

The Weimar Republic



Bundesarchiv, Bild 183-T0706-501
Foto: o. Ang. | 1931



name of the post-WWI government in Germany

millions of Germans blamed the Weimar government for their country's defeat and postwar humiliation

Inflation Causes Crisis in Germany

Germany had not greatly increased its wartime taxes to pay for the war; they had simply printed more money (marks).

Heavy reparations payments caused the value of the mark to fall sharply, causing severe inflation.

Germans needed more and more money to buy the most basic goods.



In Berlin a loaf of bread cost less than a mark in 1918, more than 160 marks in 1922, and some 200 billion marks by late 1923.

The Dawes Plan

created in 1923 by an international committee headed by Charles Dawes, an American banker

the Dawes Plan provided a loan from American banks to stabilize German currency and strengthen its economy the plan also restructured Germany's reparations payments

The International Financial System Under the Dawes Plan and Young Plan 1924-30



Put into effect in 1924, the Dawes Plan helped slow inflation.

As the German economy began to recover, it attracted more loans and investments from the United States.

The Kellogg-Briand Pact

in 1928, Frank Kellogg, US Secretary of State, arranged an agreement pledged "to renounce war as an instrument of national policy"



almost every country in the world signed the treaty

the treaty had no means to enforce its provisions



1929 American Financial Collapse: Underconsumption

the richest 5% of the population earned 33% of all personal income
60% of all American families earned <\$2,000/year

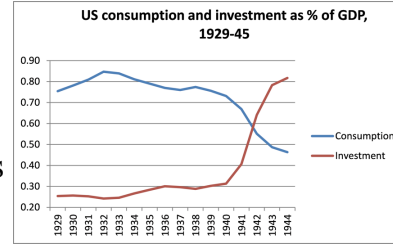
few could buy the goods being produced

store owners cut back their orders from factories

factories reduced production and laid off workers

workers lost their jobs and then bought even fewer goods

factories made further cuts in production and laid off more workers



1929 American Financial Collapse: Overproduction

scientific farming and new machinery dramatically increased farmers' crop yields



a worldwide surplus of agricultural products
drove prices and profits down

many farmers could not pay off the bank
loans that kept them in business



"I think I'll plow under every third parsnip."

these unpaid debts weakened banks and forced some to close

1929 American Financial Collapse: Speculation

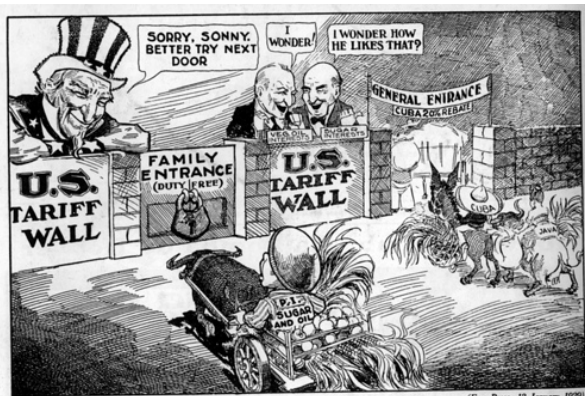
many middle-income people began buying stocks on margin



in September 1929, some investors started selling their stocks
panic ensued;
prices plunged to a new low

on "Black Tuesday," October 29, 1929, the Stock Market collapsed

A Global Depression



Worried American bankers demanded repayment of their overseas loans, and American investors withdrew their money from Europe.

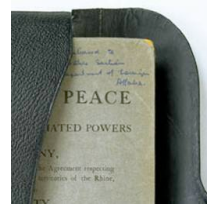
The US Congress placed high tariffs on imported goods so that American dollars would stay in the United States and pay for American goods.

Other nations imposed their own higher tariffs.

World trade dropped by 65 percent.

Unemployment rates soared.

The Failures of Versailles



- Germany's economy was in a shambles
- The Versailles Treaty failed to provide a “just and secure peace” as promised
- Instead Germany grew more and more resentful of a treaty they felt was too harsh and too punitive

The Versailles Treaty (above on crutches) took a beating in the U.S. and abroad



Adolf Hitler



Hitler in WWI, far left

- WWI veteran
- joined a struggling political group called the National Socialist German Workers' Party
- Hitler's skill in public speaking and ability to organize support allowed him to quickly become a leader in the Nazi Party
- In his book, *Mein Kampf* he explained that he wanted to unite all German-speaking people
- He wanted racial purity – “inferior” races were to form a work force for the “master race” – “Aryans”

Hitler Gains Power

- By mid-1932, the Nazis had become Germany's strongest political party
- In January of 1933, Hitler was appointed Chancellor
- He quickly dismantled Germany's democratic government and replaced it with a totalitarian government
- Called himself "Der Fuhrer" and his rule of Germany the "Third Reich"
- He promised to return Germany to its former glory



Germany Rearms



Hitler visits a factory and is enthusiastically greeted. Many Germans were grateful for jobs after the misery of the depression years.

Germany Remilitarizes the Rhineland

March 1936



The Rhineland was the region of Germany that was 'demilitarized' after the Treaty of Versailles.

Nazi Germany Expands: Austria



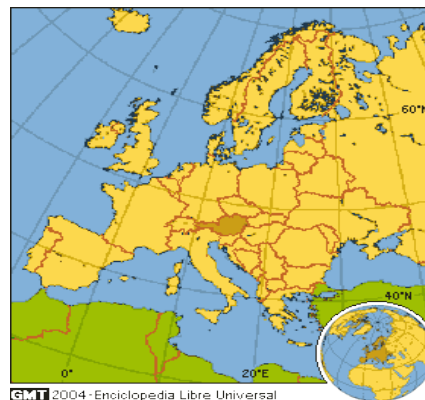
Another element of Hitler's grand design was creating "Lebensraum"

In March, 1938, German troops marched into Austria unopposed.

The arrival of German troops was met with great enthusiasm by the Austrians.

The majority of Austrians favored unification with Germany

A day later, Germany announced its union with Austria, which it called "Anschluss"



Nazi Germany Expands: the Sudetenland



Many German-speaking people lived in the western border regions of Czechoslovakia called the Sudetenland

In 1938 Hitler occupied the Sudetenland

An occupation of the rest of Czechoslovakia seemed imminent.

The Munich Conference September 1938

The leaders of Germany (Adolf Hitler), Italy (Benito Mussolini), France (Edouard Daladier), and Great Britain (Neville Chamberlain) met in Munich, Germany.

Hitler promised the annexation of the Sudetenland would be his "last territorial demand"



Chamberlain and Daladier believed Hitler and signed the Munich Agreement that turned over the Sudetenland to Germany without repercussions.

Chamberlain returned to England and announced,

"I have come back from Germany with peace with honor.
I believe it is peace in our time."

Critics called this a dangerous policy of appeasement – or giving up principles to pacify an aggressor.

