

Economy in the Interwar Period

We had to struggle with the old enemies of peace—business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering.

—U.S. President Franklin Delano Roosevelt (1936)

Essential Question: How did different governments respond to economic crises after 1900?

Not long after the global trauma of World War I, a global economic crisis resulted in the Great Depression of the 1930s and eventually led to World War II. It undermined faith in the market-based economics that had delivered such wealth as imperialism spread. As unemployment, hunger, and homelessness increased, people turned to their governments for help. Governments had long been essential to capitalism—building roads, providing schools, and regulating trade—but across the world in the 1930s, government intervention in the economy increased. The United States became more liberal as President Roosevelt identified inequities and activities that undermined the economy and could lead to war. Countries such as Germany, Italy, and Japan, however, turned radically to the right. In Russia, government economic control was instituted through the implementation of often repressive Five-Year Plans based on production quotas.

The Great Depression

From today's perspective, the effects of World War I can look small compared to the even greater destruction caused by World War II. However, the effects were massive. Many Western Europeans felt bewildered. World War I brought anxiety to the people who suffered through it. The Allied nations, though victorious, had lost millions of citizens, both soldiers and civilians, and had spent tremendous amounts of money on the international conflict. The defeated Central Powers, particularly Germany and the countries that emerged from the breakup of Austria-Hungary, suffered even greater losses.

The Treaty of Versailles forced Germany to pay billions of dollars in reparations to the war's victors. War-ravaged Germany could not make these payments, so its government printed more paper money in the 1920s. This



Photo by Albert Harlingue/Roger Viollet/Getty Images

Severe inflation caused extreme hardship for Germans during the Weimar Republic. Notice the high prices on these common food items: 40,000 marks for a tomato or four eggs, 50,000 marks for a loaf of bread, etc. The total cost of the food on the table in this photo was 1 million marks!

action caused **inflation**, a general rise in prices. Inflation meant that the value of German money decreased drastically. To add to the sluggish postwar economy, France and Britain had difficulty repaying wartime loans from the United States, partly because Germany was having trouble paying reparations to them. In addition, the Soviet government refused to pay Russia's prerevolutionary debts.

Global Downturn Although the 1920s brought modest economic gains for most of Europe, the subsequent **Great Depression** ended the tentative stability. Agricultural overproduction and the United States' stock market crash in 1929 were two major causes of the global economic downturn. American investors who had been putting money into German banks removed it when the American stock market crashed. In addition to its skyrocketing inflation, Germany then had to grapple with bank failures. Germany thus suffered more than any other Western nation during the Great Depression. The economies of Africa, Asia, and Latin America suffered because they depended on the imperial nations that were experiencing this enormous economic downturn. Japan also suffered during the Depression because its economy depended on foreign trade. With the economic decline in the rest of the world, Japan's exports were cut in half between 1929 and 1931.



The Global Economy, 1929 to 1938		
Year	Total Global Production	Total Global Trade
1929	100	100
1930	86	89
1931	77	81
1932	70	74
1933	79	76
1934	95	79
1935	98	82
1936	110	86
1937	120	98
1938	111	89

Source: Adapted from data in Barry Eichengreen and Douglas Irwin, “The Protectionist Temptation: Lessons from the Great Depression for Today,” March 17, 2009.

In this chart, the levels of production and trade for 1929 are represented by 100. The other numbers reflect changes from the 1929 level.

Keynesian Economics The Great Depression inspired new insights into economics. British economist **John Maynard Keynes** rejected the laissez-faire ideal. He concluded that intentional government action could improve the economy. During a depression, he said, governments should use **deficit spending** (spending more than the government takes in) to stimulate economic activity. By cutting taxes and increasing spending, governments would spur economic growth. People would return to work, and the depression would end.

New Deal The administration of President **Franklin Delano Roosevelt** used Keynes’s ideas to address the Great Depression in the United States. Roosevelt and his backers created a group of policies and programs known collectively as the **New Deal**. Its goal was to bring the country relief, recovery, and reform: **relief** for citizens who were suffering, including the poor, the unemployed, farmers, minorities, and women; **recovery** to bring the nation out of the Depression, in part through government spending; and **reform** to change government policies in the hopes of avoiding such disasters in the future.

By 1937, unemployment was declining and production was rising. Keynesian economics seemed to be working. However, Roosevelt feared that government deficits were growing too large, so he reversed course. Unemployment began to grow again. The Great Depression finally ended after the United States entered World War II in 1941 and ran up deficits for military spending that dwarfed those of the New Deal programs.

Impact on Trade The Great Depression was a global event. Though it started in the industrialized countries of the United States and Europe, it spread to Latin America, Africa, and Asia. By 1932, more than 30 million people worldwide were out of work. People everywhere turned to their governments

for help. As unemployment increased, international trade declined, a decline made worse as nations then imposed strict tariffs, or taxes on imports, in an effort to protect the domestic jobs they still had.

In contrast to most countries, Japan dug itself out of the Depression relatively rapidly. Japan devalued its currency; that is, the government lowered the value of its money in relation to foreign currencies. Thus, Japanese-made products became less expensive than imports. Japan's overseas expansionism also increased Japan's need for military goods and stimulated the economy.

Political Revolutions in Russia and Mexico

In the century's first two decades, rebellions erupted against long-standing authoritarian governments in Mexico, China, and Russia. (See Topic 7.1.) Revolutionaries unseated the ruling governments in each country, instituting their own political philosophies and practices. The revolutions influenced subsequent events in the Soviet Union, Mexico, and China in the interwar years. Each country took a different approach to managing their national economy.

