



ROARING INTO CHAOS

The Interwar Period – 1920 > 1940

Picking Up the Pieces

In 1900, Europe awed the world. Their military and economic dominance gave weight to the argument that it was the preeminent civilization on the planet. It made sense. If the richest, most technologically advanced, most feared countries all resided west of the Caucasus Mountains, the accepted belief was that their political and economic systems, their values and their culture were likewise superior.

But then they blew themselves up, and in the decades after Versailles, the nations of Europe not only had to rebuild their shattered infrastructures, but also the confidence of their people. The masses had trusted their leaders. Their politicians, their captains of industry and their spiritual guides had all promised that obedience to the state ensured peace and prosperity. World War I fractured that trust, opening all institutions and authority figures to criticism.

Millions recovered from the wounds of war, questioning if capitalist giants pushed war for their own profit, if democratic leaders truly spoke for the people, if the media was merely the puppet of authority figures, if there even was God.

Where to Next?

The 1920s and 1930s became an era of experimentation and polarization. Democracy had failed. Was communism or fascism the solution? Capitalism had failed. Should industry then be turned over to the masses or to the government? God hadn't answered prayers. Would science have the answer? Foreign alliances only exacerbated a regional conflict in the Balkans. Was isolationism and protectionism the path to peace?

Factions emerged promoting their agendas, and for every group that was pro-something, another would pop up that was anti- the same thing. These factions might debate ideologies, or they might take their disagreement to the streets. In many

Key Questions

- To what extent were the 1920s a decade of contradictions?
- What were the major turning points in the Russian Revolution?
- Why were Western peoples attracted to Fascism?
- What were the causes of the Great Depression?
- How did nations attempt to pull themselves out of the Great Depression?

cases, these factions created outright movements, leading to philosophical revolutions at the highest level, where dictators could prescribe and enforce universal behavior, philosophy and even ethnicity.

Women's Rights

For some, the 1920s meant unprecedented rights. When America passed their 19th Amendment, they became one of the final Western countries to grant voting rights to women. Over the next decade, these same women expanded their political independence into the social sphere. They started wearing more revealing clothing, smoking and drinking with the boys, going out with the girls unescorted and behaving a lot less “ladylike.” Women became celebrities on the Silver Screen Nickelodeons (guess how much it cost for a movie ticket?), their voices could be heard by radio across nations, and they started not just entering, but influencing, fields seen before as solely the domain of men. Women like Amelia Earhart completely ignored gender norms, pushing the limits of what society believed possible for a woman, setting and then breaking dozens of aviation records before finally meeting her end somewhere over the Pacific Ocean. Even in Turkey, a nation only recently escaping the social conservatism of the Ottoman Empire, female novelist Halide Edip became not only a spokeswoman for gender equality, but also a noted political figure campaigning for Turkish independence.

Racial Equality

Edip was one of a growing number of “others” who began pushing for rights not honored under white rule. In the United States during World War I, southern blacks fled to northern cities, not only answering the call for replacement labor for the white soldiers, but also fleeing a Jim Crow South that had created painfully debilitating segregation laws that made life even more unbearable than that under slavery. For the colored billions living under European colonial rule, World War I became the tipping point where independence became a possibility. Whether in Vietnam or Nigeria or Indonesia or Malaya, the “tribes” and “natives” started to push for not merely reforms that would give them more political and economic opportunities, but for wholesale independence, free from external control. Many leaders of these campaigns were actually “natives” who had been Western educated (some even going to Europe for their studies), returning with the ideologies of Montesquieu, Locke, Rousseau and Jefferson. Among these returning liberal-educated sons, India's Mahatma Gandhi stood out as the foremost advocate for home rule. Employing a method of non-violent protest where civil society organizations peacefully gathered to protest inequalities, hoping for either an alteration in policy or a violent government reprisal that could invoke widespread sympathy, Gandhi became the first to show that civil disobedience opens more eyes than do bullets.

