United States Foreign Policy in the 1920s and 1930s
Road to WW II

Efforts to maintain peace in the 1920s and the Great Depression
• Treaty of Versailles punished Germany severely
  • League of Nations sought collective security but without support from the US, USSR and Germany, the League was crippled.
  • U.S. Senate refused to adhere to the World Court, the League's judicial arm.
• Effectiveness of League of Nations
  • Helped settle disputes between small powers
  • Less successful when major powers involved
    o Ultimately did not stop Japanese, Italian, or German aggression.

Washington Disarmament Conference -- 1921-1922
• Sought to reduce naval arms race between U.S., Japan & Britain and resolve disputes in the Pacific.
• Five Power Treaty (5-5-3 battleship ratio) and other agreements lacked enforcement provisions.
• U.S. naively gave Japan the advantage in the Pacific.
• Open Door in China preserved.

Locarno Pact (1926)
• Western Europe guaranteed existing borders and sought peaceful solutions.
• Germany promoted peaceful settlement of disputes with neighbors in Eastern Europe--Poland & Czechoslovakia
• Many Europeans believed "spirit of Locarno" meant no future war in Europe.

Kellogg-Briand Pact (1928)
• Ratified by 62 nations: made war illegal except for defensive purposes.
• Major flaws: No enforcement mechanism; aggressors could use "defensive purposes" argument when attacking.
• Gave Americans a false sense of security in the 1930s.

War debts and reparations
• US the largest creditor nation after WWI; Allies owed US $16 billion
• Allies couldn't pay; depended on Germany's reparation payments to pay back the US
• U.S. tariff policies hurt European recovery
• Germany economy couldn't handle pressure and collapsed in 1923
• Dawes Plan (1924)
  • U.S. bankers gave Germany loans; Germany paid Britain & France, who in turn paid back the U.S.
  • U.S. credit continued to help this finance issue until crash of 1929.
• Hoover declared debt moratorium in 1931 and before long, all debtors defaulted (except Finland which paid its loan ending in 1976).
• U.S. policies harbored ill-will among European nations toward U.S.
• Contributed to neutrality legislation passed by Congress during 1930s.

Great Depression a major cause of totalitarianism in Japan and Germany
• Stock Market Crash in US triggered world wide depression.
• Germany ravaged by 50% unemployment & enormous inflation.
• Japan exports fell by 50%; blamed West for protectionist trade policies.
  • Began to attack the disarmament policy established in 1922.
  • Military took control; assassinated prime minister in 1930.

Good Neighbor Policy
- Pre-FDR policies began an improvement of relations with Latin America.
  • U.S. troops out of many Latin American countries
  • Help solve the oil crisis with Mexico in 1928 peacefully
  • Clark Memorandum (1928): Reversal of the BIG Stick Policy of Teddy states the U.S. will not intervene in Latin America for its own national purposes
- We begin to react to what's going on as opposed to getting involved from the get go
- want to keep our western hemisphere neighbors happy – Good Neighbor Policy
  • b. "the good neighbor respects himself and the rights of others." – famous quote – makes them happy, makes FDR look good
  • let's stay out of their business – let’s work together if we have issues
- Montevideo Conference -- 7th Pan-American Conference (1933)
- Sec of St. Cordell Hull --"No state has the right to intervene in the internal or external affairs of another."
- Recommended tariffs be lowered – movement away from Hawley-Smoot
  - U.S. gets out of Nicaragua in 1933.
  - 1934 -- Marines withdrew from Haiti and stayed out of war-torn Cuba
    - 1st time since 1915 no US troops in Latin America
    - Signed treaty with Cuba repealing Platt Amendment (Guantanamo retained)
  - 1936 Buenos Aires Convention:
    - U.S. agreed to admit all American disputes to arbitration.
  - 1938 -- US did not intervene when Mexico nationalized its oil fields
    - U.S. companies lost much of their original holdings.
  - Declaration of Lima (1938)
    - 21 states agreed to resist together any threat to peace in the hemisphere
  - Declaration of Panama (1939)
    - U.S. eased policy toward Panama

**London Economic Conference**
- Attended by 66 nations in summer of 1933
- Purpose: Confront the global depression
- Goals: stabilize national currencies and revive international trade.
  - FDR undermined the conference as he didn't want return to a gold standard.
  - Significance: showed Hitler and Mussolini U.S. would not intervene in Europe
  - Perhaps as important as Munich Conference (1938) in showing lack of resolve among the democracies.
  - Resulted in more international isolationism and extreme nationalism.

