E. Schmitt, R.J. Kerner, C.A. Beard, and such foreign scholars as G.P. Gooch (Britain), A.P. Pribram (Austria), and M. Montgelas (Germany) had shown that the general causes of the war involved "the greatest multitude of factors." There was, for instance, the persistence of mankind's "tribal hunting-pack ferocity" and the pressure of growing populations on limited areas and natural resources.13

Among the more immediate causes was the foolhardy conduct of the Austrian Archduke, the "psychic state" of the Kaiser on July 5, 1914, and the intimidation of the Czar by militaristic advisers in July of that year. Barnes believed that the alliance system was not inevitable. Though it grew out of the nationalistic and economic conditions which existed from 1870 on, the diplomatic alignment was a result of 1) the imperialistic and pan-Slavistic ambitions of Russia; 2) Austria-Hungary's policy of repressing the Slavic nationalism of her populations; 3) German desire for Austro-German hegemony in the Balkans; 4) the hatred of Germany on the part of the French militarists; and 5) the commercial and naval rivalry between England and Germany.14

12. Crook, et.al., op. cit., pp.7ff. Barnes probably meant to say "Serb propaganda." There was no Yugoslavia until after the war.


14. Ibid.
Barnes did not evaluate the relative importance of these five causes. He was satisfied in simply listing them and then attacking the notion that militarism and democracy were opposites. He gave as examples of allied militarism the British Navy and the French generals. Barnes thus refuted the theory that autocratic government in itself had to be considered as a cause of the war. Instead, it seemed to him that the diplomatic system of the balance of power was the immediate reason for war. Once the major powers had lined up into two camps, the conflict was inevitable as soon as an important issue arose between them. Reviewing the diplomatic moves immediately preceding the war, he came to the conclusion that the nations involved were guilty in the following order of severity: Austria, Russia, France, Germany and England. Though he placed most of the blame on Austria, he ended up asking: "But who will say that any of the other states, if placed in Austria's position, would not have done much as she did?" Thus he did not give an answer to the guilt question at all.

His article was followed by a rejoinder written by Albert B. Hart who did not take issue with Barnes' facts and arguments, but primarily accused him of making Americans "a set of fools who could not penetrate the secret conspiracy between France and Russia to wrick Europe." Hart denied that contemporary documents could reveal the cause of the war since its real origin could only be found far back in European history. It seemed to him, however, that an analysis of national attitudes would reveal that in 1914, France was not prepared for the war, and he implied that she could not, therefore, have been guilty. His main argument against Barnes was the accusation that the revisionists views denied the honesty of the allies and the

15. Ibid.
sincerity of their appeal to justice and humanity. Judging from a preconceived moral position, Hart ended up blaming an undefined "militarism" for the war. On the whole, Hart's arguments were not very convincing because he gave even less evidence and used even more generalities than Barnes did.

The feud between Barnes and Hart was only the opener for a long debate introducing a flurry of different views which were printed in the next issue of Current History. In June 1924, the magazine published the views of ten distinguished historians who had been invited to give their views on the war guilt problem. It was the first time that this question was debated before a large national audience. For this reason, and also because this debate gives a fair impression of how far the new theories had penetrated into the ranks of historians, this June issue of Current History signified an important landmark in the development of American revisionism.

The first of the ten historians asked was Charles Seymour of Yale. He agreed with Barnes that Germany was not exclusively responsible for the war, and maintained that in no case, with the possible exception of Austria, had civilians plotted the war. He placed, however, a large share of blame on Germany for its predominant role in creating a diplomatic system "which permitted the military group in each state to hamper the pacific efforts of the civil leaders." Seymour thought that "because of the diplomatic organization in Europe, and...conflicting influences in their own governments" the civilian leaders were unable to succeed in their generally peaceful plans. Except for the existence of two hostile alliances, the Austrian attack upon

---

17. Ibid.
Serbia would not have led to a general war. 18

Raymond L. Buell of Harvard also agreed that guilt was divided. He put the main blame on the practice of secret diplomacy but did not care to elaborate on this. The main part of his article was directed against those revisionists who attacked the Versailles Treaty rather than the question of war guilt. Buell pointed out that the Treaty did not put the war guilt on Germany but merely made her responsible for losses which had resulted from her aggression. Buell agreed with that part of revisionism which had decided on a multiple responsibility for the war. But he was impatient with those writers who used this doctrine as a weapon against the Treaty. He advised that those who were disillusioned should try to destroy the old system of diplomacy and replace it by something better rather than to denounce the allies.

William E. Lingelback of the University of Pennsylvania and Bernadotte E. Schmitt, then at Western Reserve, both cautioned their readers against the tendency to jump too fast to conclusions. They were both of the opinion that much evidence had turned up to indicate that a revision of wartime views was justified. Yet Schmitt attacked Barnes for faulty reading of the documents and inaccurate conclusions. He felt that Barnes took too much blame off the shoulders of Germany. "I cannot see," he wrote, "that it was any more provocative for France to aid Russia than it was for Germany to stand by Austria." In this respect, one power was as guilty as the other. What was basically wrong for Schmitt was the alliance system rather than the aggressiveness of a particular nation. Since Germany and Austria, however, were first in creating this system, and Austria

18. Ibid., June 1924, pp.444-45.
19. Ibid.
used it most actively for her aims, he agreed with Barnes that Austria was the most culpable power. But quite different from Barnes, he placed Germany next, Russia and France third, and England last. 20

More violent in their dissent from Barnes were Frank M. Anderson of Dartmouth and A.E. Morse of Princeton. Both thought Barnes' views to be misleading and distorted. Anderson called him a victim of "the hysteria of the reaction against the war which is raging as violently in certain quarters as ever the war hysteria raged anywhere." Morse implied that Barnes was prejudiced because he was "a pro-German" and went so far as to accuse him of making the Germans seem like a nation of pacifists. In his opinion, Germany had built up a military machine and used it for warlike purposes, while it was simply "the natural and national duty of patriotic Frenchmen" to try to regain Alsace-Lorraine. Anderson did not go quite that far but agreed with Morse in putting the responsibility "almost altogether upon the Central Powers." 21

Barnes found his most enthusiastic support in G.H. Blakeslee of Clark University who called Barnes' article "a brilliant analysis" and made the sweeping assertion that there was now general agreement among historians that no one nation or group of nations was alone responsible for the war. It is interesting to note that Blakeslee drew the conclusion from his revisionist interpretation that "peace cannot be maintained by rival alliances and competitive armaments." The main task therefore was to develop agencies for international cooperation. 22 Thus Blakeslee

20. Ibid., pp. 448-49.
21. Ibid., p. 449.
22. Ibid., pp. 451-52.
arrived via his revisionist interpretation at a somewhat similar demand for a new system of international diplomacy as had Buell on the basis of his defense of the Treaty of Versailles.

The shortcoming which all of these seven articles had in common was that they simply gave opinions and did not go into factual data and methods. There was also a considerable amount of purely emotional judgment rather than cautious scholarly reasoning in a number of them, especially in the contributions of Morse and Blakeslee. Only the three following articles took the trouble to question the premises of either the official or the revisionist views.

Lucy M. Salmon of Vassar said that Barnes' article made her think not so much of who was responsible for the war as of how one could determine responsibility. In this connection, she raised the question of whether or not the chronological order in which responsibility was determined caused the disagreement between the two schools of thought. She thereby implied that historical interpretations became reliable only as time elapsed. After the official reports and dispatches, the news articles and the first analytical monographs had been digested, serious historical accounts followed. Because Barnes had not written on the war guilt question until the new evidence had appeared, and since he had utilized the most recent material on the subject, she approved of his method, adding cautiously that his conclusions "pointed in the right direction."²³

Somewhat deeper into the jungle of definitions and premises went Quincy Wright, an authority on international law and the only non-historian of the group. Wright thought that Barnes had proved sufficiently that Germany had made greater efforts to preserve the peace in 1914 than had originally been thought;

²³ Ibid.
yet he had not defined clearly what he had meant by "responsibility." Wright pointed out that international law set up tests of responsibility such as the commission of the first act of aggression. Here Austria was responsible. But in Germany's conflict with Russia and Belgium, Germany was responsible according to this test. One could, however, also base a test on the question of which country had objected least to a war. In this case, Russia and France were most guilty. If one applied the legal doctrine of liability, it seemed that Germany had the greatest obligation to prevent war and had failed to exercise sufficient influence. All this illustrated Wright's main argument that the definition of responsibility selected the guilty. There were many definitions of responsibility and the author could not say which one was most valid. 24 Thus Wright's answer withheld the final conclusion.

Even more pessimistic in respect to the possibility of arriving at a definite conclusion was Carl Becker then at Columbia. He called Barnes' article "an admirable exposition of the immediate circumstances that led up to the war." But like Wright, Becker missed a clear definition of the term "war responsibility." He attacked especially the generalizations which maintained that this or that nation was responsible for an event. "Personifying nations," he said, "and thinking of them as actuated by definite, conscious motives, which we can pronounce good or bad, is one of the most fruitful sources of confusion." To use a phrase like "the German government," was not of much use either. For there was no sure answer to the question of what would be justifiable conduct on the part of sovereign governments.

Thus Becker ended up with the smallest unit to which responsibility could be applied, the individual. This at least enabled

24. Ibid., p.453.
him to put the main blame on Austria's Berchtold, and he added ironically that he could do so "safely...since he (Berchtold) has no friends." He pointed out, however, that to make foolish fellows like Berchtold responsible for the sins of the world, was "to push the business of vicarious atonement rather far."

In the end he could predict only one thing with certainty; namely that Barnes' article would be acclaimed as a masterpiece by those who in advance agreed with his conclusions. Thus the great relativist had the final word and gave indeed the clearest and most convincing argument.

Although some of the above cited authors did not agree with Barnes' views, the symposium of historians printed in Current History was an important victory for the revisionists. For the first time it had been clearly demonstrated in a magazine of national circulation that German war guilt was by no means a matter of certainty even for the experts in the field. Since few of the authors attempted to construct a safe method on how to establish guilt, it was nevertheless not certain that the newly discovered documents had really done the most to change the opinions of a considerable number of historians.

The year 1924 marks a turning point in the history of American revisionism, for from now on, the historians who still held an entirely pro-allied view on the causes of the war were on the defensive. After the historians' debate in Current History, the revisionists successfully tried to keep the interest in the war guilt question alive. Before the year had ended, another magazine had joined the revisionist campaign. On October 11, the Nation published Lewis S. Gannett's devastating attack against the

25. Ibid., pp.455-56.
official view: "They All Lied."²⁶

How far the non-revisionist historians had been pushed into a defensive position is indicated not only by the fact that in the following six years, far more revisionist than non-revisionist books were published; but wherever a book still contained the old pro-allied interpretation, its author could be sure to expect a bitter debate. The main watchdog for the revisionists was again the untiring Harry E. Barnes who tended to use stronger language each time he found a new victim.

Barnes' first target after the Current History debate, was William S. Davis who in 1926 published a revised edition of his Roots of the War²⁷ under the new title Europe Since Waterloo.²⁸ The earlier edition Barnes decried as "the most spirited synthesis of fairy tales which flitted forth concerning the groves of Potsdam." On the new book he remarked that he would have imagined it to be historical fiction had it not been labelled history. Barnes considered it a "diverse array of archaic conceptions, nationalist and partisan biases, factual inaccuracies, and flagrant misrepresentations....There is scarcely a canon of conventional historical research which the book does not consistently violate." Davis' account of the origin of the war was "pure nonsense." It contained the same "demonological interpretation which characterized the Roots of the War," and the bibliography on the war guilt question was in Barnes' opinion scarcely sufficient for a freshmen report.²⁹

²⁶. Nation (Oct.11, 1924), CXV, 353-57.
²⁷. William S. Davis, Roots of the War (New York: The Century Co., 1918)
While it must be admitted that Barnes rightly criticized some factual errors in Davis' book, as for instance, the assertion that the Austrian policy was inspired by Berlin and that German efforts to restrain Austria were not sincere, it should also be noted that Barnes himself gave insufficient evidence for some of his allegations. Without giving any particular reason, he again rearranged his list of the guilty nations. He now decided to put the chief blame on France and Russia and particularly on Poincaré while Austria, Germany and England were next in order. 30

Aside from a minor joust with Earle E. Sperry of Syracuse University in which neither man could agree on the other's interpretation of the evidence, 31 Barnes also became involved in a more important controversy. This time he attacked a man who had been engaged in more thorough, scholarly work on the subject than the textbook writers who Barnes had previously disparaged. The new opponent was Bernadotte E. Schmitt whose first moderately revisionist article of April 1924 32 had been favorably received by Barnes. The beginning of the dissension between the two, however, was indicated only a few months later when Schmitt accused Barnes in the Current History debate of faulty reading of the evidence.

On April 3, 1926, both men argued their differences out in a public debate arranged by the Chicago Council on Foreign Relations. 33 By that time, Barnes had developed an entirely anti-allied explanation of the war origins. He maintained that Poincaré and Izvolski were mainly responsible for transforming

30. Ibid.
33. R.E. Barnes and B.E. Schmitt, Recent Disclosures Concerning the Origin of the World War (Chicago: n.p., n.d.); this was first discussed in the unpublished dissertation by A.J.
the Franco-Russian alliance of 1894 into an offensive organization in 1912. The Sarajevo assassination was merely the appropriate opportunity to bring about the desired European conflict. There was no doubt in his mind that the only direct and immediate responsibility for the world war fell upon France and Russia with the guilt about equally divided. Next in line, but far below France and Russia, came Austria, while Germany and England were tied for the last place since both had opposed the war in 1914. The American entry into the war was due to financial and commercial stakes in the allied countries and pro-British sympathies on the part of Ambassador Page and Wilson. The submarine controversy was merely an excuse.

"The core of the argument," said Barnes, "is the question of Russian mobilization: if it can be shown that Russia was justified in her mobilization, that it did not mean war and that Germany was not justified in her action after she learned of Russian mobilization, then...the case against France and Russia falls to the ground." It thus came out clearly in this debate that Barnes had moved from a rather moderate position in 1922 to a very radical kind of revisionism. He thereby gave his opponent plenty of opportunities for attack.

Schmitt answered that, though Russian policy was not peaceful, it should also be pointed out that Germany sought to control Turkey and imperialistic ambitions were thus balanced out. Schmitt denied that France deliberately tried to regain Alsace-Lorraine. He said that there was no evidence which supported this view; but he admitted that France had been willing to accept any challenge made by Germany. Generally speaking, German support of Austria was comparable to French support of Russia, and in


34. Barnes and Schmitt, op. cit., p.11.
this respect, the guilt for the war seemed to Schmitt to be equally divided. There was one thing, however, which should be kept in mind. Germany, relying on Italian support and on English neutrality, had promised Austria unconditional support on July 5th, 1914. Everything that followed was the result of that German "blank check." This was really the most decisive factor.

The Barnes-Schmitt debate in Chicago epitomized the position revisionism had attained by 1926. Among professional historians, the die-hard defenders of the official view of the war had become an insignificant minority by that time. The question was no longer whether the wartime views had to be revised at all but how much they had to be revised. Within the profession, the discussion was mainly restricted to a battle between the uncompromising revisionists who placed the primary responsibility on France and Russia, and the moderate revisionists who held that Austria and also Germany were more guilty than the allies.

