

Chapter 1

A GLOBAL CRISIS

A FRAGILE BOOM

“In the large view, we have reached a higher degree of comfort and security than ever existed before in the history of the world.”¹ Herbert Hoover’s inaugural address very much summarizes the spirit in America in spring 1929. Also in 1929, journalist Charles Merz proclaimed that a “brand-new America” was coming about, boasting the “triumph of the urban culture” and “prowess of the giant mills.” More fundamentally, he asserted, “the rules of thumb that once seemed everlasting principles” had been overturned.² Many Americans amassed unknown wealth during the course of the 1920s, leaving behind the want and shortcomings of the past, but also the traditional ways of life. The departure into a new age was fueled by the belief that everything was possible and that (social) technology was the key to success. The United States self-fashioned itself and was seen internationally as *a*, if not *the*, quintessentially modern nation. Hence, the Great Depression unfolded against the backdrop of not only an economic success story but wider changes in American society, too.

After a short decline during 1920–21, America experienced substantial economic gains. Between July 1921 and May 1923, industrial production rose by 63 percent. The intervening years until 1929 also saw significant growth—between 1921 and 1929, the gross domestic product (GDP) rose by almost 50 percent.³ The car industry and its suppliers formed the backbone of the boom in America. Prior to World War I, railroads and waterways had been the largest and most prestigious infrastructure projects, whereas the road network was much less developed. Rural transportation posed a particular problem, since many important connections remained dirt roads made impassable by a few days of rain. During World War I, the transport systems could barely cope with the new demands of the war effort and national mobilization. Motor transportation was seen as the best solution to the challenge, and this latest revolution in American transport infrastructure drove the economic upsurge. The trend was further substantiated by the war in Europe, which turned into a major testing ground for the potentials of infrastructure and logistics built around the combustion engine. In this context, US federal and state governments intensified their efforts to get farmers out of the mud and improve driving conditions outside

urban centers. Economic and social debates went hand in hand with the idea of building a new America: in 1916, President Woodrow Wilson trumpeted how new streets would not only connect the various parts of the country but also support the “nationalization of America.”⁴ His insouciant Republican successor, Warren G. Harding, then became the first American president to ride to his inauguration in a car rather than a carriage—thus heralding not just an important political change in US political history but also the breakthrough of the automobile age.⁵

Despite their instrumental role in initiating and building new roads and highways, state actors were not in the driving seat of the boom. Even before Americans had decent roads to drive on they had started to purchase cars, which both symbolized and stimulated this newfound prosperity. In 1926, Ford’s Model T produced some 40 percent of all new cars sold in the United States; all in all, the company built fifteen million units of this model. The connection between the overall economic situation and Ford Motor Company’s performance was especially close: a temporary recession in 1927 reflected Henry Ford’s decision to stop production for six months in order to retool for the new Model A.⁶ Alongside changes in individual transportation, bus services grew in importance during the 1920s. Starting as a one-man show in 1914, the Greyhound system was operating forty thousand miles of scheduled services by 1933.⁷ Tractors and trucks also fueled the trend, reducing the isolation of rural America and speeding the shift away from rail and ship. Instead, gas stations, garages, and suburban sprawl became the hallmarks of the American landscape of the 1920s.

Other consumer industries also played a crucial role in the boom of the 1920s. Electrification, albeit far from complete, paved the way for domestic appliances like radios, refrigerators, vacuum cleaners, and most commonly in 1929, electric irons. All these products, hardly in use before World War I, had become widespread in the United States by the eve of the Great Depression; the electric iron, for example, had found its way into 60 percent of all American homes.⁸ Rising incomes made these gadgets affordable, and the new economic instrument of installment credits facilitated their purchase.⁹ Moreover, rising earnings and declining work hours revolutionized leisure activities. Tourism became a significant economic factor, with the number of visits to national parks rising from half a million in 1917 to 2.4 million in 1930. National Park Service director Stephen T. Mather stood at the forefront of innovative public relations strategies to raise these figures still further.¹⁰ Professional sports became big business, and during the 1920s Hollywood became the film industry’s world capital. To be sure, big business and finance were not alone in driving prosperity; state assistance and new consumption patterns also contributed substantially. And not all sectors of the economy profited to the same extent from these developments. Some,

especially mining and farming, stagnated, and the boom was neither incessant nor ubiquitous, nor even expansive.¹¹

Still, prosperity did a lot to knit Americans closer together. Roads and radio stations began to lift rural isolation, and the changes affected more than transport and communication. A 1929 sociological study listed no less than 150 “social effects” of the radio—most important, that it increased the “homogeneity of peoples . . . because of like stimuli.”¹² Admittedly, there were clear limits to such convergence. The South remained less affected by these changes, with Mississippi having the lowest number of radios per household, and critics deploring such innovations as the latest invasion of Yankee culture.¹³ The rumble of vacuum cleaners was heard primarily in the homes of the middle class, while refrigerators were even more exclusive.¹⁴ Also, historiography has been too quick to assume that the new mass culture embraced all workers and eradicated difference. Many of Chicago’s numerous foreign-born citizens, for instance, liked listening to the “Polish” or “Italian” hour on their local networks, and did not simply aspire to an all-American, middle-class lifestyle.¹⁵ Despite these qualifications, the new prosperity impacted the lives of all Americans in various respects. It was perceived as a particularly *American* experience. And as such, it also changed America’s role in the world.

Exporting the American Dream

The strongest new global ties were economic, too. American exports more than doubled between 1911–15 and 1921–25, and the United States was set to overtake Great Britain as the world’s largest trading nation and dominant industrial force. American industrial products now achieved international visibility—Hoover vacuum cleaners, Gillette razors, and Ford cars became household names as well as objects of aspiration, epitomizing modernity not only in Poughkeepsie, NY, and Pasadena, CA, but also in Havana, Hamburg, and Hiroshima. The United States accrued a large export surplus, particularly with Europe, which continued to be its most important trading partner. The annual trade surplus stood at \$1.8 billion in the decade after the war, a sevenfold increase compared to the prewar years.¹⁶

This new position did not result just from America’s strength; it also came from the weakness of others. The United States’ two most important competitors, Great Britain and Germany, were both diminished by the Great War and relatively poor economic performance throughout much of the 1920s. The Japanese economy did not participate in the boom, and its rather loose economic connections beyond East Asia also reduced its global impact.

The United States utilized its new commercial position to amplify its global role. Only part of the trade surplus went into monetary reserves;

TABLE 1
United States and British Foreign Lending (in Hundred Thousand Dollars)

	<i>Europe</i>	<i>Asia and Oceania</i>	<i>Africa</i>	<i>Canada and Newfoundland</i>	<i>Latin America</i>	<i>Total</i>
United States						
1924	527	100	–	151	191	969
1925	629	147	–	137	163	1,076
1926	484	38	–	226	377	1,125
1927	577	164	–	237	359	1,337
1928	598	137	–	185	331	1,251
1929	142	58	–	295	176	671
1930	233	62	–	281	199	905
1931	78	25	–	125	1	229
1932	–	–	–	29	–	29
Total	3,268	731	–	1,666	1,797	7,592
United Kingdom						
1924	159	314	66	20	31	590
1925	53	216	72	10	68	424
1926	120	226	32	29	129	546
1927	105	238	136	34	126	674
1928	164	232	80	98	96	698
1929	105	139	51	74	78	459
1930	53	195	129	17	101	529
1931	14	125	36	6	26	209
1932	–	40	45	9	–	102
Total	773	1,724	647	297	655	4,231

Source: League of Nations, *Balances of Payments, 1930*, 30; League of Nations, *Balances of Payments, 1931 and 1930*, 16.

Note: The totals include unspecified sums, so regional figures do not necessarily add up to the totals.

American bankers used the rest for large-scale, demand-driven foreign lending and investment. Between 1924 and 1929, the United States loaned some \$6.4 million to foreign borrowers—almost twice the total of Great Britain, the other global lender (see table 1). Obviously, Americans did not shy away from deep economic entanglements with other parts of the world.

Moreover, the lending patterns differed from those of Great Britain. For the United States, Africa was nonexistent and Asia much less important than for Britain, due to its global empire. US lending until 1929 went largely to the Americas, but Europe was also a higher priority than for Britain.

Americans did not just lend money but also acquired lasting management and business interests abroad. US foreign investment was particularly

strong in car production in the early 1920s, especially in Canada and Latin America, and subsequently in Europe, South Africa, India, Malaya, and Japan. Commercial interests often trumped political considerations: in 1929, the Ford Motor Company sold \$40 million worth of automobiles and parts to the Soviet Union, also giving technical assistance to a manufacturing complex at Nizhny Novgorod, the birthplace of writer Maxim Gorky and heart of the Volga-Vyatka economic region. By the late 1930s, the “Gorkovsky Avtomobilny Zavod” in the “Soviet Detroit” was producing some eighty to ninety thousand “Russian Fords” annually.¹⁷ Henry Ford’s anticommunism was conspicuously less orthodox than sometimes thought. Not only did he trade with Joseph Stalin, he actually became the dictator’s largest foreign business partner between 1929 and 1936. Ford even developed an affectionate friendship with a Communist, Mexican intellectual Diego Rivera, building on a shared belief in technology, the feasibility of social change, and by and large, an illiberal vision of modernity.¹⁸ Ford’s competitors were not quite as aggressive, yet they were equally pragmatic; America’s largest car producer, General Motors, for example, set up plants in places as far away as Osaka, Japan, and Anvers, France.¹⁹

Foreign lending, direct investment, and trade created strong commercial links with other parts of the world, especially Europe and the Americas. Britain and the United States were the powerhouses of economic globalization. The 1920s, normally characterized as a period in which globalization ebbed due to instability and nationalism after the war, would have been much more strongly deglobalized had it not been for America. This counterfactual argument is often not taken into account.

