

THE END OF OPTIMISM: THE GREAT DEPRESSION IN EUROPE



Write down all **GREEN** information on
your graphic organizer!

The World after WWI

- ▶ Victorious countries experienced a period of “BOOM”
- ▶ United States & Japan came out of WWI in better financial shape than before the war
- ▶ Allied countries continued their alliances through international trade and economic cooperation
- ▶ “Roaring Twenties” was the name given to the good times in the United States

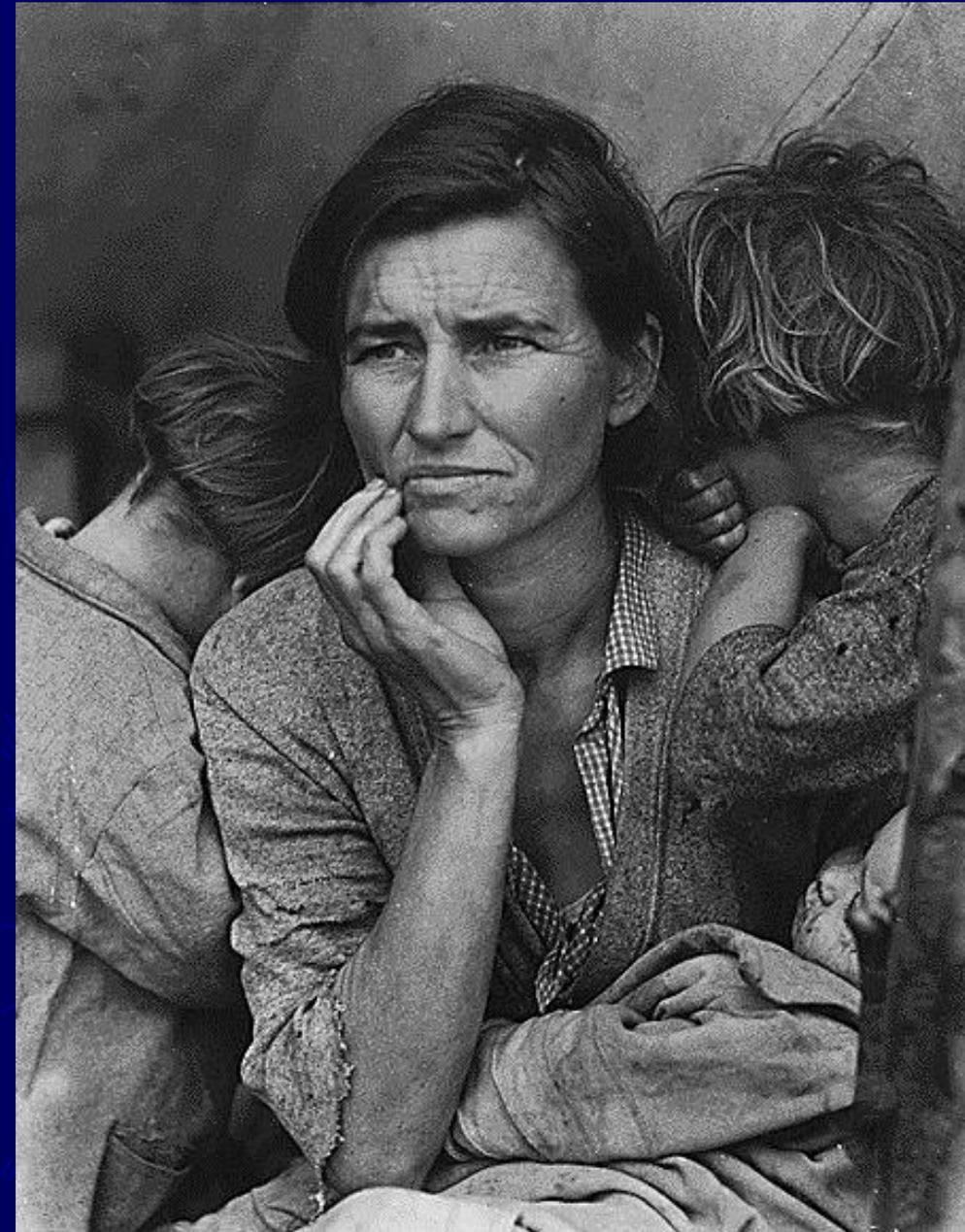
Germany in the 1920s

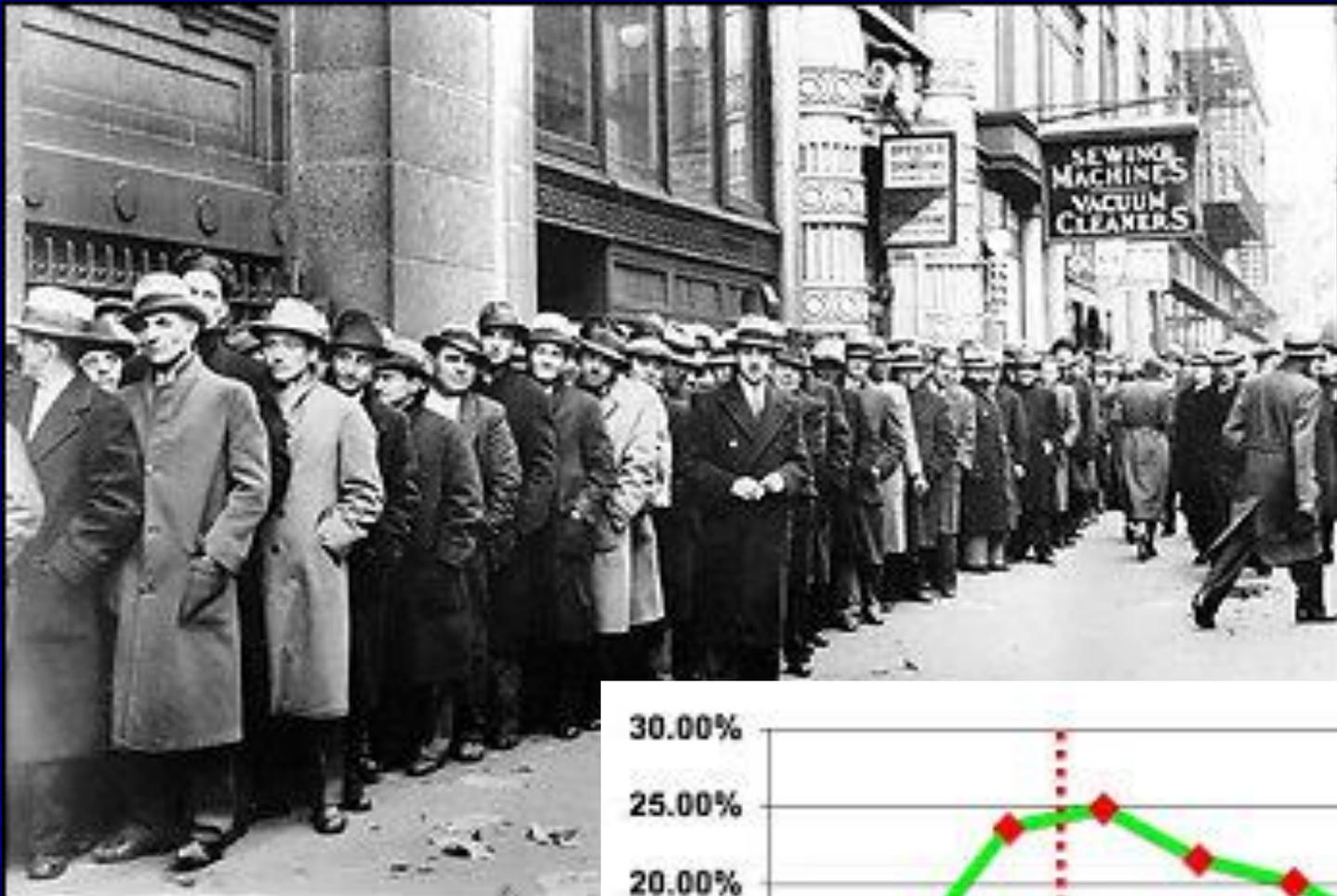
- ▶ New democratic government setup in 1919 called the Weimar Republic
- ▶ **Germany had not increased taxes during WWI to pay for wartime supplies**
- ▶ **As a result, Germans simply printed more money to pay for expenses of the war (inflation).**
- ▶ **Value of the mark (German currency) declined**
- ▶ Cost of a loaf of bread: 1918 = less than one mark; 1922 = 160 marks; 1923 = 200 billion marks
 - People in Germany took wheelbarrows of money to buy groceries
 - Many Germans began to question the value of their new democratic government

How did the Great Depression begin?

