

## CHAPTER 24

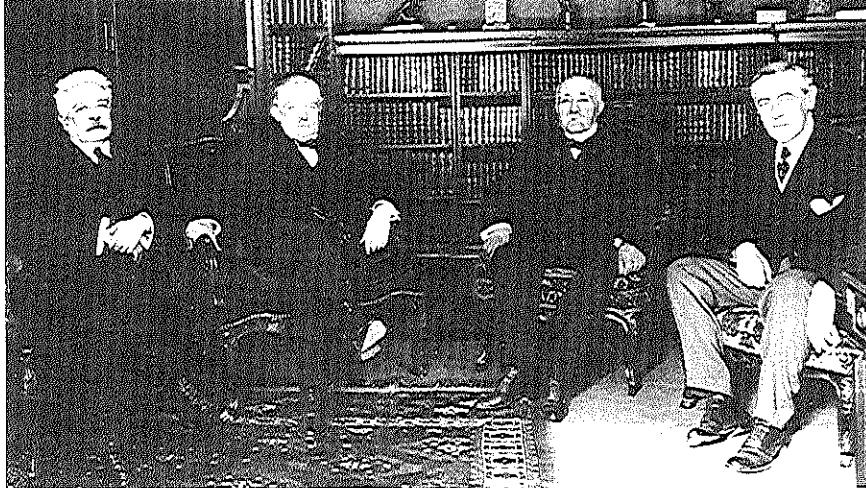
# THE ELUSIVE SEARCH FOR STABILITY IN THE 1920s



In the preface to his novel *The Magic Mountain* (1924), Thomas Mann (1875–1955) wrote that it took place “in the long ago, in the old days, the days of the world before the Great War.” Mann sets up a parallel between a Swiss sanatorium and European civilization. In the sanatorium, rationality (Enlightenment thought and democracy) confronts irrationality (the aggressive nationalism of the right-wing dictatorships). In *The Magic Mountain*, which was an allegory for the post-war era, Mann expressed the mood of despair prevalent among European intellectuals in the 1920s: “For us in old Europe, everything has died that was good and unique to us. Our admirable rationality has become madness, our gold is paper, our machines can only shoot and explode, our art is suicide; we are going under, friends.”

The Great War swept away the empires of Germany, Austria-Hungary, Turkey, and even before the end of the war, Russia. The Treaty of Versailles, signed in 1919 by a frail new German Republic, and the accompanying treaties signed by the victorious Allies and Germany’s wartime partners, did not resolve national rivalries in Europe. Dark clouds of economic turmoil, political instability, and international tension descended on Europe in the two decades that followed the war. The specter of revolution frightened Europe’s business and political leaders. Communist parties sprung up in one country after another, even though outside of the Soviet Union Bolshevism only triumphed briefly in Hungary and Bavaria. Although Europe experienced a brief return to relative prosperity and political calm after 1924, the Wall Street Crash of 1929 ended that short period of hope. The search for what U.S. senator and future president Warren G. Harding called “normalcy” proved elusive, if not impossible, in the 1920s.

The Great War helped unleash the demons of the twentieth century, as parties of the political extremes sprang up to threaten parliamentary



The Big Four deciding the future of Europe, 1919. Left to right: Vittorio Orlando of Italy, David Lloyd George of Great Britain, Georges Clemenceau of France, and Woodrow Wilson of the United States.

governments. Fascist and other extreme nationalist groups (see Chapter 25), intolerant of those considered outsiders and committed to aggressive territorial expansion, carried their violence into the streets. Many members of these organizations were former soldiers who vowed to replace democracies and republics with dictatorships. In Eastern Europe and the Balkans, parliamentary rule survived only in Czechoslovakia. Moreover, ethnic rivalries within nations, many inflamed by the Treaty of Versailles, intensified social and political conflict. The post-war treaties could not create new states that satisfied all nationalities.

## THE END OF THE WAR

Even before the representatives of the victorious Allies (along with those representing a host of smaller states) met in Versailles in 1919 for a peace conference, the German and Austro-Hungarian Empires had collapsed, rocked by revolutions. Amid social and political turmoil, the leaders of the great powers set out to reestablish peace in Europe. But the Treaty of Versailles reflected the determination of Great Britain and France to punish Germany for its role in unleashing the conflict. Representatives of the new German Republic were forced to sign a clause essentially accepting full blame for the outbreak of the war, and to agree to pay an enormous sum in war reparations to the Allies, but the amount and schedule of German payments was established only in 1921.

Despite the idealistic belief of U.S. President Woodrow Wilson that the Great War had been the "war to end all wars" and that an era of collective security had begun that would prevent future wars of a similar magnitude, the Paris Peace Conference left a legacy of bitterness and hatred that made it even more difficult for the German Republic to find stability because of massive dissatisfaction with the terms of the treaty. Furthermore, the individual treaties between the Allies and Germany's former wartime partners left several nationalities, notably Hungarians, dissatisfied with the establishment of new states constituted out of the old empires; the newly drawn borders often left them on what they considered the wrong side of frontiers. Nationalists in Germany, above all, but also those in some other countries, were determined to revise or abrogate the post-war peace settlements.

### *Revolution in Germany and Hungary*

The end of the war brought political crises in Germany and Hungary. In the face of defeat, the German Empire came apart at the seams. In late October 1918, German sailors mutinied at two Baltic naval bases, demanding peace and the kaiser's abdication. In southern Germany, socialists led by Kurt Eisner (1867–1919) proclaimed a Bavarian socialist republic in early November. The new chancellor, Prince Max von Baden, called on William II to abdicate, as the socialists threatened to leave the emergency coalition cabinet if he did not do so. William abdicated on November 9. Von Baden then named Friedrich Ebert (1871–1925), a member of the left-wing Social Democratic Party, to succeed him as chancellor.

That same day, a German commission met with Allied representatives to begin drawing up terms for an armistice. On November 9, 1918, another Social Democrat, Philip Scheidemann (1865–1939), fearing that radical revolutionaries would declare a socialist state, proclaimed the German Republic. That night, William II fled into the Netherlands. On November 11, 1918, Germany signed the armistice with the Allies, ending the war. Chancellor Ebert named a provisional government, which was dominated by Social Democrats but with members of the more radical Independent Social Democratic Party also represented.

From its very beginning, the new German Republic was under siege from left and right. Inspired by the success of the Bolshevik Revolution in Russia, workers began to set up "workers' and soldiers' councils" and demanded higher wages and better working conditions. Workers also angered the army by calling for the dismissal of the right-wing General Paul von Hindenburg from the military high command on which he had served since 1916, and by demanding the abolition of the special military schools for officers that for generations had sustained Prussian militarism.

The right posed a more serious threat to the fledgling republic, a threat the Treaty of Versailles would strengthen. Germany had very weak democratic traditions. Monarchism and militarism ran deep, particularly in Prussia.

Furthermore, demobilized soldiers, many of whom were anti-republican, still held their weapons. Ominously, a veteran wrote that he believed the Great War of 1914–1918 was “not the end, but the chord that heralds new power. It is the anvil on which the world will be hammered into new boundaries and new communities. New forms will be filled with blood.”

The head of Germany's Supreme Army Command offered the chancellor the army's support, but on condition that the new government not only order the army to maintain order but also to fight “Bolshevism.” Ebert accepted and, in doing so, made the new republic virtually a prisoner of the army. Some generals had already begun to enlist demobilized soldiers into right-wing paramilitary units known as the “Free Corps.”

Within the new government itself, a rift developed between the Social Democrats and the Independent Social Democrats, who demanded immediate assistance for workers and wanted the government to organize a militia loyal to the republic. When Ebert refused, the Independent Socialist Democrats left the governing coalition, weakening the shaky government. The new minister of defense turned over security operations to the army, and continued to encourage the Free Corps. To the left, this seemed like leaving the fox to guard the hen house.

Workers in Berlin mounted huge demonstrations against the security police. In January 1919, police and soldiers put down an uprising by the Spartacists, a group of far-left revolutionaries who took their name from the leader of a revolt by Roman slaves in the first century B.C. Military units hunted down the Spartacists, murdering Karl Liebknecht and the Polish Marxist Rosa Luxemburg, two of their leaders, who had just founded the German Communist Party.

The German Republic's first elections in January 1919 provided a workable center-left coalition of Social Democrats (who held the most seats in the Reichstag), the Catholic Center Party, and the German Democratic Party. The Reichstag elected Ebert president, and he in turn appointed Scheidemann to be the first premier of the Weimar Republic. The Reichstag met in Weimar, a small, centrally located town, chosen to counter the Prussian aristocratic and militaristic traditions identified with the old imperial capital of Berlin.

Hungary also soon became a battleground between the competing ideologies of the post-war period. Demobilized soldiers and former imperial officials were among those stirring up trouble. Hungarian nationalists feared, with good reason, that the victorious Allies would award disputed territories from pre-war Hungary to Czechoslovakia, Romania, and Yugoslavia. With the collapse of the Austro-Hungarian Empire in the autumn of 1918, Count Mihály Károlyi (1875–1955) led an unopposed revolution of liberals and socialists that proclaimed Hungarian independence. Károlyi favored a republic and initiated a program of land reform by turning over his own estate to peasants. Other wealthy landowners, however, prepared to defend their vast estates against land-hungry peasants. In March 1919, Béla Kun (1886–c. 1937), a Communist journalist, took advantage of the post-war chaos, seized



Karl Liebknecht addresses his supporters in January 1919, shortly before his assassination. (Right) Leaders of the Hungarian Communist movement, including Béla Kun, on the right, after they were overthrown.

power, and tried to impose a Soviet regime by means of a “Red terror.” He announced a more extensive land-reform policy, established collective farms and labor camps, and nationalized banks, insurance companies, and large industries. Inflation and food rationing soared and the Hungarian currency lost 90 percent of its value. In July 1919, Kun attacked Romania, with the goal of retaking territory with a large Hungarian population. His forces also invaded Slovakia and proclaimed a brief Soviet republic there.

The Romanian army drove Kun’s forces back, invading Hungary and marching to Budapest to help overthrow him. Admiral Miklós Horthy (1868–1957), a former Habsburg naval officer (with not much to do, as Hungary would lose its access to the sea), seized power in 1920, with the title of regent and head of state. He encouraged attacks against Jews—Kun was Jewish as was the head of his secret police—claiming that they were Bolsheviks, and he ordered the execution of thousands of workers and Communists. Backed by the Hungarian upper classes, he declared his determination to see Hungary maintain its previous borders.

