

The Crisis of the Old World Order

Before World War II, much of the world was still dominated by the imperial powers of Europe, with Britain and France foremost among them. World War I had ended with the overthrow of vast territorial empires of the Hohenzollerns (Germany), Habsburgs (Austria-Hungary), Romanovs (Russia), and Ottomans (Turkey), but both Britain and France had expanded their overseas empires, especially in the oil-rich Middle East. The British had consolidated their leading place in the world-system after the Napoleonic Wars in the early 1800s. It was based on the dynamism of Britain's industrial economy – the first in the world – and on the worldwide collection of semi-independent dominions, directly ruled colonies, protectorates, and island outposts that formed the British Empire. Britain's global trade networks and the wealth, resources, and markets of its empire were protected by the Royal Navy, by far the most powerful navy in the world.

Britain did not have a large land army, relying on soldiers recruited in India to police much of its empire, and on its diplomats and politicians to ensure that no single rival could dominate Europe. This combination of economic and military power enabled the City of London to function as the preeminent world center of banking, finance, and insurance. Its global hegemony rested not only on the “hard power” of economic and military might, but also on its ability to use “soft power” – free trade, liberal democracy, and a claim to be benefiting its colonial subjects – to assert moral leadership. And, while the military and diplomatic arrangements of this *Pax Britannica*, or “British Peace,” maintained Britain's global hegemony for over a century, there were few years in which its military was not in action to uphold its rule in some part of the empire.

Other European powers established sprawling colonial empires, although none rivaled the global scope of the British. The Dutch ruled the Netherlands East Indies (modern Indonesia), a legacy of its seventeenth-century reign as the world's leading commercial power. During the last decades of the nineteenth century, several European nations engaged in a frenzied "scramble" to establish colonies in sub-Saharan Africa, carving up almost the entire continent without regard for pre-existing boundaries and co-opting local elites into systems of "indirect rule." In Southeast Asia, France grabbed Indochina (today Vietnam, Cambodia, and Laos) in the 1880s, while London ruled a vast crescent of territory running from northern Borneo and Malaya to Burma (modern Myanmar) and India, the "Jewel in the Crown" of the British Empire. Only Latin America escaped this pattern of direct colonial rule. Here anti-colonial revolutions had freed much of the continent in the early 1800s, although independent but relatively weak nation-states remained locked in circuits of trade dominated primarily by Britain and, increasingly, the United States, exporting raw materials and importing manufactured goods.

In the last quarter of the nineteenth century, this British-dominated world order was challenged by the newly unified nation-states in Germany, Italy, Japan, and the United States. These new states were the product of wars of national unification – including the US Civil War and the Meiji Restoration in Japan – and in all of them, with the partial exception of Italy, unification triggered sustained economic growth. By the end of the nineteenth century, America had become the world's top manufacturing power, and Germany had also surpassed Britain in key economic sectors. In Asia, Japan emerged as the major regional power after successful wars against China (1894–1895) and Russia (1904–1905). These states jumped into the scramble for overseas colonies in Africa and the Pacific, and they joined British and French efforts to open up new markets and spheres of imperial domination in China, where the Qing Dynasty was weakened by economic stagnation, peasant revolt, and regional fragmentation. Intensified international competition for empire destabilized Europe, where Franco-Russian concerns about the rise of Germany intersected with conflicts between Russia, Austria-Hungary, and the Ottoman Empire in the Balkans. In August 1914 these overlapping European and imperial conflicts led to the outbreak of World War I.

World War I and the Postwar Settlement

These multilayered causes of World War I shaped the character of the war. Much of the fighting and most of the 10 million battlefield deaths took place in three European war zones, including a protracted attritional struggle between Anglo-French and German armies in the trenches of the Western Front; an equally

savage but more mobile war between Russia and the Central Powers (Germany and Austria-Hungary) on a front stretching from the Baltic to the Black Sea; and an Alpine front between Italy and Austria-Hungary. These European war zones were connected to critical conflicts in other parts of the world. While far fewer troops were involved, fighting in colonial spaces was often fluid, fast-moving, and decisive. In Africa, Allied armies of Indian and African soldiers overturned German colonial rule in the modern-day states of Cameroon, Namibia, and Tanzania. In the Middle East, Arab rebels and Allied armies fought the Ottoman Empire for control of Iraq, Syria, and Palestine, and then from 1919 to 1923 the new nation-state in Turkey fought to defend its independence against Allied attempts to dismember it. Meanwhile Japan, then a British ally, rolled up German colonial outposts in the Marshall, Marianas, and Caroline islands and on China's Shandong Peninsula.