**Reduction of Tariffs under Sec. of State Cordell Hull**
- Trade agreements
- Aimed at both relief and recovery; part of Good Neighbor Policy
- Low-tariffs implemented (including reduction of Hawley Smoot)
- Important because it
- Reversed high-tariff policy since Civil War that had damaged U.S. and international economies after WWI.
- Paved way for U.S.-led free-trade int’l economic system after WWII.
- By 1939, Hull successfully negotiated pacts with 21 countries.
- U.S. trade increased – important in this time period
- Relations with Latin America improved – US is a good neighbor!!!!

**FDR Recognizes U.S.S.R. (late 1933)**
- Soviet Union had already received recognition from other great powers.
- FDR believed recognition of Moscow might lead the USSR to take steps against Japan
- Americans looking to the USSR as a possible trading partner in the foreign market
- Soviets agreed to stop anti-American propaganda in the Russian communities of the US
  - Broke that pledge when huge U.S. loan to Russia was not granted as USSR was. seen as bad credit risk.

**Tydings-McDuffie Act (1934) – Foreign relations with the Philippines**
- Islands to become free after 10-year period of economic and political support.
  - We get to keep our naval bases but our military control is withdrawn
  - Jones Act in 1916 supported by Sec. of State William Jennings Bryan
    - Had granted Philippines territorial status and promised independence as soon as a "stable gov’t" could be established.
  - Why give up Philippines? It would lead to better feelings at home because several groups had issue with the territory
    - Organized labor wanted low-wage Filipino labor excluded from U.S.
    - U.S. sugar growers & other producers sought less Filipino competition
    - U.S. isolationists eager to be rid of a political liability in Far East.
- U.S. economic terms towards Philippines were harsh
- Japan encouraged by U.S. unwillingness to maintain Asian possessions.
Failure of collective security – League of Nations

- Despite many efforts throughout the world as well as the existence of the League of Nations – Dictators are going to begin to rise in various European and Asian nations – these leaders work to rebuild their nations than to begin a series of imperialistic actions that will eventually take the world into WW II

Rise of Dictators

- Italy -- Mussolini (1922) fascism: glorified the state and sought to expand
- Japanese military dictatorship under Hideki Tojo (early 1930s)
- Germany -- Adolf Hitler (1933) – National Socialist German Workers Party
- USSR – Totalitarianism / communism under Stalin (1924-1953)

1931 Japanese aggression begins

- Japan invades Manchuria
  - League of Nations condemns action; no enforcement
  - Japan violated Nine Power Treaty and the Kellogg-Briand Pact
  - Hoover-Stimson Doctrine: President Hoover refused economic or political sanctions but did not recognize Japanese conquest
  - Japan withdraws from League of Nations
- Reasons for Japanese aggression
  - Remember Japan is only an island so …..
    - Badly needed raw materials (coal, oil, & iron)
  - Wanted more space for its large population
    - Angry at US, Australia, & Canada for limiting immigration
      - Gentleman’s Agreement with the United States
    - National Origins Act (1924) banned Asians from immigrating to U.S.
  - Wanted to trade – wanted to open new markets wanted to make money but ….
    - High tariffs (Hawley-Smoot in the US) of other nations reduced Japanese exports by 50% in 2 years
    - Anger at the U.S. for Japan’s given unequal status in the 1921 naval treaties
    - Anger at U.S. for refusing to recognize their occupation of Manchuria
- 1934, ended Washington Naval Treaty (1922); started massive naval buildup
- 1936, signed anti-communism pact with Germany – thus anti-USSR
- 1940, signed Tripartite Pact: Rome-Berlin-Tokyo Axis

1935 -- Italy invades Ethiopia with bombers and tanks; wins in 1936

- Mussolini sought to reestablish the glory of the Roman Empire.
- League of Nations hit Italy with economic sanctions except oil.
- July, League lifts sanctions – another lack of action thus the event is seen as end of League of Nations

