

A dark, high-contrast photograph of World War II soldiers in a trench. The soldiers are silhouetted against a lighter background, showing their helmets and gear. One soldier in the foreground is holding a rifle, and another is crouching nearby. The scene is dramatic and somber.

# WWII

The Great Disorder





WE WANT OUR  
**BONUS**  
ON OUR WAY TO WASHINGTON D.C.  
V.F.W. POST-1289 CHATTANOOGA, TENN.

J.W. TAYLOR

PATMAN  
TEXAS

PATMAN  
TEXAS

WRIGHT  
TEXAS



DELUXEBOOKS  
*Editions*

# WWII

The Great Disorder

© 2021 INNOVANT PUBLISHING S.L.U.

**Publisher:**

INNOVANT PUBLISHING SLU  
Av. de les Corts Catalanes 5-7, 1ª planta  
08173, Sant Cugat del Vallès, Barcelona

Consultant and General Manager: Xavier Ferreres  
Creative and Editorial Director: Pablo Montañez  
Production and Logistics Director: Xavier Clos  
Marketing Director: Núria Franquesa

**Contributors to this project:**

Anne de Premonville (Project Manager), Oriol Figueras (Art Director and Digital Services), Marina Bernshteyn (Office Assistant), Enrique Campos (Commercial Operations), Adriana Narváez (Editorial Coordinator), Paulo Agustín Di Renzo (Copywriter), Marcelo Néstor Musa (Editor), Karina Garofalo, Adriana Mendez (Copyeditor), Jane Brodie (Translator and Adaptation), Emma Lladò (Desktop Publishing)  
Photo credits: ©Everett Collection. ©Lichtmaster, ©Dina Gomankova, ©Peter Albrektsen, ©Anna Arinova, ©VAN Photofilm/ Shutterstock. ©Bundesarchiv, Bild 193-04-2-12A / CC-BY-SA 3.0. ©Bundesarchiv, Bild 146-1982-145-29A / CC-BY-SA 3.0, (Germany). @Archivio Centrale dello Stato, (Italy). ©IMS Vintage Photos, Unknown photographer, Creative Commons. Infographics90.

**Advisory Board:**

EDUCATIONAL COIN COMPANY  
291 Upper North Rd. Highland NY 12528 USA  
Numismatics: David Laties and John Aiello  
History Consultant: Greg Olear  
Notaphily: Robin Dazinger  
Philately: Gianni Bertelli  
Archival Research and Documentation: Deanna Johnson


AMERICAN BOOK GROUP  
2655 S Le Jeune Rd / Suite #312 - CORAL GABLES FL 33134  
Marketing and Digital Services: Francisco Vives  
Art Editor and Publisher: Susan Cunningham  
Commercial Operations: Marc Alcaraz

Printed by Tallers Gràfics Soler, S.A.,  
Esplugues de Llobregat (Barcelona)  
Impreso en España / Printed in Spain

ISBN: 978-84-471-5293-3  
Legal deposit number: B 7766-2021

INNOVANT PUBLISHING and EDUCATIONAL COIN COMPANY  
are members of the American Numismatic Association.

**DELUXE BOOKS**  is a registered trademark of  
INNOVANT PUBLISHING SLU.

**DELUXE BOOKS**  has been recognized by the *Sant Cugat Actiu* Foundation for its prestigious publications containing objects of significant historical value. Deluxebooks puts history at your fingertips.

All rights reserved.

No part of this work may be reproduced, stored in, or downloaded to any IT system. Its distribution or transmission in any form or by any means, including photocopying, recording, printing, or any other electronic or mechanical method, is expressly forbidden without the prior written permission of the copyright holders. Deliberate infringement on copyrights may constitute an intellectual property crime.

# CONTENTS

Preface	8
Chapter 1 <b>THE WAR BEGAN IN THE EAST</b>	12
Korea and Manchukuo: Key Territories How It All Began Expansion Underway	
Chapter 2 <b>PAN-GERMANISM</b>	26
The German Debt Economic Reaction The Conquest and Division of Poland Regaining What Was Lost In Pursuit of Swedish Ground	
Chapter 3 <b>FRANCE'S LOST DREAM</b>	44
Maginot and Siegfried Attack Where Least Expected Dunkirk: the Escape Route The Two Faces of France Great Britain's Hour	
Chapter 4 <b>THE BATTLE OF BRITAIN</b>	58
Operation Sea Lion Fire in the Sky The Lend-Lease Act	
Chapter 5 <b>THE BATTLE OF THE ATLANTIC</b>	70
The First Battle in the River Plate Great Britain Takes Control The Hunt for <i>Bismarck</i> The Capture of <i>U-110</i> and Cracking the Enigma Code Germany Falls Behind	
Chapter 6 <b>ITALY ENTERS THE WAR</b>	82
The Rise of Mussolini The Imperialist Dream Mussolini's Worst Nightmare Defeat in Greece and German Intervention	

# PREFACE

When humankind stopped using barter to exchange goods and services, certain objects came to symbolize the value of things (bags of salt, for instance, gave rise to the word salary). It was not until later that coins appeared in China and the Greek world. Many countries adopted the idea of coining an image to represent them, which is how metal and its casting became central to culture, and emperors began to consecrate their images on coins. Bills did not come along until centuries later, and their surfaces were also a place to display the history of nations and major world events. When people were ravished by wars, their currency manifested the deprivations they endured as well as how some fell while others triumphed. Reading the history behind coins and bills gives us an opportunity to understand the cultural identities of peoples and nations—indeed, the world.





# VERSAILLES WAS NOT THE END

A NEW ECONOMIC ORDER  
AS A POINT OF DEPARTURE

The 1919 Treaty of Versailles was a devastating blow to Germany. It was forced to pay an enormous sum for the losses and damages inflicted by the war. The resentment and thirst for revenge that spread in German society would be one of the causes for the outbreak of World War II. Be that as it may, that war broke out far from Europe: the need to obtain more raw materials and fuel led Japan to unleash an armed conflict in Asia.





# THE WAR BEGAN IN THE EAST

The Second Sino-Japanese War or the war between China and Japan was the first armed conflict that can be considered part of World War II. It took place far from Europe which, between the wars, was dealing with the effects of the Great Depression that began in 1929.

While the war in Europe started on September 1, 1939, hostilities in the East had begun two years earlier, when Japan invaded China as part of an expansionism that had begun in the late nineteenth century.

At that time, the Meiji Restoration, which began in 1868, had brought a great many economic and social changes. The regime in power engaged in a campaign of forced industrialization, destroying handlooms and turning peasants into industrial workers. Essential to the Meiji Restoration — the quickest process of industrialization in the contemporary era — was Western technology. Industrial and economic growth made it imperative to conquer new lands to obtain raw materials that were scarce in Japan.

Victories in the First Sino-Japanese War (1894-1895) and in the Russo-Japanese War (1904-1905) meant that, at the beginning of the twentieth century, the island nation was a major power. Japan had fought in World War I as an ally of Great Britain, seizing some Pacific Islands (the Marshall and Caroline islands) and the Shandong region of China. Its expansionist mission was geared to taking over not only territories rich in raw materials but also strategic military locations.



Opposite page: The Russian delegation to the 1905 Portsmouth Peace Conference (the United States), which put an end to the Russo-Japanese War—the first war in modern times in which an Asian nation defeated a European one. Conquering territories rich in raw materials and fuel was vital to Japan’s industrial and economic development.

The wake of World War I brought economic stability to Japan thanks to a policy of cooperation with the United States, which invested in Japan to bolster its industry. But that relationship of cooperation came to an abrupt end when Japan left the League of Nations in 1933. At that time, Japan was governed by Emperor Hirohito, who seemed to privilege peace. “I have visited the battlefields of the Great War. Before such devastation, I understood the blessing of peace and the need for harmony between nations,” stated Hirohito at his coronation in 1926. Of course, what would happen under his reign could not have been more different.