### *The Treaty of Versailles*

In this volatile atmosphere, delegates from twenty-seven nations and the four British Dominions (Canada, South Africa, Australia, and New Zealand)

gathered for the Paris Peace Conference in the château of Versailles. As they convened in January 1919, the representatives of the "Big Four"—Prime Minister David Lloyd George of Britain, Prime Minister Georges Clemenceau of France, President Woodrow Wilson of the United States, and Prime Minister Vittorio Orlando of Italy—agreed that Germany, the nation they believed responsible for the war, should assume the financial burden of putting Europe back together again.

Beyond this area of agreement, the "Big Four" powers went to Versailles with different demands and expectations. France, which had suffered far greater losses than Britain, Italy, or the United States, demanded a harsh settlement that would eliminate Germany as a potential military threat. The diminutive, elderly, and thoroughly vindictive Clemenceau, a combative loner nicknamed "the Tiger," realized the dangers of a punitive peace settlement. But he was also mindful that the quest for security against Germany dominated French foreign relations and weighed heavily upon domestic politics. Defeated Germany was still potentially a stronger state because of its economic capacity and larger population.

France's victory had been Pyrrhic. More than 1.3 million Frenchmen were killed in the Great War. France seemed a country of crippled or traumatized veterans, widows dressed in mourning black, and hundreds of thousands of children left without fathers, for whom pensions would have to be paid. Much of the north and northeast of the country lay in ruins; factories and railways had been destroyed in a region that contained 70 percent of the country's coal. The state had to borrow money from its wartime allies and from its citizens at high interest rates to pay off those who had purchased war bonds.

Clemenceau demanded that Germany's military arsenal be drastically reduced and that French troops occupy the Rhineland until Germany had paid its reparations to the Allies. These payments would be based on a rough estimate of damages caused to the victorious powers by the war. Many in France wanted to go further, demanding annexation of the left bank of the Rhine River, or the creation of an independent Rhineland state that would serve as a buffer against further German aggression.

The British, represented by the Liberal Lloyd George, came to Versailles with more flexible views than the French. Britain had been spared almost all the physical devastation suffered by its cross-Channel allies. Still, the British had suffered horrific loss of life, and they had borne more than their share of the war's financial costs. The British government thus supported France's position that Germany had to be contained in the future. The slogan "Squeeze the German lemon 'til the pip squeaks" was current. However, Lloyd George now concluded that it was in Europe's interest to restore the fledgling German Republic to reasonable economic strength. Moreover, Britain also was wary of a possible increase in French power that could upset the future balance of power in Europe. In view of the perceived threat posed by the Russian Revolution, Lloyd George reasoned that Germany could emerge as a force for European stability.

Italian Prime Minister Vittorio Orlando (1860–1952) came to Versailles assuming that his country would receive territories of the former Austro-Hungarian Empire promised by the Allies in 1915, when Italy had entered the war on their side—namely, the port of Trieste; the strategically important Alpine region around Trent (the South Tyrol), which would give Italy a natural boundary; and Istria and northern Dalmatia on the Adriatic coast (see Map 24.1). Italy had entered the war in part with the goal of generating Italian nationalism, and its allies arguably considered Italy's war effort to have been lamentable. President Wilson found acceptable Italian annexation of the first two, which had sizable—although, except in the case of Trieste, not majority—Italian populations. As a result, Italy extended its frontiers to the Brenner Pass and to Trieste. But Wilson staunchly opposed Italian demands for Istria, northern Dalmatia, and the strategically important Adriatic port of Rijeka (known to its Italian minority as Fiume), which Italy had omitted from its demands in 1915, but now claimed. Italian nationalists denounced the “mutilated peace” of Saint-Germain that had not allowed annexation of all of the territories the Italian government had anticipated receiving.

Wilson's position on Italy's territorial demands reflected one of the broad principles this high-minded son of a Presbyterian minister brought with him to Versailles as representative of the United States. Wilson stood for national self-determination, the principle that ethnicity should determine national boundaries, and went to Versailles hoping to “make the world safe for democracy.” This was manifest in his Fourteen Points (see Chapter 22). The U.S. president hoped that diplomacy would henceforth be carried out through “open covenants of peace,” not the secret treaties that he held responsible for the Great War. Wilson believed that if the victorious powers applied “the principle of justice to all peoples and nationalities . . . whether they be strong or weak,” Europe would enter an era of enduring stability.

The U.S. president's main concern at Versailles was with the creation of a League of Nations, which began in 1920, to arbitrate subsequent international disputes. He was less concerned with forcing a punitive settlement on Germany. In Wilson's opinion, the Great War had been fought largely over the competing claims of national groups, thus it was not right to separate Rhineland Germans from Germany.

Wilson believed that the outbreak of the Great War had demonstrated that the diplomatic concept of a “balance of power,” by which the predominant strength of one power was balanced by alliances between several other powers, was unequal to the task of maintaining peace. Henceforth, Wilson wanted the United States to assume an international role, joining Great Britain, France, Italy, and Japan as permanent members of the League of Nation's Council. The League would stand for collective security against any power that would threaten the peace.

Yet idealism and reality were at odds at Versailles. Among the leaders of the three main victorious powers, Wilson's idealism contrasted with the determined realism of Lloyd George and Clemenceau. During four



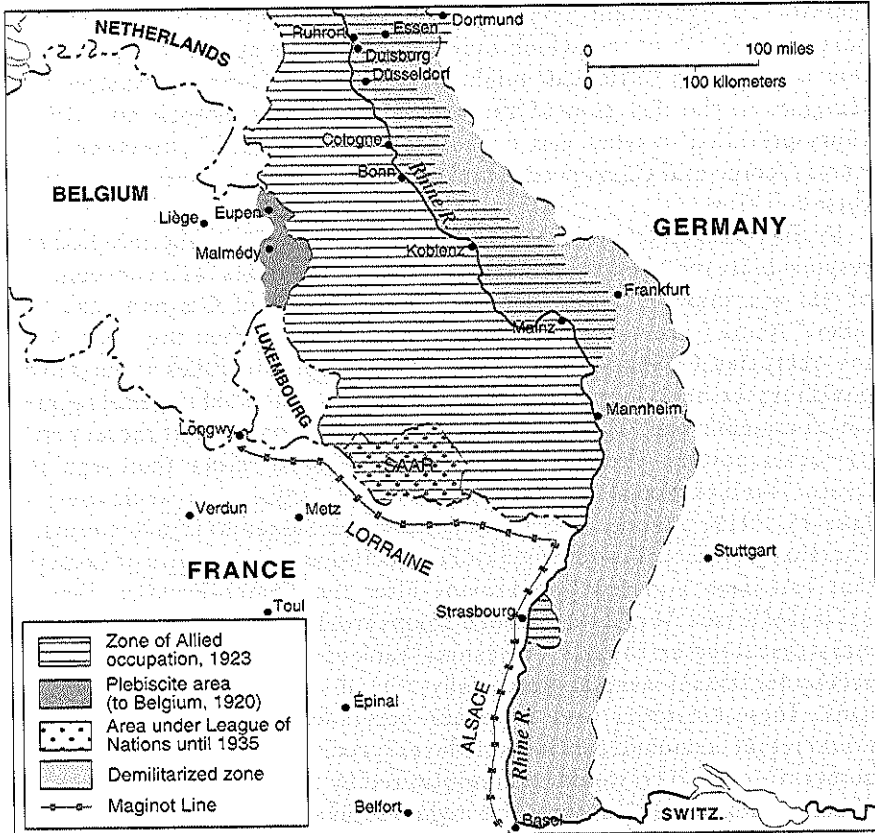
MAP 24.1 TERRITORIAL SETTLEMENTS AFTER WORLD WAR I Territories lost by Germany, Bulgaria, Austria-Hungary, and Russia as a result of the treaties ending the Great War.



months, the British and French leaders wrestled with public pressure at home for a harsh peace, which they had to balance against the possibility that a draconian settlement might push defeated Germany, Austria, and Hungary in the direction of the Soviet Union. The French and British views prevailed in what was called the "victor's peace." Moreover, both Lloyd George and Clemenceau, unlike Wilson, enjoyed the full support of their constituents.

By the "war guilt clause," Article 231 of the treaty, Germany accepted full responsibility for "the loss and damage" caused the Allies "as a consequence of the war imposed upon them by the aggression of Germany and her allies." Many Germans were outraged in April 1919 when they learned of the treaty that Germany had been forced to accept. The Allies seemed to be punishing the new German Republic for the acts of the old imperial regime, which arguably had, with Austria-Hungary, done more to start the war than the other powers. Premier Scheidemann resigned rather than sign the treaty. The next Social Democratic government signed it a week later, on June 28, 1919, but only after the Allies had threatened to invade Germany. The Treaty of Versailles returned to France Alsace and the parts of Lorraine that had been annexed by Germany after the Franco-Prussian War of 1870–1871 (see Map 24.2). French troops would occupy the parts of Germany that stood on the left, or western, bank of the Rhine River, as well as occupy for fifteen years a strategically critical strip of land along its right bank. These territories were to remain permanently demilitarized. France would retain economic control over the rich coal and iron mines of the Saar border region (which would be administered by the League of Nations) for fifteen years, at which time the region's population would express by plebiscite whether it wished to become part of France or remain German (the latter was the result in 1935). Germany also had to cede small pieces of long-contested frontier territory to Belgium (Eupen and Malmédy). Moreover, Germany lost its colonies.

In the east, Germany lost territory to Poland, which became independent for the first time since 1795. Poles had been forced to fight in the armies of the German, Austro-Hungarian, and Russian Empires during the war, and thus had been pitted against each other. During the war, both Russia and Germany had promised Poland independence. Indeed, in November 1916 the Central Powers had reestablished the Polish kingdom viewing it as a potential buffer against Russia. In September 1917 they appointed a "Regency Council" with no real power but with the goal of representing Polish Society, with an eye toward Polish autonomy, in the quest for Polish support. In the meantime, Polish nationalists campaigned for support for Polish independence in Britain, France, and the United States. During the war, Józef Piłsudski (1867–1935), one of the leaders of the Polish independence movement during the last decade of the Russian Empire and a leading member of the Polish Socialist Party, commanded a "Polish Legion." Allied with the Central Powers for tactical reasons, it fought against Russian forces in



MAP 24.2 AREAS OF FRENCH AND GERMAN DISPUTES, 1920s Border areas, including the Rhineland and the Saar Basin, that were occupied by Allied troops or were part of a demilitarized zone after the Great War.

the hope of winning independence. In January 1918, one of Wilson's Fourteen Points was an independent Poland. On Armistice Day, November 11, 1918, Poland became independent. The Treaty of Versailles awarded Poland much of Pomerania, constituting what the Germans would call the "Polish Corridor" (Eastern Pomerania, which had been annexed by Prussia during the late-eighteenth-century partitions of Poland) that led to the Baltic Sea and divided East Prussia, which remained German, from the rest of Germany. The port city of Danzig (Gdańsk) became a free city under the protection of the League of Nations. Poland's new frontiers were settled in 1921 and accepted by the League of Nations two years later.