The mobilization of colonial labor, food, and raw materials enabled Britain and France to fight a long attritional war. French colonial troops from West and North Africa fought on the Western Front, while the Indian Army and other colonial forces sustained British-led campaigns in the Middle East and Africa. These imperial mobilizations drew colonized peoples into the maelstrom of world politics, and overseas military service exposed them to new experiences and ideas. These factors contributed to a mounting tide of anti-colonial agitation. When Mahatma Gandhi and the Indian National Congress stepped up their campaign for Home Rule, the colonial authorities responded with harsh repression, shooting over 1000 unarmed protestors in Amritsar in 1919. In Ireland, the forceful suppression of an armed uprising against British rule at Easter 1916 boosted support for the nationalist cause, leading to a war for national independence and the establishment in 1922 of the Irish Free State in the southern part of the country. In other colonies the impact of war was less dramatic, but it nevertheless spurred the emergence of anti-colonial movements that became increasingly important over the following decades.

During World War I, the major combatants mobilized the totality of their national resources for war. Governments directed workers into military service or into key industrial jobs, reorganizing industry to maximize the output of weapons and munitions. Denied access to overseas trade by the British naval blockade, the strain of this effort was particularly acute in Germany. Berlin managed to produce the military matériel necessary to sustain a long two-front war, but by the winter of 1916–1917 Germany's civilian population was going hungry. With its slender industrial base, the Russian Empire was also hard hit, and as the war progressed economic breakdown and military defeat combined to produce a deep political crisis. Britain and France, with their economies sustained by their empires and by massive inflows of American funds, food, and military supplies, were better placed to meet the demands of total war. Nevertheless, for three years, and despite the commitment of millions of men

and massive quantities of matériel – including tanks, airplanes, and poison gas – neither side achieved a decisive military breakthrough.

The first cracks in this military deadlock emerged in 1917 as the grinding social consequences of total war produced political crises in Russia and then in Germany and Austria-Hungary. In 1917, the Tsarist regime in Russia was toppled by two popular revolutions, the first led by liberal democrats in February and the second in October led by Vladimir Lenin's Bolshevik Party. Acting on their slogan of "Bread, Peace, and Land," the Bolshevik government took Russia out of the war. In the short term, Russia's exit benefited Germany, which quickly annexed a broad swath of former Imperial Russian territory in Poland, Ukraine, and the Baltic States. German conquests were formalized at the Treaty of Brest-Litovsk in March 1918, where the Bolsheviks traded land for the time they needed to consolidate their socialist state. Germany's victory in the East allowed Berlin to redeploy troops to the Western Front in preparation for a major offensive in spring 1918. After three years of deadlock, a German military victory suddenly seemed possible.

These events overlapped with the second major political development of 1917, the formal entry of the United States into the war. American money and matériel had sustained the Allied war effort since 1915, but under President Woodrow Wilson the United States remained neutral. Wilson's decision to join the war in April 1917 was triggered by the resumption of German submarine attacks on neutral shipping in the Atlantic, but it was fundamentally driven by the desire to block the emergence of a German-dominated Europe – a development that was rightly seen as a threat to the rise of American power. America joined Britain and France as an "associate power" (rather than a formal ally), and US troops began arriving in France in time to come to support Allied armies reeling in the face of Germany's 1918 spring offensive. By the fall, there were one million American soldiers at the front, poised for an advance into Germany.

As it turned out, revolution arrived in Germany before the Allied armies. The German government was overthrown in November 1918 by a popular insurrection that began with a naval mutiny and spread to working-class districts in Berlin and throughout Germany's industrial heartlands. As in Russia, workers and soldiers formed revolutionary councils that functioned as organs of popular political power. Kaiser Wilhelm II abdicated, and an alliance of moderate socialists and military leaders signed an armistice with the Allies on November 11.