It was the latter view censoring Austria more than any other power, which turned out in the end to be the most acceptable. The man who had opened the discussion among the historians, Sidney B. Fay, also wrote what most American historians considered the final word. In his authoritative work, The Origins of the World War, Fay reiterated most of his conclusions of 1921. While feeling that it was impossible to fix responsibility for the war with mathematical precision, he yet disagreed sharply with Barnes. He ranked Austria first among the guilty nations, Russia next, and Germany and England last in respect to immediate origins of the war. The generally favorable reception of Fay's work showed that the revisionists had finally won the battle in the

35. Ibid., pp.14-16.
36. Ibid., pp.18-19.
While the historians tried to solve the war guilt problem among themselves, the American book market was deluged with revisionist publications which amply testified how interesting a topic of discussion revisionism had become. It was particularly notable that a large number of foreign authors participated in the debate after 1924. Not only were the memoirs of various European statesmen translated and printed, but for the first time after the world war, Americans could now read a large number of foreign historical monographs. The most well-known among the English authors besides G.L. Dickinson, and Irene C. Willis. There were also a number of French revisionists like Georges Michon, and Pierre Renouvin. Alfred Fabre-Luce was another leading French revisionist. He combined his attack on the war guilt doctrine with a demand for the revision of the Treaty.

It is characteristic of the spirit of the time that the most numerous foreign books on the subject were written by German authors. The leading German authors who published in America

38. G. Lowes Dickinson, The International Anarchy, 1904-1914 (New York: The Century Co., 1926). Dickinson was a leading member of the UDC.


between 1924 and 1931 were Count Maximilian Montgelas,\(^4^3\) Hermann Lutz,\(^4^4\) F.K. Nowak,\(^4^5\) Friedrich Stieve,\(^4^6\) and Alfred von Wegerer.\(^4^7\) Perhaps there is no better proof of the changed conditions which the revisionist revolt had helped to create than the fact that so many German authors found a profitable market in the United States. It is highly improbable that they could have sold many of their books before 1924. To hear the allies condemned by allied authors was one thing; but to read German tracts which accused them was another matter.

There were also a number of new American authors who joined the revisionist crusade, in particular Frederick Bausman\(^4^8\) and Michael H. Cochran\(^4^9\) whose interpretations were very close to that of Barnes. By the end of the decade, however, a new revisionist trend had developed which concentrated mostly on the causes of the American entry into the war rather than on European affairs. Though this trend which strongly reinforced the isolationist leanings in the country did not reach its peak until the middle of the 1930's, some works were published much earlier. Harold D. Lasswell brought out his scholarly investigation on the Propaganda Techniques in the World War in 1927\(^5^0\) and the more sensational account by C.H. Grattan, Why We Fought,\(^5^1\)


\(^4^5\) Nowak, Versailles, op.cit.


\(^4^8\) Frederick Bausman, Facing Europe (New York: The Century Co., 1926).

\(^4^9\) Michael H. Cochran, Germany Not Guilty in 1914 (Boston:
was published two years later. This kind of revisionism, however, had hardly any effect on American views on Germany.

What helped even more to spread revisionist ideas than all these books was the increasing interest of the magazine press in the subject. The leading magazines which opened their columns to the revisionists continued to be the New Republic, the Nation, and above all Current History which published numerous articles on the origin of the world war, especially in 1929 and 1930. In March 1930, it even repeated on a smaller scale its symposium idea of 1924 by inviting three historians, among them the German Alfred von Wegerer to discuss the war guilt question. But there were now also a number of other publications which showed interest in revisionism.

The Catholic magazine, The Commonweal, for instance, printed a number of articles by George M. Shuster who thought that revision of the war guilt doctrine should be followed by a revision of the Treaty. His article was answered by H. Belloc who defended the Treaty but not the war guilt claims of the wartime historians. Other journalists took up the cause of revisionism in such magazines as Living Age and the World Tomorrow. There were also several articles of a somewhat more moderate revisionist tendency in Foreign Affairs. The most determined defender of the new

The Stratford Press, 1931).


53. George M. Shuster, "What Can We Do?" Commonweal (June 17, 1931), XIV, 175-77.

54. Foreign Affairs (July 1925), III, 529-40; (Jan. 1926), IV, 177-94.
creed among the religious magazines was probably the *World Tomorrow* which printed a "Symposium on War Responsibility" much in the fashion of the debate among the historians in *Current History*. The editor of *World Tomorrow*, Kirby Page, also published in his October issue of 1930 the results of a poll giving 429 opinions on the war guilt question. This was the most comprehensive account on the influence revisionism had attained at the end of the period here under consideration.

Among the persons who had answered Page's questionnaires, there were 215 professors, mostly historians, 37 college presidents, 58 editors, 71 social workers and clergymen, 22 lawyers and businessmen, 13 labor leaders and 13 military officers.

Page asked four questions: 1) Whether Germany and her allies were alone responsible for the war; 2) whether Germany was more responsible than other powers; 3) whether all war debts and reparations should be cancelled; 4) whether the United States had acted unwisely in entering the world war. The answers show that revisionism had had its most important impact on the war guilt controversy. Out of all 429 who answered the questionnaire only 48 held the Central Powers solely responsible for the war; and less than half of those questioned believed that Germany was more responsible than other powers.

Surprisingly high was the percentage of those favoring the cancellation of all debts and reparations, especially if one takes into consideration the stubborn resistance to war debts cancellation which had characterized public opinion throughout the 1920's. Slightly more than half of the replies favored an all out cancellation. There was also a relatively high percentage of respondents who then believed that the United States had acted

---

unwisely when it entered the war. There were 155 answers, or 38 per cent of the total, which indicated such a view.

Page had also asked for suggestions as to which country was considered most guilty. In the answers to this request, one can also detect the widespread influence of revisionist theories. Austria received the highest number of verdicts, and Russia came next. Germany, France, Serbia, and Britain trailed the list.\textsuperscript{57}

The various professional groups gave quite different answers on the question of whether Germany was solely responsible for the war. Of 100 history professors, only three held the Central Powers solely responsible, but among the military officers, there was a majority who held this view.

Next to the college teachers, the labor leaders, the social workers, and the clergymen were most effectively influenced by revisionist ideas. There was for instance a four-fifths majority in these groups which favored cancellation of war debts and reparations at the end of 1930. Insofar as this poll can be trusted, the answers show that the impact of revisionism was negligible among military officers and also relatively small among the lawyers and businessmen. But almost all historians and labor leaders and a considerable number of the editors, the social workers and the clergymen were of the opinion that Germany was neither solely responsible for the war nor more responsible than other powers.\textsuperscript{58} Unfortunately, Page got only a small number of answers from lawyers and military officers, and he did not include politicians, civil servants, or farmers as separate groups.

Despite its shortcomings, Page's poll shows quite clearly that revisionism had penetrated beyond the ranks of a few professional groups.

\textsuperscript{57} Ibid.
\textsuperscript{58} Ibid.
intellectual specialists. It had not only found a stronghold, at least in its more moderate forms, among the professional historians and other members of the academic world; it also had a strong effect on labor leaders, social workers and clergymen in particular. It had convinced many newspaper editors and businessmen and even a few lawyers and military men of at least part of its ideas.

The revisionists were obviously most successful in attacking the thesis that Germany alone was responsible for the war. In this respect, their influence reached far beyond the narrow circle of intellectuals, and their impact on American public opinion, particularly on the attitudes toward Germany, must be considered larger than has been generally assumed. Those of the more radical revisionists, however, who combined their fight against the war guilt doctrine with demands for a revision of the Treaty of Versailles were less successful. They were not only a rather small group but they had also the disadvantage of living in a country which was not a party to the Versailles settlement, and was in the main disinterested in any intervention in Europe. That revisionist faction, therefore, which clamored for a change of certain stipulations of the Peace Treaty attracted only a small number of Americans. Yet it is important to note that this minor group of revisionists came very close to the most important demands of the pro-German group and thus helped to strengthen the force of the pro-German attitude in the United States. Even this part of revisionism, therefore, had its particular significance for the development of American attitudes towards Germany.
Before the adoption of the Dawes Plan, the effect of revisionism and relief work had been largely counterbalanced by a continuous flow of news which kept alive the fear that republican Germany might slide back into the old traditions of monarchy and militarism. One must also realize that in the early years after the war, the financial conditions of Germany were hazardous and trade had not yet created strong ties between the businessmen of the two countries.

After 1923, however, the enormous growth of commerce and the increasing tide of revisionism with its tendency to exculpate Germany coincided with a general reappraisal of the political developments in that country. This was not only due to the fact that the Berlin government had shown its ability to survive despite the serious crisis which followed the Ruhr occupation, but also to the new course of Germany's foreign policy while Gustav Stresemann was Foreign Minister. Under the Dawes Plan, Germany paid its reparations and annuities regularly and Stresemann's leadership brought her to a closer cooperation with her old enemy France. The late 1920's, therefore, was a period of reconciliation which gradually allowed the wounds of the war to heal.

On the majority of Americans, who looked at Europe predominantly as a seed bed of continuous friction and war, this reconciliation between the French and the Germans could not fail to make a favorable impression. For the first time after the war, to applaud German policy did not automatically mean rebuffing the French and vice versa. There was less disagreement, therefore, among the American attitudes towards Germany than at
earlier times; and the series of diplomatic agreements which led from Locarno to the Kellogg-Briand Peace Pact were reviewed with increasing optimism by an overwhelming majority of Americans.

As Chief of the German Foreign Office, Stresemann had from the outset the strong support of Ambassador Houghton and his successor Jacob G. Schurman who replaced Houghton in February 1925. Both Ambassadors and also the State Department were very favorably impressed when Stresemann began his so called "peace offensive" with a note to the French government on February 9, 1925. In this note, he offered the French government a security pact which would guarantee the integrity of the Franco-German borderline as stipulated in the Versailles Treaty. Schurman on his arrival in Berlin expressed his great satisfaction that Germany thereby took a step leading to the pacification of Europe. ¹

A few months after Stresemann had received majority support in the Reichstag for his new policy though not without a bitter battle against the extreme nationalists, Schurman asked Stresemann for a personal talk. The reason for this was that he wanted to encourage Stresemann by the unusual step of giving him his special congratulations on his main foreign policy speech of July 22nd. Schurman told the Foreign Minister that he had listened to his speech and found it an excellent exposition of the German view. He added that he had of course no right to intervene in the quarrels between German parties, but that he felt an urge to express his wish for the success of Stresemann's plan.²

Although Britain was strongly interested in the German note, France was at first hesitant to accept the offer. The French

¹. Stresemann, op.cit., II, 121.
². Ibid., pp.161-62.
government was not only interested in checking Germany's expansion to the West, but in safeguarding the boundaries of its ally, Poland. The German answer to these proposals though conciliatorily written, was negative; and it seemed, therefore, that the security pact might be buried. For this reason, part of the American press was at that time rather impatient with Stresemann. The traditionally pro-French Philadelphia Public Ledger pointed out that Germany's main purpose was not so much security as the desire to be treated by the allies on terms of equality. The Louisville Courier-Journal attacked the German note as being indirect and indefinite, and the New York Journal of Commerce complained that the German answer gave "few concessions to the French point of view."\(^3\)

There were, however, also some favorable reactions to the German note. The Springfield Republican was particularly pleased that the conciliatory tenor of the negotiations showed "how greatly in error were those who thought that the election of General von Hindenburg was a proof of the revival of the war spirit in Germany." The conciliatory tone of the German reply was also stressed by the New York Times, the Philadelphia Inquirer, and the Chicago Evening Post. The Chicago Tribune defended the Germans as being "fully justified in pointing out that Germany is entirely surrounded by armed nations while she herself has reduced her armaments to the minimum." Closest to the German point of view was the New York World which since the reparations crisis had constantly taken sides with the Germans, and now supported what it considered Germany's request to work through the normal processes of diplomacy for the alteration of those parts of the Treaty "to which she cannot honestly subscribe."\(^4\)

---

In the end, the German note by no means prevented the continuation of the negotiations. Late in August, the French Foreign Minister, Aristide Briand, dropped the demand for a guarantee of the Polish border, and his new proposal of the 24th of August finally led to the famous conference at Locarno which initiated a rapprochement between France and Germany. The Locarno Pact of October 1925 guaranteed the borderline between Germany on the one side, and Belgium and France on the other. Germany renounced any claims to Alsace-Lorraine and agreed to the demilitarization of the Rhine area. In addition, the Pact provided for arbitration treaties between Germany and France, Belgium, Poland, and Czechoslovakia. Germany, by renouncing any attempt to alter the Polish border lines by force, had in the end submitted to some degree to the French desire to safeguard Poland. On the other hand, France was willing to remove her troops from part of the occupied area in the Rhineland and, most significantly, Germany was offered membership in the League of Nations.

The Locarno Pact was indeed a considerable step forward on the way to a pacified Europe. The amenable atmosphere of the negotiations gave birth to the slogan of a "Locarno spirit" which engendered much optimism in Europe as well as in the United States. The Philadelphia Public Ledger thought that the most important fruit of the Locarno conference was the possible growth "in some form or another of a Pan-Europe." The idea of a United States of Europe was also picked up and strongly supported by a large number of papers which usually disagreed on matters of foreign policy, as for instance, the New York Times, the Indianapolis News, the Washington Star, the Ohio State Journal, and the New York Evening World. The optimism created by the Locarno spirit was perhaps best illustrated by the New York Herald Tribune which said: "One of the most important accomplishments...aside

---

5. Ibid. (Oct. 31, 1925), LXXVII, 5-8.
from the actual security agreements, is the heavy blow to European nationalism. For two generations, the German nationalist hope of revenge has disappeared completely.  

While the favorable commentaries on Locarno gave the idea that the Europeans were not so great troublemakers after all, and that the League of Nations might actually work better than anticipated, the first stumbling block which threatened to halt the progress of Franco-German cooperation was viewed with rather mixed feelings in the United States. This new obstacle to peace was the rebuff the Germans suffered when in March 1926, their planned entry into the League was delayed for half a year. This delay was due to a number of reasons, particularly the fact that Germany demanded a permanent seat in the Council, but found an unsuspected rival in Brazil. But part of the difficulty arose also from the fact that the French were not quite satisfied with the state of German disarmament.

By far the largest number of American newspapers held the failure of the Locarno Conference to settle the question of the Council seat responsible for the new difficulties. Especially the Brooklyn Eagle and the Norfolk-Virginian-Pilot saw it that way. The New York Evening World and the St. Louis Post-Dispatch were inclined to believe rumors that the French and English had entered into some sort of agreement behind Germany's back relative to Brazil.

A number of papers agreed that the whole affair was a blow to the prestige of the League, the Cincinnati Enquirer going so far as to insist that the League faced "veritable dissolution." Some of the anti-League papers gloated over the League's troubles, and the New York Sun, the Washington Post, and the Boston Transcript shared the Cincinnati Enquirer's satisfaction that the United States was not a member of the League. There were only

6. Ibid., p.5.
very few papers which put the blame on Germany, and those were not the most influential publications at that. For instance, the Troy Record and some other small papers criticized Germany's objection to an enlargement of the League's Council which would have given the Brazilians a chance to enter at the same time as the Germans. 9

The quarrels over Germany's entry into the League proved to be short-lived. On September 8, 1926, Germany was unanimously voted a member of the League and received a permanent seat in the Council. The press comments following this event were almost everywhere exceedingly friendly. For the Journal of Commerce and the San Francisco Chronicle, Germany's membership was a sign of hope for a peaceful future. The Kansas City Star put much stress on the change which had developed within Germany itself: "The arrogant military crowd at Berlin," it wrote, "has been replaced by the liberals who are representative of the feeling of the great mass of the German people." 10

The discussion of Locarno and Germany's entry into the League had changed the tone quite considerably. While it will be shown later on that apprehensions over the German right-wing and also some suspicion of the Berlin government continued to linger on and even grew at the end of the decade, papers which were traditionally critical of German designs became generally more confident during the Stresemann era. Even the New York Times and the Philadelphia Public Ledger gave on the whole favorable comments on German foreign policy. In addition, there were a number of editors who became so optimistic that they believed the old times of strife could not recur. In the fall of 1926, it seemed indeed

8. Literary Digest (March 27, 1926), LXXXVI, 5-7.
9. Ibid.
10. Ibid.
as if a Franco-German entente was in the making. On September 17th, Stresemann and Briand had a private meeting in Thoiry at which plans were discussed which were supposed to lead to a union of certain Franco-German industries, especially coal and steel.

