

The Interwar Years

1919-1939

Essential Understanding: A period of uneven prosperity in the decade following World War I (the 1920s = the “Roaring 20s”) was followed by worldwide depression in the 1930s. Depression weakened Western democracies, making it difficult for them to challenge the threat of totalitarianism.

Essential Questions: Why did the world experience depression in the 1930s? What political changes resulted from the worldwide depression?



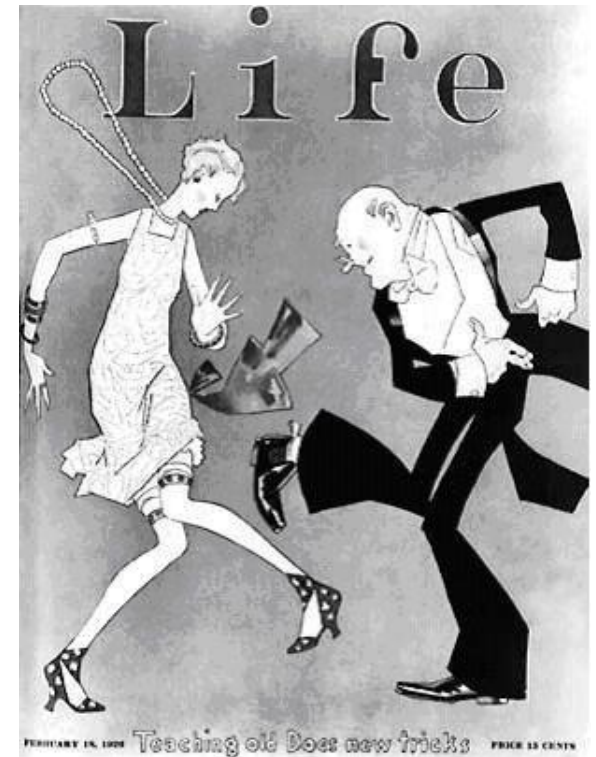
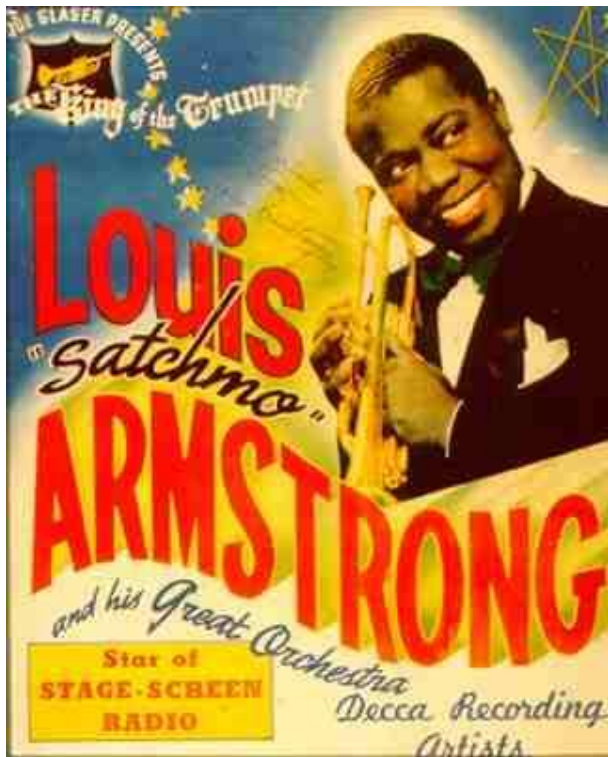
Europe 1929-1939

Legend

- | | | |
|----------------------------------|----------------------|------------------------------------|
| 1) Persia (Iran) | 9) Gotland (Sweden) | 17) Luxembourg |
| 2) British Mandate of Palestine | 10) Albania | 18) Netherlands |
| 3) Cyprus (British Crown Colony) | 11) Istria (Italy) | 19) Belgium |
| 4) Rhodes and Dodecanese (Italy) | 12) Sicily (Italy) | 20) Balearic Islands (Spain) |
| 5) Crete (Greece) | 13) Sardinia (Italy) | 21) Andorra |
| 6) East Prussia | 14) Corsica (France) | 22) North Ireland (United Kingdom) |
| 7) Free City of Danzig | 15) Switzerland | 23) Gibraltar (United Kingdom) |
| 8) Aland Islands (Finland) | 16) Liechtenstein | 24) Spanish Morocco (Spain) |

A Brief Period of Prosperity

- Some countries, like the U.S., were **strong** during the post-WWI era
 - What is this time period known as in U.S. History?