**KOREA AND MANCHUKUO: KEY TERRITORIES**

The notion of a world power appeared in the mid-nineteenth century to refer to colonial empires rich in natural resources that could be used as raw materials for industrial and military production. Japan was eager to become a world power. Due to the remarkable industrialization driven by the Meiji Restoration, Japan’s ruling class looked favorably on the idea of obtaining those raw materials beyond its borders. To accomplish that, it modernized and grew its imperial army. Japan’s first objective was to conquer Korea and the Manchukuo region of China. However, that meant confrontation with Russia, another world power, that wanted a warm-water sea port in the Pacific Ocean since these waters would not freeze in winter as the waters of Vladivostok. For

that reason, the Russians wanted to conquer Port Arthur, located on the Liaodong Peninsula in the region of Manchukuo—that is, the same region Japan had its eyes on: war between Japan, China, Korea, and Russia was inevitable and imminent. The Japanese incursion into Korea led to the First Sino-Japanese War (1894-1895). With a quick invasion, Japan occupied Korea and opened new ports to enter Japanese goods. The armistice signed with China was similar to those imposed by Western powers on Asian nations at that time, treaties in which broad economic concessions were made to the victor. The next Japanese conquests were the Liaodong Peninsula and Taiwan, which would become Japan’s main agricultural suppliers. In reaction to the Japanese advance, Russia, with the support of France and Germany, got Japan to return the Liaodong Peninsula to China and, as part of that peninsula, Port Arthur. The Russians’ target was once again in Chinese hands.

**The Japanese Advance.** July 25, 1894: The Japanese Armada sunk a Chinese warship and the First Sino-Japanese War broke out. China went on to suffer a series of defeats against the Japanese in Pyongyang, the Yalu River, Lushun (Port Arthur), and Weihaiwei. In a matter of weeks, the Japanese forces had expelled the Chinese from Korea and occupied important points in Korea’s northeastern territory. When the Japanese threatened to storm Peking, China had no choice but to sign the peace treaty.

**Hope for peace.** September 5, 1905: At the Portsmouth Naval Shipyard in New Hampshire (the United States), the Treaty of Portsmouth was signed, sealing a peace agreement between Russia and Japan. The Japanese agreed to retreat from Manchukuo and return it to the Chinese, but Japan would hold onto the Liaodong Peninsula (and control Port Arthur) and the South Manchurian Railway—much less than the Japanese had won on the battlefield.









The execution of Chinese prisoners by a platoon of Japanese occupying soldiers during the Second Sino-Japanese War. It was common for the Japanese to shoot enemy soldiers taken prisoners, whom they disdained for having surrendered rather than fighting to the death.

Soon thereafter, the Boxer Rebellion ensued (1899–1901). This social movement sought to bring to an end foreign influence on Chinese commerce, politics, and religion. The failed uprising facilitated the Russian incursion into Manchukuo and the occupation of Port Arthur. Only Great Britain protested the Russian usurpation since it feared that its commercial interests in the region would be affected.

Tensions were mounting, and China made concessions to the Russians in exchange for military assistance. China granted Russia permission to build and use a railway line that would criss-cross northern Manchukuo and connect the region to destinations as far-flung as the Russian port of Vladivostok. The Russian mission, then, was accomplished: it had the means to distribute its products throughout the region.

By then, the Japanese Navy's budget had doubled, and the force was ready to engage Russia in war. The growing Russian influence in north-eastern China led to the surprise attack on the Czar's fleet in the Pacific, which was anchored in Port Arthur. The Japanese victory in the Russian-Japanese War (1904–1905) had a considerable impact internationally. But this was not the last, or the most important, chapter in the hostilities between the Japanese and the Russians.

#### HOW IT ALL BEGAN

The Second Sino-Japanese War is considered the largest war in Asia in the twentieth century. It began as an attempt at territorial expansion in order to satisfy Japan's needs as the nation industrialized and grew economically. The war would play a decisive political role as well, as alliances between different countries were solidified.



## THE MANCHUKUO YUAN



The Manchukuo Yuan was the official currency of the Empire of Manchukuo from June 1932 to August 1945. Each yuan was backed by 23.91 grams of pure silver. It replaced the Chinese tael, the currency used in Manchukuo before the 1931 Japanese invasion. At first, the coins and bills were minted by the Bank of Japan. Later, however, that task was taken over by the Central Bank of Manchou, located in the city of Hsinking.

Due to fluctuations in the price of silver on the world market in the nineteen-thirties, Manchukuo withdrew the silver standard in 1935 and established an exchange rate pegged to the Japanese yen.

Five types of bills were issued for the value of one hundred, ten, five, one, and one half Yuan respectively. The back of each bill featured a member of the Chinese Qing Dynasty.

As a result of the high inflation in the areas controlled by Japan toward the end of World War II, a 1000-yuan bill was issued in 1944.

The yuan was divided into ten chiao, one hundred fen, and one thousand li.

Coins of values ranging from five li to ten fen were minted.

In 1944 and 1945, Manchukuo issued non-metallic coins for one and five fen; they were made of a cardboard-like red or brown fiber. In 1948, at the end of World War II, approximately twelve billion Manchukuo yuan were removed from circulation.





*All my uncle Puyi wanted  
was to restore his dynasty.*

*Aisin Gioro Yulan*



During the period between the wars, Japan did not have enough natural resources or fuel to supply the industries sprouting up throughout its territory. The situation got worse with the Great Depression since many countries adopted protectionist measures and diminished imports. Intense demographic growth in Japan not only complicated its economy but also fueled Japanese expansionism in Asia.

Manchuria was ultimately conquered by Japan in 1931. It was ruled by a pro-Japanese puppet government under former Chinese Emperor Puyi. But he exercised no real power in what the Japanese called Manchukuo: the banks and main economic entities were under strict Japanese control. Manchukuo had fertile grain fields and large coal and mineral reserves. It was a perfect target for the Japanese since it could not only supply foodstuff and raw materials but also provide a new market for Japanese goods.

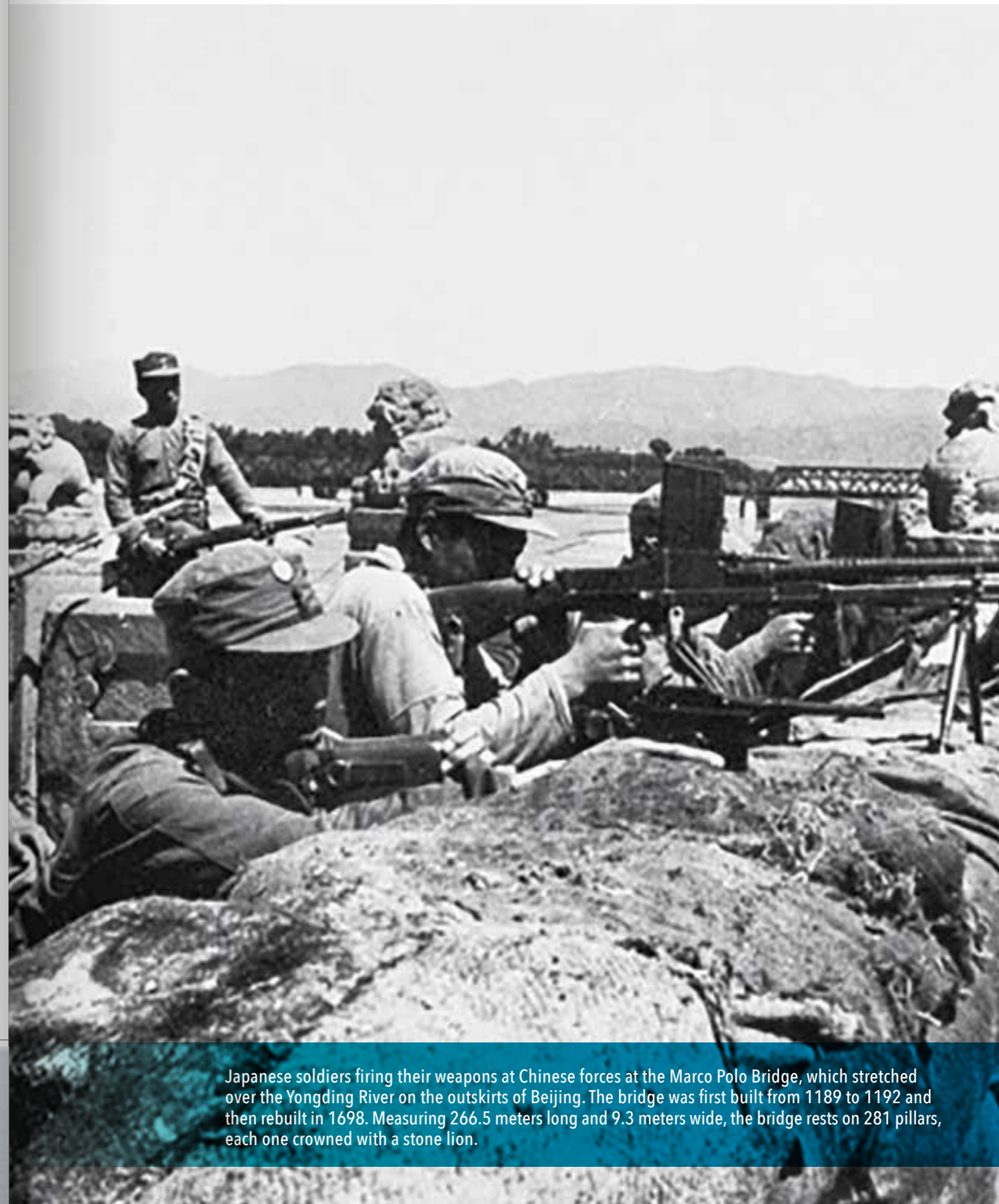
The Japanese invasion of Manchuria brought confrontation with the Soviet Union which, like Russia under the Czars, saw the region as a strategic point for its economic development.

