

The History of the Twentieth Century

Episode 212

“1919 – Germany III”

Transcript

[music: Fanfare]

The Treaty includes no provisions for the economic rehabilitation of Europe – nothing to make the defeated Central Powers into good neighbors, nothing to stabilize the new states of Europe, nothing to reclaim Russia; nor does it promote in any way a compact of solidarity amongst the Allies themselves; no arrangement was reached at Paris for restoring the disordered finances of France and Italy, or to adjust the systems of the Old World and the New.

The Council of Four paid no attention to these issues, being preoccupied with others – Clemenceau to crush the economic life of his enemy, Lloyd George to do a deal and bring home something that would pass muster for a week, the President to do nothing that was not just and right. It is an extraordinary fact that the fundamental economic problems of a Europe starving and disintegrating before their eyes, was the one question in which it was impossible to arouse the interest of the Four. Reparation was their main excursion into the economic field, and they settled it as a problem of theology, of politics, of electoral chicane, from every point of view except that of the economic future of the States whose destiny they were handling.

John Maynard Keynes, *The Economic Consequences of the Peace*.

Welcome to *The History of the Twentieth Century*.

[music: Opening Theme]

Episode 212. 1919: Germany, part three.

Today we continue our discussion of the Treaty of Versailles. We covered some of the treaty topics last episode, but I'm saving what most people regarded as the two most important for today. Those topics are disarmament and especially reparations.

Let's start with disarmament. Woodrow Wilson's Fourteen Points called for all nations, not just the Central Powers, to reduce their levels of armaments. Arms reduction isn't just a utopian ideal. It has practical implications. Over the course of this podcast, we've seen time and again

that modern warfare requires expensive weapons that not only cost a lot more than what 19th-century soldiers and sailors were accustomed to using, but became obsolete more quickly, due to the rapid pace of technological change in the twentieth century. Arms races are also destabilizing. They lead to suspicion and mistrust between rival nations and engender fears that an enemy nation might gain an overwhelming advantage.

The universal dream of 1919 was to go back to the good old days of the Belle Époque, when the economies of Europe and the New World were growing at unprecedented rates, when world trade was booming, and when people and ideas moved freely across European borders and across the Atlantic Ocean. The Great War had ended those times, and the major economies of the world had come out of the Great War wrecked. The former Russian and Austrian empires had collapsed into war and chaos. Germany was struggling. But France and Italy were also struggling. The UK was doing somewhat better, and the US best of all, because it had had the least involvement in the war.

But as we have seen throughout this 1919 series, the end of armed conflict has not restored the old prosperity. Food shortages and high prices remained a problem into 1920 and 1921. When the prices did come back down, they collapsed, and it hurt farmers. By the time food prices became reasonable again for consumers, the manufacturing economy went into a slump as wartime military demand disappeared and consumer demand failed to pick up the slack. The working class did well during the war, but then food prices went out of sight, and by the time they came back down, wages were falling and unemployment was rising.

The peacemakers in Paris thought they had a cure for these postwar economic ailments: disarmament. Back in the good old days of the Belle Époque—which weren't all that great, don't get too starry eyed, here—governments were spending a lot on arms, out of fear of being left behind and vulnerable in the rapidly changing world of the twentieth century, and yet this arms spending led to arms races, which were destabilizing. Arms reduction was one of Woodrow Wilson's Fourteen Points, and all the major powers on both sides of the war endorsed the Fourteen Points. An international agreement on arms limitation would benefit everyone, by allowing nations to divert the money and resources previously spent to build weapons and use it to improve the quality of their citizens' lives.

That sounds nice, doesn't it? But the hard part of negotiating arms reductions is who goes first? And, how can we trust each other? In the current circumstances though, this was easier. Germany had started the war; Germany had lost the war. Thus, Germany can go first. The Allies committed to discussing arms reductions among themselves later, but the peace treaty will impose them on the Germans *today*.