Still, the continental size of the United States and its huge domestic demand made it easy to overlook its new global role. US foreign trade amounted to only some 7 percent of overall production—whereas all other major economies, with the exception of the Soviet Union, depended much more heavily on exports.²⁰ It would be wrong to assume that America’s international rise took place in a fit of absentmindedness; but still, for many Americans it seemed rather marginal. At first blush, the United States could do it alone, and if anything, others were much more dependent on America than vice versa—two suppositions that were to be proven wrong during the Depression.

At the political level, the United States was less willing to take the lead. America never joined the League of Nations, even though it had been enthusiastically promoted by President Wilson and formed the institutional centerpiece of his famous Fourteen Points program of 1918 for securing international peace in the postwar era. The United States also remained absent from other pillars of interwar internationalism, such as the World Court. Still, it did not withdraw completely from international politics. A

closer look at the League is revealing. Many of its services would have collapsed without the financial help of US philanthropic organizations. The Rockefeller Foundation, for one, heavily funded the League of Nations' Health Organization, a predecessor of the World Health Organization, and by the early 1930s it was paying the salaries of one-third of the Health Organization's staff members.²¹ Taking all its branches together, the League of Nations employed more than two hundred Americans.²² Meanwhile, most of the trustees of the Carnegie Endowment for International Peace, which was engaged in similar activities, maintained close ties to Washington: one of its directors considered running for the presidency, another played an instrumental role in founding the International Labour Organization (ILO) in Geneva, and the Carnegie Endowment as a whole was crucial in the creation of the Kellogg-Briand Pact of 1928, outlawing war as a means of foreign policy.²³

Alongside these indirect routes to internationalism, the US government played a visible and critical role, such as in the Washington Naval Conference of 1921–22 limiting fleet sizes and the Kellogg-Briand Pact. Salesmanship, philanthropy, and statesmanship were not mutually exclusive, however. Instead, American elites reveled in creating ever-closer synergies between them. The Carnegie Endowment, for instance, promoted international peace and free trade, championing a system built on the pillars of democracy and capitalism. More and more, America became identified with such a model, and in comparison to prewar diplomacy, its involvement in international affairs was unprecedented. It therefore would be wrong to call the 1920s an age of isolationism for America.²⁴

But America did not just project economic and political power. It also became a major cultural force. Technical innovations were one side of the equation; jazz, Hollywood, and the new role of women were another. When, in 1901, British journalist William Thomas Stead announced the "Americanization of the world," this had still been rather prophetic; by the 1920s, it had turned into reality. It was "obvious" in 1923 to Stead's compatriot Bertrand Russell that "the next power to make a bid for world empire will be America," and its resources "are more adequate than those of any previous aspirant to universal hegemony."²⁵ Americanization or, for that matter, hegemony never meant that American cultural practices simply spread across the globe. Americanization stood for intense discussions, particularly in industrialized countries, in which America was seen as the quintessential materialization of modernity, as the desired or abhorred future of one's own society. Although, paradoxically, the debates about Americanization were predominantly nationally framed, they shared fundamental similarities. French and German intellectuals, for instance, invested great energy in underlining their differences—yet the two national discourses



FIGURE 1. Front cover of a Chinese magazine featuring the “Modern Girl,” 1932.

drew from an identical pool of stereotypes and interpretative patterns. Debating “America” brought communities closer together, even if they did not realize it.²⁶

Nonetheless, American ideas and practices did travel around the world. As early as the 1920s, the United States started to build an “irresistible empire” of commercial commodities and mass consumption. Fordism, Taylorism, and business practices more generally, but also haircuts, manners, and tastes, were promoted internationally, especially in Europe. The Old World served, as Victoria de Grazia has shown, as America’s prime theater to stage “a great imperium with the outlook of a great empire.”²⁷

As another example, American cosmetics advertising had a tremendous impact on the image of the “modern girl,” characterized by her fashionable apparel, explicit eroticism, and independence. This applied not only to the French *garçonne* or German *Neue Frau*; far beyond Europe, America’s mores also impacted China’s *modeng xiaojie* or India’s *kallege ladki*. Actresses like

Hollywood star Clara Bow became role models. Indian film star “Glorious” Gohar, for instance, referenced her bobbed hair, large eyes, and mascara-laden eyelashes, but combined this with Indian elements such as a sari and Indian-style jewelry. To be sure, America did not simply set the one and only path for the “modern girl.” Instead of one-to-one copies, we find a whole host of appropriations, which in turn had an impact on America. The modern girl did have American roots, yet was ultimately a global hybrid.²⁸

Against this backdrop, many Americans strove for stronger engagement with the wider world. During the 1920s, some forty thousand US citizens lived in France alone—among them Cole Porter and Ernest Hemingway, but also many who did not compose or write, such as businessmen or well-heeled American women with cash-strapped aristocratic European spouses.²⁹ In America, many groups began to embrace their ethnic heritage. From the mid-1920s onward, ethnic American identities gained traction, overcoming the “antihyphenism” of World War I. The village of New Glarus, WI, epitomizing an imagined Swiss homeland, is only one illustration of how images of the wider world were imported into the lifestyles of (white) Americans.³⁰ Building on their prewar work, African American intellectuals like W.E.B. Du Bois or the more radical Marcus Garvey continued to transcend the structures of the nation-state and constraints of ethnicity—for instance, by intensifying their links to the rising anticolonial movements in Europe as well as in African and other colonies. By and large, the 1920s were a golden age of Pan-Africanism, and powerful transcontinental links were established in 1930, when Haile Selassie became emperor of Ethiopia; Garvey’s American and particularly Jamaican followers saw this as the realization of the biblical prophecy that kings would come out of Africa.³¹ Even before this, Wilson’s call for national self-determination at the end of World War I—primarily meant for American and European ears—had fired the imagination of anticolonial groups in Egypt, China, and India, thereby adding legitimacy to their quest.³² Philanthropic organizations pushed for peace and social reform and started to globalize their activities beyond a US and European focus. The Rockefeller Foundation, for example, gave major financial support to several universities in China, mainly to introduce Western economic ideas, while also promoting Christianity. Such work bolstered the global network of American missionaries and organizations like the Young Men’s Christian Association, which had already built a distinctly Protestant American moral empire with global pretensions prior to World War I.³³ At the same time, the fate of two Italian anarchists, Nicola Sacco and Bartolomeo Vanzetti, tried and executed in Massachusetts, reveals a paradox typical of the age: on the one hand, they were scapegoats for a growing fear of all ideas perceived as foreign; on the other hand, their execution stirred the solidarity of workers in places as far afield as Montevideo, Marseilles, Moscow, Milan, and Casablanca. America’s new global role and

self-projected image as a beacon of freedom and democracy turned any flagrant violation of justice into an international issue.³⁴ In light of all these activities, it does not come as a surprise that Nobel Peace Prize laureate Jane Addams saw a “nascent world consciousness” developing during the 1920s.³⁵ Addams had been a transnational actor of sorts herself since the 1880s, and yet the new level of global interaction in the decade after 1918 impressed her greatly. If these movements did not have a larger impact on the official US position, it was mainly because internationalist organizations were highly fragmented and fought for fundamentally diverging causes. Their very pluralism and diversity thus reduced their political clout.³⁶

Nevertheless, globalization continued throughout the 1920s, not least because of American actions. The decade was a truly transnational phase of exchange, and debates more than ever before transgressed the confines of the Western world. To date, the literature has stressed a one-sided approach positing that economic globalization did not regain prewar levels during this decade.³⁷ But if one also factors in the changes at the political, technological, and cultural levels, the picture begins to look different: the number of international nongovernmental organizations (INGOs) more than doubled between 1910 and 1930, to reach 375. Whereas most INGOs had been a North Atlantic phenomenon until the 1910s, they now drew more members from other parts of the world and dealt with an ever-increasing number of issues. The first nonstop flight spanning the North American continent, the first round-the-world flight, and Charles Augustus Lindbergh’s flight across the Atlantic to Europe all fell in the 1920s, as did the first transatlantic telephone call. Finally, the cinema provided a global vernacular, both before and after the introduction of “talkies.”³⁸

A Cosmopolitan Age?

That said, many Americans abhorred the brave new world that their own country helped to create. Cosmopolitanism was not the dominant mood in America. When the Senate killed US participation in the League of Nations in 1919–20, national sovereignty was a central argument. As Senator William Borah, the square-chinned “Lion of Idaho,” leveled against Wilson’s plan: “It imperils what I conceive to be the underlying, the very first principles of this Republic. It is in conflict with the right of our people to govern themselves free from all restraint, legal or moral, of foreign powers.”³⁹ Borah had a point. His view echoed the predominant tenor of US diplomacy since the days of George Washington’s farewell address and the Monroe Doctrine. In the early nineteenth century, however, the United States had been a marginal power at the rim of what was at best a fragmented international system. By the 1920s, the international stage and America’s role

in it had changed dramatically. The question now was whether the country could afford to abstain from genuinely global commitments and responsibilities.⁴⁰ Officially, the answer remained “yes,” but there were many loopholes through which the United States did participate in international politics.