Following Germany's example, one year before encroaching on Manchukuo, Japan left the League of Nations with a brief but powerful speech making clear it had no intention of abating its advance in Asia. The powerful nations issued a resounding repudiation that was ignored by Japan militaristic nationalism as it set out to meet its economic needs.

Japan aspired to create an Asian financial bloc with the island nation as its epicenter.

The plan contemplated later conquest of areas of French Indochina; Burma (Myanmar), the Malaysian Peninsula, and Hong Kong, controlled by Great Britain; and the Dutch East Indies.

In 1936, before its imminent advance on China, the Japanese government signed the Anti-Comintern Pact with Nazi Germany, in which the two nations agreed to support one another in the event of an attack from Soviet Communism. Japan was declared a threat by the world powers but it did not care much. On July 7, 1937, Japanese troops provoked the Chinese army at Marco Polo Bridge, near Beijing, and then invaded the country. World War II had begun.



Japanese soldiers firing their weapons at Chinese forces at the Marco Polo Bridge, which stretched over the Yongding River on the outskirts of Beijing. The bridge was first built from 1189 to 1192 and then rebuilt in 1698. Measuring 266.5 meters long and 9.3 meters wide, the bridge rests on 281 pillars, each one crowned with a stone lion.

**The perfect excuse.** On September 18, 1931, the Mukden Incident occurred in Manchuria. Ultra-nationalist officers in that city blew up a stretch of the South Manchurian Railway run by a Japanese company, but blamed the Chinese forces and thus provided an excuse to launch attacks in Manchuo.

**A soldier disappears.** On July 7, 1937, a strange event occurred, this time on the outskirts of Beijing. Japanese troops were on one side of the Marco Polo Bridge and Chinese troops on the other. After a brief skirmish between the two sides, a Japanese soldier disappeared. The tension around the incident mounted, eventually leading to the Second Sino-Japanese War.

**The massacre.** On December 13, 1937, the Chinese capital of Nanjing fell to Japanese troops. The Chinese army massacred over two hundred and fifty thousand civilians in that city. During the siege, it was common for women and children to be raped and tortured. Dismembered and charred bodies were the result of the "games" that the Japanese had with Chinese civilians.







Opposite page: Japanese families residing in the Chinese city of Beijing waved Japanese imperial flags to welcome occupying Japanese troops on August 13, 1937. The Japanese were able to storm Beijing after having defeated the Chinese in the Battle of Beiping-Tianjin, which took place from July 25 to August 8 of that same year.

### EXPANSION UNDERWAY

Japan's primary military objective was to take Nanjing, the Chinese capital. To that end, the Japanese advanced swiftly to the south and west. Local resistance was so weak that the Chinese nationalist government of Chiang Kai-shek had to reach a truce with the Communist forces under Mao Tse-tung. The Nationalists and Communists had been engaged in a bloody civil war since 1927. By the end of 1937, the Chinese capital was under Japanese control, but the Japanese hold on Nanjing was not strong enough to force the Chinese government to surrender. The war went on, bringing further victories to the Japanese Imperial Army. Major Chinese ports fell one after another, as did some rural regions. The occupations favored the maritime trade of Japanese products and provided access to new agricultural resources. After the initial victories, the Japanese took Beijing, Tianjin, Nanjing, Shanghai, Qingdao, Taiyuan, and Canton—that is, the industrial and commercial centers of China's most populous and wealthy region.

In the middle of its war with the Chinese, the Japanese navy attacked British and American warships—such as USS *Panay*, a gunboat. The vessels had been sent to the war zone by their respective countries to safeguard their maritime business interests. Despite the Japanese acts of aggression, the Western powers did not intervene in the conflict between China and Japan.

On November 20, 1938, the Chinese government set up operations in the city of Chongqing in the middle of the country. From there, it was able to control the factories that had been moved westward. But the region was poor in natural resources, and the textile and metallurgical production output minimal. Food grew scarce for both the civilian population and the members of the Chinese army.

Foreseeing the distinct possibility of an endless war, Chiang Kai-shek devised a new military strategy that revolved around the use of guerrilla forces. He imposed a draft on all men of fighting age and set up a training plan for new recruits. His tactic was constant engagement with the Japanese forces until they abandoned their positions. With this plan, the Chinese were able to put 240 divisions together, with 2.5 million soldiers. The Soviet Union was concerned about Japanese expansion into what it deemed its sphere of influence. It supplied the Chinese with weapons in exchange for raw materials.

In 1939, Japan bombed the new capital city, Chongqing, in order to cut off the Soviet arms shipments—a move that led to military confrontations between the Japanese and the Soviets, such as the Battle of Khalkhin Gol. Without officially declaring war, then, Japan and the Soviet Union once again clashed in Manchukuo.

After the eruption of hostilities between Japan and the USSR, the Chinese government hoped that the Soviets would enter the conflict. But Chiang Kai-shek's illusions quickly vanished when, on August 23, 1939, the Soviet Union and Nazi Germany signed a non-aggression pact. The agreement was known as the Molotov-Ribbentrop Pact because it was signed by Joachim von Ribbentrop and Vyacheslav Molotov, the foreign ministers of the Soviet Union and Germany respectively.

As a German ally, Japan was implicitly included in the agreement and, as a result, hostilities with the Soviets ceased and normal relations resumed. In late 1939, Soviet shipments of arms and supplies to China had diminished dramatically.

## THE AUTO INDUSTRY AND THE CONTRIBUTION OF THE WEST

At the dawn of the twentieth century, Japan was a highly industrialized nation that continued to grow thanks to Western technologies.

The first serial production of automobiles in Japan dates back to 1917, when Mitsubishi assembled twenty-two Model A cars based on the Fiat Type Three platform. Years later, in 1923, Japan had to import trucks and construction equipment from the United States due to the Great Kantō earthquake that destroyed much of the nation's infrastructure. Pursuant to a detailed examination of cars from the United States, the Japanese automobile industry began to grow: Toyota looked to the

designs of Chrysler for models and Ohta to Ford; Chiyoda and Sumida imitated North American models as well.

In 1936, due to the expansion of the automobile industry in Japan, the Automobile Manufacturing Industry Law was enacted. Its aim was to promote the local automobile industry and reduce foreign competition. The law paved the way for new factories, creating sources of employment. With the outbreak of the Second Sino-Japanese War in 1937, production veered toward armored trucks and other vehicles for the army. The manufacture of cars for civilian use would only be resumed after World War II.





# PAN-GERMANISM

In 1918, at the end of World War I, Western Europe discovered it was no longer the great power of the world economy. It had suddenly become a major debtor, chiefly to the United States. The entire continent suffered the consequence of that situation. The loss of capital was enormous and reparation costs could only be paid in installments, causing high inflation. The value of most currencies plummeted, and many people lost all their money.

The peace treaties at the end of World War I created new states in regions that had formed part of more stable economic units. This reordering brought an increase in poverty and unemployment, as well as a dearth of opportunities. Social upheaval took place in a number of countries defeated in World War I, such as Russia, Germany, and Hungary.

The Treaty of Versailles (1919) held Germany responsible for the war, and imposed harsh and military and economic sanctions.