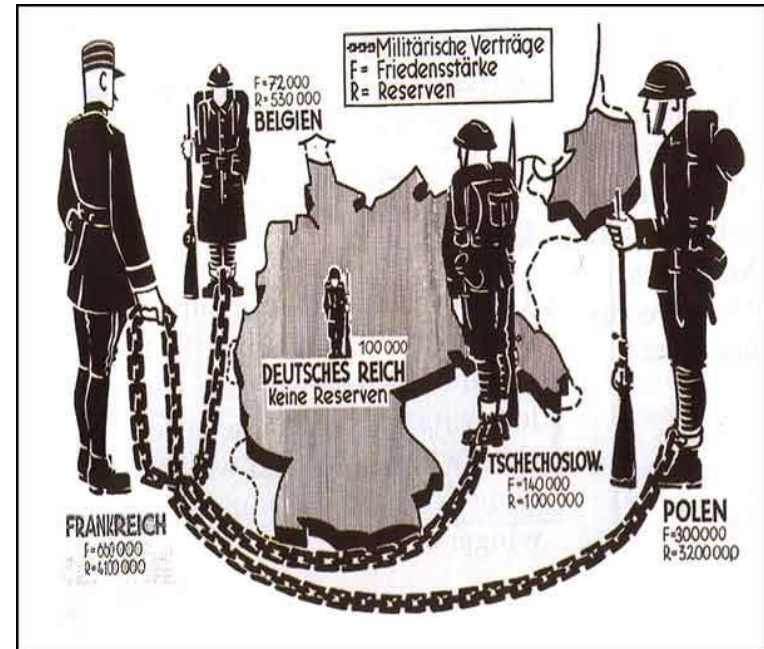


Causes of Worldwide Depression

- German **reparations**
- Expansion of production capacities and dominance of the United States in the **global economy**
 - Britain and France owed huge war debts to the U.S.
 - Better technologies allowed factories to make more products faster, leading to **overproduction**
- Excessive **expansion of credit** (people spending money they don't have)
- **Stock Market Crash** of 1929
 - Buying stock on **margin**
 - A crisis in finance that led the Federal Reserve to raise interest rates
 - **Panic** set in when stock prices crashed

Versailles Goes Awry

- The **Treaty of Versailles** was supposed to ensure peace, satisfy nationalistic desires, and exact revenge on Germany
- Unfortunately, the terms of the treaty did not have the intended results



Ensuring Peace & Protecting New Nations?

- The League of Nations is **weak**
 - It cannot convince countries to disarm
 - Why might that be the case?
 - It cannot help all of the new, struggling nations that were created
 - It does not include the U.S., Germany, or the newly created Soviet Union
 - Why would this make it weaker?



Problems in Germany

- The punishment of Germany goes too far and cripples their post-war economy in 1923
- Hyperinflation occurs
 - German money is **worthless** (when the general price level rises, each unit of currency buys fewer goods and services)



Date: German Marks needed
to buy one ounce of gold

Jan 1919.....	170.00
Sept 1919.....	499.00
Jan 1920.....	1,340.00
Sept 1920.....	1,201.00
Jan 1921.....	1,349.00
Sept 1921.....	2,175.00
Jan 1922.....	3,976.00
Sept 1922.....	30,381.00
Jan 1923.....	372,477.00
Sept 1923.....	269,439,000.00
Oct 2, 1923.....	6,631,749,000.00
Oct 9, 1923.....	24,868,950,000.00
Oct 16, 1923.....	84,969,072,000.00
Oct 23, 1923.....	1,160,552,882,000.00
Oct 30, 1923.....	1,347,070,000,000.00
Nov 5, 1923.....	8,700,000,000,000.00
Nov 30, 1923.....	87,000,000,000,000.00



