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CRISIS & CONFLICT ON THE GLOBAL STAGE

Causes & Consequences of Two
World Wars and a Global Depression

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A HISTORIAN'S JOURNAL ENTRY / BY SAUL STRAUSSMAN

The first half of the twentieth century saw a number of catastrophic global events. Between 1914 and 1945 the world experienced two world wars and a worldwide economic depression.



BIG HISTORY PROJECT



Imperial empires broke up, and independence movements arose in colonies to break free from those empires. These events demonstrated that the world had grown more integrated than in the past. Two new global powers also emerged from the upheaval: the United States and the Soviet Union.

Even with such turmoil, the world's population continued to grow faster than ever. New technologies were quickly changing science and how humans communicated. Global integration had happened with tremendous speed during the nineteenth century. Interestingly, now as the world became more and more integrated, many countries tried to separate themselves.

That is a lot to consider. As a historian, how do I go about making sense of this? Why was the first part of the twentieth century filled with these large catastrophic events?

There are three big themes that can help me make sense of these events and pull them together. The first is the role of the global political order. By this I mean how nations interacted with one another diplomatically and politically.

The second theme is economics. Due to the Industrial Revolution and imperialism of the eighteenth and nineteenth centuries, the world's economic output expanded tremendously and swiftly. This expansion caused a lot of strain within and between nations. It resulted in some countries looking inward. They sought to limit economic trade with other nations.

The final theme is technology. Again, the Industrial Revolution played an important role in advancing new technologies. Yet, so did the military industrial complex. This was the link between government military spending and weapons companies, mostly associated with the U.S.

Then I am going to focus on the three biggest events of the early twentieth century. I want to see how the themes mentioned above shaped them. The events I have selected are the First World War, the Great Depression, and the Second World War.

A NOT SO GREAT WAR: CAUSES AND CONSEQUENCES OF THE FIRST WORLD WAR

The First World War was the first major conflict in Europe for almost 100 years. It was primarily fought in Europe. Yet fighting also took place in Asia, Africa, and the Pacific Islands. It included troops from every region of the world, many of them troops made up of people from colonies. The map to the right gives us a sense of where the fighting took place.



Regions where fighting took place in World War I

- | | | |
|---------------------------|--------------------|-----------------------------|
| 1. Western European Front | 5. Palestine/Syria | 9. German Cameroon |
| 2. Eastern European Front | 6. Iraq | 10. German East Africa |
| 3. Italian Front | 7. Arabia | 11. German Southwest Africa |
| 4. Balkan Front | 8. German Togoland | 12. German Pacific Islands |

There were four main long-term causes of the First World War: militarism, alliances, imperialism, and nationalism. (I like to use the acronym MAIN to help me remember those long-term causes.) Each of these long-term causes was affected by at least one of the themes mentioned above. Let's break them down one by one.

The first of our four long-term causes was militarism. For this particular cause, the issue was an arms race between European rivals. Specifically, Great Britain competed with Germany. Great Britain had the largest navy in the world, which made sense. It had to control colonies all over the globe, including far-off ones in Africa and South Asia. To secure its economic interests, Great Britain felt it needed this large navy. It wanted to protect its trade routes and its merchant ships traveling to and from those colonies.

Rivalries began to heat up between the European powers. Germany announced in the early 1900s that it too would build a very large navy to protect its colonial interests. Great Britain saw this as a challenge and a threat. It responded by building a new, more powerful battleship called the *Dreadnought*. The Germans then responded by building their own super battleships. New technologies in shipbuilding, which came about as a result of industrialization, made these larger and more powerful ships possible.

During the late nineteenth and early twentieth centuries, the European powers negotiated a series of political and military alliances. This is our second long-term cause. The idea behind these alliances was that it would discourage any one nation from attacking another nation. Countries would avoid starting wars for fear of bringing more nations into the conflict against them.

In the end, Europe was divided up into two major camps. One was the Triple Entente. It consisted of France, Great Britain, and Russia. The other was the Triple Alliance. It was made up of Germany, Austria-Hungary, and the Ottoman Empire. Some of the other countries of Europe joined one or the other of the alliances.

