
The First ‘Real’ Peace

Settlements after the First

World War: Britain, the

United States and the Accords

of London and Locarno,

1923–1925

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When re-examining the endless debate over the prospects of and limits to Europe’s international consolidation after the First World War, the crucible of the twentieth century, what still needs re-evaluation is not so much the crisis and eventual breakdown of European and world order. Rather, what seems as yet insufficiently explained is the opposite: the fact that, even though it ultimately proved unsustainable under the onslaughts of the 1930s, *any* stability could be attained in the widened Euro-Atlantic state-system of the 1920s.¹

It is in fact neither a contingent nor a rare phenomenon in history that fundamental crises – notably ever less controllable wars – have given rise to substantial reorientations not only in the underlying ideas but also in the practice of international politics. Time and again, such reorientations have animated efforts to find new answers to the perennial yet also ever changing question of how to create a more durable international order after war.² As Paul W. Schroeder has shown, the Vienna system of 1814/15, following decades of revolutionary and Napoleonic wars, derived its longevity from precisely such a transformation.³

Most retrospective analyses assert that the First World War, a catastrophe far surpassing the turmoil of the Napoleonic era, did not spur anything like the

¹ Cf. the underlying premise of Charles Maier’s seminal study *Recasting Bourgeois Europe. Stabilisation in France, Germany, and Italy in the Decade After World War I* (Princeton: Princeton University Press, 1988), 3.

² For the wider context see G. J. Ikenberry, *After Victory. Institutions, Strategic Restraint and the Rebuilding of World Order After Major Wars* (Princeton: Princeton University Press, 2001); P. M. Kennedy and W. I. Hitchcock, eds., *From War to Peace: Altered Strategic Landscapes in the Twentieth Century* (New Haven: Yale University Press, 2000).

³ P. W. Schroeder, *The Transformation of European Politics 1763–1848* (Oxford: Oxford University Press, 1994).

diplomatic ‘revolution’ of 1814/15. Is it thus to be concluded that those who tried to stabilise Europe before the Great Depression, particularly British and American policy makers, were unable to make noteworthy headway in this direction? Or, following more recent interpretations, was the decade after 1918 so overwhelmingly dominated by economic problems and constraints that ultimately no peace could endure?⁴

Those enumerating the shortcomings of Anglo-American policies after 1918 have expounded the lessons of Europe’s ‘illusory peace’ between 1919 and 1933 – lessons which were only, and belatedly, learned after 1945.⁵ The following analysis seeks to re-assess what came closest to a sustainable Euro-Atlantic peace system, a framework for Europe’s political and economic consolidation, after 1918.⁶ Was it, however imperfect, the system of 1919? Or did the modicum of European pacification achieved in the 1920s rather result from a recasting of transatlantic international politics that, five years after Versailles, produced two new, qualitatively different international settlements? Can the 1924 London reparations accords and the 1925 security pact of Locarno be characterised as the ‘real’ post-First World War peace agreements? An answer may be found by determining which policies were most conducive to settling what arguably lay at the epicentre of Europe’s disorder: the problem of how the vanquished Germany, the burdened Weimar Republic, could be reintegrated into a viable international order without jeopardising the security of France. This was in short the Franco-German question of the 1920s.

The solidity and degree of Europe’s ‘relative’ pacification after the First World War have remained the subject of far-ranging debate. Less prominent in more recent scholarship on London and Locarno has been the ‘idealist’ critique which posits that both accords prevented the League of Nations from developing its full potential – from becoming an effective agency of collective security fortifying European peace.⁷ Recent interpretations have highlighted the structural impediments to lasting peace after 1919: on the one hand, the allegedly irreconcilable differences between status quo and revisionist powers, particularly France and Germany, and on the other, the severe financial constraints imposed by international debts and the unresolved reparations problem.⁸ Did policy makers on both sides of the Atlantic ultimately

⁴ See N. Ferguson, ‘The German Inter-War Economy: Political Choice vs. Economic Determinism’, in M. Fulbrook, ed., *German History since 1800* (London: Arnold, 1997), 258–78; G. D. Feldman, *The Great Disorder. Politics, Economics, and Society in the German Inflation, 1914–1924* (Oxford: Oxford University Press, 1993); S. A. Schuker, *The End of French Predominance in Europe* (Chapel Hill: University of North Carolina Press, 1976); K. Burk, ‘Economic Diplomacy between the Wars’, *Historical Journal* 24 (1981), 1003–15.

⁵ See S. Marks, *The Illusion of Peace. International Relations in Europe, 1918–1933* (London: Macmillan, 1976), 143–6.

⁶ This article is based on a dissertation completed by the author at Oxford University in October 2001: ‘The Unfinished Transatlantic Peace Order after World War I. Britain, the United States and the Franco-German Question, 1923–1925’.

⁷ Cf. Z. Steiner, ‘The League of Nations and the Quest for Security’, in M. Howard et al. (eds.), *The Quest for Stability. Problems of West European Security, 1918–1957* (Oxford: Oxford University Press, 1993), 35–70.

⁸ Cf. C. S. Maier, ‘The Two Postwar Eras and the Conditions for Stability in 20th-Century Western Europe’, *American Historical Review*, 86 (1981), 327–52; I. Clark, *Globalization and Fragmentation. International Relations in the Twentieth Century* (Oxford: Oxford University Press, 1997), 75–98.

have no, or only very limited, scope in sustaining peace because the economic and power-political odds were so stacked against it?⁹ Did key decisions affecting European stability lie not so much in the hands of governments but in those of transnationally operating financiers, who pursued other primary interests? Or was there an even more fundamental contradiction between Anglo-US financial interests in revitalising Germany and the requirements of a ‘sound’ balance-of-power system which would prevent Germany’s resurgence?

The last question points to the ‘realist’ critique, which is probably most influential in shaping today’s understanding of 1920s international history. It hinges on the claim, made through the prism of the 1930s, that the agreements of 1924–5 represented the culmination of delusory Anglo-US attempts to ‘appease’ Weimar Germany. Probably the most forceful ‘realist’ interpretation is Stephen Schuker’s thesis, that Anglo-US politicians and financiers, in forcing the 1924 Dawes settlement on France, destroyed Europe’s best hope for stability: France’s bid to found security on a contained and fragmented Germany. The Locarno pact¹⁰ merely sealed this fateful development. Both accords supposedly prepared the ground for Hitler because they eroded the order of 1919, thus undermining any prospects for establishing a balance of power to counter Germany’s ‘inevitable’ revisionism.¹¹ It is this interpretation that the following analysis seeks to challenge. It seems noteworthy, however, that while historians have often linked London and Locarno, neither these agreements nor the impact of British and US policies on them have been systematically compared.¹²

In short, this analysis seeks to present a different, neither ‘idealist’, ‘realist’ nor ‘structuralist’ perspective. Instead, it argues that the modicum of European stabilisation achieved after the ‘Great War’ did not result from an – elusive – revival of pre-war balance-of-power politics. But not did it result from attempts to forge a radically new ‘world order’ based on the League of Nations and Wilsonian ideals of open diplomacy. Rather, what pacification there was stemmed from a formative, yet after 1925 unsustainable, transformation of Euro-Atlantic politics.

The settlements of London and Locarno were the most tangible outcomes of this process. They became the two central pillars of the unfinished transatlantic peace order after the First World War. Instrumental in initiating this process was the combined effect of two stabilisation policies that, for all their shortcomings, can be characterised as the most far-reaching bids for European consolidation in the interwar

⁹ Cf. Ferguson, ‘Inter-War Economy’, 258–78.

¹⁰ Cf. Schuker, *The End*, 385–93.

¹¹ See H. A. Kissinger, *Diplomacy* (New York: Simon & Schuster, 1994), 266 ff.; J. Jacobson, *Locarno Diplomacy. Germany and the West, 1925–1929* (Princeton: Princeton University Press, 1972).

¹² Cf. J. Jacobson, ‘Is There a New International History of the 1920s?’, *American Historical Review*, 88 (1983), 617–45. There have been valuable studies of British and US policies towards Germany or France and bilateral Anglo-US relations in the 1920s. See M. P. Leffler, *The Elusive Quest. America’s Pursuit of European Stability and French Security* (Chapel Hill: University of North Carolina Press, 1979); R. S. Grayson, *Austen Chamberlain and the Commitment to Europe. British Foreign Policy, 1924–29* (London: Frank Cass, 1997); B. J. C. McKercher, *The Second Baldwin Government and the United States, 1924–1929. Attitudes and Diplomacy* (Cambridge: Cambridge University Press, 1984); B. J. C. McKercher, ed., *Anglo-American Relations in the 1920s. The Struggle for Supremacy* (Basingstoke: Macmillan, 1991).

period. They were pursued by the policy makers who changed the courses of British and US policy after the Ruhr crisis. And they were premised on distinct British and US ground rules of pacific settlement, peaceful change and integrative co-operation between democratic states.

Who, then, were the key actors shaping Anglo-US policies in the 1920s? To be sure, their formulation and implementation did not spring from one source. Important impulses were given not only by statesmen but also by non-governmental actors, notably leading financiers.¹³ This analysis, however, will deliberately focus on political rather than financial decision makers. For there were indeed official actors who became the political protagonists of peaceful change – who were instrumental in making the ‘system of London and Locarno’. The bid of the US Secretary of State, Charles E. Hughes, to foster a transatlantic ‘community of ideals, interests and purposes’ in 1923/24¹⁴ will be reassessed first, and his approach compared with the distinctly transatlantic policy of evolutionary change pursued by Britain’s first Labour prime minister, Ramsay MacDonald.¹⁵ The Anglo-US pursuit of European security in 1925 will then be re-evaluated, focusing first on the Conservative foreign secretary Austen Chamberlain and his ‘noble work of appeasement’ that culminated at Locarno.¹⁶ This will be compared with US policy under his counterpart Frank Kellogg, who defined Washington’s role as that of a benevolent but decidedly aloof arbiter in Europe.¹⁷

All of these policy makers unquestionably faced challenges of political disorder that, to an unprecedented extent, were bound up with financial problems, above all with regard to reparations and inter-allied war debts. While financial expertise was often indispensable, all the problems underlying Europe’s postwar instability in the 1920s ultimately required *political* solutions. Crucially, politicians were the only actors who could address the crux of the European situation, the unresolved security question.

The first argument of this study is that the reorientations of US and British stabilisation policies under Hughes and MacDonald fostered what was indeed the first actual peace settlement after 1918: the London reparations agreement of 1924. Forged with France and Germany, the 1924 agreement prepared the ground for Europe’s ‘economic peace’ of the mid-1920s. This leads to the second contention, that this peace would have remained short-lived without the Locarno pact, the second

¹³ Cf. M. J. Hogan, *Informal Entente. The Private Structure of Cooperation in Anglo-American Economic Diplomacy, 1918–1928* (Chicago: Imprint Publications, 1991).

¹⁴ Cited after W. Link, ‘Die Beziehungen zwischen der Weimarer Republik und den USA’, in W. Knapp et al., eds., *Die USA und Deutschland 1918–1975* (Munich: Beck, 1978), 63.

¹⁵ Ramsay MacDonald, ‘Outlook’, *Socialist Review*, July 1919. The policy of the Conservative foreign secretary Curzon in 1923 will not be considered as he was only slightly involved in the developments analysed here.

¹⁶ Austen Chamberlain, speech in the House of Commons, 18 Nov. 1925, *Hansard*, vol. 188, col. 420. See also Austen to Ida Chamberlain, 28 November 1925, AC 5/1/370. *The Austen Chamberlain Diary Letters*, ed. R. C. Self (Cambridge: Cambridge University Press, 1995), 285–6.