Continuing Revolution in Russia Although Lenin and the Bolshevik Party had promised “peace, land, and bread” during World War I, they instead presided over a populace that faced starvation during the widespread **Russian Civil War** (1918–1921). Hundreds of thousands of Russians, Ukrainians, and others revolted against the Russian government's actions. Urban factory workers and sailors went on strike, and peasants began to hoard their food stocks. Industrial and agricultural production dropped sharply.

By 1921, Lenin realized that the Russian economy was near complete collapse. In an attempt to remedy this, he instituted a temporary retreat from communist economic policies. Under his **New Economic Plan (NEP)**, he reintroduced private trade, allowing farmers to sell their products on a small scale. Although the government permitted some economic liberties, it maintained strict political control. The NEP enjoyed modest successes, but it came to an end when Lenin died in 1924.

Joseph Stalin Several years after Lenin's death, Joseph Stalin took control of the **Politburo**, the Communist Party's central organization, setting himself up as a dictator. He remained in power for almost 30 years. Once in power, Stalin abandoned Lenin's NEP and instituted the first **Five-Year Plan**, which was meant to transform the **Union of Soviet Socialist Republics** (also called the **USSR** or the **Soviet Union**) into an industrial power. He wanted his largely agricultural nation to “catch up” to the industrial nations of the West. At the same time, Stalin **collectivized** agriculture, a process in which farmland was taken from private owners and given to collectives to manage. In theory, a collective, or **kolkhoz**, was a group of peasants who freely joined together to farm a certain portion of land. In practice, however, peasants were forced by the state to work on a specific collective and were expected to follow detailed plans and to reach specific goals set by the government.

This elimination of private land ownership and the forced redistribution of land, livestock, and tools enraged farmers. Each year, the government seized food to send to the cities. The farmers retaliated against collectivization by burning crops and killing livestock. Many moved to the cities for a better life.

A series of five-year plans had mixed results. The collectivization of agriculture was a huge failure. Millions of peasants starved to death, especially in the Ukraine. However, heavy industry grew tremendously in the 1930s. Although consumer goods were in short supply, there were plenty of factory jobs available, and the cost of living was low.

Stalin's brutal regime is widely condemned today. He punished his political opponents by executing them or sentencing them to life terms in **gulags**, or labor camps, where many died. In addition, his agricultural policies led to the deaths of many millions of Soviet citizens. Because Stalin kept tight control of the press, details of his atrocities went largely unreported. Nonetheless, in the 1930s, an economically depressed world viewed the U.S.S.R. with a mix of horror and wonder. The USSR was rapidly industrializing and increasing its military power. It presented a challenge to countries with capitalist economies whose people were experiencing high levels of unemployment. (Connect: Write a paragraph connecting the USSR with the ideology of Marxism. See Topic 5.8.)

Party Rule in Mexico The economy took a different direction in Mexico. The Mexican revolution saw the emergence of one strong political party, the **Institutional Revolutionary Party**, or **PRI**. This party dominated Mexican politics for most of the 20th century. The Mexican political system has often been called corporatist since the ruling PRI party claimed favors, such as access to primary education and jobs created through improvements to infrastructure, for its constituents.

During PRI's rule, there was a vast improvement in the economy, especially in the period from 1930 to the 1970s. In the 1930s, efforts at land reform were successful under **Lázaro Cárdenas**. In 1938, for example, his regime nationalized the country's mostly foreign-owned oil industry, angering foreign investors. This company, **Petróleos Mexicanos** or **PEMEX**, became the second largest state-owned company in the world. Despite these reforms, however, the interwar period did not see dramatic changes in Mexico's social hierarchy.

Rise of Right-Wing Governments

In some countries, the turn to the right was radical. A new political system known as **fascism** arose that appealed to extreme nationalism, glorified the military and armed struggle, and blamed problems on ethnic minorities. Fascist regimes suppressed other political parties, protests, and independent trade unions. They justified violence to achieve their goals and were strongly anticommunist. Germany turned to fascism (see Topic 7.6), and some other countries did as well.



Rise of Fascism in Italy Benito Mussolini coined the term *fascism*, which comes from the term *fascis*, a bundle of sticks tied around an axe, which was an ancient Roman symbol for authority. This symbol helped characterize Italy's Fascist government, which glorified militarism and brute force.

The Italian fascist state was based on a concept known as **corporatism**, a theory based on the notion that the sectors of the economy—the employers, the trade unions, and state officials—are seen as separate organs of the same body. Each sector, or organ, was supposedly free to organize itself as it wished as long as it supported the whole. In practice, the fascist state imposed its will upon all sectors of society, creating a **totalitarian state**—a state in which the government controls all aspects of society.

Mussolini Takes Control Even though Italy had been considered one of the victors at the 1919 Paris Peace Conference—along with Britain, France, and the United States—Italy received very little territory from the Treaty of Versailles. This failure to gain from the war caused discontent in Italy. Amid the general bitterness of the 1920s, Mussolini and his allies in the Fascist Party managed to take control of the parliament. Mussolini became a dictator, repressing any possible opposition to his rule. Militaristic propaganda infiltrated every part of the Fascist government. For example, schoolchildren were taught constantly about the glory of their nation and their fearless leader, “*Il Duce*.”

