HISTORY 1130:
Themes in Global History: Trade, Economy, and Empires

Dr. Jari Eloranta
Professor of Comparative Economic and Business History
Appalachian State University, Department of History
Office: Anne Belk Hall, 249S (Office hours: see syllabus)
Phone: 262-6006
E-mail: elorantaj@appstate.edu
http://www.appstate.edu/~elorantaj
INTRODUCTION: Interwar Period

A. Economic Consequences of World War I

B. The Return to a Gold Standard

C. The Great Depression

D. Revolutions: Whose Afraid of Communists…

E. Military Spending and Rearmament
Germany after World War I and the Versailles Peace treaty (1919)
A. ECONOMIC CONSEQUENCES OF WORLD WAR I

Destruction
• Human: ~8.5m military deaths + 20m severely wounded; ~5m civilian deaths
• Physical: ~$150b (£31b, largely "capital" plant in France, Belgium, Poland

Cost of carrying out war
• ~$180-220b (or more)
• Up to 38% of GNP in UK, 53% in Germany

War finance
• In UK, 1/3 by taxes, elsewhere less \( \rightarrow \) domestic and foreign debt
• Inter-Allied debt
  Earlier: ~$7.5 b lent by UK (later owed half that to US)
  ~$2.5 b by France (later owed about same to UK, US)
• Later: ~$10 b by US (incl. $2 b post-war)
• Issue of repayment

  • Printing of money (central banks bought bonds with new money)
    Result: inflation, during and after war
    • Price level rise: US 2.5x, UK 3x, F 5.5x, Germany >15x, ...
  • Result: realigned exchange rates (floating exchange rates)
    • End of gold convertibility (except for US)
    • £ down ~25% vs. $; other currencies down over 50% vs. $

Economic dislocation
• Shift of resources in mobilisation / demobilisation:
  Huge investments in shipbuilding and other asset-specific industries,
  resulting in excess capacity afterward
• Loss of foreign investment positions
  • UK lost 15% in paying for imports for war, vs. earlier growth trend
    • Loss of inv income made balance of payments more difficult
  • France lost 50%—half of it in Russia’s default / confiscation
    • External war debts a burden—but expected reparations from GER
  • Germany lost most foreign investment, became net debtor
    • Assets confiscated by victors; continuing reparations burden
• US emerged as net creditor: shift from ~$3b to + $4.5b, plus war loans
  • US henceforth the main source of international lending
  • New York rivalled London as centre of international finance
But US not take up England’s formal role as “conductor”

- Loss of traditional markets for manufacturing exports
  - British m. exports down 50% during war; Germany’s essentially halted
  - US firms captured much of traditional UK/Gn market in Latin America
  - Japanese firms did so in Asia (even India)
  - New domestic industry arose in Latin America, India, rest of Asia
  - US nearly self-sufficient in goods formerly imported from Europe
    E.g., dye industry replaced imports from Germany

- General increase in protectionism / economic nationalism
  - US protectionist tariff 1921/22: highest level ever (until 1930)
  - UK 1921 “temporary” Safeguarding of Industry Act—free trade end

- New competing suppliers in global agricultural markets
  - Wartime demands and supply disruptions (e.g. for Russian wheat) stimulated new production in US, Canada, Australia, Argentina, ... of wheat, other grains, meat, sugar, ...
  - When old supply resumed, worldwide overcapacity sank prices

Economic consequences of the peace settlement

- Shifting of borders / breaking up of four empires
  - Habsburg Empire (Austria-Hungary) → Austria, Hungary, Czechoslovakia, parts of Yugoslavia, Rum, Pol
  - Russian Empire → Poland reborn, Lithuania, Latvia, Estonia, Finland
  - In both, “free-trade areas” broken up
    Central European “nation building”: economic nationalism, tariffs
    Czechoslovakia had been industrial heartland of Habsburg realm
    Poland lost traditional markets in Russia
  - German “empire” lost much of Prussia/Silesia to Poland;
    Alsace-Lorraine back to France (as pre-1871); Saarland occupied
    Much of mineral resources lost; 3/4 iron ore, 1/3 coal, ...
  - Ottoman (Osmanli) Empire

- German reparations
  - Treaty of Versailles, 1919, war-guilt clause → pay damages + expenses
  - Historical context: French indemnity to Germany after 1870/71
    5 b gold francs, ~1/3 French annual GDP
    Paid quickly (raised by borrowing)
  - Amount fixed in 1921: 132b gold marks = $31b = £6.5b, ~3 years GDP
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

• Much already taken in kind: 5,000 locomotives, 150,000 railway cars, foreign investment in Allied countries, merchant ships, lorries, ...