¹⁷ Kellogg to Coolidge, 7 October 1924, *Kellogg Papers*, Minnesota Historical Society Archives, St Paul, Minnesota.

‘real’ postwar settlement. Locarno, in its turn inconceivable without the sea-change of London, was forged under the auspices of British diplomacy, recast by Chamberlain, but also significantly buttressed by US power. By integrating Germany, the pact founded a western-oriented international concert, which became in essence the political security framework of Europe’s nascent *Pax Anglo-Americana*.

The challenges and premises of peaceful change in the 1920s

London and Locarno have to be understood as outcomes of a wider, essentially Euro-Atlantic stabilisation process. To explore this process, the present study proposes an analytical mode markedly different from previous interpretations. Its first premise is that a precise analysis of the international consolidation which British and US policy makers could achieve after the Great War requires not only a reinterpretation of their strategies but also a fresh look at the postwar international system, the roles Britain and the United States played within it, and the underlying challenges of peaceful change. To this end, two methodological approaches will be employed: a comparative approach to national foreign-policy cultures and a systemic approach to the history of international relations. The former draws on concepts developed by Charles S. Maier for the study of domestic stabilisation after 1918, and the latter on those developed by Paul W. Schroeder for nineteenth-century European history.¹⁸

Building on Schroeder’s understanding, this article posits that the international system can only be described at one level in classical fashion as the relations, and distribution of power, between states within a given geopolitical constellation.¹⁹ More fundamentally, it can be characterised as a *system of international politics* with the system, or constituent rules, of a ‘shared practice’, that is, the assumptions and principles actors develop and the rules they cultivate in pursuing their often conflicting aims within the framework of this common practice²⁰ (here, the conduct of international diplomacy). Put differently, this system could also be seen as providing the ground-rules of a game which is the same for all the players involved. They shape it not irrespective of their geopolitical position and power but chiefly according to the objectives they pursue, the means they use and, ultimately, the possibilities they open up within it.

The ‘game’ of twentieth-century international politics had to reckon with a new, ever more important factor largely absent in 1814 and even 1914, namely legitimacy, particularly domestic legitimacy. Transnational stabilisation efforts and bargains were only viable if they could be sustained not only in the international sphere but also in very disparate domestic force-fields.²¹ Again, this was a challenge that politicians had to master in the first era of democratic mass politics on both sides of the Atlantic.

¹⁸ See Maier, *Recasting Bourgeois Europe*, 3 ff; Schroeder, *Transformation*, vii–xiii.

¹⁹ See G. H. Snyder, P. Diesing, *Conflict Among Nations* (Princeton: Princeton University Press, 1977), 28.

²⁰ This follows Michael Oakshott, *On Human Conduct* (Oxford: Clarendon Press, 1975). Cf. Schroeder, *Transformation*, xii.

²¹ Cf. W. J. Newman, *The Balance of Power in the Inter-War Years, 1919–1939* (New York: Macmillan, 1968).

Building on these premises, it can be shown that the crucial change preceding Europe's 'relative consolidation' in the mid-1920s came in the ideas and assumptions shaping British and US approaches to this two-level process. It would alter their 'answers' to the Franco-German question. The ability of leading statesmen to embark on individual and collective learning processes was pivotal. Now they pursued different strategies if previously cherished policies, and concepts, proved inadequate.²² Ultimately, post-First World War Europe could not be pacified through an 'effective' balance of power. It could only be consolidated if the international system's *de facto* pivotal powers, Britain and the United States, learned to fulfil their roles – and to promote stability. For although each was constrained – Britain financially, America politically – they were the only powers that could set *and transform* the ground-rules of postwar international relations. And only they could induce France and Germany to follow suit. That they could achieve this was due not only to their power capabilities and geopolitical positions, but to their foreign-policy cultures, the strategies they advanced and the systemic leverage they wielded.

The First World War cast the United States into the role of the international system's rising hegemon. It became not merely the new 'world creditor' – not least of considerable French and British war debts – but the newly predominant power called upon to shape the rules of a liberal-capitalist world economy *and of transatlantic relations*.²³ Thus while neither having nor seeing a moral obligation to rescue the Europeans from the consequences of their own follies, Woodrow Wilson's successors faced the fundamental challenge of providing political leadership commensurate with American power.

In contrast to the rising power of the United States, the British Empire emerged from the Great War victorious but weakened. Even if the empire's expanse attained its all-time peak in 1920, postwar Britain was more than ever a 'Janus-faced' power.²⁴ The widely perceived danger of strategic 'over-extension', of too wide a gap between British commitments and its diminished resources was accentuated by war debts.²⁵ Yet even if the *Pax Britannica* had definitely ended in 1914, Britain remained Europe's essential balancing power. In the post-1918 constellation, it was to play a critical role in ending Franco-German antagonism, not so much through military containment as by using its diplomatic power.

What, then, were the most pressing, and what the main structural challenges to peaceful change following the Great War? First, the peacemakers of Versailles had aggravated rather than overcome postwar disorder. Wilson had sought to create a radically altered system of supranational collective security based on the League of

²² There is also a new emphasis on the impact of ideas in Cold-War historiography. See J. L. Gaddis, *We Now Know. Rethinking Cold War History* (Oxford: Oxford University Press, 1997), 29–31; 288–92; M. P. Leffler, 'The Cold War: What Do 'We Now Know'?', *American Historical Review*, 104/2 (April 1999), 501–24, 501–4.

²³ F. C. Costigliola, *Awkward Dominion. American Political, Economic, and Cultural Relations with Europe, 1919–1933* (Ithaca: Cornell University Press, 1984).

²⁴ E. Monroe, *Britain's Moment in the Middle East* (London, Chatto & Windus, 1981), 74.

²⁵ Cf. P. M. Kennedy, *The Rise and Fall of the Great Powers* (London: Fontana, 1988), 407–13.

Nations.²⁶ But the outcome of 1919 was an ill-founded compromise between his vision, Georges Clemenceau's quest for *sécurité* and David Lloyd George's search for peace *and* retribution. Chamberlain was not alone in thinking that it fell well short of 'real peace'.²⁷ Above all, the Versailles system was imposed on *and excluded* Germany. The as yet very unsettled Weimar Republic was isolated and beset by a 'revision syndrome' regarding Versailles.²⁸ At the same time, Versailles sowed the seeds for structural conflicts in eastern Europe. The borders of the newly recognised states Poland and Czechoslovakia were from the outset contested even by Weimar's most moderate leaders. Finally, of course, when the US Senate ultimately rejected Wilson's design in 1920 the settlement lost what should have become its principal underwriter. This decision became a cornerstone of Republican foreign policy in the 1920s.²⁹

Second, at the centre of Europe's crisis after 1919 lay the unresolved German question, coupled with the latent Franco-German antagonism. As Keynes observed, the reparations conflict which overshadowed Europe until 1923 was so intractable because it raised two hard – and inextricably linked – questions:³⁰ who would ultimately bolster European recovery financially – and ultimately pay for the war? and who would command the power resources that, even amid increasing international interdependence, states still regarded as essential safeguards of their security? The struggle over reparations provided the battlefield on which the future of the Versailles system was to be decided. To US Commerce Secretary Herbert Hoover, it kept Europe's 'whole economic and political life . . . in an atmosphere of war'.³¹

Hoover's verdict points to a third and final challenge to peaceful change after 1919. While the League was sidelined, Europe could not be stabilised either by a return to prewar power politics or a reining-in of Germany by force.³² The Anglo-American alliance with France envisaged at Versailles never materialised and France's eastern alliances, notably with Poland and Czechoslovakia, proved insufficiently compensatory. No US or British government after 1919 could legitimate far-reaching commitments to France and the European status quo.

What manifested the limits of 'containment' politics most strikingly was France's futile quest for an 'artificial' hegemony in Europe, initiated under Raymond Poincaré after the failure of Lloyd George's 'grand design' for European reconstruction at the 1922 Genoa Conference. Deploring the lack of Anglo-US support, Poincaré

²⁶ Cf. T. J. Knock, *To End All Wars. Woodrow Wilson and the Quest for a New World Order* (Princeton: Princeton University Press, 1992).

²⁷ Austen to Hilda Chamberlain, 19 July 1919, *Austen Chamberlain Papers*, Birmingham University Library, AC 5/1/126. Despite recent attempts at 'rescuing' Versailles, this negative verdict has to be re-affirmed. See against this M. Boemeke, G. D. Feldman, E. Glaser, eds., *The Treaty of Versailles. A Reassessment After 75 Years* (Cambridge: Cambridge University Press, 1998).

²⁸ See M. Salewski, 'Das Weimarer Revisionssyndrom', *Aus Politik und Zeitgeschichte*, B 2/80 (1980), 14–25.

²⁹ See C. E. Hughes, *The Pathway to Peace* (New York: Harper & Brother, 1925), 8.

³⁰ J. M. Keynes, *The Economic Consequences of the Peace* (London: Macmillan, 1919).

³¹ Hoover to Hughes, 24 April 1922, *National Archives of the United States*, Washington DC (henceforth NA), RG 59/800.51/316.

³² Cf. J. Jacobson, 'Strategies of French Foreign Policy after World War I', *Journal of Modern History*, 55 (1983), 78–95.

finally felt compelled to seek reparations, and security, unilaterally. In January 1923, French troops occupied the strategically crucial Ruhr area. Recent studies have underlined that Poincaré did not desire the outright dismembering of Germany, but rather ‘productive pawns’ and agreements with Ruhr industrialists to secure German ‘fulfilment’ – and French preponderance.³³ Effectively, however, his course provoked both German ‘passive resistance’ and an escalating conflict that by late 1923 threatened to undermine the Weimar Republic politically, economically and territorially.

Both British and US policymakers viewed the effect of French policy with ever greater apprehension.³⁴ They would eventually intervene against a French incursion that by no means furthered European stability, anticipating Germany’s division and limited control over vital coal and steel resources after 1945. Indeed, by undermining Weimar’s embattled republican order, it would also have eroded European peace much earlier than 1933.³⁵ By November 1923, then, it had become obvious, not only for British and US observers, that there were not even the rudiments of international ground-rules to cope with the cardinal postwar problems. Crucially, while Germany’s co-operation was indispensable, no ways had been found to engage it. Yet, by triggering the Ruhr conflict Poincaré provoked the crisis that would ultimately recast Anglo-US approaches and, in turn, recast transatlantic and European international relations.

The political and the ‘depoliticised’ path to the London settlement

The period which began with the ‘return’ of Britain and the United States to Europe in October–November 1923 and culminated in the London conference of July–August 1924 was the first of two formative phases in the evolution of postwar politics. The second was the subsequent gestation period preceding Locarno. By late 1925, the way for the markedly more stable Europe of the ‘Locarno era’ had been paved. Momentous decisions had terminated the Ruhr conflict and, more importantly, altered overall relations between the Western powers and Germany.

A comparative Anglo-US perspective reveals that essentially two – in the mid-1920s mutually reinforcing – processes were beginning to transform the international system. The first was economically oriented and became known as the ‘expert process’. Initiated by the US administration, it followed the design of Hughes’s New Haven plan of December 1922. Hughes intended to overcome the reparations conundrum by allowing financial experts to propose a solution. Subsequently, Europe’s political pacification was to be fostered by economic stabilisation.

³³ Cf. the more positive interpretation in J. P. W. Keiger, *Raymond Poincaré* (Cambridge: Cambridge University Press, 1997), 294 ff. and J. Bariéty, *Les relations franco-allemandes après la première guerre mondiale, 10 Novembre 1918–10 Janvier 1925, de l’exécution à la négociation* (Paris: Editions Pedone, 1977), 369 ff.