- ▶ **Overproduction in factories – regular Americans not able to purchase most goods**
- ▶ **People in the United States had been over spending and buying “on credit”**
- ▶ **October 29, 1929 STOCK MARKET CRASH**
- ▶ Americans rushed to banks to withdraw money – banks forced to close
- ▶ Many sold off all of their possessions after losing jobs
- ▶ Unemployment & homelessness skyrocketed

“Hoovervilles”

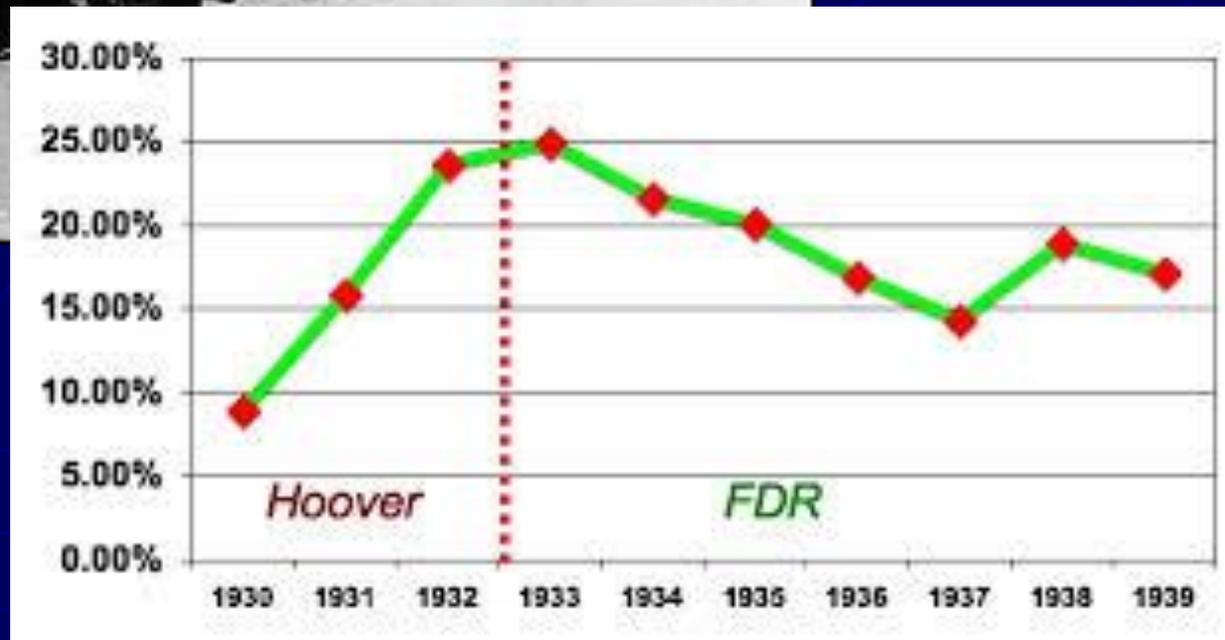




Line of unemployed workers in New York City



Unemployment Rate in U.S.