The armistice ended the war, but it did not stop all the fighting. Civil war raged in Russia until 1922, as military expeditions from Britain, France, Japan, and the United States boosted counter-revolutionary efforts to overthrow the new Union of Soviet Socialist Republics. In Turkey, nationalists led by Mustafa Kemal Atatürk fought until 1923 to prevent the new Turkish nation-state from being carved up by the victorious allies. Revolutionary uprisings shattered the Habsburg Empire in 1918, establishing short-lived socialist regimes and laying

the basis for the creation of new nation-states in Austria, Hungary, and Czechoslovakia. In Germany, the moderate socialist leaders of the new Weimar Republic – named for the city where the constitutional assembly met – used gangs of nationalist *Freikorps* to crush waves of communist-led working-class rebellion that rolled through Berlin, Bavaria (the Munich Soviet Republic), and the Ruhr industrial region between 1918 and 1923. In 1920 strikes and popular protests derailed the Kapp Putsch, an attempted right-wing military coup.

These events showed that great modern wars bring with them the possibility of economic and social collapse and, particularly for the losers, popular insurrection. As in Russia, popular revolutions could lead to the formation of governments determined to overturn the economic foundations of capitalism. For ruling elites everywhere, this terrifying prospect would weigh heavily on their political thinking in the years after World War I. The postwar revolutionary wave in Germany and Central Europe was finally contained, but the existence of large communist parties in many countries meant that the possibility of a working-class challenge for power had not gone away. It is impossible to understand either the post-World War I settlement or the course of World War II without understanding how large this issue loomed in the minds of contemporary policymakers.

The Rise of American Power

Britain and France won World War I, but at a crippling cost: an entire generation of young men had been slaughtered, their economies were exhausted, and their governments had gone deeply into debt to fund the war. The United States, on the other hand, had only entered the war in 1917, and while its military presence on the Western Front had established it as a major player in European politics, its military ranked behind that of Britain and France. At the same time, American industrialists and financiers supported the Allied war effort from the beginning, generating an economic boom at home and transforming the United States from a debtor nation into a global financial superpower. To some British observers the United States appeared as a new type of “super-state,” and they were acutely aware that while American aid had allowed them to prevail over Germany, the price tag was a dramatic shift in economic power westwards across the Atlantic.¹ Nevertheless, America’s late entry into the war meant that its economic predominance did not translate directly into overwhelming military power and political influence. As a result, while World War I shattered the old world order, it did not immediately produce a new one.

Allied leaders approached the 1919 Paris Peace Conference in Versailles with different and contradictory goals. Woodrow Wilson hoped to establish a new US-led world order based on free trade, national self-determination for selected

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European countries, and a League of Nations capable of settling international disputes by negotiation. In contrast to this liberal internationalist vision, British and French leaders were intent on punishing Germany by dismantling its military, imposing huge reparations payments, and redrawing its borders in favor of new or expanded states in Eastern Europe. Given the relationship of forces on the ground in Europe, the Anglo-French approach won out, and at Versailles Germany was saddled with a massive reparations bill and the loss of 25 000 square miles of territory, much of it given to newly independent Poland. France was assigned the coal production of Germany's Saar Basin for 15 years, during which time the region would be administered by the League of Nations.

These punitive measures were offset to some degree by the Allies' desire to contain the Soviet Union. Although deprived of tanks and heavy artillery, the Allies wanted the German army to be strong enough to resist both domestic insurrection and Soviet expansionism. For similar reasons, Wilson's principle of self-determination was applied primarily to the creation of a chain of new nation-states stretching from Finland through Poland to the Balkans in an extended buffer zone or *cordon sanitaire* designed to contain Germany and to isolate the Soviet Union. The Allies' contradictory goals at Versailles thus produced a contradictory treaty. The punitive aspects of the Versailles Treaty – not least the loss of seven million citizens – angered all shades of German opinion, but the settlement was not so harsh as to preclude the possibility of German recovery.

After Versailles, the United States Congress voted against joining the new League of Nations. Many lawmakers feared that League membership would take critical foreign policy decisions out of their hands. Nevertheless, while their rejection of the League indicated that American elites were not yet willing to embrace fully the political consequences of their new global standing, it did *not* reflect a generalized American retreat into "isolationism." During the 1920s the United States remained deeply engaged in international politics, trade, and finance, functioning as the world's major economic power but not, as yet, as its fully fledged hegemon.