But for every step forward towards racial equality, there was always a group pushing to maintain the status quo, and usually this group was made up of threatened white people. Borrowing from the Social Darwinism of the 19th Century that conveniently used science to justify the West's industrial prominence, a generation of eugenicists pushed to ensure racial purity. Some organizations like the American Ku Klux Klan or the German Nazis resorted to public coercion and violence to keep colored people “in their place.” These groups hoped to keep undesirables out of everyday life, and unlike today where even those with racist tendencies try to keep their opinions to themselves, in the 1920s, publicly professing the inferiority of the others was socially acceptable. Today some try to discard the racism of the post- WWI era as being merely the extremist views of an isolated group of fringe thinkers. This argument doesn't wash. At the height of their popularity in the 1920s and 1930s, the Ku Klux Klan hit six million members and the Nazi Party surpassed eight million. But these views weren't solely shared by members of these admittedly extremist groups. Eugenicists like politician Winston Churchill, woman's rights advocate Margaret Sanger, novelist H.G. Wells, president Theodore Roosevelt, inventor Alexander Graham Bell and entrepreneur Henry Ford all at one time lobbied for methods of ensuring racial purity. Whether it be by sterilizing undesirable groups like the disabled, the incarcerated or homosexuals, or promoting laws that prevented interracial marriages, these eugenicists actually believed many of society's problems could be solved if we could just find a way to breed out “negative” human traits.

Tensions

This tension over gender and racial equity was just one of the many paradoxes that tore at the fabric of the societies emerging from the despair of World War I. For every feminist pushing for fair treatment, there was

another conservative mother pressuring to keep their nation's daughters chaste and in the kitchen. For every advocate believing Africans and Asians could live in harmony with their European brothers, there was another man working on the most efficient scientific method of ensuring people of different races didn't reproduce. But the list of contradictions didn't stop there. Some believed man should look to science (specifically the breakthroughs in physics and the medical industry) to determine how we should live. Others still believed God had all the answers. Some championed the values of the cities - with their jazz music, neon lights and loose morals. Others still hoped society wouldn't forget their rural roots, remaining pure, innocent and wholesome. Some believed you could legislate human behavior (even outlawing alcohol). Others wanted people to be free to choose their own paths. Some advocated for opening ourselves to the cultures and economies of all peoples. Others believed every nation should turn inward, shutting off trade with other countries and preventing immigration from "inferior" lands. Some thought war could be prevented by making larger, more destructive weapons. Others wanted to halt weapons production altogether, or even sign adorably naïve international agreements that outlawed war (the rarely-mentioned Kellogg-Briand Pact that hypothetically still determines the foreign policy of dozens of its original signatories...including the United States of America).

Russian Revolution

As the capitalist/democratic ideal lost a bit of its glimmer, other radically new governing ideologies emerged. With the Russian Revolution of 1917, Karl Marx's 19th century theories finally came to fruition (or at least that's the line Vladimir Lenin and the Bolsheviks sold to the Russian people). The promises of communism faded in the 1920s as first Lenin and then Stalin maneuvered to position all power in the hands of an elite few. Karl Marx's vision of a world where the workers of the world would unite, overthrow the capitalist exploiters, and share power and profit equally was abruptly abandoned once Lenin and the Bolsheviks determined power could only be ensured if a few definitional idiosyncrasies could be reinterpreted. By 1930, Stalin had become the unquestioned dictator of Russia, and power was anything but shared. All economic, political and foreign policy decisions originated from the mouth of Stalin and any threats (either perceived or actual) to his authority were either exiled or killed. The inevitable cycle of revolution that had started with the abdication of the tyrant Czar Nicholas II had ended with the reign of the criminally tyrannical Stalin.

But this wasn't how it all started.