This seemed to the Providence Journal to be the best omen for future peace in Europe. The New York Sun and the Boston Herald claimed that the success of this program depended on the possibility of selling 500 million of German railway securities in the United States in order to back the French currency which was then in bad straits, but that there would be little difficulty in floating these securities. Actually, Briand had shown some interest in the union of the mining industries with the idea that this could strengthen the French economy. In the end, however, the scheme came to nothing. The securities were not sold on the American market because of renewed friction between the two statesmen over German disarmament.

The differences which still existed between the French and the Germans received then hardly any attention in the American press. The belief in the spirit of Locarno as a kind of cure-all in European and international relations was so great that newspaper comments for the most part were given to a rather uncritical praise of both the French and German Foreign Ministers. For the majority of papers, however, the great man of peace was Briand. It was only in 1928 when Briand, fully aware of his popularity, overplayed his hand, that Stresemann had a chance to rise.

211
to almost equal stature in American public opinion.

The French, since the defeat of the Treaty of Versailles in the Senate, had continuously tried to involve the reluctant United States in an alliance or security pact. Yet Americans in the 1920's were just as determinedly opposed to any commitments to the Old World as the French were desirous to encourage them. It was the strong belief of Secretary Hughes as well as of his successor, Frank B. Kellogg, that American public opinion was in the majority bitterly opposed to any political entanglement with Europe.

Briand was well aware of this situation. But he was also interested in strengthening by all possible means the feeling of security in his country and to ensure France against the ambitions of her restless neighbor east of the Rhine. There seemed to be no better safeguard against Germany than some kind of pact with the United States, the country on which the German economy sorely depended. When Briand saw an opportunity to influence the State Department in that direction, therefore, he tried to make the best out of the situation.

His opportunity came from a source which the State Department had not anticipated. In 1927, Briand was able to exert increasing pressure on the United States government by employing the action-hungry American peace societies for his purposes. The most active of these groups and the best financed was the Carnegie Endowment for International Peace. Its President, Nicholas M. Butler, and its Vice-President, the historian James T. Shotwell, were both sincere believers in the efficiency of an international renunciation of war, and both took occasion to give their views to Briand.


Professor Shotwell who was busily engaged in disseminating his peace creed in Europe, had an opportunity to meet Briand in March 1927. At this meeting, he suggested that the best way to meet the suspicion French militarism aroused in the United States was to "propose renunciation of war as an instrument of national policy, and that a treaty should be made along that line."\(^\text{15}\) Briand, thereupon, sent a message to the American people on April 6, 1927, the tenth anniversary of America's entry into the world war, in which he skillfully combined Shotwell's peace suggestion with a proposal for a bilateral agreement between the United States and France.\(^\text{16}\)

This trial balloon received scant attention in the United States at a time when Americans were increasingly impatient with France's recent refusal to attend the Geneva Naval Disarmament Conference and the delay of her vote on the American war debt settlement in the Chamber of Deputies. But Butler saw to it that Briand's proposal was not forgotten. First, through a letter to the editor in the New York Times, then by exerting pressure on the State Department, and finally by influencing a considerable part of the press, the Carnegie Endowment whipped up interest in the matter. Robert H. Ferrell has discussed in detail how by such means a large part of American public opinion was made to favor a "Pact of Perpetual Friendship" which Briand formally offered on June 20th.\(^\text{17}\)

Kellogg, who thereby had been put in an embarrassing position, found only one way out of the entire affair. After much delay, and in face of rising popular support for Briand's bilateral pact, the Secretary of State finally submitted a counterproposal on December 28th, 1927. This turned out to be the basis

\(^{15}\) Ibid.


\(^{17}\) Ferrell, op. cit., pp. 75-138.
for the famous Kellogg-Briand Pact of the following year. It proposed a multilateral pact rather than an agreement between two countries only, and it renounced war as an instrument of national policy without any reservations. It had the double advantage of satisfying the clamoring peace societies, including the Carnegie Endowment, and of avoiding a bilateral pact with the French only.

Now it was Briand's turn to be embarrassed. It was difficult for him simply to turn Kellogg's proposal down. For not only was his prestige as a man of peace at stake, but he was also put under pressure when Kellogg communicated his draft treaty to the great powers on January 6, 1928. If, therefore, other powers accepted and Briand declined, he could easily bring France into an isolated position and thus achieve the opposite of what he had originally desired.

Under these circumstances, it seemed best for him to bargain for better terms. It was at this moment that Stresemann recognized his great opportunity. When Kellogg invited the powers on the 13th of April to join the United States in the multilateral peace pact, Briand countered with a number of reservations, but Germany was the first power to accept. Thus Briand's clever game led in the end not to a treaty between France and the United States, but to an improvement of German-American relations.

This situation was immediately reflected in the favorable press comments which Germany thereupon received. The New York Evening Post pointed out that Germany's readiness to outlaw war gave "the nebulous Kellogg plan an entirely new standing."

20. Literary Digest (May 12, 1928), XCVII, 8-9.
In this paper's interpretation, it was thus Germany more than any other country outside the United States which had made the decisive contribution to peace. In another typical press comment, the familiar fact that Germany’s advantage was at the same time a detriment to France became clearly apparent. "The unqualified support of Germany," wrote the Baltimore Sun, "strengthens the case for the American draft plan and weakens the numerous reservations in the French draft." 21

The New York Times was also of the opinion that the German decision would hasten the adoption of the treaty. The Times' gradual change from a strongly critical attitude toward Germany to a more favorable view as a consequence of Stresemann's foreign policy was indicated by its remark that Germany's acceptance of the peace pact contributed to the fast disappearance of the bitter animosities of the great war. 22 For the first time after the war, and most probably the only time in the interwar period, a major action of German foreign policy had found unreserved and unanimous praise in the American press.

American confidence in the German republic received additional support when a few weeks later the results of the elections of 1928 were published. In these elections, the constitutional parties, especially the Social Democrats, won a decisive victory. No one could know then that this would be the last victory which the democratic parties of Weimar Germany won at the polls. In the American newspaper comments there was obvious satisfaction. The New York World headlined its report on the election results: "Germany Votes for Peace." The New York Times was favorably impressed, the Baltimore Sun admitted that there were "of course, still plenty of fire-eaters of the Hitler type," but the election seemed to show that the majority voted for reason. The

Louisville *Courier-Journal* summarized the belief of many papers when it pointed out that the success of democracy demonstrated by this election and Germany's comeback in general was primarily due to one man, Gustav Stresemann. 23

For the development of American attitudes toward Germany, the reappraisal of German foreign policy after 1924 was of considerable importance. The policies of Stresemann, insofar as they facilitated a Franco-German rapprochement, had not only the warm approval of the State Department, but also received a more and more favorable press in the United States as the years progressed. Under these circumstances, it was largely overlooked that some marked differences with the French government remained even after Locarno. The traditional antagonism between France and Germany was not always fully recognized by the American press until Briand blundered with his bilateral peace pact proposal and Stresemann took advantage of France's uncomfortable position.

But even then a critical view toward France was less prevalent among Americans than the universal praise which the German government received for its early acceptance of Kellogg's peace treaty. In the year 1928, therefore, the postwar development toward steadily increasing friendly relations with Germany reached its peak.

23. *Literary Digest* (June 2, 1928), XCVIII, 10.
While feelings of distrust and apprehension in regard to Germany diminished considerably during the five years when Stresemann was Minister of Foreign Affairs, political developments in Germany served to keep awake fears that Germany might relapse into her old traditions of reactionary politics and militarism. Even the much advertised "Spirit of Locarno" and the relaxation of tensions following the Kellogg-Briand Pact were not enough to convince Americans that all was well with Germany. Just as the influence of relief work before the Dawes Plan had been counterbalanced by news from Germany which showed her in an unfavorable light, so now the effect of Stresemann's diplomacy was weakened by certain events in Germany which were harshly criticized in America.

Criticism of Germany in the four years following the Dawes Plan concentrated mainly on four subjects. In the beginning of the period, the event which caused most apprehension about the future of Germany's democracy was the election of Field Marshal von Hindenburg as President. At the same time, German military policies and the continued strength of the militarist tradition in general aroused suspicion among many Americans. Criticism was directed, though to a far more limited degree, against certain dealings which the Germans had with Soviet Russia in the latter part of the 1920's. Finally, toward the end of this period, there was a rising amount of apprehension over the way Germany handled her fiscal problems, especially since regular payments of reparation annuities were endangered, unless strict economy was applied.
The elections of 1925 which made Paul von Hindenburg President of the Reich on April 26th, caused a profound shock among most American newspapers and magazines. The first reaction of the American press was one of extreme pessimism. The Boston Transcript which had been traditionally critical of Germany summarized the attitude of a large section of the press when it said that "Germany, like the Bourbons, has learned nothing and forgotten nothing...and reveals a determination to be in all ways opposed to the world's progress."^1

A number of papers believed that the election would have a strong effect on future developments in Germany and might even lead to a restoration of the monarchy. The New York Herald Tribune, for instance, assumed that Hindenburg would only for a limited time continue to follow the policy of Ebert insofar as the Dawes Plan and the economic revival of Germany through foreign credit was concerned. "But everyone will know," the Herald Tribune maintained, "that the spirit behind that policy was altered. Politically and economically, that shift will react most of all to the injury of the Germans themselves."^2

This view, generally shared by the vast majority of American newspapers and magazines,^3 was backed by a number of rumors which seemed to indicate that sinister forces were working for the overthrow of the constitution. A dispatch from Potsdam, for instance, reported that the Royal Prussian Ensigns had been hoisted in that city for the first time after the war. Other reports maintained that the ex-Kaiser in his Dutch exile had

---

1. Literary Digest (May 9, 1925), LXXXVIII, 5.
2. Ibid., 6.
received the news of the election with jubilation. Papers of quite different political outlook like the Washington Star, the Cleveland Plain Dealer, the Chicago Tribune, the New Orleans Times-Picayune, and the Boston Herald vied with each other for reports on alleged activities of various right-wing forces in Germany.4

Even the New York World which during the reparations crisis, had consistently taken the German side against France was perturbed by these activities and said that they sufficiently explained "the pessimism that is so prevalent through the allied countries and among the Republicans of Germany." The effect of the election in the World's opinion was to vindicate "the French fears which we thought were exaggerated."5

As the first excitement passed and Hindenburg's first pronouncement in favor of the constitution and the Dawes Plan reassured public opinion to some extent, most Americans took an attitude of watchful waiting and a minority largely consisting of the traditionally pro-French groups continued to be hostile. Some newspapers even found a cause for optimism in the fact that Hindenburg had not received a majority of votes, and that he had been supported among others by those conservatives who had resigned themselves to the republican form of government. Foreign Minister Stresemann, who had opposed the candidacy of Germany's war hero, instructed his new Ambassador, Ago von Maltzan,6 to stress the fact that the new President was far from being a revolutionary, that he was a man who would never violate his oath of

4. Literary Digest, op.cit., 6-7.

5. Ibid., 7.

loyalty to the constitution, and finally that the President's powers were rather limited.

Maltzan was rather successful in soothing public opinion.7 A few weeks after the election, such distinguished Americans as President Coolidge, Secretary of the Treasury Mellon, and Senator Borah made public pronouncements to the effect that everything under Hindenburg would be as before. Thereafter, a large part of the press had a less pessimistic tone. The Detroit Free Press, the Newark News, the San Francisco Bulletin, the Los Angeles papers, the New York Sun and the Philadelphia Inquirer were among those who early adopted a wait-and-see attitude. It is quite obvious that the government did not favor undue excitement which could hurt the developing business boom. Significantly, among the papers which took the view that business should not be disturbed by politics was the Wall Street Journal.9

While the liberal magazines had temporarily been estranged from their pro-German view because of the election results, the non-socialist German language papers, led by the New York Staats-Zeitung went so far as to hail Hindenburg's election as the foundation stone for the "strongest bulwark against the sea tide of Bolshevism."10 Such an opinion was shared nowhere by the English language press of this country. It remained the expression of a very small minority of German-Americans, and it was more than out-balanced by the view of those who remained suspicious of the Germans.

The opinion of the implacable critics was best expressed by the Outlook which charged that the Germans with their election had "done all they could do to destroy the myth that they were opposed to the bad deeds of their leaders during the war." They

9. Literary Digest (May 9, 1925), LXXXV, 8.
had shown their disregard of the opinions of those nations on which their economic restoration depended. Under these circum-
stances, thought the Outlook, American willingness to contribute to European prosperity was discouraged because investors would probably not be interested in financing the German goose-step.  

Within a month after the election, much of the original app­prehension had abated under the influence of favorable business conditions which neither the American investors nor highranking government officials wanted to disturb. As it became apparent that the republic was not jeopardized by its new President at this time, most Americans interpreted the conservative trend initiated by the election as something which was not necessarily opposed to republican institutions in Germany.

The fact that Hindenburg remained loyal to the constitution did not exclude other dangers to democracy in Germany. While the Communists were at no time during the Stresemann era power­ful enough to seriously challenge the government, to American observers, it seemed that right-wing fanatics still had to be taken seriously. This was so especially since they could appeal to the traditions of pre-republican Germany, and could therefore be presumed to always command a following among the more conserva­tive part of the population. What made them particularly disliked in the United States, however, was their militaristic ideology. Indeed militarism was the common denominator of most

10. Ibid.

11. Outlook (May 6, 1925), CXXX, 10-12; (May 20, 1925), CXXX, 97.
of the diversified causes for complaint which Americans found in the Germany of the late 1920's.

Before the Dawes Plan, the most dangerous fusion of chauvinistic politics and anti-republican militarism had been Hitler's putsch of 1923. Through the years 1924 to 1926, therefore, the State Department continued to be highly interested in Bavarian politics. For this reason, the files of the National Archives contain a number of reports by the American Consul, R.D. Murphy, on the activities of Ludendorff and especially of Hitler who had been released from prison at the end of 1924. The Consul also reported on various meetings of the Bavarian Royalist Society, the Heimat und Koenigsbund. As Ludendorff's political appeal had waned by this time, however, and neither Hitler nor the Royalists were powerful enough to arouse serious apprehensions, the developments in Bavaria soon receded into the background.

Instead, attention was now focused on other parts of Germany where the rapid growth of such groups as the German Veterans Association, the Stahlhelm, showed again signs of renewed activity by disrupting republican meetings, as did Hitler's Storm Troopers and other "terrorist organizations." However, it was distrust of the German government's designs in respect to disarmament which caused most critical comments. From September 1924 to January 1925, a general inspection of the German army was conducted by the Interallied Military Control Commission which revealed that Germany had not fulfilled her disarmament pledges exactly as agreed. Therefore, suspicion in foreign countries grew that the so-called patriotic societies constituted a

---

12. National Archives, reports, Consul R.D. Murphy, Munich, to State Department (various dates, 1924, 1925), MSS. File no. 862T.00/200.

13. Outlook (Jan 21, 1925), IXI, 96.

14. There were numerous military organizations in Germany at that time which posed as patriotic clubs under such names as
secret army which was largely paid for from the budget of the legal army.