Germany was prohibited from stockpiling submarines, tanks, and poison gases. Its military force was limited to an army of 100,000 men and a few ships that could be used solely to protect its new borders. But the economic punishment was much harsher.

The global value of the war debt was set in 1921 by the Reparation Commission and the Bank for International Settlements, with Great Britain, France, the United States, Italy, and others as member states. It was established that Germany had to pay the sum of 132 billion gold marks as war reparation. Since 1871, the gold standard had been the system of payment used for international transactions and debts. The payment scheme consisted of three bonds. Germany could also pay its debt with raw materials such as metals, coal, wood; chemical and pharmacological products; and agricultural and construction machinery. The debt would be reduced according to the value of those products in gold.

These onerous demands outraged the German people. Right-wing extremists resorted to terrorism against their own government as it attempted to negotiate reasonable terms to pay off the debt. The Treaty of Versailles and the reaction to it led to a collapse in the value of the German mark and an ideal atmosphere for the development of the national-socialist movement—the origin of Nazism.



View of an old steel plant in the German region of Ruhr near the Rhine River. The largest cities in this region, which produced coal, iron, and steel, are Essen, Dortmund, and Düsseldorf. Ruhr was occupied by Belgian and French troops from 1923 to 1925, unleashing a crisis in the Weimar Republic.

### THE GERMAN DEBT

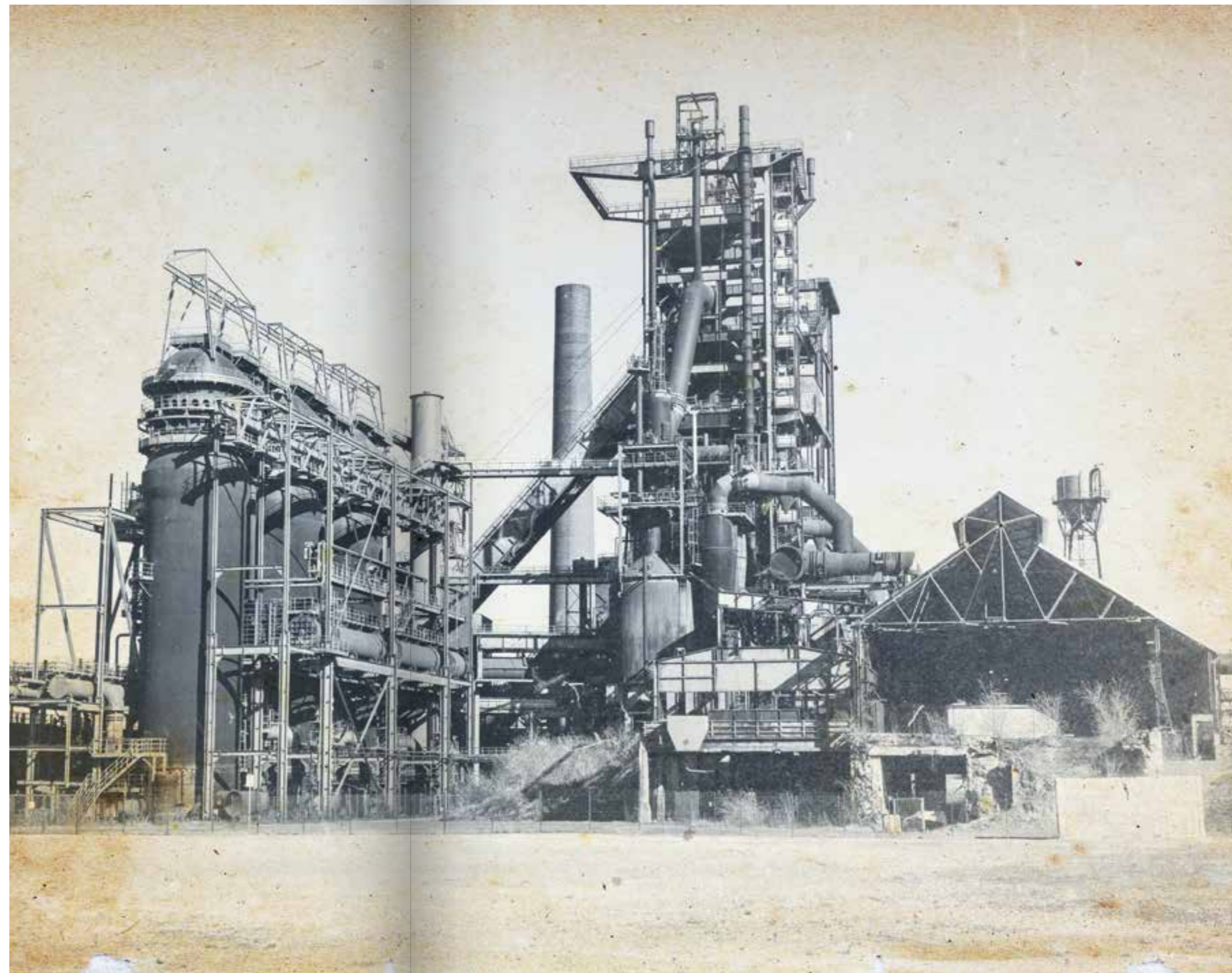
In 1923, Germany, known as the Weimar Republic at the time, stopped paying its debt. France, which had been demanding more shipments of coal, decided to invade the Ruhr region to force the Germans to pay what they owed. The Reparations Commission declared Germany in default and tolerated the occupation to avoid a larger conflict.

The occupation of Ruhr had dire consequences for the German economy, including hyperinflation. During the war, the number of German marks in circulation rose from six to thirty-three million. When the occupation of the Ruhr began, the value of the mark against the dollar was around ten thousand to one; three weeks later, it had soared to fifty thousand.

The mark's loss in value was incessant, falling to one hundred thousand against the dollar, then to one million, and soon to ten million. A few months later, the dollar was worth ninety-nine million marks; thirty-nine mints and two thousand printing presses produced paper money. By the end of 1923, the government set the value of the mark against the dollar at 4.2 million, and minted another currency, the Rentenmark. Its value was set at one millionth of the old German mark.

Great Britain had not supported the invasion of Ruhr and, together with the United States, intervened to design a new payment plan. Those countries turned to Charles G. Dawes, a well-known North American banker, who developed a debt-payment plan to stabilize the Weimar Republic's economy.

Implemented in 1924, the Dawes Plan stipulated that Germany would receive a loan worth eight hundred million marks to stabilize its currency. Germany would pay its creditors one billion gold marks annually for a term of five years and then twenty-five million per year until the debt had been paid in full. The loan was guaranteed by German railroad and customs revenue, as well as by the Reichsbank, Germany's central bank.







## THE GERMAN MARK



In the mid-nineteenth century, the different German states issued different currencies, many of them tied to the Vereinsthaler, a silver coin containing almost seventeen grams of pure silver. After the unification of Germany in 1871, the mark became the official currency of the German Empire. The exchange rate at that time was three marks to one Vereinsthaler. Unlike the earlier currencies, the mark was backed by gold, not silver. Known as the gold mark, it was put into circulation in 1873. With the outbreak of World War I in 1914, the mark abandoned the gold standard and became known as the Papiermark. In late 1923, due to the terrible consequences of the Treaty of Versailles for the German economy, the Papiermark was replaced by the Rentenmark and, just one year later, in 1924, by the Reichsmark. On June 21, 1948, the Allied occupying forces introduced the German mark in Western Germany to replace the Rentenmark and the Reichsmark. The value of the German mark was the same as the value of those earlier currencies. In the zone occupied by the Soviets that would later make up the German Democratic Republic, the East German mark was introduced. The bills were the same as the old Rentenmark and Reichsmark, but with a seal validating circulation. After World War II, the German mark gained value and prestige as foreign currencies succumbed to periods of inflation. It became a source of national pride in the nineteen-fifties, when the "German economic miracle" was underway. The German mark played a key role in the reunification of Germany, and it became the official currency of a united Germany in 1990. It was replaced in 2001 when the euro was introduced into the main European markets.



In February 1929, another committee to review war reparations was established under businessman Owen D. Young. The Young Plan fixed a theoretical total sum of one hundred and twelve million in reparations in gold marks, but included a clause authorizing payment of the debt in future decades. The plan was accepted by the German authorities in March 1930.

