The Interwar Years
1919-1938
Advancements in Society

The 1920s were a time of change and innovation for the United States as well as for the European nations. From the artistic world, new forms of expression were brought forth. Some of the more famous names and developments from this decade were:

- **Ernest Hemingway** - moved to Paris where he was captivated by the Parisian culture.

- **Pablo Picasso** - he created new nonrepresentational art.

- **Sergei Prokofiev and Igor Stravinsky** - they created new classical music. However, in the United States, jazz took off in Harlem, New York and New Orleans, Louisiana.

- **Walter Gropius** - he helped form the International School of Modern Architecture, where the usage of steel and glass in the construction of skyscrapers was promoted.

- **Albert Einstein** - world famous atomic physicist who studied matter and energy.

- Freudian schools dominated the psychological field.
In the technological realm, the automobile was being produced much quicker making it available to the middle class. Skyscrapers increased in height. This was epitomized by the erection of the Empire State Building. Electricity spread throughout entire countries, including rural, countryside areas. Radios could now be found in homes across the United States. Global news could now be brought into the home spontaneously. Lastly, planes now took on a new role. Instead of being solely used for military purposes, planes now served as a means of transporting people and goods across the country and across oceans.
The Global Economy

Even though society changed greatly from a physical and social perspective, the most important development during the decade was the economic status of the world. The first five years after World War I were a period of economic instability and reconstruction.

- In Germany, savings became worthless. The insecurity of the middle class weakened their loyalty to political leaders. This led to an increase support for antidemocratic movements.

- The United States and Japan had the highest rate of growth in exports. The US now became a creditor, lending over $6 billion to foreign countries from 1924-1929.

- In certain industries, workers were laid off at astronomical levels. In Great Britain, hundreds of thousands of miners remained permanently unemployed.
The foreign policy of Europe after World War I (1919) and into the early 1930s (1933) will be dominated by the decisions made by France. France was suffering from a horrifying period known as the Hollow Years. Her population was decimated by World War I and would remain under-populated for the next 20 years. Because of this dilemma, France was constantly looking for security.
The attempts made by France to provide themselves with security had lasting repercussions. France demanded that Germany pay all of its reparations. To prevent France from becoming financially sound at the expense of the Germans, the German government in 1922 began to deliberately print too much money to weaken their currency. Eventually their currency became worthless and they stopped paying their reparations. England told France to forget about the reparations. However, France refused to allow the Germans to get away with this. In response, France along with Belgium invaded Germany in the Ruhr region in 1923.
**GERMANY**

In the early years after 1870 some of the States retained their own currencies. Figures quoted here are for the mark of 100 pfennigs.

<table>
<thead>
<tr>
<th>Pre-war parity</th>
<th>MARKS TO £1</th>
<th>MARKS TO $1</th>
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<tbody>
<tr>
<td></td>
<td>20.429</td>
<td>4.198</td>
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<td>1915 - Jan</td>
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<td>4.59</td>
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<td>1916 - Jan</td>
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<td>5.36</td>
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<td>1917 - Jan</td>
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<td>5.53</td>
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<td>1920 - Feb</td>
<td>340</td>
<td>100.5</td>
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<tr>
<td>Apr</td>
<td>240</td>
<td>60.5</td>
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<td>Jun</td>
<td>160</td>
<td>40.25</td>
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<tr>
<td>Oct</td>
<td>240</td>
<td>70.45</td>
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<tr>
<td>1921 - Jan</td>
<td>215 - 262</td>
<td>57 - 74</td>
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<tr>
<td>Jun</td>
<td>245 - 280</td>
<td>63 - 75</td>
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<tr>
<td>Oct</td>
<td>463 - 712</td>
<td>124 - 180</td>
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<tr>
<td>1922 - Jan</td>
<td>790 - 862</td>
<td>186 - 201</td>
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<tr>
<td>Feb</td>
<td>873 - 1009</td>
<td>204 - 227</td>
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<tr>
<td>Mar</td>
<td>1022 - 1485</td>
<td>230 - 338</td>
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<tr>
<td>Jul</td>
<td>1770 - 2975</td>
<td>402 - 670</td>
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<tr>
<td>Aug</td>
<td>2850 - 3850</td>
<td>644 - 1975</td>
</tr>
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<td>Oct</td>
<td>7925 - 20,350</td>
<td>1815 - 4500</td>
</tr>
<tr>
<td>Dec</td>
<td>31,000 - 39,000</td>
<td>6750 - 8470</td>
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<tr>
<td>1923 - Jan</td>
<td>32,000 - 225,000</td>
<td>6890 - 48,390</td>
</tr>
<tr>
<td>Jun</td>
<td>265,000 - 900,000</td>
<td>57,000 - 193,500</td>
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<tr>
<td>Aug 4.5 million</td>
<td>52 million</td>
<td>900,000 - 11.4 million</td>
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<tr>
<td>Oct 1 milliard</td>
<td>800 milliard</td>
<td>250 million - 170 milliard</td>
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<td>Dec 15 billion</td>
<td>25 billion</td>
<td>3.43 billion - 5.72 billion</td>
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<tr>
<td>1924 - Jan</td>
<td>19 billion</td>
<td>4.47 billion</td>
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<tr>
<td></td>
<td><strong>New currency introduced</strong></td>
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<td>1925 - Jan</td>
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<td>4.22</td>
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Invasion of the Ruhr

