A Return to Normalcy

Working for Peace
War Debts
Dawes Plan
Limiting Immigration
Teapot Dome Scandal
Working for Peace

- Post war issues: war debts, arms controls, reconstruction of war torn countries
- **Kellogg-Briand Pact 1929**
  - 64 nations agreed to renounce war as a means of solving international problems
  - Unable to enforce: no military or economic plan against a country that violated this
War Debts

- Britain and France borrowed $10 billion from American banks in WWI
- They could only pay back debt in two ways:
  1. Exporting more than they imported
  2. Collecting reparations from Germany

- **Fordney-McCumber Tariff**
  - Raised taxes on imports to highest level
  - Result: No foreign competition = Britain and France not being able to sell their goods (#1)
  - They then demanded Germany to pay back their debt, but Germany has no $ to give
Dawes Plan

- U.S. banks loaned Germany $2.5 billion so Germany could pay reparations to Britain and France
- Britain and France used that $ to pay their debt owed to U.S. banks
- Result: U.S. Paid themselves with their own money (revolving door)
The International Financial System Under the Dawes Plan and Young Plan 1924-30

$2.6 Billion in War Debt Payments

U.S. $2.5 Billion in Loans

Germany

Allies $2.0 Billion in Reparations Payments
Limiting Immigration

- Nativist attitudes
- Demand for unskilled labor decreased after WWII
  - Immigrants were this labor
- Emergency Quota Act 1921
  - Set a max # of people who could enter the country
  - Limited immigration from Eastern and Southern Europe (Catholics and Jews)
  - Japanese immigration was excluded
  - Did not apply to the western hemisphere (Canada and Mexico had open immigration)
Teapot Dome Scandal

- President Harding’s Secretary of Interior: Albert Fall
- Fall secretly leased oil-rich public land in Wyoming and California to private companies in return for money and land
- Fall claimed these contracts were in government interest, but he also had $325,000 in bonuses and cash