History, Weimar and Nazi Germany

Lesson 6

# Worksheet: Why was 1923 known as a 'year of crisis'?

Mr McNally



### The French occupation of the Ruhr

Germany's economy was bankrupt due to the war effort. Not only was it struggling to keep Germany functioning, but it also owed the Allies reparation payments. In 1922, Germany failed to send a payment of coal to France and in response, France decided to sent troops to the Ruhr, to forcibly take the provisions from Germany.

**France** confiscated the machinery, raw materials and goods from the **Ruhr** and arrested any German worker who prevented this. They also brought in their own workers to extract the resources from Germany.

France was determined to be paid.



#### The German response

The **German** people were horrified to find out that **France** had **invaded** their country and arrested some of their citizens. They demanded that the **Weimar Republic** put a stop to it.

In reality, there was very little to **Weimar Republic** could do. Their army was limited to **100,000 men** and could do nothing the physically stop the French **occupation**. In defiance, they ordered their workers to show **passive resistance**, to go on strike and **sabotage** the factories so **France** could not take the resources. This made the **Weimar Republic** look extremely weak and many people **resented** them for this.

The loss of the **Ruhr** crippled the German economy. Around **80%** of its steel and coal reserves were lost to France. This put the German finances in an even worse position.



# **Hyperinflation**

With no real prospect of being able to pay the **French**, the Weimar Government decided to **print off** more money. Doing this meant that could make the payment needed to France. However, this had a **disastrous** impact on the economy. As Germany was suffering from **shortages**, the prices of goods had already increased. Printing off more money **increased** the prices even further, which meant that even more money needed printing off. This was called **hyperinflation**.

In 1919 a loaf of bread cost 1 mark and by 1923 it cost 200,000 billion marks. The German economy was in ruin.



Another negative impact of **hyperinflation** was that **Germany** was unable to **import** goods from abroad. Foreign countries would not accept the German mark as a payment. This caused more shortages in food and goods. In addition, people who had **savings** in the bank lost out. The savings became worthless due to the low value of money.

However, some people did **benefit** from hyperinflation. People in debt found it much easier to pay it off and foreign business found it much cheaper to buy German resources and materials. Yet for the majority of Germans, hyperinflation had a negative impact on their lives.



## Glossary

**Economy** - The state of a country's finances.

**Bankrupt** - When a country/person has no money and cannot pay their debts.

**Passive resistance** - When the workers were told to go on strike and sabotage the factories.

**Ruhr**- An industrial area of Germany which contained around 80% of its raw materials.

Hyperinflation- Where the value of money rapidly drops and prices rise.



# **Comprehension Questions**

- 1. Why did the French occupy the Ruhr in 1923?
- 2. How did the Weimar Government respond?
- 3. What caused hyperinflation?
- 4. Explain one way some people benefited from hyperinflation
- 5. <u>Challenge question</u>: Explain one challenge the Weimar Republic faced in 1923
- P One challenge the Weimar Republic faced in 1923 was ...
- E This was when ...
- E This was a major challenge to the Republic because ...
- L Therefore, ... was a challenge to the Weimar Republic in 1923.

