

ECONOMIC CHANGE AND
MILITARY CONFLICT
FROM 1500 TO 2000

THE RISE AND FALL OF THE GREAT POWERS

PAUL
KENNEDY



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**Economic Change
and Military Conflict
from 1500 to 2000**

BY PAUL KENNEDY



**Random House
New York**

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Published in the United States by Random House, Inc.,
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Library of Congress Cataloging-in-Publication Data

Kennedy, Paul M., 1945-
The rise and fall of the great powers.

Includes index.

1. History, Modern. 2. Economic history.
3. Military history, Modern. 4. Armaments—Economic
aspects. 5. Balance of power. I. Title.
D210.K46 1988 909.82 87-9690
-

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BOMR, Camp Hill, PA 17012.

Book design by Charlotte Staub
Maps by Jean Paul Tremblay

Manufactured in the United States of America

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Strategy and Diplomacy 1860–1945

To Cath

Acknowledgments

Whatever the weaknesses of this book, they would have been far greater without the kind help of friends. J. R. Jones and Gordon Lee went through the entire manuscript, asking questions all the way. My colleague Jonathan Spence endeavored (I fear with only partial success) to curb the cultural assumptions which emerged in the first two chapters. John Elliott was encouraging about Chapter 2, despite its being very evidently "not my period." Paddy O'Brien and John Bosher sought to make my comments on eighteenth-century British and French finance a little less crude. Nick Rizopoulos and Michael Mandelbaum not only scrutinized the later chapters, but also invited me to present my ideas at a series of meetings at the Lehrman Institute in New York. Many, many scholars have heard me give papers on subthemes in this book, and have provided references, much-needed criticism, and encouragement.

The libraries and staffs at the universities of East Anglia and Yale were of great assistance. My graduate student Kevin Smith helped me in the search for historical statistics. My son Jim Kennedy prepared the maps. Sheila Klein and Sue McClain came to the rescue with typing and word processing, as did Maarten Pereboom with the bibliography. I am extremely grateful for the sustained support and encouragement which my literary agent, Bruce Hunter, has provided over the years. Jason Epstein has been a firm and patient editor, repeatedly getting me to think of the general reader—and also recognizing earlier than the author did how demanding it would be to deal with themes of this magnitude.

My family has provided support and, more important still, light relief. The book is dedicated to my wife, to whom I owe so much.

Paul Kennedy
Hamden, Connecticut, 1986

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Introduction

This is a book about national and international power in the “modern”—that is, post-Renaissance—period. It seeks to trace and to explain how the various Great Powers have risen and fallen, relative to each other, over the five centuries since the formation of the “new monarchies” of western Europe and the beginnings of the transoceanic, global system of states. Inevitably, it concerns itself a great deal with wars, especially those major, drawn-out conflicts fought by coalitions of Great Powers which had such an impact upon the international order; but it is not strictly a book about military history. It also concerns itself with tracing the changes which have occurred in the global economic balances since 1500; and yet it is not, at least directly, a work of economic history. What it concentrates upon is the *interaction* between economics and strategy, as each of the leading states in the international system strove to enhance its wealth and its power, to become (or to remain) both rich and strong.

The “military conflict” referred to in the book’s subtitle is therefore always examined in the context of “economic change.” The triumph of any one Great Power in this period, or the collapse of another, has usually been the consequence of lengthy fighting by its armed forces; but it has also been the consequence of the more or less efficient utilization of the state’s productive economic resources in wartime, and, further in the background, of the way in which that state’s economy had been rising or falling, *relative* to the other leading nations, in the decades preceding the actual conflict. For that reason, how a Great Power’s position steadily alters in peacetime is as important to this study as how it fights in wartime.