American Isolationism in the face of fascist aggression

- Americans concerned with their own economic depression
  - Despite the rise of the dictators, the US wanted to stay out of European affairs
  - Not immediately worried about the new totalitarianism – the new dictators in Europe and asia
  - Fear of getting taken into another European conflict without an out right invasion of the US brought a desire for an amendment to reduce the power of congress to declare war
- Johnson Act – 1934
  - Forbid the sale of bonds by any country who hadn’t paid their WW I bill to the US
    - Those countries couldn’t come in and sell bonds to US citizens – thus hoping to keep citizens from wanting to get involved in the affairs of that nation
    - A some what effective method of preventing US financial involvement in Europe and in their conflicts
- Nye Committee (headed by ND Senator Gerald P. Nye)
  - Many believed US entered WWI so munitions makers could profit
  - Nye Committee investigated this charge.
  - Munitions manufacturers dubbed "merchants of death"
  - Committee claimed bankers wanted war to protect loans to Europe
  - It was believed that Wilson had provoked Germany by sailing in to warring nation's waters.
  - Resulted in the Neutrality Acts between 1935 & 1937
- Neutrality Act 1935
  - Key term is COULD
  - Stated that the President could in time of war
• Prohibit the export of implements of war to belligerents
• Forbid American citizens to travel on belligerent’s ships – EXCEPT at their own risk

• Neutrality Act 1936
  • Extended the 1935 act
  • Added to the list the ability to prohibit loans to belligerents

• Neutrality Act 1937
  • Congress hoped that this would become the permanent US foreign policy
  • Key word becomes – HAS TO / MUST
    • President must act when a state of war existed
    • He must
      • Prohibit the export of the implements of war to belligerents
        o Even if we felt they were in the “right”
      • Prohibit all American travel on ships of belligerent nations
      • Prohibit loans to belligerents
    • He could also prohibit
      • The export of any American product on any American ship to a belligerent
      • Use of American ports as supply bases for belligerent war ships

• When Hitler invaded Poland in Sept. of 1939 – he went to Congress and asked that the act of 1937 be reconsidered
  • He did not want to see his hands tied or his hand forced in any way
    • FDR gave his "Arsenal of Democracy" speech (Dec 29, 1939), another major "Fireside Chat"
    • “U.S. cannot remain neutral: its independence has never been in such danger”
    • Nazi war aim was world domination
    • The U.S. would become the "Great Warehouse" of the Allies
  • Congress responded with the Neutrality Act of 1939
    • Permit the export of arms and munitions to belligerents on a “cash and carry” basis
    • President could designate war zones where no US ship was allowed to go

***** Many feel this speech marked entrance of U.S. into the war.

• As war began to rage in Europe two sides developed in the US
• Both sides worked very hard from 1939 -1941 to get what they wanted
  • Isolationists
    • The nation should refrain from words as well as deeds that might involve the US in a power struggle in Europe
    • They included the America First Committee – Gerald Nye, Robert Taft, Hamilton Fish (congressmen) and Charles Lindberg
    • "England will fight to the last American." - Advocated U.S. protection of its own shores if Hitler defeated Britain.
    • Senator Robert A. Taft: urged "Fortress America"; defense not intervention
  • Interventionists
    • The best security for the US was assisting the Allies through “all measures short of war”
    • They included the Committee to Defend America by Aiding the Allies – run by William A. White
    • Claimed U.S. couldn’t let Axis powers dominate the world.
    • Urged direct aid to Britain.
    • Roosevelt had strong internationalist sympathies but had to temper them publicly

• April 1940 – Germany moves into Denmark and Norway
• May 1940 – Germany invades the Netherlands and Belgium
• June 1940 – Germany invades France
• Now the only thing between the US and Hitler = Britain
• Battle of Britain begins in Aug 1940

U.S. response to fall of France and Battle of Britain
• Fall of France forced a major change in strategy for U.S.-- now U.S.would probably have to fight in the war; not just be a "great warehouse"
• FDR called on America to build a huge air force and 2-ocean navy.
• Congress appropriated $37 billion (more than total cost of WW1) and 5X larger than any New Deal annual budget.
  • Creation of a two-ocean navy with more power than all the “unfriendly” nations combined
  • Purchase of munitions and supplies to outfit the increase in the size of the army
    • Increased to 1.2 million
  • Set up a naval and army “air force” of 35,000 aircraft
• Sept. 1940, Congress passed Selective Service and Training Act
  • America’s first peace-time draft
Men 21 to 35 were registered and many were called for one year of military training.
- 16.4 million registered
- 800,000 were called to be trained
- Also called for all national guard enlistees to receive training in modern warfare
- Act later expanded when U.S. entered the war.

Havana Conference of 1940
- U.S. agreed to share with 20 Latin American republics the responsibility of upholding the Monroe Doctrine.
- First time Monroe Doctrine was multi-lateral.