Part of Mussolini's fascist philosophy was the need to conquer what he considered an inferior nation. During the imperialist “Scramble for Africa” in the 19th century, Italy seized **Libya** and colonized **Italian Somaliland**, now part of Somalia. However, the Italian army was pushed back by Abyssinia, modern-day Ethiopia, in the 1890s. In 1934, Mussolini called for the complete conquest of Abyssinia. In 1935, 100,000 Italian troops crossed the border from Somaliland to Abyssinia, defying sanctions from the League of Nations. This time, the Italian army overpowered Abyssinia's while the global community did little to stop the conquest. Many historians believe the Abyssinian crisis destroyed the League of Nations' credibility. In 1936, Mussolini and Germany's Adolf Hitler formed an alliance they hoped would dominate Europe.

Fascism and Civil War in Spain After the economic decline in the early 1930s, two opposing ideologies, or systems of ideas, battled for control of Spain. The **Spanish Civil War** that resulted soon took on global significance as a struggle between the forces of democracy and the forces of fascism.

The **Spanish Republic** formed in 1931 after King Alfonso VIII abdicated. In 1936, the Spanish people elected the **Popular Front**, a coalition of left-wing parties, to lead the government. A key aspect of the Front's platform was land reform, a prospect that energized the nation's peasants and radicals. Conservative forces in Spain, such as the Catholic Church and high-ranking members of the military, were violently opposed to the changes that the Popular Front promised. In July of the same year, Spanish troops stationed in Morocco conducted a military uprising against the Popular Front. This action marked the beginning of the Spanish Civil War, which soon spread to Spain itself. General



Francisco Franco led the insurgents, who called themselves **Nationalists**. On the other side were the **Republicans** or **Loyalists**, the defenders of the newly elected Spanish Republic.

Foreign Involvement Although the nations of Europe had signed a nonintervention agreement, Hitler of Germany, Mussolini of Italy, and Antonio Salazar of Portugal contributed armaments to the Nationalists. Civilian volunteers from the Soviet Union, Britain, the United States, and France contributed their efforts to the Loyalists. Many historians believe that without the help of Germany, Italy, and Portugal, the Nationalist side probably would not have prevailed against the Republic of Spain.

Guernica The foreign involvement in Spain's struggle also escalated the violence of the war. One massacre in particular garnered international attention. The German and Italian bombing of the town of **Guernica** in northern Spain's **Basque region** was one of the first times in history an aerial bombing targeted civilians. Many historians believe that the bombing of Guernica was a military exercise for Germany's air force, the **Luftwaffe**.

The tragedy of Guernica was immortalized in Pablo Picasso's painting of that name, commissioned by the Republic of Spain and completed in 1938. Although abstract, the painting brilliantly depicts the horrific violence of modern warfare and is one of the most significant works of 20th-century art.



Source: Museo Reina Sofia
Pablo Picasso, *Guernica* (1937)

Franco's Victory The Spanish Civil War (1936–1939) ended when Franco's forces defeated the Loyalist army. He ruled Spain as a dictator until his death in 1975. Spain did not officially enter World War II (1939–1945), but the government offered some help to Germany, Italy, and Japan.

Rise of a Repressive Regime in Brazil As in Europe, parts of Latin America also became more conservative. During the interwar years, Brazil was considered Latin America's "sleeping giant" because of its slow shift



from an agricultural to an industrial economy. Large landowners dominated the nation's economy, which frustrated members of the urban middle class. Compounding their frustration was the workers' suffering caused by the Great Depression. Discontent led to a bloodless 1930 coup, or illegal seizure of power, which installed Getulio Vargas as president.

Vargas's pro-industrial policies won him support from Brazil's urban middle class. They believed he would promote democracy. However, his actions paralleled those of Italy's corporate state under Mussolini. While Brazil's industrial sector grew rapidly, Vargas began to strip away individual political freedoms. His *Estado Novo* ("New State") program instituted government censorship of the press, abolition of political parties, imprisonment of political opponents, and **hypernationalism**, a belief in the superiority of one's nation over all others and the single-minded promotion of national interests. While these policies were similar to those of European fascists, the Brazilian government did not praise or rely on violence to achieve and maintain control.

Moreover, even though Brazil had close economic ties with the United States and Germany in the late 1930s, Brazil finally sided with the Allies in World War II. This political alignment against the Axis powers made Brazil look less like a dictatorship and more liberal than it actually was. World War II prompted the people of Brazil to push for a more democratic nation later. They came to see the contradiction between fighting fascism and repression abroad and maintaining a dictatorship at home.

Three Approaches to Modern Industrial Society			
Policy Area	Communism	Capitalism	Fascism
Economics	Believed that businesses should be owned or managed by the government	Believed that businesses should be owned privately and compete with each other	Believed that businesses should be owned privately and government should restrict competition
Internationalism and Nationalism	Supported internationalism by opposing colonialism and calling for global worker solidarity	Supported a mixture of nationalism and internationalism	Supported nationalism strongly by urging each nation to pursue its unique interests
War and Peace	Believed that international peace would follow the defeat of capitalism	Expressed mixed attitudes toward war and peace	Opposed peace on the belief that it weakened society
Equality	Supported both political and economic equality	Supported political equality but not economic equality	Opposed both political and economic equality
Religion	Advocated atheism	Allowed individual religious liberty	Use religion to build nationalism

KEY TERMS BY THEME

ECONOMICS: Concepts

inflation
 deficit spending
 relief
 recovery
 reform
 collectivize
 kolkhoz
 corporatism