Our third long-term cause is imperialism. It touches on our political and economic themes. The historians Jerry H. Bentley and Herbert F. Ziegler discuss how European nations searched aggressively for new colonies to boost their economic performance. Here, the historians sum up the issue nicely:

Virtually all the major powers engaged in the scramble for empire, but the competition between Britain and Germany and that between France and Germany were the most intense and dangerous.... German imperial efforts were frustrated.... by the simple fact that British and French imperialists had already carved up most of the world. (973— 74)

Bentley and Zeigler confirm something I suspected: that part of the reason the European countries sought colonies was to have a place to sell their goods. Germany, which was new to the colonial scramble, was also an economic powerhouse. Because of this, Germany's desire for colonies was seen as a threat by Great Britain. Great Britain's position as the world's greatest industrial power had been declining since 1900.

The last of our long-term causes was nationalism. It was an issue that had been building during the nineteenth century. This was particularly true in the European countries that had many minority groups. For example, the Austro-Hungarian Empire consisted

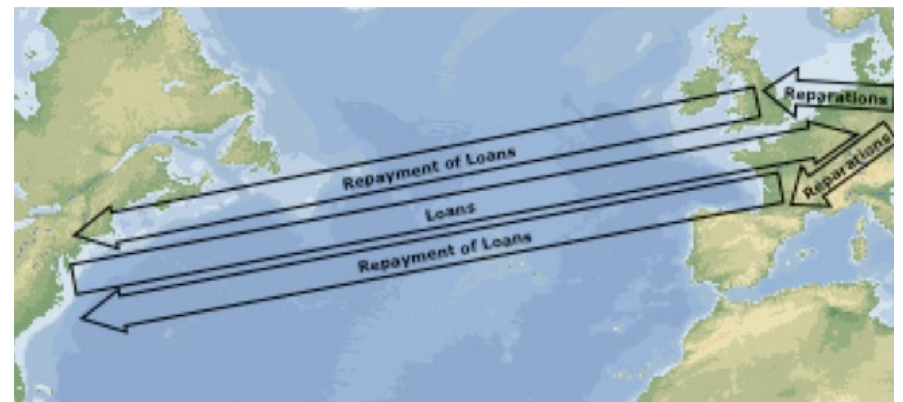
of several ethnic groups including Slavs, Czechs, and Poles. Arab nationalists in the Middle East wanted to be free from the Ottoman Empire, which was ruled by the Turks. Nationalist groups within the Russian Empire wanted to separate into their own countries.

To complicate matters more, many people living in the colonies ruled by the Europeans were rallying around nationalist ideas. They were using nationalist ideas to assert their own rights as people and force their European rulers out. One example of this was the efforts of Mohandas K. Gandhi and the Indian National Congress. They were working to free India from Great Britain's rule.

The event that launched the First World War was the assassination of the heir to the Austro-Hungarian Empire, Archduke Franz Ferdinand. This single event on June 28, 1914 quickly pushed Europe into World War I. It dragged other parts of the world in as well. It was the most destructive war the Earth had ever seen. One of the reasons why this war was particularly horrific was because military technology had progressed so quickly. The historians J.R. and William McNeill describe the role technology played in this conflict:

Military medicine had progressed to the point where doctors could keep gigantic armies free of epidemics long enough that they could engage in the prolonged slaughter of trench warfare. Heavy artillery and poison gas made life in the trenches living hell, while the machine gun made climbing out of them extremely lethal. (289)

Consequences of the Dawes Plan



The old political and economic order of Europe was destroyed as a result of the war. In Russia, a revolution overthrew the czar. A communist government soon arose there.

The Ottoman Empire was also overthrown by a revolution. Its Muslim empire was replaced with a non-religious government. The Austrians and Germans, who lost the war, had their land redistributed. Some of it was used to create new European states like Czechoslovakia, Lithuania, and Hungary, and Poland was recreated. Even among the victorious allies of the Triple Entente, nations collapsed due to the cost and strains of the war. A good example of this was Italy. Its weak constitutional monarchy fell and was replaced by a fascist dictatorship led by Benito Mussolini.

Of all the nations involved in the war, the United States was economically in the best shape. It could afford to purchase military weapons and technology. Great Britain and France also purchased billions of dollars worth of goods from the U.S. Much of it was bought with loans given by U.S. banks. Europe now owed the U.S. money.

The Treaty of Versailles ended the First World War. Yet it also imposed harsh terms on the German government. It was forced to pay reparations. These were payments to Great Britain and France to cover the costs of the war. Needless to say, the Germans

couldn't even afford to pay their own war debts. Paying the winners of WWI was impossible. Germany ultimately stopped paying the reparations altogether.

