

Post War Depression and the Rise of Fascism

International Economic Collapse

- Instability as a result of WWI
- Dislocation of basic industries after war and unemployment
- International depression among agricultural industries
- International economic interdependence and growing trade barriers

International Economic Collapse (cont)

- Currency inflation, e.g. Deutschmark
- Excessive borrowing and purchasing of credit
- False belief in prosperity based on heavy industry
- Extraordinary stock-market speculation
- Poor faith in an international monetary standard

The Financial Collapse

- October 1929 – Massive wave of selling
- Domino effect – rest of economy fell
- Spread to European stock markets and economies
- Improved communications meant spread of doomsayers
- Growing unemployment and dissatisfaction
- US Loans called – hurt Germany, Britain, and France

Recovery Attempts

- Government intervention including socialist programs in most countries
- Basic industries rebuilt after 1930
- Government work created, e.g. CCC
- Currency systems readjusted, gold standard dropped
- High protective tariffs, quotas, restrictions
- League of Nations and IMF efforts

Rise of Fascism

- Italy
 - Switch from Axis to Allies during WWI
 - No real territorial gain as result, no financial aid
 - Strong nationalist movement
 - Expansionistic impulse shifted to NE Africa
 - King Victor Emmanuel II relatively powerless, figurehead
 - Benito Mussolini and the Fascists

Fascism

- Syndicalism – control of key industries
“Corporate State”
- Capital and Labor controlled by state
- Idea of “Collective Will”
- Neutralized church
- Modified Education system
- Construction of National myths

Fascism in Germany

- German defeat in WWI
 - German's lack of understanding; not surrender, negotiated "peace"
 - Kaiser ousted, Weimar Republic declared
 - New government took blame for defeat and consequences of War Guilt, Territorial Losses, and Reparations

The Weimar Republic

- Dominated by Social Democrats
- Universal suffrage, democratic elections, constitution
- Major weaknesses in constitution
 - Emergency Decree
 - Electoral laws created splinter parties and coalitions

Crisis in the Weimar Republic

- Resistance from Right and Left
 - Communist uprisings, coup in Bavaria 1919
 - Both sides angry over war settlement
 - Far right revolt in Berlin – controlled city (1920)
 - Right-wing assassinations of political leaders

Crisis in the Weimar Republic

- German economic troubles
 - Massive reparations to France
 - Currency inflation
 - Indebtedness to US
 - Effect of Great Depression
 - Defaulted on reparations 1923 – France occupied Ruhr
 - Nationalist, right-wing, militarist group known as National Socialist Party of the German Workers
 - 1923 – Munich “Beer Hall Putsch”

Rise of Adolph Hitler

- Wounded in WWI – Gas Attack
- Failed painter: denied admission to art school
- Worshipped Nordic race (“Aryan”)
- Joined NSWP and re-organized it
- Created armed wing – SA and SS
- 1930 Reichstag elections – NSWP major party
- By 1932 dominated Reichstag
- 1933 – President Von Hindenburg named Hitler Chancellor