In March 1919, Thomas Lamont, a banker at J.P. Morgan, drafted a letter to Russell Leffingwell, the U.S. secretary of the treasury. “America holds the key” to a “real and lasting peace,” Lamont claimed; if it failed to “exercise that power, no one can foresee the consequences — consequences with almost as terrible results for America as for the rest of the world.”

Lamont never sent the letter. And, according to Adam Tooze, a professor of history at Yale University, a different attitude dominated the administration of President Woodrow Wilson. A stable postwar world could not be maintained through an armed alliance of the United States, Britain and France, those officials believed; they wanted the United States to preserve its economic and moral capital by abstaining from political entanglements with nations of Europe and Asia.

In “The Deluge,” Tooze provides a grand and groundbreaking reinterpretation of World War I and its aftermath. The United States, he argues, was by no means isolationist, but American diplomats did not provide a strong anchor for the new and unsettled world order by stabilizing the global economy and establishing effective institutions of collective security. They unwittingly paved the way for the rabid nationalism of Germany, Italy and Japan in the 1930s.

“The Deluge” casts doubt on conventional wisdom about the interwar years. In a characteristically provocative claim, Tooze suggests that “most, if not all, of the problems” generated by the Treaty of Versailles arose from the assumption that Germany would remain intact as a sovereign nation. He asserts as well that there was substantial continuity between the foreign policy of the Wilson administration and the Republicans who followed. None of them turned inward; all of them addressed the world as nationalists, “bent on asserting America’s exceptional claim to pre-eminence on a global scale.”

Most disastrously, Tooze reminds us, the United States, the richest nation in the world, missed opportunity after opportunity to stabilize the global economy in the 1920s. By granting substantial debt relief to its European allies, the United States could have made it possible for them to moderate the payment of reparations imposed on Germany by the Treaty of Versailles — and perhaps have prevented the economic collapse that paved the way for the rise of...
Adolf Hitler.

Although they had their weaknesses, Tooze demonstrates, the democracies of the period between the wars were, in fact, more resilient than the monarchies or authoritarian regimes they replaced. That said, given “the absent presence” of American power and its position of “privileged detachment,” the choice to many insurgent radicals seemed to have been between “supine democratic conformism and a national self-assertion” driven by unprecedented aggression toward their domestic populations and other countries.

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