The world economy seemed shaky, and to keep the system afloat, the United States created the Dawes Plan. It was formulated by Charles Dawes, an American banker and future vice president. The plan had the U.S. loan money to Germany, so it could pay France and Great Britain. Then France and Great Britain would pay the United States. The graphic on the previous page depicts the plan.

I think we can all see the problem with this strategy! It couldn't last. By the late 1920s American loans to Germany dried up. Germany's payments to Great Britain and France ended as well. All of this created a shaky economic situation. European nations were particularly at risk to any economic disaster that might occur.

THE GREAT DEPRESSION AS A GLOBAL EVENT

A little more than a decade after the end of the First World War the world was thrust into another global crisis. The international economic system had been in a shaky position following the war's end. Then it completely collapsed. The collapse threw the world into a deep depression. Some countries had already been pulling away from

GDP Per Capita in International Dollars

	France	India	Malaysia	Chile	Mexico	USSR	Germany	U.S.
1929	4,710	728	1,682	3,396	1,757	1,368	4,051	6,899
1930	4,532	726	1,636	3,143	1,618	1,448	3,973	6,213
1931	4,235	711	1,548	2,333	1,643	1,462	3,652	5,691
1932	3,959	709	1,397	2,274	1,373	1,439	3,362	4,908
1933	4,239	700	1,440	2,652	1,501	1,493	3,556	4,777
1934	4,192	697	1,478	3,056	1,660	1,864	4,120	5,467
1935	4,086	680	1,364	3,056	1,768	1,991	4,451	6,204
1936	4,244	697	1,478	3,056	1,768	1,991	4,451	6,204
1937	4,487	676	1,308	3,241	1,796	2,156	4,685	6,430
1938	4,466	668	1,361	3,139	1,794	2,150	4,994	6,126
1939	4,793	674	1,609	3,178	1,858	2,237	5,406	6,561

Source: Hollander, Taylor. "Landscape Teaching Unit 8.3 The Great Depression 1929 — 1939 CE." World History for Us All. PDF file, 14. See also the Organisation for Economic Co-Operation and Development (OECD) statistics.

the global economic system before 1929. The Great Depression quickened that trend.

Historians have been trying to figure out what caused the Great Depression since it happened. However, they still don't agree on a cause. Historian John A. Garraty wrote, "The Great Depression of the 1930s was a worldwide phenomenon composed of an infinite number of separate but related events." (2-3)

One of those events was the crushing reparations and war debt imposed by the Treaty of Versailles. The Great Depression began in the United States. What we do know is that it was due mainly to an overproduction of goods and not enough buyers — and a large amount of Americans were in debt so they couldn't buy much. On top of that, the stock market had been going up and up and up. Eventually, it all came crashing down. Ripple effects from the crash affected economies around the world.

While the causes may be difficult to pin down, we know how countries responded to this challenge. Going back to our three themes, there were economic and political responses to the Great Depression. The one overwhelming economic response used by many countries was to retreat into autarky. It is the state of being economically self-sufficient and independent. It is the opposite of integration, or globalization.

To do this, the governments of many countries in Europe, Asia, North Africa, and the Americas put very high tariffs (taxes) on all imported goods. It made goods coming into their countries more expensive. By doing so, it protected their own industries. Their own goods were now cheaper than imports, so people were less likely to buy goods made by other countries.

Some governments also devalued their currency. They did this by printing more money. With more of their money in circulation, it was worth less — similar to when a natural resource, like oil, is overproduced it becomes worth less, or cheaper. By devaluing their country's money, those countries made the goods they exported cheaper compared to other countries goods. Once they were cheaper, more people wanted to buy them in other countries.

Countries with colonies tried to create a closed economic loop. They tried to make it so that only goods from the home country (usually European) were bought and sold in the colony. As a result, many countries saw their Gross Domestic Product (GDP) drop during the Great Depression. The GDP is the total value of all goods produced by a country. The chart on the previous page demonstrates this phenomenon nicely.

What I notice from this chart is that all of the countries, except the USSR, saw their GDP drop between 1929 and 1932. The chart shows the value of all goods manufactured.

Looking at that, the likely conclusion is that fewer goods were being produced. I also notice that the USSR does not have a drop in its GDP during this same time period. There are a couple of reasons for this. One is that the total value of goods produced by the USSR is not that much to begin with so it does not have far to drop. Yet that is also true for India, and its GDP dropped.