The argument being offered here will receive much more elaborate analysis in the text itself, but can be summarized very briefly:

The relative strengths of the leading nations in world affairs never remain constant, principally because of the uneven rate of growth among different societies and of the technological and organizational breakthroughs which bring a greater advantage to one society than to

another. For example, the coming of the long-range gunned sailing ship and the rise of the Atlantic trades after 1500 was not *uniformly* beneficial to all the states of Europe—it boosted some much more than others. In the same way, the later development of steam power and of the coal and metal resources upon which it relied massively increased the relative power of certain nations, and thereby decreased the relative power of others. Once their productive capacity was enhanced, countries would normally find it easier to sustain the burdens of paying for large-scale armaments in peacetime and of maintaining and supplying large armies and fleets in wartime. It sounds crudely mercantilistic to express it this way, but wealth is usually needed to underpin military power, and military power is usually needed to acquire and protect wealth. If, however, too large a proportion of the state's resources is diverted from wealth creation and allocated instead to military purposes, then that is likely to lead to a weakening of national power over the longer term. In the same way, if a state overextends itself strategically—by, say, the conquest of extensive territories or the waging of costly wars—it runs the risk that the potential benefits from external expansion may be outweighed by the great expense of it all—a dilemma which becomes acute if the nation concerned has entered a period of relative economic decline. The history of the rise and later fall of the leading countries in the Great Power system since the advance of western Europe in the sixteenth century—that is, of nations such as Spain, the Netherlands, France, the British Empire, and currently the United States—shows a very significant correlation *over the longer term* between productive and revenue-raising capacities on the one hand and military strength on the other.

The story of “the rise and fall of the Great Powers” which is presented in these chapters may be briefly summarized here. The first chapter sets the scene for all that follows by examining the world around 1500 and by analyzing the strengths and weaknesses of each of the “power centers” of that time—Ming China; the Ottoman Empire and its Muslim offshoot in India, the Mogul Empire; Muscovy; Tokugawa Japan; and the cluster of states in west-central Europe. At the beginning of the sixteenth century it was by no means apparent that the last-named region was destined to rise above all the rest. But however imposing and organized some of those oriental empires appeared by comparison with Europe, they all suffered from the consequences of having a centralized authority which insisted upon a uniformity of belief and practice, not only in official state religion but also in such areas as commercial activities and weapons development. The lack of any such supreme authority in Europe and the warlike rivalries among its various kingdoms and city-states stimulated a constant search for military improvements, which interacted fruitfully with the newer technological and commercial advances that were also

being thrown up in this competitive, entrepreneurial environment. Possessing fewer obstacles to change, European societies entered into a constantly upward spiral of economic growth and enhanced military effectiveness which, over time, was to carry them ahead of all other regions of the globe.

While this dynamic of technological change and military competitiveness drove Europe forward in its usual jostling, pluralistic way, there still remained the possibility that one of the contending states might acquire sufficient resources to surpass the others, and then to dominate the continent. For about 150 years after 1500, a dynastic-religious bloc under the Spanish and Austrian Habsburgs seemed to threaten to do just that, and the efforts of the other major European states to check this "Habsburg bid for mastery" occupy the whole of Chapter 2. As is done throughout this book, the strengths and weaknesses of each of the leading Powers are analyzed *relatively*, and in the light of the broader economic and technological changes affecting western society as a whole, in order that the reader can understand better the outcome of the many wars of this period. The chief theme of this chapter is that despite the great resources possessed by the Habsburg monarchs, they steadily overextended themselves in the course of repeated conflicts and became militarily top-heavy for their weakening economic base. If the other European Great Powers also suffered immensely in these prolonged wars, they managed—though narrowly—to maintain the balance between their material resources and their military power better than their Habsburg enemies.

The Great Power struggles which took place between 1660 and 1815, and are covered in Chapter 3, cannot be so easily summarized as a contest between one large bloc and its many rivals. It was in this complicated period that while certain former Great Powers like Spain and the Netherlands were falling into the second rank, there steadily emerged five major states (France, Britain, Russia, Austria, and Prussia) which came to dominate the diplomacy and warfare of eighteenth-century Europe, and to engage in a series of lengthy coalition wars punctuated by swiftly changing alliances. This was an age in which France, first under Louis XIV and then later under Napoleon, came closer to controlling Europe than at any time before or since; but its endeavors were always held in check, in the last resort at least, by a combination of the other Great Powers. Since the cost of standing armies and national fleets had become horrendously great by the early eighteenth century, a country which could create an advanced system of banking and credit (as Britain did) enjoyed many advantages over financially backward rivals. But the factor of geographical position was also of great importance in deciding the fate of the Powers in their

many, and frequently changing, contests—which helps to explain why the two “flank” nations of Russia and Britain had become much more important by 1815. Both retained the capacity to intervene in the struggles of west-central Europe while being geographically sheltered from them; and both expanded into the *extra*-European world as the eighteenth century unfolded, even as they were ensuring that the continental balance of power was upheld. Finally, by the later decades of the century, the Industrial Revolution was under way in Britain, which was to give that state an enhanced capacity both to colonize overseas and to frustrate the Napoleonic bid for European mastery.

