

Congress, the Harding Administration, and International Policy in the Early Interwar Period

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Between 1914-1919 the world's major powers fought what was, to that point, the most catastrophic war in human history. By the time the combatants negotiated an end to the conflict, their economies were decimated, their capacity to produce and manufacture were sapped, and the militaries were exhausted. None of these were true for the United States. For Americans, the war had the opposite effect: America's economy and international status grew as a consequence of the fighting. "America may be said to have just reached her majority as a world power," President Wilson declared to the Senate in July 1919.¹ One month prior to Wilson's speech, Senator Key Pittman (D-NV) observed that the United States is the "richest nation on earth. We have advanced and are advancing with greater strides than any other people."² Gilbert Hitchcock (D-NE), leader of the Senate Democrats in 1919, observed that the United States' dramatic rise in international preeminence meant that "the time for internationalism has come."³ Senator William Borah (R-ID), one of Woodrow Wilson's most outspoken political opponents, acknowledged that "we have as a people come into a wider circle of influence and under graver responsibilities than we have known heretofore."⁴ As Columbia University economist Edwin Seligman pointed out in 1922, "while all Europe was in a death grapple we ... remained aloof and earned incalculable sums." "This country has been," he went on, "the greatest beneficiary of the war."⁵

¹ *Congressional Record*, 66th Congress, 1st Session, 2239.

² *Congressional Record*, 66th Congress, 1st Session, 895.

³ *Congressional Record*, 65th Congress, 3rd Session, 4414.

⁴ *Congressional Record*, 65th Congress, 3rd Session, 4414.

⁵ Seligman quoted in *New York Times*, November 5, 1922: 19. Modern scholarship supports these contemporaneous observations. For example, economic historian Adam Tooze demonstrates that "the balance of world politics in 1919 resembled the unipolar moment of 1989" with the United States in a position of global preeminence. See: Adam Tooze, *The Deluge: The Great War, America, and the Remaking of the Global Order, 1916-1931* (New York: Penguin, 2014), 10.

America's growing international authority came, in part, as a consequence of the money loaned to Allied powers during the war. In the early years of WWI, private banks like J.P. Morgan & Company sent huge sums to Europe.⁶ But during Woodrow Wilson's second term as president, Congress also passed multiple "Liberty Loans" through which the federal government sent taxpayer money overseas to aid our allies. To fund these loans, American citizens purchased more than \$17 billion in interest-bearing bonds so that the money sent to Europe would not need to come exclusively from increased tax rates. These purchases accounted for approximately two-thirds of the money spent to fight; the remaining one-third came from a war tax. According to Richard Sutch, an equivalent share of GDP today would amount to \$6.3 trillion. "This was a time," Sutch claims, "when \$17 billion was an almost unthinkable large number."⁷ At the conclusion of the war, those nations which took American dollars owed taxpayers nearly \$11 billion.

The United States was now a creditor nation for the first time in its history. With financial leverage over those who had participated in the war, legislators faced a new kind of cross-pressure. They had to decide how they would balance the pressure they felt to ensure repayment in line with the terms of the Liberty Loans against the importance of a revived global economy. As Senator Borah rightly noted, the United States' newly acquired international power meant that the consequences of their decisions were felt beyond the borders of the United States. Recognition that the United States now shouldered increased responsibilities also led Borah to

⁶ Priscilla Roberts, "Quis Custodiet Ipsos Eustodes? The Federal Reserve System's Founding Fathers and Allied Finances in the First World War," *The Business History Review* 72 (Winter 1998): 585-620; 591.

⁷ Richard Sutch, "Financing the Great War: A Class Tax for the Wealthy, Liberty Bonds for All," Berkeley Economic History Laboratory Working Paper WP2015-09, September 2015. http://behl.berkeley.edu/files/2015/09/WP2015-09_Sutch.pdf.

pass a resolution calling for an international conference to be held on American territory with the aim of forcing world powers to begin disarming. Even after the Treaty of Versailles failed, lawmakers inside the United States were trying to carve out a model of international leadership that would fit the domestic political situation in the early interwar period.

At the outset of this 1920s, the pressure to reconcile international responsibility and domestic political pressures first appeared in a debate over how to handle debt repayment. Should the United States insist that debtor nations immediately begin paying down the loans? Not collecting the money immediately would increase the national debt, in turn making it difficult for lawmakers to pursue tax reform which, in the early 1920s, was a priority. Should those debts instead be cancelled so that European economies could begin to recover? Perhaps more lenient repayment terms should be crafted as a compromise? Simply insisting on immediate repayment risked inflicting damage on an already weakened international economy, further destabilizing war-ravaged Europe. At the same time, leniency would force tradeoffs that could inflame domestic tensions. After settling the debt question, lawmakers took up debate on the so-called Four Powers Treaty, negotiated and proposed to the Senate by the Harding Administration, to manage international relations in the Pacific. Policymakers now recognized that the United States had a meaningful role to play in the construction of international order.

Debates over an appropriate debt repayment policy and over the Four Powers Treaty draw out the main question I will address here. How did the reordering of power at the international level influence domestic political rivalries?⁸ How, in other words, did the domestic-

⁸ This is a version of what Peter Gourevitch calls “the second image reversed.” Gourevitch suggests that scholars explore the extent to which a country’s domestic political structures “derive from the exigencies of the international system.” See, Peter Gourevitch, “The Second Image Reversed: International Sources of Domestic Politics,” *International Organization* 32 (Autumn 1978): 881-912; 882.

international tension fit into preexisting partisan, ideological, or factional conflicts, or even create new ones?

For scholars of American politics, the early 1920s are important to understand because they illustrate what happened when key features of the domestic political system—party competition and separation of powers—were first put to the task of managing both international and domestic affairs. Prior to the war, America did engage in international politics. Yet scholars of America’s global role in the late-19th and early-20th centuries characterize the policies pursued as a “collection of incidents, not policies – a number of distinct events, not sequences that moved from a source to a conclusion.”⁹ The United States, Zakaria finds, “attended hardly any international conferences, participated in no joint decision-making, and of course brokered no alliances.”¹⁰ Ernest May makes a similar point in his discussion of the annexation of Hawaii and the Philippines. Policymakers “scarcely thought of proclaiming to the world that America was a power.” “They were at most only incidentally concerned about real or imagined interests abroad,” he continues, and “they gave no sign that they meant the United States to become a factor in international balance.”¹¹ After the war, however, American officials were compelled for the first time to consider how choices made “at home” would reverberate out beyond the country’s borders. They were also forced to consider if and how to help structure a new international system that might prevent yet another catastrophic military conflict.

⁹ Robert H. Wiebe, *The Search for Order, 1877–1920* (New York: Hill & Wang, 1967), 225.

¹⁰ Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America’s World Role* (Princeton, NJ: Princeton University Press, 1998), 47.

¹¹ Ernest May, *Imperial Democracy: The Emergence of America as a Great Power* (New York: Harcourt, Brace & World, 1961), 269.

Despite the novelty of the circumstances faced by America's elected officials at the beginning of the 1920s, however, conventional wisdom depicts the United States at this moment as "isolationist" or "introverted." "For whatever reasons, during the 'return to normalcy' of the 1920s," writes Rieselbach, "America turned inward and away from the world political arena."¹² American officials, on this view, demonstrated a "reluctance to extend ... overseas commitment with respect to all or some particular segment of foreign affairs."¹³ This view of the United States as having adopted a "voluntary and general abstention ... from security related activity in an area of the international system in which it is capable of acting," I will argue, fails to adequately describe or explain American policy choices in the immediate aftermath of the War.¹⁴

At the outset of the 1920s, the United States did not simply withdraw from global politics. Wilson's desire for a League of Nations was dead, but the Harding Administration did not simply try to drag the country back into its pre-war status as a "neutral" power.¹⁵ Instead, the debt repayment debate pushed the Harding Administration into a position that fits John Ruggie's definition of multilateralism: "coordinating relations among three or more states in accordance with certain principles."¹⁶ As I will detail below, Harding and "Old Guard" Republicans in the Senate did successfully fight to ensure that the executive branch could craft a debt repayment plan that incorporated a kind of multilateral strategy: namely, discretion that

¹² Leroy N. Rieselbach, *The Roots of Isolationism: Congressional Voting and Presidential Leadership in Foreign Policy* (New York: Bobbs-Merrill Company, 1966), 11.

¹³ Rieselbach, *The Roots of Isolationism*, 8.

¹⁴ Bear F. Braumoeller, "The Myth of American Isolationism," *Foreign Policy Analysis* 6 (October 2010): 349-371; 354.