Czar Steps Down

Let's go back a few decades. In March of 1917, Czar Nicholas II reluctantly signed his abdication papers in a railroad car outside of Petrograd, ending decades of imperial decay where the Russian royal family proved incapable of meeting the needs of their people. Since the late 19th century, the throne of Russia had come under frequent attacks from a swelling population that continued to survive under medieval conditions. Nicholas, like his ancestors before, failed to adjust to the changing demands of a more mobile, more indignant population. In 1905, Nicholas attempted to appease the populace by consenting to the formation of the Duma, the Russian version of Congress or Parliament. But this representative body existed in name only, with power still residing in the hands of the distant, uninformed royal family and their advisors. By 1916, with the devastation of World War I disproportionately scarring both civilian life and soldiers on the front (many not armed with the latest weapons), the citizens of Petrograd lashed out, first just demanding bread, but eventually calling for the removal of the Czar. When the army refused to defend Nicholas and the Petrograd revolutionaries appeared inconsolable, Nicholas agreed to "voluntarily" step down.

In the ensuing months of the spring of 1917, Russians tasted the utopia they envisioned. The lands of the wealthy were stolen and redistributed. A parliament of the people was created. The Czar and his family were imprisoned. Hundreds of regional councils (soviets) sprung up around the nation, hoping to soon attend to the needs of the population. Russia began its new era of freedom. For a brief moment, Russia was the most equal nation in the world.

Bolshevik Revolution

But by the summer, any hope of creating a society of equals had faded. Elected leaders jockeyed for power. Groups consolidated authority, creating and expanding political parties. The communist parties of the Mensheviks and the Bolsheviks competed for the right to determine Russia's future. The Mensheviks wanted to work with the middle class, creating a constitutional republic. Lenin's Bolsheviks disagreed. In Lenin's self-serving interpretation of Marx's beliefs, a communist revolution would have to be guided by an elite group of intellectuals holding supreme authority (with Lenin not-so- surprisingly at the top).

Another revolution was needed. Lenin brought back exiled Leon Trotsky from New York City, plans were hatched, and on November 6, 1917, the Bolsheviks successfully, and relatively peacefully, took over the country. In a coordinated effort, they captured critical railroad stations, banks, communication lines and power grids, and then marched into the assembly and merely set up a new government. Few knew what was happening. Even fewer shots were fired.

Civil War

In the ensuing months, Lenin's Bolsheviks would keep their promise of peace by pulling out of World War I, signing a peace accord that ceded the Ukraine and Belarus to the Germans. Peace was short-lived as a civil war erupted in Russia, pitting the Communist Red Army vs. the White Army made up of former military leaders, prominent members of the middle class and even a sprinkling of British and American troops. This bloody conflict lasted until 1922 when the Red Army emerged victorious. The Union of Soviet Socialist Republics (USSR) was born with Lenin as the unquestioned leader, ruling with an iron fist, killing anyone who threatened his authority (the royal family was knocked off almost immediately – Nicholas, his wife and his children were hacked to shreds, their bodies turned unrecognizable in vats of acid before being deposited across the countryside).

Lenin's authority was unquestioned, but his health failed him. In 1924 he died, but instead of power passing to his protégé Leon Trotsky, the general secretary of the party, Joseph Stalin - a man who had made numerous alliances during the civil war through his control of information and behind the scenes manipulation – elevated himself to party boss. The self-proclaimed “man of steel,” engineered not only the discrediting and eventual exile of Trotsky, but also the cunning intimidation of any other challenger who refused to yield to his authority. Once in power, Stalin revealed a pattern of rule that would oppress, but also advance, Russia for the next three decades.

Stalin

Stalin was a paranoid man (and rightfully so). He had climbed to power through less than official means. Who was to stop a rival from pursuing the same course? Time and again, Stalin authorized purges that would jail, exile and oftentimes kill all would-be adversaries. By 1935, all connected to the Russian Revolution had been taken care of, many even removed from the history books (Stalin prided himself and his ministers of information for their ability to doctor pictures to put Stalin in critical moments in Soviet history, while deleting those actually in attendance). Even Leon Trotsky, the hero of the revolution, was found and assassinated. A member of Stalin's secret police tracked him down in Mexico and stuck an ice pick in his skull.