³⁴ Chamberlain dreaded a ‘catastrophe’, Chamberlain to Birkenhead, 17 August 1923, *Austen Chamberlain Papers*, AC 35/2/25; Hughes voiced similar views vis-à-vis France’s Ambassador Jusserand, 6 November 1923, *NA RG 59 462.00 R296/596*.

³⁵ Cf. Schuker, *The End*, 336–7; W. McDougall, *France’s Rhineland Diplomacy, 1914–1924* (Princeton: Princeton University Press, 1978), 16, 369.

Yet the United States, ‘depoliticisation’ strategy spurred a second, and often underrated, process of *political* accommodation in Europe. Later continued under Austen Chamberlain, this process first gained momentum in January 1924, propelled through MacDonald’s efforts at mediation. MacDonald contributed decisively to translating the Dawes report into a politically viable reparations – and peace – agreement, the London accords.

‘Depoliticisation’: the United States’ Progressive approach to peaceful change

While more recent scholarship has clearly rejected earlier condemnations of what was perceived to be the United States’ myopic isolationism after 1919, there has clearly not been any consensus in the long-standing debate over what made the US quest for European consolidation in the 1920s ‘futile’.³⁶ The most far-reaching attempt at synthesis to date is the ‘corporatist’ approach, which depicts Republican postwar policy as shaped by an – unchanging – consensus among the ‘New Era’s’ political and commercial elites. US interests were best protected using America’s financial power, and informal agents, to pacify Europe by restructuring its component national economies and politics after America’s ‘corporatist’ example.³⁷ Such an interpretation offers important insights into the domestic roots of US policy and the – partially – ‘private’ structure’ of transatlantic relations in the 1920s.³⁸ More pertinently, it places US economic diplomacy – whose *spiritus rector* was the long-serving Republican Commerce Secretary Herbert Hoover – in the wider context of a more comprehensive US stabilisation policy implemented in Europe from 1923.

What can thus be accentuated is not simply corporatist continuity but, rather, a more complex reorientation process, which progressed and regressed between 1923 and 1929, and culminated in Hughes’s bid to realise Wilson’s aims by markedly different means. In broad terms, it comprised two stages: first, a recasting of assumptions and ideas in a departure from Wilsonian *and* earlier Republican paradigms; then, in the face of the Ruhr crisis, a change in strategy and the attempt to bring new concepts to bear on the European conflict from November 1923.

Far from espousing isolationism, Republican foreign policy under Hughes sought to establish a new world order. While leaving the Treaty of Versailles *de jure* unaltered, he *de facto* aimed to reform the Versailles system profoundly. As Secretary of State, he characterised his main objective in 1922 as the creation of ‘community of ideals, interests and purposes’.³⁹ It was to include not only the allies of 1918, especially France and Britain, but also the unstable but now democratised, and capitalist, Germany. By contrast, Bolshevik Russia was seen as neither a desirable member of nor a serious threat to this ‘community’ in the foreseeable future.⁴⁰

³⁶ Cf. above all Leffler, *Elusive Quest*, 24 ff.; Costigliola, *Awkward Dominion*, 64 f.

³⁷ Cf. the synopsis in M. J. Hogan, *The Marshall Plan. America, Britain, and the Reconstruction of Western Europe, 1947–1952* (Cambridge: Cambridge University Press, 1987), 1–12.

³⁸ Cf. Hogan, *Informal Entente*, 38–105.

³⁹ Cited after Link, ‘Die Beziehungen’, 63. Cf. Harding’s State of the Union Address, 12 April 1921, *Foreign Relations of the United States 1921*, I, xviii–xx (henceforth *FRUS*).

⁴⁰ See Costigliola, *Awkward Dominion*, 87–93.

By the end of 1922, an unspoken 'Hughes Doctrine' guided the Republican quest to consolidate Wilson's unfinished peace. The United States was to become its informal – yet effectively hegemonic – arbiter. In Europe – where after 1919 no vital American security interests were at stake – US policy would limit itself to an unofficial yet officially steered pursuit of hegemonic stability.⁴¹ In 1924, Hughes defined the basic principles of his policy as: 'Independence – that does not mean and never meant isolation. Co-operation – that does not mean and never meant alliances or political entanglements'.⁴² Formal entanglement in any universalist 'scheme to prevent war' he regarded as curtailing American independence and as domestically untenable, particularly in view of strong isolationist sentiments in the Republican-dominated Congress. He also deemed it inimical to peaceful change and thus harmful both to US interests and European stabilisation, which were inconceivable without such change. This dualism remained a hallmark of Hughes' aims.⁴³

Gradually, following the deterioration of Franco-German relations after the abortive Genoa conference of 1922, the hitherto predominantly economic orientation of US foreign policy, steadfastly advocated by Hoover, began to change.⁴⁴ Chiefly spurred on by Hughes, a truly Republican strategy for Franco-German accommodation and European consolidation came to the fore, evolving into one of the most influential approaches to international politics in the twentieth century. This was the strategy to internationalise a 'progressive' model of pragmatic international co-operation, derived from American Progressive ideas and Hughes's own domestic reform agenda as Republican governor of New York before the war and presidential candidate in 1916. In his eyes, progressivism was germane to a reform of the international system and would be sustained by the pragmatic, step-by-step 'effort to diminish among people the disposition to resort to force and to find a just and reasonable basis for accord'.⁴⁵

Hughes advanced the closest approximation of a US 'grand design' to this end in his landmark New Haven speech of 29 December 1922. Proposing a programmatic alternative to what he saw as Poincaré's hazardous course, he emphasised that there could be 'no economic recuperation in Europe unless Germany recuperates'.⁴⁶ To prevent a looming Franco-German 'disaster', and ensure the largest possible reparations to the United States' debtors Britain and France, the Secretary of State unveiled the aforementioned 'expert plan' prepared by himself and his right hand, the head of the State Department's west European desk, William Castle.⁴⁷ The plan

⁴¹ See C. E. Hughes, 'Observations on the Monroe Doctrine', 30 August 1923 (Washington, 1923) and Coolidge's State of the Union Address of 6 December 1923, *FRUS 1923*, I, VII.

⁴² Hughes memorandum, 1 July 1924, cited in H. Hyde, *Charles Evans Hughes* (New York: Harper & Row, 1960), 369.

⁴³ Hughes, 'Address to the Canadian Bar Association', 4 September 1923, in Hughes, *The Pathway to Peace*, 8.

⁴⁴ For Hoover's ideas see his memorandum on the 'Economic Situation of Europe', Paris, July 1919, *Hoover Papers*, Commerce Files, Hoover Institution Archive, Stanford University, box 164.

⁴⁵ C. E. Hughes, 'Address to the Canadian Bar Association', 4 September 1923, 8.

⁴⁶ *FRUS 1922*, II, 201. See also Hughes memorandum, 18 December 1922, *Hughes Papers*.

⁴⁷ See *Castle Diaries*, *Castle Papers*, Houghton Research Library, Harvard University, vol. 3, 158.

essentially sought to take the settlement of the reparations conflict out of the sphere of power politics and put it into the hands of ‘independent’ financial ‘experts of the highest authority’. They were to assess ‘objectively’ Germany’s ‘actual capacity to pay’ and suggest ‘advisable mechanisms for an efficient transfer of reparations’.⁴⁸

From Washington’s perspective, this seemed the only realistic path to an intergovernmental reparations agreement. This reorientation of Republican strategy, however, only led to concrete changes in policy when the Franco–German crisis rapidly worsened in Europe’s ‘fateful autumn’ of 1923. The United States finally and decisively ‘returned’ to the European theatre in November 1923, after Hughes’s directive of 25 October that ‘the time had arrived’ for a ‘constructive policy’.⁴⁹ In concrete terms, Washington now officially endorsed the participation of US experts in the ‘independent inquiry’ proposed almost one year before. Most prominent among these were Charles Dawes and the businessman Owen Young.

Washington’s new course was indubitably influenced by the perception that Poincaré, especially through the so-called MICUM (Inter-Allied Control Commission for Factories and Mines) agreements with German industrialists, wanted to create a closed Rhine–Ruhr ‘economic bloc’ which clashed with the United States’ assertion of an ‘open door’ in Europe.⁵⁰ More profoundly, however, Hughes had concluded that further US aloofness would allow the situation to deteriorate to a point where not merely transatlantic trade but the very foundations of any future European stability could be undermined.⁵¹ Henceforth, he became a crucial informal arbiter, beginning what J. P. Morgan had demanded ever since 1922 and what only politicians could do: to create the *political* preconditions for a success of the envisaged expert ‘design’.⁵² This was indeed achieved: the United States’ forward engagement galvanised European ‘high politics’, providing the crystallisation point lacking ever since 1919.

Once expert deliberations had begun in December 1923, Hughes returned to a policy of ‘neutrality’, underscoring that Washington would not become a ‘dictator in the reparations problem’.⁵³ Nevertheless, after the United States had set the rules, telling the Europeans either to accept the experts’ recommendations or forfeit US support, it became almost inevitable that Poincaré’s attempt to retain French predominance on the premises of 1919 would be frustrated. Far less of a foregone conclusion, however, was that this shift would also bring about tangible political stabilisation. Essentially, this could only be achieved because US efforts were complemented by Britain’s self-interested brokerage between the United States, France and Germany. It fell to Labour prime minister MacDonald not merely to bring

⁴⁸ See *FRUS 1922*, II, 199–202. Cf. *Castle Diaries*, 3, 177–85.

⁴⁹ Hughes to US embassies in Paris and Berlin, 25 October 1923, *NA RG 59 462.00 R296/33b*.

⁵⁰ See Hughes to Castle, 8 November 1923, *Castle Diaries*, 4, 211.

⁵¹ See Hughes’s memorandum after a conversation with the French ambassador, 6 November 1923, *NA RG 59 462.00 R296/596*.

⁵² J. P. Morgan to E. C. Grenfell, 18 April 1922, *J. P. Morgan Papers*, New York, box 177. For different interpretations see Hogan, *Informal Entente*, 38 ff.; Schuker, *The End*, 260 ff.

⁵³ Hughes to the US embassies in Europe, 6 January 1923, *NA RG 50 462.00 R296/13a*. See also Hughes to Logan, 12 January 1924, *NA RG 59 462.00 R296/133*.

Paris and Berlin in line behind the Dawes report of 9 April 1924 but to prepare the political ground for a sustainable reparations settlement.

MacDonald's pursuit of an evolutionary transformation of postwar politics

MacDonald's direction of Britain's external relations in 1924, as prime minister and as his own foreign secretary, marked a watershed in the evolution of British postwar policy. His was a departure both from Lloyd George's unrealistic 'grand designs' for reconstructing Europe, and from the Conservative Foreign Secretary Curzon's passive 'neutrality' policy of 1923. Yet MacDonald's impact on Euro-Atlantic politics has long been neglected, if at all, only raised, in the context of the broader dispute over British 'appeasement'. How tenable, then, is the assertion that MacDonald was instrumental in imposing a reparations settlement on France that suited Anglo-US finance but proved ominous for French, and European, security?⁵⁴

During his nine months in office MacDonald was hardly in a position to sustain a long-term strategy. Nonetheless, he did in effect devise Britain's first coherent policy of peaceful change after the Great War. And, in contrast to Curzon as well as Chamberlain, he was the only leading British policy maker whose approach met the central challenge of the 1920s: he sought *transatlantic* solutions to political and financial problems that could no longer be mastered by the Europeans alone.