¹⁵ Brooke L. Blower, "From Isolation to Neutrality: A New Framework for Understanding America's Political Culture, 1919-1941," *Diplomatic History* 38 (April 2014): 345-376.

¹⁶ John G. Ruggie, "Multilateralism: the Anatomy of an Institution," *International Organization* 46 (Summer 1992): 561-598; 568.

would allow the president to facilitate agreements between the United States and debtor nations, as well as among the debtor nations themselves. Similarly, the Four Power Treaty did attempt to bind signatories to a set of principles aimed at managing relations between them with the goal of preventing future conflicts. To be sure, Harding and his allies in Congress were not advocating for an international system on par with what Wilson proposed in the Versailles Treaty. But Harding did express support for what we called “an association of nations.”¹⁷ Senate Republicans and the Harding administration, in other words, attempted to craft policy that would address the international obligations associated with the United States’ newly acquired status as a world power, while operating under constraints imposed by a domestic constitutional structure that was in no way designed to facilitate global leadership of this kind.

Scholarship focused on the domestic scene in the early 1920s makes clear that the country was unprepared to play the role of global hegemon. The war had not only unsettled the international order, domestic politics in the early interwar years were also chaotic. More specifically, in the immediate post-war period the country was convulsed by a Red Scare, labor militancy, and bloody racial conflict.¹⁸ The instability prevalent throughout American society was mirrored inside Congress. Inside the Senate specifically, “many of the most significant ideological battles ... divided the parties internally.”¹⁹

¹⁷ Harding quoted in Robert K. Murray, *The Politics of Normalcy: Governmental Theory and Practice in the Harding-Coolidge Era* (New York: W.W. Norton, 1973), 12.

¹⁸ Arthur Link describes the immediate post-war era in the following way: “The surging tides of nationalism and mass hatreds generated by World War I continued to engulf the land and were manifested, among other things, in fear of communism, suppression of civil liberties, revival of nativism and anti-Semitism, most crudely exemplified by the Ku Klux Klan, and in the triumph of racism and prejudice in immigration legislation.” Arthur Link, “What Happened to the Progressive Movement in the 1920s?” *American Historical Review* 64 (July 1959): 833-853; 834. For a recent, general overview of the conflicts that occurred as the war ended see, Adam Hochschild, *American Midnight: The Great War, a Violent Peace, and Democracy’s Forgotten Crisis* (New York: Mariner Books, 2023).

¹⁹ Devin Caughey and Eric Schickler, “Substance and Change in Congressional Ideology: NOMINATE and Its Alternatives,” *Studies in American Political Development* 30 (October 2016): 128-146; 132.

During the 67th and 68th Congresses (1921-1925), Republicans controlled significant majorities in both the House and the Senate. Yet the GOP's ostensible advantage obscured the deep factional splits between the party's eastern and western wings, as well as between the party's "old guard," Progressives, and members of the Farm Bloc.²⁰ Republican presidents during the interwar period "invariably rode into office with substantial party majorities in both houses which just as invariably proved to be unreliable."²¹ A *New York Times* article published in December 1921 put the issue this way: "With legislation of the first importance in domestic and international concerns to be considered in the coming session, Republican leaders find themselves unable to lead."²² Riven by intra-party conflicts, the GOP found it difficult to act on a clear and straightforward policy agenda. Meanwhile, members of the Democratic Party—though in the minority—also showed "considerable ideological variation."²³ Robert Murray describes Democratic Party at the outset of the 1920s as "rapidly disintegrating into a confederation of sectional interest groups."²⁴ Taken together, intra-party factionalism and cross-party coalition building resulted in an overall decline in congressional polarization.²⁵

Factional disputes within each of the two major parties combined with traditional competition between Democrats and Republicans to influence the kind and quality of legislation passed during the Harding presidency. The GOP's eastern and western wings fought over tariff

²⁰ Erik Olssen, "The Progressive Group in Congress, 1922-1929," *The Historian* 42 (February 1980): 244-263.

²¹ Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration* (Minneapolis, MN: University of Minnesota Press, 1969), 382.

²² *New York Times*, December 5, 1921: 1

²³ Caughey and Schickler, "Substance and Change in Congressional Ideology," 138

²⁴ Murray, *The Politics of Normalcy*, 39.

²⁵ For more on this point see, Sara Chatfield, Jeffery A. Jenkins, and Charles Stewart III, "Polarization Lost: The Decline of Ideological Voting in Congress after the Gilded Age," *Journal of Historical Political Economy* 1 (2021): 183-214.

revision and tax reform. A bipartisan group of Progressives advocated for “substantial increases in federal power to grapple with economic problems.”²⁶ The Farm Bloc, meanwhile, sought to protect the material interests of those most impacted by the quickly declining price of agricultural goods. Perhaps because of the widespread belief in American “isolationism,” much less scholarly attention has been devoted to studying how these same factional conflicts helped to determine America’s approach to international politics at this unprecedented moment in the country’s national history.

This is a missed opportunity. At the end of the war, it became clear that for the first time, domestic policy debates would also be subjected to international pressures and diplomacy. These international pressures, in turn, produced domestic conflicts that allow us to observe how party, ideology, and faction mapped onto the Senate’s discussion of America’s post-war international posture. In order to understand why elected officials made the choices that they did, we also need to understand how domestic political institutions—the Senate and the party system specifically—operated when put to the task of international leadership.

In this paper I set out to examine how, and with what consequences, partisan, regional, and ideological conflict within the two major parties influenced the United States’ approach to international policy during the early interwar years. More specifically, I will reconstruct debates within the Senate over war debt repayment, an issue that directly implicated America’s approach to international leadership immediately after the war. In so doing, I will pay close attention to the ways in which legislators spoke about the relationship between domestic and international obligations. Then, through empirical analyses of votes on amendments related to a debt

²⁶ Olssen, “The Progressive Group in Congress,” 248.

repayment bill, I intend to provide some insights into how party, ideology, and faction organized lawmakers into coalitions with different perspectives on America's role in the world. After that, I perform a similar kind of analysis on votes related to the Four Power Treaty. American efforts to lead internationally must always be filtered through the basic features of the domestic system like the two-party system and the constitutional separation of powers. From 1921-1925, we get the first look at how the domestic system would respond to, and then influence, American preeminence.

Domestic Politics & Debt Repayment: The Debate

The United States began sending money to the Allied powers in April 1917, after Congress passed the first of four "Liberty Loans." "It was this direct financing out of U.S. public credit that helped give the Entente its crucial margin of victory over Germany," Tooze explains.²⁷ More precisely, Priscilla Roberts finds that "approximately 25 percent of Allied war supplies" were purchased with money committed by the United States.²⁸ This was not charity. The legislation Congress passed stipulated that the funds made available by the U.S. government would, according to Senator Porter McCumber (R-ND), "become due at the same time and bear the same rate of interest or the highest rate of interest that we might pay upon our bonds during the war."²⁹ In real terms, this meant that European borrowers faced an interest rate on the loans of approximately five percent per year.³⁰

²⁷ Tooze, *Deluge*, 206.

²⁸ Roberts, "Quis Custodiet Ipsos Custodes?" 591.

²⁹ *Congressional Record*, 67th Congress, 2nd Session, 1574.

³⁰ Benjamin D. Rhodes, "Rethinking 'Uncle Shylock': The United States and the French War Debt, 1927-1929," *The Journal of American History* 55 (March 1969): 787-803; 789.

While the taxpayer money made available to our Allies in Europe was primarily sent to help them win, many of those integral to the construction of the loan program recognized that it would “greatly influenc[e] the course of European politics and international affairs” once the war ended.³¹ American officials were therefore setting the country up to play a part in the organization and leadership of the whatever international order emerged in its aftermath. As Priscilla Roberts explains, this was known and desired by political officials as the loans were being made. In particular, some administrators close to the Treasury and the (still new) Federal Reserve believed that the loan policy would allow “New York to become a world financial center to rival London.” To do so, however, “issues relating to the international financial system” would need to “override ... more parochial domestic considerations.”³² Those helping to craft the loan program recognized from the outset that it would put domestic and international responsibilities into conflict.

