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# CRISIS & CONFLICT ON THE GLOBAL STAGE

Causes & Consequences of Two  
World Wars and a Global Depression

1220L



A HISTORIAN'S JOURNAL ENTRY / BY SAUL STRAUSSMAN

The first half of the twentieth century saw a number of catastrophic global events, which demonstrated that the world had grown more integrated than in the past.



BIG HISTORY PROJECT



Between 1914 and 1945 the world experienced two world wars, a worldwide depression, the breaking up of imperial empires, the development of independence movements, and the emergence of two new global powers. At the same time, the world's population continued to grow at an unparalleled pace and new technologies were changing the nature of communications and science. Interestingly, as the world became more and more integrated, many countries tried to retreat from global integration, which had happened with tremendous speed during the nineteenth century. That is a lot of stuff to consider. As a historian, how do I go about making sense of this? And 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, which resulted in some countries looking inward to limit or hinder economic contact with other nations. The final theme is technological advancements. Again, the Industrial Revolution played an important role in advancing new technologies but so did the military industrial complex.

The second thing I am going to do is focus on the three biggest events of the early twentieth century to see how each of the themes mentioned above played a role in shaping that history. The events I have selected as my lens 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 to occur in Europe for almost 100 years. Though primarily fought in Europe, the war was actually fought on three continents (Europe, Asia, Africa) and in the Pacific Islands and included troops from every region of the world, although many were colonial troops. The map to the right gives us a sense of where the fighting took place.

Broadly speaking, 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 at a time.

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 and Germany. Great Britain had the largest navy in the world, which made sense given all of the colo-



### 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  |

nies it had around the globe, particularly those in Africa and South Asia. To secure its economic interests, Great Britain felt it needed this large navy to protect its trade routes and its merchant ships traveling to and from those colonies. Due to rivalries between the European powers, Germany announced in the early twentieth century that it too would build a very large navy to protect its colonial interests. Great Britain saw this as a challenge and a threat, and responded by building a new, more powerful battleship called the *Dreadnought*. Of course the Germans 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 whole series of political and military alliances, our second long-term cause. The idea behind these alliances was that it would deter any one nation from attacking

another nation for fear of bringing more nations into the conflict. In the end, Europe was divided up into two major camps: the Triple Entente, which consisted of France, Great Britain, and Russia, and the Triple Alliance, which consisted 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, imperialism, touches on our political and economic themes. The historians Jerry H. Bentley and Herbert F. Ziegler sum up the issue nicely:

*Economic rivalries fomented colonial competition. During the late nineteenth and early twentieth centuries, European nations searched aggressively for new colonies or dependencies to bolster economic performance.... 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, which was that the European countries sought colonies, in part, as an outlet for their manufactured goods. Germany, which was new to the colonial scramble, was also an economic powerhouse. Because of this, Germany's desire for colonies was perceived as a threat by Great Britain, whose industrial dominance had been in slow decline by the end of the nineteenth century.

The last of our long-term causes, nationalism, was one of those slow, simmering issues that had flared up from time to time 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 sought independence from the ruling Turks of the Ottoman Empire; and nationalist groups within the Russian Empire wanted to separate into their own countries. To further complicate matters, many people living in the colonial territories ruled by the Europeans were rallying around nationalist ideas in order to force the Europeans rulers out. One example of this would be the efforts of Mohandas K. Gandhi and the Indian National Congress 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. It was from this single event on June 28, 1914 that in short order Europe and other parts of the world were thrown into the most cataclysmic war the Earth had ever seen. One of the reasons why this