Eventually, MacDonald departed from the previous British policy of maintaining, however grudgingly, a superficial entente with France and the – by 1923, clearly untenable – status quo of Versailles. Like Hughes, he pursued instead a bid to turn the order of 1919, which he regarded merely as a temporary 'armistice', into a 'real peace'.⁵⁵ He sought to achieve this by fostering a process of evolutionary integration.⁵⁶ To this end, and to enhance French *and* German security, MacDonald made it a priority of his government to forge a new pragmatic partnership with the United States. His core aim remained to draw Weimar Germany into a reformed Euro-Atlantic 'society' of democratic nations.⁵⁷

Prima facie, MacDonald's approach to international politics seems characterised by a notable tension between principle and practice. Originally, the war had only strengthened the left-liberal convictions he had espoused as a prominent internationalist in the ranks of the Independent Labour Party (ILP): the time was ripe for a new world order and the League of Nations should be its universal agent of peace.⁵⁸ As prime minister, however, he opted for a decidedly pragmatic course, and his idealism was increasingly superseded by what became most distinct about

⁵⁴ Cf. Schuker, *The End*, 237 ff.

⁵⁵ MacDonald, 'Outlook'; Cf. D. Marquand, *Ramsay MacDonald* (London: Cape, 1977), 250.

⁵⁶ See MacDonald's memorandum to Ambassador Grahame (Rome), 29 June 1924, in *Documents on British Foreign Policy, 1919–1939*, Series I (London: HMSO, 1984–6) (henceforth *DBFP*) I, XXVI, no. 493, 733 ff.

⁵⁷ See MacDonald's statements to Herriot, 8 July 1924, *DBFP*, I, XXVI, no. 507, 753–56.

⁵⁸ *Official Bulletin of the International Labour and Socialist Conference* (Berne), 7 February 1919.

his policies: his evolutionary outlook on how to improve the relations between the victors and vanquished of a disastrous war.

In 1918, he had seen no British traditions worth building on. He had condemned a 'frame of mind' that sought to restore order through a 'Holy Alliance' of statesmen while only feigning 'democratic language'.⁵⁹ By late 1923, he had come to champion nothing other than a new form of just such co-operation: that between the governments and financiers representing the most important Euro-Atlantic powers. Of course, these were by then governments of democratic states and MacDonald from the beginning aimed to include Germany's representatives. Significantly, this concerted approach, rather than the League of Nations, had in his eyes become Europe's first best hope for peace.⁶⁰ This was at the heart of the lessons drawn by the Labour prime minister from Europe's postwar turmoil. His path can indeed be seen as one of the most idiosyncratic learning processes in the 1920s.

MacDonald consistently underlined the importance of psychological factors in international politics, noting in July 1924 that 'Unless we change the qualities of our minds we had better arm to the teeth'.⁶¹ This, however, could not be achieved through abstract covenants, only through concrete co-operation.⁶² MacDonald's pragmatism was clearly reinforced through the Ruhr conflict. As leader of the Labour opposition he had criticised Curzon's passivity and advocated a forceful British intervention against Poincaré's incursions. He warned that, unless Britain checked France, the crisis would only benefit those eager to topple Weimar's democratic government and provoke another continental war.⁶³ MacDonald later noted that 'the worst form of German nationalism was the result of the way that Germany had been handled by the Allies' ever since 1919.⁶⁴ Like Hughes, he dreaded the spectre of Germany's political and territorial disintegration and its consequences for British trade and prosperity.⁶⁵

MacDonald thus regarded the Germans as – not entirely blameless – 'underdogs' in the conflict with France. He sympathised with figures like President Friedrich Ebert and the Foreign Minister Gustav Stresemann, whom he came to see as guardians of Weimar's embattled republic.⁶⁶ It should be underlined, then, that MacDonald's resolve to accommodate Germany did not prefigure British policy towards Hitler. His main assumption was precisely the opposite: the Weimar Republic had to be stabilised to forestall its replacement by an anti-democratic regime.⁶⁷

⁵⁹ *Ibid.* See also R. MacDonald, *National Defence. A Study in Militarism* (London, 1918), 115.

⁶⁰ See minute by MacDonald, 3 July 1924, Public Record. Office, Kew (henceforth PRO), FO 371/9818.

⁶¹ Minute by MacDonald, 3 July 1924, PRO, FO 371/9818.

⁶² He forcefully confirmed this at the end of the London conference 15 August 1924, *Proceedings of the London Reparations Conference*, 2 vols., II, PRO, CAB 29/103–4, 7–8.

⁶³ *Ibid.*

⁶⁴ MacDonald to Knox (Berlin), 6 May 1924, *DBFP*, I, XXVI, no. 462, 681.

⁶⁵ See MacDonald to Crewe (Paris), 26 January 1924, *DBFP*, I, XXVI, no. 344, 518.

⁶⁶ *Ibid.*; MacDonald 'Outlook'.

⁶⁷ See MacDonald's speech, 23 July 1923, *Hansard*, vol. 167, col. 67.

On these premises, and forcefully seconded by the *eminence grise* of British foreign policy, the Foreign Office permanent under-secretary Sir Eyre Crowe, the new prime minister from January 1924 took not only Britain's European policy but also its co-operation with the elusive US partner to a new level.⁶⁸ He swiftly implemented a two-pronged strategy of peaceful change. His long-term objective remained that of transforming the League of Nations into a flexible system of collective security. In the short term, however, and under the *leitmotif* of gradual reform, he pursued two clear priorities. On the one hand, he sought to engage the United States in preparing the ground for a multilateral reparations agreement. He thus wholeheartedly backed the American 'expert' approach, demanding the unconditional implementation of the Dawes report.⁶⁹ On the other, he embarked on separate negotiations, first with Poincaré, then with his socialist successor Edouard Herriot and Stresemann, to initiate what in fact became the first Franco-German peace process after the war. It was to be a process in which French leaders and Weimar's 'moral elite' – in MacDonald's eyes 'sincere spirits who were truly democratic' – had to participate on a basis of equality.⁷⁰

The British premier reasoned that a 'comprehensive policy' preventing further diktats by Poincaré would be a first critical step towards enhanced European security.⁷¹ This, however, could only be advanced under the auspices, and control, of Britain and the United States. The divisive politics of Versailles had to be replaced by a new transatlantic concert. With Crowe's support, MacDonald carefully co-ordinated his efforts with the Coolidge administration, notably Hughes. He also relied on the leverage of J. P. Morgan and the Bank of England's influential governor, Montagu Norman, who strongly pressed for a reparations settlement. Yet the rationale of his strategy remained the reverse of Hughes's. MacDonald backed America's 'depoliticisation' scheme precisely to revive the paralysed *political* accommodation between the Western powers and Germany. As its culmination he proposed a 'conference in chief', to be held in London in July 1924. He hoped that 'America might be represented' there as well.⁷²

In the critical phase of May–June 1924, MacDonald succeeded in furthering Washington's espousal of this agenda while preparing the ground for Germany's return to the international negotiating table. Crucially, had it not been for MacDonald's efforts to ensure Herriot's presence in London – by offering France hope for renewed British support and security commitments – no reparations settlement might ever have been reached at all.⁷³

⁶⁸ For Crowe's steadfast support see Crowe to Phipps (Paris), 20 March 1924, *DBFP*, I, XXVI, no. 394, 587.

⁶⁹ MacDonald to D'Abernon, 29 May 1924, *MacDonald Papers*, PRO, MDP 30/69/94.

⁷⁰ MacDonald in an interview with *The Times*, 16 February 1924.

⁷¹ MacDonald to Phipps (Paris), 24 March 1924, PRO, FO 371/9730.

⁷² MacDonald to Sir Richard Grahame (Rome), on Chequers, 29 June 1924, *DBFP*, I, XXVI, p. 733.

⁷³ See Foreign Office minutes of the Chequers conversations, PRO, FO 371/9749: C 10427/70/18.

The ‘economic peace’ of 1924 and its consequences

Invoking Bismarck’s victory of 1870, midway through the London negotiations the French premier Herriot lamented that France was on the verge of a second ‘Treaty of Frankfurt’.⁷⁴ Did the London settlement indeed mark the end not only of France’s ‘predominance in Europe’ but also of Anglo-US prospects to prevent an ultimately hazardous resurgence of Germany in the inter-war period?⁷⁵ Or did London rather mark a different caesura?

In fact, even in France the outcome of the London conference was soon perceived as a major positive turning-point in postwar politics, marking the end of prolonged crisis and promising the onset of an era of consolidation. Herriot defended the settlement as an unavoidable accommodation not only with Germany but also with the Anglo-US powers, and he won a clear majority for it in parliament.⁷⁶ In the United States, and Germany, the grand bargain of London was regarded as the initiation of a distinctly ‘American Peace’ in Europe.⁷⁷ The Coolidge administration quickly claimed it as a success of US policy.⁷⁸ Labour’s ‘iron chancellor’, Philip Snowden, by contrast, insisted that British mediation had been the decisive factor in achieving a ‘new deal’ for Europe: the Labour government had managed to ‘co-opt’ the resources of the New World to redress the crisis of the Old.⁷⁹

A systemic analysis which seeks to be precise about London’s impact on Euro-Atlantic politics suggests that London was indeed far from a second ‘Treaty of Frankfurt’ for France. Under intense international and domestic pressure, Herriot undoubtedly suffered some tactical defeats.⁸⁰ As will be shown, he had to make difficult adjustments, especially concerning the Ruhr *glacis*. Overall, however, German gains were by no means tantamount to French losses; the settlement of 1924 was everything but an upshot of zero-sum diplomacy. Rather, it constituted a ‘new deal’ for Europe, especially for Germany’s, and France’s, economic and political consolidation in the 1920s. Hence forward, not only French security but also Europe’s financial and political stabilisation were no longer predicated on Germany’s containment but on its inclusion into a nascent international system. Within this framework, agreements were reached both through Anglo-American pressure and, decisively, through mutual compromise. Unquestionably, this also served core political-cum-financial interests of Britain and the United States, and both were required to compromise least.

⁷⁴ See Phipps to Foreign Office, 31 July 1924, PRO, FO 371/9863; C 12256/11642/18.

⁷⁵ Cf. Schuker, *The End*, 346 ff.

⁷⁶ See Herriot’s speech in the French Senate, 26 August 1924, *Journal Officiel de la République Française. Débats Parlementaires (Sénat) 1924* (Paris: Imprimerie Nationale, 1925), pp. 1314–23.

⁷⁷ See Kellogg to State Department, 16 August 1924, NA RG 59 R296/508; ‘America’s Part in the “Peace of London”’, *The Literary Digest*, 30 August 1924.

⁷⁸ Hughes and Coolidge to Kellogg; Kellogg to Coolidge, 16 August 1924, NA RG 59 R296/507; 509.

⁷⁹ See Snowden’s statement to delegates of the British Empire, 15 August 1924, PRO, CAB 29/105.

⁸⁰ Cf. Schuker, *The End*, 295 f.

It has long been maintained that the outcome of London was chiefly determined by the power of Anglo-American financiers.⁸¹ By contrast, the influence of official policy makers has been rated low. Only the bankers could advance the initial loan decisive for realising the Dawes scheme, and financial pressure had a marked impact on the negotiations. But this pressure was primarily catalytic. Policy makers used it very effectively to expedite political solutions. More substantive change stemmed from the establishment of new rules as to Euro-Atlantic relations. MacDonald, Hughes and his envoy Kellogg were the only actors in a position to promote crucial complex bargains which made a final settlement sustainable not only in financial but also in political terms.