The novelty and importance of the money American taxpayers were now providing to the Europeans was not lost on scholars or elected officials. “I do not know ... of an instance where our government ever loaned money to another government before this time,” explained Senator Irvine Lenroot (R-WI).³³ Senator Hiram Johnson (R-CA) described the loan program as “the most stupendous the world has ever seen.”³⁴ The dollar amounts were impressive. According to a 1922 Senate Finance Committee Report, the total amount owed to US taxpayers stood at nearly

³¹ Melvyn P. Leffler, “Political Isolationism, Economic Expansionism, or Diplomatic Realism: American Policy Toward Western Europe, 1921-1933,” in Melvyn Leffler ed., *Safeguarding Democratic Capitalism: U.S. Foreign Policy and National Security, 1920-2015* (Princeton, NJ: Princeton University Press, 2015), 89); Roberts, “Quis Custodiet Ipsos Custodes?” 592.

³² Roberts, “Quis Custodiet Ipsos Custodes?” 618.

³³ *Congressional Record*, 67th Congress, 1st Session, 1803.

³⁴ *Congressional Record*, 67th Congress, 2nd Session, 1752.

\$11 billion.³⁵ This is why Columbia University Economist Edwin Seligman claimed that World War I was a path-breaking moment for the United States. The war had the effect of “convert[ing] us from a debtor to creditor nation.”³⁶ Lawmakers inside the United States now had leverage to impose terms on the European belligerents, if they chose to use the money owed for such purposes.³⁷

In order for these outstanding debts to be repaid, however, the economies and societies of European nations needed to recover, and it became clear as soon as the war ended that those nations indebted to the United States were in no condition to begin sending what they owed. Europe was decimated by the fighting and political leaders there began asking for more lenient terms. Some began openly advocating for full debt cancellation, and they found some support inside the United States.³⁸ Frank A. Vanderlip—Ex-Treasury official and head of the National City Bank of New York—told the *Los Angeles Times* after traveling to Europe, that he would “have America make a beau-jeste: a grand gesture in international relationships ... [to] have America say she is prepared for the payment to forego receipt of it.”³⁹ Supreme Court Justice John H. Clarke made the same pitch in a December 1921 speech to the Cleveland Chamber of Commerce. “Loans made by the United States to the Allies should be ‘promptly and wholly cancelled,’” he argued.⁴⁰ As Leffler notes, this position attracted minimal support from elected officials. Full cancellation would raise the possibility of higher taxes and, in Leffler’s words

³⁵ *Senate Report 400*, 67th Congress, 2nd Session, 4.

³⁶ *Congressional Digest*, “A Summary of Views on Cancellation of Inter-Allied Debts,” 2 (December 1922): 77.

³⁷ “[The United States] had emerged, quite suddenly, as a novel kind of ‘super-state,’ exercising a veto over the financial and security concerns of the other major states of the world.” See: Tooze, *Deluge*, 6.

³⁸ *Washington Post*, February 13, 1921: 1.

³⁹ *Los Angeles Times*, November 29, 1921: 12.

⁴⁰ *Boston Daily Globe*, December 28, 1921: 15.

“political oblivion.”⁴¹ Instead, the Wilson Administration, in 1919, announced an “informal moratorium” on repayments for a “two-to-three-year period.”⁴²

In November 1920, however, Republican Presidential candidate Warren Harding won in a landslide. The GOP also picked up 63 seats in the House and 10 seats in the Senate, giving them overwhelming majorities. As Robert Murray explains, Republicans had run in opposition to Wilson’s agenda but they had “not developed a program or blueprint for action” (Murray 1973, 40). Harding had simply promised voters a return to “normalcy.” To the *New York Times*, he explained, “by ‘normalcy’ I don’t mean the old order, but a regular steady order of things. I mean normal procedure, the natural way, without excess.”⁴³ Prior to his inauguration, an editorial published in *The Nation* claimed that “with the single exception of Lincoln, probably no President in our national history has taken office with as pressing a burden of unsolved questions.”⁴⁴ What to do about these loans, and how to manage America’s growing international influence, were two central questions. When the 67th Congress met, Harding would need to figure out how “normalcy” would apply to a wholly abnormal situation.

On the debt question, specifically, Harding acknowledged that he faced a daunting challenge. “I shall regard it as one of the first duties of the incoming administration to take up the subject of adjusting these great debts,” he explained at a campaign stop in Kentucky.⁴⁵ But as Murray describes, Harding was “confused by the complicated diplomatic and economic aspects of the European situation.” Like most Americans, he failed to “fully comprehend” the “altered

⁴¹ Melvyn Leffler, “The Origins of Republican War Debt Policy, 1921-1923,” *The Journal of American History* 59 (December 1972): 585-601; 591.

⁴² Rhodes, “Rethinking Uncle Shylock,” 791.

⁴³ *New York Times*, July 21, 1920: 7.

⁴⁴ Quoted in Murray, *The Harding Era*, 71.

⁴⁵ *Washington Post*, October 15, 1920: 1.

circumstances between the United States and Europe which arose ... from the emergence of the United States as a creditor nation.”⁴⁶ In response, Harding tasked Treasury Secretary Andrew Mellon with figuring out an effective strategy for ensuring repayment. Mellon would soon request that Congress grant the Treasury Department “full plenary powers ... to deal with the [repayment] on a nation-by-nation basis.”⁴⁷ As I will describe below, Mellon’s request engendered a long debate over the terms of repayment, executive branch discretion, and the relative importance of international versus domestic priorities.

The money now owed back to United States taxpayers, and the fact of our “creditor” status, interacted with ongoing political rivalries in important ways. For Republicans in the “Old Guard,” those most closely associated with east coast business interests, debt repayment was less of a priority than the rehabilitation of the European economy. This faction of the GOP was willing to consider a more lenient loan repayment system. Many Old Guard Republicans saw the Harding Administration—in particular Treasury Secretary Andrew Mellon—as an ally. Paul Warburg, chairman of the board of the International Acceptance Bank, gave voice to their position. “It is of infinitely greater value to the United States to reconstruct a world in which we can trade in peace and security,” he argued, than to insist on immediate repayment.⁴⁸ A spokesman for the Chamber of Commerce echoed Warburg. “Even payment of the interest on our war loans will be a great hindrance to our export trade,” he argued, “to require payments of principal will even more seriously aggravate the situation.”⁴⁹ Secretary of State Charles Evans

⁴⁶ Murray, *The Harding Era*, 360.

⁴⁷ Murray, *The Harding Era*, 362.

⁴⁸ Warburg quoted in Leffler, “The Origins of Republican War Debt Policy,” 591.

⁴⁹ *Los Angeles Times*, May 18, 1922: 11

Hughes also conceded the “efficacy” of debt cancellation to the revival of the global economy.⁵⁰ They embraced a more economically interdependent world and were “well aware of the unity of international financial and economic processes.”⁵¹ Recognizing the importance of exports to the overall health of the national economy, Old Guard Republicans were most inclined to prioritize European recovery over immediate repayment.⁵²

Yet the Old Guard was just one part of the Republican Party. A bi-partisan, “Progressive” faction of Senators took a different view. For them, more lenient repayment terms reflected the undue political influence of powerful economic groups inside the United States. Senator Robert La Follette (R-WI), for example, claimed that “international bankers,” sought leniency for “their own exclusive benefit.”⁵³ Progressives like La Follette accused legislators friendly to Wall St. of putting their hope for a revived European economy over and above the financial obligations owed to the American people. Progressives like La Follette also argued that more lenient repayment terms would allow private lenders to recoup their loans before the federal government was paid back. Here we see one central component of Progressive thinking—deep concern with the “power of private economic groups over the nation’s institutions and life”—being applied to foreign policy.⁵⁴

⁵⁰ Hughes quoted in Leffler, “Origins,” 596.

⁵¹ Leffler, “The Origins of Republican War Debt Policy,” 587.

⁵² According to Matthew C. Klein and Michael Pettis, The United States “exported more than twice as much as it imported during the war. See: Matthew C. Klein and Michel Pettis, *Trade Wars are Class Wars: How Rising Inequality Distorts the Global Economy and Threatens International Peace* (New Haven: Yale University Press, 2020), 20.

⁵³ Quoted in Robert David Johnson, “Senate Dissent and American Foreign Relations, 1913-1935,” [Unpublished Doctoral Dissertation, 1993], Harvard University, 237.

⁵⁴ Link, “What Happened to the Progressive Movement?” 836.

The Progressives also wanted the United States to use its newly acquired financial leverage to encourage peaceful relations between European nations, to punish European militarism, and to force recognition of the USSR.⁵⁵ For example, Senator Borah (R-ID) argued that leniency would allow those nations who had participated in the war to simply resume the purchase and maintenance of “military armaments,” thereby forcing the American people to fund efforts “destructive of the peace of Europe ... [and] the entire world.”⁵⁶ Similarly, La Follette claimed that leniency would “foster and stimulate British imperialism.”⁵⁷ The pivotal “Progressive” faction of senators used the debt repayment debate to develop a perspective that “combined anti-imperialism, anti-militarism, and a different kind of economic diplomacy.”⁵⁸ These goals were to be pursued unilaterally, imposed upon Europe by the United States thanks to the financial leverage made possible by their debts. The debt repayment debate, in other words, helped to *produce* a Progressive foreign policy vision.