This situation was attacked in the liberal magazines,\(^{15}\) and also led to critical comments in such papers as the Cleveland News, the Philadelphia Inquirer, and the Detroit Free Press all of which shared the conviction that Germany had deliberately delayed her disarmament. The Literary Digest also agreed that Germany was secretly arming.\(^{16}\) Under the headline: "Germany's War Spirit," the New York Herald Tribune summarized the findings of the investigation as having established three German evasions of the demilitarization clauses of the Treaty. Germany was found to have a secret army; a High Command and a General Staff; and a system of instruction and organization of recruits and reserves beyond the limits of the 100,000 army permitted at Versailles.\(^{17}\)

On the other hand, there was now a number of papers which played such news down as French propaganda. The Louisville Courier-Journal, for instance, believed that "France continues to exaggerate the conditions in Germany." The Seattle Times, the Jersey City Journal, and many Midwestern papers agreed with Chicago Tribune which came to the conclusion that "whatever the evasions of military limitations have been, they do not give Germany the army required in modern warfare." She had no army which could compare with that of France. A similar view was taken by the representatives of the business world who wanted to prevent the bad effects such news might have on German cre-

civil Guards (Einwohnerwehren), Border Guards (Grenzschutz), Labor Groups (Arbeitskommandos), Temporary Volunteers (Zeitfreiwillige), and Black Reichswehr (Schwarze Reichswehr), to mention only a few of the more important ones. Cf. Gatzke, op. cit., p. 16, n. 22.

15. Nation (Oct. 20, 1926), CXXIII, 394-95; cf. other articles.
16. Literary Digest (Jan. 10, 1925), LXXXIV, 5-6.
17. Ibid. (Mar. 14, 1925), 12.
dit. For this reason the *Journal of Commerce* came close to the pro-German point of view in its explanation of the cause of secret rearmament. In its opinion, the most depressing thing was the incurable suspicion which the claimant nations showed toward their erstwhile enemy. This made them act in a manner which confirmed German opposition to the Dawes Plan, helped to inflame nationalism, and thus strengthened the desire for secret armaments.\(^1\)

This interpretation was not far apart from the attempt of the German language press to reveal the Interallied Control Commission as the real villain. The Pittsburgh *Volksblatt* explained the charges of the Commission as resulting from the fact that the investigators were "parasites living from the fat of the land, at the expense of the enslaved population," a condition, the *Volksblatt* implied, which they hoped to perpetuate by inventing accusations. The St. Louis *Westliche Post*, the Omaha *Tribune*, and the *Gross-Paytoner Zeitung* published similar diatribes with the aim of exonerating Germany.\(^2\)

The discussion of secret armaments in Germany reawakened distrust of German policies in some quarters, but the criticism were far milder and limited to a much smaller section of public opinion than was the disapproval which had resulted from Hindenburg's candidacy in the presidential elections. By 1925, a considerable part of the American press had become more suspicious of French militarism than of German evasions of the military clauses of the Peace Treaty. The discussion of the rearmament question, however, went on throughout the following years, and the apprehensions of those who remained distrustful of Germany were reinforced by continuous news reports indicating that

---

German chauvinism and militarism had not died out during the peaceful Stresemann era.

The details of such news and each single reaction in the American press cannot be discussed here. Their general impact was primarily to emphasize the difference between the two major trends of viewing Germany which was characteristic of the Dawes Plan years.

The followers of one of these trends conscientiously listed all reports which seemed to show that Germany was still at heart a militaristic nation successfully evading the restrictions of the Treaty. The existence of a military police force (Kasernierte Schutzpolizei) of 150,000 men under national rather than local command was one cause for constant suspicion. The activity of the patriotic societies and the private armies of the Communists and of Hitler's party gave additional concern. Throughout the year 1926, especially in October, anti-republican conspiracies resulting in a number of political murders were reported in the press as the fanatical Feme murderers were put on trial. The which were continuously critical of Germany also found proof for their suspicion in a sensational speech which Philipp Scheidemann, the elder statesman of the German Social Democrats, gave in the Reichstag on December 16, 1926. In this speech, Scheidemann listed evidence of the financing of illegal armaments and the relations between the army command and certain rightist organizations. 20

Though Scheidemann's speech resulted in a temporary slowdown of the secret German army build-up, there were soon other causes for distrust. There was, for instance, an abortive at-

20. Friedrich Stampfer, Die Vierzehn Jahre der Ersten Deutschen Republik, 3rd ed. (Hamburg, Germany: Verlag Auerbach, 1947), pp. 492-94. Scheidemann's speech was not entirely a surprise; for much of what he told the Reichstag had been attacked by the
tempt for another putsch under the leadership of Alfred Hugenberg, Germany's most influential newspaper tycoon and a leading member of the Nationalist Party. Ominously, a part of the army was involved in the conspiracy. At the same time, the political struggle which led to the fall of Chancellor Hans Luther was considered proof by some papers that the fight between democracy and monarchism had not yet come to an end. Luther had issued a decree on May 5, 1926, demanding embassies and consulates in foreign countries to show the commercial flag of old imperial Germany in addition to the new republican colors. This brought bitter attacks on him in the Reichstag and in the republican press so that he had to resign soon thereafter.21

The press comments on this incident showed the usual divergence of opinion between those papers which like the St. Paul Dispatch and the Providence Journal believed that the monarchists had again shown their strength, and many other dailies which agreed with the Journal of Commerce's contention that the resignation of the Chancellor was a victory of the republicans who had successfully defended themselves against what they considered "a menace to the perpetuity of the Republic."22

The critics of Germany were throughout this period opposed by a large number of papers and magazines which took complacent, and in some cases even an apologetic view toward reports on German militarism. A typical example was the Baltimore Sun which belittled Scheidemann's speech on secret armaments saying that "all the information that Scheidemann blurted out in the Reichstag has, beyond doubt, been in the hands of the statesmen of allied countries." Whether these statesmen did or could do some-

21. Ibid., pp.478-82.

22. Literary Digest (Febr.12, 1927), XCII, 8-9.
thing about it did not interest the Sun. It was satisfied that this was a purely European problem which should not excite Americans unduly.²³

A majority of the newspapers was indeed quite contented when in January 1927, the Interallied Control Commission left Germany and supervision was transferred to the less effective League of Nations. Although some papers, like the Brooklyn Eagle, pointed out that the long delay of the Commission's departure was due to Germany's treaty evasions, this view was largely offset by the general feeling that the withdrawal of the Commission represented a further step toward the relaxation of tensions in Europe and therefore ultimately toward peace.²⁴

The effect of the recurrent news concerning militaristic activities and conspiracies of the right-wing forces in Germany was much more limited than the initial excitement accompanying Hindenburg's candidacy in 1925. Stresemann's Locarno policy and the business boom induced a considerable part of the press to de-emphasize reports on anti-democratic groups in Germany. The impact of these reports, therefore, was in these years mainly limited to the pro-French group and publications close to it.

Yet in the latter 1920's, the traditional critics of Germany, such as the New York Times, the Providence Journal, and the Philadelphia Public Ledger, found an important ally in the liberal press. Liberal magazines, though favoring Stresemann's policy of reconciliation and agreeing with the pro-Germans on the reparations question, were at the same time highly critical of the German right-wing politicians and their chauvinism. Just as they had attacked French militarism at the time of the


²⁴ Literary Digest (Febr. 12, 1927), XCII, 8-9.
Ruhr occupation, they were critical of anti-republican and militarist tendencies in Germany in the later part of the decade.

While unfavorable reports emanating from Germany received attention in many newspapers in the United States, they were also sometimes largely overlooked. This can be demonstrated by the American press reaction to Germany's dealings with Russia during the 1920's.

Republican Germany had established its first diplomatic arrangements with Soviet Russia in 1922 with the Treaty of Rapallo. This treaty had not produced lasting friendship between the two nations. Yet it was followed by a number of secret agreements between the German and Russian armies. In the same year that the treaty was signed, the German army through its secret office for Russian affairs, set up a special agency with the innocuous name Society for Promotion of Industrial Enterprises (Gesellschaft zur Förderung Gewerblicher Unternehmungen, GEPU). The enterprises which this Society promoted were mostly ammunition plants in Russia and the training of German officers in the use of heavy artillery and airplanes which was prohibited by the Versailles Treaty. There was also a plan for secret poison gas production in Russia which, however, could not be executed after Scheidemann in his famous speech had exposed the activities of the German army in Russia.

---


It was not before 1926, however, that this secret military cooperation between the Germans and the Russians became known. And when it was published, it did not create much of a sensation. Neither was the conclusion of a trade agreement between Germany and Russia in 1924 and the more important Treaty of Friendship and Neutrality signed in 1926 a cause for much anxiety. Americans, despite the adamant insistence on the policy of non-recognition towards the Soviet regime, viewed the German-Russian negotiations mainly as an inter-European affair which was of little consequence for them.

German policy towards Russia had, however, a peculiar effect on the attitude of the liberals. The Nation and the New Republic had since the end of the world war criticized their government's policy towards Russia. They therefore welcomed the tendency of German policy to not only recognize the new Russian government, but also to engage in trade relations with the communist outcast. The Nation published an article in June 1926 which interpreted the German-Russian Neutrality Treaty as an answer to "the insincerity of the League" which at that time had delayed Germany's entrance. The article's author claimed that the new Treaty was a well-deserved warning to the West that Germany would be faithful to the Locarno agreements only if the allies came up their part of the bargain. On the other hand, the Nation was strongly opposed to the military arrangements between Germany and Russia which would be facilitated by the growing rapprochement between the two powers. The position of the liberals, therefore, was in some respects for and in others against German policies. Except for bringing the liberals into this contradictory position, however, the Russo-German Treaty was of little influence on the formation of American attitudes towards Germany.

---
More important was the discussion which emerged from the plan to form a European Steel Trust in the fall of 1926 and especially the debate which followed certain reports that Germany's reparations payments were endangered by the extravagance of the government. American opinion on the first of these reports was divided. Most newspapers believed that in the wake of the Thoiry discussions between Briand and Stresemann, a union of the steel industries of France and Germany would cement the peace in Europe. To papers who supported this view belonged the New York Herald Tribune, the Chicago Daily News, the Seattle Times, the Pittsburgh Sun, and the New York World.  

But the report of a planned European steel trust caused also a considerable amount of apprehension among American steel interests who feared cut-throat competition. Iron Age warned that "all European cartels have had one unvarying aim—the maintenance of high prices at home to offset the concessions made in securing a maximum business in the markets of the world." The Washington Post's opinion was typical for the critical section of the newspaper press. "Foreign manufacturers," it said, "can sell their products in the United States at much lower prices than the American manufacturer can afford if he maintains high wages." It maintained that the foreign steel combine could pay the tariff duty and yet undersell American steel products, and that this gave American steel producers much concern.

In the end, however, the steel trust was not created as planned. Discussion of German economic conditions was soon to turn away from the fear of massive competition to a subject which struck closer home. It aroused quite a sensation when in the

late fall of 1927, the Receiver-General of Reparations, Seymour Parker Gilbert, handed a note to the government of the Reich which warned that Germany would bring economic crisis on itself unless it checked its tendency to overspend at home and to over-borrow abroad. Since by that time American loans to Germany amounted to more than $3 billion and the bond salesmen were busy in every American city, Gilbert's pronouncement received wide attention.

The main tendencies which according to the New York Times Gilbert wanted to check on were excessive public expenditures endangering the budgetary surplus out of which reparations had to be paid; the heavy borrowing of states and municipalities for unproductive purposes; and the practice of reducing the revenues of the Reich through payment of municipal and state deficits by the central government which had no effective control over the expenditures of the local administration. Practically the entire press of the United States joined the New York Times in praising Gilbert for his warning.30

A number of newspapers like the Minnesota Journal, the Washington Post, and the New York Herald Tribune stressed the fact that Gilbert's action was in no way designed to attack borrowing itself, but only "unsound" borrowing. The Minnesota Journal added that it was entirely possible that the reparations demands were too high, but "even so Germany should be able to show the world that she has been making a sincere effort to pay her obligations." But just at this moment, when the critical period for the Dawes Plan was to begin, the German budget was in a bad shape. Among the business papers, the Journal of Commerce, agreed most closely with this view and expressed its surprise that there had not been a warning before.31

30. Ibid. (Dec. 3, 1927), XCV, 84-86.
31. Ibid.
The New York World was even more critical of the Germans when it assumed that Germany overloaded her budget as a tactic to deliberately bring about the collapse of the Dawes Plan. The World believed that Germany was in a strong position with her demand for downward revision of the reparations payments, for her economic reversal "would hurt her creditors even more than the cessation of her reparations payments." The Providence News also feared that German fiscal extravagance was part of a strategic plan and demanded an immediate end of her careless policies, since otherwise "there would be nothing left for the nations which suffered from the war which Germany precipitated." In the opinion of this paper, the old contention that the reparations were based on Germany's responsibility for the war was still valid.32

Only very few papers had as hopeful a tone as the New York Evening Post which maintained that Gilbert's lesson was obviously taken to heart by Chancellor Marx and the President of the Reichsbank, Hjalmar Schacht. The Evening Post tried to prove this view by quoting a recent speech by Schacht who had said that it would not have been necessary for the German cities to borrow abroad had they not spent so lavishly on building stadiums, public baths, parks and museums. The Evening Post implied in its comments that in the end the German government would itself be able to improve the situation. There was apparently only one paper, the Brooklyn Eagle which pointed out that the German government because of political considerations would be unable to carry out the suggestions of Gilbert.33

The discussion of Gilbert's warning to the German government is particularly interesting in view of the later occurrences

32. Ibid., p.86.
33. Ibid., p.85.
during the depression which led to such a heavy loss for many American investors. It was natural that Gilbert would receive much attention for giving his warning shot. German bonds had been sold practically everywhere in the United States. But a much stronger newspaper campaign would have been necessary to stop the prodigious selling of securities and bonds of doubtful value which was then going on. Since neither the German nor the American governments were able to do anything to check even the most unsound and unproductive municipal loans, and since the press reaction showed not more than theoretical agreement with Gilbert, the hard pressing salesmen found the American investor no less gullible than before. Thus, though for a short time apprehensions were universal, feelings soon calmed down again as they had after Hindenburg's election.

The Dawes Plan era had an important impact on the development of the main five attitudes towards Germany which have been described in earlier chapters. There was little change in the antagonism between the adherents of the pro-French and pro-German attitudes. The Franco-German rapprochement, however, resulted in a softening of the original hostility between these groups. There were even two policies on which both antagonists could agree: Locarno and the Kellogg-Briand Peace Pact led to a temporary harmony which in each case, however, was followed by a new feeling of distrust. The adherents of the three other attitudes agreed so completely in their appraisal of the "Locarno Spirit" and the Peace Pact that the division of American public opinion into various sharply differentiated groups disappeared, and one could sometimes speak of one rather than five American attitudes. The concord between the liberals, the internationalists, and the
isolationists, however, proved to be as brief as the harmony between the pro-French and pro-German groups.

The internationalists and the isolationists met at various instances on a common ground as they had at the time of the conclusion of the Dawes Plan. Both were strongly in favor of the improvement of trade relations with Germany and they also, with few exceptions, supported the theory that American loans pumped into Germany would produce the economic prosperity in that country out of which reparations payments could be most easily paid. And reparations payments had to be paid among other reasons because both groups were most strongly interested in the payments of the allied war debts which were taken largely from reparations receipts.

The liberals were critical of such an attitude since they consistently favored either a large scale reduction of complete cancellation of reparations as well as war debts. The liberal attitude for this reason favored the improvement of trade relations but not the enormous loans to Germany insofar as they were used for paying reparations. The liberals agreed rather closely with the isolationists in accepting the revisionist theories of the late 1920's. Especially radical revisionism with its strong distrust of allied secret diplomacy as represented by Barnes found most converts among the liberals and possibly a few also among the isolationists. On the other hand, resistance to radical revisionism was very strong among the former advocates of the Versailles Treaty who were now in the internationalist camp.

