

## USA Interwar Period Foreign Policy

- Only involved in world affairs when it affected their territorial or military interests, or with the repayment of war debts.
- 1. Dawes Plan (1924)
  - a. Loans from US bankers to stabilize the German currency and scale down reparations in return for evacuating Belgian and French troops from the Ruhr Valley
  - b. Hoped that this would result in reparation payments flowing to the allied countries again, which would then allow Britain and France to start repaying their war debts to the US
- 2. Young Plan (1929)
  - a. US businessman (Owen D. Young) greatly reduced reparation payments for Germany (same reason as above)
- 3. Lausanne Conference (1932)
  - a. Depression had hurt Germany's ability to pay reparations
  - b. 2 point plan
    - i. Would not press Germany for immediate repayment
    - ii. Reduced reparations to \$714 million
  - c. However, was contingent on US forgiving war debts, which they refused to, therefore the conference failed
- 4. Washington Naval Conference (1921)
  - a. Five-power Naval Limitation Treaty
    - i. Froze ratio of Capital Ships (battleships/aircraft carriers) for ten years – 5 for US & Brits., 3 for Japan, 1.75 for Italy & France = guaranteed US naval dominance in Pacific
  - b. Four-Power Treaty
    - i. GB, US, Japan, France respect each other's possessions and consult together if any problems arose
  - c. Nine-Power Treaty
    - i. Secured US trade to China (Open-Door Policy)
    - ii. US wanting to protect interests in Asia
- 5. London Naval Conference (1930)

- a. Allowed more Japanese auxiliary ships (destroyers, etc.) to appease them
- 6. Neutrality Acts (1935)
  - a. Keep US from being involved in Foreign wars
    - i. 1<sup>st</sup> time tested – after Mussolini invaded Abyssinia
      - 1. Arms embargo on trade with Italy and Abyssinia
      - 2. Still allowed trade of copper, steel and oil (all things military uses)
      - 3. No arms for any belligerent country
    - ii. 2<sup>nd</sup> time tested – Spanish Civil War (1936)
      - 1. Changed neutrality act to include not supplying arms to either side of Spanish conflict
    - iii. When Japan invaded China on July 7, 1937 FDR did not say it was a war, allowing the US to still support the Chinese with arms (protect its own interests)

## **Outbreak of War in Europe**

- November 1939 repealed the Neutrality Acts allowing the sale of arms to Britain and France = Cash & Carry
  - o Had to pay cash for arms and ship it themselves
  - o Obviously on the side of the allies
- Summer, 1940, France fell to Germany, Britain requested US destroyers to protect Atlantic supply line
  - o Sept. 1940 = Destroyers for Bases Deal
    - Exchanged 50 destroyers for 99 year leases on British bases in the Caribbean
  - o Sept. 16, 1940 – Selective Training & Service Act
    - 1<sup>st</sup> conscription law ever passed in the US
- March, 1941, Churchill appealed for direct funding
  - o Lend-Lease Act = \$7 billion of war materiel for Brits. = economic warfare vs. the Axis powers
    - President gave money & materiel to any country deemed to be defending US interests.