The German army was to be reduced to 100,000 volunteer soldiers. The German navy, now blockaded by the British fleet, would be limited to twelve warships, with no submarines. Germany would be allowed no air force.

Furthermore, Germany was to pay a huge sum—132 billion gold marks, the estimated cost of the war to the victorious Allies—in war reparations. (There was a precedent: France had been required to pay an indemnity to the German Empire following defeat in the Franco-Prussian war of 1870–1871). The Weimar Republic would be required to turn over to the Allies much of its merchant fleet and part of its fishing fleet and railroad stocks, among other payments. The German Baltic shipyards were to build ships at no cost to the Allies. Each year, Germany was to give the Allies more than one-fourth of its extracted coal as further compensation.

But how was the new Weimar Republic to raise the remainder of the reparations? Tax revenues were low because the economy was so weak, and powerful German industrialists opposed any new taxes on capital or business. The outflow of reparations payments in gold fueled inflation. Government

A German woman using worthless paper money to light her stove during the runaway inflation of 1923.



expenses far outweighed income, exports rapidly declined, and prices began to rise far faster than in other countries, destabilizing the new Weimar government.

The English economist John Maynard Keynes (1883–1946) left the British delegation to Versailles in protest of what seemed to be the draconian treatment afforded Germany. He warned, “If we aim deliberately at the impoverishment of Central Europe, vengeance, I dare predict, will not limp.” In particular he denounced the reparations payments in his book *The Economic Consequences of the Peace* (1919), prophesying accurately the failure of the Versailles settlement. The reparations issue poisoned international relations in the 1920s.

The Allies counted on German payments to help them remedy their own daunting economic problems. The promise of German reparations enabled the British and French governments to accede to conservative demands that taxes not be raised or levies imposed on capital. But, in fact, Germany paid only a small portion of the reparations and received more in loans from the other powers than it ever returned in reparations. Germany received three times as much in loans from the Allies than it paid out. Reparations did not ruin the German economy, but their psychological impact in Germany damaged the very republic the Allies wanted to stabilize. The bitter resentment harbored by German right-wing parties toward the reparations compromised the ability of the Weimar Republic to survive.

France wanted the League of Nations to enforce the Treaty of Versailles and to ensure German payment of reparations. (Germany was not permitted to join the League of Nations.) But without an army, the League had no way of enforcing its decisions against member—or, for that matter, non-member—states that chose to ignore its principles or decisions.

After his six-month stay at Versailles, President Wilson returned to the United States to fight for Senate ratification of the treaty. But the elections of November 1918 had given Wilson’s Republican opponents control of the Senate. A mood of isolationism swept the country. A majority of senators opposed U.S. membership in the League of Nations, fearing that the treaty would commit the nation to entanglements in Europe. Influenced by the large numbers of German, Italian, and Irish American constituents, some senators believed the treaty to be too harsh on Germany, insufficiently generous to Italy, and irrelevant to Irish demands for independence from Britain. The U.S. government refused to participate in the various international organizations set up to enforce the treaty and to air economic and security concerns. In November 1919, the U.S. Senate refused to ratify the Treaty of Versailles.

The absence of both the United States and the Soviet Union from the League doomed it to failure. The new Soviet government had not even been invited to Versailles. There were two reasons for this: (1) the Bolsheviks had simply declared an end to the war in 1917 and withdrawn troops from the front; and (2) Great Britain, France, and the United States had sent troops

and military supplies to support the anti-Bolshevik forces in the Civil War in Russia.

Even among the victorious powers, the treaty generated some apprehension. It seemed a precarious peace. Keynes recalled, "Paris was a nightmare, and every one there was morbid. A sense of impending catastrophe overhung the frivolous scene; the futility and smallness of man before the great events confronting him; the mingled significance and unreality of the decisions." When Marshal Ferdinand Foch of France read the treaty, he exclaimed, "This isn't a peace, it's a twenty year truce!" He was right.

### *Settlements in Eastern Europe*

A series of individual treaties, each named after a suburb of Paris, sought to recognize the claims of ethnic minorities of each country, in some cases redrawing national boundaries (see Map 24.1). But each also left the defeated country feeling aggrieved. "Revisionist" or "irredentist" states wanted the revision of the agreements in order to regain territory they believed should be theirs.

Bulgaria, allied in the war with Germany and Austria-Hungary, lost territory on the Aegean coast, ceded to Greece by virtue of the Treaty of Neuilly (November 1919), as well as small pieces of land to Romania and parts of Thrace that had been won in the Balkan Wars. By the Treaty of Saint-Germain (which specifically forbade Austrian union with Germany), Vienna was reduced to being the oversized capital of a small country, Austria. By the Treaty of Trianon (June 1920), Hungary lost two-thirds of its territory, 60 percent of its total population, and 25 percent of its ethnic Hungarians. Romania received more Hungarian territory than was left to Hungary, and one-third of its population now consisted of Hungarians, Germans, Ukrainians, and Jews. The treaty left 3.4 million Hungarians living beyond the borders of Hungary, hardly Wilsonianism in action. The Hungarian response to the treaty that ended the war is best summed up by the contemporary slogan "No, no, never." Moreover, 1 million Bulgarians—16 percent of the population—now lived outside of Bulgaria.

The Treaty of Sèvres (August 1920), the most harsh of the treaties with Germany's wartime allies, dismembered the Turkish Ottoman Empire. Britain, France, Italy, and Greece all coveted—as had the Russian and Habsburg empires in previous centuries—parts of the old Ottoman Empire that had stretched through much of the Middle East. Now the treaty awarded Smyrna, the region around present-day Izmir on the Anatolian peninsula, and much of Thrace to Greece; the island of Rhodes to Italy; Syria (then including Lebanon) to France, under a mandate from the League of Nations; Iraq and Palestine to Britain, also under mandate from the League of Nations; and Saudi Arabia to Britain as a protectorate (see Map 24.3). Italian troops occupied Turkish territory even as the peace conference was proceeding; Greek forces moved into Smyrna and into Thrace.

In Turkey, the Italian and Greek occupations generated a wave of nationalist sentiment. Mustafa Kemal Pasha (1881–1938)—known as Atatürk—organized armed resistance against the foreign incursions. Turkish forces pushed Greek units out of Smyrna in 1922 and threatened a neutral zone occupied by British troops. When the British government prepared to intervene, an exchange of populations was arranged. The Treaty of Lausanne of 1923 recognized Turkey's independence, ending the European role in administering the country's international debts. Turkey was left with a little territory on the European side of the Bosphorus, as well as the Sea of Marmara and the Dardanelles strait, which themselves were declared open to all nations. The treaty called for the exchange of Turkish and Greek populations. Greece had to withdraw from the Anatolian peninsula, and at least 1 million Greek refugees moved from Turkey to Greece. Almost 400,000 Muslims were forced out of Greece, ending up in Turkey. Turks now comprised about 1 percent of the population of Greece; only about 3,000 Greeks remained in Turkey in a population of 70 million people. The Kurds, an ethnic minority within Turkey and Iraq, were still without an independent state. Atatürk became president of the Republic of Turkey, establishing his capital at Ankara in the interior of the Anatolian peninsula. The last Ottoman ruler left Turkey for the French Riviera. Seeking to Westernize and secularize his country, Atatürk promulgated legal codes separating church and state, implemented compulsory education and the Latin alphabet, required Turkish families to take Western-style names, and prohibited Turks from wearing the fez (a traditional brimless hat).

## NATIONAL AND ETHNIC CHALLENGES

President Wilson's espousal of ethnicity as the chief determinant of national boundaries had unleashed hope among almost all the Eastern European peoples for independent states based on ethnic identities. The Treaty of Versailles accentuated the role of nationalism as a factor for political instability in Europe after the Great War. At the same time, the failure of the peacemakers at Versailles to address the demands of peoples colonized by the European powers left a legacy of mistrust.

### *The National Question and the Successor States*

The Treaty of Versailles acknowledged the existence of "successor" states out of the ruins of the Austro-Hungarian Empire, as well as out of the territories that had belonged to defeated Germany and the defunct Russian Empire. The creation of these new states by the Treaty of Versailles in theory followed the principle of nationalism—that ethnicity should be the chief determinant of national boundaries—which had helped cause the Great War. However, the principle of nationalism was not applied to the former Russian

Empire, as the Treaty of Versailles did not concern itself with the nationalities of Russia, ostensibly a victorious power, although now transformed into a Communist state. In the north, Finland finally gained its independence after having been for centuries subject to Swedish and, since the beginning of the nineteenth century, to Russian rule. The three Baltic states of Latvia, Estonia, and Lithuania also became independent of Russia (see Map 24.1). The largest of these successor states were Yugoslavia in the Balkans and Czechoslovakia and Poland in Central Europe. Referring to the new states and redrawn boundaries, Winston Churchill complained, "The maps are out of date! The charts don't work any more!" The creation of smaller national states (which Lloyd George referred to as "five-foot-five nations"), whose boundaries were largely determined by ethnicity, added to the number of independent states in Europe. This number had decreased since 1500 as absolute monarchies had expanded their territories, and with German and Italian unification in the nineteenth century. But after the war, that trend was suddenly reversed. In 1914, there had been fourteen currencies in Europe; in 1919, there were twenty-seven.

The signatories at Versailles also had the strategic containment of communism in mind when they recognized the existence of the new nation-states as buffers—or what Clemenceau called a "cordon sanitaire" that would help contain the spread of Bolshevism from the Soviet Union. After the armistice, the Allies allowed German armies to remain inside Russia, Ukraine, and Poland to prevent the Red Army from carrying the Russian Revolution into Central Europe. German troops held railway lines in the Baltic states in order to thwart any attempted Bolshevik takeover there.

Seeking collective security against Hungary, which demanded revision of the Treaty of Versailles in order to win back territory lost to its unwanted new neighbors, as well as against Germany, the three nations of Czechoslovakia, Romania, and Yugoslavia formed the Little Entente by signing alliances in 1920 and 1921. (Poland sometimes worked with these states to achieve mutually beneficial goals but did not formally join the alliance.) Moreover, all three states depended on a series of defensive alliances that each had signed with France—Czechoslovakia in 1924, Romania in 1926, and Yugoslavia the following year. (Poland had signed a treaty with France in 1921.) The French government viewed such alliances with the Eastern European states as a means of countering a revival of German power, as well as a check on the Soviet Union. In 1934, Romania, Yugoslavia, Greece, and Turkey signed a Balkan Entente, intended to counter any revisionist territorial claims by Bulgaria.