For an entire century after 1815, by contrast, there was a remarkable absence of lengthy coalition wars. A strategic equilibrium existed, supported by all of the leading Powers in the Concert of Europe, so that no single nation was either able or willing to make a bid for dominance. The prime concerns of government in these post-1815 decades were with domestic instability and (in the case of Russia and the United States) with further expansion across their continental landmasses. This relatively stable international scene allowed the British Empire to rise to its zenith as a global power, in naval and colonial and commercial terms, and also interacted favorably with its virtual monopoly of steam-driven industrial production. By the second half of the nineteenth century, however, industrialization was spreading to certain other regions, and was beginning to tilt the international power balances away from the older leading nations and toward those countries with both the resources and organization to exploit the newer means of production and technology. Already, the few major conflicts of this era—the Crimean War to some degree but more especially the American Civil War and the Franco-Prussian War—were bringing defeat upon those societies which failed to modernize their military systems, and which lacked the broad-based industrial infrastructure to support the vast armies and much more expensive and complicated weaponry now transforming the nature of war.

As the twentieth century approached, therefore, the pace of technological change and uneven growth rates made the international system much more unstable and complex than it had been fifty years earlier. This was manifested in the frantic post-1880 jostling by the Great Powers for additional colonial territories in Africa, Asia, and the Pacific, partly for gain, partly out of a fear of being eclipsed. It also manifested itself in the increasing number of arms races, both on land and at sea, and in the creation of fixed military alliances, even in peacetime, as the various governments sought out partners for a possible future war. Behind the frequent colonial quarrels and international crises of the pre-1914 period, however, the decade-by-decade indices of economic power were pointing to even more fundamental shifts in the global balances—indeed, to the eclipse of what had been, for over three centu-

ries, essentially a *Eurocentric* world system. Despite their best efforts, traditional European Great Powers like France and Austria-Hungary, and a recently united one like Italy, were falling out of the race. By contrast, the enormous, continent-wide states of the United States and Russia were moving to the forefront, and this despite the inefficiencies of the czarist state. Among the western European nations only Germany, possibly, had the muscle to force its way into the select league of the future world Powers. Japan, on the other hand, was intent upon being dominant in East Asia, but not farther afield. Inevitably, then, all these changes posed considerable, and ultimately insuperable, problems for a British Empire which now found it much more difficult to defend its global interests than it had a half-century earlier.

Although the major development of the fifty years after 1900 can thus be seen as the coming of a bipolar world, with its consequent crisis for the "middle" Powers (as referred in the titles of Chapters 5 and 6), this metamorphosis of the entire system was by no means a smooth one. On the contrary, the grinding, bloody mass battles of the First World War, by placing a premium upon industrial organization and national efficiency, gave imperial Germany certain advantages over the swiftly modernizing but still backward czarist Russia. Within a few months of Germany's victory on the eastern front, however, it found itself facing defeat in the west, while its allies were similarly collapsing in the Italian, Balkan, and Near Eastern theaters of the war. Because of the late addition of American military and especially economic aid, the western alliance finally had the resources to prevail over its rival coalition. But it had been an exhausting struggle for all the original belligerents. Austria-Hungary was gone, Russia in revolution, Germany defeated; yet France, Italy, and even Britain itself had also suffered heavily in their victory. The only exceptions were Japan, which further augmented its position in the Pacific; and, of course, the United States, which by 1918 was indisputably the strongest Power in the world.