Members of the Farm Bloc, another bi-partisan faction, were also compelled by the debt repayment debate to develop a perspective on the United States’ global responsibilities. Some Farm Bloc members called for full and immediate repayment so that the federal government could provide agricultural credits to those who were suffering under a deep decline in the price of agricultural goods.⁵⁹ Others, however, recognized that the country’s export potential was undermined by a weak European economy. Senator Charles McNary (R-OR), a “charter

⁵⁵ Johnson, “Senate Dissent and American Foreign Relations,” 234.

⁵⁶ Johnson, “Senate Dissent and American Foreign Relations,” 234; *Congressional Record*, 67th Congress, 2nd Session, 1685.

⁵⁷ *Congressional Record*, 67th Congress, 4th Session, 3742.

⁵⁸ Johnson, “Senate Dissent and American Foreign Relations,” 223.

⁵⁹ Leffler, “The Origins of Republican War Debt Policy,” 593.

member” of the Farm Bloc, explained that “unless something is done to stabilize condition in Europe, this country is going to suffer.”⁶⁰

Democrats, meanwhile, saw the debt issue as an opportunity to score easy political points. In particular, they used concern over the money now owed to taxpayers as a vehicle for demonstrating their support for a soldier’s bonus bill. One point of political conflict at the outset of the 1920s concerned a bill that would provide a bonus payment to those American soldiers who fought in the war. The Harding Administration and its supporters opposed this legislation because the money required to pay soldiers for their service would serve as an obstacle to their preexisting desire for tax cuts and lower federal expenditures.⁶¹ Recognizing that the Bonus Bill was popular, Democrats advocated for interest payments on the outstanding war debts to be used as a way of paying for it.⁶² Delaying repayment, they argued, showed that the Harding Administration was privileging international obligations over the well-being of American citizens who had just returned from the front. Democrats therefore insisted that repayment begin on the terms stipulated in the Liberty Loans.

In the face of these factional challenges, President Harding began to pursue a solution to the debt problem. In 1921, he delivered a letter to Senator Boies Penrose (R-PA)—then Chairman of the Senate Finance Committee—endorsing legislation that authorized the “Secretary of the Treasury, with the approval of the President” to “refund or convert, and to

⁶⁰ Robert T. Johnson, “Part-Time Leader: Senator Charles L. McNary and the McNary-Haughen Bill,” *Agricultural History* 54 (October 1980): 527-541; 528; Melvyn P. Leffler, “Political Isolationism, Economic Expansionism, or Diplomatic Realism: American Policy Toward Western Europe, 1921-1933,” in Melvyn Leffler, ed., *Safeguarding Democratic Capitalism: U.S. Foreign Policy and National Security, 1920-2015* (Princeton, NJ: Princeton University Press, 2015), 84.

⁶¹ Murray, *The Harding Era*, 186-187.

⁶² Leffler, “The Origins of Republican War Debt Policy,” 593-594.

extend the time of repayment of the principal or the interest or both” of all outstanding war debts.⁶³ The aim of this bill was to empower the executive branch, in particular Treasury Secretary Andrew Mellon, to negotiate and implement a debt repayment plan under terms that diverged from those written into the Liberty Loans. More specifically, Mellon and Harding would now be empowered to decide when repayment would begin and what interest rates those who owed us would pay.

Taking his cues from organizations like the Chamber of Commerce, the National Association of Manufacturers, the National Foreign Trade Council, the American Bankers Association, and the American Farm Bureau Federation, Harding accepted that “European economic reconstruction and European political tranquility were prerequisites for the healthy functioning of the American economy.”⁶⁴ He was inclined to allow for deferred payments and some room to negotiate the interest rate owed on the loans because he understood that it was not in the best interest of the United States to further weaken Europe’s economy by insisting on immediate repayment. In his letter, Harding conceded that if enacted, S.2135 would grant “broad powers” to the Secretary of the Treasury and executive branch. Yet, according to Harding, such discretion was required to “best protect the interests of our government.”⁶⁵ Here we see Harding explicitly endorsing the idea of presidential representation in international affairs. The president, he is suggesting, must be able to speak for and commit the United States to agreements worked out with other heads of state. Executive branch discretion and leniency toward debt repayment were now fused.

⁶³ *Hearing Before the Committee on Finance on S. 2135*, United States Senate, 67th Congress, 1st Session, 3.

⁶⁴ Leffler, “The Origins of Republican War Debt Policy,” 586.

⁶⁵ *Hearing Before the Committee on Finance on S. 2135*, 4.

In June and July 1921, the Senate Finance Committee held hearings on S. 2135, during which Treasury Secretary Andrew Mellon explained the administration's rationale for seeking discretion of this kind. According to Mellon, the timeframe for repayments, and the interest rates applied to these loans could not be set out in advance. "With some of these governments, there will be a necessity to defer interest payments," he argued. "There will be cases where it will be utterly impossible for the particular government to meet the current rates."⁶⁶ As a result, he and President Harding agreed that it was desirable for the executive branch to be granted "authority broad enough to cover any contingency which might arise."⁶⁷ To deny the administration this authority, or to require that agreements worked out between the administration and other heads of state be voted on by the Senate, "wouldn't be practicable," Mellon argued.⁶⁸

Supporters of S. 2135 in the Senate echoed these claims. Senator John Sharp Williams (D-MS), for example, explained that "somebody must have the power to enter into negotiations with all these people together, each of them interlocking with the other."⁶⁹ "I am in favor of giving this administration plenary power to settle [the debt repayment] and then holding it responsible," he went on. Senator Reed Smoot (R-UT) echoed Williams, making clear that the discretionary authority provided by S. 2135 would allow the Harding administration to "extend the time on the loans and also to extend the time on the interest that may be due."⁷⁰ When the Senate Finance Committee issued its own report endorsing S. 2135, supporters made clear that

⁶⁶ *Hearing Before the Committee on Finance on S. 2135*, United States Senate, 67th Congress, 1st Session, 57.

⁶⁷ *Hearing Before the Committee on Finance on S. 2135*, United States Senate, 67th Congress, 1st Session, 15.

⁶⁸ *Hearing Before the Committee on Finance on S. 2135*, United States Senate, 67th Congress, 1st Session, 325.

⁶⁹ *Congressional Record*, 67th Congress, 1st Session, 3244

⁷⁰ *Congressional Record*, 67th Congress, 1st Session, 3022.

they intended for Harding and Mellon to “deal with the situation, promptly and broadly in such a way as will ... best protect the interests of the United States.”⁷¹

Yet significant opposition to S. 2135 emerged from dissenting members of the Finance Committee and in the Senate at large. Six of the Committee’s fifteen members drafted their own minority report, opposing S. 2135. “We are amazed that any man would seek to wield such enormous powers without submitting his acts for the approval of the elected representatives of the people,” they write.⁷² These senators explicitly rejected the discretionary authority sought by Mellon and Harding. If Congress were to enact S. 2135, they write, “the legislative arm of the United States government will have given notice to the world that it has abdicated control.”⁷³

The minority report also linked opponents’ fears of executive branch discretion with a claim that such discretion would be used to offer debtor nations more lenient loan terms. “If the representatives of foreign nations understand that any settlement which is made by the Secretary of the Treasury must run the gauntlet of congressional criticism and ratification,” they claim, “they will be less likely to propose to the Secretary of the Treasury terms of settlement which it would be embarrassing for him to submit for congressional approval.” Here, opponents of the bill make clear their belief that Congress, not the Harding Administration, would insist on strict obedience to the terms of the Liberty Loans. Finally, those who signed onto the minority report also warned that any agreement endorsed by Harding and Mellon would “impose a constraint upon every succeeding Congress for many years to come in respect to the raising of revenue for

⁷¹ *Senate Report 264*, 67th Congress, 1st Session, 2.

⁷² *Minority Report to Senate Report 264*, 67th Congress, 1st Session, 2.

⁷³ *Minority Report to Senate Report 264*, 67th Congress, 1st Session, 2. Finance Committee members who signed the minority report are as follows: Robert La Follette (R-WI), Furnifold Simmons (D-NC), Andreius Jones (D-NM), Peter G. Gerry (D-Rhode Island), James A. Reed (D-MO), David I. Walsh (D-MA).

the meeting of fiscal challenges.”⁷⁴ International obligations, in other words, would shape domestic politics in unpalatable ways.