The Allies applied Wilson's idealized formula of "one people, one nation" unequally when it came to those states that had fought against them in the war. The "Polish Corridor" dividing East Prussia from the rest of Germany contained a sizable—but not majority—German population. Mineral-rich Upper Silesia, claimed by Poland and with a large Polish population, was

divided between Germany and Poland after a plebiscite. But in parts of Austria, where German-speaking majorities might have wanted to join Germany, the Allies specifically disallowed plebiscites. The Allies also refused Hungarian demands for plebiscites, which they accorded to Germany in East Prussia (which voted overwhelmingly to remain in Germany) and Schleswig (which was divided between Denmark and Germany).

Including part of the old Habsburg Balkan domains as well as the kingdoms of Serbia and Montenegro, Yugoslavia (called the Kingdom of Serbs, Croats and Slovenes until 1929) was the most ambitious attempt to resolve the national question through the creation of a multinational state in which the rights of several nationalities would be recognized. After complicated negotiations in 1917, the Serb government and a Yugoslav Committee made up of Croat and Slovene leaders in exile had agreed to form a new South Slav state when the war was concluded. They set up a provisional government even before an armistice had been signed. The new parliamentary monarchy would include Serbia, Montenegro, Croatia, and Slovenia (which lies between northern Italy and Austria), as well as Bosnia-Herzegovina and the smaller territory of Kosovo, two regions in which a majority of the population had converted to Islam during centuries of Turkish rule. Yugoslavia also absorbed part of Macedonia, which was populated by Bulgarians, Greeks, and Macedonians.

From its beginning, Yugoslavia was caught in a conflict between the "Greater Serb" vision of Yugoslavia, in which Serbia would dominate, and a federalist structure in which all nationalities and religions would play equal, or at least proportional, roles. Serbs, who are Orthodox Christians, were the largest ethnic group in Yugoslavia, but they still only made up 43 percent of the total Yugoslav population, with the Catholic Croats accounting for about 23 percent. Belgrade became the capital of Yugoslavia, as it had been of Serbia. Middle-class Serbs held almost all of the key administrative, judicial, and military positions. Concentrations of Serbs lived in Croatia, and Croats in Serbia, further complicating the rivalry between the two major peoples of the new state, who spoke essentially the same language, although the Serbs use the Cyrillic alphabet. Other major ethnic groups within Yugoslavia included Hungarians, Romanians, Bulgarians, Greeks, Germans, and gypsies.

Beginning in 1919, the League of Nations signed so-called national minority treaties with Poland, Czechoslovakia, and Yugoslavia (and later Greece and Romania), which agreed in principle to assure the protection of ethnic minorities. However, these treaties could not really be enforced. Moreover, ethnic rivalries were compounded by religious differences. For example, Poland included about 1.5 million Belorussians and 4 million Ukrainians, who, unlike the Catholic Poles, were largely Orthodox Christians. Poland also had the largest population of Jews in Europe—3 million. Moreover, about 1 million Germans, overwhelmingly Protestant, now lived in Poland.



The case of Czechoslovakia illustrates the complexity of the national question. In 1916, a National Council, made up of both Czechs and Slovaks, became a provisional government. The Slovak philosopher Tomáš Masaryk (1850–1937), who had spent the war years making contacts in London in the hope of advancing the cause of an independent Czechoslovakia, became the president of the new state in 1918. He was extremely popular among both Czechs and Slovaks. But Czechs and Slovaks together made up only 65 percent of the population of the new country. Three million Germans living in the Sudetenland found themselves included within the borders of Czechoslovakia, as did 750,000 Hungarians. Furthermore, Slovaks complained that promises of administrative and cultural autonomy within the Czechoslovak state were never implemented.

Facing similar economic, social, and political tensions, Poland became a dictatorship. Pilsudski became head of state in 1918. He commanded the Polish army that defeated in August 1920 the Soviet force that had reached the suburbs of Warsaw. "The miracle of the Vistula" River saved the independence of Poland, as well as that of the Baltic countries. Pilsudski pursued the policy of building a Federation of Poland and Ukraine, as well as Belarus and the Baltic states, regions that had been conquered by the Russian Empire and would form a bloc. But the Polish economy lay in ruins. No rail links between Warsaw and other major cities survived the war; tracks from Germany and Austria simply stopped at the Polish border. Inflation was rampant: a dollar was worth 9 Polish marks at the end of the war, and 10 million at the peak of the hyperinflation of 1923! (The zloty was introduced as the currency of Poland in 1924.)

The new Polish government faced the challenge of unifying the three parts of the country that had been part of three different empires. Deep divisions endured between nobles, who although many were greatly in debt owned most of the land and had subverted central authority in virtually every period of Polish history, and the peasants, who demanded land reform and were well represented in parliament. There were two main political blocs (and many smaller parties): National Democracy, the largest party of the right, which cooperated with a centrist Polish Peasant Party, and the Socialists and other parties on the left. In the 1922 parliament, there were eighteen different political parties. As no party ever enjoyed a solid parliamentary majority, governments fell on an average of almost two a year. Yet many peasants did receive land after World War I, although the process went increasingly slowly. Legislation limited the holdings of land that could be held by a single landowner to about 100 acres (three times that in the eastern regions), and about a third of Polish land changed hands. Pilsudski refused to stand for election for president in 1922 on the grounds that the constitution would not grant him sufficient executive authority. Although not by instinct a man of the right, he saw himself above political parties. However, he allied with leading conservatives and criticized the parliamentary regime, calling for a "moral regeneration" of Polish life.

Many Poles held the parliament responsible for the economic disaster of the post-war years and considered Marshal Pilsudski a hero. In 1926, Pilsudski, backed by the army and supported by Socialists fed up with the weak government and its policies, overthrew Poland's parliamentary government. After saying that he would have to wait to see whether Poland could be governed "without a whip," he imposed authoritarian rule, although political parties in principle continued to function and the press was relatively free. In 1930 Pilsudski arrested leaders of a center-left opposition group who demanded his resignation and the restoration of parliamentary government, and a new constitution followed in 1935, providing for stronger executive authority. After Pilsudski's death a month after the promulgation of the constitution, authority passed to a group of army officers who had been with him from the beginning.

The post-war period brought considerable instability to Greece and the Balkans. In Greece, which had only come into the war in 1917 on the side of Britain, France, and Russia, King Alexander died in 1920, after being bitten by his pet monkey. When parliament deposed his successor, Greek political life lurched into uncertainty accentuated by the arrival of 1.5 million Greeks expelled from Turkey and Bulgaria. In Greek Macedonia, refugees now made up half of the population. In the small, isolated Muslim state of Albania on the coast of the Adriatic Sea, moderate reformers battled proponents of the old ways against a backdrop of Italian territorial claims and bullying. The Prime Minister, Harvard-educated Ahmed Zogu, fearing for his life, fled to Yugoslavia in 1924. The next year, backed by Yugoslavia, he invaded his own country with an army, assumed the presidency of the Albanian Republic, and set up a dictatorial monarchy in 1928 (ruled 1928–1939).

In Bulgaria, King Boris III (ruled 1918–1943) was head of the country in name only. Alexander Stamboliski (1879–1923), leader of the Agrarian Union Party, elbowed opponents aside to become premier in 1919. He signed the Treaty of Neuilly, agreeing to try to prevent Macedonian nationalists from using Bulgarian territory to organize attacks inside Greece. Stamboliski assumed dictatorial powers in 1920. Army officers helped engineer a coup d'état in 1923, with the support of the king. Stamboliski fell into the hands of Macedonian nationalists, who cut off his right arm, which had signed the Treaty of Neuilly, then stabbed him sixty times, decapitating him for good measure. The army killed about 20,000 peasants and workers who wanted reform. It was a sign of the times in the Balkans.

### *Colonial and National Questions*

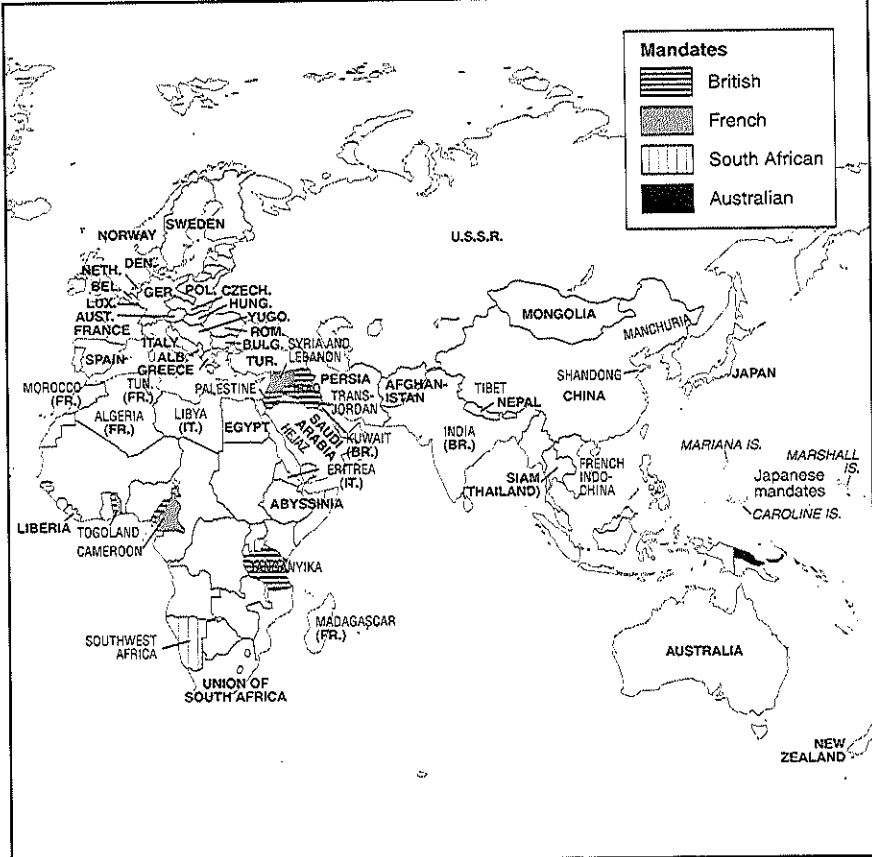
The peace treaties failed to address the rights—or lack of them—of people living in the colonies of the European powers. Some of these peoples demanded national independence. Representatives of ethnic, religious, and national groups—including the Irish, Persians, Jews, Arabs, Indians from

the subcontinent, Vietnamese, Armenians, and American blacks—went to Versailles in the hope of attaining recognition of their national rights. Lloyd George belittled these outsiders as “wild men screaming through the keyholes.” The Allies refused to allow Ho Chi Minh (1890–1969), a young Vietnamese, to read a petition that asked that the Rights of Man and Citizen be applied to the French colonies. Only the representatives of Zionist groups—Jews who wanted the creation of a Jewish national state in Palestine—and their anti-Zionist Jewish rivals ever made it into the conference halls, and then only briefly. Women’s groups, too, in vain sent representatives who hoped to be heard at Versailles.