The swift post-1919 American withdrawal from foreign engagements, and the parallel Russian isolationism under the Bolshevik regime, left an international system which was more out of joint with the fundamental economic realities than perhaps at any time in the five centuries covered in this book. Britain and France, although weakened, were still at the center of the diplomatic stage, but by the 1930s their position was being challenged by the militarized, revisionist states of Italy, Japan, and Germany—the last intent upon a much more deliberate bid for European hegemony than even in 1914. In the background, however, the United States remained by far the mightiest manufacturing nation in the world, and Stalin's Russia was quickly

transforming itself into an industrial superpower. Consequently, the dilemma for the *revisionist* "middle" Powers was that they had to expand soon if they were not to be overshadowed by the two continental giants. The dilemma for the status quo middle Powers was that in fighting off the German and Japanese challenges, they would most likely weaken themselves as well. The Second World War, for all its ups and downs, essentially confirmed those apprehensions of decline. Despite spectacular early victories, the Axis nations could not in the end succeed against an imbalance of productive resources which was far greater than that of the 1914–1918 war. What they did achieve was the eclipse of France and the irretrievable weakening of Britain—before they themselves were overwhelmed by superior force. By 1943, the bipolar world forecast decades earlier had finally arrived, and the military balance had once again caught up with the global distribution of economic resources.

The last two chapters of this book examine the years in which a bipolar world did indeed seem to exist, economically, militarily, and ideologically—and was reflected at the political level by the many crises of the Cold War. The position of the United States and the USSR as Powers in a class of their own also appeared to be reinforced by the arrival of nuclear weapons and long-distance delivery systems, which suggested that the strategic as well as the diplomatic landscape was now entirely different from that of 1900, let alone 1800.

And yet the process of rise and fall among the Great Powers—of differentials in growth rates and technological change, leading to shifts in the global economic balances, which in turn gradually impinge upon the political and military balances—had not ceased. Militarily, the United States and the USSR stayed in the forefront as the 1960s gave way to the 1970s and 1980s. Indeed, because they both interpreted international problems in bipolar, and often Manichean, terms, their rivalry has driven them into an ever-escalating arms race which no other Powers feel capable of matching. Over the same few decades, however, the global productive balances have been altering faster than ever before. The Third World's share of total manufacturing output and GNP, depressed to an all-time low in the decade after 1945, has steadily expanded since that time. Europe has recovered from its war-time batterings and, in the form of the European Economic Community, has become the world's largest trading unit. The People's Republic of China is leaping forward at an impressive rate. Japan's postwar economic growth has been so phenomenal that, according to some measures, it recently overtook Russia in total GNP. By contrast, both the American and Russian growth rates have become more sluggish, and their shares of global production and wealth have shrunk dramatically since the 1960s. Leaving aside all the smaller nations,

therefore, it is plain that there already exists a *multipolar* world once more, if one measures the economic indices alone. Given this book's concern with the interaction between strategy and economics, it seemed appropriate to offer a final (if necessarily speculative) chapter to explore the present disjuncture between the military balances and the productive balances among the Great Powers; and to point to the problems and opportunities facing today's five large politico-economic "power centers"—China, Japan, the EEC, the Soviet Union, and the United States itself—as they grapple with the age-old task of relating national means to national ends. The history of the rise and fall of the Great Powers has in no way come to a full stop.

Since the scope of this book is so large, it is clear that it will be read by different people for different purposes. Some readers will find here what they had hoped for: a broad and yet reasonably detailed survey of Great Power politics over the past five centuries, of the way in which the relative position of each of the leading states has been affected by economic and technological change, and of the constant interaction between strategy and economics, both in periods of peace and in the tests of war. By definition, it does not deal with *small* Powers, nor (usually) with small, bilateral wars. By definition also, the book is heavily Eurocentric, especially in its middle chapters. But that is only natural with such a topic.

To other readers, perhaps especially those political scientists who are now so interested in drawing general rules about "world systems" or the recurrent pattern of wars, this study may offer less than what they desire. To avoid misunderstanding, it ought to be made clear at this point that the book is not dealing with, for example, the theory that major (or "systemic") wars can be related to Kondratieff cycles of economic upturn and downturn. In addition, it is not centrally concerned with general theories about the *causes* of war, and whether they are likely to be brought about by "rising" or "falling" Great Powers. It is also not a book about theories of empire, and about how imperial control is effected (as is dealt with in Michael Doyle's recent book *Empires*), or whether empires contribute to national strength. Finally, it does not propose any general theory about which sorts of society and social/governmental organizations are the most efficient in extracting resources in time of war.

On the other hand, there obviously is a wealth of material in this book for those scholars who wish to make such generalizations (and one of the reasons why there is such an extensive array of notes is to indicate more detailed sources for those readers interested in, say, the financing of wars). But the problem which historians—as opposed to political scientists—have in grappling with general theories is that the evidence of the past is almost always too varied to allow for "hard"