TRADE TO WAR

The Genesis of War

MODERN thinkers of the most disparate opinions have left us in no doubt at all about the importance of economic considerations in the origins of wars. Indeed, it is tempting to see the genesis of war in exclusively economic terms.

But a study of the run-up to the Second World War illustrates something of the subleties and complexities involved in any analysis of causes of war.

The peace settlement following the First World War was churned out in stages from Versailles in 1919 to Lausanne in 1923. The peacemakers were very far from being free agents.

Winston Churchill had predicted long before that the wars of peoples would be far more terrible than the wars of kings. Passions of hate and idealism had been stirred to their depths everywhere.

Wherever ethnic minorities existed, every effort was made by enemy countries to stimulate subversion and disaffection. A great many cheques – and Czechs – were presented at the peace conferences. Frontiers were drawn with mixed considerations in mind: ethnic, economic, strategic and historical, plus the overriding rule: "Woe to the vanquished!"

All of these considerations prescribed different frontiers, and there was hardly a mile of frontier defined anywhere which could not be challenged on at least one of these counts.

The peace treaties did more than define frontiers. They required reparations from the defeated enemy; they limited his armaments to a drastic extent; they made special arrangements for his colonies or dependent territories, and so on. In all these matters, the statesmen were subject to intense domestic pressures. More than half the M.P.s in the British House of Commons signed a telegram to Prime Minister Lloyd George urging him, in effect, to make a tough peace. It takes no imagination to perceive that the pressures in (say) France were even stronger.

AS PASSIONS began to cool, economics began to take over. The new quasi-national states created after the war acted rather as the pre-1914 states had mostly acted – they tried to make themselves economically self-sufficient by the apparatus of trade restrictions.

An interest desiring a protective tariff was usually better organised, and therefore better able to secure the ear of its government, than were the great numbers of people who stood to lose by that tariff.

Once a trade restriction was established, powerful and often disparate interests both of capital and labour grew up behind it. People feared, often correctly, that their livelihood would be destroyed if that tariff were removed.

The position, however, was a good deal worse than it had been before 1914 for there were a great many more states, and the peoples of most of those states felt more or less xenophobic nationalism towards their neighbours. Those who had fought on the German side had a deep sense of grievance; those who had fought on the Allied side had considerable fears of their neighbours' grievances. Italy contrived to feel both sentiments at once.

These sentiments, which chimed in so well with economic nationalism, were not peculiar to the Great Powers, but applied to quite small states as well. Hungary, for example, had lost territory to every one of her neighbours; Romania, by contrast, had gained territory from most of hers.

Despite the upsurge of technology, international trade stagnated. Then came the Wall Street Crash of October 1929, and the Great Depression which followed.

In the United States, unemployment was soaring even before the end of 1929. In Britain, the impact came at the start of 1930; for practically every month of that year, unemployment was not only up on the preceding month, but also showed a widening gap from the previous year.

In Germany, where unemployment was worse than in Britain, living standards, even of people who kept their jobs, began to fall. With the Slump came the great impetus to the Nazis. In the 1928 General Election, they held only a dozen seats; in 1930, they won 107.

By ROY DOUGLAS

Meanwhile, the Depression was exerting a "feedback" effect upon itself. The Republican majorities in the United States had been pledged to tariff revision; but what actually happened was sharper than anyone had anticipated. The "Smoot-Hawley" tariffs grew larger and larger as they passed through Congress, for interests who feared external competition joined together in "log-rolling" exercises. "Support my tariff on widgets, and I shall support your tariff on reciprocating sprogs!" Apologists for President Hoover have argued that the Bill which he eventually signed was not really as drastic as legend suggests.

Be that as it may, the message rang through the world that America had taken a great stride towards Protection, and there was a great rush by others to follow.

IN BRITAIN, there was a deep and involved struggle both between and within the three political parties – largely, but by no means exclusively, on the tariff issue. The question ran on from 1930, and was not even partially clarified until the National Government imposed general tariffs in 1932.

As with the United States, what mattered was not so much what happened, but what was thought to have happened. Even after 1932, Britain was one of the low-tariff countries of the world; but again the general lesson was taken that the cry was "Protection".

Even attempts to knock down trade barriers proved counter-productive. In March 1931, the German and Austrian Governments announced their intention to abolish tariffs against each other. This led to a disastrous (and perhaps deliberately-engineered) flight of French capital from the great Austrian bank, Kreditanstalt, which was soon in serious difficulties. The contagion spread to German banks as well.

All this, of course, discouraged investment and

accelerated the rise both in unemployment and in bankruptcies. In the end, the attempt at customs-union collapsed, amid general distress and disaster.