Destroyer-Bases Deal
- Britain in need of more ships to go after German subs – the subs had been sinking the bulk of the British merchant fleet
- Sept. 2, 1940, FDR agreed to transfer to Britain 50 WWII-class destroyers
- Britain promised U.S. 8 valuable defensive base sites from Newfoundland to South America.
  - These bases would remain in U.S. control for 99 years.
  - Agreement achieved by simple presidential agreement.
  - Isolationists charged FDR had circumvented Congress and was trying to get U.S. into the war.
  - FDR defended his actions on the grounds that this deal was necessary to defend the western hemisphere.

Election of 1940
- Republicans nominated Wendell L. Willkie.
  - Condemned FDR’s alleged dictatorship & deficit spending of the New Deal.
  - Willkie not opposed to New Deal, just its excesses.
- Like FDR, promised to stay out of war & strengthen U.S.’s defenses.
  - Claimed FDR was a war-monger.
- Democrats nominated FDR for a third term
  - FDR vowed to keep U.S. out of the war.
  - Vigorously defended the New Deal and U.S. aid to the Allies.

Result:
- FDR defeated Willkie 449-82; margin closer than 1932 and 1936 elections.
- Democrats maintained their majority in Congress.

"Four Freedoms" speech (January 6, 1941) -- made to Congress
- Now elected, FDR did not have to worry as much about critics.
- FDR asked Congress for increased authority to help Britain.
- Four Freedoms:
  - Speech and expression
  - Religion
  - Freedom from Want
  - Freedom from fear
- Congress responded with Lend-Lease

Lend-Lease (April 1941) and increase U.S. involvement in the European war.
- Considered one of most momentous laws ever passed by Congress.
- The Act stated
  - Authorized President to sell, lend, lease, transfer or exchange military supplies to any nation he deemed "vital to the defense of the US."
  - British rapidly exhausting their cash reserves with which to buy U.S. goods so we needed to get past "cash and carry".
  - Accounts would be settled after the war.
  - FDR: Garden Hose Speech - "Loan a neighbor your hose to save his house from fire; worry about the hose later."
- Problems
  - Isolationists and anti-Roosevelt Republicans saw it as "the blank check bill."
  - Some saw it as getting the U.S. even closer to involvement in the war.
- Results:
  - Effectively ended U.S. neutrality; some considered it an economic declaration of war.
  - U.S. war production immediately increased – we will truly begin to come out of the depression
  - Hitler began sinking U.S. ships on a limited scale with German subs
  - Until then, Germany avoided sinking U.S. ships – didn’t want the US in the war ala WW I
  - Convoy system between U.S., Britain and Canada began in July.
By war's end, U.S. gave $50 billion worth of arms and equipment to nations fighting aggressors, especially Britain and U.S.S.R.

U.S. patrol of Western Atlantic
- April 1941, FDR started the American Neutrality Patrol.
  - U.S. navy would search but not attack German submarines in western half of the Atlantic, and warn British vessels of their location
- Convoys
  - July 1941, FDR orders navy to escort lend-lease shipments to Iceland
  - British would take them the rest of the way.
  - Many ships still sunk
  - Sept, FDR issues a “shoot-on-sight” policy on German U-boats.
  - Nov. 1941, Congress declared merchant ships could
    - now be armed
    - enter combat zones with munitions for Britain.
- The US begins to get attacked
  - sinking of U.S. destroyer Kearny on Oct. 16 and
  - destroyer Reuben James on Oct. 30 with 115 lives lost.
- April 1941, U.S. forces occupy Greenland
- July 1941, Occupation of Iceland to protect it from Germany

August 1941 - Atlantic Conference and the Atlantic Charter
- Despite the fact that the US is not “officially” in the war – FDR and Churchill meet
  - U.S. warship off Newfoundland
  - First of a series of conferences between the two leaders
  - Held in response to Hitler’s invasion of the Soviet Union.
- The result is the Atlantic Charter
  - Accepted by FDR and Churchill and endorsed by Stalin later that year.
  - No territorial changes contrary to wishes of the inhabitants (self-determination)
  - Gov’ts abolished by the dictators would be regained.
  - Called for "a permanent system of general security"
    - Foundation for the United Nations.
- Reaction:
  - Liberals applauded the charter as they had Wilson’s 14 Points during WWI
  - Isolationists condemned neutral U.S. conferring with "belligerent" Britain on common policies.