This contradictory relationship was underscored by the 1921 Washington Naval Conference. Often described as a disarmament conference because it led to a 10-year moratorium on battleship construction, its key accomplishment was to regulate the relative sizes of the world's major navies by fixing the battleship tonnage of the United States, Britain, Japan, Italy, and France in the ratio of 5:5:3:2:2. This formula recognized America's claim to parity with Britain. The Royal Navy had been the world's dominant navy for over two centuries, but London accepted this tectonic shift in global power out of fear that America's shipbuilding capacity would allow it to surge ahead in a naval arms race. The conference also registered the rise of Japanese power. Tokyo was rewarded for its wartime services to the Allies by securing approval for a navy capable of

significant power projection in Asian and Pacific waters. In addition, the Four- and Nine-Power treaties signed during the conference consolidated postwar relations in Asia, acknowledging the rise of Japan while reaffirming China's sovereignty and territorial integrity. For many in Japan, British and American recognition of Japan's status as the third global naval power vindicated Tokyo's cooperation with the West and, in exchange, Japan handed the former German colony on the Shandong Peninsula back to China.

Europe in the 1920s

The continued dislocation of the German economy undermined the fragile stability of the Weimar Republic. In 1923, hyperinflation brought economic crisis and rising unemployment, undercutting Germany's ability to make reparations payments to Britain and France. Paris responded by occupying the Ruhr industrial region, where their troops faced a campaign of widespread civil disobedience. In October, the German Communist Party (KPD) led working-class uprisings in Hamburg and in Saxony that were eventually crushed by the Weimar army after fierce street fighting. The following month radical nationalist Adolf Hitler and his newly formed National Socialist German Workers (NSDAP, Nazi) Party attempted to seize power in Bavaria in the "Beer Hall Putsch." This attempted coup was defeated by the army, and Hitler and other Nazi leaders were imprisoned. By the end of the year the Weimar Republic had weathered challenges from the communist left and the nationalist right, but it was clear that unless economic stability was restored further crises would inevitably follow.

Germany's economic crisis was addressed in 1924 by an international committee of experts led by two Americans, banker Charles Dawes and industrialist Owen Young. Their report, adopted in summer 1924 and known as the Dawes Plan, reduced the burden of Germany's reparations payments by rescheduling them to end in the 1930s. At the same time, the Dawes Plan boosted Germany's ability to make regular reparations payments by guaranteeing it loans from a group of Wall Street financiers led by J.P. Morgan. More Morgan money secured French approval, and Paris withdrew its troops from the Ruhr. American loans, combined with deep cuts in social spending, tamed Germany's hyperinflation and restarted economic growth. With renewed German reparations payments enabling Britain and France to service their wartime debts to the United States, the Dawes Plan helped to restore stability in Germany while generating profit for Wall Street.

Despite the defeat of the postwar revolutionary upsurge and the inflows of American capital, Europe's recovery remained fragile. This fragility was particularly apparent in Italy. One of the weakest of the European powers, Italy joined the war in 1915 on the basis of Allied promises that it would be rewarded with

territory carved out of the Austro-Hungarian Empire. Instead, the Italian army suffered a string of humiliating defeats that culminated in a complete collapse at the Battle of Caporetto in November 1917. The war cost Italy over 600 000 lives, failed to deliver any significant territorial gains, and left a battered economy dependent on American loans. Italian leaders secured some modest territorial gains at Versailles, but they fell well short of Allied promises made in the secret 1915 Treaty of London – now embarrassingly made public by the Communist government in Moscow.

Many Italians felt cheated by this “mutilated victory,” and in September 1919 poet Gabriele D’Annunzio led a band of ultra-nationalist activists to seize the city of Fiume (Rijeka) on the coast of the Adriatic. Fiume/Rijeka was claimed by the new Kingdom of Yugoslavia as well as by Italy, and its garrison of British and French troops was quickly ejected by D’Annunzio’s militiamen. D’Annunzio’s coup signaled the emergence of a radical nationalist – soon to be termed “Fascist” – movement in Italy. At the same time, socialist-minded workers and peasants launched a series of strikes, factory occupations, and land seizures. During the *Biennio Rosso* – the Two Red Years – of working-class militancy in 1919–1920, the Italian Socialist Party (PSI) voted to join the new Moscow-based Communist International.