Domestic political environment

• Democratisation
  Extension of franchise, recognition of labour unions, inclusion of labour / social democratic parties in government

• Permanent increased scale of government role in economy
  Veterans’ benefits; pensions, health care, housing
  Unemployment insurance and relief
  Debts for war and reconstruction

• Conflict over division of new tax burden; difficulty in balancing budgets

• (Radicalisation: Communist and right-wing movements in central Europe)

International political environment affecting economic cooperation

• Increased domestic political pressures for economic / monetary policy

• Disagreements and differences of interest over war-related payments:
  • UK, Belgium, others willing to forego reparations if debts cancelled
    War debts had been regarded as formality, to be cancelled
  • France wanted debts cancelled, but still wanted reparations:
    “The Hun will pay”
  • US wanted debts repaid: “They hired the money, didn’t they?”
  • German resentment over reparations (and war guilt)

Some after-effects of the war

• Most industrial countries:
  • Boom and inflation ended with severe recession and deflation, spring 1920 – summer 1921
  • Result of highly contractionary monetary policy:
    First US raised interest rates to stop gold losses, then other countries raised rates as defensive measure
  • Price fall seen as partial correction of inflation since 1913
  • Deflation and recession ended quickly when monetary policy eased

• German hyperinflation of 1922-23 — and reparations
  (Lesser degree of hyperinflation in Austria, Hungary, Poland, Russia)
  • German prices rose 50%/month in summer 1922,
    100%/month summer 1923,
    1000%/month autumn 1923—doubling about every week
By November 1923, price level 1,000,000,000,000 x level of 1913

- **Essential reason:** MV=PY, M→P
  - Monetization of budget deficit;
  - Reichstag could not agree on whom to tax to pay reparations
- After Germany fell behind in reparations payments in 1922, France and Belgium occupied Ruhr industrial region (early 1923) to coerce and collect in-kind payments. Germans conducted passive resistance, funded by government by printing more money. Eventually the costs of inflation proved greater than costs of reparations, and Germany agreed to resume payments.
- **Some effects of hyperinflation:**
  - Benefits debtors at expense of creditors
  - Real value of assets remains, so equity investments do well
  - Real tax collections fall, as payers delay payment
  - Increases transactions costs of living, as people avoid holding money very long (velocity of circulation rises)
  - Eventually, transactions costs and uncertainty disrupt investment, exports, and other economic activities
  - German experience caused lasting abhorrence of inflation
- Reform in November 1923: new mark, balanced budget
- 1924 Dawes Plan offered long-term restructuring of reparations payments—financed by loans (50% US, 25% UK)
  - This marked the beginning of a circular pattern of fund flows:
    - US loans to Germany → German reparations payments to F, B, UK → war-loan repayments among Europeans and to US

### B. THE RETURN TO A GOLD STANDARD

- Gold standard was valued as a means for stability, promoting prosperity
  - Domestic stability: guarantee against inflation
  - International stability: fixed exchange rates
- Expectation of early return after end of war—but it took most of a decade

#### The issues of parity and reserves

- **Common view:** Pre-war “parity” (gold content of a currency) required for stability and credibility. Currency was regarded as substitute for commodity money. If a country re-valued its currency, it would re-value its debts as well. It would also not be trusted not to revalue again in future.

- **Problem:** Inflation since 1913. “Real” values of currencies had fallen.
  - The essential problem was each country’s price level relative to US—the only country still on gold standard.
  - After 1921, US price level was ~60% above 1913. Other countries needed to match this in order to reach their old exchange rate with S—and thus with gold
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

- This was totally impossible for countries that had continued inflation after 1920. Six major countries were able to control inflation and then “deflate” enough to achieve their traditional gold parities.

- Reserves: Given US inflation and economic growth, existing gold had to “stretch” 60%+ further to provide sufficient reserves. This was done by ending use of gold coins (except in US) and by greatly increasing use of foreign exchange as reserves, as a substitute for gold. Hence system was called the “gold exchange” standard.

