Postwar European Economies:

- After the war, Europe suffered great economic problems. These problems varied from country to country. All countries had taken out loans to fight the war, and were trying to figure out how to pay those back.
 - England: Used to be a manufacturing powerhouse. Now, had lost many of its markets to foreign competitors like Japan and the US. Also, in 1914, England had risked falling behind Germany and the US technologically. This problem was exacerbated by a war that left Britain poor and the US rich. Economy falters, during the interwar period, Britain has a steady unemployment rate of about 10%.
 - o **France:** Had taken out more loans than anyone else. Also, had to rebuild about a quarter of their country. Relied on German reparation payments for all this. Most people have work, though, because of jobs created by rebuilding. In 1923, when Germany defaults on reparations, France invades the **Ruhr**, and collects the profits from the coal mines here. An agreement is reached in 1924 with the **Dawes Plan** American bankers promise to invest in Germany, thus boosting its economy, if France leaves the Ruhr, reduces reparations and agrees to a two-year moratorium.
 - O **Germany:** Was reeling after the war, and had trouble getting its economy back on track. Problems were exacerbated when France invaded the Ruhr in 1923. Germany responded by encouraging workers to strike. Meanwhile, they kept printing money, trying to come up with a way to pay the French. The result was **hyperflation** there was an inflation rate of 3.25×10^6 percent per month (prices double every two days). The situation stabilized when the Dawes Plan was instituted in 1924. Thanks to Dawes Plan investments, Germany flourishes 1924-1929.
 - Eastern Europe: Eastern European countries are trying to develop unique governments. They have to deal with the fact that all trade and transportation routes are designed for relations between Austria and Russia, not between 10 different smaller countries. This causes major problems, and trade decreases dramatically in these regions, hurting the economies. Eastern European countries are also generally unstable because they have no tradition of democracy, and are trying to build countries from scratch.

Slide 3

- The Great Depression
 - The Great Depression: Starts on October 29, 1929 when the New York Stock Exchange crashes. Much of Europe, especially Germany, is relying heavily on American loans and investment to keep afloat. When the American economy collapses, it can no longer help stabilize European economies.
 - The war had left European economies very weak, and they could not survive without the stabilizing American influence.
 - European economies also lost American markets for goods when the Great Depression hit, which made the situation even worse. They were also loosing markets at home, as people learned to make do with only the bare necessities.

- The Great Depression was worst in Germany, where about 20% of the population was unemployed. It was also very bad in Britain, but Britain's economy had been bad since 1918, so the effects weren't as great.
- O **Unemployment** was a huge issue. In Europe and the United States, there were about 30 million people total unemployed. Unemployment made workers feel depressed and worthless, feelings that made them likely to rally behind strong governments. There was a feeling that liberal, democratic governments could not control events. People began to place their faith in something stronger, like fascism.
- Domestic Concerns: During the 1920s, governments had put a lot of effort into securing peace – League of Nations, Locarno, etc. Now, they had bigger domestic problems to worry about, though.
- Britain: Britain was hit hard by the Depression, because it had close ties with the US. In response to the crisis, the conservatives and liberals formed a unity government, called the National Government, headed by Ramsay McDonald. They institute more generous welfare policies. The economy only starts to improve in 1936, when the government begins to rearm in the face of the Nazi threat.
- France: At first, it manages to survive the Great Depression. However, the Depression deepens and worsens, France too has high unemployment rates. To make things worse, there is a fascist movement in France that is becoming more powerful. France grows unstable, and teeters near a civil war in 1937.
- Russia (USSR): Lenin died in 1922, and in 1928, Jozef Stalin emerged as the leader of the Soviet Empire. Stalin was brutal, insular and paranoid. He enacted **purges**, in which millions of "traitors" were rounded up and sent to brutal work camps in Siberia, where they would ultimately die. Some of these traitors were political rivals, but most were innocent civilians. These purges also meant that the Soviet Union killed off some of its best political and military leadership on the eve of WWII.
 - Five Year Plan: Russia managed to avoid the Great Depression by turning inward economically. Russia set five year goals of huge industrial development during this era which were completed in five years by working the Russian people very hard.