Alarmed by this working-class militancy, Italian factory owners and landlords turned to Benito Mussolini’s new National Fascist Party for help. Fascist “Blackshirts” carried out a campaign of street violence and bombings against communist, trade union, and peasant activists, and in October 1922 Mussolini launched a bid for power by sending 30 000 Blackshirts on a well-publicized March on Rome. The force of this attempted coup convinced King Victor Emmanuel III to invite Mussolini to become prime minister, a position he then legitimized with a rigged electoral victory in April 1924. When socialist leader Giacomo Matteotti complained that the election was fixed, the Blackshirts assassinated him.

Mussolini quickly consolidated his dictatorship, restricting democratic rights and strengthening the powers of the Fascist state. The regime’s “corporatist” ideology promised to overcome class divisions between workers and bosses by promoting national unity, cultural rejuvenation, and the creation of a new Roman Empire on the shores of the Mediterranean. Business leaders admired Mussolini’s fervent anti-communism and quickly aligned themselves with the new regime, particularly after it imposed a 20% wage cut on Italian workers. A similar accommodation unfolded internationally. European and American politicians were alarmed by Mussolini’s expansionist rhetoric, but they appreciated his anti-communism and accorded him remarkable prestige. Britain and France defused a League of Nations protest against Italy’s assault on the Greek island of Corfu in 1923, and throughout the decade they worked to draw Fascist Italy into the framework of European diplomacy.

The inflows of American credit initiated by the Dawes Plan helped to stimulate a period of economic growth in Western Europe. Britain rejoined the gold standard in 1925, and others followed suit. This return to “gold” – the convertibility of national currencies into gold at fixed rates – registered the growing stability of international markets and signaled the end of the postwar economic crisis. Increased political stability followed, registered in 1925 by the Locarno Treaties. The most important of these agreements was signed by France, Britain, Italy, and Germany. It normalized Germany’s international position by confirming the country’s western borders as determined at Versailles, paving the way for Berlin to join the League of Nations the following year. With its border secured by agreement with Germany, France deemphasized its anti-German alliances with the countries of the *cordon sanitaire*, implying the possibility of territorial adjustments in Eastern Europe in Germany’s favor. France and Britain seemed to be willing to satisfy Germany at the expense of their allies in Eastern Europe, and to many Poles and Czechs the much vaunted “spirit of Locarno” appeared as a betrayal of their national interests.

The new mood of optimism produced by economic prosperity and political stability was expressed in 1928 in a remarkable multilateral renunciation of war. The Kellogg-Briand Pact rejecting war as an instrument of foreign policy was signed by 28 countries, and although American pressure kept the Union of Soviet Socialist Republics (USSR) out of the signing ceremony in Paris, Moscow also embraced the accord. The agreement had no regulatory mechanism, and in the light of the worldwide slaughter that followed it seems utterly naïve. Nevertheless, it did reflect the widely held hope of elites in Europe, Japan, and the United States that the twin threats of war and revolution had been vanquished and that open-ended capitalist prosperity had returned.

Revolution and Counter-Revolution in Russia

The October 1917 revolution in Russia resulted in the formation of the USSR. This supranational union consisted of Russia and the new socialist republics in Ukraine, Byelorussia, and the Caucasus, and it promised to replace the Tsarist Empire’s “prison-house of nations” with a voluntary association of independent states. In the early years of the revolution, Soviet leaders were committed to the international extension of the socialist revolution. They recognized that Russia was the most economically backward of the great powers, and they argued that if the new socialist state was to survive it had to be joined by workers’ republics in the industrial heartlands of Western Europe. In the years of economic crisis and working-class insurgency in Germany, Austria-Hungary, and Eastern Europe that followed World War I, this seemed a realistic prospect. The Russian Revolution also won broad working-class support in France and Britain, and it inspired two years of strikes and factory occupations in Italy.

The Russian Revolution transformed working-class political parties around the world. In Europe and the United States, the moderate socialist parties that had supported their own national governments during the war split apart as revolutionary-minded workers sought to follow the Bolsheviks' lead. In France and Italy, the old socialist parties went over to the revolutionaries. In the European colonies and semi-colonies of the Middle East and Asia, groups of workers, peasants, and intellectuals formed new communist parties dedicated to interlinked struggles for national independence and socialism, and in 1921 radical students met in Shanghai to set up the Chinese Communist Party (CCP). Soviet leaders encouraged these developments by forming the Communist International (or Comintern) in Moscow in March 1919 and by dispatching tested leaders to work with inexperienced new parties around the world. Unlike the moderate and eurocentric Socialist International, the Comintern acted on the idea that world revolution would combine working-class insurrections in the old imperialist heartlands with anti-colonial struggles for national liberation.