The objections raised in the Senate Finance Committee’s Minority Report were repeated when the full Senate debated the bill. Senator Kenneth McKellar (D-TN) condemned the proposal for giving “too much power” to the executive branch. He then went on to attack the Harding Administration for prioritizing international concerns over domestic priorities. “If you want to reduce taxation on the American people, collect these just and overdue interest charges,” he argued.⁷⁵ The GOP’s tax cut promise, McKellar argues here, was in direct conflict with the Harding Administration’s view that more lenient terms may be needed. Thomas Heflin (D-AL) made a similar critique of the bill’s grant of discretion to Harding and Mellon before portraying domestic and international priorities as zero-sum. “I think that this government should be just to its own people before it is just to the people of foreign countries,” he claimed.⁷⁶ Days later, Oscar Underwood (D-AL) argued that S. 2135 would “eliminate Congress entirely” from discussions of foreign debts and America’s place in the world.⁷⁷

Congress never voted on S. 2135 because the intense opposition it produced led supporters to withdraw the bill and craft a new one. This version—H.R. 8762—directly addressed the critiques made by Senate opponents. As Senator Porter McCumber (R-ND) explained, the new version proposed a “commission of five persons, one of whom shall be the Secretary of the Treasury” with the others appointed by the President and confirmed by the

⁷⁴ *Minority Report to Senate Report 264*, 67th Congress, 1st Session, 2.

⁷⁵ *Congressional Record*, 67th Congress, 1st Session, 3023; 3025.

⁷⁶ *Congressional Record*, 67th Congress, 1st Session, 3029.

⁷⁷ *Congressional Record*, 67th Congress, 1st Session, 3239.

Senate, to decide how best to handle debt repayment. No longer would “one man pass judgment upon this matter.”⁷⁸ H.R. 8762 also stipulated that the commission did not have the authority to cancel Europe’s debt, it made clear that all loans must be collected within twenty-five years, and it set the lowest possible annual interest rate on the loans at 4.25 percent.⁷⁹

Despite these changes, the animating spirit of S. 2135 continued to motivate supporters of H.R. 8762. They believed, as William King (D-UT) explained, that “without the rehabilitation of Europe our prosperity will be long deferred.” “We are linked to the world,” he went on, “we are a part of the world.”⁸⁰ Our prosperity, King claimed, hinges on European prosperity. Recognizing this, he advocated further leniency. Any plan for repayment would also need to afford the commission discretion to be “exercised in such a manner that they [commissioners] can reach agreement between the other nations with reference to their debts [to each other] and with reference to the payment of debts to us.”⁸¹ Allied powers also owed money to the United States, but they also owed to each other. This is a fact that any workable debt repayment program would need to take into consideration. John Sharp Williams made this point during his discussion of the bill. “You think you can draw up anything you please and put it in an American statute and bind all Europe by it. That is absurd,” he argued. “You cannot reach any conclusion of present difficulties except by an agreement between ourselves and the other nations.”⁸² In short, therefore, the Harding Administration was asking for discretionary authority to craft a multi-lateral approach to repayment.

⁷⁸ *Congressional Record*, 67th Congress, 2nd Session, 1571-1572.

⁷⁹ Rhodes, “Rethinking ‘Uncle Shylock,’ 792.

⁸⁰ *Congressional Record*, 67th Congress, 2nd Session, 1576.

⁸¹ *Congressional Record*, 67th Congress, 2nd Session, 1576.

⁸² *Congressional Record*, 67th Congress, 2nd Session, 1906.

Not all Senate opponents of S. 2135 were mollified by the changes written into H.R. 8762. Opponents of leniency, continued to attack the discretionary authority it lodged in the executive branch, and to portray any negotiated settlement with the nations owing us money as imposing illegitimate constraints on domestic politics. Senator Thomas Walsh (D-MT), one of the new bill's primary antagonists in the Senate, made clear his belief that the president "has no authority to modify" the terms of the loans as originally drafted.⁸³ Senator Key Pittman (D-NV) echoed this view, claiming that the authority Harding and Mellon sought "cannot be delegated."⁸⁴ "This bill abrogates the function of the Congress," Hiram Johnson (R-CA) asserted in the course of a long argument making clear why he believed that President Harding had a constitutional obligation to bring any revised payment plan to the Senate for a separate vote.⁸⁵ Senator James Reed (D-MO), then raised yet another critique stressing the tension between international and domestic obligations: "Instead of taxing our people to death, instead of taxing our bondholders to death," he exclaimed, "return that principal from our foreign debtors" Reed rejected out of hand the idea that Americans should make allowance for the imperiled state of the European economy.⁸⁶

Domestic Politics & Debt Repayment: Empirical Analysis

To further explore the coalitional dynamics at play during the repayment debate, I will focus on a series of roll call votes on amendments offered during floor consideration of H.R. 8762. My empirical analysis focuses on the Senate because, in the words of Senator Boies Penrose (R-PA),

⁸³ *Congressional Record*, 67th Congress, 2nd Session, 1675.

⁸⁴ *Congressional Record*, 67th Congress, 2nd Session, 1676.

⁸⁵ *Congressional Record*, 67th Congress, 2nd Session, 1755.

⁸⁶ *Congressional Record*, 67th Congress, 2nd Session, 1883.

“it makes no difference who is Secretary of State, the Senate will make the foreign policy.”⁸⁷ It was in the Senate, therefore, that this debate was most illustrative. The primary goal of the regression analyses I present below is to identify if and to what extent party, ideology, and faction influenced senators’ vote choices on issues related to the debt repayment. For this reason, my unit of analysis is the individual senator and the way he voted on amendments offered to H.R. 8762.

For each roll call, I specify if the member is voting with or against the Harding Administration’s policy of “leniency” toward European debtors. As I explained above, Harding sought broad discretion for the Debt Commission proposed by this bill. Harding and his supporters believed that the Commission’s power to negotiate more lenient terms like lower interest rates or deferred payments would serve the broader goal of reviving the global economy. For this reason, any vote to rein in the Commission’s authority, to prohibit it from crafting a more lenient policy, or for requiring final congressional approval of whatever was negotiated, I consider to be a vote against the Harding Administration.

Each specific test analyzes different partisan, ideological, and factional variables to see if they are independently correlated with an individual senator’s vote. My aim here is to identify the coalitions that emerged around debt repayment policy. I intend to make clear if and to what extent the factional politics that characterized domestic issues in the 1920s also appear when the Senate considered America’s post-war approach to foreign policy. While an empirical analysis of this kind cannot “prove” that a given partisan, ideological, or factional self-identification caused a

⁸⁷ Quoted in Murray, *The Harding Era*, 129.

specific member to vote one way or the other, it can uncover valuable information about the outlook of various intra-Senate coalitions.

I begin by considering simple partisan identification as a predictor of vote choice. While the early inter-war period is notable for its intra-party factionalism, there is reason to believe that Republicans might have wanted to rally behind President Harding. With the devastating defeat of the Versailles Treaty only a couple of years in the past, we might expect Republicans to hold together on international policy as a way of sparing Harding that kind of embarrassment. In other words, intra-party factionalism may have characterized domestic but not international policy. The regressions therefore include a variable for “Republican,” which takes on a value of 1 for those voting members of Harding’s party and 0 for anybody else.

To identify any correlation between ideology and voting, the regressions below also include variables measuring each voting members’ First- and Second-Dimension DW-NOMINATE score.⁸⁸ Both measures range from -1 to 1, with -1 being the most “liberal” and 1 being the most “conservative.” Mapping the traditional division among liberals and conservatives onto questions of international policy is not straightforward. As Fordham and Flynn explain, one can treat a measure of ideology like this as a constraint on foreign policy attitudes such that the content of “liberalism” prescribes a specific approach to America’s role in the world. Instead, however, they treat members’ locations on the ideological spectrum, when applied to foreign policy questions, as an indication of one’s membership in a specific coalition of like-minded lawmakers. I follow this approach. “Conservative” and “Liberal” therefore are simply indications

⁸⁸ Keith T. Poole and Howard Rosenthal, *Congress: A Political-Economic History of Roll Call Voting* (New York: Oxford University Press, 1997). For a useful introduction to NOMINATE, see Phil Everson, Rick Valelly, Arjun Vishwanath, and Jim Wiseman, “NOMINATE and American Political Development: A Primer,” *Studies in American Political Development* 30 (October 2016): 97-115.

that a given group of lawmakers belong “to a social group” and they “adhere to its preferred issue positions.”⁸⁹

The models below also include variables accounting for a given senator’s membership in the two most important factional groups operating during the 67th Congress: the Progressives and the Farm Bloc. Here I rely on secondary research examining these groups to compile lists of those senators who consider themselves members of each.⁹⁰ Then I assign a value of “1” to any senator who is a member of the Progressives, the Farm Bloc, or both, and a “0” otherwise. Similar to how ideology works in my argument, faction membership does imply a distinctive political identity. But the substance of that identity needs to be explained. Here I am primarily interested in testing to see whether membership is systematically correlated with support or opposition to the Harding Administration’s policy of leniency.