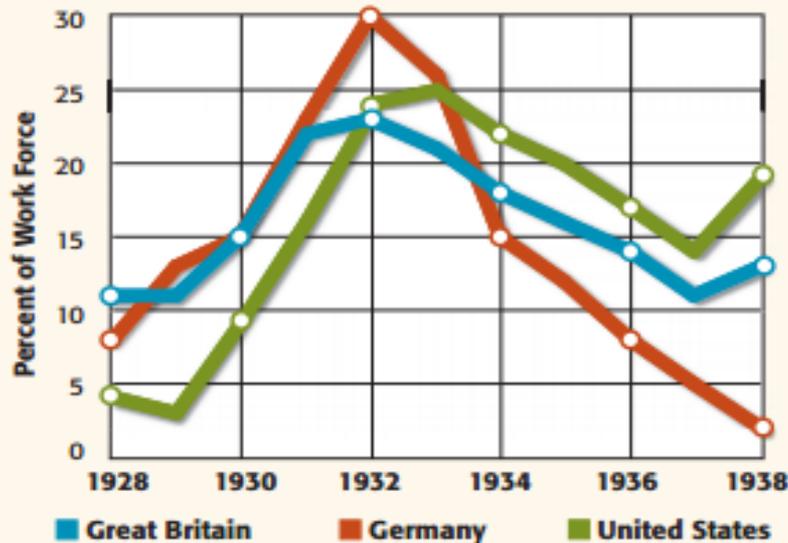


READING THROUGH
HISTORY

The Ripple Effect

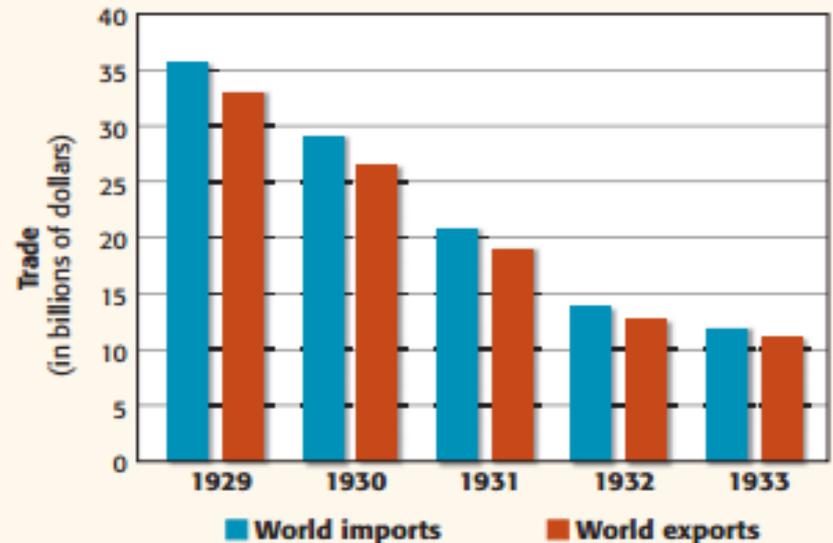
- ▶ United States' Stock Market Crash in 1929 led to collapse of international trading
- ▶ Decreased trade between United States and Europe
- ▶ Cutbacks in production at factories = less jobs
- ▶ Increased unemployment worldwide

Unemployment Rate, 1928–1938



Sources: *European Historical Statistics: 1750–1970*;
Historical Statistics of the United States: Colonial Times to 1970.

