

Charles Gates Dawes

1925

“This award, which is in recognition of the work of the First Committee of Experts, Reparations Commission, of which I was chairman, is gratefully acknowledged.”

The so-called “Roaring Twenties” in the United States have captured the popular interest of many Americans. Seemingly hoping to turn their backs on the horrors of World War I and its aftermath, many Americans desired a swift “return to normalcy”. The decade of the 1920’s would prove to be anything but normal. The high costs of rebuilding war-damaged property and lives, adapting to the terms of the Treaty of Versailles which were especially harsh toward Germany, and adjusting to the new post-war political landscape, led many to fear that the pathway to yet another cataclysmic war was already laid. Visionary leadership was desperately needed.



One such visionary was Charles Gates Dawes (1865–1951), co-recipient of the Nobel Peace Prize in 1925 for his work on the Dawes Plan which managed Germany's reparations payments after World War I, who shared this recognition with British Foreign Secretary Sir Austen Chamberlain. In March of that same year, Dawes began serving as the Republican Vice-President of the United States under Calvin Coolidge.

Charles G. Dawes was born in Marietta, Ohio on August 27, 1865. He was a descendant of William Dawes, one of the first Puritans to arrive in Massachusetts, and a second William Dawes who was a co-rider with Paul Revere in April of 1775, warning the Massachusetts colonists of the arrival of British forces. His father, Rufus Dawes, owned a successful lumber company and, during the Civil War, served with distinction as a Union officer. The combination of professional success and public service was a family trait exemplified by the life of Charles Dawes.

Charles Dawes graduated from Marietta College in 1884, at the age of nineteen, and from the Cincinnati Law School in 1886. He practiced law in Lincoln, Nebraska where he moved in 1887. During his seven years in Lincoln, his business acumen became very clear. He gained valuable experience as a manager, investor, bank director, and public figure which helped lay the groundwork for his future endeavors. In 1894, he bought control of a utility company in La Crosse, Wisconsin and one north of Chicago, new business ventures which proved very prosperous for him and his brothers. In the same year, he moved to Evanston, Illinois, near Chicago, which would become his permanent home.

Dawes was involved in the presidential campaign of 1896, helping Republican William McKinley win Illinois. President McKinley appointed Dawes as the United States comptroller of the currency in 1898, a position he held until 1901 when he made an unsuccessful attempt to gain the Republican party's nomination for a United States Senate seat. In 1902, Dawes returned to private business. Leaving the management of the utility companies to his brothers, he turned his attention to banking and founded the Central Trust Company of Illinois, serving as its president until 1921.

When the United States entered World War I in 1917, Dawes received commission as a major with the 17th Engineers in France. Later he was appointed to General Pershing's staff as head of supply procurement for the American Expeditionary Force and was promoted to the rank of brigadier general. The innovations and efficiencies he designed were expanded into an inter-Allied purchasing board and distribution authority. Following the war, Dawes was a strong voice in favor of the ratification of the Treaty of Versailles and the League of Nations, positions that most Republicans did not share.

1865 – 1951

- Successful lawyer, manager, business owner, politician, musician, author, banker
- Served in WW I on General Pershing's staff as General Purchasing Agent
- Chaired the Allied Reparations Committee (1923-24) which developed the "Dawes Plan"
- Vice-President of the U.S. 1925-29
- *"Mediocrity requires aloofness to preserve its dignity."*

The United States Bureau of the Budget was created in 1920 and Dawes was appointed by President Warren G. Harding as its first director in 1921. His insistence that each government department write and adhere to a budget, along with other reforms, helped to reduce federal expenditures by more than a third. Indicative of his renown as a man of vision combined with a unique financial ability, was the request by the League of Nations in 1923 that he chair the Allied Reparations Commission which was tasked with finding a solution to the inability of Germany to pay the liability costs assessed by the Allies under the Treaty of Versailles. In 1924, the so-called "Dawes Plan" outlined a five-year plan to stabilize the German economy and suggest a reasonable schedule for the repayment of the debts.

The skillful handling of a major international dilemma not only brought Charles Dawes the Nobel Peace Prize in 1925, it also elevated his prestige around the world. In 1924, he was

elected Vice-President of the United States and served in that position until 1929. Continuing his public service career, he was appointed United States ambassador to Great Britain from 1929 to 1932. During these years, Dawes also served as a delegate to the London Naval Conference in 1930 and the International Disarmament Conference in Geneva in 1932. He returned to the United States when President Hoover asked him to direct the Reconstruction Finance Corporation (RFC), a government agency created to

lend money to businesses in an attempt to bolster the national economy during the Great Depression.

In 1932, Dawes returned to the banking business and served as chairman of the board of the City National Bank and Trust Company in Chicago, a position he retained until his death on April 23, 1951 in Evanston, Illinois. Charles Dawes led a full and productive life. In addition to his professional achievements and his public service, he was an accomplished musician, author, and family man. He was generous supporter of philanthropic organizations and the arts, especially music.

Charles Dawes was co-recipient of the Nobel Peace Prize for 1925. It was presented to him on December 10, 1926 after a speech by Fridtjof Nansen in which the political/economic climate of the Western world was encapsulated:

“A peace settlement following a ruinous war can easily degenerate into the imposition by the victors of more or less humiliating conditions upon the vanquished. Such terms, in their turn can easily bear fruit which will in time ripen into a fresh war. The Peace of Versailles can certainly not be said to constitute an exception to this rule. The more protracted the withering trial of war, the harsher the conditions imposed; so when victory is finally won, the demands are difficult, or even impossible, to fulfill. The coercion used to compel the vanquished to give beyond their capabilities only breeds greater hatred and the thirst for revenge. Failure to receive what the victors consider their just compensation for the wounds suffered in war begets disappointment and frustration. To these is added the insecurity and fear of possible consequences when forcible and oppressive means must be used to recover claims. The difficulties mount steadily; nations move further and further apart; insecurity, fear, anxiety foster rearmament.”