But there was another worry. The Bolsheviks. As we have seen during our 1919 World Tour, the Allied governments and publics, especially in the United States, had transferred much of the fear and loathing they had felt toward Germany during the war onto Bolshevism. At the time of the

peace conference, the civil war was still raging in Russia and the outcome was in doubt, but Bolshevism was seen by Western leaders as a mysterious insanity that seemed to grip a significant percentage of the world's population. Early 1919 saw a Bolshevik-inspired government take power in Hungary and "soviets" pop up in Germany. Even Limerick, Ireland had a soviet for a few weeks. The unrest breaking out across the planet from Seattle to Cairo, from Dublin to Amritsar, was feared to be manifestations of this strange new, inexplicably seductive ideology.

In this view, the Allies needed Germany to be strong enough to hold back the Bolshevik madness. A completely disarmed Germany was therefore out of the question, as was breaking Germany up into smaller states.

Ferdinand Foch proposed allowing Germany an army of 200,000, provided only the officers would be career soldiers. The enlisted personnel would be conscripts for one year, only. In and out, making room for the next group the following year. This was intended to ensure Germany's soldiers would never be too well trained, or too committed to a life of soldiery. It seemed logical to the French, but to the British and the Americans, it seemed exactly backward. Remember that neither the UK nor the US had a tradition of standing peacetime conscript armies. That was a continental practice. To the British and Americans, the French proposal looked like a military training program, one that would graduate 200,000 trained German soldiers every year, who would afterward form a reserve force that would balloon to a million in just five years. This reserve force could quickly be called back into active duty in the event of a future war.

The British and Americans viewed their own small, professional armies as peaceful by nature, plainly unsuited to German-style blustering and saber-rattling, and they wanted the German Army to look like that. The French gave in on this point, but if the German Army was to be long-term and professional, the French wanted to limit it to 100,000. This was quickly agreed to. Only Foch dissented. He viewed the 100,000 as an experienced cadre that could quickly be built up to larger numbers whenever the Germans saw fit. In truth, given Germany's size and the strength of its industrial economy, permanent German disarmament was never feasible. The best one could hope for was to force Germany to disarm for now, and hope that the new world order, including its League of Nations and the planned Allied disarmament would leave the German government no reason to consider rearming later.

And then there was the most fraught question of them all: reparations.

Forcing a defeated adversary to pay money to the victor was a longstanding practice. In ancient times, powerful states routinely demanded smaller and weaker states pay them tribute. Rome imposed indemnities on Carthage after each of the first two Punic wars, and we've already seen indemnities imposed after conflicts I've described in this podcast. The French were forced to pay a hefty indemnity, five billion francs, after losing the Franco-Prussian War. The Japanese forced the Chinese to pay an indemnity after the Sino-Japanese War in 1895. The Eight-Power

Coalition forced China to pay more indemnities after the Boxer Uprising, and that's just three examples. In principle, indemnities were meant to compensate the winning side for the cost of prosecuting the war. You did something you shouldn't have done, which forced us to shoulder the costs of raising an army and forcing you to quit it. It would be unfair to ask our taxpayers to pay the cost of policing your bad behavior. It would be much more just and equitable for you to pay the bill, and maybe you'll remember this the next time you contemplate going to war.

That was the principle. In practice, indemnities were often victors' justice. The winning side demanded as much money as they figured they could squeeze out of the losing side. But in 1919, we're supposed to be above all that. We're supposed to be setting aside the old ways and entering a new era of more enlightened diplomacy. Woodrow Wilson in particular strenuously opposed the imposition of indemnities for their own sake. The US did not go to war for mercenary reasons, nor was it willing to allow its allies to capitalize on America's sacrifices. Neither was Wilson willing to consider forcing Germany to pay the costs Allied governments had incurred in fighting the war. Aside from the principled objection, this war had been so long and so costly that asking one nation to bear all the costs on both sides was impossible. Germany would never be able to afford it.

But apart from military expenditures, there were the civilian costs of the war. The war had created massive property damage across a wide swath of Belgium and France. Germany, on the other hand, had suffered very little in terms of civilian economic losses. Once the war was over and international trade restored, Germany seemed poised to return to the position it had held before the war as one of the world's largest and most successful industrial economies. France and Belgium, in contrast, would struggle for years to restore the farms that were now fields of mud and craters, the forests that were now piles of moldering splinters, the factories that were now mere shells of scorched brick.