How countries returned to gold

- Britain the leader. Suspension of gold payments was set to expire in 1925, and postponement would have been a major embarrassment. Restrictive monetary policy brought deflation; £ rose against $ in markets. Cost of deflation: Slow growth and high unemployment. Deflation incomplete: £ ~10% overvalued. Result: British goods less competitive; balance-of-payments problems.

- Return to traditional parities caused severe recession in Denmark, Norway

- Return to old parities relatively easy for Sweden, Netherlands, Switzerland

- France and Belgium both suffered continuing inflation as result of budget deficits, due to inability to decide who should pay higher taxes for increased scale of government. Crisis eventually led to agreement. It was then possible to stabilise money supply, price level, and exchange rates, and then return to gold convertibility at new parities. French frank was undervalued, making French exports competitive and leading to constant gold inflows. (Thus France did much better than Britain, which paid a price to restore traditional parity. Keynes’ comment: “Surely it does not pay to be good”)

- Other countries: see table

The “rules of the game”—and strains on the system

- Policymakers in 1920s had a concept of “rules of the game” for how a gold standard should operate. The basic rule was that central banks should increase money supply M if gold flowed in; decrease M if gold flowed out. This would facilitate the “price-specie flow” mechanism (as well as mechanisms involving interest rates and capital flows).

- However, both US and France accumulated gold without increasing M; they “sterilised” gold inflows by decreasing other monetary reserves.
US did so because it regarded gold inflow as temporary result of Europe’s problems, and it wanted to insulate US economy from such influence. Thus both countries put domestic policy goals ahead of stability of international system.

- Result: US and France accumulated 60% of world’s gold by 1931, starving the rest of the world of gold reserves.

**C. THE GREAT DEPRESSION / “GREAT SLUMP”**

**Overview of the downturn**
- After widespread prosperity from early 1920s to 1929 (but persistent problems in Britain and some other countries)

- Then worldwide downturn 1932—or later in some countries — [see e.g. Maddison 1 World production and prices World trade volume (real values) Experience by country (worst in North America; in Europe, worst in Gy)

**Key questions**

**Proposed explanations of the Great Depression—overview & evaluation**

* A really satisfactory explanation has been the “holy grail” of macroeconomics and economic history

- *Failure of the market economy—at least in its 1920s/30s US version*

1. Crisis of under-consumption / over-production
2. Speculative excess, especially in United States: stock market, land
   (Some truth—but the strong rise in stock prices reflected rises in earnings and
dividends until early 1928; thereafter there was a “bubble” on top of the boom. It
was also unrealistic for people to expect earnings to keep growing at the rates they
did in the years leading up to 1929)

3. US stock-market crash of October 24 and 29, 1929 (“Black Thursday” and

4. Exhaustion of long-term growth cycle, added to downswing in normal medium-
   and short-term business cycles (J. Schumpeter)
   (Evidence for long-term cycles is highly doubtful. Normal business cycles are much
   milder than the Depression.)

5. Slowdown in US construction boom after 1926, after a large increase in stock of
   housing and business property saturated the market
   (True. This was the first sector of US economy to begin a decline)

6. Saturation of markets for durable consumer goods
   (More doubtful. Still, people who already owned an old car found it easier to
postpone buying a new one—see 3b)
   - Failure of economic policy

7. Monetary policy: Restrictive, mismanaged money supply turned a mild recession
   into a major depression (Friedman and Schwartz)
   (Some truth—but MP alone does not explain magnitude of decline)

8. Trade policy: US Smoot-Hawley tariff of 1930 led to rounds of retaliation that
   severely affected economies that were most dependent on exports
   (Clearly part of the reason for intensification and spread of Depression.)
9. Lack of international leadership and cooperation in maintaining the gold standard: No “lender of last resort” in sharing reserves with countries in financial crisis. Departures from gold standard led to “competitive depreciations” with “beggar thy neighbour” effects, ultimately helping no one. (Kindleberger) (Some truth to leadership/lending.)

10. The gold standard itself: It forced countries to follow deflationary monetary policies (Eichengreen). Countries had to raise interest rates and reduce money supply in order to avoid losing reserves. (The best evidence for this is that each country began its recovery from the Depression when it went off the gold standard and began expanding its money supply.)