### ECONOMIC REACTION

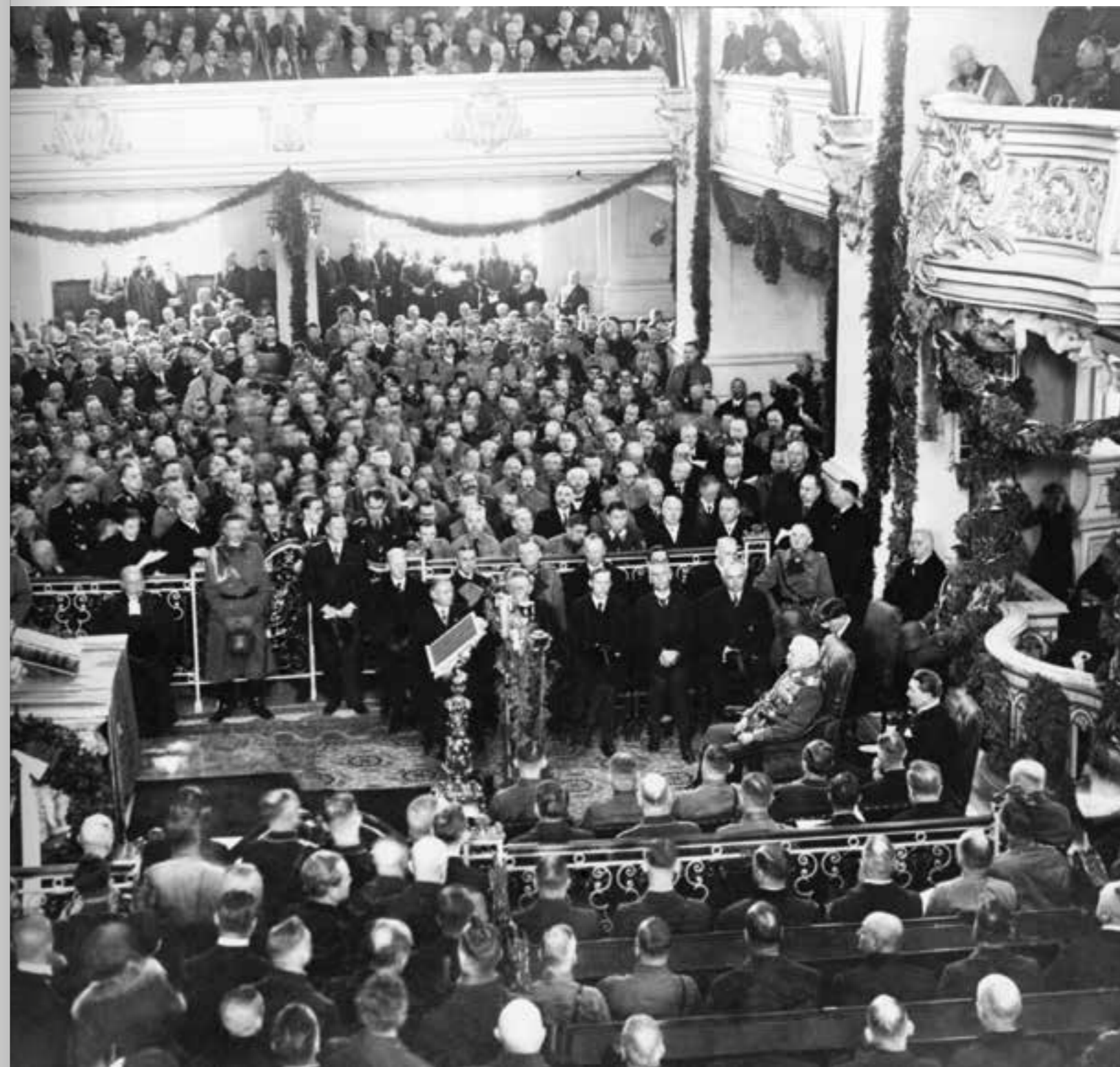
Just as the European economy was beginning to stabilize, the Great Depression hit. The crisis unleashed in the United States in 1929 was so major that its impact was felt almost everywhere on the planet. Its consequences for Germany, which was up against a colossal debt, were particularly dire. Thousands of factories closed their doors, leaving six million people out of work. The hopeless social and economic situation as well as rampant infighting among political parties allowed the National Socialist Party to win the 1933 elections despite its small size. Adolf Hitler, the leader of that party, became chancellor. Immediately after taking power, Hitler began persecuting Communists and Jews, whom he described as “responsible for all the ills” afflicting Germany. He also withdrew Germany from the League of Nations, ignored the limitations imposed by the Treaty of Versailles, and took the first step toward implementing *Lebensraum*, his expansionist theory of “German living space.”

Opening ceremony of the Reichstag on March 21, 1933. Hitler, after having won elections held on Sunday, March 5, was named chancellor of Germany before Paul von Hindenburg, president of that country from 1925 to 1934. On March 23, Hitler ordered the arrest of all Communist and almost all Social Democratic congresspeople. That same day, The Enabling Act was passed, effectively bringing an end to parliamentary government.

A major strategy of Hitler’s government was the use of political propaganda to manipulate German society. Under the guidance of Minister Joseph Goebbels, Nazi propaganda imitated the model used in Fascist Italy. The key was convincing a battered German society that its economic woes were due to the domestic division produced by the Treaty of Versailles.

The Nazi economic plan consisted of seizing control of industrial production. A series of measures allowed Germany to leave the economic crisis behind. Hitler invested millions of marks in public works, including the construction of eight thousand kilometers of highways. He also spent large sums on a plan to rebuild the German military.

In 1938, Hitler opened one of the most important factories in the country’s history, the legendary Volkswagen plant. It began producing the Type 1, known as “the people’s car,” one of the most popular vehicles in the world. The automobile was developed by engineer Ferdinand Porsche.



### MEANWHILE...

**On January 17, 1920** Prohibition began in the United States, forbidding the sale of alcoholic beverages. The law was a resounding failure. It stimulated the underground consumption of whiskey, and that business fell in the hands of Italian-American mafias who competed for control of territories. The law was repealed on December 6, 1933.

**On November 4, 1922** British archeologist Howard Carter discovered the tomb of the Egyptian Pharaoh Tutankhamun in the Valley of the Kings in Luxor, Egypt. The finding renewed world interest in Egyptology, and the Pharaoh’s funerary mask became a very popular image.

**May 4, 1924:** The Olympic Games began in Paris, France. The resounding winner was the United States, which took ninety-nine medals (forty-five golds, twenty-seven silvers, and twenty-seven bronzes). The great surprise was the Uruguayan soccer team, which took the gold.

**May 20, 1927:** American pilot Charles Lindbergh made the first nonstop flight across the Atlantic Ocean. The *Spirit of Saint Louis* flew the six thousand kilometers between New York and Paris in thirty-three hours and thirty-two minutes. Thanks to the feat, Lindbergh became a popular idol.

**May 16, 1929:** The first Oscar ceremony took place at the Hollywood Roosevelt Hotel in Los Angeles. Granted by the Academy of Motion Picture Arts and Sciences, the award recognizes the excellence and social activism of film professionals.





The advance of German troops in September 1939. The military might of the Nazi army was vastly superior to Poland's disorganized force, which still had cavalry regiments. The Wehrmacht conquered West Prussia, Poznan, and Upper Silesia, all of which had formed part of the German Empire until World War I. It also occupied the Free City of Danzig. The rest of Poland (including the capital, Warsaw) fell almost without resistance. Germany soon established an occupying German government.

### THE CONQUEST AND DIVISION OF POLAND

The Treaty of Versailles created an independent Poland and, with it, the birth of the Second Republic. The economic situation in Poland between the wars was very complicated. The devastation wreaked by World War I was coupled with uneven development in some regions, which made stable economic growth impossible.

Industry was concentrated during this time in Upper Silesia, the center of coal, iron, and steel production, and on the outskirts of Warsaw. The eastern region and the former Austrian zone were entirely rural and much poorer. The railway connection between the two regions was precarious, which only served to aggravate economic and social inequalities.

At the beginning of the nineteen-twenties, five different currencies circulated in Poland: those minted by the new government and those left by the Germans, Austrians, and Russians respectively. That, along with disorganized tax collection, caused high inflation. It was not until the middle of the decade that the nation reached certain economic stability as a result of the fiscal unification of its regions. The government also put in place reforms that favored the use of a single currency and commercial exchange with the rest of Europe.