Would France and Belgium ever be able to rebuild their own economies while the German economic juggernaut right next door was running at full steam? That could take generations. It might never happen at all. When you consider that neither France nor certainly Belgium had done anything to provoke an all-out German invasion—okay, France may have encouraged some Russian and Serbian brinkmanship, but still—we can all agree it would be unjust to saddle those countries with the full cost of repairing the damage done by the German Army. If you're not yet convinced, then remind yourself that some of the damage done by the Germans was calculated and deliberate, like the burning of the library at Louvain, or the shelling of the cathedral at Rheims, or the confiscation of valuable machinery from French and Belgian factories or the flooding of French coal mines.

Allowing the Germans to do all these things and not pay some kind of price for it would be, to borrow a metaphor from Tasker Bliss, like catching a purse snatcher and lecturing him about never doing that again, but allowing him to keep the purse.

So something would have to be done to restore the French and Belgian economic infrastructure that the Germans had wrecked. And since the Germans were the perpetrators, and in some cases the beneficiaries, of the looting and destruction of Allied economies, then the Germans were going to be the ones to pay. This was not an indemnity. This was reparations.

It might sound like a subtle distinction, but it wasn't to the Allies, and particularly not to Woodrow Wilson. There was a principle here, and no one loved principles more than Woodrow Wilson. This wasn't going to be about squeezing money out of Germany just because we can. It was about charging the Germans a fairly-arrived-at sum for damage they were directly responsible for, in the same way as, for example, if you drove your car into someone else's parked car, you would be expected to pay the cost of repairing the other person's car.

Reparations would not include any sort of lump sum indemnity that we charge to the Germans just because we can. Neither would they include military costs incurred by Allied governments. Reparations were to be strictly about compensating civilians for the economic losses they suffered due to the war.

Even so, given the extensive destruction in Belgium and France and the weakened state of the German economy, there would have to be some upper limit on the amount assessed against the Germans. If the reparation demand was too great, the only way the Germans would be able to pay it would be by exporting manufactured goods at very low prices. This would be bad both for Germany and the rest of the world. The manufacturing economies of the Allied nations would suffer if they were flooded with cheap German imports, while the Germans would be essentially forcing their own workers to labor long hours for very low salaries in order to maximize export income that would be used to meet reparations payments.

A harsh reparations demand would therefore immiserate German workers. It would, according to the German leadership and sympathetic voices among the Allies, condemn the German working class to something akin to slavery, perhaps for generations, as well as putting Allied manufacturing concerns out of business. Surely no one wants that.

So it was decided that the Allied reparations demand would be capped at a level no greater than what the German economy could reasonably be expected to pay in one generation, or thirty years, and also no greater than the German economy could reasonably afford to pay. All right, what would that amount be, exactly?

The Allied leaders at the Paris Peace Conference deemed the exact calculation to be too difficult to make immediately, so instead the Treaty of Versailles would simply lay down the principles I just described, and a Commission on Reparations would be formed later to calculate the exact amount.

But before the treaty even got into the hands of the Germans, there was one Allied leader who was unhappy with the reparations formula: David Lloyd George. He was unhappy because

British civilian losses in the war were insignificant. Yes, the Germany Navy had shelled a few ports, and German zeppelins had dropped a few bombs on a couple of British cities, but these losses were negligible, compared to what Belgium and France had endured. But this was the same David Lloyd George who had promised the British public that he would “squeeze Germany until the pips squeaked.” Lloyd George wanted the Allies to include the costs of pensions to widows and orphans of British soldiers who died in the war. He made this argument sound plausible by comparing the plight of a Belgian farmer who’d lost his cattle to that of a British family that had lost their father. Do you really believe the farmer’s claim has a higher priority? The argument on the other side is that pensions to war widows and orphans are more properly thought of as part of the cost of fighting the war rather than as civilian damages.

But Lloyd George persuaded Wilson and got his way, and those costs were included in the final reparations bill. This is sometimes seen as “piling on,” unfairly adding charges to an already overburdened Germany, but it’s important to keep in mind here that there is an overall cap on German reparations. By adding a hefty British bill onto hefty Belgian and French bills, Lloyd George did not increase the size of Allied reparations demands on Germany; he was effectively claiming a larger percentage of them for his own country. So these added British claims didn’t cost the Germans anything; it was Britain’s allies—France and Belgium—that lost out.