ECONOMICS: Events and Policies

Great Depression
 New Deal
 New Economic Plan (NEP)
 Five-Year Plan

ECONOMICS: Economists

John Maynard Keynes

GOVERNMENT: Wars and Rebellions

Russian Civil War
 Spanish Civil War
 Guernica

GOVERNMENT: Politics

Politburo
 Institutional Revolutionary Party (PRI)
 fascism
 totalitarian state
 Popular Front
 Nationalists
 Republicans
 Loyalists
 Luftwaffe

GOVERNMENT: Countries and Regions

Union of Soviet Socialist Republics (U.S.S.R.)
 Soviet Union
 Libya
 Italian Somaliland
 Spanish Republic
 Basque region
 hypernationalism

GOVERNMENT: Leaders

Franklin Delano Roosevelt
 Lázaro Cárdenas
 Francisco Franco

GOVERNMENT: Institutions

gulag
 PEMEX

Unresolved Tensions After World War I

The British Government in India has not only deprived the Indian people of their freedom, but has debased it economically, politically, culturally, and spiritually.

—Indian National Congress, Declaration of Purna Swaraj
(Independence Day Resolution, January 26, 1930)

Essential Question: How did continuities and changes in territorial holdings create tensions after World War I?

As economic crises beset countries after World War I, unresolved disputes over the control of land continued to fester. The victors in the war, European powers and Japan, generally kept or expanded control over colonial territories. However, anti-imperial resistance was growing throughout Asia and Africa. In a larger context, the spread of nationalism in these regions was part of the same global trend that included the breakup of empires in Europe, the success of communism in Russia, and the spread of anti-immigrant sentiments in the United States. The example of Turkey’s push for self-determination was already discussed in Topic 7.1. Similarly, events such as the May 4th Movement in China and groups such as the Indian National Congress demonstrated how nationalism was spreading throughout the world.

Effects of the War

The effects of World War I varied around the world. The United States prospered because of all the war materials and agricultural products it sold to Britain and the other Allies. By contrast, the European countries that suffered the greatest damage in the war were economically devastated.

Effects on Colonial Lands While nationalist movements had been brewing for decades in colonies in South Asia and West Africa, the war renewed the hopes of people in these regions for independence. African and Asian colonial troops contributed thousands of soldiers to the Allied war effort. In addition, this disastrous war showed colonial peoples that imperial powers such as Britain and France were not invincible.

German propaganda during the war had predicted that colonial soldiers’ experience in the war would lead to a great uprising against colonial rule.

This did not materialize, although there were several local rebellions. Between November 1915 and September 1916, a large group of villages in French West Africa, between the Volta and Bani rivers in what later became Burkina Faso, united in an effort to drive out the French. It was only with a great effort and loss of life on both sides that the French managed to put down the revolt. The rebellion forced the French to recognize that they had an obligation to the people they colonized. After World War I, many war veterans from the French colonies assisted in colonial administration after they returned home.

Colonized people's war experiences raised their expectations. They thought that the principle of self-determination, as expressed in Wilson's Fourteen Points, would get them closer to self-rule. Nationalists in Africa and Asia hoped that the blood they had shed for their "home countries" would earn them some respect from Western Europe and thus begin a **decolonization** process.

However, the peace conference's **Big Three**—David Lloyd George, Woodrow Wilson, and Georges Clemenceau (after Italy left)—were not interested in freeing the colonies. After World War I, European powers granted self-determination only to white countries in Eastern Europe. Middle Eastern lands that had been a part of the Ottoman Empire came under the control of France and Britain in the League of Nations mandate system. Former German colonies in Africa had the same fate. German territories and spheres of influence in East Asia and the Pacific were transferred to various victorious nations of World War I. India and nearly every nation in Africa—as well as most of the Middle East—continued to be controlled by European nations.

Wilson even refused to meet with a group of Vietnamese nationalists, including a young Ho Chi Minh, who asked to speak with him about self-determination for Vietnam. This rejection fueled stronger nationalist movements in colonies scattered across the southern rim of Asia and in parts of Africa. The seeds of African, Arab, and Asian nationalism were sown largely in the aftermath of World War I, although they did not come to fruition until much later.