Concretely, what policy makers had to bring about, and what bankers could only 'assist with', was a resolution of the conference's three cardinal questions.⁸² The first, dominating the conference's initial inter-allied negotiations until 2 August, was the sanction question. At stake was whether France would retain, through the Reparations Commission, the power to enforce sanctions should Germany default on reparations, or whether the United States would become the arbiter in this key postwar issue. The second key question, overshadowing the second conference phase until 15 August, was the question on what conditions, and when, France would end the Ruhr occupation. It pertained to the very geopolitical premises of future Franco-German relations and European security. There was one further key question, which was on what terms, if at all, Germany – hitherto an 'object' of victors' politics – would participate in the proceedings.

That these questions could be settled was ultimately a concerted achievement. The London settlement was the initiation of an *Anglo-US* peace, and provided the framework for the first Franco-German compromise agreement after the war. It basically resulted from a novel interplay between Britain as the politically pivotal power and the United States as the indispensable underwriter peaceful change in Europe. It would pave the way, and create the need, for Locarno.

The American strategy of resolving political conflicts by politically administering economic means had lent itself to clearing the thorny path towards a reparations settlement on 'rational' business terms, thus providing a decisive initial impetus. This was subtly orchestrated by Hughes, who once again acted as informal arbiter, first from Washington, then, at the height of the negotiations, London, where he was officially attending the annual convention of the American Bar Association.⁸³ He made Washington's influence felt through three channels: first, through the US delegation and its head, Ambassador Kellogg; second, by relying on US bankers, above all J. P. Morgan and his associate Thomas Lamont; and, finally, by engaging

⁸¹ This reflects the views of contemporary financiers. See Lamont to Morgan & Co., 15 July 1924, *Lamont Papers*, Baker Library, Harvard University, TWL 176/14. Cf. Hogan, *Informal Entente*, 69; K. Burk, 'The House of Morgan in Financial Diplomacy, 1920–1930', in McKercher, *Struggle for Supremacy*, 125–57, 145–6.

⁸² J. P. Morgan & Co. to Morgan, Grenfell & Co., 2 July 1924, *Lamont Papers*, TWL 176/11.

⁸³ See Beerits memoranda, 'The Dawes Plan'; 'The European Trip of 1924', *Hughes Papers*, 172/27, 173/54; Pusey, *Hughes*, II, 587 ff.

in direct behind-the-scenes negotiations with German and French leaders. His chief objective remained to see the Dawes plan implemented without any undesirable political interference or ‘measures of compulsion’; France was to evacuate the Ruhr, Germany to accept the new reparations regime without preconditions.⁸⁴

The British contribution to the London agreement – hitherto underrated – was no less critical. MacDonald’s diplomacy turned the US scheme, essentially a set of financial prescriptions, into a fully-fledged political settlement. This, and ensuring that it would be concluded *with* the Germans meeting ‘the allies in conference’, had remained the Labour prime minister’s underlying aims.⁸⁵ As the aftermath of London revealed, only such an agreement could set Euro-Atlantic politics on a course of reform. For, crucially, it could be legitimated not just in Anglo-American financial circles but also, if with difficulty, in French – and German – domestic politics.⁸⁶

At the London conference the twin processes of ‘depoliticisation’ and political accommodation that were altering Euro-Atlantic relations reached their first peak. As both British and American policy makers realised from the outset, the London protocol had not as yet yielded conclusive ‘answers’ to either the reparations conundrum or the Franco-German problem. But the agreements signed in mid-August and implemented in the autumn of 1924 did provide, with the Dawes scheme, a mechanism – albeit preliminary – for managing what had been at the root of Europe’s postwar crisis. The new *modus operandi* reduced Germany’s obligations in accordance with its ‘actual capacity to pay’ and allowed for the decisive initial US transfer of capital to Germany. This quickly resulted in a lopsided transatlantic cycle of financial stabilisation: Germany largely used US funds to pay reparations to France and Britain, with which the latter could in turn pay off their war debts to the world’s new lender of last resort.⁸⁷

Due to Washington’s unwillingness to establish effective political control and bail-out mechanisms for loans, this system eventually became susceptible to collapse in the event of a major crisis. This would have grave consequences after 1928 which were neither inevitable nor foreseeable in 1924. The more important point to make here is that, without the Dawes regime, not even a ‘relative consolidation’ of Weimar Germany, and Europe, would have been possible in the first place. And this became a tangible reality between 1924 and 1928.

Appraised solely for its effect on Europe’s ‘balance of power’, the ‘economic peace’ of London, not rescinded thereafter, had recast the distribution of means and possibilities between Germany and France. At the same time, it had altered the very basis for a stable peace order in the 1920s. One definite answer to the Franco-German

⁸⁴ Hughes’s instructions to Kellogg, 24 June 1924, *FRUS* 1924 II, 32 f.

⁸⁵ MacDonald to Grahame, 23 June 1924, *DBFP*, I, XXVI, no. 493, 734; MacDonald to Crewe, 1 July 1924, *MacDonald Papers*, MDP 30/69/94, no. 179.

⁸⁶ Cf. P. Krüger, *Die Außenpolitik der Republik von Weimar* (Darmstadt: Wissenschaftliche Buchgesellschaft, 1985), 246–7.

⁸⁷ For a critical analysis see B. Kent, *The Spoils of War. The Politics, Economics and Diplomacy of Reparations 1918–1932* (Oxford: Oxford University Press, 1989).

question had been given: European, and particularly French, security could no longer be founded on a containment of Germany. Rather, it was set to retain its political and economic unity – with as yet disputed borders in west and east – and to restore its inherently predominant capabilities. Besides, bypassing the then economically ailing France, it had bound up its economic and financial interests very effectively with those of the United States and Britain.⁸⁸

The most tangible systemic shift in international power was that from August 1924 onwards France was de facto deprived of its sanction prerogatives under the Versailles system. This accorded exactly with Hughes's main conference objective.⁸⁹ Henceforth, sanctions against Germany were economic, and whether they were imposed was no longer decided by France, or Britain, but by the United States. Concretely, decisions would be made by a steering committee no longer set up under Versailles but under the Dawes scheme and headed by the new 'King of the Dawes Plan', the US financier Seymour Parker Gilbert.⁹⁰

Following this compromise Chancellor Wilhelm Marx and Stresemann finally received the keenly awaited invitation to London. This was not due to the bankers, who maintained that they were 'fighting' the German 'fights' more efficiently than the German government could.⁹¹ Rather, on the one hand, there was a further reorientation of US policy under Hughes, who realised more clearly than before that 'depoliticisation' had its limits and that the Dawes plan could only be made acceptable to both Paris and Berlin if not only French but also German leaders had a stake in it. To draw Germany into the London process, on 3 August Hughes took the unprecedented step of holding preliminary talks with Marx and Stresemann in Berlin.⁹² On the other hand, and crucially, London saw the culmination of MacDonald's consistent bid to promote Germany's postwar rehabilitation. By overcoming pressure from both Herriot and the Anglo-US bankers to exclude the Germans and secure a swift Allied agreement, the prime minister secured perhaps the most important breakthrough of London. The participation of a German delegation in the conference's final sessions led to an agreement that, in MacDonald's words, had 'greater moral value than the acceptance of the Treaty of Versailles'.⁹³

When French and German leaders negotiated for the first time since 1918, grappling with the thorny Ruhr evacuation issue from 6 August, the need for Anglo-US mediation became most obvious. While counting on the bankers' co-operation, only official mediators could enforce the indispensable ground-rules and provide the necessary incentives – political and financial support – for what Kellogg called

⁸⁸ Cf. W. Link, *Die amerikanische Stabilisierungspolitik in Deutschland, 1921–1932* (Düsseldorf: Econ, 1970), 587; A. Orde, *British Policy and European Reconstruction after the First World War* (Cambridge: Cambridge University Press, 1990), 253 f.

⁸⁹ See Hughes' instructions to Kellogg, 24 June 1924, *FRUS 1924*, II, 32 f.

⁹⁰ *Proceedings of the London Reparation Conference* (London, 1924), I, 298–301.

⁹¹ Norman memorandum, 5 August 1924, *Lamont Papers*, TWL 176/22.

⁹² See Hughes to Kellogg on his talks in Berlin, 4 August 1924, *NA RG 59 R296/503*.

⁹³ MacDonald to Herriot, Paris, 8 July 1924, *DBFP*, I, XXVI, No. 507, 755.

‘the politics of *quid pro quo*’.⁹⁴ And they built narrow but passable bridges towards compromise that both Herriot and Stresemann could cross without appearing to have ‘sold out’ vital national interests.⁹⁵

In line with J. P. Morgan, Snowden and Norman had encouraged Stresemann to insist that France withdraw in three-month stages and complete withdrawal in far less than a year. McDonald and Kellogg, however, seized on the bankers’ demands in their eventually decisive bid *not* to impose them on France. For this would have undermined Herriot domestically and thus wrecked the entire process.⁹⁶ They induced Herriot to make the final concession of proposing a *maximal* transition period of one year for the evacuation.⁹⁷ On 15 August, having consulted with President Ebert in Berlin, the German delegation eventually agreed.⁹⁸ Thus, a hard-won compromise had been reached. Albeit at first less than satisfactory for either side, its result would never be reversed. France *de facto* relinquished the Ruhr *glacis* by 1 August 1925 – less than a year after London.

In effecting these substantial changes, the Anglo-US stabilisation policies of 1924 had by no means eliminated the structural asymmetry between the preponderance of power actually possessed by France and Germany’s significantly greater potential. But it is worth emphasising that any efforts at creating a more sustainable international system without breaking up Germany, and perpetuating the disorder of 1923, had to create ground-rules and mechanisms to balance the unsettling consequences of this disequilibrium. In these terms the London accords marked a veritable *caesura* in post-First World War international relations. Above all, the ‘new deal’ of 1924 was the first major settlement after the war that had not been imposed on the vanquished by the victors.

Instead, under Anglo-US auspices a series of complex multilateral bargains had been made – on terms generally acceptable to France – which laid the groundwork for a more far-reaching process of international accommodation between Weimar Germany and the western powers. An integrative process had been initiated that would determine the course of Euro-Atlantic politics until the onset of the Great Depression in 1929. This superseded France’s earlier bids to preserve the Versailles system in all critical respects and, in this sense, confirms MacDonald’s verdict on the London accords: ‘This agreement may be regarded as the first Peace Treaty, because we sign it with a feeling that we have turned our backs on the terrible years of war

⁹⁴ Kellogg memorandum to Hughes, 1 August 1924, *Kellogg Papers*.

⁹⁵ See MacDonald to Herriot, 24 July 1924, *DBFPI*, XXVI, no. 517, 798. Finalyson’s report on MacDonald’s meetings with Herriot and Stresemann on 10–11 August 1924, 12 August 1924, *DBFP*, I, XXVI, no. 537, 829–30.

⁹⁶ MacDonald to Herriot, 24 July 1924, *DBFPI*, XXVI, no. 517, 798.

⁹⁷ See *Akten der Reichskanzlei Weimarer Republik: Die Kabinette Marx I und II*, ed. G. Abramowski (Boppard: Boldt, 1973), annex I, note 43.

⁹⁸ See Marx’s cable to Ebert and the German Cabinet, 14 August 1924, *AR Marx*, I, no. 275, 955 ff.

and war mentality'.⁹⁹ It became the first pillar of the 'unfinished transatlantic peace order' of the 1920s.

A European security question on new premises

As the aftermath of the London Conference revealed, and as British policy makers perceived more acutely than their US counterparts, their joint efforts had improved the preconditions but also created a new urgency for attempts to address the underlying European security problem. Until the nadir of the Ruhr crisis, the challenge had been the unsettled state of international relations, the absence of security per se. After London, the crucial question was whether it would be possible to create a security architecture that could underpin Europe's incipient economic stabilisation and above all the transition of a revitalised Germany towards a stable republican order.