[music: Brahms, *Intermezzo*]

Okay, in the previous episode and this one, we’ve covered all the major terms of the Treaty of Versailles. All that remains is to present the treaty to the Germans. I’m going to defer the story of that presentation and the German reaction to the next episode. For now, I’d like to go over reparations in more detail and conclude with an assessment of the Treaty of Versailles. Normally I like to do things in chronological order, but this will be a little bit of a departure, because the exact amount of the reparations will not be fixed until 1921, but reparations are a major element of the treaty, and we can’t really take in the treaty as a whole without looking at the reparations figures. So here goes.

I’m going to give these figures in US dollars rather than in German marks, because the German mark is experiencing quite a lot of inflation at this time, and if you know anything about this period, you know that German inflation is going to go from high to mind boggling over the next few years. Like, so mind boggling that you may have to resort to scientific notation to describe it. So German marks are not a very reliable unit of measure just now, so let’s use US dollars.

This is the 1919 US dollar I’m using. In 1919, the pound sterling was worth about five US dollars, so you can divide these numbers by five to get the sterling equivalent. The 1919 US dollar is worth about 26 US dollars in 2020, at the time I release this episode, so multiply the numbers by 26 to get current US dollars.

The bottom line total for all reparations charges against Germany was 33 billion US dollars, or 6.6 billion pounds, or 854 billion US dollars in today’s money, per the Consumer Price Index,

which may overstate the amount a little bit. That's a lot of money, no question about it. But under the reparations plan in place, Germany was only expected to pay a fraction of this total, because of the provision that limits German payments to what Germany can reasonably pay. The Reparations Commission set that amount at 12.5 billion US dollars, or 2.5 billion pounds, equivalent to 323 billion US dollars in our time.

As I say, that was the amount Germany was actually expected to pay, based on expert analysis of the German economy. The extra amount was not simply forgiven, though, because there was a concern that the experts might prove wrong. No one can be sure exactly how quickly Germany will bounce back from the war. In the event Germany proves more resilient than expected and its economy expanded rapidly, the Allies reserved the right to add some or all of the additional amount back onto the bill if and when Germany proved capable of paying it.

This is a reasonable approach, tying Germany's payments to its ability to pay. It was also very useful politically. Allied leaders, particularly the French and British prime ministers, could tell their electorates that they had indeed "squeezed Germany until the pips squeaked." But they could say it while relying on the treaty provisions that limited Germany's liability to what it could actually afford. You could call this dishonest, if you want, this boasting about the size of the reparations payments publicly, while privately acknowledging that Germany is never going to pay anything like that amount.

Or you could call it realism. Germany would be expected to pay every pfennig it could afford, but no more than that. Demanding more than that would bring down the German economy, which would not only mean no more reparations payments, but also serious damage to the world economic system. Germany was a large nation with an advanced economy. The Allied nations needed the new German republic to succeed and to reintegrate into the world economy for the sake of their own prosperity. It's like tapping a maple tree for sap. You'd like to collect as much sap as you can, but taking so much you kill the tree would be counterproductive.

Or you could call it...politics.

Because the ugly political reality facing elected leaders like Georges Clemenceau and David Lloyd George is that the Allied publics were in no mood to be reasonable. The war was long, bloody, shocking in its savagery, and had demanded much sacrifice. Now it was over, and the voters demanded two things. On the one hand, they wanted an end to the sacrifices of wartime, demobilization of the military, and a return to a peacetime economy. The war was over, wasn't it? We won, didn't we? But on the other hand, they wanted somebody to pay. And that somebody was Germany, by default.

But the only way to make sure Germany paid up was to threaten Germany with war. And the only way to threaten war is to have a large military backing you up. And yet, even as the Allies were totaling up the claims to be made against Germany in Paris, the British and US armies were

withdrawing soldiers from France, shipping them home, and demobilizing them as fast as was humanly possible.

Nevertheless, the Allied public wanted to hear that Germany was going to pay, and pay dearly. And that's what they were told. If Germany didn't pay, then Allied taxpayers were going to have to pay, and Allied taxpayers didn't want to hear that.