The Weimer Republic in the 1920s:

- The Weimer Republic ran Germany from the end of WWI until Hitler was made Chancellor of Germany.
- o The Weimer Republic never truly gained the support of the German people.
- o It was blamed by some, particularly war veterans, for pushing Germany towards surrender and defeat in the Great War.
- It was also blamed for problems like hyperinflation, and the starvation and suffering that had accompanied it.
- O Germany was sometimes called "a democracy without democrats" a certain percentage of the population seemed to simply not want to live in a democracy if democracy meant insult and starvation. In 1925, this seemed true when the democratic candidate for president, Wilhelm Marx, was beaten (by a slim margin), by Paul von Hindenburg, former WWI general, who seemed likely to move the government in a more authoritarian direction.

 However, by 1928, the year before the Great Depression, Germans seemed more confused than ever. In the Reichstag (parliament) elections, one third of votes were cast for small, extremist parties ranging from the communists to the Nazis.

Slide 5

The Rise of the Nazis

- o The Nazi Party was founded by nationalistic war veterans in 1919.
- o From the outset, the party aimed to:
 - Provide social welfare and security only to people of the German race. They
 were explicitly anti-Semitic, and were also against Marxists and the "traitors"
 that ran the Weimer Republic.
 - Get revenge on Jewish and Marxist "traitors."
 - The Nazi party had economic goals, too, like a socialized system and nationalized industries. However, Hitler himself was always most interested in the racial and military components of his parties ideology.
- o Hitler joined in 1919. He soon discovered he was an excellent public speaker and became the party chairman and **Führer** in 1921.
 - Adolf Hitler: Adolf Hitler was born in Austria in 1889. He dropped out of high school to go to Vienna and study art, and later architecture. He fought on the Western Front in WWI. By this point, he was already a virulent anti-Semite, and believed strongly in the purity of the German race. He was involved in the formation of the Nazi party early on, and the Nazi party eventually evolved to be merely a vehicle for his personal political opinions.
- o In 1921, the Nazis also launched their military wing, the **SA** or the **stormtroopers**. They would fight communists and other leftists groups in the street. As time went on, a more versatile and intelligent organization was needed, and the **SS** or **Gestapo**. They started out as Hitler's personal guard, but evolved to be one of the world's most terrifying secret police forces.

• The Nazis in the Early 1920s

- Beer Hall Putsch: In 1923, after the invasion of the Ruhr, Nazi popularity increased greatly. Hitler used this as an opportunity to try to take over Munich, which failed miserably. He was imprisoned, and during his time in prison, he wrote *Mein Kampf*, which means "My Struggle."
- Mein Kampf: Hitler laid out his plan for world domination in this propaganda book, in which he argued that to become great again, Germany must flout Versailles and rearm, form an alliance with fascist Italy and Britain, and then invade France and Eastern Europe.
 - Living space: Hitler argued that the German people needed more room to expand and grow crops, and he planned to take this land forcefully from the French and the Slavs.
 - Jews: Hitler was a virulent anti-Semite who blamed the Jews for all of Europe woes. He thought that Jews in particular were behind communism.
 - Military Greatness: Hitler thought the only way to achieve this was through a strong, militaristic society.
 - Democracy: Hitler believed that people must be self-sacrificing and submit to the state to achieve greatness, not vote. He also believed democracy gave ethnic minorities too much power.

- When Hitler was released, the party continued to grow. During this time, other socialist groups also started to fade, giving the Nazis a larger market.
 - Nazis were popular with
 - Lower Middle Class: small shop owners, teachers, farmers, who feared communism, and blamed Jewish finance for many of their woes. This group was hit hardest by hyperinflation. Also, thought Hitler could restore "law and order."
 - Working Class: Were attracted by the strong socialist message, and believed that the Nazis cared about the poor, and would redistribute wealth.
 - Rural Protestants: Wanted to return to German greatness.