World Trade, 1929–1933



Source: Kenneth Oye, *Economic Discrimination and Political Exchange*

SKILLBUILDER: Interpreting Graphs

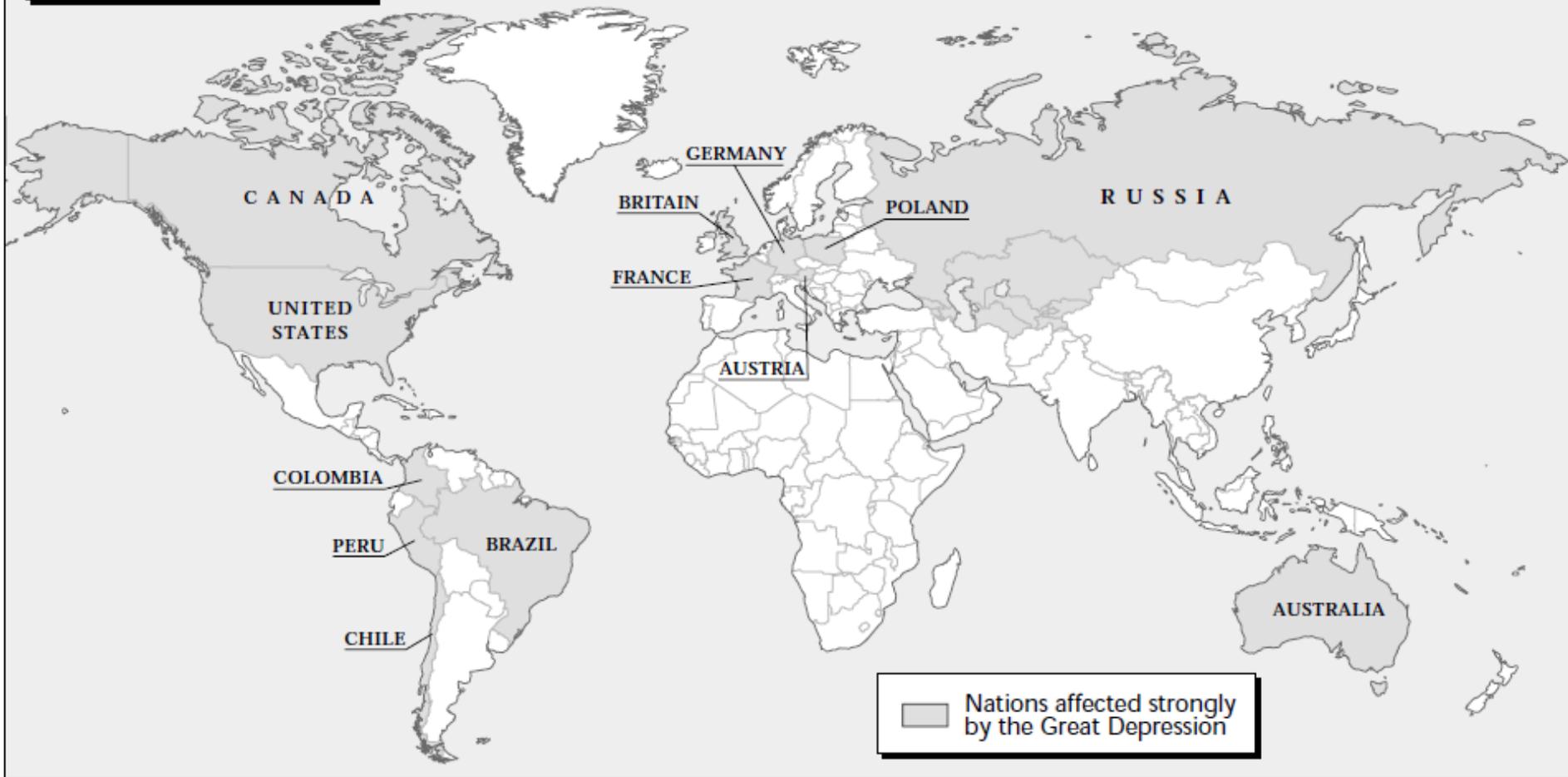
- 1. Comparing** What nation had the highest rate of unemployment? How high did it reach?
- 2. Clarifying** Between 1929 and 1933, how much did world exports drop? What about world imports?

States. Many countries that depended on exporting goods to the United States also suffered. Moreover, when the United States raised tariffs, it set off a chain reaction. Other nations imposed their own higher tariffs. World trade dropped by 65 percent. This contributed further to the economic downturn. Unemployment rates soared.

Turning Inward

- ▶ One immediate effect of the global depression was the decrease in international cooperation
- ▶ Countries began to focus on their domestic issues and ignored global community
- ▶ The lack of economic and political cooperation fueled the growth of nationalism

Global Impacts of the Great Depression



Map of the countries affected strongly by the Great Depression. (The Gale Group.)