Because of the Treaty of Versailles, the German army was very weak and there were no German troops stationed in the Rhineland. The area was a demilitarized zone. The French invaded this area and seized the Ruhr. By doing this, France now controlled the coalmines in the region. This became known as the “Invasion of the Ruhr.” The German government told the workers employed in factories in the Rhineland not to report to work. The German government promised to take care of these workers by printing them more money. Hence, the German mark became even more devalued.
The French Want Their Money

• In response to the growing tensions due to the failure of Germany to pay its reparations back to France and Belgium (and the US demanding that they be paid back by the 17 countries that borrowed money from them during the war), the Reparations Committee created the Dawes Plan in 1924. Named after American banker, Charles G. Dawes, the Plan reduced Germany’s annual reparation payments, increasing over time as the Germany economy improved. In addition, a new currency, the Reichsmark was introduced in Germany. France and Belgium both agreed to evacuate the Ruhr and foreign banks began to loan Germany money to stabilize their economy. However, the problem with the Dawes Plan is that it never set the final amount that had to be paid.
Another attempt made by the French to enhance their security was to build an alliance with Poland. They wanted to create another two-front war for Germany if they attempted to invade France.

France also made an attempt to ease the tensions between Germany and themselves. The German Foreign Minister, Gustav Stresemann, issued the *Policy of Fulfillment*. This policy guaranteed that Germany would meet all of its obligations brought forth by the Treaty of Versailles. The French Foreign Minister, Aristide Briand decided to test the Germans to see if they really could relieve some of tensions between the two countries.

1. In October 1925, the “Era of Good Feelings” began. Germany and France met at Locarno, Switzerland where the *Locarno Agreement* was signed. Germany promised not to challenge anything the *Treaty of Versailles* said about Germany’s western boundaries.
The year 1925 was a significant year in German history. Not only was the Locarno Agreement reached, but in that same year war hero, Paul von Hindenburg was voted in as the President of the German Republic. He swore to uphold the democratic constitution that was put into effect. The ability of Germany to become a liberal democracy was crucial to its success. The founders of the new republic, whose capital was in the city of Weimar, created a constitutional order modeled after the western states.
Attempts to Avoid War

2. In 1926, the French became the sponsors of getting Germany into the *League of Nations*. This was an attempt to establish a stronger collective security agreement.

3. In 1927, Briand contacted the United States Foreign Minister, Frank Kellogg. The two countries agreed to the *Kellogg-Briand Pact*. The pact said that neither country would use war to settle problems with other countries. Hence, it renounced war.
The Maginot Line

The French general Philippe Petain suggested that the French build a “wall” between France and Germany. In 1929, the French listened to his suggestion and began to build the *Maginot Line*. Much of the Maginot Line was underground so that it would be considered attack-proof.

a) The Maginot Line was not well-planned. It was not long enough. The Germans could simply go around it.

b) It created a sense of defeatism in France. The people started to feel that the government was constructing this because the Germans were more powerful than them.

c) By building this, the French are admitting that their allies are weak.

d) The French were giving up control of the Rhineland.
THE ECONOMY SPINS OUT OF CONTROL

By early 1929:

- US industrial production had begun to decline. With this, unemployment among workers started to climb. At the start of 1929, over two million Americans were already unemployed. As this number increased, the demand for industrial goods declined substantially. In addition, farm prices began to fall, hurting the already struggling agricultural industry.
The Young Plan

Americans had been speculating in the stock market throughout the decade. To purchase these stocks, investors borrowed heavily from the banks. By 1929, stock prices had declined by a third of its original value. In that same year, Germany was issued the “Young Plan.” Created by Owen D. Young, the plan pertained to Germany’s reparations. It reduced the annual payments and set the value of the final bill. The value was set at $30 billion, paid over 58 years.
THE SMOOT-HAWLEY TARIFF LAW