In respect to the new apprehensions which were felt in some quarters in response to unfavorable news reports from Germany, liberals, internationalists, and isolationists each had a different reaction. The isolationists were the first to be placated after Hindenburg's election, and generally showed the
most complacent attitude toward news of reviving German militarism. They were largely disinterested in the Russo-German negotiations and only temporarily disturbed by Gilbert's warning of German extravagance.

The internationalists reacted in a quite different manner. While Hindenburg's election did not make a lasting impression on them either, they were as a group, profoundly disturbed by the continuous flow of news on militaristic groups and policies in Germany. Though less hostile on this point than the pro-French, they nevertheless feared that democracy had only a precarious hold over the German masses and was in constant danger. Some of them also feared that the German government, irrespective of its republican form, was so much opposed to high reparations payments, that it could well be suspected of deliberately creating a budget deficit which would make complete payments impossible.

The adherents of the liberal attitude were critical of the continuing signs of militarism and chauvinism which they thought could be observed in Germany during the Dawes Plan era. They were less concerned with news on German extravagance since they believed that reparations had to be reduced anyway. But they were highly interested and strongly in favor of the Russo-German rapprochement in which none of the other groups showed much interest except the pro-French who strongly opposed this policy.

The pro-French and the pro-Germans opposed each other most ardently on the questions of Hindenburg's election, reports on German militarism, Russo-German negotiations, and German fiscal policies. They were also of different opinions in regard to the doctrines of revisionism, whose more radical tenets were most enthusiastically espoused by the pro-Germans.

On the whole, the years from 1924 to 1929 brought about a remarkable change in the positions which the adherents of the various attitudes held. For the first time after the debate
on the Versailles Treaty, a consensus of American opinion on Germany developed when almost all Americans looked with favor upon Stresemann's diplomacy at Locarno and his acceptance of the Kellogg-Briand Pact. Americans also generally agreed that trade relations with Germany were developing in a very favorable manner. Although on most other issues opinions varied widely, there is no doubt that the last three years of the 1920's signified the peak of the postwar development towards increasingly friendly attitudes towards Germany.
Chapter XII

IMPACT OF THE YOUNG PLAN AND THE DEPRESSION

Prosperity and the peace movement had reached their peak in Europe when negotiations for a reduction of the German reparations burden were initiated in 1928. The result of these negotiations was the Young Plan which was hoped to solve the reparations problem for good. The Plan began to operate under quite unfavorable auspices, however, for designed to work under conditions of prosperity, it was immediately put to test by the beginning of the Great Depression.

Both the Young Plan and the depression had far reaching effects on German-American relations, for they signified a change in the diplomatic as well as the commercial attitudes toward Germany. As the impact of the depression on Germany's vulnerable banking system became apparent in 1931 and the diplomatic feud with France aggravated the situation, Germany tottered on the brink of bankruptcy, and the worst was prevented only through the Hoover Moratorium. This Moratorium was the most vigorous act of American foreign policy in the postwar era. It marked the end, in many respects, of American postwar credit policies and also represented a turning point in American diplomacy towards Germany.

The Young Plan originated in a meeting of the representatives of France, Belgium, Great Britain, Italy, Japan, and Germany in Geneva on the 16th of September, 1928, when the delegates unanimously voted for the arrangement of a definite settlement of
German reparations. From the beginning, the negotiations which initiated the settlement were energetically supported by the Receiver-General of Reparations, S.P. Gilbert, who kept the State Department informed of the developments and early asked for the participation of American experts in a similar manner as in 1924.

Since a new reparations settlement was hardly possible without American financial help, the powers were greatly interested in the participation of American experts. In the last week of October, therefore, they decided to ask the British Ambassador in Washington to sound out the American government on whether it would be willing to appoint American citizens or American officials for that purpose. Secretary Kellogg, however, was even more anxious than Hughes had been to avoid any American governmental involvement in the reparation question. His answer to the British Ambassador on October 31st, stated the creed of non-entanglement in reparations questions in its most extreme form: "The American interest in reparations is entirely too small to justify...either directly or indirectly any responsibility respecting reparations." Kellogg told the Ambassador that the government of the United States would under no circumstances designate anyone as its choice. He suggested that the powers select their own candidate and added that on this condition the government would give "the most sympathetic consideration to any proposal to have independent American citizens sit on a new expert commission."

The Europeans were not quite satisfied with this. There were several diplomatic advances in the following weeks which

2. Ibid.
tried to find out whether there was any chance to persuade the State Department to soften its position. Since this was of no avail, the British Ambassador and the Reparations Commission finally assured themselves that Kellogg really meant what he said when he maintained that he would favor the participation of independent American experts. After much hesitation, the Reparations Commission, jointly with the German government, finally appointed Owen D. Young and J.P. Morgan as American members of the expert committee. The Committee began its work on February 11th, 1929.

During the first weeks, it made little progress. Young's report to Kellogg of March 3, 1929, however, outlined the basic ideas of what was later to become known as the Young Plan. He reported that Schacht had offered German payments of a maximum sum of $6,540 millions over a period of about 30 years. Though not acceptable to the allies, this formed at least a basis for discussion. More important was the fact that the Committee had begun considering the establishment of a completely new Bank of International Settlement which would work as a giant clearing house receiving German reparation annuities and distributing them without the cumbersome machinery of the Dawes Plan, partly as war debts and partly as reparations payments among America and the allies.

This plan of an international settlement bank with its close fiscal connection between war debts and reparations struck like lightning in Washington. Secretary Kellogg had explicitly pointed out to the American people in a press release of early

4. Ibid., pp.873ff.
5. Since Morgan was not available, T.N. Perkins took his place.
November that war debts were to be excluded entirely from the reparations talks of the experts. The new attempt to revise Germany's reparation debts, however, by no means kept the reparations payments as neatly separated from the war debts as traditional American legal doctrine had. And all this happened under the auspices of an American committee chairman!

As soon as he heard about Young's new bank plan, Secretary of the Treasury Mellon sat down and wrote a memorandum in which he stated that this scheme would make the United States the one creditor nation of the world. "The whole burden of collection and transfer of reparation payments will fall on our shoulders," complained Mellon, "and the allied debtor nations will have succeeded, by including Germany in their ranks, in creating a solid front for the reduction and eventual repudiation of these debts."

This statement was immediately wired to Young with the comment that the government was in full agreement with its content.

Young's answer showed the awkward position into which the State Department had maneuvered itself. He pointed out that he was free to decide whatever he thought was right. "Obviously, we cannot regard ourselves," he said, "anymore than you have so far regarded us, as representatives in any sense of the government of the United States." Once the government had so determinately refused to officially participate in the discussions, it had also renounced its power to influence the conference.

Secretary Henry L. Stimson, who had succeeded Kellogg in March, could only answer that Mellon's memorandum was not meant as an instruction to Young; but that nevertheless the administration's opinion was that this plan "if carried out, will nullify the wise policy under which for nearly ten years the United States

8. Ibid., 1928, II, 880.
9. Ibid., 1929, II, 1031.
10. Ibid., pp.1032ff.
had insisted upon complete separation of allied debts from reparations.\textsuperscript{11}

In the end, the government was in the embarrassing position of having to support a plan which was in part opposed to its cherished beliefs. Nowhere perhaps was the contradiction of the policy of non-entanglement more clearly demonstrated. What actually happened was that one tenet of the non-entanglement thesis, namely that war debts should remain strictly apart from reparations in order to avoid any involvements in the European reparations question, had become impossible since the same doctrine of non-entanglement prevented the government from using its powers to enforce it. Moreover, in the following months, the administration showed that it was indeed deeply involved in the dilemma of its own economic foreign policy.

When after protracted and difficult negotiations, the Expert Committee finally submitted its support in June 1929, it had raised Schacht's original offer to a final sum of slightly above $9 billion, 85 per cent of which had to be paid in 37 annuities, and the receiver of the money was to be the Bank of International Settlement just as outlined by Young in March.

Unpalatable as this arrangement was to the Administration, it was compelled to defend the plan when it was finally put into operation after the last difficulties were ironed out in two conferences in The Hague in August 1929 and in January 1930. By that time, the consequences of the depression began to be felt so that there was less willingness among certain Congressmen to support another large loan to initiate the new plan.\textsuperscript{12}

The leader of the opposition was the Chairman of the House Committee on Banking and Currency, Representative Louis McFadden

\textsuperscript{11} Ibid., p.1059.

\textsuperscript{12} It was decided that American bankers would contribute close to $100 million or about one-third of the $300 million
of Pennsylvania. McFadden made a number of vigorous speeches against the new plan which tried to prove that Germany under current conditions was not a sound business risk. He accused the government of supporting private firms to drain the American economy of large sums of money which were badly needed to fight the depression at home. McFadden then introduced a joint resolution proposing "that no Federal Reserve Bank and no National bank or member bank of the Federal Reserve System should be permitted to purchase any German reparation bond or other certificate of indebtedness issued pursuant to the new plan...as outlined in the agreement reached at The Hague on January 20th, 1930."  

In his drive to torpedo the Young Plan, McFadden then conducted hearings on June 25th and 26th in which the main witness was no other than Secretary Mellon who now had to defend the same Bank of International Settlement which he had so bitterly attacked a year earlier. In these hearings, Mellon and another witness, Assistant Secretary of State, William R. Castle, tried in vain to convince McFadden that war debts and reparation payments remain separated under the Plan and that the government had no powers to intervene if private bankers wanted to invest money in foreign countries.  

Though McFadden could not prevent the successful floating of the initial loan which put the Young Plan into operation, the various obstacles which had to be surmounted to make this possible showed that 1930 was a year which evoked less enthusiastic support of international loans than 1924.  

The press reaction to the Young Plan showed at first no sign of the somewhat glum atmosphere in which the Plan was born.

Young Plan loan.

14. Hearings, House Committee on Banking and Currency, "German
There was one early newspaper comment when the Plan was still in its preparatory stages which did not augur well. The Washington Post wrote early in November 1928 that the United States "is made the goat in the pending reparations revision...the only chance to have peace in Europe is to buy it." A year and a half later, however, the press was extremely optimistic. According to the New York World, the Young Plan had accomplished three great ends: "It lightened the reparations burden to be paid by Germany...It terminated the occupation of the Rhineland and...it freed Germany's finances from the humiliating foreign control under the Dawes Plan." Germany's debt was now an obligation of honor rather than a debt secured by mortgages on her property. It is for this reason that the Literary Digest summarized the success of the Hague meetings as "a turning point away from European war policies embodied in the Versailles Treaty." "

A number of papers like the Los Angeles Evening Press and the Philadelphia Record expressed similar opinions as the New York Times which stressed the fact that the Plan had not defeated any of the negotiating powers and that the victor "was not any individual but a great conception: the Young Plan emerges as the true victor." Similar optimism, especially in the business world, followed the successful floating of the $300 million loan. As the Herald Tribune reported, the bonds were not only extremely attractive and easily absorbed by the market "but the issuance also had the effect of greatly improving the fundamental value of other German issues quoted in this market." 


15. Literary Digest (Nov.10, 1928), XCIX, 7-8.
16. Ibid. (Sept.14, 1929), CII, 10.
There were few warnings of the risk involved in the new American loan. Business Week was one of those magazines representing the investing interests which paid particular attention to the farewell warning Gilbert had given when he returned home after his old office of Receiver-General had been replaced by the new payment machinery of the Young Plan. The future progress of Germany's economy, according to Gilbert, and the entire Plan, depended upon her success in putting her finances in order. The New York Herald Tribune also quoted Gilbert at length, warning of the consequences which would result from Germany's inability to balance her budget.19

Perhaps the most pessimistic note was struck a few weeks later by the Baltimore Sun which for this reason was quoted by Representative McFadden in his hearings. The Sun published a report by its special correspondent in Germany, S. Miles Bouton, on June 16, 1930 which said that the reparation payments were in doubt unless the German government would be able to cut its domestic expenses drastically. Bouton did not believe that this would be easily possible, however, since aside from the political risk there was heavy and growing unemployment which represented an increasing drain on the Treasury which paid the unemployment compensations.20 Reports by other newspapers soon changed the mood of public opinion. As the shadows of the depression grew over Germany, it became more and more apparent that the Young Plan would not become a success.

The depression which struck the United States with unsuspected severity in 1929 had an even stronger impact upon Germany's

economy. For various reasons, Germany was particularly vulnerable to an economic downturn. Though German propaganda tried to blame all economic ills in the postwar years on reparations, this contention must be dismissed as just as one-sided as was the claim of the pro-French groups that German economic troubles were almost entirely the result of fiscal extravagance. Actually, reparations obligations contributed, as one among many causes, to the weakness of the German economic system.

If the framers of the London Schedule of Payments were convinced of Germany's capacity to pay the required annuities, this must have been due to their religious belief in the classic theory of the working of the gold standard. According to this theory, the influx of gold or reparations into the claimant nations would have led to an extension of credit, a reduction of interest rates, and consequently a higher demand for import goods.21 This "normal" mechanism, however, had failed to work efficiently before as well as after the Dawes Plan. In the United States, for instance, credit did not expand in the same proportion as gold was imported. As far as expansion took place, it led to large-scale speculation rather than to an increase in the demand for imports which, moreover, were artificially strangled by high tariff barriers. Germany was forced, therefore, to finance her industrial expansion, and also part of her debts by large loans,22 rather than rely on increased exports made possible by the trade mechanism.

It was the abuse of the borrowing practices described in an earlier chapter23 which made the country unnecessarily


22. Ibid., pp.121-22.

23. Supra, pp.163ff.
dependent upon short-term loans. An additional weakness was the fact that Germany in her desperate attempt to underbid competitors on the export markets of the world, had put enormous investments in the exporting industries but had neglected the consumer market at home. When the depression struck, the constant flow of short-term credits was suddenly interrupted and endangered a banking system which had consistently worked with too low equities; while at the same time, the decline in world trade led after some time to a decrease of exports and a growing unemployment. This in turn caused loss of revenue for the government while expenditures for unemployment compensation increased. When the official unemployment figure had risen to 3,144,000 in fall 1930, it became impossible for the government to balance its budget, and since new credits were not available, reparations could only be paid, if at all, out of a budget deficit.

This development had its beginning as early as 1928 when the situation changed because of certain domestic developments in the United States. At that time, the enormous boom in this country led to a shortage of money which raised discount rates. At the same time, the Federal Reserve system attempted to check the excessive speculation by persuading the New York banks not to lend money to the stock market. A large amount of private money was therefore drawn into the speculation whirlpool when call loan rates, because of the money restriction, rose to 8 and 9 per cent. The domestic market under these circumstances, offered higher interest rates than the foreign loan market which led to a reduction of American short-term investments abroad.