Once Stalin's power was unquestioned, he worked to advance Russia. He knew he needed to catch up to his Western European rivals or the Russian borders would never be safe. He needed the nation to industrialize, and he needed it done in the shortest amount of time possible. This meant turning the entire state into a production machine. Factories were built, ores were mined and all available capital was put back into industrial production. In the countryside, all farms were “collectivized,” meaning they were combined into huge industrial farms where previously independent planters became slaves to the field. Any that disagreed were labeled “kulaks” and sent to prison camps in Siberia where they spent their final days mining or searching for food until they eventually froze to death. This collectivization not only turned over agricultural control to the government, but it eventually killed close to 30 million people through starvation, and forced another 20 million into the cities where they became the cogs in Stalin's industrial machine.

Stalin's plan was deadly, but it worked. Russia became the fastest growing economy in the world, and by the mid-1930s, when the rest of the world was suffering through the Great Depression, Russia claimed almost full employment, with their industrial output growing at a rate of over 10% a year. Just when the capitalist countries were falling apart, communist Russia looked like the poster child for progress. For nations around the world emerging from Western colonial control and the destruction of World War I, Stalin's model looked a bit appealing. Sure, his methods might have been a bit intense, but few could argue with the results.

Fascism

It was this growing attraction to Communism that spawned the second great governmental experiment of the Interwar Period – fascism. In the years following World War I, across Europe, communist parties gained steam. Promising power to the people and a redistribution of property, it wasn't hard to convince a generation in despair of the advantages of Marx's theories. Obviously this made the nations of Europe a bit uneasy. Robbing from the rich and giving to the poor sounds quaint when Robin Hood is the protagonist, but a wholesale redistribution of power and wealth is a bit less romantic. Communism became a viable option amongst all of the factional groups vying for power in the new democracies that materialized in post-war Europe. Oftentimes these communist groups and even the other political parties fought their "democratic" battles not merely with words but with armed forces of thugs. Many citizens grew tired of all this political jockeying for power. They longed for the good ol' days when one man called all the shots. They just wanted peace, order, stability and a return to the glory of an idealized yesteryear.

Mussolini - Il Duce

Enter the fascists. Benito Mussolini was the first to test this system of controlling the hearts, minds and pocketbooks of a country. The genius of fascism is its ability to recognize and take advantage of mankind's weaknesses. Seeing that his Italian compatriots had grown tired of the endless bickering and ineptitude of the democratic process, but also recalling the lure of nationalism in the early stages of the Great War, Mussolini invented fascism. He took the symbol of Roman power – a fascio that had branches bound securely around an axe – to show how if Italians only cared about their individual wants and needs, Italy would surely fail. But united, they could not be defeated. He fashioned a political party that had all the pomp of a military unit. His party members wore black shirts (earning the nickname "the Black Shirts"). He offered medals and awards for party loyalty. He orchestrated massive political rallies complete with patriotic singing, ritualistic chanting and visual spectacles that attracted even his adversaries. For the young men and women looking for role models, something to do and a place where they could channel their aggression and frustration, the Fascism was the answer. Mussolini's party was more than just a vehicle championing an ideology of order, unity and loyalty, it was a paramilitary organization able to stomp any group that stood in their way. Many remained apathetic to the noise of the Fascists, worrying more about their day-to-day life than this new form of politics developing in the cities. And this played right into the hands of Mussolini. His followers adored him. His adversaries feared him. The rest of the nation stayed out of the way. When his Black Shirts marched on Rome in 1922, King Victor Emmanuel appointed Mussolini prime minister, believing he was the only one who could restore stability to the land. This was exactly the opening Mussolini needed. He used his role as prime minister to gradually eliminate democratic restrictions, and by 1925 he was the supreme ruler of Italy – Il Duce.

Adolf Hitler

To the north, the leader of the National Socialist Party in Germany was paying close attention to the theatrics, the manipulations and the evolution of Mussolini. For this man also lived in a nation facing the uncertainty that stemmed from liberal attacks on traditional institutions. For this man also lived in a nation whose collective ego had been damaged by the losses of war. For this man, the Weimar Republic was a bumbling joke and it held a precarious grip on German society, and if he too could create a political party ready to take advantage of a moment of chaos, he too could one day rise to become supreme leader. All this man, this Adolph Hitler, needed was a crisis of unparalleled proportions.