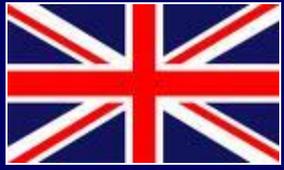


The Great Depression: GERMANY



- ▶ **Economy was weakened by:**
 - **Treaty of Versailles** (post-WWI settlement)
 - **Inflation** (rising prices)
 - **Extensive borrowing by government**
- ▶ **German government responds by:**
 - **Cutting public services:** water, trash, police, fire
 - **Refusing to pay back debt from WWI**
 - **Use of emergency power by officials to enforce order and cooperation of German citizens**





The Great Depression: GREAT BRITAIN



- ▶ Great Britain was weakened by:
 - Decreased borrowing from British banks
 - Shipping weakened by collapse of international trade
- ▶ British government responds by:
 - Protecting industries (put limits on imports coming into Britain)
 - Maintaining public services for citizens

Unemployment in Europe

- ▶ Most visible sign of depression in European countries: long lines for food relief
- ▶ Rising unemployment
- ▶ Look at chart: What similarities or differences do you see?

Country	1929	1930	1931	1932	1933
Austria	225,000	239,000	304,000	417,000	456,000
Belgium	28,000	42,000	207,000	350,000	383,000
Czech	50,000	88,000	340,000	634,000	878,000
France	9,000	14,000	72,000	347,000	356,000
Germany	2,484,000	3,041,000	4,744,000	6,034,000	5,599,000
Norway	24,000	23,000	29,000	38,000	42,000
Poland	177,000	289,000	373,000	360,000	280,000
Sweden	44,000	42,000	73,000	99,000	121,000
U.K.	1,204,000	1,694,000	2,666,000	2,660,000	2,821,000

Source:
Lionel Robbins, *The Great Depression* (New York: Macmillan, 1936) 213.

The Great Depression



Soup Lines in Europe:

One liter of soup per family, one penny to buy one liter

Effects of The Great Depression in Europe

- ▶ Demonstrations, strikes and protests
- ▶ Attempts to overthrow governments in Germany and Italy
- ▶ Increasing support for new fascist leaders
- ▶ Rise of the Nazi Socialist Party in Germany led by Adolf Hitler



German Campaign Poster:
“Our Last Hope....HITLER”

Rise of Hitler:

What Did Hitler Promise Germans?

- ▶ The Nazis pledged to solve problems
- ▶ Hitler used Jews and other groups of society as scapegoats, blaming all problems on them
- ▶ People in Germany were tired of their poor quality of life - Hitler promised to make Germany proud again
- ▶ Hitler provided jobs to most unemployed throughout Germany



Hitler's Response to the Great Depression

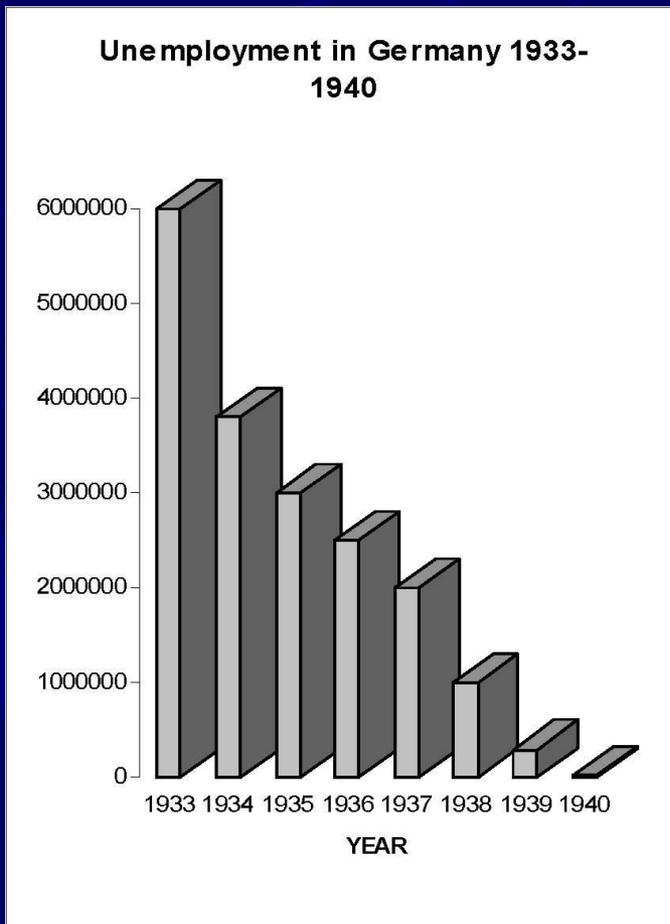
- ▶ Hitler launched his New Order plan the same year that U.S. President FDR launched the New Deal programs
- ▶ New Deal (U.S.): combination of economic and social programs designed to provide relief to Americans
- ▶ New Order (Germany): grand economic and social scheme built on beliefs such as racial superiority, military expansion, government control of industry (communism), and strict control of German citizens