On some issues, this ambivalence vis-à-vis the wider world turned into a call for self-seclusion. Immigration is the most important example. In particular, the Quota Act of 1921 and the Immigration Act of 1924 aimed at curbing immigration. The effects were drastic. Total immigration plummeted from 360,000 in 1923–24 to 165,000 in 1924–25, and the quota system remained in place until the 1960s. The key motivations were anticommunism after the Russian Revolution along with fears that European-style radicalism might inundate and undermine American society. Moreover, the new laws had strong racist underpinnings. Policies predating World War I had already closed the door to Asians, who had begun immigrating in large numbers in the mid-nineteenth century. This time, nativism targeted migrants from eastern and southern Europe, with Jews and Gypsies being especially unwelcome. The new acts reduced their numbers in particular.⁴¹

Madison Grant and his 1916 book, *The Passing of the Great Race*, as well as similar quasi-scientific eugenics and racist works provided an important inspiration and legitimation for this new take on immigration. Grant was born into a well-to-do New York family and was a close friend of several US presidents, including Theodore Roosevelt, FDR, and Hoover. He feared that America’s racial stock, with its strong “Nordic” element, was seriously deteriorating in the face of constant new waves of immigration. Grant detested Polish Jews, “whose dwarf stature, peculiar mentality and ruthless concentration on self-interest are being engrafted upon the stock of the nation,” as he saw it, and his attitude toward people from Mediterranean and Slavic countries was hardly any better. Combining anti-Semitism, racism, so-called Nordic supremacy, and elitism, Grant’s long and convoluted book urged stricter immigration control as well as a eugenic social policy; otherwise, America would face a “racial abyss.”⁴²

Nativist policies were not just driven by xenophobic and ideological arguments. Labor was also in favor of restrictions, which in its view served the interests of the existing workforce. Even the founder and president of the mighty American Federation of Labor (AFL), Samuel Gompers, wanted to curtail immigration—despite being a Jewish first-generation immigrant himself.⁴³

Such schizophrenia notwithstanding, these ideas were not universally shared in the United States at the time. While Columbia anthropologist Franz Boas had already developed scientific arguments against racial determinism before World War I, publications like the *New York Times* and the

Nation upheld the ideal of “the brotherhood of all human beings,” and contended that the country’s “hopes lie rather in our fusion of many cultures.”⁴⁴ In the end, though, cosmopolitanism succumbed to restrictionism.

Yet the new US immigration policy left a large loophole. The southern border remained wide open, allowing a growing influx of Mexicans to enter the country. Many of these immigrants replaced African Americans moving to the northern industrial districts. Both Mexican immigration and African American internal migration resulted directly from restrictionism, as both groups of people filled jobs that otherwise would have gone to European immigrants.⁴⁵ By the racial standards of the white Anglo-Saxon Protestant elite, the cheap and easy-to-dispose-of “wetbacks” from Mexico were at least as objectionable as southern or eastern Europeans, while African Americans were even worse; but grandees like Grant needed invisible hands to starch and iron their white shirts, while cotton plantations and steel mills would have gone out of business without this labor force. Therefore, the US Border Patrol, set up in 1924 with some forty men, was less interested in Mexicans or Canadians than in unwanted Europeans and Asians trying to cross the border.⁴⁶ Soon, the force was increased and professionalized, and America’s borders hardened further. Between 1908 and 1920, an average of two to three thousand unwanted immigrants annually had been deported from the United States; by 1930, that figure stood at thirty-nine thousand.⁴⁷

Immigration laws with their pseudoscientific, racist underpinnings were just the tip of the iceberg. The furnishings of middle-class American households also showed less international influence and less explicit exoticism than prior to World War I. Instead, colonial revival gained in importance. Seemingly innocent objects such as houses and furniture stood for ethnic purity and national self-assertion. Together with the arts and crafts movement and the mission style, colonial revival refuted cosmopolitanism. This was more than an abstract debate about style and taste. In the Country Club District of Kansas City, the largest master-planned community in the United States and crammed with this kind of architecture, real estate developer J. C. Nichols used restrictive covenants to bar African Americans, Jews, and other ethnic minorities from ownership or occupation. Others adopted a seemingly more welcoming policy. Particularly during the 1920s, colonial revival was used as an educational tool for recent immigrants. Living in colonial homes would, so supremacist hopes went, Americanize these immigrants, thus turning them into patriotic citizens.⁴⁸

Beyond embellishment and embroidery, the 1920s saw the revival of the Ku Klux Klan, new Jim Crow laws in the South, regulations restricting Japanese landownership in the West, and discrimination against Jews and Catholics in Ivy League universities in the East. “Racial nationalism,” to use a term coined by Gary Gerstle, also shaped Prohibition.⁴⁹ Effectuated in January 1920, Prohibition was designed as a deterrent against foreign ways.⁵⁰

The term “mafia” was directly associated with such un-American behavior, ironically during a period in which mass immigration from Italy was long over.⁵¹ Many in small-town America were suspicious of the new global possibilities and urban culture that gained the upper hand during this period. For them, Wall Street represented original sin, and the defense of traditional ways often had anti-Semitic overtones. Expatriates in Paris were perceived as rootless, hedonistic, and flamboyant. Small government, family values, immigration restrictionism, and individualism (the latter for white Anglo-Saxon Protestants only, to be sure) were the rallying cries of this camp. For every flapper, there were dozens of religious white Protestants bemoaning the modern ways. By and large, and despite the Wilsons, Addams, and Du Boises, post-1918 America was “a society that had moved to a restricted view of itself, of a culture that was beginning to think of itself as fixed rather than fluid, of a society tempted to prefer conformity over diversity,” as Oscar Handlin once put it.⁵²

Ironically, however, a hardening of national borders substantially increased state action, thus contradicting the creed of small government. Next to border patrol and immigration officers within the country, the US Department of State created a considerable overseas bureaucracy in order to execute the new immigration rules.⁵³ While hating standardization and the acceleration of life, proponents of regionalism thoroughly enjoyed driving their Fords and Chevrolets—and just as they were unable to separate the bright from the detested sides of modernity, their relationship to the wider world was similarly caught up in paradoxes.

Americans, as hard as they tried, could not escape the world. President Calvin Coolidge is a good example: born as the son of a village shopkeeper from Vermont, he visited Washington only once and had never been west of the Alleghenies, let alone abroad, until midcareer. Still, he had no problems cooperating with big business—for example, insisting on an open door in China.⁵⁴ Colonial revival had its roots in England, not in America, and a good pinch of Orientalism had been part of its original recipe. Grant’s work built on that of race “scientists” like Arthur de Gobineau or Houston Stewart Chamberlain, and his footnotes sported a long list of European authors in several languages. Entanglements had already gone so far that the most national and inward-looking movement was part of the global condition and its idiosyncrasies.

Was America singular in its restrictiveness and ambivalence? National prohibition laws had been adopted in other areas of the Northern Hemisphere, particularly in Iceland, Norway, and Russia, before the United States took this step. Ideas of racial purity with immigration bans, border controls, and the need to procure passports and visas were part and parcel of the consolidation of the nation-state system during as well as after the Great War, with countries monopolizing their power to control transnational move-

ments and migration flows.⁵⁵ Some impulses predated 1914 and reveal the global reach of this process: Australia introduced a “White Australia” policy with its Immigration Restriction Act of 1901, following up on the US Chinese Exclusion Act of 1882, and was soon admired by Americans as the next necessary step to a progressive society.⁵⁶ In both cases, the main target was immigration from Asia at a time when the “yellow fear” became a xenophobic trope shared by Australians and Americans, and indeed South Africans, Malays in colonial Indonesia, and to some degree, even Germans.⁵⁷

After 1914, chauvinistic nationalism loomed even larger, with the conflict and later the postwar reorganization of states, empires, and international order providing ample room for states to mistreat minorities, expel unwanted populations, and close borders. Turkey’s Armenian genocide of 1915 and the displacement of its 1.25 million Christian Greeks in 1923 were extreme cases but demonstrate the radical potential of states that fashioned themselves as modern.⁵⁸ In South America, where racism had long had less impact than in the United States, the white British dominions, or Europe, governments now stifled immigration on an ethnic basis. Brazil, for instance, had a long tradition of welcoming immigrants until its related policy hardened in the early 1930s.⁵⁹ Argentina had already started excluding *los rusos* (the Russians) the decade before, in a move that in fact mainly targeted eastern European Jews.⁶⁰ By the 1930s, eighteen of twenty-two independent states in the Americas excluded Asian immigrants, even if they actually had little or no experience with migrants from that part of the world.⁶¹ Viewing the more homogeneous European societies as an ideal, ethnicization was the trend across the globe; it created an ideal to which the anticolonial liberation movements and even the Soviet Union aspired.⁶² New Delhi’s Indian Naturalization Act of 1926 was both an expression of these trends and a direct reaction to the new course in the United States, since it denied Indian citizenship to nationals from countries that did not naturalize Indians—such as America.⁶³ All in all, the timing, instruments, and consequences of policy patterns varied, but in the drive for modernity, immigration policies and nation-states’ behavior vis-à-vis migrants converged all over the world.

Quite generally, the internationalism of the 1920s was not just advanced by a cosmopolitan creed. Some of its cutting-edge elements appear highly dubious from today’s perspective, even if they were perceived as particularly modern at the time. Eugenicians cooperated across the globe and convened at various points, most notably at the International Congresses of Eugenics of 1921 and 1932, both hosted in New York City. In these exchanges, the United States served as an important link between European and Latin American debates, and with plans of Pan-American cooperation on eugenics failing, the United States oriented itself more toward the North Atlantic than the Western Hemisphere. In their struggle to “improve the breed,” na-

tivists, racists, and eugenicists could not help cooperating across national borders. Alongside cosmopolitanism, the language of race became a truly globalized vernacular.⁶⁴

America's World

In 1918, Wilson became the first US president to pay an official visit beyond the Western Hemisphere. In mid-Atlantic, on his way to the Paris peace conference, he mused about the role that the United States played in the world. His close collaborator George Creel later recalled Wilson's thoughts:

It is to America that the whole world turns to-day, not only with its wrongs, but with its hopes and grievances. . . . Yet you know, and I know, that these ancient wrongs, these present unhappinesses, are not to be remedied in a day or with a wave of the hand. What I seem to see—with all my heart I hope that I am wrong—is a tragedy of disappointment.⁶⁵

Nobody knows if Wilson really uttered these prophetic and millenarian phrases, but it was true that the United States now wielded more power than ever before, even if its role remained somewhat veiled. America soon had the most dynamic economy, the largest lending resources, and a cultural model that was associated with modernity. It did not simply inherit the hegemonic role that Britain had played in the nineteenth century; instead, its capacity to exert global influence was unprecedented.⁶⁶ America was the main force refueling the sputtering motor of globalization after the rupture of the war. Its new role and global connections were about more than just GDP, trade flows, and foreign investments. They were also about hopes, aspirations, and models, or more precisely, about hairstyles and skyscrapers, suburbs and Hollywood divas. They were about finding a new way of life, about modernity with its gospel of progress and prosperity. "Scientific" racism, eugenics, and xenophobia were ingredients in this cauldron—the project of building confident, powerful, and rationally designed nation-states. On some of these issues, like "racial purity," the United States was on the bandwagon rather than spearheading developments, and in the 1920s it was still unclear whether the American version and vision of modernity would rule the day—a version that was in itself paradoxical and highly ambivalent, revealing a deep insecurity about the United States' position in the world.⁶⁷ Even the most parochial position had parallels in other corners of the globe, and was often informed by thinkers and practices elsewhere. In their quest for stability and authenticity, for ethnic purity and national strength, such views and practices are best characterized, ironically, as cultural hybrids.