With the triumph of Fascism in Italy in 1922 and defeat of the revolutionary upsurge in Germany the following year it became clear that socialist revolution was not about to triumph in Western Europe, while the Dawes Plan restabilized European capitalism and stimulated a new period of economic growth. Within the Soviet Union, the consequences of war, civil war, and foreign intervention hampered economic recovery, and Western hostility made it difficult to secure the investment necessary to rebuild the economy. Continued economic dislocation and isolation in a world of reinvigorated capitalist states underpinned a transformation of Soviet politics. After Lenin's death in 1924, a faction of Soviet leaders led by Joseph Stalin and based in the new administrative bureaucracy seized power. In place of socialist internationalism, Stalin was narrowly focused on building up the strength of the USSR; he also overturned the equality of the republics within the USSR, replacing it with a forceful assertion of Russian domination. Tens of thousands of "Old Bolsheviks" were removed from office, imprisoned, or executed in a campaign of terror that culminated in a purge of the Red Army's officer corps in 1937 and in the murder of exiled opposition leader Leon Trotsky in Mexico in 1940. At the same time, the Comintern was transformed into an instrument of Soviet foreign policy, and Soviet operatives – and Soviet money – ensured that communist parties around the world followed the twists and turns of Stalin's political line.

Stalin's political counter-revolution did *not* restore private capitalism in the USSR. In 1928 Moscow launched a Five-Year Plan designed to industrialize the USSR at breakneck speed. State-owned industries grew rapidly as the government used coercive and bureaucratic measures to mobilize human and physical resources. At the same time, Soviet workers were initially inspired by the great leap into modernity promised by this drive to "build socialism" in the USSR, and many participated enthusiastically. The Five-Year Plan produced

untold human suffering, but it also fashioned the coal mines, steel mills, and manufacturing plants of a modern industrial economy. Much of the plant necessary for this great leap forward came from the United States, and the USSR became the top overseas consumer of American industrial and agricultural machinery. On the land, Stalin sought to boost agricultural productivity by forcing peasants into large collective farms mechanized using imported Ford tractors. Many peasants resisted forced collectivization, and thousands were killed in clashes with Soviet authorities. Many more died as a result of the famines caused by this massive dislocation of rural life; in Ukraine, where collectivization was accompanied by an assault on national independence, nearly four million starved in 1932–1933.

Given the police-state bureaucratism of the USSR under Stalin, it cannot be regarded as “communist” in any meaningful sense. But neither was it a capitalist state, and Western governments never lost sight of the fact that they were dealing with a state that had come to power through an anti-capitalist revolution and in which there was no large-scale private property, no free market, and no openings for foreign investment except under tight state control. This contradiction is critical to understanding the evolution of the relationship between the USSR and various Western states before, during, and after World War II.

Japan, China, and the Deepening Conflict in Asia

During World War I Japan seized Germany’s colonial outposts in the Pacific and on China’s Shandong Peninsula. These territorial gains were legitimized at Versailles, and although Japan was forced to give up Shandong at the 1921 Washington Conference, many viewed Japan’s recognition as a great power as adequate compensation. During the postwar period of “Taishō democracy” (named after the Taishō emperor, r. 1912–1926), Japan’s recognition as a great power was linked to a period of parliamentary democracy at home and to a weakening of direct military control over Japanese politics. Advocates of aggressive army-led expansionism into Manchuria were eclipsed by politicians who favored integration into the Western-dominated world order. A long and unpopular campaign in Siberia against the Russian Revolution lowered the prestige of the army, as did its violent repression of nationwide protests against high rice prices in 1918. The advocates of continental expansionism in the army’s “Imperial Way” faction and in other military cliques remained influential, but for much of the postwar decade they did not dominate political life.