And it was delivered to him on a tarnished silver platter with the coming of the Great Depression.

Great Depression

The Great Depression slammed the United States first, but because by the 1920s most economies were entwined in a web of bank lending and trading partnerships, when one country went down, the entire system crumbled. The causes were many, some preventable, some merely a product of a global economy.

First, banks started making risky loans. Usually it makes sense for banks to loan money to people, organizations (even countries) that can actually pay the money back. Not so during the 1920s. Money was easy, and whether you were a budding middle class consumer taking out some money to buy one of Ford's Model-T's or Germany pleading for the millions needed to pay back the reparations demanded by the Versailles Treaty, banks were far more willing to ignore huge credit risks. What could possibly go wrong if you lent money to people who couldn't pay it back?

Second, banks and individuals took stock speculation to unprecedented levels. Investors were more than willing to throw cash at the new industries – automobiles, radio, chemicals and appliances – but even to companies with no proven track record. From 1924 to 1929, the US stock market rose 275%. People started to believe 30% annual returns on their investments was the norm, not the exception. And because the federal governments of the West (especially in the US) hadn't yet created the regulatory bodies to keep people honest, some people even "started" fake companies, took in investor money and then ran before anyone realized there was never a product to begin with.

Third, the result of risky loans and stock speculation meant banks and average Joes were overleveraged – they owed way more than they could ever hope to pay back. As long as the economies were roaring, as long as radios, cars and refrigerators kept rolling off the assembly lines, and as long as people were acting out of pure irrational optimism, the ride would keep people flying. But financial bubbles always burst. Rational fear inevitably replaces optimism. People eventually want to actually see their money.

This was when the house of fiscal cards came tumbling down.

Economic Collapse

Investors got worried. Banks got nervous. They wanted their loans repaid and to cash in their stock certificates. In October 1929, a few started selling their stocks, then it was dozens, then hundreds, then everyone started to pull their money out. But this time, there were no buyers for these stocks. Prices on stocks sunk lower. Banks that had invested their depositors' money needed cash. They demanded their borrowers pay back their loans immediately. But they couldn't. So banks stopped lending money. People couldn't invest any more using borrowed money. Corporations couldn't put money into growing their businesses. Governments ran out of money to pay their debts.

And then the people caught wind of what was happening in the financial sector and ran to the banks to withdraw all their money. These "bank runs" happened all over the West, all at the same time, but there was no money to withdraw. The banks had run out of money. Banks closed. Life savings vanished.

With no money being lent, no money in people's pocket books, people stopped buying goods and services. The demand for the luxury goods of the 1920s had already started to slow by the end of the decade – there are only so many refrigerators, vacuum cleaners and cars any one family actually needs. And by 1930, demand died. Companies produced less and fired unneeded employees. Unemployment rates soared to over 25% in America, and over 50% in Western Europe.

There was no money, no jobs, no hope.

Food Fall Out

Some were hit worse than others. For example, farmers lost everything. With the technological innovations in agricultural production that coincided with the increased demand for foodstuffs during the World War I years,

farmers made a killing from 1915-1920. They produced more crops than ever before, bought more farm equipment than ever before and reaped more profits than ever before. But when the war ended and the troops returned, the supply of food soared even higher. What happens when you produce more than your customers need? The price drops. And by 1925, the demand for beef, corn, wheat and rice dropped to levels that made it unprofitable for the mom and pop farmers of the world to continue taking their yields to market. Whether you were a rice farmer in China or a cattle rancher in Latin America, you couldn't financially make it anymore. Hundreds of millions sold their lands to large corporations and moved to the cities, and what awaited them in the cities?

No jobs. No food. No support system. But having so many millions of economic casualties in one place meant that for the visionary manipulator with a solution and a scapegoat, a movement could be unleashed.