The destination of the first official foreign trip by an American president, Europe, has to be seen as symptomatic. During the 1920s, the Old World

remained the main external intellectual reference point for the United States, both in the connections it made and the ones it unmade. This holds true for its financial links as well as its market empire and the mutual exchange of ideas and people. America's doors had been closed to Asian immigrants for quite some time already, and the United States was now becoming more restrictive to some Europeans, but still most of the American discussion about the nation's place in the world revolved around the Old World. On the other side of the North Atlantic, Europeans began to abandon their presumptuous habit of seeing themselves as central. Instead, an increasing number closely watched the United States, and some acknowledged its new centrality. For people in many other parts of the world, the United States appeared as a fresh alternative to the European domination that they had come to know so well. As such, fascination about and proclivity toward America during the 1920s outweighed the disappointment that Wilson had dreaded. But this was soon to change.

THE CRISIS AND ITS ORIGINS

Before the stock exchange opened on October 24, 1929, storm clouds had been gathering over Wall Street for several weeks. Markets had been unstable and nervous, and the Dow Jones Industrial Average had been trending down since its all-time peak some seven weeks before. The day started rather quietly, with firm prices but high trading volumes. By eleven, the atmosphere had changed dramatically. Shareholders suddenly panicked, with no obvious catalyst, no event or piece of information that had not been available the day before. "Black Thursday" then saw a landslide of sell orders, with almost thirteen million shares traded—four times more than on a normal day. Together with "Black Tuesday" the following week, this was the most devastating stock market crash in the history of the United States.⁶⁸

Still, contemporary perceptions and economic processes remained ambivalent. In October 1929, people were not aware that they had entered a new phase in history. Wall Street bankers and Washington politicians were deeply worried, of course. Knowing how much psychology affects any crisis, they sought to calm the population. On October 25, 1929, President Hoover tried to reassure the public by emphasizing that the economy stood "on a very sound and prosperous basis."⁶⁹ Commentators like tycoon John D. Rockefeller or star economist Waddill Catchings made similar statements. The *New York Sun* concluded: "No Manhattan housewife took the kettle off the kitchen stove because Consolidated Gas went down to 109. Nobody put his car up for the winter because General Motors sold 40 points below the year's high."⁷⁰ And indeed, things did not look that bad. Contrary to the widely held belief, the crash did not involve a wave of suicides. While stock

prices continued to slide in November, the index had recovered almost half its losses by April 1930.⁷¹ As Peter Temin has shown, American business remained confident after the events of October 1929; journals such as *Business Week* were discussing a recovery by summer 1930.⁷² To some, Black Thursday looked more like the healthy correction of a speculative fever than the herald of a crushing maelstrom.

Moreover, immediate global repercussions remained limited. Information did not travel as quickly as it does today. News about Black Thursday reached most Europeans, Asians, and Africans only the day after, which explains why even today non-Americans often associate the crash with a Friday. More important, Wall Street's meltdown did not spawn similar panics in Europe, Asia, or elsewhere. In London and Paris, experts even welcomed the news from New York. Between 1925 and 1929, the Dow Jones had risen by 250 percent, thus attracting many investors who otherwise would have placed their money in the Old World. Viscount Rothermere, the mighty British press baron, complained that "scores of thousands of American shares are bought everyday in London alone" and that Europeans quite generally were "pouring money into New York as fast as the cable can carry it."⁷³ Now that the bubble had burst, this crash seemed almost an act of poetic justice.

On the whole, the ramifications of the Wall Street crash were not properly understood at the time. The crash was largely an American phenomenon, yet its consequences even for the United States were ambiguous, and those for other parts of the world were still more so. Black Thursday epitomizes the irrationality of financial markets, but on a causal level it did not bring about "the end of an era."⁷⁴ It was neither the sole trigger of the global Great Depression nor its main cause. Both for the United States and the wider world, it was instead a symptom and symbol of a larger, much more complex process of economic contraction. The origins and causes as well as catalysts of the Great Depression were manifold, and traversed national and regional frontiers. That Black Thursday is still synonymous with the Great Slump mainly comes down to its emblematic power.

War Debts, Reparations, and Foreign Loans

If 1929 was more the symbol, what then was the real starting point or trigger of the Great Depression? Several of the true origins of the crisis hark back to World War I and hence to yet another global event, or had even deeper historical roots. In all of them, the United States was key, both for its actions and omissions.

International war debts and reparations represented a toxic legacy of the Great War, impacting heavily on the economy of the 1920s and 1930s. When the guns began to speak in August 1914, all sides had expected a rather brief

conflict, ideally over by Christmas. Instead, the war dragged on for more than four years and was extremely expensive in financial as well as human terms. No nation had been prepared for such a burden, and the states involved responded by increasing taxes, issuing government bonds, taking out loans, and extracting foreign property in occupied areas. Germany, soon cut off from international money markets, amassed the largest domestic public debt of all the warring nations. But Britain and France also accumulated large international debts, particularly to the United States. By 1918, their liabilities amounted to some \$8.5 billion, and America held foreign public obligations worth another \$3.2 billion from other countries. This made the United States the largest international moneylender for the war effort. France owed another \$3 billion to Britain, while both states lent large sums to their subsidiary allies, such as Russia, Italy, Serbia, and the British dominions, including Australia and Canada. Due to imperial connections, other large parts of the world also became dependent on American loans. This created a complex web of liabilities that spanned the globe, interlocking the fates of societies as never before. Furthermore, these dynamics put America in an unprecedented position as the world's banker.⁷⁵

America's crucial role as the world's creditor was further strengthened during the 1920s by its trade policy. The United States was happy to export, but the Fordney-McCumber Act of 1922 drastically increased its tariffs, according to some calculations, from 26.8 percent to 38.2 percent to shield its domestic markets. This left debtor countries facing problems selling their products in America and consequently servicing their loans.⁷⁶

German reparations came on top. At the time, it was normal practice for the defeated side in a war to compensate the victors through reparations. The unprecedented all-encompassing quality of the war coupled with the enormous suffering and costs it entailed raised astronomical expectations as to the level of reparations on both sides of the trenches. Had Germany won, the entente nations would have suffered severely. Nor were France and Britain conciliatory in this regard. In the United Kingdom's "khaki election" of December 1918—roughly a month after the end of the war—"Hang the Kaiser" and "Make Germany Pay" were popular slogans.⁷⁷ The Versailles treaty did not state a specific sum for reparations, and debates on how much Germany would have to pay under what conditions dragged on for more than a decade. This irksome uncertainty combined with the austerity imposed by the Weimar Republic in order to satisfy the demands fueled German nationalism and helped to pave the way for Nazism.⁷⁸

Besides destabilizing Europe's postwar order, reparations also impacted negatively on the world economy. With its negative trade balance, Germany was unable to pay in full. It had to take out loans, mainly from the United States, to pay its former European enemies, and the Weimar Republic became the world's largest borrower over the course of the 1920s. The United

States provided Germany with the funds to pay its reparations; these payments, in turn, became the backbone of Allied debt repayments to America. New debts were made to pay old ones. This circular arrangement worked well for some years, but it was fragile. Farsighted observers had pointed out some of the intricacies of the situation early on. In 1919, for instance, British economist John Maynard Keynes warned that the oppressive financial burden on Germany threatened Europe's entire financial and economic equilibrium. Roughly a decade later, when the whole system ground to a halt, the global ramifications became crucial.⁷⁹

The key to the debt and reparation problems did not lie in Paris, London, or Berlin but rather in New York and Washington. Washington long refused to acknowledge the link between German reparations and the Anglo-French war debts. Legally, this position was watertight: the US government had never asked for reparations, and since the Senate had refused to ratify the Versailles treaty, none of its stipulations were binding on the United States. The former allies simply had to pay their debts to America, no matter where they found the money. Thus, any American appeal to ease Germany's reparations went hand in hand with declarations that this could not imply any reduction of inter-Allied war debts. This position was not only consistent but also reflected domestic budgetary constraints, since the debt repayments represented a substantial part of the federal budget and affected important commercial interests.⁸⁰

The intricacies of this international financial system became fully apparent in the late 1920s. In 1928, US monetary policy became more restrictive in response to the first signs of the doldrums. Foreign lending was reduced, with the trend accelerating in 1929. The effects on other nations whose economies relied heavily on American money were severe. A closer look at the structure and timing of capital movements around the world reveals that the drying up of US capital exports was usually not the cause, yet it only deepened a crisis that often had strong homegrown roots.⁸¹ Still, by pulling the plug, America exported and exacerbated the global crisis. Due to the entanglement that war debts, reparations, and normal monetary relations had created, Europe was particularly affected, but repercussions also spread to other shores. Australia is a good illustration: on the eve of the Depression, it was heavily indebted to British banks, and through London, the New York crisis quickly reached the avenues of Sydney and farm roads in Tasmania.⁸² In India, credit lines through the local *bania* or *sowcar* were so efficient that the crisis reached every last village.⁸³