Britain, still the world’s largest colonial power, refused to accept President Wilson’s plan that the League of Nations or some other international board arbitrate the future of colonies. The British government refused to recognize the right of self-determination. Still, the war had altered the relationship between Britain and its colonies, as well as that between France and its empire. The dramatic contraction of world trade during the post-war era, and above all during the Great Depression that began in 1929 (see Chapter 25), provided impetus to emerging independence movements. Imperial governments had long and loudly proclaimed that empire brought economic benefits to colonial peoples. Now such benefits were hard to find, as Britain, in particular, abandoned a cornerstone of the construction of its empire: free trade. The Dominions (Britain’s original “settlement colonies” of Canada, South Africa, Australia, and New Zealand) had borne a great financial and material burden in the Great War, and a considerable loss of life as well. While they were not fully independent, a delegation from each had signed the Treaty of Versailles, and each had a government responsible to its own citizens and had become a member of the League of Nations. The “British Commonwealth” was created in 1926 and formalized in 1931. In this union of Britain and the Dominions, each state would be independent and not subordinate to Britain but united by common allegiance to the crown.

The powers created the “mandate system” to deal with Germany’s colonies. The colonies were placed under the nominal authority of the League of Nations but were actually administered by Allied powers. Through this system, Britain increased the size of its empire by a million square miles, for example, by adding the former German colony of Tanganyika and parts of Togoland and the Cameroons as “mandate” colonies (see Map 24.3).

In Palestine, both Arabs and Jews had reason to be disappointed by the settlement. In 1915, in order to encourage Arab resistance against Turkey, the British government had promised some Arab leaders that after the war Britain would support an independent Arab state. But a year later, the British and French governments had secretly drawn up plans to divide the Middle East into two spheres of influence. Moreover, in the 1917 Balfour Declaration (see Chapter 22), Britain had promised to help Jews create a “national home” in Palestine, without necessarily promising to establish a



MAP 24.3 MANDATES UNDER THE LEAGUE OF NATIONS German colonies became mandates of the League of Nations and administered by Allied powers after the Great War.

Jewish state. Once the war ended, the promises disappeared at Versailles. Britain established mandates over Trans-Jordan (which would later become Jordan), as well as over Iraq (which became nominally independent in 1932) and Palestine, each of which was ruled by a viceroy responsible to the colonial office in London. Britain maintained informal control over Egypt through the sultan and Egyptian ministers and the Suez Canal even after nominal Egyptian independence in 1922. Following an agreement made in 1916 between Britain and France, the French also established a mandate over Lebanon and Syria, where troops put down a revolt in 1925–1927.

But the British government could no longer put aside the challenge of the Irish movement for independence. The imposition of military conscrip-

tion in Ireland in 1918 had angered Irish who felt no allegiance to the empire. The Irish Republican Army, which was organized from remnants of the rebel units disbanded after an ill-fated Easter Sunday insurrection in 1916, gained adherents amid high unemployment, strikes, and sectarian violence between Catholics and Protestants in largely Protestant Ulster (the six counties of northeastern Ireland). In a mood of mounting crisis, British Liberals wanted to begin negotiations as soon as possible with Irish political leaders. Conservatives, in contrast, wanted to crush the Irish Republicans. In the 1918 elections to the House of Commons, Irish voters elected a majority of members of Sinn Féin ("We Ourselves" in Irish Gaelic), the Irish Republican political organization. Sinn Féin members refused to take their seats in Parliament and then unilaterally declared a republic. Parliament finally passed the Government of Ireland Act in 1920, dividing Ireland into two districts. The Catholic district in the south—most of the island—was to become a crown colony. Largely Protestant Ulster remained part of Britain.

Most Catholic Irish, however, wanted nothing less than complete independence. The British government kept about 50,000 troops and 10,000 police in Ireland, including the "Black and Tans," a special police force that terrorized the Irish population supporting the Irish Republicans. More than a thousand people were killed in fighting during 1921, half of whom were British policemen or soldiers ambushed by the Irish Republican Army. In January 1922, the British Parliament went a step further, creating the Irish Free State, a Dominion within the British Commonwealth, although many Irish Republicans demanded the severance of all formal ties to Britain and the creation of the Irish Republic (which would come in 1948). Ulster, or Northern Ireland, remained within the United Kingdom. Continuing sporadic sectarian violence in Ulster proved that tensions between the Protestant majority and Catholic minority, which did not accept British rule, would not subside.

The Great War accentuated other nationalist movements for independence. Total war had brought the mobilization of men and resources from the colonies. This led to considerable resentment among indigenous peoples. In Egypt, following the arrest of an Egyptian nationalist, more than a thousand people were killed in the repression that followed an uprising. In India, which the British viewed as the key to sustaining the Empire (providing a vast reservoir of soldiers for the army), a growing Indian national movement developed. It was led by Mahatma Gandhi, who merged Hindu religion and culture with peaceful political resistance. Gandhi adapted Western-style propaganda techniques to the Indian struggle. Unlike the Indian National Congress, which had since the 1880s sought greater autonomy for India within the British Empire, Gandhi and his followers, who included many Indian Muslims, sought outright independence. Following riots in 1919, Indians held a protest in Amritsar in Punjab against the Rowlatt Acts, which allowed the government to forgo juries in political trials. The British army



Houses set ablaze in Ireland by the Black and Tans of the Royal Irish Constabulary, about 1920, during the fight for Ireland's independence from Great Britain.

retaliated by massacring 400 Indian civilians. Like the Sepoy Mutiny of 1857 (see Chapter 21), the incident exacerbated the mutual suspicion and mistrust that had existed between the Indians and British for decades. Bengali groups undertook terrorist attacks against British residents.

France also confronted and repressed revolutionary nationalist movements in its colonies of Indochina, Tunisia, Morocco, and the African island of Madagascar, as it did moderate groups asking only for the extension of political rights. During and following World War I (until the 1930s), most of the nationalist movements in the French colonies sought reform from within the colonial framework, not outright independence through revolution.

Japan strengthened its position as the only Asian great power and growing empire. Japanese armies were already taking advantage of the turmoil that followed the Russian Revolution to grab land from the old Russian Empire in Asia. Furthermore, Great Britain, France, and Italy had secretly agreed in 1917, in exchange for active Japanese support against the German navy, to back Japanese demands for concessions China had been forced to grant Germany in 1898 and 1899 (see Chapter 21). The members of the Chinese delegation to Versailles in 1919 had not been aware of the 1917 agreement; nor did the Chinese delegates know that their warlord premier

had secretly agreed, in return for loans, to grant Japan a full concession to build railways in the northeast province of Shandong (Shantung). When the Allies publicly agreed to Japanese claims, demonstrations and riots erupted in China. The May 4 (1919) movement in China, named for the day of the first major demonstrations in Beijing against the Treaty of Versailles, accentuated the development of Chinese nationalism and resentment against foreign domination.

The United States, eager to protect its interests in Asia and wary of the alliance between Japan and Britain, which was determined to maintain its empire, agreed to join the Washington treaties of 1921–1922. These called for “consultations” between the three powers, as well as France, when events in Asia required them. A subsequent Nine-Power Treaty that included Belgium, the Netherlands, Portugal, and Italy, as well as China, guaranteed China’s independence and territorial integrity.

## ECONOMIC AND SOCIAL INSTABILITY

Because of the relief and—for the victors—exhilaration with which many Europeans greeted the end of the Great War, the 1920s has often been described as “the roaring twenties.” Europeans thrilled to quests for record speeds or landmark travel by air and automobile. They gathered around radios, lined up to attend movies, dressed in more casual clothing styles than ever before, crowded into cabarets and clubs, and danced late into the night.

However, the two decades following the Great War were above all marked by tremendous economic and social instability. The continent was wracked by inflation and unemployment, factors that exacerbated international tensions and rivalries and poisoned domestic political life—particularly in Germany, but also in a number of other states reeling from the impact of the war. In Western Europe, after the long, bloody war finally ended and with the Russian Revolution fresh in mind, workers (and some women’s groups as well) put forward demands for better living conditions. At the same time, economic and social elites were determined to overcome the challenge to their power launched by organized labor and the political parties of the left. But one of the results of the long ordeal of a war that had necessitated the mobilization of virtually all of the economic resources of the combatant powers was a growing determination among the parties of the political left that states ought to increase the services they provided their citizens. The origins of the welfare state may in part be traced to the immediate post-war period.

### *Social Turmoil*

The staggering economic disruption caused by the war contributed to the international disorder that ensued at its end. Soaring inflation and unemployment destabilized European political life. The conflict cost more than

six times the national debts of all countries in the entire world from the end of the eighteenth century until 1914.

Manufacturing and agricultural productivity fell dramatically during the conflict. Only countries far from the battlefields, such as the United States, Canada, India, and Australia, experienced economic growth. But they, too, could not escape high inflation and unemployment when the war ended. European states had borrowed vast sums of money to pay for the war; governments now began to print money to pay it back. This accelerated inflation (See Table 24.1). Prices were three times higher in 1920 in Britain than before the war, five times higher in Germany, and, in an ominous sign of things to come, 14,000 times higher in Austria and 23,000 times higher in Hungary. Workers resented the widening gap between themselves and the wealthy.

The British press carried stories about well-placed entrepreneurs who had amassed fortunes selling war materials to the government, living it up while others died for their country and everyone else tightened their belts. The Conservative politician Stanley Baldwin referred to businessmen elected to Parliament in the first post-war election as "hard-faced men who looked as if they had done well out of the war."