Hitler's Response to Great Depression

- ▶ Hitler promised something to every part of society:
 - Farmers = higher prices for their produce, making up for losses during the Depression
 - Unemployed workers = jobs building public works such as roads and stadiums
 - Middle class = restore the profits of small businesses and encourage spending by all citizens

Hitler and the Unemployed

- ▶ Before he became Chancellor, Hitler had promised '*brot und arbeit*' (bread and work). This was a promise that he could not afford to break.



The graph shows that Hitler was successful in solving the unemployment problem, but how did he do it?

1. **Reparations** – Hitler stopped paying reparations. The money saved was invested to create more jobs.

2. **Government spending** – Jobs were created by spending money on public projects. For example – the motorways (autobahns). Huge buildings were constructed – Berlin Olympic Stadium. The car industry was helped by government money = creation of the Volkswagen.

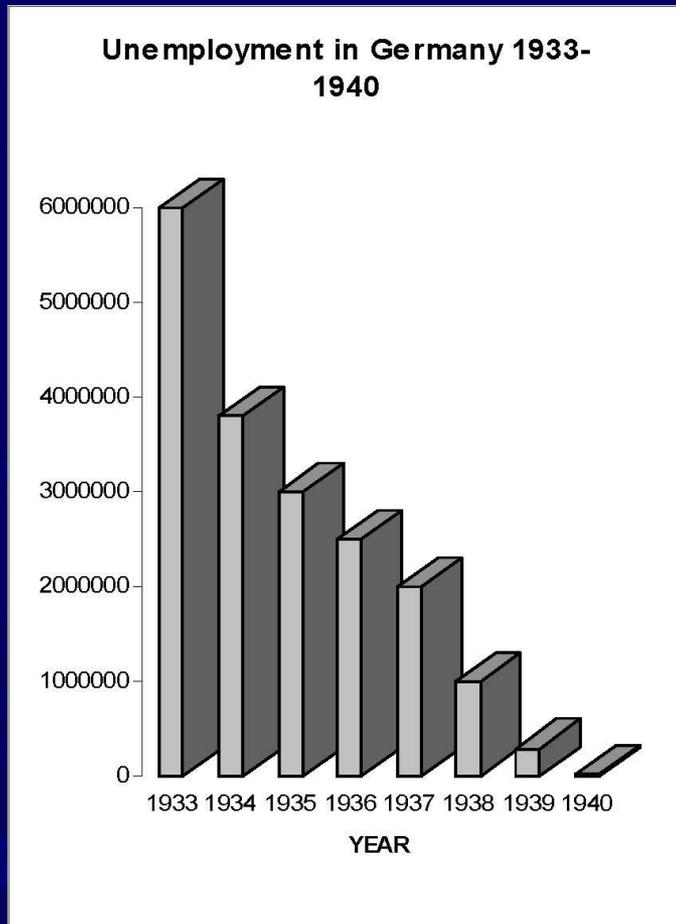
3. **Rearmament** – Beginning in 1936, more jobs were created in the army and weapons factories as Hitler rebuilt his military.



Adolph Hitler breaks ground on the Autobahn as part of his "New Order" plan to stimulate the German economy in 1933. (© Bettmann/Corbis. Reproduced by permission.)



Hitler and the Unemployed – *The Fine Print*



- ▶ **DO NOT ALWAYS TRUST FIGURES UNLESS YOU HAVE ALL THE FACTS.**
- ▶ **CONSIDER THESE POINTS:**
 - The figures do not include Jews dismissed from their jobs.
 - Women dismissed from their jobs.
 - Opponents of the Nazis who were in concentration camps.
 - Part time workers were counted as full workers.
 - Conscription (required military service) beginning in 1935 took thousands of young men into military service.