This challenge prompted the further reorientation of British policy under Austen Chamberlain, in his quest for a new European equilibrium, in 1925.¹⁰⁰ By contrast, US policy under Hughes and even more so under Kellogg, who succeeded him as secretary of state in March 1925, returned to a more informal, Progressive approach. Building on the important precedent of 1924, Washington reaccentuated the doctrine of official non-entanglement in European security. What consolidated Europe's 'economic peace', however, was not merely an intra-European endeavour but a second stage in the transformation of Euro-Atlantic international politics of the 1920s. Given the difference in British and US strategies, the nascent *Pax Anglo-Americana* of 1924 did not, or at least not yet, give rise to a 'transatlantic concert' in the sense of a coherent international system. Rather, a two-dimensional stabilisation process – or rather two in fact highly interlocking processes of political and economic stabilisation – gained momentum. The Locarno pact was only realised because each of these processes reinforced the other.

The most conspicuous development was the first serious – and (west) European – attempt after 1918 to forge a security system including Germany. And it was mainly fostered by Chamberlain's diplomacy. Yet Locarno politics may well have remained futile without – and had in fact only been made possible by – a second process, namely the political-cum-financial consolidation process initiated and overseen by the United States.

Although insufficiently acknowledged, it was the powerful behind-the-scenes support, and pressure, of Washington and US high finance that were instrumental in buttressing the Locarno negotiations, especially during their most severe crisis in June–July 1925.¹⁰¹ US influence was made felt by Kellogg but also by the governor of the Federal Reserve Bank of New York, Benjamin Strong, who became a key

⁹⁹ Public statement by MacDonald, 15 August 1924, *Proceedings of the London Reparations Conference*, II, 7–8.

¹⁰⁰ See Chamberlain minute, 19 March 1925, FO 371/10756, C 3539/3539/18.

¹⁰¹ See the previous, more Eurocentric interpretations in Jacobson, *Locarno Diplomacy*, 74 ff.; Krüger, *Außenpolitik*, 293 f. and the relatively brief treatment in Link, *Stabilisierungspolitik*, 344 f.

figure in this phase. Both men recognised a vital US interest in promoting the security pact as a political ‘insurance’ of the Dawes settlement – and Europe’s Progressive consolidation.¹⁰² The Locarno pact would become the nucleus of a regional security system, based on the triangular concert of Britain, France and a reintegrated Germany. But this concert emerged, and was only possible, within a changing international system, which was ultimately, and not only financially, dominated by the United States. In this sense, the at first glance exclusively European Locarno process of 1925 always had a distinct transatlantic dimension as well. And this was only a beginning.

In the domain of ‘classic’ security politics, the Coolidge administration reaffirmed its anti-Wilsonian premises, which led to a Eurocentric development of international politics after London. In autumn 1924, Kellogg rejected outright the initiative pursued by MacDonald and Herriot to reassure France by turning the League of Nations at last, through the so-called Geneva Protocol, into Europe’s central agency of collective security.¹⁰³ In essence, the State Department suspected the emergence of a ‘new holy alliance’ under the guise of the protocol’s ‘tightened’ regime of obligatory sanctions. This not only threatened to affect US ‘independence’ in the American hemisphere but also to cement the European status quo, thus obstructing further peaceful change.¹⁰⁴

What reinforced such notions was the fact that for Republican policy makers the Dawes approach had acquired a no less than paradigmatic character. Such an approach appealed precisely because it promised to further the stabilisation objectives of the informal hegemon without entangling the United States in any formal commitments. Creating interdependent interests with a republican Germany that espoused US-style capitalism, and standards of pacific settlement, appeared to hold the key to overcoming Europe’s postwar security dilemma. In US eyes, the best guarantee for France was that Weimar’s new political and economic elites – who continued to depend on US loans – had a stake in sustaining their western orientation.¹⁰⁵

After the success of London, there was thus a high – and, in retrospect, excessive – degree of confidence in the self-energising dynamism of financially driven stabilisation and business co-operation. There was even the notion, asserted most vigorously by Hoover, that the pre-1914 *Pax Britannica* could be replaced by a *Pax Americana*. Under the auspices of the US administration semi-official representatives like Parker Gilbert would steer the process of Europe’s progressive modernisation following the US example.¹⁰⁶ In Germany, rather than France, the United States de facto created a ‘penetrated system’, as the main creditor significantly encroaching upon German sovereignty and controlling the new reparations regime.¹⁰⁷

¹⁰² Kellogg memorandum, 16 March 1925, *FRUS* 1925; I, 20–1.

¹⁰³ Ramsay MacDonald, ‘Protocol or Pact’, *International Conciliation*, No. 212 (September 1925).

¹⁰⁴ Hughes to Sir Eric Drummond, 16 June 1924, *FRUS* 1924, II, 80–83.

¹⁰⁵ See Hughes’ circular to US Embassies in Europe, 23 April 1924, *NA RG 59 462.00 R296/286a; Castle Diaries*, 7 October 1924.

¹⁰⁶ Hoover address, 14 December 1924, *Hoover Papers*, box 75.

¹⁰⁷ Cf. Link, *Stabilisierungspolitik*, 322 ff.

The underlying continuity in the United States' Progressive policy was accentuated by Kellogg, who backed his predecessor's line unequivocally. Rather than advance transatlantic co-operation further, however, he felt that, by the time he took over the State Department in March 1925, Europe's pacification was progressing so satisfactorily that he could scale down the United States' active engagement. In October 1924 he had outlined to Coolidge the main lessons he had learned in Europe. He had concluded that US policy had 'much more influence' if it maintained its 'freedom of action' while 'co-operating in the friendliest spirit'. The United States 'could [not] have accomplished so much in the Dawes Plan settlement if we had been parties in the League and . . . tied up in European politics'.¹⁰⁸

Chamberlain's bid for a new European equilibrium

With an international constellation in flux, it mainly fell to Britain to find a new 'answer' to the altered European security question of the mid-1920s. Facing this challenge, Chamberlain, the new foreign secretary in Baldwin's second government, in December 1924 chose to abandon MacDonald's support for the Geneva Protocol. According to the assessment finally prevailing in the influential Committee of Imperial Defence (CID), which reflected US misgivings, the Protocol challenged paramount national interests by limiting British sovereignty and obliging it to enforce 'automatic sanction clauses' under an amended League Covenant. The Conservative government refused to underpin an undesirably 'rigid' order of collective security reinforcing the status quo of 1919 in Europe as a whole.¹⁰⁹

Chamberlain's alternative design to overcome Franco-German insecurity, his 'noble' policy of appeasement which led to Locarno, has received markedly divergent evaluations. Most influentially, 'realists' have branded it as the pursuit of an ill-founded compromise between regional and collective security at the expense of an entente with France. In their view, Locarno created a deceptive truce in western Europe and borders of inferior validity in the east, so setting the stage for a violent revision of Versailles in the 1930s.¹¹⁰ More recent interpretations, however, have cast a more benign light on Chamberlain's quest, praising it as the 'painful attempt' undertaken in the 1920s to return to 'the best of the old [prewar] order' – and to revive the Anglo-French entente as its 'central axis'.¹¹¹

Yet, evaluating Chamberlain's Locarno policy under the *leitmotif* of peaceful change suggests that it was *neither* a flawed attempt to escape the realities of Europe's post-1918 'balance of power' *nor* a laudable return to its pre-1914 roots. Rather, it was a conscious quest to build on traditions of British policy that had shaped the peace order of 1814/15 and to create, in the 1920s, a new concert system

¹⁰⁸ Kellogg to Coolidge, 7 October 1924, *Kellogg Papers*.

¹⁰⁹ CID Minutes, 16 December 1924, *Cabinet Files*, CAB 16/56/4657.

¹¹⁰ Cf. Marks, *Illusion of Peace*, 63; Jacobson, *Locarno Diplomacy*, 12–17.

¹¹¹ Grayson, *Chamberlain*, 32–115; Eric Goldstein, 'The Evolution of British Diplomatic Strategy for the Locarno Pact, 1924–1925', in M. Dockrill and B. J. C. McKercher, eds., *Diplomacy and World Power. Studies in British Foreign Policy, 1890–1950* (Cambridge: Cambridge University Press, 1996), 115–35, 122–35.

integrating Germany on terms acceptable to France. It was an idiosyncratic, and notably Eurocentric, attempt to draw positive consequences from the previous frustrations of British postwar policy under Lloyd George and Curzon.

To understand what the reorientation of British foreign policy in 1924/25 owed to Chamberlain's personal approach, rather than an overarching continuity of British appeasement, it is worth emphasising that there were markedly differing visions of Britain's desirable European role in Baldwin's cabinet. One – imperialist – school of thought, represented by cabinet members such as the Colonial Secretary Leo Amery and Winston Churchill, then Chancellor of the Exchequer, clearly regarded the empire as Britain's pre-eminent concern. They advocated a 'policy of aloofness' from Europe until a 'natural balance of forces' had re-established itself between France and Germany.¹¹² Another faction, aptly characterised as 'little Englander' and represented by influential figures such as the cabinet secretary Maurice Hankey, was equally opposed to any binding commitments in Europe, advocating domestic retrenchment instead.¹¹³ It was to a large extent against these tides of Conservative élite opinion that Chamberlain, aided by the still influential under-secretary Sir Eyre Crowe, developed and implemented his strategy of reviving Britain's role as a European power.¹¹⁴

Chamberlain's reorientation was hardly a linear process. Nor did it mark a radical departure from British traditions of liberal hegemony. Yet it transcended mere contingency and amounted to a significant change in the principles and objectives shaping British policy after 1919. Just before assuming office in the autumn of 1924, Chamberlain had still favoured a balance-of-power approach predicated on the imperative to preserve the treaty of 1919 as 'the... only possible basis of... Europe's law'.¹¹⁵ His overriding concern had been Germany's 'latent' revisionism, coupled with its overbearing demographic and economic strength. Less likely, yet still disconcerting, was a putative German drift towards a revisionist entente with Soviet Russia. Chamberlain had therefore considered an alliance with France as the best guarantee of European security.¹¹⁶

By March 1925, having grappled with the lessons of Versailles and the 'Ruhr fiasco', Chamberlain had altered his approach, which was transformed into a policy of re-establishing a western-orientated European concert, anchored in a quadrilateral pact guaranteeing the inviolability of the Franco-German border on the Rhine.¹¹⁷ While Stresemann's Rhine Pact initiative of late January had undoubtedly provided

¹¹² Cf P. M. Kennedy, 'The Tradition of Appeasement in British Foreign Policy, 1865–1939', in P. M. Kennedy, *Strategy and Diplomacy 1870–1945* (Basingstoke: Macmillan, 1983), 21 ff.

¹¹³ See Goldstein, 'Diplomatic Strategy', 135.

¹¹⁴ On Crowe's considerable influence see S. E. Crowe, 'Sir Eyre Crowe and the Locarno Pact', *English Historical Review*, 87 (1972), 49–74.

¹¹⁵ Statement in the Commons, 14 July 1924, *Hansard*, 5, 176, cols. 109–10.

¹¹⁶ Statements during the 192nd CID meeting, 16 December 1924, *Cabinet Files*, CAB 24/172, CP 125(25).