**Anti-Comintern Pact.** The treaty signed by Nazi Germany and Imperial Japan on November 25, 1936 committed the two signatory nations to take measures of mutual protection from the threat of Soviet Communism. One year later, Italy joined the pact. It was followed by Spain and Hungary.

**The annexation of Austria.** On March 12, 1938, Austria was annexed by Nazi Germany in what was known as the *Anschluss*. The annexation brought the formation of Greater Germany and it was Hitler's first expansionist achievement until May 5, 1945, when the Allied forces occupied the region. The present-day nation of Austria was constituted in 1955, when the military government imposed by the Allies liberated the area.

**The Sudetenland Crisis.** The events that would lead to the Sudetenland Crisis began on October 1, 1938. The trigger was the German ethnic minority living in certain areas of what was then Czechoslovakia, in Bohemia and Moravia in particular. Both industrial regions had formed part of the Austro-Hungarian Empire until World War I. Hitler quickly annexed them as part of his expansionist campaign.

**"Friendship" with Italy.** On May 22, 1939 the Pact of Steel was signed in Berlin. Officially called the Pact of Friendship and Alliance between Germany and Italy, this agreement laid the bases for future mutual support in case of war with Great Britain and France. In addition to the political affinities between Italian Fascism and German Nazism, Hitler wanted to strengthen his personal tie to Benito Mussolini. This agreement contained a secret clause that established each government's right to control the press in its country.

**"Friendship" with the USSR.** On August 23, 1939, the Molotov-Ribbentrop Pact or the Treaty of Non-Aggression between Germany and the Union of Soviet Socialist Republics was signed. Joachim von Ribbentrop and Vyacheslav Molotov, the foreign ministers of Germany and the USSR respectively, established the agreement of mutual non-aggression. The pact gradually lost strength as the hostility between the two nations increased. It was broken altogether in June 1941, when the Germans invaded the Soviet Union.



German soldiers moving the boundary posts that, until September 1939, had divided Germany and Poland. With the invasion of Poland, Hitler attempted to regain the territories that Germany had lost after World War I and to eliminate the Polish Corridor that separated East Prussia from the rest of Germany.





But those economic measures did not succeed. Furthermore, the effects of the Great Depression unleashed in 1929 would soon take a heavy toll on the Polish economy.

But the worst had yet to come. If, in the thirties, the Polish people had been asked about the worst thing that could happen to the country, more than one would have answered that Germany and the Soviet Union invaded their borders to divide the country between them. And that was exactly what happened.

The German invasion of Poland began on September 1, 1939. It combined German air and artillery power in a new type of surprise attack known as Lightning War or Blitzkrieg. It was only a matter of days before Poland was divided in two. The Soviet Union, as secretly provided by the Molotov-Ribbentrop Pact, invaded Poland's eastern regions.

#### REGAINING WHAT WAS LOST

On September 17, 1939, the Soviet Union invaded eastern Poland, and the country fell quickly.

The final Polish military unit surrendered on October 6, and Nazi Germany and the USSR divided the country as provided in a secret clause of the German-Soviet Non-Aggression Pact. Stalin thus managed to restore the border with Poland almost to where it had been in 1919, before the Treaty of Brest-Litovsk, and to bring Ukraine and Belorussia

This map of Europe shows how Poland was divided between Nazi Germany and the Soviet Union in September 1939. The border between the two nations was set by the so-called Curzon Line, drawn in 1920 by British Lord Curzon as the boundary between Poland and the Soviet Union.

into the Soviet sphere for the first time.

Soon after the division of Poland, Stalin attempted to negotiate a redrawing of the borders between the USSR and Finland. The Soviet leader was convinced that the Finnish government would allow the Germans to attack the Soviet city of Leningrad from within its borders. To keep that from happening, he promised the Finnish government subsidies for the construction of railways and public works. But the Finnish government did not agree to the deal.

In response to that refusal, in November 1939, the USSR attacked Finland, unleashing the Winter War. The Finnish army put up strong resistance, thanks to its ability to navigate the woody terrain covered with snow in winter and to handle temperatures that ranged from thirty and forty below zero Celsius.

The Soviets were hounded by Finnish ski patrols. Though they lacked all the necessary equipment, they attacked the Red Army using guerrilla tactics. It took Stalin's forces months to defeat the defense put up by Marshal Mannerheim. The Finns finally succumbed when their scant provisions and weapons began to wear out.



*Introduced in 1935, Stuka planes were relentless, quick, and efficient. They played a key role in Germany's first conquests, especially in Poland and France.*





Frozen corpses of Soviet soldiers killed in the Winter War between Finland and the Soviet Union. The Finns' strong resistance relied on knowledge of the terrain and high-mountain regiments on skis. Nevertheless, Finland was ultimately defeated by the Soviet Union and it had to cede parts of Karelia, Salla, Hanko, and the Rybachy Peninsula.





*History shows that there are no invincible armies and that there never have been.*

*Joseph Stalin*



On March 12, 1940, Finland signed a peace treaty with the Soviets in which it ceded Vyborg and the Karelian Isthmus—key zones to the security of Leningrad and to the Soviet line of defense. The regions that Finland lost in the Winter War represented just 10% of its territory, but generated 30% of the Finnish Gross National Product. After the war with Finland, Stalin called the foreign ministers of the Balkan States to a gathering in Moscow to devise mutual assistance pacts. Those agreements gave the Russians the right to station troops and military bases in Lithuania, Estonia, and Latvia. In the summer of 1940, three Balkan nations became Soviet protectorates.

#### IN PURSUIT OF SWEDISH GROUND

Hitler understood that the Scandinavian countries were a rich source of raw material to keep his arms industry supplied. Sweden, which had declared itself neutral in the war, produced a great deal of steel, most of which was exported through the northern Norwegian port of Narvik. Hitler feared the Allied Forces would take Narvik and cut off Germany's steel supply. For that reason, he decided to attack both Denmark and Norway on April 9, 1940.

Great Britain was wise to Hitler's plans, however, and understood how important steel from Swedish mines was to the might of the German army. For that reason, the British set up a naval blockade one month before the Nazi attack, thus, weakening German war production. Since so much raw material was shipped out of Narvik, the British considered it crucial to successfully block that port.

On February 16, 1940, what is known as the Altmark Incident occurred. The incident would lead to the first naval confrontation between German and British forces. As a non-combat vessel, the German Altmark was protected by international law. It was carrying 303 British prisoners of war in neutral Norwegian waters when it was attacked by the HMS *Cossack*, a British destroyer. The Kriegsmarine and the Royal Navy engaged in violent clashes from April to June 1940, fighting for control of the North Sea and the Norwegian fjords. While both fleets suffered considerable losses, the outcome in no way diminished Hitler's aspirations or the needs of the German war industry. Furthermore, King Haakon of Norway and his government went into exile in Great Britain after a military coup led by Vidkun Quisling, the head of the Norwegian Fascist Party. Once he seized power, Quisling immediately let the German forces into the country. By that time, German *Fallschirmjäger* or paratroopers had taken the ports of Oslo, Kristiansand, Bergen, Trondheim, and Narvik. The supply of Swedish steel to feed Germany industry was guaranteed.

*Border between Germany and Denmark in early 1940. Denmark was invaded on April 9, 1940 and surrendered without offering any resistance to the advance of the German troops.*







# FRANCE'S LOST DREAM

The euphoria of having been among the victorious nations in World War I proved short-lived for the French. Losses of all sorts were enormous—and it was not long before they became noticeable. A single figure is as chilling as it is telling: over one thousand French cities were devastated by German land attacks and air bombings. And, of course, destruction on that scale affected the economy during the period between the wars. The closing of over twenty thousand French factories was not the only cause of the French economic disaster. The almost twenty thousand bridges destroyed did their part as well by interrupting communication channels and hindering the ability to supply goods to different areas of the country. It would be years before the farm lands in northern and eastern France, the regions most battered by the war, would get back to pre-war levels of production.

Along with this economic hardship, France also faced social and political problems from 1919 to 1939—despite the French government's commitment to a quick reconstruction with the support of some key points in the Treaty of Versailles. Prime Minister Georges Clemenceau played an active role in negotiating that treaty. In the process, his pursuit of revenge against Germany was patent. After all, he held the Germans almost solely responsible for the damage inflicted by the war.