For these reasons, Germany began to suffer from an increasing shortage of money which had formerly been offered in abundance, and this coincided with the beginning of the Young Plan negotiations whose very length and frequent obstacles caused considerable uncertainty in the investing public. The seriousness of this situation was temporarily overcome when during the first months of 1930, Americans became more willing to again lend their money to foreign countries in a larger volume. It was this situation which made possible the American participation in the initial Young Plan loan. Yet in the latter part of 1930, the domestic depression of the United States again resulted in a withdrawal of American short-term investments.27

German short-term loans were estimated close to $2.5 billion in December 1930, but were withdrawn to such an extent in the course of the following spring that the foreign exchange position of the Reichsbank was weakened considerably.28 It was at this time that the investors' confidence in Germany was further strained because of the extreme gains of Hitler's party at the polls.29

In this light, Schacht's tour through the United States in October 1930, following his retirement from the presidency of the Reichsbank, was particularly interesting to the American press. Schacht gave several speeches and suggested "as a private citizen" that Germany might find it absolutely necessary to declare a moratorium on reparations payments. A number of papers, therefore, including the New York Times and the Philadelphia Inquirer now began to doubt the success of the Young Plan and believed that it soon had to be revised. They indicated

28. Ibid., p.239.
that revision was the only means to stop the German Reichsbank's increasing sales of foreign exchange and maintained that the seriousness of the situation was demonstrated by the raise of discount rates to protect the mark.\textsuperscript{30}

While the financial situation in Germany became sufficiently dangerous to attract the attention of a number of leading newspapers in the United States, conditions were further aggravated through a political complication which had the gravest economic consequences. On March 20, 1931, the governments of Austria and Germany announced a plan to join in a customs union. This move was strongly resented by the French who called in their short-term loans in Austria and caused their allies in eastern Europe to do the same in order to exert economic pressure and thereby prevent what in their opinion would lead to the annexation of Austria by Germany.\textsuperscript{31}

The immediate consequence of this diplomatic and financial juggling was a run on the largest Austrian bank, the Kreditanstalt in Vienna, whose condition had been less than sound for some time. Investors were profoundly shocked when this venerable institution, which had regularly paid interest rates since 1857 failed on May 11, 1931.\textsuperscript{32} The crash of the Kreditanstalt resulted in a panicky flight from the mark which drained the resources of the Reichsbank to a dangerous degree. A collapse of the German banking system was prevented only through the help of immediate loans by the Bank of England.\textsuperscript{33} Confidence had been de-

\textsuperscript{30} Literary Digest (Nov.1, 1930), CVII, 12.

\textsuperscript{31} Ferrell, American Diplomacy in the Great Depression (New Haven; Yale University Press, 1957), p111, puts all the blame on the Austrian bank and underemphasizes the effect of French financial foreign policy.

\textsuperscript{32} C. Lewis, \textit{op.cit.}, p.190.

\textsuperscript{33} Ferrell, \textit{op.cit.}, p.112. The Federal Reserve Bank of New York and Dutch banks tried to help the Reichsbank in this emergency.
stroyed to such an extent, however, that withdrawals of funds from Germany continued.

It was obvious that the collapse of the German banking structure would have led to a worldwide banking crisis. American banks could not remain unaffected in case the German securities and bonds with which they had filled their vaults should suddenly become worthless and the depositors whose money had partially been loaned to Germany started a run on their home town banks. It was under these circumstances that the American government decided to prevent a further spread of the crisis by a drastic step.

President Hoover had first been fully informed about the seriousness of the crisis through a conversation with Ambassador Frederick M. Sackett who a few days after the Kreditanstalt crash came home on leave from Berlin. Hoover decided to delay action, however, until the situation in Europe had cleared to some extent. In early June, he and Secretary of State Henry L. Stimson had several telephone calls with Prime Minister Ramsay MacDonald in London in order to work out the plans for the famous Hoover Moratorium. While these negotiations with the British went on, the financial situation in Central Europe became increasingly tense.

The situation became so serious that on June 3rd, the German government issued a decree cutting its expenses drastically. Three days later Chancellor Heinrich Brüning issued a manifesto to the German people which contained such ringing phrases as "the German nation is in a decisive struggle for

34. Foreign Relations Papers, 1931, I, 6-39.
its future." While this was hoped to stir the emotions of his countrymen, it served at the same time as an alarm signal for foreign creditors. From June 1st to 15th, no less than a quarter of the entire gold reserves of the Reichsbank were withdrawn. Although the Federal Reserve Bank of New York helped considerably by transferring more than $82 million to the Reichsbank, the gold reserves shrank faster than they could be replaced.35

Meantime Hoover tried to reach as many Senators and influential Congressmen as he could by telephone since Congress was in recess. On June 20, after having assured himself of sufficient congressional backing, the President finally released to the press his proposal of a one year moratorium on all international debt payments.

Almost everywhere the moratorium was received with relief and even rejoice. Yet unfortunately, France did not join in the chorus, for Hoover had failed to consult the French in advance, and this resulted in a dangerous delay of the project.36

The French Ambassador had almost daily called on Stimson when the first rumours of a possible moratorium leaked out in Washington. Relying on close cooperation with the English, which was presumed to force the French into line anyway, Stimson and Hoover had declined to inform them in time. This did not only bring Premier Laval into grave difficulties, since he had to obtain the consent of the National Assembly before joining in with the moratorium plan; it also gave the entire plan the appearance of an Anglo-American conspiracy. This impression, at least, was made on the Paris press which burst out in a

35. Ferrell, American Diplomacy, op. cit., p.112.
bitter attack on Hoover.

The unanimous disapproval of the moratorium in the French press made it impossible to achieve a favorable vote during the next two weeks. Stimson's belief that Anglo-American cooperation alone would be sufficient to make the French join proved to be a delusion. The treatment of the French showed an astounding disregard or lack of knowledge of the way the French political system worked. In view of this fact, one cannot blame France alone for the delay of the moratorium. Hoover should have realized that a moratorium was worthless unless universally accepted. Yet it took the French 17 days to finally give in, and in the meantime the run on German banks had reached a proportion which wrecked most of the favorable results which the moratorium would have achieved otherwise. One cannot help wondering whether the plan would not have been more successful if Hoover had made an attempt to consult certain French statesmen as carefully as the vacationing Senators at home.

In the American press, the impending financial crisis in Germany caused divergent comments. In early June, shades of opinion went all the way from the sarcastic remark in the Washington Post that "if the United States will agree to postpone payments on the debt and the allies will agree to postpone reparations payments, Germany will agree not to throw an epileptic fit," to the pitiful description of a "crippled, restricted, and defeated Germany" in the Boston Globe. Some papers, like the Washington News, proposed that America should an offer to cancel war debts as a weapon to bring about world disarmament: "To use debt cancellation as a trading club," this paper explained, "is not a pleasant task. But...if the allies want to risk revolution and war rather than agree to arms reduction along with reparations and debt reduction," the conse-
quences would be even worse. 37

The confusion expressed in these comments was soon replaced by a clearer view after Hoover's moratorium proposal was released. A number of American papers became increasingly restless and some were bitterly critical of the French when agreement could not be reached immediately despite the continuous worsening of the financial conditions in various Central European countries. The Boston Transcript, which had most of the time taken a friendly view toward French policies, now asked impatiently whether revenge had always to be the primary issue between France and Germany. The French delay was attacked as a deliberately malicious act by a score of smaller papers, like the Galveston Tribune, the Birmingham Age-Herald, and the Mobile Register. 38

On the other hand, the New York Herald-Tribune pointed out that from the French point of view, Hoover's intervention looked "like a championship of Germany against France." The Baltimore Sun reminded its readers that the French were a sensitive people; and the New Haven Courier explained the irritation in Paris by maintaining that Hoover "held out a hoop through which he asked the French to jump," which to do they were understandably reluctant. 39

At any rate, the final agreement with France on July 6 came too late. Five days thereafter, the second largest German bank, the Darmstädter und National Bank closed its doors temporarily. Then a chain reaction of bank failures spread throughout Europe. Not only were several East European houses involved in the ge-

37. Literary Digest (June 20, 1931), CIX, 5-6.
38. Ibid., (July 18, 1931), CIX, 3-5.
39. Ibid.
neral collapse of Europe's financial system, but there was also an increasing drain on banks in the Netherlands and in England. After the Bank of England had to go off the gold standard in September, the crisis spread even to the United States where there developed a run on several banks as a consequence of the situation in Europe.

To what extent public opinion had become alarmed in late June, and some cases still in the fall of 1931, can be seen from such sensational headlines as "Germany in the Last Ditch," "Bankrupt Germany," "Brüning's Last Stand," "Crisis in Europe," "Germany on the Ragged Edge," and "Zero Hour in Germany," to choose only a few examples from the contemporary magazine press.41

In August 1931, however, some editors began to calm down. After the moratorium was adopted, some papers realized that the worst danger to the financial setup of Europe had passed.42 The Washington Star and the New York Times added that it was now up to Germany herself to climb out of her troubles by her own efforts.43 After the excitement had reached its peak in July, apprehensions over Germany's financial conditions were gradually allayed. It will be shown in the following pages, however, that new and even more profound anxieties were then beginning to be felt in regard to the political development in the Reich.

40. W. A. Lewis, op. cit., p. 89.

41. These headlines appeared in the following magazines respectively: Nation (June 17, 1931), CXXXIII, 651; New Republic (July 29, 1931), XXVII, 272; Nation (Oct. 23, 1931), CXXXIII, 685; Christian Century (Dec. 14, 1931), XLVIII, 1278; Review of Reviews (July 1931), XXVI, 53; and Commonweal (July 8, 1931), XIV, 256-57.


43. Literary Digest, loc. cit.
The Hoover Moratorium, despite its belated application, helped to stabilize Europe's banking structure during the next year. Its most important consequence, however, was to initiate a drastic revision of the Versailles Treaty. It opened the way to the Lausanne Conference of 1932 which abolished reparations altogether except for a last lump sum of $750 millions.

In addition, the moratorium was particularly important for German-American relations in two different respects. On the one hand, it contributed to the growth of the revisionist mood in the United States. How far this mood had penetrated into the ranks of influential politicians was demonstrated by a sensational speech by Senator Borah who on October 23, 1931, bluntly called for a radical alteration of the Versailles Treaty.44

On the other hand, the moratorium was particularly significant as the last in a long series of steps which separated the United States diplomatically from France, and placed it closer to the German side in the reparations question. In this respect, the moratorium marks the end of a development which since the separate peace treaty of 1921, and even more notably since the Dawes Plan, had gradually changed the course of American diplomacy in the direction of revisionism.

Chapter XIII

THE DECLINE OF THE WEIMAR REPUBLIC

While the depression caused American and German diplomatic aims to converge in the reparations question, it helped at the same time to revolutionize Germany's domestic politics. The financial and economic crisis resulted in a loss of confidence in the coalition of republican parties which had governed the country since the World War. The undercurrents of extreme nationalism had always been dangerous to Germany's tenuous democracy. On the depression, which multiplied the difficulties of the government, the right-wing demagogues, especially the party of Adolf Hitler, waxed strong. The depression was thus one of the most important reasons, though by no means the only reason, for Hitler's meteoric rise on the German political scene.

Few Americans observed the details of the political quarreling which prepared Hitler's emergence from obscurity. The death of Gustav Stresemann in 1929 robbed the republican forces of their most respected leader; a loss which counted particularly heavy since the democratic forces in Germany were fatally short of strong political leaders. The significance of Stresemann's death, however, was not fully recognized in 1929. Only when the elections of September 1930 suddenly made Hitler's party the second largest in the country, was the dangerous weakness of the Weimar Republic fully realized.

The election of 1930 brought about an important change in the development of American attitudes toward Germany. At that time, it became apparent to the majority of Americans that their investments were not only endangered by the economic crisis but that there were also political dangers developing in Germany which threatened to overthrow the republican order within the
the country and endangered the status quo in Europe.

The apprehension over Hitler, therefore, dwarfed the anxiety some Americans had felt after Hindenburg's election; and the rumors of German rearmament which had worried a number of newspaper editors during the Dawes Plan era, appeared now in a new light. At the same time, sympathies for those conservatives who were willing to defend the constitution against the fascist tide grew to a degree which would have been hardly imaginable for most Americans a few years earlier. At the end of the period here under consideration, most Americans knew that they could not hope for the success of a liberal democracy. The rise of Hitler made them set their hopes for the survival of the republic on such men as Hindenburg who had been attacked as a menace to democracy only a short time earlier. The death agonies of the Weimarian democracy, therefore, showed a decisive change of direction in American views towards Germany. During the first months of 1932, there was a last glimpse of hope that the republic might survive the period of crisis, when Hindenburg was re-elected President over Hitler. With determined resistance to the Nazi Party disintegrating in the following month, however, this last hope was soon shattered.

+ + +

German problems seemed to be of minor importance for most Americans during the early months of the year 1930 when most of the interest in European affairs was concentrated on the proceedings of the London Naval Conference. Few newspapers, if any, were therefore in a position to keep their readers informed of the political struggle which led to the disastrous

1. Ferrell, American Diplomacy, op.cit., pp.87-105.
election in September of that year.

The depression lay behind most difficulties which the German government encountered in 1930. The budget deficit had reached an amount of M1.7 billion at the end of 1929, and unemployment was growing rapidly. This did not augur well for the success of the Young Plan and led to a crisis in the Great Coalition Cabinet which had governed Germany since the election victory of the democratic forces in 1928. On the 30th of March 1930, therefore, a new cabinet was formed under the leadership of Heinrich Brüning who was to be the Chancellor of the Reich for more than two years. Brüning was a conservative Catholic who excluded the Social Democrats as well as the extreme Nationalists from the government. His plan was to fight the depression by an energetic attempt to balance the budget which led to the famous Emergency Decree of July 16th, a law which bypassed the legislature by means of a special paragraph in the constitution which made such emergency measures possible.3

The Reichstag showed, however, that it was not completely powerless in such a situation. The Social Democrats introduced a resolution against the Emergency Decree which was carried, and Brüning thereupon decided to take the fatal step of dissolving the Reichstag and call an election. Such was the background of the election of September 14 which made Hitler overnight a menacing force in Germany. The increase of votes which his Nationalist Socialist Party received on that day was large enough to increase his faction of 12 deputies in the Reichstag to 107. More than 6.4 million voters had made the Nazis the second strongest party in Germany.4 From now on, Hitler was a power to reckon with in German politics.

3. §48 of the Weimar Constitution gave the President such emergency powers.

The news of the election was the more surprising to Americans the less they had followed up the recent domestic developments in Germany, and the more they had taken for granted that the republican form of government was there to stay. The election caused a sudden increase of interest in German affairs among Americans which was demonstrated by the wide attention Hitler received in the press as well as by a quickening of diplomatic activity.