French steel magnates and German arms producers, among others, had emerged from the war with huge profits. These were enhanced by cartel arrangements within their industries that allowed them to monopolize production and set prices. War production had benefited large companies more than small ones, as in Germany, where the War Raw Materials Corporations provided essential materials to large enterprises. The chemical giant I. G. Farben had been formed in Germany by joining together a number of smaller firms. Industrialists enjoyed greater prestige and political influence than ever before. With governments playing the leading role in establishing economic priorities, allocating resources, and recruiting labor during the war, fewer people now embraced the old classic liberal principle of *laissez-faire*. Some businessmen and state officials, particularly in Germany, Italy,

TABLE 24.1. INDEX OF WHOLESALE PRICES (1913 = 10)

	1914	1915	1916	1917	1918	1919
Germany	106	142	153	179	217	415
France	102	140	189	262	340	357
Great Britain	100	127	160	206	227	242
Italy	96	133	201	299	409	364
Canada	100	109	134	175	205	216
United States	98	101	127	177	194	206

Source: Gerd Hardoch, *The First World War 1914-1918* (Berkeley: University of California Press, 1977), p. 172.



and France, had been impressed by the degree of wartime cooperation between state, business, and labor. They now believed these arrangements should be permanent. They hoped that corporate entities could be established in each major industry to coordinate production, ending competition between companies. They called themselves "corporatists" and their ideas "corporatism." Corporatists in Germany, France, and Italy believed that by creating cartel-like corporations that joined all people dependent on one industry, ruinous competition between companies and conflict between bosses and workers could be eliminated in the interest and prosperity of the "national economic community." Such cartel arrangements might well reduce or even eliminate the social and political tensions inherent in capitalist economies by forging an organized alliance of interests, including those of the state, big business, and labor.

However, Europe's business elite greeted the post-war era with some anxiety. For more than a half century, European economic elites had worked to preserve their power against the mounting challenge of organized labor and the political parties of the left. They did so, for example, by trying to maintain the elite character of higher education, pressuring governments to maintain high tariff barriers at the expense of consumers, seeking to limit government intervention in factory conditions, or trying to maintain legislation that restricted the right to strike. Above all, many people of means had wanted to keep their countries from adopting universal male suffrage or becoming democracies. Despite their efforts, however, the role of parliamentary bodies had expanded in every Western country during the last decades before the war, as universal male suffrage had come to France, Italy, Belgium, Norway, Sweden, and even imperial Germany.

Women's movements were one of the forces for democratization that gained considerably during the war. Having suspended their suffrage campaigns for the duration of the conflict, women's groups now demanded recognition for their wartime contributions—when they had taken the place of conscripts in factories and fields. After the war, women won the right to vote in Germany, Sweden, and several other countries in Western Europe, as well as in the newly created Eastern European states of Czechoslovakia, Poland, and Hungary. The legal position of women was probably strongest in Britain. Women voted for the first time in the British elections of December 1918, and the first woman was elected to the House of Commons soon after. The Sex Disqualification Act of 1919 opened the way for women to enter professions from which they had previously been excluded. However, women who had taken men's jobs during the war gradually lost or abandoned their employment, many returning to domestic service. During the 1920s, the percentage of British working women declined for the first time in many decades. Nonetheless, a greater variety of jobs became available to women. During the next two decades, many women found work in textile factories, commerce, transport, and in new jobs within the service sector (as hairdressers, department store clerks, or telephone operators). For

many women, such jobs represented an advance in opportunity and working conditions.

The labor movement gained strength in the immediate post-war period. In France, the General Confederation of Labor, which had recruited hundreds of thousands of new members after the war, reached 2 million members in 1920, although the proportion of unionized workers remained small when compared to the proportion in Britain. In Italy, more than 3 million workers joined unions in the first two years of peace. Unions mounted massive campaigns to make the economy more democratic, a goal that was more revolutionary than bread-and-butter issues like hours, wages, and working conditions. Strikes spread in all Western countries. Some Britons began to think that their nation, which, unlike its continental rivals, had avoided insurgency and revolution in the nineteenth century, might now be vulnerable to an uprising by dissatisfied workers influenced by the Bolsheviks. In Glasgow, workers demanding a forty-hour workweek raised the Communist red flag on the town hall.

If anything, the mobilization of workers in defense of their interests contributed to conservative victories in the post-war elections. Britain's Conservative Party had swept to victory in the "khaki" elections (so called because of the color of British army uniforms) in December 1918. The influence of business interests also helped bring conservatives to power in Germany, Italy, and France in post-war elections. The French Employers Association printed thousands of posters showing a Bolshevik with a blood-stained knife between his teeth. The "National Block," drawing upon a wave of patriotism following the victory of the blue-clad French soldiers, in 1919 brought a strongly nationalist majority to the "horizon blue" Chamber of Deputies. Many French conservatives, who before the war dreamed of a monarchical restoration or the overthrow of the republic by a military man, now supported the republic, as long as it was a conservative republic. A general strike failed completely in May 1920. Union efforts failed to obtain the nationalization of key industries, such as French railroads, or German and British coal mines. Factory councils, which workers hoped would meet with employers to set production targets, wages, and conditions, had within a few years been eliminated in Germany, never got off the ground in France, and were quickly banned in Italy. In Britain, an attempt to call a general strike, organized by the "triple alliance" of railway workers, miners, and dockworkers—the three largest unions—fizzled completely on April 15, 1921, "Black Friday" for British workers. Rates of unionization fell. "Corporatist" rhetoric about how bosses and workers within the same industries shared the same goals gradually disappeared in Germany and France. Employers still called the shots with the notable exception of those in the Soviet Union, where the state exercised increasing control.

### *The Left and the Origins of the Welfare State*

The Great War was a devastating experience for the international socialist movement, which had in 1914 split into pro- and anti-war factions. The German Social Democrats and the socialist parties of France, Italy, and Belgium had rallied to the war effort of their respective countries despite opposition to what they saw as a war between capitalists. The Russian Revolution of 1917, too, divided socialists. The unexpected victory of the Bolsheviks in Russia suggested to some that socialists could come to power through a tightly organized, hierarchical party structure. In France, at the Congress of the French Socialist Party in Tours in December 1920, three-fourths of the delegates supported joining the Third Communist International, which had been founded in Moscow in 1919 to encourage the organization of Communist parties in all countries. They founded the French Communist Party. Those remaining loyal to the French Socialist Party continued to accept reformism and thus loyalty to the republic, as well as to the democratic organization of their party.

Léon Blum (1872–1950) led the French Socialist Party. A Jew born into comfortable circumstances in Paris, Blum was a literary critic and intellectual who took a law degree and became a civil servant. Like his hero Jean Jaurès, the French socialist leader assassinated in 1914 on the eve of the war, Blum was an idealist for whom socialism followed philosophically from what he considered the humanism of the French Revolution. Blum remained convinced that socialism would be achieved through the electoral process.

For Communists, the economic malaise of the 1920s seemed proof that capitalism's defeat was near. Within two years, the French Communist Party grew as large as the Socialist Party. In 1922, on orders from Moscow, the party purged intellectuals from its membership. The Communist Party attracted many followers in the grim industrial suburbs of Paris, the "red belt" around the capital. Communist-dominated municipalities provided social services, such as unemployment relief, as well as light and drinking water for residents living in hastily constructed, insalubrious dwellings. In



The French reaction to the Russian Revolution is illustrated by this anti-Bolshevik poster: "How to vote against Bolshevism."

contrast, the British Communist Party, founded in 1920 and repudiated by the Labour Party, never attracted more than a few thousand followers.

Reformism dominated the parties of the left in post-war Europe. The German Social Democratic Party and the French Socialist Party participated in parliamentary alliances that underlay, respectively, the Weimar Republic and French moderate center-left governments. The British Labour Party, closely allied with the trade unions, emerged as the second largest party in Britain after the war. All three parties depended, to a large extent, on the support of the reformist labor movements in their respective countries. In some ways, unions had become interest groups like any other, bargaining with governments and employers. To this extent, the Communist critics of union reformism may have been correct when they warned that reformism served to integrate workers into the structure of the capitalist state.

The emerging outlines of the welfare state in the 1920s reflected the pressure of the parties of the left and of trade unions. At the same time, the origins of the welfare state must be seen in the context of earlier programs of social reform adopted in most countries in the decades before the Great War (see Chapter 20). While the Communist parties of Europe espoused, at least in principle, working-class revolution, socialists and most union members demanded that states provide certain minimum protection for workers. Scandinavia, Denmark, Sweden, and Norway evolved into social democracies, implementing pathbreaking social services. The socialist municipal government of Vienna constructed an attractive working-class apartment complex that provided communal facilities such as laundries, bathhouses, and kindergartens.

In Britain, Prime Minister Lloyd George had promised demobilized soldiers "a country fit for heroes to live in." The reality was considerably less grand. However, pressured by the Labour Party, which now held the second largest number of seats in the House of Commons, the Housing and Town Planning Act of 1919 provided town councils with subsidies to encourage the construction of cheap row houses. This eliminated some slum overcrowding and provided many working-class families with centralized heating and bathrooms. Within old city limits, "council" flats paid for by town councils provided more modest lodgings for some of the poorest workers. In 1920, the British government expanded unemployment insurance coverage to include most industrial workers, and in 1925, Parliament granted pensions to war widows and orphans, major steps in the emergence of the British welfare state. In France, the Chamber of Deputies in 1930 provided insurance for 10 million workers.

## POLITICAL INSTABILITY

In October 1919, Italian Prime Minister Orlando reflected the uncertainty prevalent in the immediate post-war period when he stated that the growing

disillusionment threatened Europe "like a blind whirlwind of destruction and disordered violence." The economic crisis that followed the war and the political instability it helped engender were nowhere clearer and ultimately more damaging than in Germany, where the new Weimar Republic sought to steer an even course between threats from the left and the right. Moreover, in Britain and France, states with established parliamentary governments, the subsequent division between left and right was also bitter.

### *Germany's Fragile Weimar Republic*

The newly elected German Reichstag adopted the red, gold, and black flag of the ill-fated 1848 Frankfurt Parliament (see Chapter 16). The civil strife in which the Weimar Republic made its start influenced its constitution, approved by the Reichstag in July 1919. The constitution left the German president, who was to be popularly elected, considerable powers. Serving a term of seven years, he could dissolve the Reichstag and call for new elections. Although ministers would be responsible to the Reichstag, the president retained the power to suspend the constitution to restore order and to rule by decree, leaving the republic vulnerable to the president's authority.

Challenges to the republic came from the left and the right. In Bavaria, Kurt Eisner's rebel socialist republic collapsed. Following Eisner's murder by a rightist gunman in February 1919, Bavarian leftists rose up again in Munich in April to proclaim a Soviet-style republic. When a general strike paralyzed Berlin in early March, members of the Free Corps and regular German soldiers from Prussia gunned down several thousand workers and socialists.