But the flexible reparations terms were useful to political leaders in Germany, too. They could also lift up that larger figure, 33 billion US dollars or 6.6 billion pounds, and publicly bemoan the cruel and excessive demands of the vindictive Allied powers, which had promised Germany a fair and honorable peace and then taken advantage of Germany's good faith, while all the while privately confident that Germany would never be expected to pay more than a fraction of that amount. This little bit of political deception was far worse than what the Allied leaders were up to and is going to have enormous consequences over the next two decades of European history, as we shall see.

But first I want to circle back to something I said a minute ago, that the Allied publics felt someone should pay, and that was Germany by default. This reparations bill was meant to include all the Central Powers. But, as we have seen in our 1919 World Tour, only Germany had the means. The peace treaties signed by the other defeated nations also contained reparations clauses, but those nations lacked the ability to pay. The rump state of Austria was effectively bankrupt. No one was even sure whether it could survive, and no payments were ever demanded of it. Hungary likewise faced economic collapse and Bolshevik revolution. The Hungarians managed a few in-kind payments in the form of coal shipments, but that was that. The Treaty of Sèvres demanded reparations, but the Turkish nationalists never accepted that treaty, as we saw, and the replacement Treaty of Lausanne made no reparations demands. In any case, the Sultan was overthrown and Turkey forced to surrender control of all its holdings outside Anatolia, so it would be hard to argue that the Turks hadn't given up enough.

And then there was Bulgaria. I didn't do an episode on Bulgaria during our 1919 World Tour, because I didn't think there was an episode's worth of things to say about Bulgaria, so I'll take advantage of the opportunity to raise the subject now. Bulgaria also got a peace treaty with the Allies, which forced it to cede western Thrace to Greece, which I mentioned when we discussed Greece. This cost Bulgaria its Aegean seacoast. The treaty also forced Bulgaria to give up some bits of territory along its western border to the Kingdom of the Serbs, Croats, and Slovenes, and to return southern Dobruja to Romania. Romania won southern Dobruja from Bulgaria in the Second Balkan War in 1913, then was forced to return it in the Treaty of Bucharest in 1918. Now Romania will get it again.

The treaty also limited the size of Bulgaria's army and required Bulgaria to pay US\$500 million in reparations. This was a heavy payment for such a small country, and Bulgaria only paid a portion of this amount before the Allies suspended reparations payments in 1932. Still, although

I can't find a source that will confirm this for me, it sure looks like little Bulgaria, the smallest of the Central Powers, paid more reparations, at least in cash, than any of its wartime allies, apart from Germany.

So yes, Allied publics thought the Central Powers should pay, and Bulgaria's contribution notwithstanding, most of it would have to come from Germany.

Were the peace terms of the Treaty of Versailles harsh? Maybe. Harsh is a relative term. Were they harsher than the Treaty of Brest-Litovsk that Germany forced on Russia? That's certainly hard to argue. Were they harsher than the terms Prussia imposed on France after the Franco-Prussian War? They were definitely not as harsh as the terms Germany would have imposed on France and Britain had the war gone the other way. We have some inkling of what that treaty would have looked like. The Germans wanted territorial concessions from France and Belgium and they expected the Allies to pay Germany's war costs, which would have been considerably more than the reparations demanded by the Treaty of Versailles.

The reality is that nations that fight long and bitter wars and then lose them pay a heavy price. Losing nations paid dearly before 1919 and future nations that lose wars will pay dearly again. Anyone in France or Britain who thought Germany should get off easily would have been bucking the overwhelming majority opinion. Anyone in Germany who thought the Allies intended to let Germany off easy was dreaming. By historical standards, the Treaty of Versailles was if anything, rather moderate in its treatment of Germany. Arguably too moderate.

That was certainly the opinion of Marshal Foch, who famously said that this was not so much a peace treaty as a twenty-year armistice. Given what we know is going to happen in 1939, his remark rings eerily prophetic. But you must remember: Foch wasn't criticizing the treaty for being too harsh; he was criticizing it for being too generous and predicting that Germany would take advantage of that generosity to rebuild and start another war. And you know what? That's what happened.

Oops, should have given you a spoiler alert.