¹¹⁷ Chamberlain minute, 19 March 1925, FO 371/10756, C 3539/3539/18, Chamberlain to D'Abernon, 18 March 1925, *DBFP*, I, XXVII, no. 255.

an important stimulus, his new design was not simply compatible with the German proposals, but developed them further.¹¹⁸

Chamberlain's guiding notion amounted to a reassertion of Britain's capabilities as Europe's 'honest broker'. He asserted 'that Great Britain has it in her power at this moment to bring peace to Europe. To achieve this end two things are indispensable: 1. that we should remove or allay French fears; 2. that we should bring Germany back into the concert of Europe'.¹¹⁹ By this time, it had become an axiom of his policy that neither was sufficient by itself yet that the latter – fostering Germany's espousal of British rules of peaceful change and the renunciation of violent revision – was clearly inconceivable without the former.¹²⁰ Conversely, he feared that, lacking British reassurance, French leaders would feel compelled to repeat Poincaré's provocations towards its eastern neighbour – and Britain would then be 'dragged along, unwilling, impotent, in the wake of France towards the new Armageddon'.¹²¹

Put in perspective, then, Chamberlain's 'noble policy of appeasement' was not the outgrowth of internationalist idealism. It rested on the premise that, by acting as Europe's arbiter mediating between France and Germany, Britain was best positioned to limit a highly undesirable security commitment in terms of military power and economic resources. Not least, the Foreign Secretary considered the latter as impossible to legitimate in the eyes of the Conservative Cabinet, Parliament and the British public at large. Moreover, Britain could hope to restrict even this limited guarantee to what was deemed Europe's strategically vital western part, which at this critical juncture included Germany. The remainder of eastern and central Europe, particularly Poland and Czechoslovakia, lay beyond this strategic frontier. In February 1925 Chamberlain memorably paraphrased Bismarck's words: 'No British Government would ever risk the bones of a single British grenadier' to defend the Polish Corridor.¹²²

These were important rationales for pursuing Locarno. To understand what endowed Chamberlain's diplomacy with a more long-term significance, however, one has to explore his ideas and assumptions in a wider context. It is worth tracing significant historical analogies, as interpreted after 1918. Chamberlain was intent on applying in the twentieth century what he regarded as exemplary practices of British peace making in the nineteenth century. When first embarking on negotiations with France and Germany in mid-February 1925, he expounded what would become his maxim until 1929 by emphasising that 'the first thought of Castlereagh after 1815 was to restore the Concert of Europe & that the more ambitious peacemakers of

¹¹⁸ Stresemann's proposals had been inspired by Britain's ambassador in Berlin, Lord D'Abernon. Cf. Gaynor Johnson, "'Das Kind' Revisited. Lord D'Abernon and German Security Policy', *Contemporary European History*, 9, 2 (2000), 209–24.

¹¹⁹ Minute, 19 March 1925, PRO, FO 371/10756, C 3539/3539/18.

¹²⁰ Cf. A. Orde, *Great Britain and International Security, 1920–1926* (London: Royal Historical Society, 1978), 196–203.

¹²¹ Chamberlain minute, 4 January 1925, FO 371/11064/W362/2/98.

¹²² Chamberlain to Marquess of Crewe, 16 February 1925, *DBFP*, I, XXVII, No. 200.

Versailles, when they framed the Covenant, still left a gap which only a new Concert of Europe could fill'.¹²³

In essence, Chamberlain would endeavour to emulate Castlereagh in adopting a policy of forward engagement in Europe. It was to be premised on a consistent British commitment to shaping Europe's international system and fostering an international equilibrium, a balance of status and possibilities between powers of markedly disparate power capabilities – above all Britain, France and Germany. He opted against intervening only to readjust a 'mechanical' balance of power – and thereby deal with the consequences of Europe's foreseeable regression into crisis and possibly another war.¹²⁴

In principle and practice, then, Chamberlain began to depart from the 'logic' of Versailles. Yet how far did his approach meet the requirements of stabilisation after 1918? As the Dawes process had demonstrated, in an era when the international economy and security were inextricably linked, one newly pertinent criterion was the extent of Britain's capacity to co-operate with the United States. It is worth noting, then, that Chamberlain's reorientation failed to trigger a new readiness to sustain the fledgling Anglo-US collaboration of 1923–24. In 1925 – admittedly in a phase when US policy regressed to a course of official non-involvement – he saw no benefit in engaging the United States' political-cum-financial power to further the security pact.¹²⁵

After MacDonald, there was a return to more traditional patterns of British particularism – and the distancing of a long-established foreign-policy culture from one regarded as 'arriviste'. This had marked Lloyd George's as well as Conservative policy towards Washington after Versailles.¹²⁶ Even if a latent naval competition had been moderated by the Anglo-US agreement underpinning the Washington system of 1922, and a war-debt settlement concluded in 1923, a submerged rivalry between the old and the newly rising hegemonic power persisted. This affected policy makers more than the closely co-operating financial elites.¹²⁷ Chamberlain saw US foreign policy as the pursuit of narrow economic interests without the political will and wherewithal to play a constructive part in international security. In March 1925, he noted: 'With America withdrawn, or taking part only where her interests are directly concerned in the collection of money, Great Britain is the only possible influence for peace and stabilisation'.¹²⁸

Consequently, while throughout 1925 there were continuous consultations between Chamberlain and Kellogg, neither seriously envisaged a transatlantic concert of powers.¹²⁹ However Eurocentric Chamberlain's outlook was, most likely no British

¹²³ Minute, 21 February 1925, FO 371/11064/W1252/9/98.

¹²⁴ See Austen to Ida Chamberlain, 28 November 1925, AC 5/1/370, *Diary Letters*, 285.

¹²⁵ See Chamberlain to Howard (Washington), 18 March 1925, *DBFP*, I, XXVII, no. 256.

¹²⁶ Cf. B. J. C. McKercher, 'The Deep and Latent Mistrust': The British Official Mind and the United States, 1919–1929', in McKercher, *Struggle for Supremacy*, 209–38.

¹²⁷ Cf. Hogan, *Informal Entente*, 212–27; Burk, 'The House of Morgan', 126–27.

¹²⁸ Chamberlain to Howard, 18 March 1925, *DBFP*, I, XXVII, no. 256.

¹²⁹ See *ibid.*; Kellogg to Coolidge, 30 April 1925, *Kellogg Papers*.

policymaker could have altered Washington's consistent refusal to become a direct guarantor of European stability. Under Chamberlain's leadership, the security pact negotiations therefore evolved essentially along European lines and without any *formal* US participation. From a systemic vantage-point, however, Chamberlain benefited considerably not only from the United States' intervention in 1924 but also from its continued informal engagement in 1925. Overall, US influence – financial leverage and incentives combined with behind-the-scenes political pressure – expedited the Locarno process not decisively but significantly.¹³⁰ As a still effective 'background force', it was particularly important in overcoming obstacles in international and, even more so, domestic politics in both France and Germany.

Precisely because by spring 1925 the Dawes regime had triggered an ever-growing influx of American capital into Germany, and thus ever more intertwined economic interests, there was a growing US awareness that Europe's nascent *Pax Americana* required political safeguards.¹³¹ Yet both Kellogg and the influential William Castle felt that establishing such safeguards fell squarely into the area of responsibility of the European governments.¹³² Kellogg thus quickly welcomed the German proposal for a pact 'to guarantee French security' when first officially notified of it on 16 March 1925.¹³³ This was a welcome alternative both to the Geneva Protocol and a resurfacing of European alliance politics under French influence.¹³⁴

Instead of becoming the Rhine pact's formal 'trustee', Washington joined with US high finance in furthering Chamberlain's negotiations with Aristide Briand and Stresemann largely by the same informal means that they had used so effectively in 1924: political-cum-financial influence and capital. The Americans pursued a 'carrot-and-stick' strategy: Kellogg relied on both US diplomats and financiers to underscore the United States' keen interest in the pact's success. Most important among these were the new US ambassador in London, Alanson Houghton, and Benjamin Strong, who became the United States' most powerful agent in Europe.

Houghton on 4 May delivered what became widely publicised as 'America's peace ultimatum to Europe', calling on 'the peoples of Europe' to lay the foundations for 'permanent peace' if they wanted to continue benefiting from US loans.¹³⁵ For his part, Strong repeatedly travelled to Germany, providing the new Hans Luther government with crucial support, particularly in curbing nationalist opposition to the pact. American leverage proved vital when, in July 1925, the pre-Locarno process threatened to collapse after France's original response to Stresemann's initiative

¹³⁰ Earlier studies paid scant attention to the impact of America's unofficial influence on European security politics in the mid-1920s. Cf. Hogan, *Informal Entente*, 139 ff. For the general debate on informal diplomacy after 1918 cf. *ibid.*, 3 ff.

¹³¹ Thus Kellogg's résumé before the Council on Foreign Relations, New York, 14 December 1925, *Kellogg Papers*.

¹³² Kellogg to Coolidge, 30 April 1925, *Kellogg Papers*; *Castle Diary*, 16 March 1925, 7, 84–5;

¹³³ Memorandum of discussion with the German ambassador Ago von Maltzan, 16 March 1925, *FRUS*; 1925; I, pp. 20–1.

¹³⁴ Kellogg to Hughes, 19 June 1925, *Kellogg Papers*.

¹³⁵ See *Literary Digest*, 16 May 1925; Houghton's speech to the Pilgrim Society, London, 4 May 1925, *Houghton Papers*, Corning Glass Archives, Corning, New York.

had included conditions, especially concerning German disarmament, that Berlin considered impossible to fulfil. Meeting Stresemann and Luther in Berlin, Strong stated in no uncertain terms what he impressed on French authorities as well: while success in the security negotiations would ‘pay off’, their failure would lead the United States to withhold urgently needed investment – and, in the French case, to maintain its undeclared loan embargo.¹³⁶

The French as well as the Germans realised that US financial ‘sanctions’ could only exacerbate the economic downturn conspicuous east and west of the Rhine in 1925. Briand consistently emphasised domestically that France could no longer afford to antagonise either the British and US governments or ‘the present force which dominates Europe . . . the power of the City of London and of Wall Street’.¹³⁷ In Berlin, Stresemann seized upon US demands in his efforts to win the backing of the German National Party (DNVP). On 20 July, he declared in the Reichstag that unless Germany extended its ‘co-operation with the financially powerful states, with America’ he foresaw an ‘economic breakdown in Germany that would have uncontrollable repercussions’.¹³⁸

Ultimately, however, it was Chamberlain’s efforts as self-styled ‘honest broker’ between France and Germany that proved decisive for clearing the diplomatic path to Locarno in the summer and autumn of 1925.¹³⁹ Despite Britain’s unwillingness to make automatically binding security commitments, he was the only policy maker who could offer Briand the essential modicum of reassurance. His mediation allowed the ‘triumvirate’ of Locarno to turn Stresemann’s security initiative into a qualitatively new peace system.¹⁴⁰ Without Britain’s engagement, the pact would most probably have remained stillborn.

Locarno – the European pillar of the unfinished transatlantic peace order

What, then, did Locarno politics achieve? Did Locarno’s outcome accord with what Chamberlain had hoped to achieve and the Coolidge administration sought to buttress? Or did it rather undermine the security of France and, even more so, of France’s eastern allies Poland and Czechoslovakia? Essentially, Britain had fostered the second, and this time even more far-reaching, Franco–German deal of the 1920s. To allay French security concerns, Germany recognised the existing Franco–German status quo on the Rhine. At the same time, it unequivocally renounced a *forcible* revision of the eastern borders, but not their alteration per se – if this could be achieved in a peaceful manner. To this end, Stresemann signed bilateral arbitration treaties not only with France and Belgium but also with Poland and Czechoslovakia.¹⁴¹

¹³⁶ See Strong memorandum on conversations with Luther, Stresemann and Schacht in Berlin, 11 July 1925, *Strong Papers*, Federal Reserve Bank Archives, New York.