11. Unsustainable system of international payments: Germany’s reliance on international borrowing to repay reparations; some other countries’ dependence on borrowing for other purposes; France’s and US’s accumulation of gold

Recent consensus view (includes 3b + 5 + 7 + 8 + parts of 9 + 10 + 11):

- In early 1928, the US central bank (Federal Reserve) raised interest rates for two reasons—to slow down borrowing used for speculative purchases in the stock market, and to slow the outflow of gold to France.

- The first big effect of this was to encourage US investors to invest in US rather than foreign markets. The sharp reduction in foreign lending led to the beginning of recession in Germany and other countries dependent on borrowing. This explains the early downturn in those countries.

- It took longer for higher US interest rates to slow down the domestic economy (and stock speculation), but in 1929 it did so. Lower company earnings led to a dramatic shift in investor expectations, leading to market crash. The (so far mild) recession plus the stock market crash led to decline in consumer confidence and thus in purchases of durable goods, deepening the recession.

- US depression was deepened by continued restrictive money supply and also by a sharp decline in business investment, as firms responded to low demand for their products.

- The depression developed in other countries because they had to raise their own interest rates to prevent loss of reserves—that is, to main the convertibility of their currencies to reserves and gold. Many central bankers believed that expansionary
monetary policy would not help anyway. They saw monetary stability, not expansion, as the key to recovery. (This was the ideology of the gold standard.)

- Nominal prices and wages fell as a result of unsold goods and unemployed labour. But wages fell less than prices—they were “downward inflexible”. Thus “real” wages rose, leading firms to cut back further on employment.

- 1930 US Smoot-Hawley tariff and retaliation made things worse all around.

- Banking crises and the collapse of the gold standard system:
  - In spring 1931, Austria’s large Credit-Anstalt bank became insolvent. The central bank used up much of its own reserves to support the bank as foreign depositors withdrew their funds.
  - June/July: “Contagion” effect spread to Germany, where one bank’s failure led to large withdrawals by foreign depositors, leading to large loss of gold reserves by central bank. Germany, like Austria, ended free convertibility of currency to gold—but did not devalue.
  - August/September: Contagion effect spread to Britain. Large conversions of £ to gold forced Britain to end convertibility, going off the gold standard entirely. Value of £ soon declined 1/3 vs. $.
  - September/October: Contagion effect spread to US. Federal Reserve Bank (“Fed”) lost much gold, but by raising interest rates it stopped outflow of gold and maintained convertibility. But the high interest rates deepened the US Depression, and Fed did not have sufficient reserves to help private banks that failed at this time. Bank failures caused further disruption. (As in Germany and Austria, this shows that there was a conflict between using gold reserves for domestic stability and using them to maintain the gold standard.)

- Meanwhile, 23 countries soon followed Britain in leaving the gold standard. The value of all their currencies went down against $ and gold. Several of these countries continued to align their countries’ currency values with the £ for stability—forming the “sterling area”

- The US and the European “gold bloc” (France, Belgium, Netherlands, Switzerland, Italy, Poland) stayed with gold standard for a few years.

- Germany, Austria, Hungary, Czechoslovakia, and several other countries remained formally on gold standard—not depreciating their currency—but they restricted convertibility and implemented “exchange controls”

- The countries that left the gold standard were now free to set independent monetary policies—they no longer had to keep interest rates high to avoid losing gold. After some hesitation, they discovered that expansionary monetary policies brought economic recovery.
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

• Recovery was delayed in the countries that kept the gold standard. Indeed, the Depression only really began in France when other countries left the gold standard and depreciated their currencies in 1931, ending the relative undervaluation of the franc. Eventually the gold bloc countries were forced to give up the gold standard, and then their recovery began. France was the last holdout in 1936.

• In Germany, the Depression was severe and prolonged in part because Germany’s obligations to pay reparations limited its independence in economic policy. The depression led to political radicalisation and the coming to power of Hitler in January 1933. Hitler reduced unemployment by making it illegal—and through a public works program (e.g., building Autobahns) and, later, rearmament in preparation for war. His policies also aimed toward reducing Germany’s dependence on imports from potential enemies.