The Mandate System

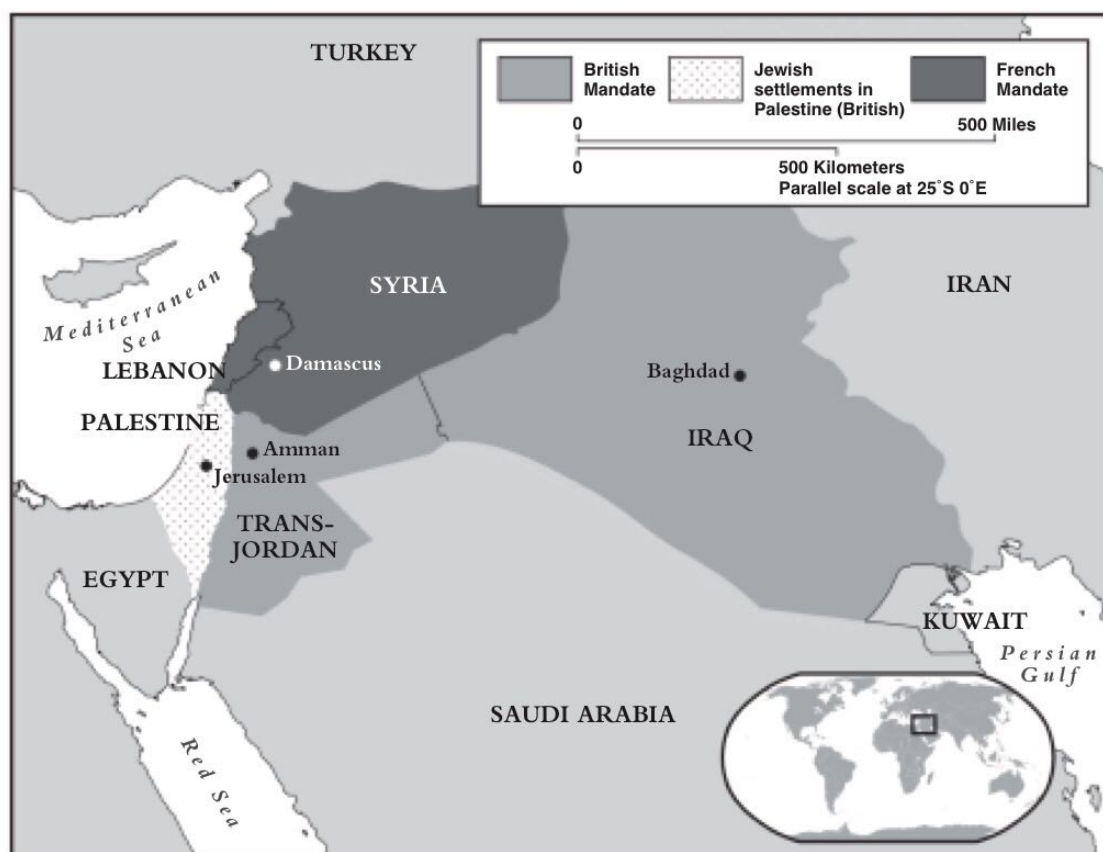
Arab rebels of the former Ottoman Empire were especially insulted by the results of the peace conference. They had been promised self-rule if they fought with the Allies. Instead, the Allies forgot all of their promises and, through the League of Nations, established a **mandate system** to rule the colonies and territories of the Central Powers. Article 22 of the League of Nations charter stated that colonized people in Africa and Asia required "tutelage" from more "advanced" nations in order to survive. Thus, the Allied countries—including France, Great Britain, and Japan—were able to increase their imperial holdings through a new form of colonization. For example, Cameroon, which had been a German colony, was divided and transferred to France and Britain as separate mandates. Japan seized the German-held islands of the Western Pacific.



The Middle East experienced enormous upheaval because of the fall of the Ottoman Empire. Palestine, Transjordan, Lebanon, Syria, and Iraq all became League of Nations mandates. These Arab states were not yet sovereign lands but virtual colonies of Great Britain and France. This infuriated the Arabs who lived in these lands and set the stage for a nationalist movement known as **Pan-Arabism**—an ideology that called for the unification of all lands in North Africa and the Middle East.

Another source of conflict arose in 1917, when the British government issued the **Balfour Declaration**, which stated that **Palestine** should become a permanent home for the Jews of Europe. Those who supported a Jewish homeland were known as **Zionists**. After the Allied victory in the Great War, European Jews moved in droves to Palestine, which Britain controlled.

Mandates in the Middle East After World War I



Anti-Colonialism in South Asia

The setback presented by the Paris Conference inspired anticolonial activists to redouble their efforts. In South Asia, the **Indian National Congress** formed in the late 19th century to air grievances against the colonial government. By the end of World War I in 1918, it had become a strong voice for independence.

Massacre at Amritsar In the spring of 1919, a group of Indian nationalists gathered in a public garden in Amritsar, Punjab, to protest the arrest of two freedom fighters. The protest took place during a Sikh festival, which had attracted thousands of villagers to the city, which Sikhs considered



holy. Although the throngs were peaceful, the British colonial government had recently made such public gatherings illegal. Armed colonial forces fired hundreds of shots into the unarmed crowd, killing an estimated 379 people and wounding 1,200 more.

The Amritsar massacre radicalized many Indians. It convinced moderate members of the Indian National Congress that independence from Britain was the only way forward.

Gandhi By the 1920s, **Mohandas Gandhi** had brought the congress's cause to the Indian masses and caught the attention of the world. His **satyagraha** (“devotion-to-truth”) **movement** embarked on a campaign of **civil disobedience** that encouraged Indians to break unjust laws and serve jail time. These actions, he believed, would stir the consciousness of the empire and the international community and expose the injustice of Britain's imperial system.

Gandhi, who came to be known by Indians as **Mahatma**, or “the great soul,” led a boycott against British goods. After returning to India from South Africa, Gandhi wore the traditional cotton Hindu *dhoti* rather than the Western-style suits he had worn as a lawyer in Natal. Wearing homespun clothes was a form of protest against British fabrics made from Indian cotton and sold to Indians at inflated prices.

One of Gandhi's first campaigns became known as the **Salt March**. British authorities had made it illegal for Indians to produce their own sea salt. The commodity was easy to make in the tropical country, but Britain wanted a monopoly on salt. In 1930, Gandhi led thousands of Indians to the Arabian Sea and simply picked up a few grains of salt, in defiance of Britain's unjust edict.



Source: GandhiServe Foundation. Wikimedia Commons

Gandhi (shirtless) and his followers during the Salt March of 1930

The Two-State Solution While anticolonial sentiment was building, leaders of the independence movement disagreed about how India should define its national identity. Muslim leader **Muhammad Ali Jinnah**, a member of the Muslim minority in the largely Hindu Indian National Congress, originally favored Muslim-Hindu unity but later proposed a two-state plan for South Asian independence. He was concerned that Muslim interests would be overwhelmed by Hindu concerns in an independent India. He proposed creating a separate state, **Pakistan**, that would include the heavily Muslim western and eastern parts of South Asia. This proposal made several leaders, including Gandhi and **Jawaharlal Nehru**, who eventually became India's first prime minister, anxious about the region's future. Although independence did not come for India and Pakistan until after World War II, the interwar years were critical times for the anticolonial movement. (Connect: Write a paragraph connecting 20th century tensions between Hindus and Muslims in India with India's earlier religious history. See Topic 1.3.)