The end of World War I left many European leaders wanting both revenge against Germany and a way to prevent another catastrophic conflict. The Treaty of Versailles with its demands for billions in reparations from Germany created an economic responsibility that seemed impossible for the German nation to fulfill. By the early 1920's, it was apparent that another look needed to be taken at the reparations program and the potential negative consequences it may have. The United States proposed and support grew for a “committee of experts” to study the situation in order to, as Mr. Nansen said in his presentation speech, “obtain an expert scientific basis for future deliberations”.

Charles Dawes was the chair of the Allied Reparations Commission which drafted a plan which called for a brief moratorium of payments, followed by reduction in the total owed and a restructuring of the payment schedule. In addition, the finances of the German government would be reorganized, a foreign loan would assist the German economy in righting itself, and the Ruhr industrial region would be returned to Germany. The “Dawes Plan” was received favorably by the Allied governments, symbolically lifting a psychological veil and restoring confidence in the economic future of Europe and in the potential for nations to resolve conflicts through peaceful dialogue. In his acceptance telegram to the Nobel committee, Dawes gave credit to the members of his committee for

their historic work and noted that it was “the endeavor of the experts to found their plan upon the principles of justice, fairness, and mutual interest, relying for its acceptance upon that common good faith which is the enduring faith for the universal safeguarding of peace”.

The Dawes Plan gave impetus to an international effort to reduce armaments and end the threat of war. It helped stave off economic collapse in Europe for a few years but, by the end of the 1920's, the Western powers were experiencing a deep economic depression. Many governments retreated from international concerns and fell back into a pattern of protecting national interests, a path which led, once again, to the horrors of a world war.

Suggested Classroom Activities – Charles Dawes

Introduction/Warm-Up:

Through the use of direct instruction, film, research, etc., the teacher should prepare students by:

1. contrasting the horrors of World War I with the general mood of the American public in the 1920's.
2. discussing the cost of war and the cost of peace

Discussion Questions:

1. In what ways was the world a different place after World War I? (Level 1)
2. Describe the political/economic climate in Germany in the early 1920's?(Level 2)
3. What role did the victorious powers (Britain, France, Italy, United States) play in creating the terms of the Treaty of Versailles of 1919? Compare the ideas of the American President Woodrow Wilson to those held by the leaders of the European powers? (Level 3)
4. How might the terms of the Treaty of Versailles be viewed as punishment for Germany? (Level 2)
5. In what ways did the Dawes Plan aid peace efforts in the 1920's? (Level 1)
6. Demonstrate how the personal and professional background of Charles Dawes would have helped in the work, for which he received the Nobel Peace Prize in 1925? (Level 3)

Vocabulary:

1. Treaty of Versailles
2. cataclysmic
3. reparations

4. acumen
5. comptroller
6. American Expeditionary Force
7. League of Nations
8. vanquished
9. moratorium

Activity:

Overview – Plato taught the “the state is the individual writ large”. Accepting that bit of wisdom, it would seem that if we understand some things about human interaction, we can make reasonable predictions about international relations. In addition, the relationship of larger groups of people might be mirrored in the microcosm of daily social living. The Treaty of Versailles was replete with elements that stemmed from the national interests of the victors (especially the Big Four) and the desire to punish Germany. Charles Dawes and his committee attempted to mitigate certain provisions of the treaty so as to create a less-threatening international climate.

Objectives – Through participation in this activity, students will:

enhance collaborative learning skills

further develop organizational skills and visual/verbal presentation skills

research pertinent historical information and refashion it for presentation in a dramatic form

Procedures –

It will be assumed that the students have received some background about the time period, have read the biography of Charles Dawes, reviewed the vocabulary, and discussed the questions with the teacher.

It will also be assumed that the students have read about post-World War I issues and the Treaty of Versailles.

Students will be divided into groups containing five or six individuals.

The task for each group will be to create a “dramatic metaphor” (skit) intended to portray the individuals and issues that led to the Treaty of Versailles and the situation leading up to the creation of the “committee of experts” which produced the Dawes plan.

Each group will devise a short skit (teacher sets the length) that uses typical human situations to illustrate the macrocosmic events.

To make it a little more interesting and fun, each skit should be from the perspective of a different human grouping: Family Members, Teenage Friends, Faculty Members, Construction Crew, Church or Parish Council, Baseball/Softball Team, etc.

After each performance, the student audience should be asked to identify the important historical elements that were presented metaphorically for them.

Technology Option:

Read the Nobel Presentation Speech for Charles G. Dawes given by Fridtjof Nansen located at www.nobelprize.org.

What were identified as the immediate consequences of the “Dawes Plan”?

Discuss the elements of hope for the future.

Resources:

“Dawes, Charles G.” Britannica Student Encyclopedia. 2006. Encyclopedia Britannica Premium Service.<www.britannica.com/ebi/article-9310944>

www.bioguide.congress.gov/scripts/biodisplay.pl?index=D000147

www.nobelprize.org

www.senate.gov/artandhistory/resources/pdf/charlesdawes.pdf