Whereas war loans and reparations mainly concerned Europe and its colonies, Canada along with Central and South America were also heavily indebted to the United States. Paradoxically, the strong direct US interest in these parts of the world lessened the effects of the crisis in Central America, whereas South America was hit hard, as the example of Argentina demon-

strates. Between 1925 and 1929, foreign debt repayments amounted to 31 percent of the gross exports. After US lending dried up, the crisis was felt immediately, and was further aggravated by crop failures in 1929–30.⁸⁴

Certainly there were no easy choices to be made. America's web of foreign debts and loans had contributed to the prosperity of the 1920s. The blanket cancellation of war debts or foreign loans would have meant political suicide at home. Having said that, the United States was not a hard-hearted Shylock, blind to the grievances of others. For instance, it played an instrumental role in several rounds of renegotiating German reparations, leading to the Hoover Moratorium of 1931 and the Lausanne Conference the year after that ended German payments. But when it came to war debts and normal foreign loans, America refused to compromise: France defaulted in 1932, followed by Belgium, Greece, Hungary, and Poland. Britain chose the same path in mid-1934. Nevertheless, the United States continued to insist on every last cent. It did not break the deadlock by facilitating an overall solution for both war debts and negotiations.⁸⁵

Overall, the responsibility placed on American shoulders was immense. Obviously, neither the war nor the debts, reparations, or other foreign loans had been primarily America's responsibility, but by withdrawing substantial funds from other parts of the world from the late 1920s on, the United States contributed substantially to spreading the crisis across the globe. Faced with these challenges, the American economic and political elite prioritized short-term domestic needs, even if in the medium term this approach would boomerang. On the eve of the Great Depression, America was not yet ready for bold leadership and cooperation in stabilizing the world economy.

The Mysticism of Gold

Another link to a globally shared past was closely connected to war debts and reparations: the gold standard system. During the last third of the nineteenth century, many of the world's leading currencies had adopted this form of monetary system, creating an international framework of fixed exchange rates and currencies convertible into gold. This scheme worked remarkably well prior to 1914, guaranteeing monetary stability and generating economic growth around the globe, but it became one of the much-deplored victims of World War I. After 1918, it took more than a decade to reinstitute the system—and then in a less effective form.

Charles Kindleberger famously described the difference. Prior to 1914, the Bank of England stabilized the global system through effective management, especially an anticyclic foreign-lending policy, and played the role of the lender of last resort. The interwar years, in contrast, saw Britain too weak to stabilize the system and the United States unwilling to take over the

responsibility. While Kindleberger's interpretation is generally correct, others have added nuance. Barry Eichengreen has argued that the prewar gold standard was both decentralized and multipolar, with Paris and Berlin in particular challenging London's role. Indeed, the old gold standard was vulnerable; even prior to 1914, it did not function automatically. The Bank of England always remained the center of gravity and was looked on as such, but it could not have acted unilaterally as lender of last resort. In sum, it behaved more like a team captain than an absolute monarch.⁸⁶ After 1918, in contrast, this position remained unfilled.

It took quite some time to reinstitute the international gold standard. Not until 1929 had almost all the nations that left the system in 1914 returned to it, with the Soviet Union, China, and Turkey the most notable exceptions.⁸⁷ Members of the gold club attributed an almost mythical quality to the gold system as a factor of international stability and prosperity. During the Great Depression, the gold standard's absence was also held as the reason for the doldrums. This high esteem for the gold system also dominated in the United States, which had never been forced to abandon it in the first place.

The hope of returning to prewar stability soon proved to be illusory. After 1918, important players, most notably the United States, disregarded central factors of the old standard's success. If, in the prewar system, gold flowed into a country—for instance, as a consequence of high interest rates—this resulted in a pressure on the price level in that nation and allowed some of this gold to flow out again. America now simply stashed most of the gold away in its reserves and thus impeded its free flow—something that contemporaries called “gold sterilization.” Certainly, the US Federal Reserve was not the only player to break the unwritten rules of gold orthodoxy. The Banque de France opted for a similar course, but since much less gold flowed into France, it was America's sterilization policy that mattered most. By the end of the decade, the United States had amassed nearly 40 percent of the global gold reserves.⁸⁸ This policy helped to insulate the nation's domestic economy from the consequences of the gold system and its politicians from making hard choices, such as raising interest rates in order to maintain the global gold standard system. Unlike their cosmopolitan counterparts on the other side of the North Atlantic who—especially until 1914—had run the show like an old-fashioned gentlemen's club, many American reserve city bankers came from the interior and had little time for international considerations. Instead, the local interests of a nation of farmers and manufacturers ruled the day, particularly after the death in 1928 of Benjamin Strong. Strong, the governor of the Federal Reserve Bank of New York, was an advocate of international cooperation, and he sometimes disappeared for several months to Europe, including extended vacations with his British counterpart, Montagu Norman. His successor,

George L. Harrison, a Yale graduate and Skull and Bones member, was affable and easygoing, but he never allowed himself such extravagances.⁸⁹

To be sure, idealism did not rule the day internationally, and Harrison's colleagues in other countries also often prioritized their own national interests. Intriguingly, compared to autocracies, democracies seem to have been generally less responsive to international needs and more receptive to domestic pressures.⁹⁰ Even if America simply did the same as all the others, the effects were more adverse. Only the United States had the potential to play a leading role as the lender of last resort. As opposed to taking on this role, the Federal Reserve by and large acted restrictively. In 1929, the New York Federal Reserve, as the US central bank, launched some open market operations, but was soon put in its place by Washington, which insisted that the ultimate responsibility for monetary policy rested with the federal government. Haggling over competences aside, this step can best be explained by an economic doctrine that soon proved outdated and a rather inward-looking approach to monetary policy. Through its inaction, the United States therefore worsened the crisis. Beyond this aspect of American responsibility, the gold standard proved to be outmoded as an instrument of monetary affairs because it presupposed a level of international leadership and cooperation, credibility, and even largesse that was no longer available.⁹¹

This was to have drastic global consequences. In order to pay for war debts, reparations, and even normal imports, governments across the world were forced to pay with their gold reserves, which they actually needed in their central banks for currency management. In a situation of global crisis, the gold standard proved to be a straitjacket, prohibiting national governments from actively stimulating employment and consumption. Beyond certain expert circles, alternatives to the gold standard system were mostly identified with inflation—the specter of the early postwar years.⁹² The deflationary pressure of the existing system was seen as the lesser evil, even if this strain grew tremendously when America started to repatriate its overseas funds. Without easily available dollars, the shortcomings of capitalist economies around the world became more visible, and this further accelerated the downward spiral. States, no matter if they were democracies like Britain under Ramsey MacDonald or authoritarian like the Shōwa in Japan, generally reacted by drastically curtailing domestic spending. While this was the only option consistent with maintaining the gold standard, it had devastating effects both for these countries themselves and for the world economy. As one of the last states to return to the gold standard in 1930, Japan felt the effects of this rigid framework. Finance Minister Inoue Junnosuke considered it a question of national pride to fully obey the rules of gold orthodoxy. A severe depression followed immediately, and in 1932, ultranationalists assassinated Inoue.⁹³ On the eve of the Great Slump, only a small group

of experts criticized this “mysticism of gold,” as Russian exile Wladimir Woytinsky put it in a letter to Keynes.⁹⁴ All in all, the gold standard and disorderly financial markets more generally acted as international transmission belts for monetary deflation.

The United States was not always the starting point of such domino effects, and some have even contended that the primary impulse that turned the doldrums into the *Great Depression* came from Europe.⁹⁵ In May 1931, mainly homegrown problems at Austria’s largest bank, Credit-Anstalt, sparked a European banking crisis. From there, the malaise soon spread to Hungary, Czechoslovakia, Romania, Poland, and Germany. Panic swept from the continent to Great Britain, which was forced off the gold standard in September, and on to America, where speculators presumed that the dollar would be next. American depositors withdrew their savings, fearing a banking collapse, and gold was moved abroad by foreigners afraid that America would also leave the gold standard. The Fed, however, did not yield to this pressure; instead, it raised interest rates and accelerated the decline in the money supply. Consequently, interest rates rose markedly, with a detrimental effect on industrial production. The Fed’s reaction to a crisis spreading from Europe and exacerbated by the gold standard was, in short, the main reason why the situation turned from bad to worse in America.⁹⁶

The internationally shared belief in the gold standard ultimately did not cause the crisis but aggravated it. Without actively seeking the role, the United States stood at the center of global economic attention. There was a huge tension built into the epigonic postwar gold standard, which could not replicate the halcyon days of an earlier wave of globalization. America alone had the means to assume leadership and reduce this pressure, but it soft-pedaled its commitment to the wider world. Actors across the globe were trapped in believing in a system that no longer worked. The tendency to isolate and save one’s own hide first was strong in all markets—and tragically, this intensified the crisis for everyone.