The State Department got its first impression of the election outcome by a cable sent early in the morning after the election day. It contained the official election results so far as were then available, and a number of comments by George E. Gordon who was then Chargé in Berlin. According to Gordon's analysis, Hitler's success was mainly a consequence of the incapability of the republican parties "to run the parliamentary machinery smoothly and to relieve the economic depression." Gordon also remarked that the vote "was another overpowering example of Germany's lack of political education and wisdom." In his opinion, it constituted a grave danger to the republican order, but it was not a knock-out blow.5

Four days later, Gordon reported that he had received the visit of a representative of Hitler's party. This showed how the Nazis were beginning to live up to their new role of a major party which could at any time be called upon to participate in a coalition government. Gordon's visitor who was a leading Nazi journalist in Berlin,6 complained that the foreign press in all parts of the world had given an erroneous description of his party. He stressed that Hitler's victory at the polls had prevented Germany from voting Communist in its desperation over the economic depression and the distress prevailing

in the country which in his opinion was solely due to the Versailles Treaty. The main purpose of the visit was obviously to dispel the impression that the conduct of the Nazis would be marked by violence. Gordon's report showed that this first diplomatic feeler which Hitler's part extended to the State Department did not remove his strong distrust of the Party, even after Hitler had given a soothing speech in Munich in which he denied any desire for illegal means to come to power.7

While Hitler's victory at the polls thus initiated a constant flow in information about his party and its purposes from the Berlin Embassy to the State Department, his name was made known to practically every American newspaper reader by a nationwide discussion of the election results in the press. The New York Times questioned whether his party could ever have appeal to the majority of Germans and stated that his technique of oratory would be most effective with audiences of young men and women.8 The New York World attributed Hitler's success to a "protest vote, an outburst...to take it out on the Government similar to recent overturns in Latin America."9

Most papers were less concerned with the groups which were most attracted to Hitler, and the question of whether or not this protest vote of perhaps transient significance. They rather pointed out, as did the New York Herald Tribune in a long article, that "the prestige of the German Republic has been badly shaken by the success of this prospective dictator."10 The Washington Evening Star said that the world crisis was grievously aggravated and saw the cause of the German voting revolt primarily in

7. Ibid., p.84, quotes from Munich speech by Hitler.
9. Literary Digest (Sept.27, 1930), CVI, 9-10.
10. Ibid. (Oct.18, 1930), CVII, 12.
overspending, the large number of unemployed, and Brüning's unpopular emergency decrees. It also attacked the Social Democrats for not having any definite financial program except to keep governmentally guaranteed high wages. For this reason, the Evening Star accused them of being partially responsible for Hitler's success.11

The Nation, representing the liberal press, was most perturbed that the election seemed to demonstrate a violent reaction against the entire parliamentary system. It was surprised at the unpopularity of the Brüning government, even though it appeared to have a good chance of weathering the storm since neither the fascist nor the communist opposition had a majority in the Reichstag.12

The German-language press was just as horrified by the victory of Hitler as were the English-language papers. But it differed markedly in its explanation of the causes of the disaster. The New York Staats Zeitung called the outcome of the election "catastrophic." In its opinion it was a protest by people who were suffering so desperately that they thought: "Nothing can be worse than the present condition." Seeing the Brüning Cabinet thoroughly repudiated it set its hope on a coalition of all parties which were loyal to the constitution.13

The socialist New York Volkszeitung used the election for attack on the Dawes and Young Plans which were responsible for the rise of the extremists because they made "the German people pay for the crimes of their former rulers at a time of universal depression" which naturally enraged the electorate.14

While this gives a survey of the main different views, it shows little of the enormous excitement caused by this election.

11. Ibid. (Sept. 27, 1930), CVI, 9.
13. Literary Digest (Sept. 27, 1930), CVI, 10.
The mood of the press can be gathered, however, from a number of the most characteristic headlines the public could read in the newspapers the day after the election: "Most Crucial Vote Since War Days"; "Hindenburg Asked to Save Germany Again"; and "Future of German Republic at Stake," were some of the most typical examples. 15

Though there was hardly any American editor who believed that Hitler could take advantage of his sudden increase in popularity by an immediate bid for power resembling his ill-fated putsch of 1923, the menace to the republican order was nevertheless considered very serious. The most important consequence of the American reaction to Hitler's success was that American confidence in the staying power of Germany's democracy was shattered. After September 1930, there was an increasing amount of doubt in American minds whether the right-wing extremists would not be able to come to power in the end. Such doubts, often mingled with a sincere wish that Brüning or Hindenburg would be able to hold off the Fascist tide, were spread throughout the country after 1930.

As the financial crisis deepened and the number of unemployed grew constantly until in 1932 it surpassed the six million mark, many Americans lost confidence in Germany's government. What was least reassuring to observers in the United States was the constant flow of news on the steady deterioration of political conditions in Germany.

As long as Brüning could retain the support of the labor unions, as well as of the army, and was trusted by President Hindenburg, he had considerable power. But while trying to ride out the crisis, he had to fight against an opposition that was gradually growing not only because of the increasing

15. Ibid., p.9.
dissatisfaction over the economic crisis but also because of
the Nazis' increasing skill in the game of politics. Hitler's
party throughout 1931 grew stronger through skillful propa-
ganda, through expansion and better organization of its private
army of Storm Troopers, and through important political alliances.

One of the most dangerous results of Nazi propaganda was the
increasing ideological infiltration into the army, especially
among the younger officer's corps. Hitler's attempt to thus
undermine one of the foundations of Brüning's power was furthered
rather than checked by a sensational treason trial before the
German Supreme Court in Leipzig. The defendants in this trial
were three young officers who had spread Nazi propaganda in the
army which was contrary to law. Hitler, as the leader of the par-
ty for which they had worked, was called as a witness in the
trial only a few days after his success at the polls in Septem-
ber 1930. He skillfully used the trial as a propaganda platform
and in his testimony made the sensational statement: "When our
movement is victorious, it will establish a high court before
which the November criminals of 1918 will be tried...I freely
admit that then heads will roll in the sand." Asked how he inten-
ded to do away with the Versailles Treaty in case he came to po-
wer, he declared that he would use "illegal means" if necessary.16
It was obvious that the news of such sensational public pronounce-
ments would not be buried in the files of the State Department,
but that such utterances were printed everywhere in the country.17

But Hitler did not only cause alarm by using big words
through which he hoped to increase his popularity with the
nationalist groups in Germany. Throughout the two years follow-
ing the 1930 election success, he also tried to increase his
power by expanding his private army of Storm Troopers who were

a major reason for the fact that the domestic political struggle in Germany degenerated into street battles which killed 45 persons in the state of Prussia alone in the first nine months of 1931. At the same time, the Nazi party skillfully used the alliance offered by other nationalist groups for its own advantage.

For the informed observer, it became clear that Hitler's position grew stronger throughout the entire year following the elections of 1930. Yet it is doubtful whether the American press was prescient enough to offer its readers a realistic picture of the dangers to come. There was a general and vague fear of the destruction of democracy in Germany. But in most cases, Hitler was discussed like just another Mussolini.

Though some articles, especially in eastern newspapers, implied that Hitler's rise to power might mean the loss of most American investments in Germany, and thus be felt more painfully in the United States than Mussolini's victory, there were far less outrages concerning that point than one would expect. Similarly, Hitler's violent anti-semitic campaign was then only mentioned by-passingly. Only the New York Times covered this aspect of Hitlerism comprehensively, and it was frequently mentioned in the Nation. But the stress lay in each case on the fact that Hitler's party constituted a threat to the peace of Europe and Germany's democratic constitution, rather than to economic stability and racial equality in Germany.

18. Pinson, op.cit., p.471
20. Two examples of a more watchful attitude among American journalists was an article in the Review of Reviews (Jan. 1932), LXXXV, 35-36, and various articles in the New York Times during the later part of 1930: Oct.18, p.1 and Dec.20, p.16.
21. New York Times, Sept.15, 1930; Sept.21, 1930, Pt.3, p.6; Dec.13, 1931, p.6; and Nation (Oct.21, 1931), CXXXIII, 417; (June
Though not all newspapers commented on the political struggle as thoroughly as the New York Times and the liberal magazines, there was yet a large amount of news published on the Nazi party after 1930. This helped to keep alive the doubts about the chance for a survival of the republic, and Hitler was again a focus of discussion in the entire press when he decided to run against Hindenburg in the presidential election of 1932.

Hindenburg became now the bulwark of republicanism in Germany. The constitutional parties in Germany backed him as a bloc in order to prevent Hitler from becoming President. The election took place in March 1932 and did not result in the absolute majority of any of the various competing candidates. One month later, however, in a run-off election, Hindenburg defeated Hitler to the rejoicing of almost the entire American press. The New York Times hailed the outcome of the presidential election in almost lyrical tones, maintaining that it was "a wonderful tribute to Germany's confidence in the purity of his (Hindenburg's) motives and his utter devotion to the well-being of the German people." A large number of newspapers, some of which had criticized Hindenburg's election in 1925 as the death knell to German democracy, now joined the Times in congratulating the Field Marshal for saving the Republic. The Washington Post, like many others, pointed out that Hindenburg's victory was "felicitous, not only to Germany, but to the world." The new mood in which

29, 1932), CXXXIV, 720-21.

22. New York Times Index, 1931, XIX, 1018-21; Nation (Oct. 21, 1931), CXXXIII, 417; (Dec. 16, 1931), CXXXIII, 654, and at other places.

23. Besides Hindenburg and Hitler, Thälmann ran for the Communists and Düsterberg for the Nationalists; Pinson, op.cit. p.473.

Americans looked at Germany was perhaps nowhere better epitomized than in the Atlanta Constitution which emphasized that not only Germany but all Europe was "getting back to a conservative basis which opened the hope that business conditions would improve throughout the world." This conservatism, in the opinion of the Constitution, if fully established, would start business once more on the road to universal prosperity. Thus the victory of the Field Marshal was not only interpreted by some enthusiastic editors as a triumph of democracy but also as a panacea against the deepening depression.

Only the liberal press contrasted sharply. The New Republic in an article on Hindenburg's victory made clear to its readers that the press has interpreted the present campaign as a struggle between democracy and fascism. But a closer appraisal of the factors involved shows that not one of the candidates represents a democratic outlook. Hindenburg, of course, is frankly a monarchist and a nationalist. He was chosen as standard bearer because he alone seemed to offer the assurance of election over the growing National Socialist menace.

The presidential election of 1932 thus created the curious situation that the adherents of the liberal attitude became the severest critics of political conditions in Germany, while most sections of the press deluded themselves that Hitler's defeat meant automatically a victory for the supporter of the constitution.

The main reason for the complete turnabout of press opinions which can be found in the reaction to the 1932 presidential election must to a large extent be explained by the reluctance to give up faith in the German democracy. The interpretation

25. Ibid.
which made Hindenburg appear as a representative of democracy was the last hangover from the Stresemann era.

Only a few weeks after the election when Hindenburg forced Chancellor Brüning to resign thus removing the most important obstacle which had so far barred Hitler's way to the Chancellorship, these illusions had to be replaced by a more sober appraisal of the facts. Hindenburg's second election to the Presidency proved to be the last instance which had evoked hope in the majority of American newspapers that German democracy would survive the onslaught of chauvinist fanaticism.

+  +  +

From 1929 to 1932, American diplomacy continued to follow a policy of non-entanglement in the political affairs of Europe at the same time that it became more intimately involved in the reparations problem. Through unofficial support of the Young Plan, and even more by the Hoover Moratorium, the government of the United States contributed substantially to the reduction and finally to the end of German reparations payments.

But while the State Department was thus working energetically for goals which were extremely desirable for the German government, the honeymoon of German-American relations during the Stresemann era gave way to strong disappointment over Hitler's rise to prominence, and Americans of all viewpoints became increasingly alarmed about the disintegration of German democracy.

This growth of a skeptical view on domestic affairs in the Reich marked a turning point in American attitudes toward Germany. In three respects, there was a remarkable difference from earlier developments. First, attitudes after 1929 developed under different influences than in any of the preceding years; second, the relation between governmental policy and public attitudes
was not the same as before; and finally, there was a growing agreement between the various groups which had formally adhered to opposing views.

Up to 1923, American public opinion was, as we have seen, primarily influenced by events which occurred in the United States, like the debate on the Versailles Treaty, the relief drive, and revisionism. Thereafter, European developments such as the French Ruhr occupation, the Dawes Plan, and the Franco-German rapprochement were of primary importance in the development of American attitudes towards Germany. Only after 1929 did German domestic affairs cause enough concern to have a decisive influence in determining the attitude of the government as well as that of the newspaper and magazine editors. The loss of confidence in Germany's political and economic stability was thus not simply due to a change of mood in America, but resulted from conditions in Germany.

The period after 1929 also differs from earlier years in that it changed the government's role in respect to public attitudes toward the Reich. Since 1920, the Department of State had not influenced American views on Germany but had rather acted in response to public opinion. In sharp contrast, the Hoover Moratorium was conceived and executed as an independent government action. In an emergency, President Hoover dared to develop his own program. Yet even then, Hoover was forced to sound out the opinions of numerous Congressmen and Senators before publishing his moratorium proposal. His caution and especially the extreme timidity of the government regarding American foreign policy toward Europe in the preceding decade can only be explained by the enormous power which the isolationists had gained after the First World War.

Finally, the last four years here under consideration are of particular interest because the differences between the five attitudes discussed earlier in this study diminished considerably;
during this period. In previous years, these differences had temporarily disappeared when Americans had joined in universal approval of the Locarno agreement and Stresemann's acceptance of the Kellogg-Briand Peace Pact. Nothing gives a better indication of the sharp turn in public attitudes towards Germany which followed the Stresemann era, than the growing convergence of heretofore divergent attitudes into one general feeling of apprehension and suspicion of Hitler's designs. And this was not to be a temporary state of affairs. After 1932, when Hitler rose to power, American attitudes toward Germany began to resemble those which had preceded the First World War.
Chapter XIV

CONCLUSION

American diplomatic relations with Germany in the 1920's were, as we have seen, profoundly influenced by public opinion, especially by the isolationist point of view. Soon after the Versailles Treaty had been rejected by the Senate, a new administration was inaugurated which took great care not to counteract what it considered the desires of the American people. President Harding was persuaded to negotiate a separate treaty with Germany which fulfilled the government's three fold desire to avoid any conflict with the isolationists in Congress; to safeguard rights which the United States would have won had it become a party to the Treaty; and to revive the commercial relations with the Reich urgently requested by business groups and particularly agricultural interests. Consequently, a Mixed Claims Commission was set up to arbitrate war claims, and a treaty of commerce was concluded which based trade relations with Germany on a most-favored-nation basis.

While commercial relations were thus furthered, the Secretary of State was careful not to involve the United States in European politics. He refused mediation in the upcoming reparations struggle. Even when the crisis reached its climax and American commerce was injured during the French Ruhr occupation, the Secretary refrained from using diplomatic pressure to end the conflict. Instead, he offered American help in a manner which was amenable to the adherents of the isolationist attitude. He proposed that a committee of experts should solve the reparations problem and that Americans should sit in on the committee as private citizens rather than in any official capacity. The Dawes Plan, which resulted from this proposal, combined the public demands for
political non-entanglement and economic cooperation in American relations with Europe.

The wild scramble for loans to Germany posed under these circumstances a new serious problem for the State Department. Governmental authorities were interested in exercising some control over loans which were not used for productive purposes or were issued to borrowers with doubtful credit. Yet in the end, the government was unable to prevent investment bankers from doing as they pleased. To let private investment houses have a large part in determining economic and foreign policy toward Germany was more in harmony with public opinion than governmental interference with the right of businessmen to spend their money at will. Only when the loss of enormous sums was threatened by the German banking crisis, was the public ready to accept government intervention in the form of a moratorium.

The strong influence of public opinion on American diplomacy was also demonstrated by the peace societies' successful drive for an international peace pact. Indeed all major American policies towards Germany after the armistice were in some way or another influenced either by the pressure of majority opinion or by the activities of certain groups working outside the system of diplomacy.

Groups which affected American foreign policy were frequently tied together loosely by common goals rather than by a close-knit organization. The government reacted so sensitively to public demands that the peace societies and the investment bankers, though they were divided among themselves into numerous competing groups could yet lead policies in a desired direction. The pro-German and pro-French groups had never been strong enough to determine governmental decisions. From the outset, the internationalist and isolationist attitudes were more influential. They had the most numerous adherents and were about equally
strong immediately after the armistice. The internationalists, however, fought a losing battle throughout the 1920's which weakened them while their isolationist opponents gained steadily at their expense. The internationalist group accepted the separate peace treaty reluctantly. Its members welcomed the Dawes and Young Plans as steps in the right direction, but regretted the timidity of American diplomacy. They were further weakened by disagreement among each other as some of them accepted the more moderate interpretation of revisionism and began to distrust the French after the Ruhr occupation, while others never gave up their skeptical views toward Germany and tended therefore to stand close to the pro-French group. They were most enthusiastic supporters of the moratorium which indicated to them that America was waking up to its world responsibilities.