Nationalism in East Asia

Korea, China, and Japan had not been formally colonized by Europe, but they did suffer from European domination. These countries also demonstrated the spread of the desire for self-determination.

The March First Movement in Korea The small country of Korea had suffered under increasing Japanese influence since the 1890s. In 1910, Japan took control of Korea. After World War I, Japan expected to expand its role in East Asia, just as European states did in the Middle East. The prospect of European support for a stronger Japan, and the mysterious death of the Korean emperor, caused Korean resentment to explode. On March 1, 1919, Koreans began a series of protests that involved as many as 2 million Koreans out of a population of 17 million. The occupying Japanese forces cracked down harshly, killing several thousand Koreans. But the **March First Movement** demonstrated the power of Korean nationalism.

The May Fourth Movement in China During World War I, China supported the Allies. Britain and France hired nearly 150,000 Chinese to work in factories, dig trenches and do other support work. China hoped that the victorious Allies would support China's desire to reclaim German-controlled land on the Shandong Peninsula in northeast China. However, Japan wanted the same land. At the Paris Peace Conference in 1919, Great Britain and France sided with Japan. Infuriated, Chinese intellectuals and workers staged anti-Japanese demonstrations beginning on May 4, 1919. The **May Fourth Movement** symbolized China's growing nationalism and demand for democracy. Angered by Europe's support for Japan, many Chinese rejected Western-style government. They turned toward the Marxist model of the Soviet Union. Several May Fourth leaders joined the Chinese Communist

Party. In the years after the May Fourth protests, two main groups fought for power: the communists and the nationalists.

- The **Chinese Communist Party (CCP)** was founded in 1921. It was eventually led by **Mao Zedong** (or Mao Tse-tung), the son of a prosperous peasant, who was inspired by the communist revolution in Russia. Instead of energizing the working classes of Chinese cities, however, Mao believed that China's communist revolution could be based on the revolt of peasants, who made up the vast majority of China's population.
- The Chinese Nationalist Party, or **Kuomintang**, was led by Sun Yat-sen. He was devoted to full independence and industrialization, and he allied with Mao's forces to free China from foreign domination and overthrow the warlords. Following Sun's death in 1925, **Chiang Kai-shek** took control of the Nationalist Party. Chiang was a conservative and had a deep-seated distrust of communism. In 1927, Chiang's forces attacked and nearly annihilated Mao's forces, initiating the Chinese Civil War.

The Long March Mao and remnants of the Chinese Communist Party retreated into China's interior, where for several years they trained in hiding. In 1934, Chiang's forces again attacked Mao's army in the rural areas of Jiangxi. After the attack, Mao's forces began the **Long March**, a year-long, 6,000-mile long retreat. It traversed treacherous mountains, deep marshes, and extremely dry deserts. Of the 80,000 or more who began the Long March, only 10,000 remained to assemble in 1935 in northern China.

The Chinese Communist Party was weak after the Long March. However, peasants admired Mao and his army's tremendous stamina and their commitment to their ideals. This support among peasants would later be important for the success of the Communists in winning control of the country.

While the Communists were retreating on the Long March, the Nationalist Kuomintang continued to rule much of China during the 1930s. Chiang, however, had alienated many. Old traditions were losing support, but he advocated Confucianism. When opponents criticized him, he suppressed free speech. When people accused the Nationalists of corruption, he did not stop it.

China, Japan, and Manchukuo In 1935, the Nationalists and Communists in China suspended their civil war to unite against a more pressing danger: Japan. Seeking access to natural resources on the Asian mainland, Japan had invaded Manchuria in northern China in September 1931. Tensions increased when someone, either Chinese dissidents or Japanese soldiers, attacked a railway owned by Japan near Mukden. When the League of Nations condemned Japan's actions in Manchuria, Japan gave up its membership in the League and seized more land. In 1932, the Japanese set up a puppet state called **Manchukuo**. To make Manchukuo seem like an independent Chinese



state, it selected the last Chinese emperor to sit on its throne. (Connect: Create a timeline showing the steps Japan took as it moved from isolation to imperialism. See Topic 5.6.)

Japan continued to expand its empire until 1945, the year World War II ended. It seized the Philippines (under partial U.S. control at the time), the Dutch East Indies, British Malaya, Burma, and numerous Pacific islands. Japan termed these territories the **Greater East Asia Co-Prosperity Sphere**. Although Japan claimed to be liberating people from Western imperialism, people in the region experienced Japan as a conqueror.

Resistance to French Rule in West Africa

As in South Asia, people all over Africa were disappointed that their colonies did not achieve independence after World War I. Pro-independence movements in Africa began with European-educated intellectuals. For example, the future leader of Kenya, **Jomo Kenyatta**, studied in London. **Léopold Senghor**, the future leader of Senegal, studied in Paris. In Europe, African intellectuals learned to recognize the racial discrimination taking place in their homelands. Most members of the educated elite worked for the colonial government, if they were not self-employed attorneys or doctors.

