

Lesson Title: Pre WWII Germany – Inflation
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11th grade
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TEACHING TRADITIONAL AMERICAN HISTORY

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<http://www.chillihistoryproject.com/>

LESSON OVERVIEW: The inflation in Germany before WWII was an extremely strong factor in setting the stage for the Wilhelm government to fall and Hitler to rise to power. The economic condition of hyperinflation had political and social implications in pre-WWII Germany.

ESSENTIAL QUESTIONS:

- How are inflation and hyperinflation different?
- What impact did the war reparations of Versailles Treaty have on Germany's economy?
- What part did inflation play in Hitler's rise to power?
- How did hyperinflation affect the various ethnic groups in Germany as Hitler came to power?
- Given the historical perspective, how do countries avoid the consequence Germany rendered from hyperinflation?

OBJECTIVES: After completing this lesson the student will be able to:

- Differentiate between inflation and hyperinflation.
INFLATION: The rise in the price of goods and services.
HYPERINFLATION: When inflation exceeds 50% a month, i.e. out of control
GLE (4b2) Understanding economic concepts).
- Explain the economic conditions in Germany before WWII.
GLE (4g7) Understanding of the roles of government in a market economy.
- Analyze the importance of keeping inflation under control in an industrialized country.

- Recognize one of the roles of the Federal Reserve Board in the U.S. is controlling the money supply.
GLE (4b2) Understanding economic concepts.
- Explain how economics and politics work together or against each other.

ASSESSMENT: Within one page discuss an overview of Prewar-WWII inflation in Germany, including its effects on the Germany society.

- 20 points Correctly identify how each contributed to Pre-WW II: Hitler, ethnic society in Germany, hyperinflation and Versailles Treaty.
- 15 points Correctly identify how three of the above contributed to Pre-WWII:
- 10 points Correctly identify how two of the above contributed to Pre- WWII.
- 5 points Correctly identify how one of the above contributed to Pre-WWII.
- 0 points Nothing was written or the above was not correctly identified.

The following is an example of a constructed response to the above assessment.

The form of inflation that occurred in Pre-WWII Germany is more properly identified as hyperinflation. Hyperinflation has been described in street terms as “run-away inflation.” One of the factors that led to hyperinflation in Pre-WWII Germany was the Versailles Treaty that was a result of WWII. With the advent of hyperinflation in Germany it created a very unstable Wilhelm government. In short the opposition party seized upon the conditions of the time and the Wilhelm government exited as the Nazi Party seized the political power. One of the commanding figures in the Nazi Party was Adolf Hitler. As Hitler rose to power, he had his own political agenda. In part, this agenda included an ethnic position. This position put forth the thought of a superior Aryan race and that the Jews were to blame for Germany’s ill’s.

History may repeat itself; some countries have difficulty in controlling their economy. The U.S. has an institution to prevent hyperinflation, the Federal Reserve Board. The U.S. does have other safeguards as well. Germany can be a valuable lesson to study.

Scoring: Evidence of the desired result would be that the student correctly identified most of the material presented in a constructive manner.

- Did the student provide more information than was required for a good paper?
- Was the material placed in a chronological manner?

MATERIALS: The following texts and resources will be very helpful.

HISTORY and LIFE: Wallbank, Schrier, Maier and Smith. Scott and Foresman Co. c1990. Chapter 34.

WORLD HISTORY: Beck, Black, Kreiger, Naylor and Shabaka. McDougal Littell. C2007. Chapter 31.

DICTIONARY of FINANCE and INVESTMENT TERMS: Downes and GOODMAN: Barron's Educational Inc. c1991.

CLASS TIME: Three class periods of 47 minutes each

TEACHER INPUT: The following topic and facts are key concepts for students

- Understanding of the pre-war effort and how history repeats itself.
- With a pull-down map point out Germany in Europe noting proximity to other major powers in Europe.
- Distinguish the difference between inflation and hyperinflation.

INFLATION: The rising of prices for goods and services.

HYPERINFLATION: Inflation that exceeds 50% a month.

ECONOMICS – Foundations of. – AP Edition.

Bade/Park. Addison/Wesley. c2007. See note at the end of this lesson.

- Background information on the economic demands of the Versailles Treaty.
- SEE: Financial Clauses in Articles 248-263 of Versailles Treaty

<http://history.sandiego.edu/gen/text/versaillestreaty/vercontents.html>

- Explain how ethnic groups were effected

<http://www.worldwar2database.com/html/nazis.htm>

- How Hitler used the weak economic times to his political advantage.

<http://www.remember.org/guide/Facts.root.hitler.html>

- Explain what economic devaluation of a countries currency means.
 DEVALUATION: Lowering of the value of a country's currency relative to other nations currencies.
- Explain how Mexico's economic devaluation effected the peso in the 1994.
 When Mexico devalued their currency, institutions looked at Mexico as a credit risk and it was difficult for Mexico to borrow money, until they stabilized their currency
- Explain the role of the Federal Reserve Board and its attempt to control inflation in the U.S..

ACTIVITIES: The following activities will help the students understand a difficult economic concept.

- Have the students do a short research on the economic part of the Versailles Treaty. Include how Articles 248-263 effected Germany. What did the war reparations do to Germany? (see the web sites listed above).

- Have the students do a short research on Mexico's devaluation of the peso in the 1994. Include why it happened, what was the effect internationally and Mexico's credit. (see the web sites listed above).
- Using dominoes or wooden blocks have the students demonstrate the domino effect the modern world. When one country's economy changes, it effects its trading partners in a world economy.

CLOSURE: In closing, point out to the students that history can repeat itself. In the world economy that we live in, what happens in one country effects other countries. With hyperinflation nobody benefits. With hyperinflation, it also creates an unstable political situation that could result in a radical government resulting in the people being penalized politically, economically and socially.

EXTENSION: Further study of Europe during the 1930's (+) would reveal that the world was in an economic depression. This world situation was beyond Germany's control, but it affected the German economy as well. The Versailles Treaty only made Germany's situation that much worse.

QUOTE: ECONOMIC: Bade/Parkin: Page 715

"Truly rapid inflation, when the inflation rate exceeds 50 percent a month, is called hyperinflation."