Economically, Japan benefited from the absence of European competition during the war, running a trade surplus with the Allied powers and even making loans to them. Postwar deflation, a stock market crash, and the devastating 1923 Tokyo earthquake made for a more difficult postwar situation. Economic hardship

prompted the growth of militant labor unions and of the underground Japanese Communist Party, founded in 1922. Wall Street floated emergency loans to get Japan through the crisis, but by 1927 Prime Minister Tanaka Giichi's Seiyukai Party government was more interested in relaunching Japanese expansionism in Manchuria than in pursuing integration into Western-dominated markets. With rightist cliques in the Kwantung Army based in the Japanese colony of Korea making the running, Japanese forces plunged into a series of violent confrontations with Chiang Kai-shek's Chinese Nationalists and with Manchurian warlord Zhang Zuolin. By the late 1920s Japan's window of liberal democracy was closing as military expansionism on the Asian mainland again came to the fore.

China was itself a site of political and military turmoil during the 1920s. The revolutionary overthrow of the Qing Dynasty in 1911, carried out in the face of mounting intervention in China by imperialist powers in Europe, the United States, and Japan, produced a weak central government besieged by numerous well-armed regional warlords. Sun Yat-sen, the Guomindang (Nationalist Party) leader who inspired the revolution and served briefly as the first president of the Republic of China, was forced into exile in Japan, and his successor Yuan Shikai ruled as would-be emperor. Like Japan, China supported the Allies during World War I, sending over 100 000 laborers to work on the Western Front (Figure 1.1).



Figure 1.1 A British officer giving instructions to workers of the Chinese Labor Corps at the Tank Corps' Central Workshops in Teneur, France, spring 1918. Over 100 000 Chinese laborers supported Allied armies on the Western Front. (Source: © Imperial War Museum, Image 9902.)

Their common support for the Allies did not prevent Tokyo from demanding a long list of economic and political concessions from the Chinese government in Nanjing, and at Versailles Germany's Shandong colony was awarded to Japan. China's unfair treatment at Versailles sparked a wave of student-led protests in 1919 organized by the May Fourth Movement. Protestors campaigned against foreign imperialism and domestic warlordism, and many went on to help form the CCP in 1921.

Sun Yat-sen returned from exile in 1921 and set up a provisional revolutionary government in Guangzhou. Rebuffed by Western governments wary of his leftist nationalism, Sun turned to the USSR for help. Moscow responded by sending military advisers to train the National Revolutionary Army, and it advised the CCP to form a united front with the Guomindang. Widespread outrage against the repression of workers' protests by British authorities in Shanghai and Guangzhou in 1925 gave the Guomindang the popular support it needed to renew the struggle for a unified Chinese nation-state. Led by Sun's successor Chiang Kai-shek and supported by the CCP, the 1926–1928 Northern Expedition established Guomindang control over much of China.

Building on these advances, Chiang became president of a unified Chinese state with its capital in Nanjing. Chiang's victory marked the beginning of a period of relative political stability and economic progress known as the Nanjing Decade. Despite the success of the Northern Expedition, however, much of the country remained under the control of local warlords who pledged allegiance to the new government without abandoning their own regional power bases. Meanwhile, Chiang's fear of the growth of communist influence within the Guomindang prompted the launch of a violent assault on CCP members in 1927, and tens of thousands of communists were slaughtered by Chiang's soldiers in Shanghai and other industrial cities. Led by Mao Zedong, many surviving CCP members responded to this disaster by rejecting Marxist orthodoxy and setting out to base their party on rural peasants instead of on urban industrial workers.

The new unity of the Chinese Republic and Chiang's ferocious anti-communism led Britain and the United States to reevaluate their attitude to the Guomindang. Both countries maintained enclaves in Shanghai and elsewhere in China, but neither was interested in further territorial annexation. In the name of the "Open Door," they sought unrestricted access to the vast Chinese market, and they hoped that a stable, pro-business, and pro-Western government in Nanjing could provide the best conditions for achieving it. Influenced by a long tradition of missionary work in China, some American elites also hoped that the Guomindang might eventually become America's junior partner in Asia. During the 1920s, Japan also sought markets in China, but Japanese policymakers viewed the consolidation of a unified Chinese nation-state with concern. Unlike Britain and the United States, Japan had territorial interests in the region, and Tokyo saw the extension of Guomindang control into Manchuria as a direct threat to its own colonial ambitions. By 1930, Japan and China were on a collision course.

Note

1. British Chancellor of the Exchequer Austen Chamberlain in 1924, quoted in Tooze (2014), 516.

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