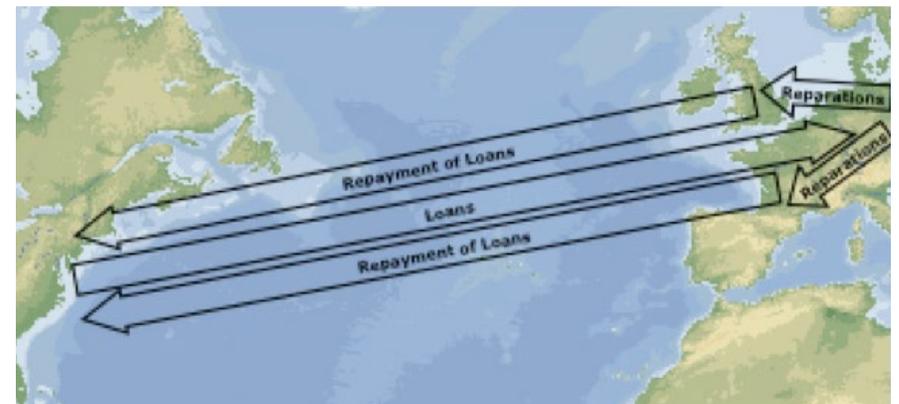
war was particularly horrific was because military technology had progressed much faster than the strategies of war. The historians J. R. and William McNeill describe the role technology played in this conflict:

*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)*

As a consequence of the war, the old political and economic order of Europe was destroyed. In Russia, a revolution overthrew the czar, replacing him with an ineffectual provisional (temporary) government. That government was overthrown by a coup d'état nine months later and replaced by a communist government. The Ottoman Empire was also overthrown by a revolution, replacing the Muslim empire with secular government. For the defeated Austrians and Germans, a lot of territory was redistributed to create (or in the case of Poland, recreate) new European states like Czechoslovakia, Lithuania, and an independent Hungary. Even among the victorious allies of the Triple Entente, once strong nations collapsed due to the cost and strains of the war. A good example of this was Italy, whose weak constitutional monarchy ultimately succumbed to a fascist dictatorship under the leadership of Benito Mussolini.

Of all the nations involved in the war, the United States was economically in the best shape. In addition to the U.S. government's purchase of armaments (military weapons

## Consequences of the Dawes Plan



and technology), Great Britain and France also purchased billions of dollars worth of goods from the U.S., much of it with loans secured through U.S. banks. The Treaty of Versailles ended the First World War but it also imposed harsh terms on the German government in the form of 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 much less those of the victorious powers; consequently, they stopped paying the reparations altogether. To keep the economic system afloat, the United States created the Dawes Plan. Charles Dawes, an American banker and future vice president, formulated a plan in which the U.S. loaned money to Germany, so it could pay France and Great Britain, so they could pay the United States. The graphic on the previous page provides a good visual representation of the plan.

I think we can all see the problem with this strategy! This was not a sustainable model and by the late 1920s American loans to Germany dried up and so did Germany's payments to Great Britain and France. All of this created a volatile economic situation with European nations particularly vulnerable 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 when the international economic system, which had been in a precarious position following the war's end, completely collapsed. This collapse threw the world into a deep depression. While some countries had been withdrawing from the global economic system prior to 1929, the Great Depression quickened that trend.

Historians have been trying to figure out what caused the Great Depression since it first happened. However, they have yet to come to a clear consensus. 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. What we produced of goods and the large amount of consumers who were burdened with debt. Layer on top of that a hot stock market that kept going up and up and up, and eventually, it all came crashing down, which caused a ripple effect around the world.

## 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.

While the causes may be difficult to pin down, we can more accurately examine 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, or being economically self-sufficient and independent. To do this, the governments of many countries in Europe, Asia, North Africa, and the Americas put very high tariffs on all imported goods to protect their domestic industries. Some governments devalued their currency. By devaluing their currency those countries made the goods they exported cheaper relative to other countries manufactured goods. Countries with colonies tried to create a closed economic loop so that only goods from the home country 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. Since the chart depicts the value of all goods manufactured, 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 great to begin with so it does not have far to drop, but that is also true for India, and her GDP dropped. Another explanation is that the economy of the USSR was a command economy rather than a marketplace economy. A command economy is a system where the government decides what and how much will be produced rather than the market, and it sets the price for those items. Supply and demand, the hallmarks of a market economy, play very little if any role in the command system. 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 were much more complicated, but many of those responses fell under the umbrella of "populism." Populism is neither a liberal nor conservative issue. In fact, parties on both ends of the political spectrum have successfully used populism. Populists usually strongly denounce the traditional ruling parties on behalf of the 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 to protect ordinary people from the effects of the Great Depression. One example of this was in New Zealand, where

the government expanded public provisions for education, housing, health care, and social security. Another was in Mexico, where the government of Lázaro Cárdenas redistributed land, greatly changed public education, and nationalized the oil industry that had been mostly foreign owned.