The new German Republic desperately needed political stability. But many members of several key social groups, including bureaucrats and university professors who had received their posts under the empire, were against the republic from the beginning. Magistrates handed down absurdly light sentences to members of the Free Corps arrested for murder.

Groups of army officers began to plot against the republic during the summer of 1919. Conservative politicians and businessmen attempted a coup d'état, or "putsch," led by Wolfgang Kapp, a former Prussian imperial bureaucrat, with the goal of overthrowing the republic. On March 20, 1920, the rebels took over Berlin. The conservative parties proclaimed their support for the new government. In Bavaria, right-wingers seized power after forcing the resignation of the socialist government that had come to power the previous April. Chancellor Ebert appealed to the workers to defend the republic. They responded by launching a general strike that shut down much of the country. When some Berlin army units wavered, the Kapp Putsch collapsed.

But the threat to the republic was not over. The center and center-left parties of the Weimar coalition all suffered substantial losses in subsequent

elections, while the conservative parties and radicals gained. When the Social Democrats withdrew from the government, the republic depended on a shaky coalition of Center Party politicians and moderate right-wing parties less committed than the Social Democrats to the republic they now governed. As Germany's economy floundered in ruinous inflation, political instability and violence mounted. Right-wing groups and parties sprang up, among them the National Socialists (Nazis), led by Adolph Hitler (see Chapter 25).

Walther Rathenau (1867–1922), the new foreign minister, was determined to negotiate the reparations issue with the British and French governments. Rathenau then shocked Britain and France by signing a statement of mutual friendship with the Soviet Union, the Rapallo Treaty (April 1922), in the hope of countering Western pressure. The Soviet Union received German technical assistance, which it paid for by helping Germany evade some of the military stipulations of the Treaty of Versailles. Subsequently, German officers provided technical assistance to the Soviet army. The Soviets, winning diplomatic recognition and German acquiescence to its repudiation of debts contracted under tsarist rule, renounced any future war reparations from Germany. Two months later, right-wing nationalists murdered Rathenau.

The German mark plunged dramatically in value. The Weimar government informed the Allies that it could not meet the schedule of reparations payments in gold or cash, but that it would continue payments of coal and other natural resources. With the United States pressuring Britain and France to repay their war debts, the Allies grew all the more determined that Germany pay up. France's new prime minister, Raymond Poincaré (1860–1934), threatened a military occupation of the Ruhr Valley industrial district if Germany failed to meet the reparations schedule. He accused Germany of deliberately withholding payments and trying to force the Allies to make concessions by ruining its own currency.

Britain and France, however, could not agree on a common policy. The French refused a German request for a moratorium on reparations payments so that the German currency (the mark) could be stabilized. The resentful German government, backed by virtually all political parties except the Communist Party, called on the miners of the Ruhr region to stop working for the Allies. This seemed to confirm Poincaré's contention that Germany was sabotaging repayment of its war debts.

On January 11, 1923, against the advice of the British government, French and Belgian troops occupied the Ruhr. When the German government began to finance the passive resistance in the Ruhr by simply printing more money with which to pay its miners not to work, inflation in Germany spiraled completely out of control, as Table 24.2 luridly demonstrates.

In 1923, Germans wheeled shopping carts filled with literally trillions of marks down the street to pay for a single loaf of bread. A half pound of

TABLE 24.2. THE MARK AND THE DOLLAR, 1914–1923

Date	Rate: 1 dollar =
July 1914	4.2 marks
January 1919	8.9
July 1919	14.0
January 1920	64.8
July 1920	39.5
January 1921	64.9
July 1921	76.7
January 1922	191.8
July 1922	493.2
January 1923	17,972.0
July 1923	353,412.0
August 1923	4,620,455.0
September 1923	98,860,000.0
October 1923	25,260,208,000.0
November 15, 1923	4,200,000,000,000.0

Source: Gordon Craig, *Germany 1866–1945* (New York: Oxford University Press, 1978), p. 450.

apples went for 300 billion marks. Employees asked to be paid their wages each morning so that they could shop at noon before merchants posted the afternoon price rises. Spiraling inflation wiped out people with fixed incomes and small savings they had put aside for retirement. Many of those who believed that they had done their patriotic duty by buying war bonds during the war now blamed the Weimar Republic when those bonds became worthless. The poor found staples and other goods not only ridiculously expensive but often unavailable at the market as farmers hoarded produce. Nonetheless, those people who were able to pay off bank loans with wildly inflated currency or to invest in property did well. The rich got richer. In such an atmosphere, the German Communist Party attracted bitter, discouraged workers in great numbers, undercutting the Social Democrats.

In August 1923, Ebert turned to Gustav Stresemann (1878–1929) to form a government. Stresemann, a former monarchist converted by right-wing violence to the republic, governed by decree with the support of the Social Democrats. He convinced miners to go back to work and to cease their passive resistance in the Ruhr Valley. France and Belgium ended the occupation after a nine-month period that had been as financially damaging to those nations as it was ruinous to Germany. Government printing presses stopped cranking out billion-mark notes and issued a new mark. The hyperinflation in Germany ended.

Stresemann hoped to meet the Allied demands as much as possible, and in doing so, open the way for Germany's return to respectability as a European

power. He hoped that this might clear the way for future Allied concessions, namely on Germany's disputed eastern frontier with Poland. Stresemann convinced both Britain and France to provide loans to help Germany emerge from the economic crisis.

In 1924, a League of Nations commission, chaired by an American banker, Charles G. Dawes (1865–1951), extended the schedule for payment of German reparations. The Dawes Plan left the Reichsbank partially under the direction of an American commissioner who was to oversee German payments, but it did not lower the amount Germany was expected to pay. Meanwhile, the United States had reduced the debt the Allies owed it by percentages ranging from 30 percent (Britain) to 80 percent (Italy). Still, the Dawes Plan improved relations between the Allies and Germany and, with the revival of the European economy beginning in 1924, the reparations issue receded in importance. The Weimar Republic seemed to find stability as the economy finally began to improve. German industries became more competitive, and unemployment began to decline.

Stresemann's discreet and effective diplomacy, now as foreign minister, paid off. By the Treaty of Locarno (really five separate treaties), signed in 1925 between Great Britain, France, Belgium, Italy, and Germany, the signatories pledged to settle all future controversies peacefully and guaranteed Germany's western borders as settled at the end of the war. At Locarno, France also signed security treaties with Czechoslovakia and Poland to offset to some extent the fact that Germany's eastern borders were not guaranteed, which the German government refused to include in the agreement. European leaders and newspapers now began to use the phrase "the spirit of Locarno" to refer to a mood of increasing international cooperation. The following year, Germany became a council member of the League of Nations in return for agreeing that it would not seek to alter its western boundaries with France and Belgium.

Nonetheless, German right-wing parties could never forgive Stresemann for collaborating with the socialists. The opponents of the republic seemed almost more vehement in their denunciations of Weimar when it succeeded than when it failed, for success might generate stability and survival. Even after what appeared to be a diplomatic victory for Weimar, German elections reflected the renewed strength of the right; the old Prussian warrior General Hindenburg was elected president upon Ebert's death in 1925.

### *The Established Democracies: Britain and France*

Britain and France were, to be sure, not immune from the political tensions of the post-war period. Britain, in particular, remained a class-segregated society. Nowhere in Europe was the concentration of wealth so marked as in Britain. The top 1 percent of the population possessed two-thirds of the national wealth, and one-tenth of 1 percent owned a third of the land in England. Education, occupation, dress, accent, the newspapers one read,



and leisure activities all defined and revealed the social class to which one belonged. The distance between the elegant country gentleman and the Yorkshire factory worker, or the top-hatted London banker and the cloth-capped East End docker, remained as great as in the eighteenth century.

The Labour Party benefited from the decline of the Liberal Party, whose major nineteenth-century issue, free trade, now appealed to relatively few voters. Labour gained the support of most new voters. In 1924, James Ramsay MacDonald (1866–1937), a skilled orator who moved in the most elegant social circles, formed the first Labour government. However, the fall of MacDonald's government after several months demonstrated the resilience of British Conservatives, assisted by a widespread fear in Britain of communism. Conservatives had denounced MacDonald after his government became the first to accord official recognition to the Soviet Union. The press fanned the flames of a "red scare," similar to one then sweeping the United States. A newspaper published a letter it claimed had been written by Grigory Zinoviev, the head of the Communist International, detailing for British Communists ways of destabilizing the government. In fact, the letter was a forgery, the work of a Polish anti-Bolshevik. Returned to power, the Conservatives were determined to restore financial stability and to reject working-class demands. The government put Britain back on the gold standard in 1925, which meant that pounds sterling could be exchanged for gold according to a fixed rate of exchange. But this depleted the amount of gold reserves available to back the British currency and led to the pound's overvaluation. British products became more expensive on the international market, particularly when the other European powers stabilized their own currencies at lower rates. British manufacturing, the key to prosperity for more than a century, remained sluggish, its markets increasingly challenged by goods from the United States and Japan. The United States had become the world's leading creditor nation. New York City was now the new center of international finance.

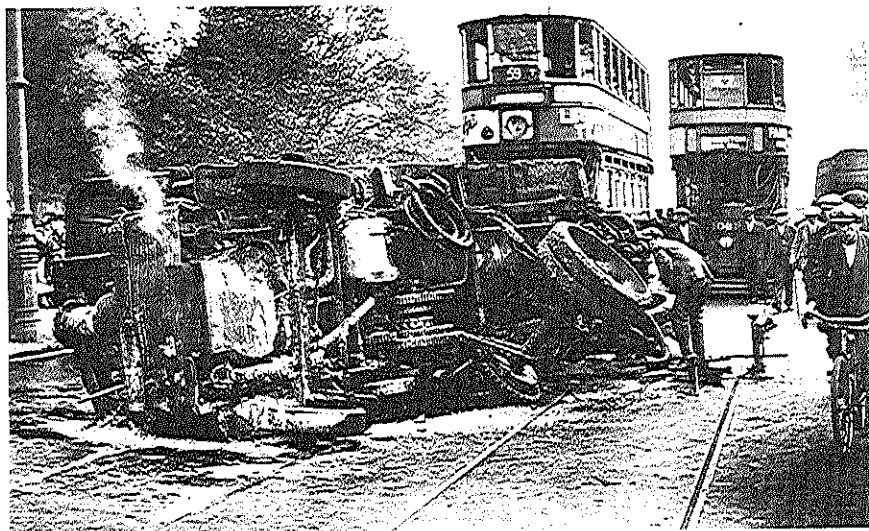
In Britain, tensions between industrialists and workers came to the fore in 1926. The mines still employed over 1 million workers. After the war, the mining companies had reduced wages and lengthened the workday. A government commission in March 1926 recommended that firms implement safer working conditions, but that the miners accept lower wages. The miners rejected these conclusions with the slogan, "Not a minute on the day, not a penny off the pay." The Trade Union Council launched a general strike of miners in defense of the unions in May 1926. The vast majority of unionized workers in Britain went out in solidarity. The strike enraged the upper and middle classes, inconvenienced by the shutdown of all public transportation. Conservative Winston Churchill castigated the strikers as "the enemy," demanding their "unconditional surrender" as if he were talking about a German bunker in the war. The Labour Party was sympathetic to the plight of the workers, who truly suffered during the strike for defending their principles, but it maintained a safe political distance. Businessmen

and students from Oxford and Cambridge Universities drove buses and trucks carrying people in and out of London while troops hauled food. After two weeks, most workers returned to their jobs, although the miners remained on strike for seven months. The strike was broken. A year later, Parliament passed the Trade Disputes Act, which forbade "sympathy strikes," walkouts in support of striking workers by those in other industries. This amounted to a crushing defeat for British workers.