In this respect, their view was similar to that of the liberals who, however, differed from them in many other ways. The liberals were always a vociferous but never a very powerful group since they had no strong influence on either the business elite or the decisive politicians. By giving support at various times to other groups, however, their strength had been out of proportion to their small number. This was so especially when they joined the isolationists in fighting the Versailles Settlement. The liberals thereby weakened the internationalists considerably and were thus important contributors to the rapid growth of the isolationist group.

These developments among others, made it possible for the isolationists to win over the majority of Americans to their views in the early 1920's. Since they were strongly entrenched in the Senate, and also in important business circles, they became the most powerful of the groups discussed above. They had little difficulty, therefore, in impressing their demand for non-involvement in European politics on the government. On the
other hand, they were also strong advocates of close commercial and financial relations with the countries on the other side of the Atlantic. They, more than other groups, reconciled the contradiction which lay in these beliefs by accepting the businessman as a herald of a new epoch which made diplomacy and government supervision of loans and foreign trade unnecessary. Only when the depression and the menace of the Nazi dictatorship in Germany threatened their investments, did they experience a partial change of their views. The moratorium, therefore, was welcomed by most of them, and they shared the apprehensions about Hitler along with the adherents of the other attitudes.

Throughout the 1920's and early 1930's, the influence of the isolationists grew constantly. During the Dawes Plan era, they had relegated other groups to the position of ineffective minorities. They represented indeed public opinion in the United States insofar as it was concerned with German-American relations. For this reason, the adherents of the isolationist attitude were the main force determining American foreign policy toward the Weimar Republic.

END
## APPENDIX I

### NEW YORK TIMES INDEX ENTRIES ON GERMANY

<table>
<thead>
<tr>
<th>Volume and Date</th>
<th>Articles</th>
<th>Editorials</th>
<th>Number of Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VII, 1919</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.-Mar.</td>
<td>693</td>
<td>22</td>
<td>10.83 (pp.173-83)</td>
</tr>
<tr>
<td>Apr.-June</td>
<td>481</td>
<td>8</td>
<td>4.15 (pp.167-71)</td>
</tr>
<tr>
<td>July-Sept.</td>
<td>281</td>
<td>18</td>
<td>4.06 (pp.150-54)</td>
</tr>
<tr>
<td>Oct.-Dec.</td>
<td>185</td>
<td>7</td>
<td>3.67 (pp.153-56)</td>
</tr>
<tr>
<td><strong>VIII, 1920</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.-Mar.</td>
<td>270</td>
<td>18</td>
<td>4.33 (pp.143-48)</td>
</tr>
<tr>
<td>Apr.-June</td>
<td>224</td>
<td>11</td>
<td>3.5 (pp.140-44)</td>
</tr>
<tr>
<td>July-Sept.</td>
<td>75</td>
<td>3</td>
<td>1.45 (pp.147-48)</td>
</tr>
<tr>
<td>Oct.-Dec.</td>
<td>85</td>
<td>7</td>
<td>1.75 (pp.162-64)</td>
</tr>
<tr>
<td><strong>IX, 1921</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.-Mar.</td>
<td>96</td>
<td>5</td>
<td>1.78 (pp.183-85)</td>
</tr>
<tr>
<td>Apr.-June</td>
<td>83</td>
<td>4</td>
<td>1.11 (pp.165-66)</td>
</tr>
<tr>
<td>July-Sept.</td>
<td>119</td>
<td>3</td>
<td>1.65 (pp.153-55)</td>
</tr>
<tr>
<td>Oct.-Dec.</td>
<td>182</td>
<td>6</td>
<td>2.85 (pp.190-92)</td>
</tr>
<tr>
<td><strong>X, 1922</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.-Mar.</td>
<td>146</td>
<td>4</td>
<td>2.77 (pp.208-10)</td>
</tr>
<tr>
<td>Apr.-June</td>
<td>84</td>
<td>3</td>
<td>1.27 (pp.207-09)</td>
</tr>
<tr>
<td>July-Sept.</td>
<td>221</td>
<td>22</td>
<td>4.01 (pp.182-86)</td>
</tr>
<tr>
<td>Oct.-Dec.</td>
<td>204</td>
<td>19</td>
<td>3.17 (pp.196-99)</td>
</tr>
</tbody>
</table>

---

## APPENDIX I

### NEW YORK TIMES INDEX ENTRIES ON GERMANY

(continued)

<table>
<thead>
<tr>
<th>Volume and Date</th>
<th>Articles</th>
<th>Editorials</th>
<th>Number of Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI, 1923</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.–Mar.</td>
<td>877</td>
<td>41</td>
<td>15.31 (pp. 217–33)</td>
</tr>
<tr>
<td>Apr.–June</td>
<td>444</td>
<td>15</td>
<td>6.95 (pp. 214–20)</td>
</tr>
<tr>
<td>July–Sept.</td>
<td>573</td>
<td>36</td>
<td>7.86 (pp. 199–208)</td>
</tr>
<tr>
<td>Oct.–Dec.</td>
<td>877</td>
<td>55</td>
<td>18.08 (pp. 211–29)</td>
</tr>
<tr>
<td>XII, 1924</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.–Mar.</td>
<td>535</td>
<td>55</td>
<td>9.35 (pp. 207–17)</td>
</tr>
<tr>
<td>Apr.–June</td>
<td>367</td>
<td>33</td>
<td>5.18 (pp. 214–19)</td>
</tr>
<tr>
<td>July–Sept.</td>
<td>210</td>
<td>11</td>
<td>3.61 (pp. 196–99)</td>
</tr>
<tr>
<td>Oct.–Dec.</td>
<td>235</td>
<td>20</td>
<td>3.50 (pp. 229–33)</td>
</tr>
</tbody>
</table>
**APPENDIX II**

**GERMAN AND AMERICAN EXPORTS AND IMPORTS, 1912-33**
(all figures in dollars for each calendar year)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Imports from Germany</th>
<th>Total Exports to Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>1912</td>
<td>186,042,644</td>
<td>330,450,830</td>
</tr>
<tr>
<td>1913</td>
<td>184,211,352</td>
<td>351,930,541</td>
</tr>
<tr>
<td>1914</td>
<td>149,389,366</td>
<td>158,894,986</td>
</tr>
<tr>
<td>1915</td>
<td>44,953,285</td>
<td>11,777,858</td>
</tr>
<tr>
<td>1916</td>
<td>5,819,472</td>
<td>2,260,634</td>
</tr>
<tr>
<td>1917</td>
<td>152,500</td>
<td>3,275</td>
</tr>
<tr>
<td>1918</td>
<td>317,706</td>
<td>none</td>
</tr>
<tr>
<td>1919</td>
<td>10,608,141</td>
<td>92,761,314</td>
</tr>
<tr>
<td>1920</td>
<td>88,836,280</td>
<td>311,437,377</td>
</tr>
<tr>
<td>1921</td>
<td>80,279,943</td>
<td>372,325,232</td>
</tr>
<tr>
<td>1922</td>
<td>117,497,692</td>
<td>366,113,877</td>
</tr>
<tr>
<td>1923</td>
<td>161,192,688</td>
<td>316,837,432</td>
</tr>
<tr>
<td>1924</td>
<td>139,257,900</td>
<td>440,537,797</td>
</tr>
<tr>
<td>1925</td>
<td>164,250,508</td>
<td>470,344,233</td>
</tr>
<tr>
<td>1926</td>
<td>198,460,503</td>
<td>364,114,585</td>
</tr>
<tr>
<td>1927</td>
<td>200,554,291</td>
<td>481,580,787</td>
</tr>
<tr>
<td>1928</td>
<td>222,129,854</td>
<td>467,299,585</td>
</tr>
<tr>
<td>1929</td>
<td>254,673,542</td>
<td>410,258,652</td>
</tr>
<tr>
<td>1930</td>
<td>176,980,503</td>
<td>278,269,296</td>
</tr>
<tr>
<td>1931</td>
<td>127,084,402</td>
<td>165,999,133</td>
</tr>
<tr>
<td>1932</td>
<td>73,571,644</td>
<td>133,668,297</td>
</tr>
<tr>
<td>1933</td>
<td>78,167,612</td>
<td>139,966,575</td>
</tr>
</tbody>
</table>

---

## APPENDIX III

### COMPARATIVE EXPORTS FROM THE UNITED STATES TO GERMANY, BRITAIN, AND FRANCE

(Annual averages in $1,000)

#### A. Germany

<table>
<thead>
<tr>
<th>Selected Categories</th>
<th>1912-14 per year</th>
<th>1925-27 per year</th>
<th>1929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foodstuffs</td>
<td>58,866</td>
<td>87,359</td>
<td>67,890</td>
</tr>
<tr>
<td>Lard</td>
<td>16,797</td>
<td>29,428</td>
<td>26,694</td>
</tr>
<tr>
<td>Grains and flour</td>
<td>15,677</td>
<td>24,814</td>
<td>16,827</td>
</tr>
<tr>
<td>Fodders and feeds</td>
<td>8,376</td>
<td>4,448</td>
<td>4,125</td>
</tr>
<tr>
<td>Fruits</td>
<td>5,368</td>
<td>9,154</td>
<td>15,470</td>
</tr>
<tr>
<td>Tobacco</td>
<td>4,237</td>
<td>5,541</td>
<td>3,456</td>
</tr>
<tr>
<td>Cotton</td>
<td>161,355</td>
<td>217,371</td>
<td>169,457</td>
</tr>
<tr>
<td>Copper</td>
<td>40,458</td>
<td>30,074</td>
<td>34,697</td>
</tr>
<tr>
<td>Manufactures</td>
<td>30,764</td>
<td>50,978</td>
<td>41,212</td>
</tr>
<tr>
<td>Refined oils</td>
<td>9,024</td>
<td>15,982</td>
<td>19,267</td>
</tr>
<tr>
<td>Machinery, vehicles</td>
<td>12,655</td>
<td>23,085</td>
<td>16,349</td>
</tr>
<tr>
<td>Grand Total</td>
<td>324,667</td>
<td>431,865</td>
<td>410,259</td>
</tr>
</tbody>
</table>

#### B. Britain

<table>
<thead>
<tr>
<th>Selected Categories</th>
<th>1912-14 per year</th>
<th>1925-27 per year</th>
<th>1929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foodstuffs</td>
<td>161,258</td>
<td>328,606</td>
<td>289,400</td>
</tr>
<tr>
<td>Meats</td>
<td>42,856</td>
<td>63,061</td>
<td>42,225</td>
</tr>
<tr>
<td>Lard</td>
<td>18,410</td>
<td>33,532</td>
<td>31,216</td>
</tr>
<tr>
<td>Grains, preparations</td>
<td>47,981</td>
<td>74,527</td>
<td>54,585</td>
</tr>
<tr>
<td>Fruits</td>
<td>9,618</td>
<td>49,586</td>
<td>52,223</td>
</tr>
<tr>
<td>Tobacco</td>
<td>17,747</td>
<td>77,013</td>
<td>79,880</td>
</tr>
<tr>
<td>Cotton</td>
<td>226,929</td>
<td>217,648</td>
<td>159,715</td>
</tr>
<tr>
<td>Copper</td>
<td>17,234</td>
<td>29,957</td>
<td>37,809</td>
</tr>
<tr>
<td>Manufactures</td>
<td>88,120</td>
<td>232,716</td>
<td>212,371</td>
</tr>
<tr>
<td>Refined oils</td>
<td>18,367</td>
<td>89,130</td>
<td>91,235</td>
</tr>
<tr>
<td>Machinery, vehicles</td>
<td>24,644</td>
<td>59,362</td>
<td>27,770</td>
</tr>
<tr>
<td>Grand Total</td>
<td>580,605</td>
<td>938,620</td>
<td>847,980</td>
</tr>
</tbody>
</table>

---

1. Figures from Department of Commerce, Bureau of Foreign Trade

275
APPENDIX III
(continued)

<table>
<thead>
<tr>
<th>Selected Categories</th>
<th>1912-14 per year</th>
<th>1925-27 per year</th>
<th>1929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foodstuffs</td>
<td>16,307</td>
<td>26,448</td>
<td>19,830</td>
</tr>
<tr>
<td>Grains, preparations</td>
<td>4,025</td>
<td>17,091</td>
<td>4,181</td>
</tr>
<tr>
<td>Fruits</td>
<td>1,459</td>
<td>2,886</td>
<td>3,986</td>
</tr>
<tr>
<td>Tobacco</td>
<td>4,755</td>
<td>3,594</td>
<td>4,266</td>
</tr>
<tr>
<td>Cotton</td>
<td>67,147</td>
<td>102,205</td>
<td>86,180</td>
</tr>
<tr>
<td>Copper</td>
<td>22,449</td>
<td>20,676</td>
<td>32,871</td>
</tr>
<tr>
<td>Manufactures</td>
<td>24,333</td>
<td>84,286</td>
<td>86,168</td>
</tr>
<tr>
<td>Refined oils</td>
<td>8,856</td>
<td>50,502</td>
<td>53,455</td>
</tr>
<tr>
<td>Machinery, vehicles</td>
<td>9,847</td>
<td>21,473</td>
<td>22,511</td>
</tr>
<tr>
<td>Grand Total</td>
<td>143,074</td>
<td>252,957</td>
<td>265,656</td>
</tr>
</tbody>
</table>


276
BIBLIOGRAPHY

A. UNPUBLISHED DOCUMENTS

National Archives, Foreign Affairs Division, Files.

B. GOVERNMENT PUBLICATIONS

(1) Publications by the Committee on Public Information:


(2) Congressional Debates:

Congressional Record. 64th to 72nd Congress, 1916-31.

(3) Hearings:


"German Reparation Bonds." House Committee on Banking and Currency. 71st Congr. 2nd Sess., 1930.

(4) **Miscellaneous:**


C. **NEWSPAPERS**

Cleveland Plain Dealer

Gross-Page顿er Zeitung

Los Angeles Times

New Orleans Times-Picayune

New York Times

Ohio State Journal

D. **PERIODICALS**

American Dye Stuff Reporter

American Federationist

American Historical Review

American Journal of International Law

American Political Science Review

Business Week

Catholic World

Commonweal
E. BOOKS


Hillis, Newell D. *A Murder Most Foul!* London: Waterlow and Sons, 1918.


Lewis, Cleona, **America's State in International Investments.** Washington: The Brookings Institution, 1938.


Turner, J.K. *Shall It Be Again?* New York: B.W. Huebsch Co., 1922.


P. ARTICLES


Bouton, S.M. "Germany's Pink Surge." *Nation*, Nov.2, 1921, CXIII, 24-25.


Shuster, George M. "What Can We Do?" *Commonweal*, June 17, 1931, XIV, 175-77.


G. UNPUBLISHED DISSERTATIONS


I, Klaus Ferdinand Schoenthal, was born in Berlin, Germany, on December 2, 1927. From 1933 to 1936 I went to elementary school in that city. Thereafter my family temporarily left Germany, and I completed my elementary school courses and was admitted to high school in Göteborg, Sweden. Returning to Germany in 1938, I continued going to high school in Berlin and graduated from the Tempelhofer Oberschule in 1947. In the fall of that year, I began studying at the Humboldt Universität in Berlin and continued my studies from 1948 to 1952 at the Philipps Universität in Marburg an der Lahn with majors in History and German Literature. In 1951, I received a travel grant for research work in the Library of the British Museum in London, and in 1954, I was granted a joint Fulbright and Department of State fellowship for graduate work in the field of history at the Ohio State University. I then decided to specialize in recent American history. I took my master's degree in 1955 and completed the requirements for a doctor's degree at the Ohio State University with the help of a University Scholarship in 1955 and a graduate assistantship in 1956. I have been teaching as an assistant at the Ohio State University and as an instructor at Muskingum College and at Otterbein College during the last two years.