The Crisis of Agriculture

The third main dimension of the Great Depression besides the problems of debts and reparations along with the gold standard was the crisis of agriculture, which also had its origins in World War I. The global conflict destroyed large agricultural areas and cut off countries from their established supply chains. The average wartime output was one-third lower than prewar levels in France, Germany, and Austria, and some theaters such as the fields of Flanders ceased to produce beef or wheat, and instead specialized in crosses and poppies, as eternalized in the poem by Canadian lieutenant colonel John McCrae (1872–1918).⁹⁷

Paradoxically, surplus and not want soon became the pressing problem: given the shortages, new suppliers quickly stepped in to fill the gaps. Comparing the periods from 1909 to 1914 and 1924 to 1929, wheat acreage more than doubled in Canada, and increased by nine million acres (roughly the area of farmland today in Alabama) in the United States.⁹⁸ Moreover, agricultural production in all industrialized countries surged due to progress in mechanization and the intense use of chemical fertilizers, even if the real breakthrough on this front was not to come until World War II. This combination of technological progress and war-induced demand as a global phenomenon reshaped landscapes all over the world. In the United States, for instance, it accelerated the shift from the small farms in the east to large-scale mechanized farming further west. Epitomizing the change, more than one million tractors tilled the American soil on the eve of the Depression; in 1910, by contrast, there had only been some one thousand.⁹⁹ Hence, it was not only the doughboys from Kansas fighting on the Marne and Meuse who symbolized new global entanglements but also their parents and siblings back home who expanded their harvests to compensate production falls in Europe.

These changes came at great cost, even if one leaves aside the ecological problems they entailed. American farm debt jumped from \$3.3 billion in 1910 to \$9.4 billion in 1925, mainly as farmers borrowed money to purchase additional land. These debts in turn led to foreclosures, with about every sixth American farm affected between 1921 and 1929. Several decades later, an interviewee recalled his childhood in Iowa, where at such a foreclosure the family members “were forced off, and all their household goods were sold. Even family pictures.” Despite the passing of time, he recalled the scene with “morbid fascination.”¹⁰⁰ Due to the decentralized setup of the American banking system, small rural banks were often sucked into the agricultural crisis, with their failures later exacerbating the banking panic of the early 1930s. During the 1920s, the situation worsened further as increasing global agricultural production failed to find customers, at least not in the Western part of the world, particularly once world output had returned to prewar levels by the mid-1920s.¹⁰¹

The crisis of agriculture also hit other countries, especially Argentina, Australia, Canada, India, New Zealand, and the Union of South Africa, as the other major agricultural exporters. The preceding lending boom and an element of speculation contributed to the deterioration in these regions, too. Even if the situation varied between countries and commodities, the perspectives for agriculture in most places were quite bleak by the late 1920s. For wheat, for instance, global stocks rose from 1925. An attempt at international coordination at the World Economic Conference in 1927 failed—as did a series of no less than twenty other international confer-

ences between 1930 and 1933. Consequently, global prices slipped, accelerating into a steep fall from 1929 onward.¹⁰²

The abrupt fall in prices did not just affect agricultural commodities but also raw materials such as rubber. The infamous Stevenson plan of 1922 in British Malaya and Ceylon created a system of price supports that guaranteed the existence of a highly profitable rubber industry for Britain, which at the time controlled some 75 percent of the rubber production. With the United States consuming almost the same proportion, the revenues of the rubber industry were important for Britain paying its war debts to America, but strong protections sparked overproduction. This process was intensified by American schemes to extract resources from other parts of the world—so as to break the British monopoly, safeguard American business interests, and guarantee free access to raw materials. As a result, rubber prices collapsed after 1929, and one finds similar trajectories for other commodities such as copper, nickel, and nitrates. So there were powerful links between rubber trees overlooking the Indian Ocean, London's need to pay for the Lee Enfield rifles deployed in 1917, the tires moving Ford's Model T, the 1926 opening of the world's biggest rubber plantation in Liberia by the American Firestone company, and the consequential plight of rubber tappers in Brazil, Liberia, Ceylon, and the Dutch East Indies.¹⁰³ Debt and low prices—and much less overproduction itself, as is often claimed—thus were highly detrimental to the world agricultural situation.¹⁰⁴ What is more, these factors added layers to the global financial and economic connections and dependencies, making the world even more vulnerable.

Agriculture also had its own weight: the United States was still a strongly agricultural country during the 1920s. In 1929, farming accounted for one-quarter of the active workforce, and exports for 28 percent of farm income. Agriculture was in fact more dependent on a functioning world market than most other sectors of the US economy. The same holds true for countries as diverse as Argentina and Algeria, India and Denmark, New Zealand and Uruguay. Overall, 40 percent of world trade was in agricultural products, and flows of cotton, wheat, veal, and coffee connected the world almost as much as the less visible financial streams.¹⁰⁵

After the Wall Street crash, and even more so after mid-1931, American finance recalled its loans from the US farming sector and other parts of the world. Most farmers around the globe were indebted and now found themselves unable to make repayments. Indirectly, the crash also impacted international trade. Agricultural commerce was a market of confidence. Most commodities were shipped on consignment rather than paid in advance, and after the crash confidence that goods would find their customer collapsed.¹⁰⁶ Financial problems dovetailed with the instability of agriculture and other raw material markets long before 1929, but the liquidity prob-

lem and lack of confidence after 1929 fully short-circuited them. A card was removed from the bottom layer, and the entire house of cards collapsed.

The World Cut Off

How did the United States react to the international crisis? After a decade of ambivalence vis-à-vis the wider world, its position stiffened, and it now cut many of its wider global links. Explaining the main causes of the crisis to the American people in December 1930, Hoover insisted that “in the larger view the major forces of the depression now lie outside of the United States, and our recuperation has been retarded by the unwarranted degree of fear and apprehension created by these outside forces.” To make sure that nobody misunderstood, he went on, adding, “Had there been no other malign forces in the world, the American depression to all appearances had run its course.”¹⁰⁷ Hoover’s statement, months before the 1931 banking crisis in Europe, totally misrepresented the course of events, but demonstrated a certain mind-set in Washington. In a similar vein Herbert Feis, economic adviser for international affairs to the Department of State under Hoover, asserted, “Never again should we lend or invest our money in foreign lands.”¹⁰⁸ While most academic economists disliked Hoover’s approach for its nationalist overtones and because it contradicted their neoclassical understanding, government officials were quick to find their scapegoat abroad, and such views resonated well with the way that Americans tended to perceive the wider world in the first place.¹⁰⁹

The Smoot-Hawley Act of 1930 epitomized America’s official response. Building on the Fordney-McCumber tariff of 1922, the act raised US tariffs on over twenty thousand imported goods to record levels, thereby protecting American production from foreign competition. Smoot-Hawley also introduced instruments such as quotas, which further restricted trade. To be fair, President Hoover was a determined opponent of the bill, but yielded to business leaders and his party under the impact of the recession. Pressure came primarily from the industrialized Northeast, where Samuel M. Vauclain, president of the Baldwin Locomotive Works of Philadelphia, declared that a “protective tariff is necessary if we are to have full dinner pails for our boys.”¹¹⁰ Such circles had been demanding more protection when business was still good, and with the advent of the Depression the pendulum swung in their direction. Still, the new course remained highly contested. Even though it was a Republican initiative, thirteen Republican senators opposed the bill after it passed the House of Representatives, and a petition signed by more than one thousand American economists asked President Hoover to veto it.¹¹¹ Harvard economist Sumner Slichter went so far as to call the tariff “an act of almost incredible economic folly” because it ignored the “interde-

pendence of nations,” and “we cannot add to the world’s disaster without inflicting injury upon ourselves.”¹¹² Still, Hoover did not falter. In 1932, Democrats and progressive Republicans drafted legislation to revise Smoot-Hawley in favor of international cooperation. Their bill passed both houses, but Hoover vetoed it, not least because he opposed the call for international negotiations. Even if he had disliked the tariff before, he now stressed that tariff matters were “solely a domestic question in protection of our own people.”¹¹³ In the end, the well-traveled Hoover, who had lived in Australia, China, and Britain, pursued a nation-centered approach and failed to take a stand against the rising tide of protectionism.

Smoot-Hawley was not a major cause of the Depression in the United States, at least not directly in the short term.¹¹⁴ Economic historians have convincingly argued that the law’s effect on American trade was rather marginal, with dutiable imports standing only at 1.4 percent of the GDP. Even the highest duty could not have had a great impact on the domestic market. For other countries dependent on exporting to the United States, however, the new tariff bore drastic consequences, and this is what many US historians overlook.¹¹⁵ Cuba’s colonial ties to the United States now became a noose. The country was highly dependent on sugarcane exports to the United States, but after Smoot-Hawley, these collapsed from 3.5 million tons in 1929 to less than 1 million in 1933.¹¹⁶ Cuban *colonos* (cane growers) suffered severely, and the new tariff became one of the main reasons for the Cuban Revolution of 1933 that toppled the pro-American government. Some countries with more diversified economic structures were equally affected. In Canada, the tariff frustrated earlier hopes that its own low-tariff posture would inspire a similar course from the United States. Smoot-Hawley offended everybody, from the halibut fishermen of the eastern provinces to the potato growers of Ontario, the ranchers of the prairies and the western provinces, and the timber and fruit producers of British Columbia and Alberta. In the election of 1930, Canada swung from a liberal, pro-Washington policy to a protectionist, more pro-British course in response to Smoot-Hawley.¹¹⁷ Protectionism thus immediately boomeranged on the United States, just as Slichter and others had predicted. The tariff decoupled the country from the wider world—including its direct neighbors—more than even its supporters had hoped.