Africans under colonial rule resisted the colonizers. Black workers in French West Africa staged a series of strikes, including a strike of railway workers in 1917 and a general strike in 1946. Some of these actions spread throughout French West Africa (Senegal, Benin, Ivory Coast, and Guinea). Strikers protested discriminatory wage and benefit policies and in some cases won a number of their demands through a compromise settlement.

KEY TERMS BY THEME		
<p>GOVERNMENT: Policies decolonization mandate system Balfour Declaration civil disobedience</p> <p>GOVERNMENT: Leaders Big Three Mohandas Gandhi Muhammad Ali Jinnah Jawaharlal Nehru Mao Zedong Chiang Kai-shek</p>	<p>GOVERNMENT: Movements Pan-Arabism Indian National Congress satyagraha (devotion-to-truth) movement Salt March March First Movement May Fourth Movement Chinese Communist Party (CCP) Kuomintang Long March</p>	<p>GOVERNMENT: Countries Palestine Pakistan</p> <p>GOVERNMENT: Imperialism Amritsar Manchukuo Greater East Asia Co-Prosperity Sphere</p> <p>CULTURE: People Zionists Mahatma Jomo Kenyatta Léopold Sédar Senghor</p>

Causes of World War II

It is blood which moves the wheels of history.

—Benito Mussolini (1914, before he became *Il Duce*, the Leader)

Essential Question: What were the causes and consequences of World War II?

The causes of World War II lay in the unresolved issues in the aftermath of World War I. Economic instability in the postwar economies of Europe led to civil unrest in Italy and Germany. In Italy, the rise of fascism was directly related to the downturn of the Italian economy that occurred after World War I. Benito Mussolini and his National Fascist Party came to power in 1922 because of their promises to renew the Italian economy and create another Italian empire in the Mediterranean and beyond. The peace settlement after World War I also placed unsustainable economic and political terms on Germany and instituted territorial distributions that took away resources and created resentment among the German population. Thus, the ideology associated with Italian fascism and militarism—as seen in the quotation above—spread to Germany, where Hitler and the Nazis adopted it.

The Path to War

Out of the context of the broad economic and political trends emerged **Adolf Hitler**. His extreme views on the superiority of the Aryan race and his vision of a great German civilization led him to persecute Jews and other minorities and to systematically seize land.

Rise of Nazism Following Germany's defeat in 1918, the democratically elected **Weimar Republic** replaced the monarchical rule of the kaiser. Under the terms of the Treaty of Versailles, the new German government not only had to pay billions in war reparations, but it also was not allowed to have an army. The Weimar Republic, appearing weak to the demoralized German people, became especially unpopular during the Great Depression.

The rolls of the unemployed swelled due to the weak German economy. Large numbers of young men, including many World War I veterans, found themselves with few job prospects. Such an environment fostered alienation and bitterness. Many Germans perceived the Weimar Republic to be too weak

to solve the country's problems, so they looked to right-wing political parties that promised strong action.

Hitler had declared his extreme anti-Semitic views in his book *Mein Kampf* ("My Struggle"), which he began writing in 1924 while in a Bavarian prison after a failed coup attempt. The National Socialist German Worker's Party, or the **Nazis**, came to power legally after the party did well in the 1932 parliamentary elections. In early 1933, the president of Germany, Paul von Hindenburg, invited Adolf Hitler to form a government as chancellor, which he did. Hindenburg died in 1934, giving Hitler the opening he needed to declare himself president.

Through manipulation, the Nazi Party instilled fear and panic in the German people, making them believe that they were in a state of emergency. For example, the Nazis staged a burning of the **Reichstag**, the German parliament building, and blamed radical extremists for the act. Using domestic security as justification, Hitler outlawed all other political parties and all forms of resistance to his rule.

Hitler openly promoted ultranationalism and **scientific racism**, a pseudoscientific theory that claimed that certain races were genetically superior to others. He also advanced an extreme form of **anti-Semitism**, or hostility toward Jews. He filled his speeches with accusations against German Jews, whom Hitler claimed were responsible for the nation's domestic problems. Nazi propaganda emphasized a need for a "pure" German nation of "**Aryans**," purged of "outsiders"—not only Jews, but also Slavs, communists, Roma (also known as Gypsies), and gay men and women. Hitler suggested that the only way for Germany to live up to its potential was to eliminate the corrupting influence of these groups, particularly the Jews.

Nuremberg Laws Hitler's anti-Jewish campaign began with laws designed to disenfranchise and discriminate against them. The **Nuremberg Laws**, passed in 1935, forbade marriage between Jews and gentiles (people who are not Jewish), stripped Jews of their citizenship, and unleashed a series of subsequent decrees that effectively pushed Jews to the margins of German society. German Jews, many of whom were successful in their careers and felt assimilated into German society, were shocked by the way they were being treated. Some Eastern European nations, such as Romania and Bulgaria, also passed laws discriminating against their Jewish citizens.

The Axis Powers Hitler then sought new allies to help him acquire *Lebensraum* (living space) for the new German empire. He did not try to hide his ambition to conquer the entire continent. Hitler's lust for land eventually brought the international community to the brink of war. He first formed a military pact with Fascist Italy, the **Rome-Berlin Axis**, in October 1936. In addition to their need for military support, the two countries shared a political ideology and economic interests. Germany then created a military alliance with Japan based on mutual distrust of communism, known as the **Anti-Comintern Pact**. The alliances among these three nations created the **Axis Powers**.