- The Nazis Come to Power
 - In the late 1920s, the Nazis began to soften their image. Before, their dominant message had been anti-Semitism and anti-Marxism. However, they soon began to describe themselves as the party that could "restore German greatness" and lessen social and economic tensions.
 - They recalled Germanic nationalist movements of the 19th century, which made the movement seem legitimate and anchored in tradition.
 - They made a song popular in the 1830s, *Deutschland Über Alles* (Germany Over All) ,their new anthem.
 - They called for a restoration of 19th Century gender roles: women were encouraged to stay home and raise the family. During Hitler's reign, women were given rewards for having many children. Men were encouraged to be strong and warlike.
 - Hitler and his followers were vibrant, confident and strong. It seemed like they
 might be able to reverse Germany's economic woes.
 - People felt that democracy had failed them. It had not restored German prestige, or avoided the Great Depression.
 - Hitler Made Chancellor: In 1928, the Nazi Party took 2.6% of the vote. However, in 1929, the Great Depression came, and caused people to seek radical solutions. In the 1932 elections, the Nazis took 33.1% of the seats, and on January 30, 1933, Hindenburg reluctantly appointed Hitler as German Chancellor after much pressure from Nazi leaders.
 - Hindenburg wanted to pacify the Nazis, who seemed ready to start a civil war with the communists.
 - Hindenburg and his upper class councilors thought that Hitler, of petitbourgeois background, could be easily manipulated.
 - Reichstag Fire: Hitler soon expanded his power, however. On Februrary 27, 1933, the Reichstag was set on fire. Hitler blamed the communists, and limit civil liberties and habeas corpus in the face of the "communist threat."
 - His SA troops used this as an excuse to round up communist rivals. Soon, there
 were no other parties in Germany except the Nazis the rest had been banned
 or scared into submission. By July 1933, only Nazis will sit in the Reichstag.

 Enabling Act: March 1933. Passed shortly after the Reichstag fire. Granted dictatorial powers to the chancellor and his cabinet for—their decisions no longer had to be approved by the Reichstag.

Slide 7

- Italy After the War
 - After the war, Italy had trouble getting anything done. The government was gridlocked between the various factions and parties. Many peasants began to take the law into their own hands by seizing farms and factories.
 - The bourgeoisies did not want to tolerate such lawlessness, and turned to the squadristi, or the Blackshirts, for protection.
 - The Blackshirts were a group of ex-soldiers who had trouble readjusting to peaceful civilian life, and were still looking for a war to fight. They were strongly nationalist, and thought that Italy had been cheated at the treaty of Versailles.
 - March on Rome: In 1920-1921, the Blackshirts, led by Benito Mussolini became very powerful. In 1922, Mussolini and 25,000 Blackshirts camped outside Rome until the king made Mussolini prime minister.
 - The Italian government had initially thought they could control Mussolini, and just use him as a tool to prevent a Marxist revolution. However, Mussolini installed fascist leaders in government positions, and had his Blackshirts violently root out antifascist elements in Italy.

Slide 8

- Mussolini as "Il Duce"
 - Economics: Mussolini's reforms did indeed produce a better economy, and aimed to make Italy economically self-sufficient. Through nationalization of industries and public works projects, he managed to help Italy avoid the Great Depression.
 - Fascism: A system of government in which an authoritarian government focuses on reversing cultural decline and restoring purity and unity to a particular ethnic group or nation. Believes in sacrificing the individual for the sake of the state. Usually, a fascist system is run by a <u>strong</u> leader who is supposed to know instinctively what is best for the state.
 - Mussolini thought that the Italian people had become weak, lazy bourgeois who
 only valued comfort and security. He wanted to instill greatness and strength in
 them through fascism.
- Characteristics of Italian Fascism:
 - Cult of Personality: Mussolini encouraged people to worship him, and place their trust in him as a strong leader. Children were taught to adore Mussolini in school.
 - Militarism: Mussolini also wanted an empire, and would try to take parts of Africa during his rule. He inspired the people through nationalism, and dreamed of returning to the days of the glorious Roman Empire.
 - "War alone brings all human energies to their highest state of tension and stamps with the seal of nobility the nations which dare to face it."
 - In 1936, Mussolini attacks Ethiopia, the League of Nations does not stop him.

Slide 9

Spanish Civil War: I just want to mention this as a side note, because it's often called the "rehearsal for WWII," and will help you understand European sentiments at the time.

