THE RUHR CRISIS

Peacemaking, peacekeeping-international relations, 1918-1936
The Ruhr Crisis, a result of the Franco-Belgian invasion and occupation of the Ruhr area of Germany in 1923 has its roots in French fears about security:

- Collapse of the Anglo-American guarantee
- Unsuccessful in her attempts to partially dismember Germany
- The USA and UK were retreating into isolation
- The UK was in favour of German revisionism (changed when Germany signed the Treaty of Rapallo)
The reparations commission had determined in 1921 that Germany should pay 132 billion gold marks (£6,600 million over 42 years) to the allied powers.
The French were anxious to enforce the reparations settlement in full for two reasons:

- They owed money to the USA
- They wanted to weaken Germany by collecting the reparations and thus limiting the speed and extent of German economic recovery.

A 1922 cartoon from the Los Angeles Times in which France demands war reparations from Germany. (Library of Congress)
The British attitude towards reparation was ambivalent. They needed money to pay the United States but were also aware that continued German economic weakness would limit the recovery of British trade.
The German signing of the Rapallo Treaty further convinced the British that if Germany were not conciliated she would slip into the Soviet orbit.
The French were convinced that Germany was trying to avoid her obligations and should be made to pay. French premier Raymond Poincaré took a hard-line approach to Germany: only force would convince the Germans to fulfil their obligations.
Germany missed a delivery of timber as part of her payments. The French had Germany declared in default despite British objections and on 11 January 1923 French and Belgian troops invaded the Ruhr.
The French object was to collect reparations through seizing the output of the mines and factories of the Ruhr and shipping them to France.
The German workers refused to co-operate and went on strike and engaged in acts of sabotage to prevent the French from obtaining any materials (e.g. Flooding of mines, burning of factories, destruction of railroads and ships, etc). This led to violence and the imprisonment of leaders of the resistance as well as the death of a number of protestors.
The greatest crisis however was the catastrophic inflation that resulted from the French invasion and the response of the Weimar government.

In order to support the workers in the Rhur in their strike actions, the government simply printed more money to the point that paper money became worthless. Prices for goods rose to hundreds of billions of marks.
Inside Germany, the principal victim was the middle class who had saved their money and planned for the future:

- Wiped out savings
- Demoralized and cynical
- They lost faith in the system: vulnerable to the appeal of extremists in politics (Hitler made his first attempt to seize power at this time; putsch)
Germany was in danger of complete collapse and a state of anarchy might well develop (Germany might embrace communism). They had to find a solution.
The collapse of the German economy also meant that the Allies were not receiving reparations payments but their hopes for European recovery were in serious jeopardy.
The breakthrough came with the appointment of Gustav Stresemann as chancellor of Germany. Stresemann called off the passive resistance in the Ruhr and announced that Germany would comply with her obligations under the Treaty of Versailles.
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- Passive resistance
- http://www.youtube.com/watch?v=UD3Vk4rczZ0

A German poster urges passive resistance during the Ruhr crisis, under the motto “No! You won’t subdue me!”
The French were willing to come to an agreement as the Ruhr occupation had been an economic failure and had damaged French relations with her former allies (the UK and the USA).
The key player in the solution was the USA. The Americans demanded payment from the United Kingdom and France but they could not pay if Germany did not pay them. The solution came from Charles Dawes (biography on page 63)
His plan allowed Germany to reschedule the reparations payments so that the total amount was reduced and the deadlines were extended.

In order for the German economy to recover extensive foreign loans, largely from the USA, were arranged. In addition, much private American capital flowed into German businesses and German government bonds.
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Diagram:

- **USA**
  - France pays back war loans to the USA and imports US goods to help rebuild France
  - USA lends money to Germany which is spent on building up the German economy

**France**
- Germany uses increased tax revenues to pay reparations to France

**Germany**
All this was the result of the Policy of Fulfilment by which Weimar government had decided that it would be useless to continue to defy the Treaty of Versailles in the hopes of having it modified (revision of its terms based on her good citizenship and co-operation).

**Policy of Fulfilment.**

A policy introduced in Weimar Germany in support of German co-operation with the terms of the Treaty of Versailles in order to gain concessions in the future from the Allied powers.
After the resolution of the Ruhr Crisis, Stresemann proposed to the Allies that Germany would be prepared to accept its current boundaries with France and Belgium and have their obligations enforced by international treaty.
This was welcomed by the British and supported by the new French premier Aristide Briand. The result was the Locarno Treaty signed in October 1925.

- Germany accepted its borders with France and Belgium as permanent
- These borders were guaranteed by the UK and Italy
- Germany would also join the League of Nations
Breakthrough in Franco-German relations
Security for France
Germany rehabilitated without posing a threat to Western Europe
The French and the British might also repair their relationship
Germany agreed to seek changes in her eastern borders by means of discussion, agreement and arbitration with Poland and Czechoslovakia.

While the Western borders had been fixed by international guarantee, Britain refused to guarantee the countries to the east of Germany. This allowed Germany to assume that her Eastern borders could be changed and with little objection from the Allies.
Germany accepted the results of WWI on her western borders but not in the east. The overall result of the Treaty was a sense of euphoria, the “spirit of Locarno”:
- Tensions had been reduced
- Prosperity
- Democracy
- Progress towards peace
Germany joined the League of Nations and obtained a permanent seat on the League council.
The Allies removed their troops from the left bank of the Rhine.

The Allied commission to supervise German disarmament departed in 1927.

By 1930 the Allied occupation armies had left Germany and she became an independent state once again.
In 1928 the Kellog-Briand pact was signed by 65 countries. They agreed to renounce war as an instrument of national policy.
Stresemann and Briand were awarded the Nobel Peace Prize in 1926 (not to underline)
Locarno seemed to be proof that the IWW and its tensions had finally been resolved.

The economic prosperity 1920s, the failure of communism to spread and the willingness of Germany to accept the decision of Versailles were strong indications of a new era.
The Locarno Treaty didn’t solve some problems (this sentence is not in the book):

- The League was not strengthened and the principle of collective security remained uncertain in its practical application to meeting Europe’s long-term security needs.
- Germany did not agree to accept her eastern border.
- Germany continued co-operating with the USSR in the Treaty of Rapallo (she was continuing to evade the disarmament clauses)
- The Locarno spirit was closely tied to the economic health of Europe that prevailed in the 1920s which allowed reparations to be paid, political extremism to disappear and a sense of international co-operation to flourish (with the support of the United States)