• US recovery began when Franklin Roosevelt became president in March 1933 and took the US off the gold standard. However, recovery was slow due to the Roosevelt Administration’s counterproductive “New Deal” policy of raising prices and real wages, which prevented markets from reaching full-employment equilibrium. Full recovery came with entry into WW II.

The Depression in the Periphery

• Producers of primary products / raw materials / commodities were hurt by (i) cut-off of new lending—and the obligation to repay outstanding loans, (ii) severe drop in world demand for—and prices of—commodities, and (iii) new tariffs and other import barriers (except in cases of colonies with imperial preference)

• This led to forced defaults on debt (and departures from gold standard)

• Some countries, particularly in Latin America, introduced “reactive policies” including exchange controls (limiting funds for imports or repatriation of earnings by foreign companies), trade barriers, and expansionary monetary policy. Results were generally positive.

• Several countries (e.g. Brazil, Egypt) had notable structural change: decline in primary production together with high growth rates for import-substituting industries.
QUESTIONS FOR DEBATE:

Did the New Deal pull the USA out of the Depression?

And, what impact has the current stimulus program had on economic Recovery? Any parallels?
The Dust Bowl was a period of severe dust storms causing major ecological and agricultural damage to American and Canadian prairie lands from 1930 to 1936 (in some areas until 1940). The phenomenon was caused by severe drought coupled with decades of extensive farming without crop rotation, fallow fields, cover crops or other techniques to prevent erosion. Deep plowing of the virgin topsoil of the Great Plains had displaced the natural grasses that normally kept the soil in place and trapped moisture even during periods of drought and high winds.

http://en.wikipedia.org/wiki/Dust_Bowl
D. Revolutions: Whose Afraid of Communists…

<table>
<thead>
<tr>
<th>Timeline of the Russian Revolution(s)</th>
</tr>
</thead>
</table>
## Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

### 20th Century Mortacracies

<table>
<thead>
<tr>
<th>Mortacracies</th>
<th>Democide Level</th>
<th>Years</th>
<th>Democide Total (000)</th>
<th>(000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEKA-MEGAMURDERER</td>
<td>1900-87</td>
<td>Millions</td>
<td>219,634</td>
<td></td>
</tr>
<tr>
<td>China (PRC)</td>
<td>1949-87</td>
<td>76,702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.S.R</td>
<td>1917-87</td>
<td>61,911</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colonialism</td>
<td></td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1933-45</td>
<td>20,946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China (KMT)</td>
<td>1928-49</td>
<td>10,075</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEGAMURDERER</td>
<td>1900-87</td>
<td></td>
<td>19,180</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1936-45</td>
<td>5,964</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China (Mao Soviets)</td>
<td>1923-48</td>
<td>3,468</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>1975-79</td>
<td>2,035</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>1909-18</td>
<td>1,883</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>1945-87</td>
<td>1,670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>1945-46</td>
<td>1,585</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>1958-87</td>
<td>1,503</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yugoslavia (Tito)</td>
<td>1944-87</td>
<td>1,072</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEGAMURDERER?</td>
<td>1900-87</td>
<td></td>
<td>4,145</td>
<td></td>
</tr>
<tr>
<td>North Korea</td>
<td>1948-87</td>
<td>1,663</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>1900-20</td>
<td>1,417</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>1900-17</td>
<td>1,065</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CENTI-KILOMURDERERS</td>
<td>1900-87</td>
<td></td>
<td>14,918</td>
<td></td>
</tr>
<tr>
<td>TOP 5</td>
<td>1900-87</td>
<td></td>
<td>4,074</td>
<td></td>
</tr>
<tr>
<td>China (Warlords)</td>
<td>1917-49</td>
<td>910</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey (Ataturk)</td>
<td>1919-23</td>
<td>878</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1900-87</td>
<td>816</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal (Dictatorship)</td>
<td>1926-82</td>
<td>741</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>1965-87</td>
<td>729</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1900-00</td>
<td>10,844</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LESSER MURDERERS</td>
<td>1900-87</td>
<td></td>
<td>2,792</td>
<td></td>
</tr>
</tbody>
</table>

**World Total**

| 1900-87 | 260,669 |
| 1987-99 | 1,331 |
| 1900-99 | 262,000 |
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period
TABLE 8.1
PRC DEMOCIDE 1949–1987 [1]

