Machine generated alternative text: The Treaty of Versailles 
After the First World War had ended in 1918, each of the previously 
contributing countries was left either in debt or had to deal with financial 
struggle. America, Britain and France (or “
the big three
”, excluding Italy) 
wanted to stop the spread of communism and felt Germany should be brought 
to its knees. They wanted Germany strong enough to stop communism, but 
weak from punishment as they were strongly blamed for the First World War.  
 
 
 
 
The financial penalties that the treaty would 
inevitably impose on Germany were essentially 
forced upon them, which initially meant that 
Germany had to sign the “peace treaty”.  
  
Reference: Google Images | “The big four 1919”, source: Wikipedia 
Reference: Google Images | “The Treaty of Versailles”, 
source: Wikipedia 
Machine generated alternative text: This stopped Germany’s original intentions to expand its empire in 1914 and, in 
1921, this left Germany 132 billion Marks (then $31.4 billion or £6.6 billion, 
roughly equivalent to US $442 billion or UK £284 billion in 2015) left to pay.
 
 
The Reparations Bill – April 
1921 
In April 1921, the League of Nations 
agreed a sum of £6.6 billion – in 
instalments, until 1984 – and 
defeated Germany had to agree to 
pay. £50 million was paid in 1921, 
however an economic crisis 
occurred in July 1922, and Germany 
was unfortunately forced to delay 
reparation payments by six months.  
 
The German government failed 
to make its payment once again 
in 1923, which consequently 
lead to French and Belgian 
troops entering Germany in 
January 1923 and taking back 
what was theirs.
 
 
Reference: 
Google Images | “The signing 
of the Treaty of Versailles” 
References: Google Images | “The French occupation of the Ruhr” 
cMachine generated alternative text: Hyperinflation – 1923 
Germany went on a protest by 
passive resistance
, which meant 
they refused to work. This caused 
a continuous struggle as Germany 
was already in millions of pounds 
worth of debt and people not 
working would only make things 
worse, and the government could 
not afford the costs of the 
resistance.
  
During the French occupation, the 
Weimar government ordered a 
strike in the Ruhr which had a 
devastating impact on the already 
plummeting German economy. 
Industrial production in 
Germany’s most important region 
caused the collapse of German 
currency, so the government compromised and began to 
print
 money; this 
included war loans of over £220 million.
  
 
This image shows people burning money as it was “easier than buying coal” 
References: Google Images | “Hyperinflation in 1923” 
Machine generated alternative text: Hyperinflation
 began in 1923 and German economy had been brought to its 
knees. A loaf of bread that cost 163 marks in January 1923 had risen to 
200 
billion marks
 by that same November. 
 
 
 
In July 1922 it had cost 500 marks to buy a single US dollar but however, by 
December 1923, it would cost 4,200 billion (just for one). As a result, money 
became worthless. 
 
  
References: Google Images | “Hyperinflation in 1923” 
Machine generated alternative text: Gustav Stresemann’s end to Hyperinflation 
 
Gustav Stresemann’s introduction of 
the 
Rentenmark
 brought an end to 
Hyperinflation and helped Germany 
rebuild its economy.  The 
Rentenmark was introduced at a 
rate of one Rentenmark to equal 
one trillion old marks, with an 
exchange rate of one United States 
dollar to equal 
4.2 Rentenmarks
. 
 
The Dawes Plan, 1924: 
The Dawes Plan was essentially 
assistance from the USA.  America 
would loan money to Germany and 
this would allow Germany to invest 
in its industry, which would support 
growth in employment and demand for goods then ascended. As a result, the 
profits in German economy then accelerated in contrast to the catastrophe of 
1923, and by 1927 German industry seemed to have recovered very well. 
Production had 
increased by over 35%
 since 1923.
  
Workers’ wages rose during this period, more importantly, their weekly wages 
rose by over 30% between 1924 and 1928. However, the down side was that 
people working in public services did not increase as quickly.
 
References: 
Google Images | “Gustav 
Stresemann” 
Google Images | “German 
Rentenmark”, source: Wikipedia
 
Machine generated alternative text: New York: Photo shows left to right, Owen D. Young, Gen. Charles 
G. Dawes and Henry M. Robinson now from departed the SS 
Leviathan as they returned from the reparations settlement in 
France and Germany, 1924. 
 
 
  
Reference: Google Images | “Dawes, Young and Robinson” 
Machine generated alternative text: Google images: “The Dawes Plan” - This is showing the drastic change in debt 
for Germany and how German Economy improved rapidly as the years 
proceeded. 
 
 
The Young Plan – 1929 
The Young Plan reduced German reparation payments to 
112 billion gold 
marks
, which was originally 269 billion gold marks, and this would be payable 
over 59 years. The plan was written by a committee headed (1929 – 1930) by 
American, 
Owen Young
. Each year, Germany only had to pay one third of the 
two billion marks due, the remainder would then only have to be paid if it 
would not damage Germany’s economy too much.  
  
Reference: Google 
Images | “European debt after the Great War”
 
Machine generated alternative text: Germany’s Slow Recovery: 1927 – 1930 
1927: 
New welfare laws to help protect workers if they became unemployed 
were introduced in 1927; this comprehensive welfare system was seen as a big 
achievement. However, the negative side was that the government did end up 
with a significant amount of welfare bills. 
 
1928: 
There were serious debates between trade unions and employers over 
workers’ pay and the influence of trade unions. Yet German industrial 
production was finally higher than it had been since WWI. Big businesses, such 
as steel and chemical, were doing particularly well. 
1929: 
Farmers became poorer because food prices 
were falling. Farm workers’ earnings were little 
more than half the national average and many 
farmers were in debt. Increasingly towards the end 
of this period, small shopkeepers saw their 
businesses threatened by large department stores. 
1930: 
By 1930 Germany was one of the world’s 
leading exporters of manufactured goods. 
Reference: Google Images | “German Industry 1930” 
Reference: Google Images | “Weimar Germany Cabaret, the Golden Years: 1924 – 1929” 