- Spain became a democracy in 1931, when the military and monarchy collapsed, just like in Germany. However, the Spanish were very divided. 26 different parties took seats in the Spanish Constitutional Assembly. Most of these parties agreed that land should be distributed among the people, but they couldn't agree on how to do it. The country was in chaos. It was only a matter of time before Civil War broke out.
- The civil war was launched by the Falangist Party, lead by Francisco Franco. The Falangist were fascists, who like all the other fascists we've looked at, were popular with the middle class because it was believed they could restore law and order. In 1936, he staged a coup. However, when the smoke cleared, he only had 1/3 of Spain in his hands. The Falangists and the Republicans realized they needed foreign assistance.
 - Mussolini and Hitler offer money, planes and troops to Franco.
 - Stalin also gave money and troops to the Republicans, hoping the war would distract Hitler from his plans in Eastern Europe.
 - Britain and France decided not to enter, but focus on problems at home. France, run by socialist León Blum considered entering, but was afraid to procede when Britain told them that it would not offer any support to France if their exploits ended badly.
 - The Spanish Civil War became a fashionable cause among European intellectuals. They
 had concluded that pacifism was now impossible, and humanities best hope lay with
 socialism and communism.
 - George Orwell: Volunteered to fight. His experience with Soviet troops led him
 to the conclusion that communism was also a bad system, which inspired his
 later masterpieces Animal Farm and 1984.

- **Pablo Picasso:** Painted *Guernica*, to describe a Nazi air assault on a tiny Spanish town. This is considered his greatest work.
- o Franco eventually won the war in 1939, and ruled Spain until 1975.

Slide 11

Appeasement and Rearment: The Run-Up to WWII

WWII starts in 1939. The years between Hitler's assent to power and the war are fraught with a series of crises that foretell the coming war. The West was dealt with these crises by trying to **appease** Hitler. This meant they would grant concessions, and agree to his demands, even though they were unreasonable, in the interest of avoiding a war. Hitler, meanwhile, took the West's appearament as an excuse to run amok. As the West appearament Hitler, he began to take greater risks and demand greater concessions.

- Timeline:
 - 1935: German Rearmament: Hitler announces he is going to build up Germany's military beyond what is allowed by Versailles
 - o 1935: **Italy Invades Ethiopia**: Is not stopped by the League of Nations.
 - 1936: Occupation of the Rhineland: The Rhineland was supposed to be a demilitarized zone. France is anxious, but chooses not to act without the British, who believe Germany is righting one of the wrongs of Versailles.
 - March 1938: Annexation of Austria: German Austria is annexed. The majority of Austrians welcome the move.
 - September 1938: Annexation of the Sudetendland: The Sudetenland is a Germanspeaking part of Czechoslovakia, the only remaining democracy in Eastern Europe. Hitler incites riots among the Czechoslovakia's ethnic Germans, which lead to the fall of Czechoslovakian democracy, and German annexation of the Sudetenland.

The West in the Late 1930s:

- o **The Decline of Democracy:** In 1919, almost every country in Europe had been a democracy. On the eve of WWII, the only democracies remaining were France, Britain, the BeNeLux countries (Belgium, Netherlands and Luxenburg), the Scandinavian Countries (Finland, Sweden, Norway and Denmark), Switzerland and Czechoslovakia. Of these, only three of these countries had fought in the Great War it seemed that the legacy of WWI, which had spawned democracy in 1919 had ultimately led to its defeat.
 - These democracies were not united. As the 1930s go on, each of these countries come up with their own system of defense, most of which are just variants of neutrality.
 - The BeNeLux countries opt for neutrality, while building up fortifications.
 - **Britain**: Despite calls at home for action, the Conservative government opted for appeasement. However, after the Rhineland is reoccupied Britain begins to rearm.
 - France: Is well aware they can't fight a war without Britain, so they
 follow Britain's foreign policy. France also builds the Maginot Line, a
 huge defensive fortification along the French-German boarder that was
 considered impenetrable.
- Western View of Germany: Many felt German anger was justified. Many in the West agreed that Versailles had been unfair. The Conservative British governments of Stanley Baldwin (1935-1937) and Neville Chamberlin (1937-1940), especially felt this way.
- The USSR also feels threatened by German aggression.
 - Stalin actually asks Britain and France to sign a treaty with him against Germany, but the British and French are hesitant to provoke Hitler in such a way.
 - Stalin believes that the West is unwilling to sign with him because they are hoping Hitler will eradicate the Russian communist menace for them.
 - Stalin signs the Nazi-Soviet Nonaggression Pact, in which Germany and the USSR agree not to attack each other, and to split Poland between them when Germany invades Poland.
 - Stalin hopes that Germany and the West will be bogged down in another war, like WWI, and leave the USSR alone.

MIT OpenCourseWare http://ocw.mit.edu

Europe in Crisis: The World Wars in Europe Summer 2008

For information about citing these materials or our Terms of Use, visit: http://ocw.mit.edu/terms.