And yet, the Treaty of Versailles has this reputation for being too tough. In our time, most ordinary people would be hard pressed to name one provision in the Treaty of Versailles, other than reparations. Everybody knows about the reparations, and most people say the reparations demand was unjust and burdensome and ultimately led to the Second World War.

But common opinion is out of step with the opinion of most historians. What I find striking is how closely this common opinion tracks with the German view of the treaty, and especially the Nazi interpretation of the treaty. When you find yourself agreeing with Nazi propaganda, that's a pretty good sign you should reconsider your opinion.

In the English-speaking world, the loudest voice denouncing the treaty as too harsh was that of John Maynard Keynes in his book, *The Economic Consequences of the Peace*. Keynes may have been the greatest economist of the twentieth century, but he was wrong about this, and unfortunately, his critique carried a lot of weight in the English-speaking world. Keynes predicted the treaty would lead to massive inflation in Germany and eventually a nationalist backlash. Since both of those outcomes did eventually emerge, you might be tempted to call Keynes a prophet, too. But though he was right on those two points, his analysis was still off base. Germany's inflation was self-inflicted, as we will see. And it's hard to see how the reparations payments led to the rise of the Nazis, since the Allies suspended reparations payments a year before Hitler became Chancellor.

In truth, Germany only paid a fraction of the reparations it was asked to pay. And keep in mind the Treaty of Versailles also stripped Germany of its mighty army and navy. That may have been humiliating—the Germans certainly thought so—but the money the German government saved by not having to build and maintain a large military was probably more than it paid in reparations. And once Germany got its political issues settled, large amounts of investment capital flowed into the country, especially from the United Kingdom and the United States, so you can't say reparations held back German economic growth.

Critics of the treaty also point to the so-called War Guilt Clause. That would be Article 231 of the Treaty of Versailles, which is often described as assigning Germany full blame for causing the war. The trouble is that people who say that have apparently never read the article, which does not contain the words guilt or blame. It simply says that Germany accepts responsibility for damages. It's about reparations, not guilt. Austria and Hungary and Bulgaria all signed treaties with comparable provisions in them, but the governments of those countries never interpreted those provisions to mean they were being asked to accept responsibility for the war. Only in Germany was that claim made.

Beyond the question of reparations is the larger question of the treaty itself, particularly the League of Nations, and hopes for a new and more peaceful world order. Those of you who have read ahead in the history of the twentieth century know that a second and even more terrible war lies in the future of our narrative. The easy and glib response is to ridicule the aspirations of the Treaty and those who drafted it, and scorn the League of Nations as a failure.

And a disproportionate share of this ridicule and scorn falls upon Woodrow Wilson. No one in the world had more influence over the Paris Peace Conference and the terms of the Treaty of Versailles than Wilson had. That is true. But to blame Wilson for being unable single-handedly to guarantee world peace for generations would be an act far more worthy of ridicule and scorn than anything Woodrow Wilson ever said or did.

The League of Nations is often seen, unfairly, as Woodrow Wilson's pet project. In fact, many people had been clamoring for something like a League of Nations, and the calls for it had begun

decades before 1919. We have heard those calls in this podcast. The time had come for an international organization dedicated to maintaining peace. The League was an integral part of the Treaty of Versailles. If anyone wants to argue that the treaty was a failure, or that the League was a failure, you first have to contend with the elephant in the room, which is this: the Treaty and the League were never implemented the way that was intended, because the treaty was never ratified by the United States.

If there is blame for the failure of the Treaty of Versailles and the League of Nations, surely a measure of it has to fall on Henry Cabot Lodge and the Republican caucus of the United States Senate for preventing US ratification, and thus kneecapping the Treaty and the League before they ever had a chance. Nitpicking the individual terms of the treaty is straining at gnats so long as you're willing to swallow the camel of US non-participation in its enforcement. Who can say whether the Treaty or the League could have prevented another war, when they were never given the opportunity to operate as they were meant to?

There are those who want to blame Wilson for the ratification failure. While it's certainly true that Wilson could have handled the ratification debate more deftly, surely the lion's share of the blame falls on the Senators who voted no. They were not children who went wayward for lack of firm paternal guidance; they were elected representatives who knew exactly what they were doing.