The reconstruction of France was financed by the war reparations the Treaty of Versailles imposed on Germany and by a series of loans from the United States. The reconstruction included the reconversion of the industries damaged or destroyed during the war. But before that process was completed, unemployment and poverty grew exponentially. French society was in great distress. The period between the wars was extremely difficult for France; it was by no means prepared to find itself embroiled in another confrontation so soon.



### MAGINOT AND SIEGFRIED

The French fear of another German attack was evident well before the outbreak of World War II, and that led to the construction of the Maginot Line. Pursuant to a bill enacted in 1922, the project entailed the construction of a complete system of fortifications and defense along the entire border with Germany.

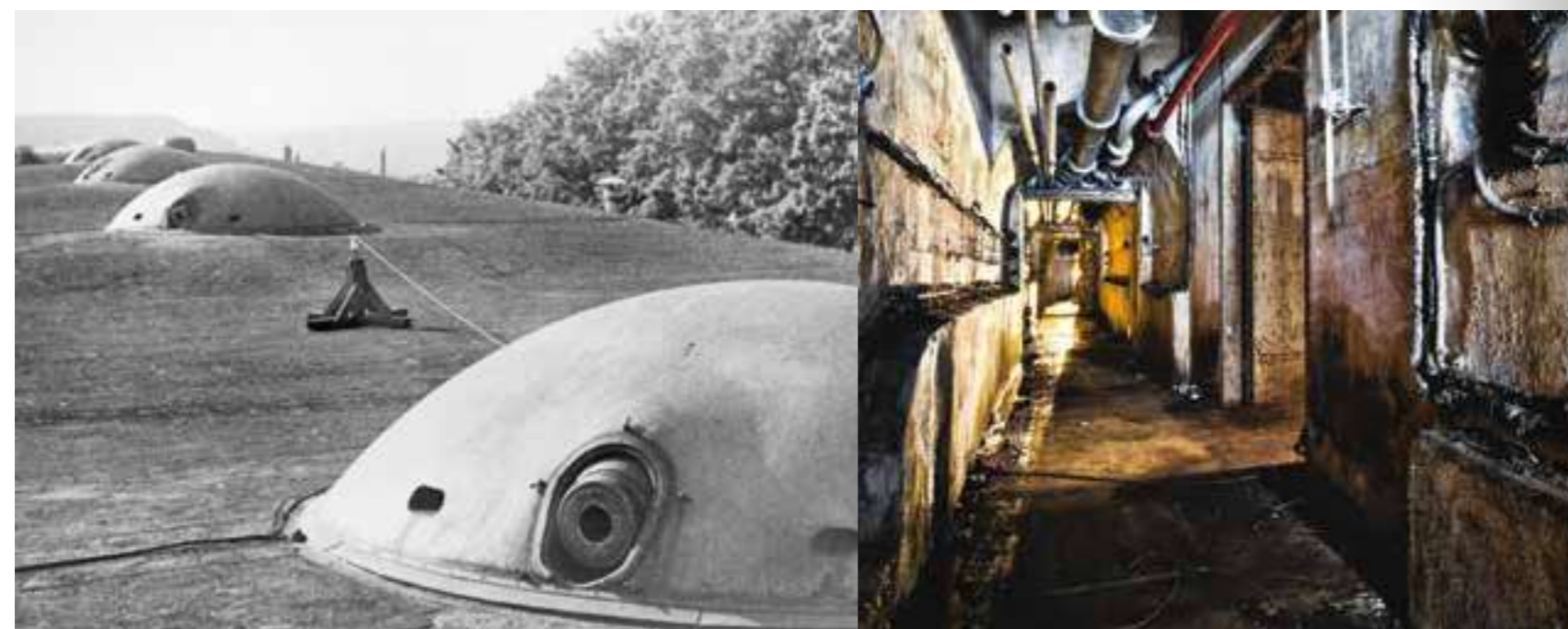
When construction got underway, in 1928, the Italian Fascist regime under Mussolini was more troubling to the French government than Germany, where Hitler had not yet taken power. For that reason, the first site for the defense system was France's southern border with Italy.

The aim of the Maginot Line was to stave off a possible German attack and to increase the effectiveness of the obsolete French forces. On an economic level, it provided protection to France's industrial and mining hubs in the border regions of Alsace and Lorraine.

On the other side of the border, the Germans had begun work on the Siegfried Line, a fortified 630-kilometer defensive construction. Completed in 1938, the Siegfried Line safeguarded the Ruhr's mining and industrial region, among others, from a possible French invasion.

In 1938, the state of the French armed forces was basically what it had been in 1919. That is why both France and Great Britain made the most of the Cash and Carry Law. Enacted in the United States with the backing of President Franklin D. Roosevelt in 1939, two months after the German invasion of Poland, the law authorized the sale of war materials to countries engaged in a war if they paid *cash* and if they transported or *carried* those materials to their points of destination.

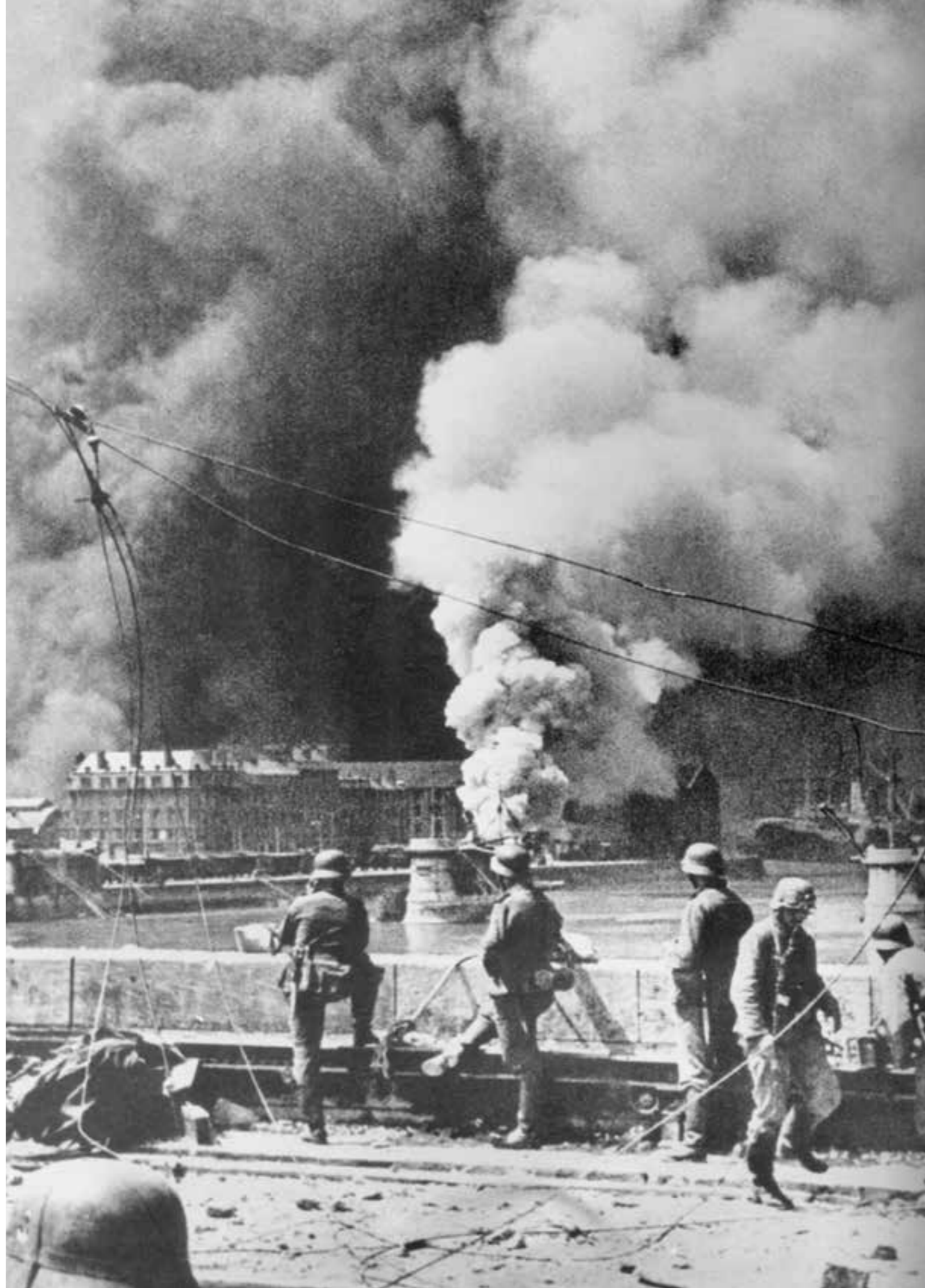
The Cash and Carry Law enabled France and Great Britain to buy the weapons, ammunition, and other supplies they needed to respond to a possible attack from Nazi Germany. Even with that support, France succumbed. The enactment of this law was the first step the Roosevelt administration took to move the United States out of its isolationist policy. It was the precedent for the Lend-Lease policy, enshrined as the Act to Promote the Defense of the United States, implemented in March 1941.