Emergence of a Global Economy

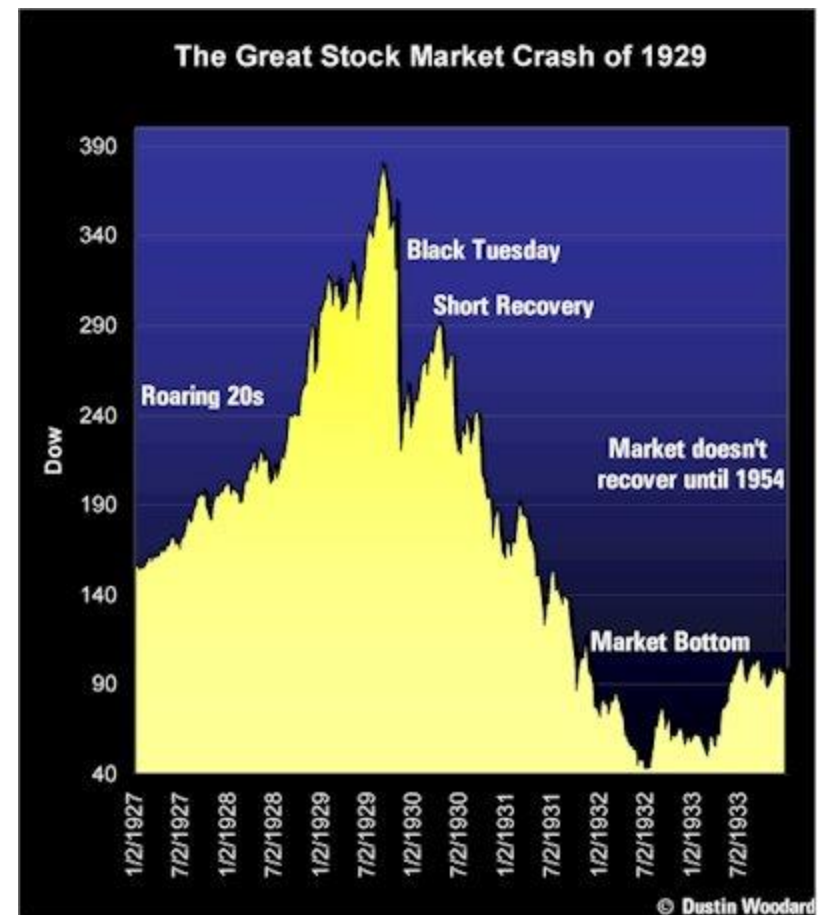
- Germany's hyperinflation means it **cannot pay** war reparations to the winners of WWI
 - What effect will this have on those economies?
- The U.S. had a very strong economy after WWI, so they began to lend money to Germany, which helps end Germany's hyperinflation
 - Now, who will start getting their reparation payments again?