German Economic Collapse

In Germany the conditions were worse than anywhere else in the industrialized world. Following World War I, the economy of Germany roared up and down like no other. The Versailles Treaty demanded Germany pay 132 billion deutschmarks (close to 500 billion US dollars today), but then took away their colonial holdings and their prime industrial region – the Rhineland. There was no way Germany could ever pay the money back. But France and England demanded their restitution. So, Germany came up with the ingenious idea to just print a bunch of money. You want billions of marks? We can give you billions of marks. But with billions of bills circulating through the economy in the early 1920s, their money lost all of its value. At one point, Germany was printing 100 trillion deutschmark banknotes and their currency was exchanging at the rate of 4.2 trillion marks to 1 US dollar. Stories circulated of Germans wallpapering their homes with the money, bringing wheelbarrows full of marks to buy a loaf of bread and even burning money during the winter months for warmth. France and England weren't too pleased with this ploy, and Germans had trouble making ends meet under this bizarre hyperinflation. American bankers stepped in with a solution. They would loan the money to Germany. Germany would use America's loaned money to pay back debts to France and England. France and England would then take this money and buy American goods. As this money cycled through the West, American bankers were essentially financing foreign imports. So when the banking crisis hit America and loans stopped heading east to Germany, the German economy (and soon after the other Western economies) plummeted.

Tariffs

To try to protect their home industries, government leaders then made the mistake of establishing protective tariffs so their citizens would only buy goods and services produced from their homeland. The logic went that if foreign goods cost far more than local goods, people would only buy the stuff produced locally. The American Congress passed the Smoot-Hawley Tariff, taxing over 20,000 imported goods. America's trading partners then responded with reciprocal tariffs on American goods. International trade came to a halt. If corporate sales were hurting in 1930, they were devastated in the ensuing years after these back and forth tariff wars slaughtered sales figures.

The New Deal & Socialism

Capitalism had failed. Traditional government attempts to fix the system had likewise failed. Leaders had to try something new. Some governments adopted the Keynesian philosophy that encourages the state to prime the pump, willingly going into debt to put people back to work and circulate more money through the economy. Franklin D. Roosevelt in America enforced his New Deal legislation, creating dozens of "alphabet agencies" that built roads, dams, bridges and national parks; establishing regulatory agencies that would prevent the stock market bubbles and irrational banking practices of the Roaring Twenties; and supporting mandatory state investment programs like Social Security and Aid to Families with Dependent Children (aka "welfare") to help the elderly, the disabled, the unemployed and the fatherless. In Scandinavian Europe, the leaders likewise launched a support network of programs to provide for their people by subsidizing secondary and college education, enforcing labor laws favorable to workers and creating state-run health care programs for all citizens.

The West was clearing moving to the left. Some worried too far to the left - too far toward a communist state where powers would be taken from the wealthy and redistributed to the poor. Communist parties gained traction from Greece to Italy to France, and even across the Atlantic to America. In 1932, presidential hopeful Huey Long advocated his "Share Our Wealth" program, where every man could be a king, and where the fat cats of Wall Street would finally be held accountable for their market manipulations (a 1930s version of the Occupy Wall Street movement). His policies scared Americans raised on the values of hard work, meritocracy and the American Dream. Huey Long was assassinated.

Conflict on the Horizon

In countries like Italy, Japan and Germany, violence of another sort broke out to prevent the evil of communism from spreading. Military and party leaders sparked the people's passions through nationalism and pledges of a return to former glory. By 1932, the right-wing conservative Fascists controlled Italy, the imperialistic military controlled Japan and the Nazis controlled Germany.

The 1920s battles of new vs. old, liberal vs. conservative and modern vs. traditional had now reached global dimensions. Neither side would concede defeat. Neither side would allow the other to spread their ideology. But unlike in the 1920s when these conflicts solved themselves in courts, in assemblies or on the streets, in the 1930s these clashes would take place in the bunkers, in the jungles and on the seas, for the final resolution would require an all-out global war – World War II. But that is for another chapter.