Another explanation is that the economy of the USSR was a command economy. It was not a market place economy like in the U.S. A command economy is a system where the government decides what and how much will be produced. It also sets the price for those items. In a market economy, the government largely stays out of such decisions. Supply (sellers) and demand (buyers) determine prices in a market economy. Interestingly, Germany's GDP grew very quickly after the year 1933. That is the year Adolf Hitler became chancellor of Germany. One way Hitler ended the Great Depression in Germany was through a lot of government spending on military goods.

The political responses to the Great Depression were much more complicated. Yet many of the responses were "populist." Populism is not a liberal or conservative issue. In fact, parties representing different political views have successfully used populism. Populists usually strongly denounce the ruling parties. They claim to represent ordinary citizens. They also tend to favor government intervention in the economy and even in society.

One populist path taken was to create welfare states. This was additional money and programs to protect people from the loss of money and jobs of the Great Depression. One example was in New Zealand. There, the government expanded programs for education, housing, health care, and social security (retirement pay). Another was in Mexico, where the government greatly changed public education, and nationalized the oil industry that had been mostly run by foreign companies.

Within many of the colonial territories, a second populist path was taken. In this case, grass roots protest movements pushed for independence. The Great Depression hurt the economies of colonies tremendously. People suffering under colonialism were already feeling as if they didn't own their own lands. Then the colonial powers demanded even more from them. They wanted more money to make up for what they lost due to the Depression.

This meant that the government increased taxes, confiscated land, and forced labor. The people responded by organizing freedom movements, which gained popularity in places like Burma, Vietnam, and Kenya. Often these movements were brutally put down by the colonial power. In India, Mohandas K. Gandhi and the Indian National

Congress started the cause of Indian independence. They took it from an issue concerning elites into a mass movement.

The fascist governments in Europe took a third populist path. This is best exemplified by the Nazi regime in Germany. Adolph Hitler called for national unity, an end to reparation payments, and a return to the mythic glory days of the German Volk (or people). Hitler also blamed outsiders for the problems of the German people — specifically blaming Jews.

The German people responded to Hitler's message. They pushed for him to be appointed chancellor in 1933. As historians J. R. and William H. McNeill noted, he "soon put an end to voting." (292-93) In fact, populist dictatorships were created in several European and Latin American countries. In large part, the conditions imposed on Germany by the Treaty of Versailles and the financial crisis of the Great Depression led to the Second World War. They created the conditions that enabled someone like Hitler to gain power.

THE SECOND WORLD WAR: CAUSES AND CONSEQUENCES

Many economies suffered during the period between WWI and WWII. Economic hardships were imposed on the losers of the war. Added to that, many countries retreated from globalization — meaning they turned away from trading with other countries. The combination of the two damaged world economies. The collapse of the global economic system in 1929 created new political upheavals. In turn, these resulted in new forms of governments. Many of these new governments were different forms of dictatorships; however, all nations, whether democratic or dictatorial, were looking for methods to fix the desperate conditions of the Great Depression.

Technology also helped create the conditions necessary for the Second World War. One technology in particular, the radio, made it easy for an individual to reach millions of people. Two politicians knew how to effectively take advantage of the anger and suffering felt by people during this period: Adolf Hitler in Germany and Franklin Delano Roosevelt in the United States. They were clearly opposites when it came to political views. Yet both men used the power of the broadcast media to reach millions of citizens. They each used it to communicate their very different solutions to the problems that ailed their societies. Both men were effective communicators. Both were able to rally people in support of their plans.

One method used to end the Great Depression was through nations spending billions of dollars on weapons. In doing so, these nations created a lot of jobs in the arms industry. By building up weapons they also prepared for the next conflict.

Percent of National Income Spent on Defense, 1937

United States	1.5%
British Empire	5.7%
France	9.1%
Germany	23.5%
Japan	28.2%
USSR	26.4%

Source: Cohen, Sharon. "Landscape Teaching Unit 8.5 The Causes and Consequences of World War II 1939 — 1945 CE." World History for Us All. PDF file, 9.

Look back at the chart above. It tells me that Germany, Japan, and the USSR put a lot more government money into building armaments. I also know that in 1937 those three governments were operating under a command economy.