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>YEARS</th>
<th>DEATH RATES % WAR/REV.</th>
<th>[000]</th>
<th>PERIOD</th>
<th>ANNUAL</th>
<th>[000]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totalitarianism</td>
<td>1949–53</td>
<td>8,427</td>
<td>1.48</td>
<td>0.35</td>
<td>2.785</td>
<td></td>
</tr>
<tr>
<td>Collectivization</td>
<td>1954–58</td>
<td>7,474</td>
<td>1.21</td>
<td>0.24</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Retrenchment</td>
<td>1959–63</td>
<td>10,729</td>
<td>1.63</td>
<td>0.33</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Cultural Revolution</td>
<td>1964–75</td>
<td>7,731</td>
<td>0.96</td>
<td>0.08</td>
<td>563</td>
<td></td>
</tr>
<tr>
<td>Liberalization</td>
<td>1976–87</td>
<td>874</td>
<td>0.09</td>
<td>0.01</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1949–87</td>
<td>35,236</td>
<td>4.49</td>
<td>0.12</td>
<td>3,440</td>
<td></td>
</tr>
</tbody>
</table>

1. Totals may be off due to rounding. Figures from Appendix II.A.

Selected Pre-20th Century Democide and Totals

<table>
<thead>
<tr>
<th>Selected Cases</th>
<th>Years</th>
<th>Democide (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In China</td>
<td>2218 C.-19 C.</td>
<td>33,519</td>
</tr>
<tr>
<td>By Mongols</td>
<td>14 C-15 C</td>
<td>29,927</td>
</tr>
<tr>
<td>Slavery of Africans</td>
<td>1451-1870</td>
<td>17,267</td>
</tr>
<tr>
<td>Of Amer-Indians</td>
<td>16 C-19 C</td>
<td>13,778</td>
</tr>
<tr>
<td>Thirty Years War</td>
<td>1618-1648</td>
<td>5,750</td>
</tr>
<tr>
<td>In India</td>
<td>13 C-19C</td>
<td>4,511 Low</td>
</tr>
<tr>
<td>In Iran</td>
<td>5 C-19 C</td>
<td>2,000 Low</td>
</tr>
<tr>
<td>In Ottoman Empire</td>
<td>12 C-19 C</td>
<td>2,000 Low</td>
</tr>
<tr>
<td>In Japan</td>
<td>1570-19 C</td>
<td>1,500 Low</td>
</tr>
<tr>
<td>In Russia</td>
<td>10 C-19 C</td>
<td>1,007 Low</td>
</tr>
<tr>
<td>Christian Crusades</td>
<td>1095-1272</td>
<td>1,000 Low</td>
</tr>
<tr>
<td>By Aztecs</td>
<td>Centuries</td>
<td>1,000 Low</td>
</tr>
<tr>
<td>Spanish Inquisition</td>
<td>16 C-18 C</td>
<td>350</td>
</tr>
<tr>
<td>French Revolution</td>
<td>1793-1794</td>
<td>263</td>
</tr>
<tr>
<td>Albigenian Crusade</td>
<td>1208-1249</td>
<td>200</td>
</tr>
<tr>
<td>Witch Hunts</td>
<td>15 C-17 C</td>
<td>100</td>
</tr>
<tr>
<td>Total All Cases</td>
<td>pre-20 C</td>
<td>133,147</td>
</tr>
<tr>
<td>Hypothetical Total</td>
<td>30 C B.C.-19 C</td>
<td>625,716</td>
</tr>
<tr>
<td>Inter1 war dead</td>
<td>30 C B.C.-19 C</td>
<td>40,457</td>
</tr>
<tr>
<td>Plague: Black Death</td>
<td>541 A.D.-1912</td>
<td>102,070</td>
</tr>
</tbody>
</table>