- In 1930, the US Congress enacted the Smoot-Hawley Tariff Law, setting tariff barriers 50% higher on imports. This greatly hurt international trade and investment.
Because of this economic collapse, US foreign investments fell by two-thirds by 1932. One nation who suffered substantially by this development was Germany, where the US drastically cut back on their loans to them. The decline in the flow of dollars to Germany forced the German government in 1931 to abandon its reparation payments.
By 1932, industrial production had declined by one-fourth worldwide and by one-third in Europe. In particular, production in Germany was greatly hurt. It fell by 40% and 25% of German workers were unemployed. The harmful effects of the depression were pushing the world toward renewed instability and conflict.
Political Unrest in France

The political world in France was not at ease either. In the 1920s and 1930s, France suffered from a multi-party system. Because of this, right-wing hate groups were formed. Two of the more vocal parties were:
Croix de Feu

*Croix de Feu (Cross of Fire)* - This party was set up by former French soldiers. By 1930, anyone could join the party. They had over a million members. Their leader was Col. De La Rocque. He saw himself as the next Napoleon. The Croix de Feu were united by the following sentiments:

- They hated the Germans.
- They hated their own government. They wanted put in a dictator.
- They were anti-Semitic.
- They hated immigrants.
ACTION FRANCAISE

*ACTION FRANCAISE (FRENCH ACTION)*—this party was made up of mostly Catholic students who wanted to protect the Catholic culture in France. The members were united by their:

- Hatred of the Germans.
- Anti-Semitic feelings.
- Nativist mentality.
- Hatred of the French government. They wanted to bring back the monarchy.
THE STAVISKY AFFAIR

• ALEXANDRE STAVISKY WAS A JEWISH RUSSIAN BUSINESSMAN WHO BECAME A FRENCH CITIZEN. HE WAS A CROOK BUT ALWAYS BOUGHT HIMSELF OUT OF TROUBLE. IN 1933, STAVISKY WAS ARRESTED. HE SAID THAT IF HE WENT TO JAIL, HE WOULD RAT OUT ALL OF THE GOVERNMENT OFFICIALS THAT HE DID “DIRTY” WORK FOR. ALLEGEDLY, STAVISKY COMMITTED SUICIDE BEFORE HIS TRIAL BUT QUICKLY THE NEWSPAPERS STARTED TO PRINT ARTICLES ACCUSING SOME CORRUPT POLITICIANS HAVING HIM KILLED. THIS BECAME KNOWN AS THE STAVISKY AFFAIR.
The Formation of the Popular Front

The right wing groups (Croix de Feu and Action Francaise) called for a rally in Paris. This was known as the Stavisky Riots. These radical groups attempted to overthrow the French government. They failed but it frightened the French government. Three political parties formed an alliance to protect the government from these right-wing groups. The alliance was called the Popular Front. It was made up of:

- The Radical Party
- The Socialist Party led by Leon Blum
- The Communist Party
Josef Stalin (USSR) realized that Hitler was becoming increasingly more dangerous. Thus, he told the Communist Party in France to form an alliance with the government. Stalin wanted France to become an ally of the Soviet Union.
GERMANY ISN’T A TERRIBLE OPTION

In 1936, the Popular Front came to power in France. The Popular Front was hated by right-winged groups because:

• The Popular Front leader was Leon Blum. He was Jewish.

• The Popular Front declared the right-wing groups illegal. Thus, the groups reacted in two distinct ways:
  
  – They changed their attitudes towards Germany. Members began to think that it might be a good thing if Hitler invaded France and overthrew the government. Some went as far as to say “Better Hitler than Blum.”
  
  – These right-wing groups began to plan a civil war. They started to polarize the French people. It is generally agreed upon by scholars that if World War II didn’t break out, France would have had a major civil war.
The Political Atmosphere in England

While France was extremely concerned with a potential German threat, England was concerned with her own domestic problems. Three major parties dominated England during the 1920s and 1930s. This created political confusion and uneasiness. The parties were:
The British Parties

- **Liberal Party** - This party was led by David Lloyd George. At the time, he was viewed as the best statesman in the country. However, his party was losing power. By 1922, the Liberal Party was voted out of office.

- **Labour Party** - This party was set up by the trade unions to help the working class. It was relatively new. It stood for the creation of a “Welfare State” (which concentrated on insurance, social security, etc.). It would be paid for by taxing the rich and by nationalizing certain industries. The problem for the party was that it had lousy leadership and people were afraid of it. To many, it resembled a communist party.
THE CONSERVATIVES IN ENGLAND

Conservative (Tory) Party- This party dominated England from 1922 until 1940. Domestically, it wanted to maintain the status quo and from a foreign policy perspective, the party wanted to remain isolated. However, if the Conservatives were forced into international diplomacy, the party’s greatest fear was communism.
The leader of the Conservative Party from 1922-1937 was Stanley Baldwin. He was the most important leader in England in the 1920s. He was eventually replaced by Neville Chamberlain. With this history of great leaders, Winston Churchill was the only Conservative who warned publicly about the dangers of Hitler.