The End of Prosperity: 1929

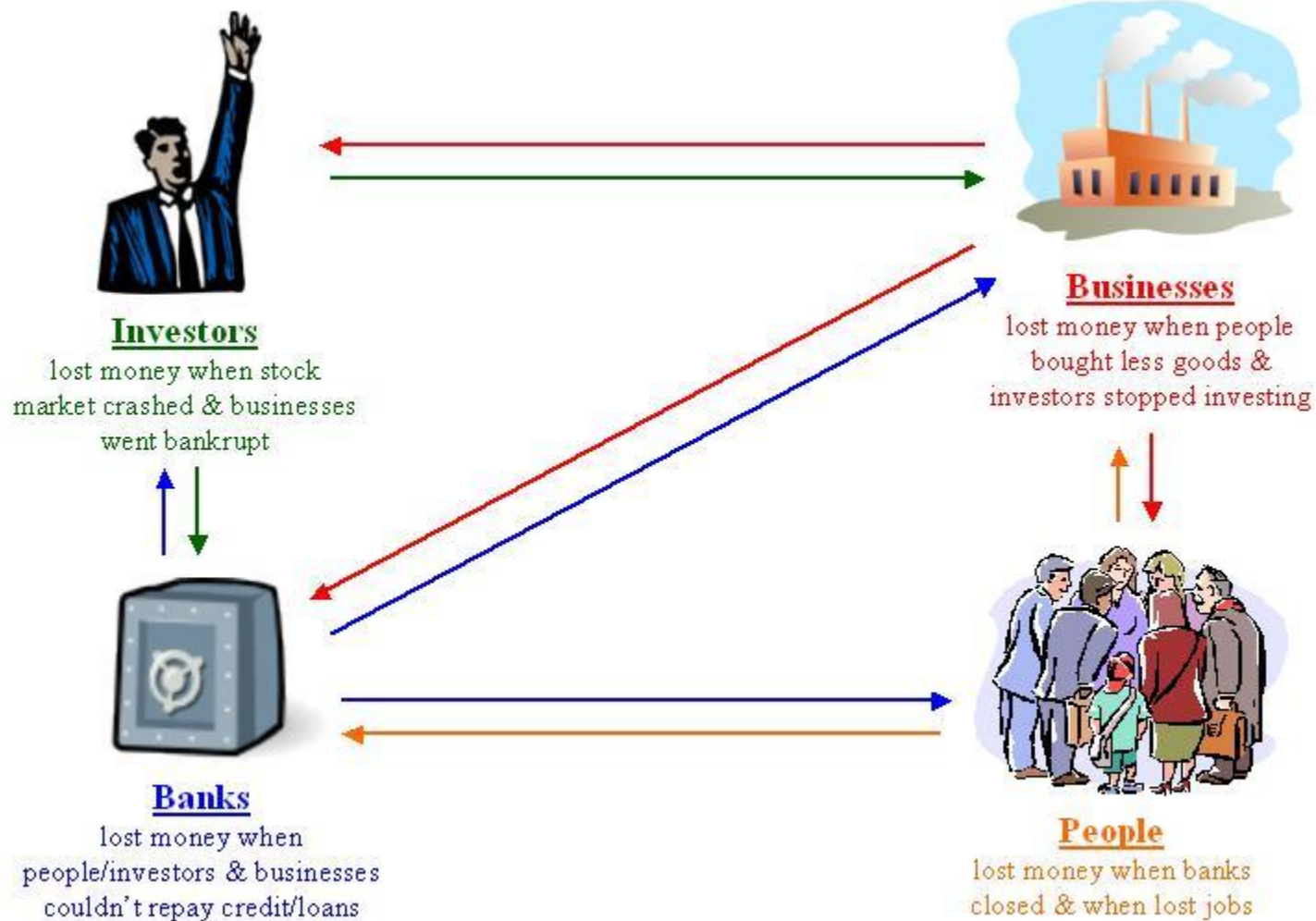
- In October 1929, the U.S. Stock Market crashed – What does this mean?

Speculation: When a potential buyer of stock buys it in expectation of it reaching a higher price per share.

Margin: The buyer does not pay full value for the stock; the balance (what is not paid for) is borrowed. If the stock price goes up, this benefits the buyer who completely owns the stock and has potential for profit (without paying completely for it). However, if the stock price falls, the buyer not only suffers a loss, he/she still must pay the money borrowed for the balance. This can be RISKY – and it was this practice that contributed to the Stock Market Crash of 1929.



Why was the stock market crash such a big deal?



Causes of the Great Depression

- The stock market crash was just one cause of the global economic downturn which became known as the Great Depression
- Other causes included:
 - Overproduction
 - The expansion of credit
 - The linked economies due to war reparations

**JOBLESS MEN
KEEP GOING**
WE CAN'T TAKE CARE OF OUR OWN
CHAMBER OF COMMERCE

MB
42100

Results of the Great Depression

- Affected countries across the globe
 - Unemployment, bank failures, collapse of credit, collapse of prices in world trade
- Government responses varied
 - Some became very involved with running the economy, like in the U.S. with FDR's New Deal
 - Some didn't handle the crisis well, so their people began to look for other alternatives (totalitarian leaders promised **CHANGE!!**)
 - **Communist** parties grew
 - Dictators who offered **simple solutions** in exchange for **power** appeared in some countries

Totalitarian Leaders: The Rise of Fascism Pre-WWII

Standard WHII.11c: The student will demonstrate knowledge of political, economic, social, and cultural developments during the Interwar Period by examining events related to the rise, aggression, and human costs of dictatorial regimes in the Soviet Union, Germany, Italy, and Japan, and identifying their major leaders, i.e., Joseph Stalin, Adolf Hitler, Benito Mussolini, Hirohito, and Hideki Tojo.