Also beyond the Western Hemisphere, Smoot-Hawley poisoned the economic climate. America’s trading partners denounced the measure even before it became law, and enacted retaliation and discrimination against American export interests. The day after Hoover signed the bill into law, the Spanish government published a communiqué announcing that due to “the gravity of the situation created by the new tariff law for Spanish exporters,” it was considering taking similar steps in retaliation.¹¹⁸ Less than a week

later, Spain had its Wais Tariff, which was particularly harmful to the American automobile industry.¹¹⁹

Another factor amplified the impact of tariffs: they were fixed in monetary terms, independent of the volume of goods. With the level of trade faltering, the ratio of import duties collected to the value of imports rose steadily. Moreover, a growing number of countries abandoned the gold standard from 1931 onward, thus revaluing their currencies. Exchange rates—and hence prices—could fluctuate substantially, creating an incentive to trade only within one currency or currency bloc. When Britain left the gold standard in September 1931, India, Iraq, Portugal, and other countries immediately followed suit. Some did so voluntarily; in other cases, such as India, it reflected British control in the context of empire and occurred against the wishes of many Indians.¹²⁰ At the same time, these countries pegged their currencies to sterling in order to limit exchange rate uncertainty within the new group. Britain also established a protectionist tariff area with some of its Commonwealth partners at the Ottawa conference in summer 1932. Soon, the world saw another group of countries, mainly in central and southeastern Europe, with nonconvertible currencies tied to the German reichsmark, which had practically left the gold standard in mid-1931. Conversely, a group of gold standard countries chose to center around France. The creation of trade and currency blocs was a variation of economic nationalism in its pure form. Intrabloc trade somewhat reduced the impact of the Depression, and gave Britain and Germany preponderance vis-à-vis their respective partners. The incentives for interbloc trade, on the other hand, shrank, and this link between trade and currency further accelerated the downward spiral in global trade.¹²¹ By 1932, the world was deeply divided into competing monetary and trading blocs; it had taken less than three years to break the global links created in the previous decade and the prewar wave of globalization. Taking 1929 as a baseline of one hundred, world trade fell to thirty-five in 1933, and twenty-eight two years later. Economically, the world had been torn apart.¹²²

Was this all America's fault? The US tariff was high by international comparison, but not an outlier. Levels in most of Latin America as well as Spain or Czechoslovakia were far higher.¹²³ It also is quite difficult to compare the overall effect of protectionism because of the sophisticated alternatives and supplements to tariffs that countries developed. France, for instance, worked with restrictive lists from which its domestic importers had to buy; for some commodities, states insisted on mandatory blending with homegrown production, and for others, protectionism was disguised as hygiene standards. There were no limits to the inventiveness of lobbyists and experts, and in comparison America's trade policy was not exceptional.¹²⁴ Furthermore, the United States still clung to the gold standard in the early 1930s, and therefore avoided pursuing an outright policy of building currency or trade

blocs like the two biggest European economies, Britain and Germany. The US decision at the time to stick to gold was seen as a sign of international commitment, and it was a choice that became increasingly costly as an ever-increasing number of countries abandoned the gold standard. In its reaction to the crisis, America's policy was far from extreme.

So Smoot-Hawley was not the only reason for the surge to protectionism during the early 1930s. In light of the economic crisis, mutual suspicion and mistrust penetrated the veneer of international cooperation established after the Great War. Instead of a harmonious vision of an integrated and prosperous world built on capitalism and cooperation, most governments and societies reverted to prioritizing narrowly defined national interests and protectionism—a philosophy in which conflict formed the natural law of interaction.

Yet despite this shared turn to self-seclusion, Smoot-Hawley stood out. Due to its centrality in global economics, America's self-centered policy accelerated the widespread tendency to solve economic problems by trade measures, and reinforced the world's descent into beggar-thy-neighbor protectionism, nationalism, and the creation of separate trade blocs. The drawn-out negotiations preceding the legislation already created great uncertainty about the future of trade policy at the international level. What is more, the protectionist discourse in America concentrated on short-term effects for the United States, as if the country's global connections did not exist. America was the only country with enough leverage to change the course of international trade policy, even if its position in this field was not quite as towering as at the financial level. Only in the long run did America learn its lesson. After World War II, the United States and other countries actively sought to prevent such a surge of trade protectionism. The Bretton Woods Agreement of 1944 and the General Agreement on Tariffs and Trade of 1947 lowered global tariffs as well as created platforms for international negotiations on these issues. Such a will for cooperation had been dearly missing in the early 1930s.¹²⁵

In the interwar years, the Great Depression challenged the very fabric of economies and policies, putting capitalism to the test (as a model firmly associated with the United States). Bishops in Latin America castigated the greed of speculators, the unemployed in Europe turned to the Radical Right or Left, and farmers in India and other parts of Asia deplored the impact of a money-driven global economy.

There seemed to be a clear-cut alternative: while most economies were stagnating or faltering, the Soviet Union trumpeted rapid growth. This obviously does not mean that Moscow championed free trade; quite the contrary. As a planned socialist economy, the Soviet Union instituted a foreign trade monopoly as early as April 1918, in the midst of the revolution. This extreme form of state intervention, supported by radical violence within the

country, shielded the Soviet economy from competition. Even if its expansion of trade at times made it vulnerable to global developments, it strove for a form of semiautarky that decoupled domestic from world market prices.¹²⁶ In light of the Great Slump, Moscow's propaganda underscoring the superiority of its system appeared to stand to reason, and its state monopoly system was soon adopted by Persia. A highly diverse group of countries including Belgium, Czechoslovakia, Estonia, Switzerland, Turkey, and Uruguay also created monopolies. State intervention and protectionism as opposed to small government and free trade were the fashion of the day. This trend brought societies around the world closer to the Soviet model than to the version of modernity that America had spearheaded during the 1920s.¹²⁷

The story of Robert Robinson summarizes the trend: a blue-collar worker of Jamaican origin living in Detroit, Robinson was offered a job in Stalin-grad, with almost double the pay, rent-free quarters, a maid, thirty days of paid annual vacation, a car, and free passage to and from Soviet Russia. While Ford laid off workers due to the Great Depression, twenty-three-year-old Robinson believed that he had made the right choice in migrating to the Soviet Union, where the only racism he encountered came from his white American coworkers and where he would soon find himself nominated to sit on the Moscow Soviet, the Communist council in the city. Particularly for minorities, the Soviet experiment seemed to offer an appealing alternative to the hardships of second-class citizenship at home.¹²⁸

Also at a cultural level, America had lost much of its splendor: Egyptians, for instance, were disappointed that the United States failed to support their struggle for self-determination. Increasingly, this feeling mixed with resistance against American missionaries and archaeologists who were re-writing the country's history—a trend nourished by the discovery in the early 1920s of Tutankhamun's tomb, which had first triggered a brief Egyptian fad in US popular culture. Instead of a source of hope, national elites in Egypt now perceived of the United States as a threat.¹²⁹ For anticolonial movements, the Depression was just one more reason to challenge the idea of Western supremacy. Pan-Africanism increasingly came under the influence of communist and socialist ideas, and, after 1931, the world saw the revival of an aggressive version of pan-Asian rhetoric in Japan.¹³⁰ Meanwhile, European intellectuals, who had always viewed America with ambivalence, became ever more critical of the United States, and published books with titles such as *The Crisis of Capitalism in America*, *The American Cancer*, and even *America's Abomination*. America's time as a leader and role model seemed over before it had really begun.¹³¹

At the same time, it would be wrong to infer that international cooperation came to a complete standstill. Central banks and the newly created Bank of International Settlements supported Austria in May 1931, joined

by the Bank of England one month later. Germany received international help the same month—in this case, including the Federal Reserve—and June brought the Hoover moratorium, which foreshadowed the end of German reparation payments. Beyond that, there were bilateral negotiations and global plans to deal with war reparations, debts, and international finance as well as trade issues.¹³² The League of Nations held three major international economic conferences, in 1927, 1929, and 1930, which were all aimed at reducing nontariff trade barriers and preventing further increases in protectionism. While all three failed, the conferences were certainly an international attempt to avert the Depression.

The new institutions that had emerged from Versailles not only became the central forums for all attempts at international cooperation but also provided clearinghouses of global expertise. Their work intensified substantially in the wake of the Depression, increasing the level of international exchange. Studies and resolutions offered guidance and created statistical yardsticks. The World Economic Conference of 1927, for instance, concluded that “tariffs, though within the sovereign jurisdiction of the separate States, are not a matter of purely domestic interest but greatly influence the trade of the world.”¹³³ With the implications of excessive protectionism fully spelled out, political elites obviously knew what consequences their actions would entail. It was particularly against this backdrop that the disregard for the wider world displayed by Hoover and many others appeared so obnoxious and selfish.

Long-term historical lessons were also learned from the failures of internationalism in the early 1930s. The Bank for International Settlements, for example, was an instrument of central bank cooperation. This approach failed in 1931, and any successful interventions did not come through the central banks but rather through the ministries of finance and their stabilization funds. Ideas antithetical to the central bank influenced the postwar order, in which the International Monetary Fund (IMF) was governed through the ministries of finance, and not the central banks.¹³⁴ Another long-term reverberation involved French foreign minister Aristide Briand’s plan for European economic and political integration, which he presented to the League of Nations in fall 1929. His idea was not taken up, yet it was not forgotten. Today’s European Union cites it as one of its blueprints, and beyond the level of rhetoric, important political lessons for European integration were learned through the failure of Briand’s plan.¹³⁵ More successfully at the regional European level, the Oslo Convention of 1930 led to economic and political cooperation between the Netherlands, Denmark, Norway, Sweden, Belgium, and Luxembourg, and later on also Finland, with a smaller group intermittently even seeking mutual tariff reduction.¹³⁶

Evidently, certain mechanisms were in place to avert a downward spiral. Besides international organizations and the expertise that they generated,

the latest technologies also facilitated communication. Hoover described this in his recollection of the European banking crisis of June 1931:

During this period and subsequent weeks, I was in hourly touch with our representatives in London, Paris, Berlin, and Vienna by transatlantic telephone, and they were in similar close touch with one another. It was the first time that such extensive use had been made of the telephone by our government officials.¹³⁷

It is revealing that Hoover only mentioned contact between Americans; at the time, it was unthinkable for an US president to pick up the telephone to negotiate with the heads of governments of Great Britain, France, or any other country. All in all, political elites around the world used the new means primarily to shield their national interests instead of fostering international exchange. America, as the only power that might have changed the course of events, did not take the lead.