The first amendment to H.R. 8762 taken up by the Senate was a direct challenge to the mission of the debt commission. Offered by Senator Hiram Johnson (R-CA), a member of the Progressive faction, this amendment would have required any “adjustment, settlement, or refunding” or a debtor nation’s obligation to be voted on by Congress before it became final.⁹¹ Johnson explained this amendment as a defense against Congress choosing to delegate its authority to a commission.⁹² From his perspective, the Senate should have the final say over any agreements worked out by the Debt Commission. Senator Borah (R-ID), another Progressive,

⁸⁹ Benjamin O. Fordham and Michael Flynn, “Everything Old is New Again: The Persistence of Republican Opposition to Multilateralism in American Foreign Policy,” *Studies in American Political Development* 37 (April 2023): 56-73; 58-59.

⁹⁰ Olssen, “The Progressive Group in Congress,” 246; Patrick G. O’Brien, “A Reexamination of the Senate Farm Bloc, 1921-1933,” *Agricultural History* 47 (July 1973): 248-263; Murray, *The Harding Era*, 203.

⁹¹ *Congressional Record*, 67th Congress, 2nd Session, 1896.

⁹² *Congressional Record*, 67th Congress, 2nd Session, 1889.

explained its real purpose: Johnson's proposal was the only way to prevent the Harding administration from granting more generous terms to those nations owing us money without a formal vote in Congress. "They [the Harding Administration] want the latitude" to postpone interest payment, Borah asserted.⁹³ Congress would not approve the plan being pursued by the Harding Administration, he claimed, so they were using the commission as a smokescreen.

Table 1 describes the partisan split on the Johnson amendment. In this case, nearly all Democrats voted with Republican Hiram Johnson, and six other Republicans, to constrain the Harding Administration. The overwhelming majority of Republicans, however, opposed the amendment. In Table 2, I report regression results for a logistic regression testing the effect of partisan, ideological, and factional variables on each senator's vote choice. To reiterate, in this case this a vote in favor of the Johnson amendment was a vote against the Harding administration's preference for leniency. Column 1 reports the relationship between party identification and vote; Column 2 ideology and vote; Column 3 factional affiliation and vote; and Column 4 tests all potential explanatory variables in one model. I follow this procedure in all the remaining regressions.

In this case, party, ideology, and faction are each highly significant in the expected direction: a senator's affiliation with the Republican Party makes him more likely to vote against the measure; as a senator's First-Dimension NOMINATE score increases—as he becomes more ideologically conservative—he is also more likely to vote against the measure. These results also demonstrate that a Senator's affiliation with the Progressive bloc in the Senate systematically *increases* the chances that he will vote for the Johnson amendment. When all of these variables

⁹³ *Congressional Record*, 67th Congress, 2nd Session, 1896.

are tested together, factional identification with the Progressive group remains highly significant in the same direction. Stated differently, the baseline probability of a Republican voting for Johnson's amendment is approximately 40 percent. For Republicans who are also Progressives, however, the probability of voting to support Johnson's amendment increases to nearly 80%. Progressive Republicans demonstrate attitudes toward leniency and America's place in the world that systematically differentiate them from the average Republican.

Table 1: Party Splits on Debt Repayment Bill Votes

Johnson Amendment	Yea	Nay
Democrat	30	1
Republican	7	43
Total	36	44
Simmons Amendment		
Democrat	28	1
Republican	4	48
Total	32	49
Reed Amendment		
Democrat	29	1
Republican	4	43
Total	33	44
Walsh Amendment		
Democrat	27	0
Republican	12	35
Total	39	35
Final Passage		
Democrat	0	23
Republican	39	3
Total	39	26

Table 2: Factors Associated with Vote Choice on the Johnson Amendment [Vote 215]

Variable	(1)	(2)	(3)	(4)	(5)
Republican	-5.18*** (1.10)				-18.31*** (7.84)
First Dim. NOM		-6.59*** (1.69)			13.09** (6.89)
Second Dim. NOM		0.355 (1.08)			2.77 (1.73)
Farm Bloc			-0.33 (0.50)		-1.43 (1.07)
Progressive				2.35*** (0.81)	6.39*** (2.54)
N	80	80	80	80	80
Pseudo R ²	0.55	0.51	0.04	0.1	0.72
% Correctly Predicted	90	92	55	68	93

Note: Coefficients are logit estimates with the standard errors (clustered by Senator) in parenthesis. *= $p < 0.1$; **= $p < 0.05$; ***= $p < 0.01$

Once Johnson's amendment failed, Senator Furnifold Simmons (D-NC) proposed new language to the bill stipulating that all debtor nations would be required to make either annual or semiannual interest payments at a rate of no less than 4.5 percent. This amendment would increase by 0.25 the binding interest rate proposed in the bill. With this amendment Simmons aimed to constrain the discretionary authority of the debt commission and, by extension, prevent the administration from renegotiating more lenient terms. He depicted the Harding administration's position as "a present" to international bankers.⁹⁴ Echoing him was Senator Gilbert Hitchcock (D-NE), who argued that "if [Simmons'] amendment is beaten, the commission will have the power to say that interest may be paid once in 6 years, or once in 20 years." Hitchcock claimed that any deferred interest payments amounted to a "gift of money which belongs to the people of the United States."⁹⁵ Opposition to the Simmons amendment,

⁹⁴ *Congressional Record*, 67th Congress, 2nd Session, 1897.

⁹⁵ *Congressional Record*, 67th Congress, 2nd Session, 1898.

meanwhile, came most forcefully from John Sharp Williams (D-MS). “This is not a tradesman’s proposition; it is not a money-lenders proposition. This is an international question,” he claimed. It was our responsibility to resist the urge, based in the domestic politics of the moment, to “insist upon Shylock’s pound of flesh.”⁹⁶

The Simmons amendment failed 32-49, as all but 4 voting Republicans opposed and all but one Democrat voted in favor.⁹⁷ As Table 1 makes clear, Democrats and Republicans largely split along party lines. This time, however, only 4 Republicans broke ranks to vote with Democrats in support of Simmons’ proposal. Supporters of the amendment responded with an argument directed toward Republican members of the Farm Bloc who voted with their party. “I am grieved to see the agricultural bloc ... bowing in deference to the demand of Wall Street,” charged Senator Augustus Stanley (D-KY).⁹⁸ “The agricultural bloc, which has been boasting that it has been standing by the people of the United States,” was now cracking under pressure from international leaders and those who “have been trying to induce us to forgive entirely our foreign debts” so that bankers “may collect their private debts.”

Table 3 reports regression results for the same partisan, ideological, and factional variables on an individual member’s decision to vote against the Harding Administration. Here again, Republicans are voting systematically against efforts to constrain the power of the Debt Commission. Identifying as a Progressive is also, once again, systematically correlated with a vote

⁹⁶ *Congressional Record*, 67th Congress, 2nd Session, 1897-1898.

⁹⁷ On the following day, Simmons tried yet again to amend the bill so that any potential debt deferment would need congressional approval before going into effect. His new amendment failed 27-41. A very similar coalition then failed to push through an amendment offered by Senator Andrieus Jones (D-NM) aiming to force those nations owing us money to pay interest any payments the Commission allowed to be deferred. See, *Congressional Record*, 67th Congress, 2nd Session, 1904; 1941; 1944.

⁹⁸ *Congressional Record*, 67th Congress, 2nd Session, 1906

in favor of those who would impose constraints. On this vote, a higher Second Dimension NOMINATE score is also associated with a vote for the Simmons amendment. This is likely due to the fact that Democrats—legislators who were conservative on questions of race—so overwhelmingly supported Simmons’ proposal.