When the French franc, long considered invulnerable to economic shocks, collapsed in value in a financial panic in 1924, the rightist government in France collapsed with it. A coalition of Radicals and Socialists, sharing little more than anticlericalism, formed a left-center government. But this alliance broke apart when the Socialists suggested a sizable tax on capital as a solution to the economic crisis. Ministries came and went with bewildering regularity.

In 1926, the conservative Poincaré returned as premier. He raised taxes on consumption, which the wealthy preferred to levies on capital, because the burden did not fall on them. The franc stabilized, as wealthy Frenchmen brought assets back from abroad and began to buy francs, which then rose rapidly in value. Poincaré became known as the savior of the French currency. But his idea that political consensus existed in France was, like the belief that France was the most powerful country in Europe, only an illusion. Many ordinary French men and women believed that a "wall of money" still held the country hostage and, along with an entrenched bureaucracy, prevented social reform. With an institutionally weak presidency, the Chamber of Deputies increasingly came to be seen as a debating

A barricade during the London General Strike, 1926.



society incapable of responding effectively to domestic and international crises. Political and social tensions encouraged the disillusionment with democracy felt by parties of the political extremes such as the French Communist Party on the one hand, and the fledgling right-wing fascist movements intrigued by Benito Mussolini's seizure of power in Italy on the other (see Chapter 25).

## ARTISTS AND INTELLECTUALS IN THE WASTE LAND

The effects of the Great War could also be clearly seen in European intellectual and artistic life, as writers and painters wrestled with the consequences of a devastating struggle that stood as a great divide between the present and a world that was no more. A veteran of the trenches described the war's cataclysmic destruction as "a cyclopean dividing wall in time: a thousand miles high and a thousand miles thick, a great barrier laid across our life." The resulting cultural uncertainty reflected the economic, social, and political chaos of the period.

The defiant modernism of artists and intellectuals in the wake of the war was part of a revolt against traditional cultural conventions within the arts but also against the strictures of bourgeois society. In Britain, for example, people still read Victorian novels and romantic poetry, but such texts seemed to offer no explanation for what had gone wrong in Europe. Horrified by the war, many artists and writers now rejected the social conventions that had inculcated the values of nationalism and blind obedience. In the wake of the war, the "outsiders" of the Belle Époque had become, at least in the realm of the arts, "insiders." To be sure, most of the dramatic changes in artistic expression that followed the war had their origins in the pre-war years—for example, the adoption of psychological, subjective themes and approaches to painting and writing (see Chapter 20). The war had destroyed not only millions of lives but many of the signposts by which artists and writers defined reality. The American writer Gertrude Stein (1874–1946), who bounced back and forth between her artist and writer friends in London and Paris, called the war's survivors "a lost generation." In a 1922 lecture, the French poet Paul Valéry (1871–1945) said, "The storm has died away and still we are restless, uneasy, as if the storm were about to break . . . among all these injured things is the mind. The mind has indeed been cruelly wounded. . . . It doubts itself profoundly."

The bleak 1922 poem *The Waste Land*, by American-born poet and critic T. S. Eliot (1888–1965), reflected the disintegrating impact that the war had on Europe.

A heap of broken images, where the sun beats,  
And the dead tree gives no shelter, the cricket no relief,  
And the dry stone no sound of water. . . .

Hooded hordes swarming . . .  
Falling towers  
Jerusalem Athens Alexandria  
Vienna London  
Unreal

The Dadaists, a group of artists and writers who had gathered in Zurich in 1916, were the first to rebel against the absurdity of the slaughter of 1914–1918 by rejecting all artistic convention. They penned and painted nonsense; some wrote poems that consisted of words gathered from newspapers. It was all nonsense, but no more, they argued, than the war itself.

The artists and writers of the post-war generation stressed the primacy of subjectivism. Like soldiers emerging from the ghastly trenches, they looked into themselves in their quest to comprehend what seemed incomprehensible. Their subjectivism unleashed an imaginativeness that defined much of the new art.

The painters Piet Mondrian (1872–1944), Paul Klee (1870–1940), and Max Beckmann (1884–1950), among others, thumbed their noses at classical rules about painting, and even about what constituted art. Mondrian, a



French Dadaist painter Francis Picabia sitting on his "Dada"—or horse—among friends.

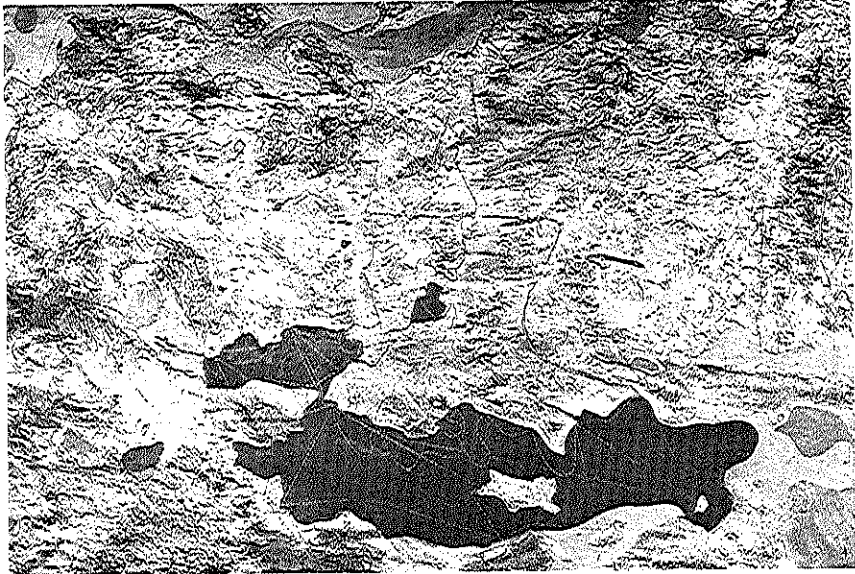
Dutch modernist painter, offered two-dimensional abstractions and straight lines forming grids. Klee's fantasies assumed unexpected shapes and distortions on the canvas; "the artist must distort," he contended, "for therein is nature reborn."

The expressionist movement, too, had its origins before the war. Beckmann rejected the label, but he defined the movement when discussing his own work: "What I want to show in my work is the idea which hides itself behind so-called reality. I am seeking the bridge which leads from the visible to the invisible." Expressionist poets rejected linguistic conventions in an attempt to communicate the emotion buried beneath the human exterior. Expressionist playwrights ignored long-established conventions of plot, character, and dialogue to represent what they considered to be unseen reality. In his modernist epic *Ulysses* (1922), the Irish writer James Joyce (1882–1941) abandoned long-accepted stylistic and narrative conventions to present the chaotic and seemingly unconnected—at least at first glance—"stream of consciousness" dialogue of three main characters, through which he revealed all their sensations and feelings. The novel's eroticism led it to be banned in Britain (but not in traditionally prudish Ireland) and in the United States until 1934.

In 1924, a group of nineteen painters and writers, led by the French artist and poet André Breton (1896–1966), published a "Surrealist Manifesto." In it they rejected "traditional humanism" and the respect for reason that seemed to have so manifestly betrayed mankind. They were not interested in rationality, which seemed defunct, but in what lay beneath it. The surrealists were obsessed with the crater-pocked landscape of churned-up earth, tree stumps, and twisted rubble in northern France and Belgium. They sought to shock audiences and viewers by expressing themselves in a way that was spontaneous and deeply personal, but still realistic. Breton's work sometimes defies interpretation because none was intended.

After four years in the trenches, the German surrealist Max Ernst (1891–1976) wrote that he had "died on the first of August 1914 and returned to life on the 11th of November 1918." Ernst joined a circle of Dadaists in Cologne. His 1933 painting *Europe after the Rain (I)* depicts with oil and plaster what appears to be a distorted, disfigured, and unsettling aerial relief map of Europe. It suggests the mutilation of the continent, which appears to be slowly swallowing itself. The surrealists were militant leftists, and they were also among the minority of Europeans who opposed colonial domination.

For his part, the Viennese doctor Sigmund Freud, founding father of psychoanalysis, believed that the war demonstrated the irrational nature of mankind. Freud's scientific analysis of the unconscious, translated into many languages during the 1920s, had begun to influence sociologists, political scientists, and cultural anthropologists. They applied ideas drawn from psychoanalysis to try to understand group behavior and social conflict. The war lent a sense of urgency to this enterprise. Freud also greatly influenced surrealists such as Breton, who drew images and words from his dreams.



Max Ernst's *Europe after the Rain (I)* (1933).

Some of Freud's early ruminations about the role of the unconscious in art were based on the haunting experience of seeing shell-shocked soldiers.

In 1928, Erich Maria Remarque (1898–1970), who had fought in the war, published *All Quiet on the Western Front*, the powerful pacifist novel about the trenches that quickly became a classic. In 1929, the British writer Robert Graves published his memoirs, focused on his experiences in the Great War. He called his book *Goodbye to All That*. The problem was that Europe could not say “goodbye to all that” and put the war behind it. Amid economic chaos and social and political turmoil in the two decades following the end of the war, one European dictator after another ended parliamentary democracy, imposed authoritarian rule, and suppressed political opposition. Fascist states, particularly Nazi Germany, poisoned international relations with nationalist bullying, making grandiose claims on the territories of other states. At the same time, in the Communist Soviet Union, Joseph Stalin consolidated his power. In what has been called the “Europe of Extremes,” Europe entered an even more dangerous period in which it became increasingly clear that Woodrow Wilson's description of the Great War as the “war to end all wars” was meaningless in the Europe of economic Depression and dictatorship.