Middletown and Marienthal

The effects were corresponding. The Great Depression was not solely an American experience, even if the United States was one of its main origins and particularly hard-hit by its consequences. The slump had global repercussions, and it fundamentally changed the way that Americans and others were connected to and interacted with the wider world. While political reactions tended to separate and segregate, the suffering was shared across latitude and longitude. Moreover, we know more about the distress of the 1930s than of any earlier period, not only for the United States.

In that respect, Muncie, Indiana, in the United States and Marienthal in Austria, for instance, shared a great deal. Beyond poverty, want, and hunger, the Great Depression questioned the very fabric of society, and cast a dark shadow on the future both in Muncie (often considered so quintessentially American that even today reporters travel there to find out what the average American believes) and the small industrial municipality of Marienthal, near Vienna. Pessimism hung over both places. In Muncie, for example, “it does not get better, only worse,” as one interviewee put it,¹³⁸ while a counterpart in Marienthal observed, “Maybe better times are coming. Personally, I doubt it.”¹³⁹ While not everybody was affected in the same way, what was shared was a new sense of the fragility of economic growth along with the idea of living “in one of the eras of greatest rapidity of change in the history of human institutions,” as a report on Muncie stated.¹⁴⁰

Both towns stand out for the amount that we know about them. Some at the time still remembered the Long Depression after 1873 as the most severe economic crisis in the Western world up to that point. They even referred to it as the “Great Depression” until the experiences of the 1930s su-

perposed themselves. But for the crisis of the late nineteenth century or any other crisis of capitalism before the 1920s, we do not have contemporary scholarly scrutiny of the quality we find for the Great Depression, especially in the Western world. The way that economic change affected the everyday lives of ordinary people had long remained outside the orbit of academic interest. New techniques refining the legibility of societies had been developed since the 1880s, and the 1920s and 1930s saw another leap to ever more sophisticated forms of expertise. This new knowledge unveiled shocking details and a horrifying picture of the breadth of the crisis, while also supplying ideas on how to overcome it.

Both Muncie and Marienthal were subject to close sociological analysis. Muncie came first. In 1924–25, a team of scholars led by sociologists Robert and Helen Lynd came to the city to study contemporary life in an American community. After publishing their findings in 1929 under the lightly disguised title *Middletown: A Study in Contemporary American Culture*, the Lynds returned in 1935 to see how the community was coping with the crisis. Later, in 1937, they published *Middletown in Transition: A Study in Cultural Conflicts*. Marienthal, on the other hand, was studied by a team around social scientists Paul Lazarsfeld, Marie Lazarsfeld-Jahoda, and Hans Zeisel, who conducted their field research in 1931–32, between the two *Middletown* books, focusing primarily on the social and psychological effects of long-term unemployment. Both teams produced landmark publications in the development of modern sociology.

Developments in the social sciences were both driven by and informed a new political agenda. They went hand in hand with an intensified debate about welfarism and the role of the state in tackling social problems through intervention.¹⁴¹ Scientific analysis was increasingly seen as a precondition for targeted intervention, while at the same time professionals such as social workers and psychologists were needed to institute these measures. Accruing sociological knowledge became part of the gospel of modernity; many states perceived it as the precondition for efficient and rational government. The Great Depression thus sparked a global debate about the role, responsibility, and resources of state action, and in many societies this led to a quantum leap in interventionism.

If this was the general trend of the time, Muncie and Marienthal also demonstrate that the relationship between new forms of academic knowledge and political action remained complex. Interestingly, the Austrian study refrained from making political recommendations, even though its authors were committed socialists. The scholars reported that long-term unemployment led not to revolt but instead to passive resignation—an interpretation that was proven tragically wrong in Germany during the very months that the book came out, where many of the extremist street fighters in the late Weimar Republic were unemployed men.¹⁴² And although the

Lynds had developed liberal and even leftist ideas by the mid-1930s, their second *Middletown* study stressed the robustness of the values and fabric of American society, confirming the finding of their first study. Neither report argued strongly for state interventionism. Generally, new sociological research did not always easily translate into political action; it coevolved with the new debate about state interventionism, but there was no simple causality at work.

Finally, *Middletown* and *Marienthal* are interesting because they show that experts at the time were part of a global dialogue about the effects of the crisis. They reflected and relied on a well-established network on welfare questions dating back to at least the Progressive era.¹⁴³ *Marienthal*, penned in German and published in Leipzig four years after the first *Middletown* study, referred explicitly to the Lynds' findings. The Austrian socialists acclaimed the Lynds' methodological sophistication, yet considered it a "set-back" to conceal the name of the city, and lose potential political impact by focusing on the benign aspects of the "healthy upper class" while ignoring rising rates of disease, crime, and suicide.¹⁴⁴ Four years later, when the Lynds published their sequel, they quoted at length from the *Marienthal* study and transferred some of its findings to their own work. In the end, however, they primarily used it to demonstrate that "Middletown's plight in the depression did not begin to approach in seriousness that of Marienthal."¹⁴⁵ A shared transnational space of sociological expertise thus fostered a dialogue on scientific methods and political agendas. Its experts helped to understand the relative depth of the crisis in various parts of the world and situate their own discoveries in a broader realm of possibilities.

And dialogue between the two teams did not stop there. Austria soon became a dangerous place for the socialist authors of *Marienthal*—even more so because Lazarsfeld-Jahoda was Jewish, and Zeisel was married to a Jewish artist. Robert Lynd played a central role in helping Lazarsfeld emigrate to the United States. Lazarsfeld and his by then ex-wife fled the Austro-fascist regime before Adolf Hitler's takeover, and Zeisel followed shortly thereafter. All three ended up as professors in the United States: Lazarsfeld at Columbia, after working for some time at the New Deal's figurehead National Youth Administration; Lazarsfeld-Jahoda at New York University, from where she went to Great Britain; and Zeisel at the University of Chicago. By the end of the 1930s, the transatlantic traffic of ideas and people had become very one-sided.¹⁴⁶

The *Middletown* and *Marienthal* studies also stand as reminders that we do not have similar studies for India's Muradabad, Egypt's al-Mansura, or Argentina's Mendoza, even if there, the social sciences were massively on the rise.¹⁴⁷ The crisis also reached the shores of these societies, and changed their place in the world. Even if contemporary academic scrutiny did not go

so deep there, these places also witnessed a renegotiation of the relationship between the individual, society, and state. The Great Depression did not just unmake and reestablish global links; it sometimes also synchronized debates, and even the political and societal answers given to them.

At the Helm of Disaster

“In 1931, men and women all over the world were seriously contemplating and frankly discussing the possibility that the Western system of Society might break down and cease to work.”¹⁴⁸ Historian Arnold J. Toynbee’s words, written at the end of that year, capture the gravity of the crisis. According to Charles S. Maier, the Great Depression was one of three systemic global crises of capitalism during the twentieth century.¹⁴⁹ The key reason why the doldrums turned into a *Great* Depression was a chain of linkages through the financial market that challenged the very premises on which the 1920s’ prosperity had been built. Hence, the Great Depression was a time for testing the existing form of globalization, revealing the degree to which the world economy had integrated by the early 1930s. To a good extent, these links were the outcome of America’s new global role. Even if cultural and political contacts as well as links persisted, economic globalization now decelerated at a dramatic speed.

By 1933, it was still unclear whether the crisis would destroy or fundamentally transform capitalism along with the fabric of capitalist societies. The Soviet Union, comparably unaffected by the slump, became more attractive. In the United States, the forces that mistrusted cosmopolitanism and an unreserved embrace of global exchanges were now gaining the upper hand. During the 1920s, many Americans had remained nervous and insecure about their nation’s global status. With its large domestic market and vast rural population, the United States was an inward-looking country of farmers and manufacturers. The wider world was of rather little concern, except to a small, cosmopolitan elite. Most people were primarily focusing on with local matters, and global exchanges seemed more a threat than an asset. New York City, particularly Wall Street and Broadway, symbolized the cosmopolitan, globalized thread, whereas life in Muncie, other parts of the Midwest, and even Washington, DC, stood for a more nation-centered alternative. But even there, the forces of modernity and globalization fundamentally impacted on people’s lives.

In the wake of the Depression, this ambivalence reverted to economic nationalism, protectionism, and a rather parochial attitude. More than at most other times in American history, the world was perceived as a dangerous place, and the United States seemed to have learned the lesson—better to withdraw and abstain than to risk entanglements that might lead to eco-

conomic, political, and cultural concessions. Such a view obviously harked back to the age of the American Revolution and resonated well with a general tendency in US self-understanding.

It is easy to overestimate the dimensions of this swing, however. First, earlier forms of self-seclusion had mostly concerned Europe and visible political involvement only, whereas the United States had always sought close economic and cultural links with the Old World. For Asia, Oceania, and the Western Hemisphere, these ties remained blended with a higher degree of political contact and interference. Only toward Africa, largely trapped in European colonialism, were the connections less dense.¹⁵⁰ America had never really played alone. Financially, it now pulled the plug on all the continents—and hence one could argue that in an ironic and unintended manner the United States now lived up to the spirit of President Washington’s farewell address more than at almost any other time in its history.

Second, the tendency to self-seclusion made the United States anything but original or unique. In fact, most other societies that were able to choose for themselves and were not subjected to colonial rule opted for a similar trajectory, and on a spectrum of possibilities concerning trade protectionism, state interventionism, or the ban on immigration, America often walked the middle ground. In that sense, the United States was simply a nation among nations, sometimes radicalized by a perception of lagging behind (for instance, when it came to “racial purity”), and sometimes spearheading new developments.

And finally, America stood out for its newly acquired economic and cultural power. It made a big difference if it followed others. Global connections were already tight. In the medium and long term, most ideas that seemed good for America but bad for others in fact proved to be detrimental to the United States, too. Still, America was not yet ready to accept the vacant position of global leadership.