¹³⁷ D’Abernon to Chamberlain, 15 May 1925, *DBFP*, I, XXVII, no. 324, 506.

¹³⁸ Stresemann, *Vermächtnis. Der Nachlaß in drei Bänden*, ed. H. Bernhard (Berlin: Ullstein, 1932), II, 149.

¹³⁹ Chamberlain to Crewe, 2 April 1925, FO 800/257/483.

¹⁴⁰ Austen to Ida Chamberlain, 28 November 1925, AC 5/1/370, *Diary Letters*, 286.

¹⁴¹ Cf. Krüger, *Außenpolitik*, 301.

By way of *quid pro quo*, France recognised Germany's claim to become again, albeit gradually, an 'equal' European great power. While formally unaltered, the unstable system of 1919 had thus in fact been significantly complemented. Since one of the pact's central provisions was that Germany should enter the League of Nations the following year, on the tacit understanding that it would become a permanent member of its council, the Locarno treaties, and Germany's new status, were interlocked with the League Covenant's provisions of collective security.¹⁴² Following the British rationale, the *société des nations* from 1926 essentially became a stage for the concert diplomacy pursued by Chamberlain, Briand and Stresemann, not a newly empowered mechanism of supranational European security.

Crucially, the stabilising impact of the transformation furthered by Locarno was not limited to western Europe. Contrary to much that has been written since 1925, Locarno also opened up the possibility of setting Germany's relations with its eastern neighbours – and the means of solving mutual conflicts – on a new footing: renunciation of force, pacific settlement, peaceful change, if, and only if, this was reconcilable with consolidating the emerging European peace order as a whole. Arguably, Locarno thus also offered the best prospects for Polish and Czechoslovak security, and their peaceful coexistence with Germany, in the interwar period. Doubtless, however, this was not universally perceived at the time, certainly not in Poland, and progress towards an 'eastern Locarno' would remain one of the hardest tests after 1925.¹⁴³

At Locarno, Chamberlain effectively made the most substantial British commitment to European security since the First World War. It was the most far-reaching commitment possible under the constraints imposed by the need for retrenchment and his government's unwillingness to extend, and legitimate, formal guarantees beyond Britain's western security glacis. Yet Chamberlain acted on the clear assumption that the nature of the pact was such that Britain would be called upon to fulfil it politically but not to honour it militarily in the foreseeable future.¹⁴⁴ In his speech on the treaties before the Commons on 18 November 1925, Chamberlain could thus claim with some justification: 'I do not think that the obligations of this country could be more narrowly circumscribed to the vital national interests than they are in the Treaty of Locarno'.¹⁴⁵

Undoubtedly, as the British foreign secretary had realised acutely in negotiating with his French and German counterparts, each of them harboured different, partly divergent ideas about what kind of peace order was to emerge in 'the spirit of Locarno'. These were accentuated as both had to struggle to defend the accords on the home front. Stresemann insisted on '*Rückwirkungen*' ('consequences') rewarding

¹⁴² On the Locarno conference see the British documents under PRO, FO 371/10741–10744 and DBFP, I, XXVII; the official protocols and further materials, AR, Luther, 669 ff. Cf. Orde, *Security*, 131–45.

¹⁴³ Cf. P. S. Wandycz, *France and Her Eastern Allies, 1919–1925* (Westport: Greenwood Press, 1961), 27 ff.

¹⁴⁴ This assumption was shared by Britain's General Staff. See M. Howard, *The Continental Commitment* (London: Temple Smith, 1972), 72–95.

¹⁴⁵ *Hansard*, HC Debates, 188, col. 429.

Germany's 'security initiative', most urgently a swift 'liberation' of the Rhenish occupation zones.¹⁴⁶ Briand interpreted Locarno as a pact fortifying the newly settled status quo on the basis of Versailles – and forestalling further revisions as long as possible, particularly regarding the strategically sensitive Rhineland.¹⁴⁷

Such differences, however, are neither uncommon in international history nor necessarily the *prima causa* for the disintegration of peace orders – as long as there is a mechanism in place by which different aims can be balanced and, as far as possible, reconciled. Chamberlain for one had begun to recognise what was one of the gravest diplomatic challenges after the Great War: the need to broker compromises that could be sustained not only in international but also in domestic politics.¹⁴⁸ Locarno was the second settlement, after London, between Germany and the western powers that resulted from a peace process between – more or less stable – democratic states. Its protagonists were obliged to win approval from three distinctly different parliamentary systems and national environments.

What was thus called for was a system of international politics allowing for complex procedures. Locarno had to bear fruit – fast, yet not too fast – to give both Weimar's and the Third Republic's moderate elites an interest in sustaining the Franco-German peace process. With hindsight, Chamberlain was not mistaken in reckoning that Stresemann's *Westpolitik* sought to regain international equality and economic clout, not military preponderance.¹⁴⁹

Fundamentally, what had to be consolidated in Germany was a more far-reaching transition process – a process of westernisation. Yet, as should be emphasised even if obvious, the time Weimar and the Locarno system *de facto* had in which to consolidate was highly constrained. Europe's was a short 'era of relative stability' until 1929.¹⁵⁰ The larger question raised here thus pertains to the limits of what a sound international system can at best achieve, particularly in terms of stabilising not only international order but also the domestic politics and economies of its major actors. As Weimar's demise after 1929 would dramatically demonstrate, international crisis coupled with internal radicalisation may be the root cause for a descent into aggressive power politics and war.

It can certainly be maintained that Chamberlain came away from Locarno with too great a belief in the effectiveness and legitimacy of what professional diplomacy alone could accomplish. More importantly, however, at the very time when he called Locarno 'the beginning, and not the end, of the noble work of appeasement in Europe', he had in private already begun to follow a different premise.¹⁵¹

¹⁴⁶ Speech, 14 December 1925, *Akten zur deutschen auswärtigen Politik 1918–1945P*, B, I, 1, 740–3. Cf. Krüger, *Außenpolitik*, 295–301.

¹⁴⁷ Instructions to French diplomats, 4 November 1925, *Ministère des Affaires Étrangères*, Pacte de sécurité, Z 284–6, vol. 86, 202–3. Cf. E. Keeton, *Briand's Locarno Policy* (New York: Garland, 1987).

¹⁴⁸ Chamberlain to D'Abernon 1 Feb. 1926, *DBFP* 1, No. 231, 300–1.

¹⁴⁹ J. R. C. Wright, 'Stresemann and Locarno', *Contemporary European History*, 4, 2 (1995), 109–31, 123 ff.

¹⁵⁰ Chamberlain to King George V, 9 February 1925, AC 52/378.

¹⁵¹ Speech in the House of Commons, 18 November 1925, *Hansard*, 5, 188, col. 420.

This was the notion that the making of Locarno was to be Britain's greatest contribution to European pacification. Britain had actively laid the cornerstone of a system in which France and Germany would hence be called upon to settle their outstanding differences. The 'honest broker' would continue to lend diplomatic support, yet saw no need for further substantial strategic initiatives, let alone financial concessions, to advance Germany's rehabilitation further. As Baldwin's austerity-minded Chancellor, Churchill, invariably emphasised, Britain had nothing to give away in a phase of economic retrenchment, particularly by way of loans or reparations. And Chamberlain would not fight for such causes in the Cabinet or before the British public.¹⁵²

Viewed in this light, what has been called the 'greatest virtue' of Chamberlain's policy, his renewed emphasis on reviving an Anglo-French entente as Europe's 'axis of stability' within the Locarno concert from 1926 onwards, rather merits the epithet 'detrimental'.¹⁵³ To a large extent, it allowed Briand to control, and decelerate, the dynamism of Germany's international integration in accordance with French 'public opinion'. This deprived the Locarno process of crucial momentum when its legitimisation required it most. This tendency first manifested itself at the time of Germany's obstructed attempts to join the League of Nations, the second of which finally succeeded, in September 1926. The reorientation of British policy *after* Locarno proved counterproductive, rather than conducive, to fostering an equitable Franco-German peace process – and a new European equilibrium.

Criticism of Britain's lack of sustained engagement, however, should not diminish the paramount significance of Locarno for Europe's 'relative stabilisation' in the 1920s.¹⁵⁴ The settlement constituted the best possible security framework for Europe's incipient 'economic peace' of 1923–24. And, ground-breaking for the development of international politics, Chamberlain's hope to establish a new concert system had essentially been fulfilled. For the first time after the upheaval of 1914–18, a political modus operandi had been developed to settle the critical security dimension of the Franco-German question. In the 1920s, this pivotal problem could only be mastered, if at all, through political accommodation. And under British auspices, 'Locarno politics' had proved effective in forging the indispensable ground-rules to this end – as in 1924, the rules of *do ut des* bargains between the continent's main western and newly western-orientated powers.

Locarno was only a 'nucleus'. Yet it had the potential to give rise to a more profound transformation of Europe's postwar order, which hinged on Weimar Germany's integration. It was not inherently flawed, nor was its disintegration inevitable. Nevertheless, the nascent Locarno system was 'merely' the main political, and European, pillar of a more far-reaching western international system emerging in the 1920s. It was a Euro-Atlantic peace system, now extended towards Germany, whose tacit underwriter and in many ways pre-eminent power was *de facto* the

¹⁵² Austen to Ida Chamberlain, 28 November 1925, AC 5/1/370, *Diary Letters*, 285–6.

¹⁵³ Cf. Jacobson, *Locarno Diplomacy*, 44 ff.

¹⁵⁴ Cf. the appraisal in Maier, *Recasting Bourgeois Europe*, 579–80.

United States. In this sense, not the security pact alone, as Chamberlain would have it, but the combined achievements of London and Locarno marked ‘the real dividing line between the years of war and the years of peace’ in post-First World War Europe.¹⁵⁵

In sum, then, what began to stabilise Europe in the mid-1920s were two interdependent and complementary transformation processes. There would have been no Locarno pact without the initial impetus of London and Anglo-US co-operation in 1923–24. Conversely, this impulse would have been ephemeral without Locarno. British and US policy makers, and their French and German counterparts, had started to pursue new ways of peaceful change because the postwar status quo had proved inherently unstable. Theirs can indeed be characterised as a – in many respects limited – learning process, attempts to draw lessons not only from the war and the ‘truncated peace of Versailles’ but also from the Franco-German crisis it left in its wake. The upshot was a tangible gain in European stability and security: the founding of a nascent transatlantic peace order between 1923 and 1925.

Thus refocused, a comparative analysis allows a re-assessment of the significance of the 1920s, marking it as a formative decade in the attempts to forge a more sustainable Euro-Atlantic international system in the twentieth century. For it anticipated the terms on which more durable stability could be achieved in the West after 1945 – and in Europe as a whole after the end of the Cold War. The central challenge for international politics has remained that of overcoming Europe’s divisions: to create, first, a viable peace system in the west and then to extend it, from a western nucleus including Germany, to the east. Euro-Atlantic peace has depended on the creation of a new international equilibrium under the aegis of two pivotal, and more or less benign, powers, rather than on a ‘salutary’ balance of power. This process has to be understood as evolving originally under the auspices of a ‘failing’ yet still very potent British power. Even more, however, it was shaped under the auspices of the United States. The twentieth century was to become an American century – yet only after the cataclysm of a second world war.

¹⁵⁵ Press statement, 23 October 1925, quoted in C. A. Macartney, ed., *Survey of International Affairs 1925*, II (London: Oxford University Press, 1928), 56.