Within many of the colonial territories, a second populist path was taken in the form of grass roots protest movements for independence. The Great Depression hurt the local economies tremendously. Colonists were already feeling dispossessed in their own lands when the colonial powers demanded even more from them to make up for lost revenue 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 were instrumental in moving the cause of Indian independence 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 the actions of outsiders, specifically Jews, for the problems of the German people. The German people responded to Hitler's message, as historians J. R. and William H. McNeill noted, by Hitler being appointed chancellor in 1933, after which 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 created the conditions for the Second World War.

### **THE SECOND WORLD WAR: CAUSES AND CONSEQUENCES**

The combination of economic hardship imposed on the losers of the war plus the desire of many countries to retreat from globalization resulted in many economies shrinking or stagnating during the interwar period. The collapse of the global economic system in 1929 created new opportunities for political upheaval, which 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 alleviate the desperate conditions of the Great Depression.

Technology also played a role in helping to 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. The discontent and suffering felt by people during this

period was channeled effectively by two politicians on polar opposite ends of the political spectrum: Adolf Hitler in Germany and Franklin Delano Roosevelt in the United States. Both men used the power of the broadcast media to reach millions of citizens and to convey their very different solutions to the problems that ailed their societies. Both men were effective communicators and were able to mobilize people in support of their agendas.

One method used to end the Great Depression and simultaneously prepare for the next conflict was that nations spent billions of dollars on armaments. In doing so, these nations created a lot of jobs in the arms industry.

## 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.

The chart above tells me that Germany, Japan, and the USSR put a lot more government funds 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 there were specific actions taken by some nations, which resulted in global conflict. For example, the extreme nationalism of Germany's Nazi Party resulted in Hitler demanding space to promote German economic and cultural expansion. Of course this expansion would be at the cost of other people and nations, particularly Jews and Roma (also called gypsies), the groups specifically targeted by the Nazi regime. Even before taking power, Hitler was expanding on those ideas. 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 in order 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 used his near dictatorial powers to increase Germany's military, which ultimately helped end the Great Depression in Germany.

The Japanese prime minister, General Tanaka Giichi, used a similar rationale in 1927 as 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 multiple distinct conflicts. The first conflict began with Japan invading China in the 1930s, thus following through on General Tanaka's ideas noted above. Japan has very few natural resources and desperately needed oil to pursue its war aims; but 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, which was another conflict in the war. Another was Germany's invasion of Poland in September 1939, which resulted in France and Great Britain declaring war on Germany. This came after Germany's peaceful annexation of Austria and the Sudetenland (a part of Czechoslovakia) in 1937, and the rest of Czechoslovakia in 1938. Japan and Germany's invasion of their neighbors was meant to fulfill, in part, their vision for economic independence (autarky). One of the last conflicts began in June 1941 with Germany's invasion of 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, contributing 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 as other countries reconstructed their economies and political systems, and in 1949 the USSR would also have a nuclear weapon.

Interestingly, the major nations stopped retreating from the global economic system and created new economic and political institutions to help foster greater cooperation. For example, the United Nations was created, which replaced the failed League of Nations. Also created was the International Monetary Fund whose mission is to provide funds and economic assistance to struggling countries. These political and economic institutions were created with the goal of protecting and maintaining their respective global systems.

## CONCLUSION

All told, the instability of the political and economic systems in the early twentieth century created the conditions for two world wars and 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; while the technological changes in communications made it possible for populist leaders to reach millions of citizens and push for changes within their governments. By the end of this era, the old world order had been replaced and European political ambitions and economic policies were no longer the determining factor for 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.*