Politically, it is clear to see that specific actions taken by some nations resulted in global conflict. For example, the extreme nationalism of Germany's Nazi Party resulted in Hitler demanding to expand Germany's economy and culture. Of course this expansion hurt other people and nations. Jews and Roma (also called gypsies) were the groups specifically targeted by the Nazi regime and suffered most. Even before taking power, Hitler was pushing his ideas of expanding Germany. In a 1930 speech, Hitler declared:

If the German people does not solve the problem of its lack of space, and if it does not open up the domestic market for its industry...Germany will then make its exit from the world stage and peoples with more vigor will come into our heritage. Space must be fought for and maintained. People who are lazy have no right to the soil. Soil is for him who tills it and protects it.... If a nation loses in the defense of its soil, then the individual loses.... There is only power, which creates justice... force also creates rights. (qtd. in Cohen 11)

After reading this excerpt, I can see how Hitler used populist rhetoric. He stirred up emotions of nationalism to convince the German people that he should be the new

chancellor of Germany. This speech also outlines his justification for claiming new lands. When he gained control of the government, he had the powers of a dictator. He used them to increase Germany's military. Ultimately, military manufacturing helped end the Great Depression in Germany.

The Japanese prime minister, General Tanaka Giichi, used a similar reason in 1927. Yet he sought economic security for Japan even before the Great Depression hit:

Our best policy [to ensure Japanese economic prosperity] lies in...taking positive steps to secure rights and privileges in Manchuria and Mongolia...The way to gain actual rights in Manchuria and Mongolia is to use this region as a base and under the pretense of trade and commerce penetrate the rest of China. Armed by the rights already secured we shall seize the resources all over the country. (qtd. in Cohen 10)

Ultimately, as noted by the historians J. R. and William H. McNeill, the Second World War was actually several separate conflicts. The first conflict began with Japan invading China in the 1930s. This followed through on General Tanaka's ideas noted above. Japan has very few natural resources. It desperately needed oil to pursue its war aims. Yet its access to oil was severely restricted by the United States and the Netherlands.

In response, Japan bombed the U.S. naval base at Pearl Harbor in December 1941. That became another conflict in the war. Another was Germany's invasion of Poland in September 1939. That invasion resulted in France and Great Britain declaring war on Germany. This came after Germany's "peaceful" annexations of Austria and Czechoslovakia in 1937 and 1938. Hitler acquired those lands through threats.

Japan and Germany both invaded their neighbor's land. It was meant to fulfill, in part, their vision for economic independence (autarky). One of the last conflicts began in June 1941. This time Germany invaded the Soviet Union. As the McNeills note, "Hitler harbored a deep hatred of Slavs and Jews, and by attacking the USSR he intended to obliterate them, creating empty lands in the east for German settlement, a plan that would make an autarkic Germany possible." (296)

By the war's end, the United States had emerged as the world's first superpower. In four years time, the economy of the United States had transformed into the world's largest. Its factories produced more than half of the world's industrial output. It had the largest navy in the world, and it was the only country to have a nuclear weapon. Apart from the attack on Pearl Harbor, none of its civilians were harmed on American soil by foreign attacks; no U.S. city was leveled during the war; and practically every

nation owed its banks money (McNeill 298). Of course all of these advantages were temporary. Soon other countries rebuilt their economies and political systems. By 1949, the USSR would also have a nuclear weapon.

Interestingly, the major nations stopped retreating from the global economic system. Instead, they created new economic and political institutions to help build greater cooperation. For example, the United Nations was created, which replaced the failed League of Nations. The UN's role is to promote world peace and communication among nations. The International Monetary Fund was also founded. Its mission is to provide money and economic assistance to struggling countries.

CONCLUSION

All told, the instability of the political and economic systems in the early twentieth century had disastrous results. It created the conditions for two world wars. It also led to an economic depression that affected almost every nation across the globe.

New military technologies introduced during the First World War made these two wars the most destructive to date. At the same time, communications technology changed. It made it possible for populist leaders to reach millions of citizens through radio and push for changes within their governments. By the end of this era, the old world order had been replaced. Now, European countries no longer determined world events.

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Cover image: World War I ANZAC (Australia and New Zealand Army Corps) troops arrive in France, 1916. Courtesy of Underwood and Underwood/National Geographic/Corbis.

This short journal entry is an example of how historians go about exploring important questions and looking at new information. They use a mixture of historical documents and the writings of other historians to inform their thinking. All sources are listed in the working bibliography.