Repercussions were boundless. At the Presidential elections in the spring of 1932, nearly everybody in German politics, bar the Nazis and the Communists, clustered round the 84-year old Field Marshal Hindenberg, who was seen as the one man who could defeat the rising might of Hitler.

Hindenberg won, but this did not hold the dam. In July, with unemployment still rising fast, there was another General Election. The Nazis, who won 230 seats, had more than doubled their representation, and were this time by far the largest party in the Reichstag. They were still short of an overall majority, and actually lost a little ground at yet another General Election, in November 1932; but the die was cast.

In January 1933, Adolf Hitler became Chancellor of the German Reich. A poster of 1932 makes it very clear where the Nazi appeal had lain. A band of wretchedlooking Germans – the last people in the world we would think of as Storm Troopers – is accompanied by the

message: "Our last hope - Hitler".

From 1933 onwards, the economic conditions of many countries began slowly to improve, although there were striking exceptions. France, for example, which escaped almost unscathed through the first phase of the Depression, went into a deep dive about 1935-36. Yet the pattern of gradual, though intermittent, economic improvement which marked the middle and later 1930s coincided with the Gadarene race into war.

 1933: the Nazis consolidate their hold on Germany, and take their country out of the Disarmament Conference and the League of Nations.



 AS THE Soviet Union shows off its military hardware, the West is asked to consider this argument:

"We have used political and military instruments in dealing with the East but have neglected economic tools. This failing may be a luxury we can no longer afford ... East-West trade has security implications which

cannot be ignored ... We should have no illusions that we can, or should try to, produce fundamental changes in the Soviet system by waging economic warfare."

The words of Jack Brooks, President of the North Atlantic Assembly, speaking at the assembly's 28th annual session in London, 17.11.82.

• 1934: the murders of Roehm, Schleicher, Dollfuss, Alexander of Yugoslavia and Barthou.

 1935: Germany repudiates the disarmament clauses of Versailles; Italy invades Abyssinia.

• 1936: outbreak of the Spanish Civil War.

• 1937: Hitler and Mussolini consolidate the "Axis"; Stalin's reign of terror reaches its peak.

• 1938: the seizure of Austria, and the first stage in the destruction of Czechoslovakia.

• 1939: the end of Czechoslovakia, and the attack on Poland which triggers World War Two.

WHY DID all this happen at a time when, economically, there was apparently no "need" for it? The answer must be that although economics had played a dominant part in setting in train the course to war, the people who dominated events in that period were no longer disposed

to give primacy to economic considerations.

The fate of Czechoslovakia in 1938-39 is a fair example. The grievances, both real and imagined, of the German-speaking Sudetendeutsch along the country's western margins were felt keenly during the economic depression; for the largely industrial Sudetendeutsch suffered much more than did the largely agricultural Czechs and Slovaks. When unemployment began to dip dramatically in the Reich, the Sudetendeutsch looked with rising interest at the idea of becoming separated from Czechoslovakia and united to Germany. Economic remedies might have damped down Sudeten discontent around 1934 or 1935; they would have been completely ineffectual in 1938, as everything lurched towards Munich.

Just as politicians were not talking the language of economics to their publics in the closing months of peace, so also were they not talking the language of economics to each other. When we read the very numerous documents, originally highly secret, which statesmen of the various countries exchanged with leading political colleagues, we do not derive the impression that the vital decisions leading immediately to war were being in any way based upon economic calculations.

There is not the slightest reason for thinking that the leading Germans or Poles, Britons or French, took their countries into World War Two because they thought they would be maximising profits or minimising losses by so doing.

Economists looking at economic considerations (like Chiefs of Staff looking at military considerations, for that matter) would doubtless have urged their respective national leaders to avoid war at practically all costs, if anyone had bothered to ask their opinions.

Nor, indeed, were the statesmen themselves free agents. It is just possible, though far from certain, that Hitler might have been able to hold the invasion of Poland, had he chosen to do so. But there is abundant evidence that the political leaders of Britain, France and Poland had no control over their own countries' decisions to go to war.

So we return to our starting-point. It is right to echo the old warning: "If goods cannot cross international frontiers, armies will". It is right to say that the ultimate causes of war may usually be traced to restrictions on trade, or restrictions on access to land.

Men have real choices in history, but those choices are usually made by people who do not appreciate the implications of the decisions they are taking. By the time they are caught up in the final crises, there is usually little room for anyone to manoeuvre.

• Dr. Roy Douglas is senior lecturer at the University of Surrey. His four works on the Second World War are published by Macmillan: In the year of Munich (1977), The advent of war 1939-40 (1979), From war to Cold War 1942-48 (1981) and New Alliances 1940-41 (1982).