Essential Understandings:

- Economic disruptions following World War I led to **unstable** political conditions
- The Treaty of Versailles **worsened** economic and political conditions in Europe (worldwide depression) and provided opportunities for the rise of **totalitarian** regimes in the Soviet Union, Italy, Germany, and Japan
- Japan emerged as a world power after World War I and conducted aggressive **imperialistic** policies in Asia

Essential Questions: Why did dictatorial governments emerge in Germany, Italy, Japan, and the USSR after World War I? How did these regimes affect the world following World War I?

Key Vocabulary

- **Fascism:** a dictatorial/totalitarian form of government with a strong sense of ***nationalism*** that values the state over the individuals; fascist governments forbid and suppress criticism and opposition to the government
- **Marxist-Leninist Communism:** version of a classless society in which capitalism is overthrown by a working-class revolution that gives ownership and control of wealth and property to the state
- **Communism (beginning with Stalin):** any system of government in which a single, usually **totalitarian**, party holds power, and the **state controls the economy**

TOTALITARIANISM

Totalitarianism (NEW) vs.

-Seek to dominate **all aspects** of national life

-**Mobilize** and make use of mass political participation

-Seek the complete **reconstruction** of the individual and society

Older concepts of dictatorship

-Seek limited, typically **political** control

-Seek pacified and submissive populations

-Attempt to rule over the individual and society

Benito Mussolini

1922



Il Duce

Country: Italy

Type of Government: Fascism (dictatorship)

Goals and Ideas:

- Centralized all power in himself as leader (total control of social, economic, and political life)
- Ambition to restore the glory of Rome and create a vast Italian empire
- Invasion of Ethiopia
- Alliance with Hitler' s Germany

Joseph Stalin

1924

Country: Soviet Union

Type of Government: Communism
(dictatorship)

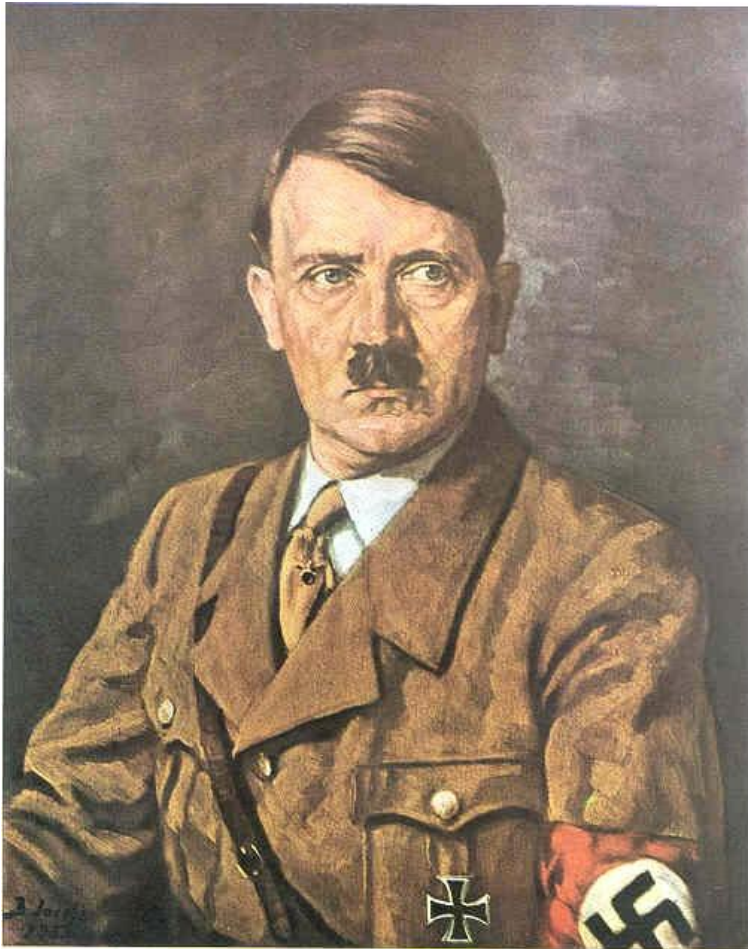


Goals and Ideas:

- Crushed opponents and took control after Lenin's death
- Held absolute authority; suppressed resistance
- Brought his country to world power status but imposed upon it one of the most ruthless regimes in history
- New Economic Policies (NEP)**
 - Collectivization: exported seized goods and gained enough capital to finance a massive industrialization drive
 - Rapid industrialization: three 5-year plans
- The Great Purges:** KGB = secret police killed thousands of army officers and prominent Bolsheviks who opposed Stalin
- Feared the growing power of Nazi Germany

Adolf Hitler

1933



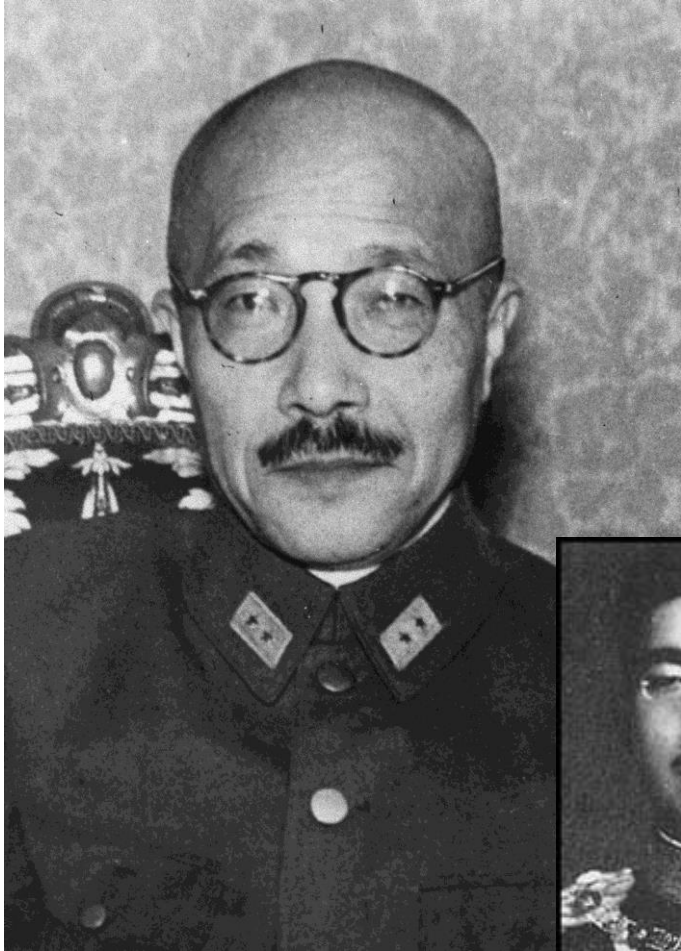
Country: Germany

Type of Government: Nazism (dictatorship)

Goals and Ideas:

- Inflation and depression weakened the democratic government in Germany and allowed an opportunity for Hitler to rise to power
- Believed the western powers had no intention of using force to maintain the Treaty of Versailles
- **Anti-Semitism:** persecution of Jews
- **Extreme nationalism:** National Socialism (aka Nazism)
- **Aggression:** German occupation of nearby countries
- **Lebensraum:** unite all German speaking nations
- **Anschluss:** German union with Austria
- Hatred of Communism

Hideki Tojo



Hideki Tojo, Military Leader of Japan



Hirohito, Emperor of Japan

Country: Japan

Type of Government: Military dictatorship

Goals and Ideas:

- Though Japan had an emperor, the military had taken control of the government
- Emperor Hirohito could not stand up to the powerful generals, but he was worshipped by the people, who often fought in his name
- Industrialization of Japan, leading to a drive for raw materials – how do you get raw materials? IMPERIALISM
- Japan conducted aggressive imperialistic policies in Asia: invasion of Korea, Manchuria, and the rest of China (the League of Nations did nothing)