Germany never accepted the Treaty of Versailles. It did officially, under threat of war, as we'll discuss next time, but never emotionally. The German public, too conditioned by years of propaganda declaring that victory was inevitable, never accepted Germany's defeat. That may have been because German defeat was never visible. The German Army returned home, apparently intact, and ready to impose order on a restless nation. Germany bore no scars of war. Few Germans, outside of those who lived in the Rhineland, ever saw an Allied soldier.

After the Franco-Prussian War, the French Third Republic paid a large indemnity to Germany. It was a point of national honor for the French that they actually paid it off early. It also effected an end to Germany's occupation of a large part of France. Perhaps the French and their allies expected Germany to be equally eager to pay the reparations assessed against it. They were not. The German government resisted, quibbled, dragged its feet, and fought reparations every step of the way, as we will see. The Allied response to this German stonewalling was muddled.

Historian Sally Marks suggested that the Allies' big mistake was not demanding an Allied military parade through Berlin, as the Prussians had demanded in Paris in 1871. She felt such a demonstration might have helped drive home to the German public the lesson that Germany had indeed lost the war. Would such a small and symbolic act have made a great difference? Hard to say, but it could have helped.

But there's a much larger problem still with blaming the war to come on the Treaty or on the world leaders who approved it and put it into effect, and that is that it exonerates the next

generation of world leaders, the ones who, you know, actually led the world into war. Blaming the Second World War on Woodrow Wilson or David Lloyd George or Georges Clemenceau is like blaming the Vietnam War on Franklin Roosevelt. Or blaming the 9/11 terrorist attacks on Ronald Reagan.

No piece of paper with words written on it can ultimately guarantee anything, no matter how well crafted the words, or how wise the dead hand that wrote them, if the living do not abide by its principles. No code of laws, no matter how just, can insure justice if the courts responsible for enforcing the law are not themselves committed to justice. No constitution, no matter how well crafted, can insure freedom and democracy if the leaders who rule under it are not themselves committed to freedom and democracy. No treaty or international organization can provide security and peace to the world if national leaders themselves are not committed to security or peace. A scrap of paper is too small a thing in which to invest all of one's hopes. A polished document may be a necessary condition, but is not a sufficient one.

We'll have to stop there for today. I thank you for listening, and I'd especially like to thank Jordan for his donation, and thank you to Arvid for becoming a patron of the podcast. Donors and patrons like Jordan and Arvid help cover the costs of making this show, which in turn keeps the podcast available free for everyone, so my thanks to them and to everyone who has helped out. If you'd like to become a patron or make a donation, just visit the website, historyofthetwentiethcentury.com and click on the PayPal or Patreon buttons.

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Next week is a bye week for the podcast, but I hope you'll join me in two weeks' time, here on *The History of the Twentieth Century*, as we continue the story of the Treaty of Versailles. We'll turn our attention to Germany and its reaction to the Treaty terms. That's in two weeks' time, here, on *The History of the Twentieth Century*.

Oh, and one more thing. You may be asking yourself about now, Did Germany ever pay its full reparations debt, and if not, how much did it pay? The answer to this question can be controversial; it depends on who you ask. Germany was never expected to pay the full debt in cash. The Allies also accepted payment in commodities, like coal shipments to France. Germany got credit for efforts to help repair war damage, such as German contributions to rebuilding the library at Louvain that German soldiers torched in 1914.

But German policy was to resist payment as much as possible and eventually that policy wore the Allies down. The Allies scaled back their demands; we'll cover some of this in the podcast. Some reparations payments were financed by loans that the German government later defaulted

on. By 1933, when Germany stopped paying, it had already paid out something like five billion US dollars, about 40% of the total demanded. That's not considering the loan defaults.

The German government of the time took the position that Germany had paid out a total of about twenty billion US dollars, substantially more than the demanded amount. That was because the German government included in its calculations items like the surrendered ships and submarines of the German Navy and the lost German colonial possessions in Africa.

After the Second World War, Germany was compelled to repay one-half of the amount of the debt it had defaulted on before that war, mostly to the United States, although some of the payment was deferred until after German reunification. The final installment of that repayment was made in the year 2010.

[music: Closing Theme]