Table 3: Factors Associated with Vote Choice on the Simmons Amendment [Vote 216]

Variable	(1)	(2)	(3)	(4)	(5)
Republican	-5.81*** (1.15)				-23.69*** (3.13)
First Dim. NOM		-14.49*** (3.04)			-6.30 (4.00)
Second Dim. NOM		3.91** (1.95)			6.09*** (2.18)
Farm Bloc			-0.12 (0.5)		-1.67 (1.30)
Progressive				2.64*** (0.81)	19.35*** (1.24)
N	81	81	81	81	81
Pseudo R ²	.66	.81	0.01	0.14	.90
% Correctly Predicted	93	95	60	73	98

Note: Coefficients are logit estimates with the standard errors (clustered by Senator) in parenthesis. *= $p < 0.1$; **= $p < 0.05$; ***= $p < 0.01$

The final meaningful effort to constrain the Debt Commission came from Senator Thomas Reed (D-MO). The Reed Amendment stipulated that the Debt Commission would be prohibited from extending the date of final payment beyond June 15, 1947. The idea here would be to prevent deferrals that pushed the deadline beyond the date stipulated in the original Liberty Loans. The Reed Amendment also aimed to set the interest rate on the debt at not less than 4.5 percent and to make clear that no country’s interest payments could be deferred for more than 2 years. The regression results on this vote look very similar to those reported in Tables 2 and 3.

Table 4: Factors Associated with Vote Choice on the Reed Amendment [Vote 217]

Variable	(1)	(2)	(3)	(4)	(5)
Republican	-5.48*** (1.12)				-6.85** (3.40)
First Dim. NOM		-16.40*** (4.21)			-9.06* (4.68)
Second Dim. NOM		6.10** (2.71)			7.91*** (2.75)
Farm Bloc			0.36 (0.50)		-0.8 (1.10)
Progressive				3.20*** (1.08)	2.55*** (0.96)
N	77	77	77	77	77
Pseudo R ²	0.61	0.84	0.01	0.16	0.89
% Correctly Predicted	92	96	57	71	98

Note: Coefficients are logit estimates with the standard errors (clustered by Senator) in parenthesis. *= $p < 0.1$; **= $p < 0.05$; ***= $p < 0.01$

One amendment that did pass was introduced by Progressive Senator Thomas Walsh (D-MT). Walsh condemned the Debt Commission for “depriv[ing] the Senate of its constitutional right to ratify agreements that are made with foreign powers.” But, he claimed, if a commission was inevitable, he wanted its mandate broadened so that its members could pursue financial claims incurred by countries for reasons having nothing to do with our loans during the war. For example, Walsh cited “illegal acts of the British admiralty directed against our commerce prior to the time that we entered into the world war.”⁹⁹ This was, in short, a Progressive senator making clear his displeasure with the behavior of our allies. Like others from this faction, Walsh wanted the U.S. to use its newfound financial leverage to bring about a less militaristic European foreign policy.

⁹⁹ *Congressional Record*, 67th Congress, 2nd Session, 1945.

The Walsh amendment passed because it was able to attract support from 13 members of the Republican Party. They joined with all voting Democrats against a coalition of 35 Republicans to incorporate a central feature of the Progressive bloc's perspective on foreign policy into this bill. *All* voting Progressives supported the Walsh amendment, suggesting yet again, that the Progressive bloc had developed a cohesive group identity around America's role in the world after hostilities had ended.

When the Senate did vote on an amended version of H.R. 8762, it passed 39-26.¹⁰⁰ As Table 1 makes clear, all Republicans but 3 supported the final version while all Democrats voted against it. Despite its 22-seat majority, the Harding Administration was forced by intra-GOP opposition to accept a five-member Debt Commission rather than their initial request to delegate all negotiating authority to Andrew Mellon. They were also forced to accept a rule stipulating that all money must be collected within 25 years and at a minimum interest rate of not less than 4.25 percent. Furthermore, the regression results presented above suggest that Harding and his allies in the Senate faced a coalition of Democrats and Progressives we were seeking to impose additional limitations on the discretionary authority of the commission. To the extent that a multilateral approach to America's global role was possible in 1922, it was the Harding Administration and not Congress that was pushing this perspective.

The Four Power Treaty & The Durability of Intra-Senate Coalitions

In order to determine if the coalitional dynamics drawn out by the debt repayment debate were specific to that subject, or more durable indicators of intra-Senate perspectives on America's

¹⁰⁰ *Congressional Record*, 67th Congress, 2nd Session, 1978.

global role, I will next explore votes related to the Four Power Treaty. To do so, I will follow the procedure I adopted in the preceding section: I will highlight roll-call votes on amendments intending to limit executive branch discretion, or to weigh in on the Harding Administration's approach to international leadership. In this final substantive section, I want to ascertain if partisan, ideological, and factional identity are correlated with senators' vote choices in a way that mirrors the results I presented in the previous section.

In May 1921 the Senate unanimously adopted a resolution, offered by Senator Borah (R-ID), calling on the Harding administration to convene an international conference aimed at encouraging world powers to begin a process of disarmament.¹⁰¹ Harding initially opposed Borah's resolution because he saw it as an effort by the Senate to wrest decisions about American foreign policy from the executive branch. According to Murray, however, Harding also feared popular disapproval if he came out against Borah's resolution. Accordingly, he "let word circulate that he would not relinquish his prerogatives," nor would he be compelled by the Senate to pursue "unilateral disarmament."¹⁰² With those terms stipulated at the outset, Harding accepted the idea of hosting an international summit on American territory. The House approved the resolution soon thereafter and in November 1921 delegates from Great Britain, France, Italy, and Japan met in Washington, D.C. to begin negotiations.

Addressing the participants on the opening day of what came to be known as the Washington Conference of 1921-1922, Harding called for "sober contemplation of the existing order." "A world staggering with debt needs its burden lifted," he went on, "and "humanity

¹⁰¹ *Congressional Record*, 67th Congress, 1st Session, 1757.

¹⁰² Murray, *The Harding Era*, 144.

which has been shocked by wanton destruction” should “minimize the agencies of that destruction.”¹⁰³ Disarmament was the stated purpose of this conference and a deal was in fact reached. The so-called Five Power Naval Treaty imposed limitations on the tonnage each nation was allowed to devote to “capital ships,” or war vessels. For 15 years, according to the Treaty, tonnages were “pegged at 525,850 for the United States, 558,950 for Britain, 303,320 for Japan, 221,170 for France, and 182,800 for Italy.”¹⁰⁴ Link and Catton describe this as the “first agreement in modern history by which major powers undertook disarmaments of any kind.”¹⁰⁵ Here again we see some effort toward a multilateralism. The Harding Administration bound itself and other nations to a common set of rules. This agreement was ratified by the Senate largely without controversy.

Disarmament was not the only aim of the Washington Conference, however. Once the delegates began meeting, Harding directed Secretary of State Charles Evans Hughes to pursue negotiations that would help to “solve Pacific and Far Eastern problems.”¹⁰⁶ The outcome of these negotiations was the Four Power Treaty which did instigate a protracted debate in the Senate. This agreement stipulated that Great Britain, the United States, France, and Japan would respect each other’s territorial holdings “in the region of the Pacific Ocean,” for 10 years. Delegates also agreed to “settle any mutual controversy by conference if negotiations through regular diplomatic channels broke down.” If those possessions were threatened by any nation that

¹⁰³ A transcript of Harding’s speech can be found here: <https://www.presidency.ucsb.edu/documents/address-opening-the-washington-conference>.

¹⁰⁴ Murray, *The Harding Era*, 153-154; Quincy Wright, “The Washington Conference,” *American Political Science Review* 16 (May 1922): 285-297; 291.

¹⁰⁵ Arthur S. Link and William B. Catton, *American Epoch: A History of the United States Since 1900, Volume 2: The Age of Franklin Roosevelt, 1921-1945*, 4th Edition (New York: Alfred A. Knopf, 1974), 86.

¹⁰⁶ Murray, *The Harding Era*, 153.

was not a party to the agreement, the Four Powers agreed to meet and decide how best to counter the aggressor.¹⁰⁷ According to Vinson, the Harding and his allies in the Senate came to see the Four Power Treaty as the “keystone of the world of the Conference.”¹⁰⁸

Leading the charge on behalf of this agreement in the Senate was Henry Cabot Lodge (R-MA). Only a few years earlier, Lodge had emerged as one of the pivotal opponents of the League of Nations. He therefore went to great effort in his discussion of the Four Power Treaty to distinguish the terms it set out from those that were incorporated into the Treaty of Versailles. Lodge condemned the Treaty of Versailles for “obligating” the United States to come to the defense of those parties who were also members of the League, thereby delegating the Senate’s role in determining foreign policy to the executive. For example, Lodge claimed that by ratifying the Versailles Treaty, the “youth of America” would be “ordered to war by other nations without regard to what they or their representatives desire.”¹⁰⁹ The Four Power Treaty, he claimed, imposed no such rule. “The Treaty now before us ... involves the United States in no obligation,” Lodge declared, “except to meet with other signatories and consult in case of any controversy arising or in case of aggression by some outside power.”¹¹⁰ He also described the Treaty as an effort on the part of the Harding Administration to encourage U.S. global leadership. “Are we to sink back into a sullen solitude, prey to dark suspicions, a hermit nation

¹⁰⁷ For more on the provisions and drafting of the Four Power Treaty see, J. Chal Vinson, “The Parchment Peace: The Senate Defense of the Four-Power Treaty of the Washington Conference,” *The Mississippi Valley Historical Review* 39 (September 1952): 303-314; J. Chal Vinson, “The Drafting of the Four Power Treaty of the Washington Conference,” *Journal of Modern History* 25 (March 1953): 40-47.