Kristallnacht Hitler's campaign to rid Germany of Jews predated his aggressive land grabs in Europe. His propaganda and the Nuremberg Laws successfully created an atmosphere of hostility, hatred, and distrust within Germany. This tension erupted one night in early November 1938. **Kristallnacht**, the "Night of the Broken Glass," produced anti-Jewish riots that ostensibly occurred in response to the assassination of a German diplomat by a Jewish teenager. Although it appeared to be a spontaneous burst of outrage on the part of the German citizenry, Nazi leaders had actually engineered the entire operation. The riots resulted in the deaths of more than 90 German Jews and the destruction of nearly every synagogue in Germany and some 7,000 Jewish shops. More than 30,000 Jews were dragged from their homes, arrested, and sent to concentration camps. Most of these prisoners were eventually released on orders to leave Germany, an option not given to later concentration camp prisoners.



Source: Center for Jewish History, New York City

Interior of a Berlin synagogue after it was set on fire during Kristallnacht, November 9, 1938.

Nazi Germany's Aggressive Militarism

The terms of the Treaty of Versailles severely limited the German military after World War I. Yet Hitler wanted a stronger military to acquire more land. In March 1935, he broke the treaty when he announced the creation of a German air force and a policy of conscription to enlarge the size of the army.

The Treaty of Versailles Under the treaty, a strip of land in the Rhineland 31 miles wide was set up as a buffer zone between Germany and France. Germany was not allowed to station troops there. Hitler broke the agreement,

sending German troops into the Rhineland on March 7, 1936. Both France and Britain protested this move, but they took no other action.

Some British believed that Hitler was the strong anticommunist leader that central Europe needed to keep order. Others were simply reluctant to return to war. So Britain followed a policy of **appeasement**, giving in to Germany's demands in hopes of keeping the peace. However, Germany's military expansion and its support of the fascist Spanish Nationalist government during the Spanish Civil War (1936–1939) indicated that Hitler was increasing his power. (Connect: Describe the connection between the militarism that led up to World War I and World War II. See Topic 7.2.)

German-Austrian Unification With his military revived and alliances in hand, Hitler felt confident about taking his next step in the creation of a new German empire, the **Third Reich**. His plan was to bring Austria, where he was born, under German rule. Hitler used the threat of invasion to pressure the Austrian chancellor into giving more power to the Austrian Nazi Party. As Hitler had planned, the Austrian Nazis then opened the door for German troops to occupy Austria with no resistance. With the **Anschluss** (political union), Austria officially became part of the Third Reich in March 1938.

Czechoslovakia The annexation of Austria was only the first step for Hitler. He wanted more. In September 1938, he issued a demand to Czechoslovakia for the border territory of the **Sudetenland**. Most of the people who lived in this region spoke German; Hitler argued that the area was a natural extension of his Aryan empire. The German leader met with the leaders of Britain, France, and Italy in Munich to discuss his demands. **Neville Chamberlain**, the British prime minister, again argued that a policy of appeasement would keep the peace and put an end to Hitler's demands for more land. The **Munich Agreement** allowed Hitler to annex the Sudetenland in return for a promise that Germany would not take over any more Czech territory. This was a fateful miscalculation. Hitler saw that the British were not willing to stand up to his illegal land grabs, emboldening him to seize control of all of Czechoslovakia with an armed invasion in 1939.

The Conflict over Poland Hitler next set his sights on the Polish port of **Danzig**. Although Germany did have some historical claims to the port, in reality, Hitler was merely looking for an excuse to invade Poland. Britain, in the meantime, had reached the end of its policy of appeasement and agreed to protect Poland from a German attack. Britain and France also reached out to the Soviet Union to form a stronger alliance against Germany.

Germany, however, was already in negotiations with the Soviets. With the signing of the **German-Soviet Nonaggression Pact** on August 23, 1939, the two nations pledged not to attack one another. During the negotiations for the pact, Hitler secretly offered Stalin control of eastern Poland and the Baltic States if Stalin would stand by during a German invasion of western Poland. With this assurance in hand, Germany invaded Poland on September 1, 1939, claiming that Poland had attacked first. Britain and France honored their agreement to protect Poland and declared war on Germany. These actions marked the official start of World War II in Europe.



Causes of World War II	
Diplomatic	<ul style="list-style-type: none"> • The imbalance of the Treaty of Versailles • Failure of appeasement • Failure of the League of Nations
Economic	<ul style="list-style-type: none"> • Global depression • The Treaty of Versailles
Political	<ul style="list-style-type: none"> • Japan's militarism • Germany's militarism and the rise of Hitler

Japan's Expansion in Asia

By the time Germany invaded Poland in 1939, Japan had already been moving aggressively against Korea and China for almost 50 years. In 1931, Japan had invaded Manchuria. After several months of fighting, it successfully created the state of Manchukuo under its control. Then, in 1937, a small incident in this region between Japanese troops and Chinese troops quickly escalated. Soon, Japan had launched a full-scale invasion of China. This marked the start of World War II in Asia.

KEY TERMS BY THEME		
<p>GOVERNMENT: People Adolf Hitler Neville Chamberlain</p> <p>GOVERNMENT: Geography Weimar Republic Sudetenland Danzig</p> <p>GOVERNMENT: Policies Nuremberg Laws Lebensraum Anschluss Munich Agreement</p>	<p>GOVERNMENT: Alliances Rome-Berlin Axis Anti-Comintern Pact Axis Powers German-Soviet Nonaggression Pact</p> <p>GOVERNMENT: Organizations Nazis Reichstag Third Reich</p>	<p>CULTURE: Beliefs and Ideas <i>Mein Kampf</i> scientific racism anti-Semitism Aryans appeasement</p> <p>SOCIETY: Kristallnacht</p>