VIETNAM WAR DEAD AND DEMOCIDE 1945–1987

<table>
<thead>
<tr>
<th>TYPE OF KILLING</th>
<th>FROM</th>
<th>TO</th>
<th>DEAD (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAR/REBELLION</td>
<td>1945</td>
<td>1987</td>
<td>2,510</td>
</tr>
<tr>
<td>Indochina War</td>
<td>1945</td>
<td>1954</td>
<td>512</td>
</tr>
<tr>
<td>Vietnam War</td>
<td>1960</td>
<td>1975</td>
<td>1,747</td>
</tr>
<tr>
<td>N. Viet./Y.Cong</td>
<td>1960</td>
<td>1975</td>
<td>1,052</td>
</tr>
<tr>
<td>S. Vietnam</td>
<td>1960</td>
<td>1975</td>
<td>604</td>
</tr>
<tr>
<td>DEMOCIDE</td>
<td>1945</td>
<td>1987</td>
<td>1,813</td>
</tr>
<tr>
<td>By North Vietnam</td>
<td>1945</td>
<td>1987</td>
<td>1,669</td>
</tr>
<tr>
<td>Domestic</td>
<td>1945</td>
<td>1987</td>
<td>944</td>
</tr>
<tr>
<td>Foreign</td>
<td>1945</td>
<td>1987</td>
<td>725</td>
</tr>
<tr>
<td>in S. Vietnam</td>
<td>1954</td>
<td>1975</td>
<td>184</td>
</tr>
<tr>
<td>in Cambodia</td>
<td>1970</td>
<td>1987</td>
<td>461</td>
</tr>
<tr>
<td>in Laos</td>
<td>1975</td>
<td>1987</td>
<td>87</td>
</tr>
<tr>
<td>other</td>
<td>1945</td>
<td>1987</td>
<td>13</td>
</tr>
<tr>
<td>By South Vietnam</td>
<td>1954</td>
<td>1975</td>
<td>90</td>
</tr>
<tr>
<td>Domestic</td>
<td>1954</td>
<td>1975</td>
<td>89</td>
</tr>
<tr>
<td>Foreign</td>
<td>1970</td>
<td>1973</td>
<td>1</td>
</tr>
<tr>
<td>By Others</td>
<td>1945</td>
<td>1987</td>
<td>54</td>
</tr>
<tr>
<td>United States</td>
<td>1960</td>
<td>1972</td>
<td>6</td>
</tr>
<tr>
<td>Cambodia</td>
<td>1975</td>
<td>1979</td>
<td>35</td>
</tr>
<tr>
<td>South Korea</td>
<td>1965</td>
<td>1973</td>
<td>3</td>
</tr>
<tr>
<td>France</td>
<td>1945</td>
<td>1954</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL DOMESTIC</td>
<td></td>
<td></td>
<td>3,761</td>
</tr>
<tr>
<td>DEAD</td>
<td>1945</td>
<td>1987</td>
<td></td>
</tr>
</tbody>
</table>
So, do communism and violent, authoritarian form of government go hand-in-hand?
E. Military Spending and Rearmament

- For most countries the period leading to the First World War meant comparatively higher military burdens. The United States, the new economic leader, incurred a meager 0.7 per cent average military burden, similar to the interwar period. In the First World War (1914—1918), this military potential was unleashed in Europe, with a war of attrition causing immense suffering and property damage amounting to perhaps 36 billion USD. After the war, especially in the 1920s, public spending in most countries was plagued by budgetary immobility. However, although the defense shares of democracies dropped noticeably, their respective military burdens stayed either at similar levels as before or actually increased — for example, the French military burden rose to a mean level of 7.2 per cent. Also, the British mean defense share dropped to 18.0 per cent, yet the average military burden actually increased, despite efforts to cut military spending. For these countries, the mid-1930s marked the beginning of rearmament, although their authoritarian challengers had begun earlier. Hitler’s Germany increased its military burden from 1.6 per cent in 1933 to 18.9 in 1938, a rearmament program promising both “guns and butter”. Mussolini’s efforts in Italy were less successful, producing a military burden of only four to five per cent in the 1930s. The Japanese rearmament drive was the most extensive, amassing a military burden as high as 22.7 per cent in 1938.
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

Figure 24. Military Burdens of Denmark, Finland, France, and the UK, 1920—1938

Sources: see Appendices, Appendix 2 for details.
Lecture 21: The Breakdown of the Liberal World Order, 1913-1950 2: The Interwar Period

Figure 25. Military Burdens of Germany, Italy, Japan, and Russia/USSR, 1920—1938

Sources: see Appendices, Appendix 2 for details.
Note: the data of these countries are less robust than the eleven; see Chapter 1 and Appendices, Appendix 2.
QUESTIONS, in writing:
ANY QUESTIONS ON TODAY’S LECTURE? ANYTHING ELSE?