¹⁰⁸ Vinson, “The Parchment Peace,” 305.

¹⁰⁹ *Congressional Record*, 65th Congress, 3rd Session, 4522.

¹¹⁰ *Congressional Record*, 67th Congress, 2nd Session, 3551.

armed to the teeth and looking forward always to wars as inseparable from the existence of mankind upon the earth,” Lodge asked.¹¹¹

Senator Lodge’s repeated efforts to disclaim any intent on the part of the treaty’s supporters to create a binding “alliance” failed to assuage outspoken Progressives. Hiram Johnson (R-CA) raised a now familiar complaint when he accused the Harding Administration of encroaching on the Senate’s rightful constitutional authority to determine the nation’s foreign policy. He then went on to accuse supporters of the treaty of imposing an “obligation to follow the advice” of any conference called by the signatories in response to aggression or a violation of the terms of the treaty.¹¹² Borah—whose resolution made possible the Washington Conference—now turned against what it had produced. To him, the “unlimited discretion” afforded to those who would be representing the United States at any conference called by the signatories would impose an “obligation” upon the Congress which it “cannot in honor escape.” Similar to arguments made about the Debt Commission, Borah claimed that American delegates would commit the country to a policy that the Senate would then be compelled to act upon or “repudiate the Secretary of State.”¹¹³

At the end of March 1922, the Senate began voting on a series of amendments to the Four Powers Treaty. Most relevant to my analysis are those changes proposed to the treaty that would explicitly limit executive branch discretion or undermine its multilateral aims. For example, an amendment offered by Senator Joseph Robinson (D-AR) aimed to formally prohibit “each of the high contracting parties” to “refrain from entering into or being a party to any secret

¹¹¹ *Congressional Record*, 67th Congress, 2nd Session, 3552.

¹¹² *Congressional Record*, 67th Congress, 2nd Session, 3775; 3782.

¹¹³ *Congressional Record*, 67th Congress, 2nd Session, 4316; 4328.

treaty ... with any other power or powers during the life of this treaty.”¹¹⁴ Robinson’s amendment failed, 32-61, as 6 Democrats joined 55 Republicans to resist this intrusion into the executive branch’s authority to conduct the nation’s foreign policy. As Table 5 makes clear, affiliation with the Progressive bloc is systematically correlated with support for the Robinson amendment. This finding suggests that the Progressive vision of American global leadership was not constrained to the debt repayment debate. Also similar to the voting patterns I identified above, “conservatives” and Republicans proved systematically less likely to support Robinson’s effort to constrain President Harding.

Table 5: Factors Associated with Vote Choice on the Robinson Amendment [Vote 259]

Variable	(1)	(2)	(3)	(4)	(5)
Republican	-3.98*** (0.67)				-3.79*** (1.98)
First Dim. NOM		-8.90*** (1.92)			-4.23 (2.73)
Second Dim. NOM		3.30** (1.43)			3.53** (1.28)
Farm Bloc			-0.14 (0.48)		0.96 (0.76)
Progressive				2.45*** (0.69)	1.90* (1.01)
N	93	93	93	93	93
Pseudo R ²	0.46	0.60	0.01	0.13	0.66
% Correctly Predicted	88	88	65	75	91

Note: Coefficients are logit estimates with the standard errors (clustered by Senator) in parenthesis. *= $p < 0.1$; **= $p < 0.05$; ***= $p < 0.01$

Soon after the Robinson amendment failed, Senator James Reed (D-MO) proposed a changed to the treaty that would have allowed the United States to leave after 2 years, rather than the 10-year term agreed upon by signatories. Reed’s amendment directly challenged one

¹¹⁴ *Congressional Record*, 67th Congress, 2nd Session, 4486.

multilateral aspect of this agreement insofar as he sought to allow the United States to unilaterally alter one of its central provisions, as well as to unilaterally decide to leave the treaty. Reeds amendment failed, 28-63. As Table 6 shows, the coalition supporting this shift was once again primarily Democrats and Progressives. Ultimately, the Four Powers Treaty passed, 67-27. In the end, only 4 Republicans voted “no” alongside 23 Democrats against a majority coalition of 56 Republicans and 11 Democrats.¹¹⁵

Table 6: Factors Associated with Vote Choice on the Reed Amendment [Vote 269]

Variable	(1)	(2)	(3)	(4)	(5)
Republican	-3.45*** (0.64)				-1.99 (1.38)
First Dim. NOM		-9.92*** (2.81)			-7.56*** (2.73)
Second Dim. NOM		4.42** (1.78)			4.70*** (1.52)
Farm Bloc			-0.40 (0.51)		-2.45** (0.92)
Progressive				2.56*** (0.71)	1.83** (0.90)
N	91	91	91	91	91
Pseudo R ²	0.37	0.59	0.01	0.14	0.68
% Correctly Predicted	85	90	69	78	91

Note: Coefficients are logit estimates with the standard errors (clustered by Senator) in parenthesis. *= $p < 0.1$; **= $p < 0.05$; ***= $p < 0.01$

Conclusion

Following the Senate’s dramatic failure to ratify the Treaty of Versailles, and then the GOP’s overwhelming 1920 election victory, traditional accounts often depict the United States as on a path toward withdrawal from international politics. One of the main aims of this paper has been to explore this claim by looking at the first two issues with international implications to

¹¹⁵ *Congressional Record*, 67th Congress, 2nd Session, 4497.

arise during the Harding presidency: Allied debt repayment and the Four Powers Treaty. The analysis I present here suggests that despite Harding's promised "return to normalcy," he recognized that the United States' newly acquired status as an international superpower did make necessary a kind of multilateral, international engagement. On both issues, the Harding Administration sought agreements with multiple international partners and they acknowledged the need to consider international obligations alongside demands from American citizens. Harding was supported by most Senate Republicans, but his strongest defenders were its more conservative members associated with the "Old Guard."

Compared to Wilson's vision of American global leadership, what Harding and the Republicans supported in the early 1920s was indeed more limited. As Vinson explains, the United States was "no torn between isolation and world leadership, drawn between the inexorable demands of world security and the innate desire for normalcy."¹¹⁶ What I have shown here is that Harding was being constrained by both inter- and intra-party conflict playing out in the United States Senate. On the debt issue, the Harding Administration's attempt to win discretion for the executive branch to negotiate a more lenient multi-lateral repayment scheme was rebuked by the Republican-controlled Senate. Instead, Harding was forced to accept a debt commission which was prohibited from deciding for itself the rate of interest borrowers would face or when their final payments would be due. Progressives were no help to Harding because they opposed both leniency and multilateralism. Members of the Progressive bloc worked with Democrats to amend the debt commission proposal in ways that would constrain the administration so that additional leniency would not be possible. Progressives and Democrats

¹¹⁶ Vinson, "The Parchment Peace," 313.

also voted consistently for unilateralism and constraints on the executive when the Senate considered the Four Powers Treaty.

While these findings do not undermine the claim that the United States pursued an “isolationist” policy in the 1920s, they do suggest that a more limited kind of multilateralism was endorsed by the Harding Administration in the face of significant opposition. What the findings I present here also suggest is the need to consider how party competition and intra-party factionalism continued to inform the United States’ approach to global leadership through the 1920s. Did the patterns I describe above re-emerge in the run-up to the Dawes Plan, debate over American membership on the World Court, or the Kellogg-Briand Treaty? How did party contestation influence the construction and enactment of the Neutrality Laws that would constrain Franklin Roosevelt in the 1930s? In short, will looking over a longer span of time draw out patterns that help to explain what happens when aspects of the domestic political regime come into conflict with the demands of international leadership? Questions like these are often neglected by scholars of American politics. It is my contention that more attention to them is needed.