Allied soldiers entering the Maginot Line's underground tunnels in the autumn of 1940. While the Great Depression that began in 1929 affected France less than most other European nations, the expense of constructing the Maginot Line and of rebuilding the country's industry, as well as an outdated fiscal system, left France on the verge of bankruptcy in the early thirties.







### ATTACK WHERE LEAST EXPECTED

The Maginot Line was vulnerable, but the French had failed to detect it. It extended only as far as the French border with Belgium, which meant that the Germans had plenty of room to enter France through that nation. That unprotected zone was in a woody and mountainous region of the Ardennes, a terrain the French considered impenetrable.

The Maginot Line did not prevent the invasion of France as the Germans attacked and occupied Belgium, the Netherlands, and Luxemburg, and they could enter French territory from there, that is, from behind France's defensive line.

The Nazi conquest of France, as in Poland, relied on the "lightning war." A novel tactic completely different from the trench warfare of World War I, the "lightning war" made the most of the agility of Panzer tanks, bombing with heavy artillery, and surprise nosedive attacks. With this tactic, the German forces were able to cross enemy lines and divide the Allied army while a swarm of Stuka planes relentlessly attacked troops as they withdrew.

That strategy brought the destruction not only of the means of communication and supply chains (roads, bridges, and railway lines) but also of large cities.

What is known as the Phony War began after France and the United Kingdom declared war on Germany on September 3, 1939. After that period of relative calm, the Germans invaded France through Belgium, Luxemburg, and the Netherlands. Decisive to the Nazi occupation of the Netherlands was the bombing of the Port of Rotterdam, after which the Dutch government surrendered.



## THE FRENCH FRANC



The French franc first appeared in 1360 to commemorate the release of John II, known as John the Good, who had been captured by the English during the Hundred Years' War. In 1641, pursuant to reforms implemented by King Louis XIII, it was replaced by the *écu*, or silver shield, and the *Louis D'or* (one of the former was worth fifteen of the latter).

The franc became the official currency during the French Revolution. Introduced by the government of the National Convention on April 7, 1795, the franc coin contained 4.5 grams of fine silver.

In late 1865, France, Italy, Switzerland, and Belgium created the Latin Monetary Union (LMU) in an attempt to unify the various currencies of a number of European member countries. Most of the coins minted by nations were still made of gold and silver. Each country had its own currency with a value of 4.5 grams of silver or 290.322 milligrams of gold, which meant that they could be exchanged easily.

World War I brought the stability of the LMU to an end since the French franc lost value due to inflation as well as war and reconstruction costs. After a brief return to the gold standard from 1928 to 1936, the French currency continued to lose value.

In January 1960, the new French franc was minted. One of the new francs was worth one hundred of the old francs. In 2002, when the franc was replaced by the euro, the new franc was worth less than one eighth of its original value.





A euphoric Hitler and the German High Command celebrate the surrender of France on June 22, 1940. On June 25, Hitler met with a number of high-ranking French officials to negotiate the armistice. Hitler chose Compiègne—where the armistice that ended World War I had been signed—as the meeting place.





*Inferior in number,  
inferior in equipment,  
inferior in method.*

Maurice Gamelin



#### DUNKIRK: THE ESCAPE ROUTE

The German attack on the western front was devastating. Even though they had lost a great many tanks and suffered major casualties, Hitler's forces managed to corner the Allies around the Port of Dunkirk. All that was needed for the final victory was one last attack on retreating and demoralized troops.

Nonetheless, Hitler believed that pursuit of total victory in Dunkirk might weaken the German army and limit its ability to deal with a possible counterattack from the Allied forces. There are a number of hypotheses on why Germany did not resoundingly topple its enemies in Dunkirk, and a Wehrmacht victory may well have changed the course the war took in the months that followed. Making the most of the pause in the Nazi advance, Great Britain organized what the Allies called Operation Dynamo in May 1940. The operation consisted of evacuating 330,000 Belgian, French, and British troops by taking them to Great Britain through the Port of Dunkirk. Developed in secret by the Royal Navy, the operation required the participation of both merchant and warships. Fishing and recreational vessels anchored on the British coast also contributed to the effort. While the evacuation was underway, the German Luftwaffe pounded the Allied soldiers with air attacks.

Operation Dynamo was ultimately a success: most of the trapped soldiers managed to escape. During the retreat, however, German bomb attacks were able to sink nine Allied destroyers, and ground troops seized the heavy weaponry left on the shores of Dunkirk.

The Nazi lightning war was as devastating as it was unexpected, quick, and precise. Along with unprepared and patently inferior opponents, it allowed the Third Reich to conquer much of Europe in less than one year. After just a few weeks of intense combat, the Allies were defeated when the Nazis won the Battle of Sedan on May 15, 1940. Over 330,000 French, British, and Belgian soldiers were stranded on the beaches near Dunkirk, on the banks of the English Channel.

Paris, the capital of France, fell to the Germans on June 14. By that time, it was clear that the Maginot Line had been one of the costliest strategic failures of all times.

*Germany began its western offensive on May 10, 1940 and, in just six weeks, it had defeated the Allies and conquered France, Belgium, Luxemburg, and the Netherlands.*

Meanwhile, the French government negotiated with the Third Reich. The Germans and French signed an armistice on June 22, 1940 in Compiègne. The terms included Wehrmacht occupation of northern and western France, which encompassed Paris, and the entire Atlantic coast up to the border with Spain. The German High Command insisted on controlling all of France's Atlantic ports, which were deemed of vital importance to winning the war.

The Alsace and Lorraine regions that had belonged to Germany from 1871 to 1919 were annexed by the Third Reich to restore their situation prior to the Treaty of Versailles. The remaining territory would now be administered by a French government with headquarters in the city of Vichy.

#### THE TWO FACES OF FRANCE

In just a month and a half, Germany had extended its borders beyond where the Allies thought possible. Though they believed they had the best army in Europe, the French were far behind the Germans in terms of weaponry, preparation, and tactics. That is why they fell so quickly to the Nazis.

The area of France outside the zone occupied by the German army was Vichy France, known officially as the French State. Not only did the word republic disappear from the nation's name, but republican forms of government, such as parliamentary democracy, were put down by the Nazis. Basic freedoms were eliminated and political parties banned. Vichy France was an authoritarian regime that embraced Fascist ideology. It was as useful to German aspirations as it was intended to be.



## THE BELGIAN FRANC



In 1815, after the fall of the First French Empire led by Napoleon, the Congress of Vienna decided that what is today Belgium would form part of the Netherlands. Its currency was the Dutch guilder. But, after gaining independence in 1830, the Kingdom of Belgium adopted its own franc, with a value equal to the French franc. In 1865, Belgium was able to stabilize its currency. Until the outbreak of World War I, its value did not change. In 1914, after the German occupation, Belgium stopped producing silver coins, replacing them with zinc coins measuring five, ten, and twenty-five centimeters, as well as a fifty-centimeter coin minted in 1918. One- and two-centimeter zinc coins were issued in 1923. In 1930, the Belgian franc experienced a significant devaluation in the nineteen-thirties, at which point a new gold coin, worth five francs, was introduced for international transactions. The Belgian franc was pegged to the sterling pound at an exchange rate of thirty-five Belgian francs, or 175 French francs, to one pound. Starting in May 1940, with the German occupation, the Belgian franc was pegged to the German pfennig (one Belgian franc was worth 0.10 pfennig). After the liberation of the country in 1944, Belgium joined the Bretton Woods Agreement and System, with an initial exchange rate of 43.77 Belgian francs per dollar. New bills with the values of five, ten, one hundred, five hundred, and one thousand francs were minted in 1943. Those were the last Belgian franc bills issued.

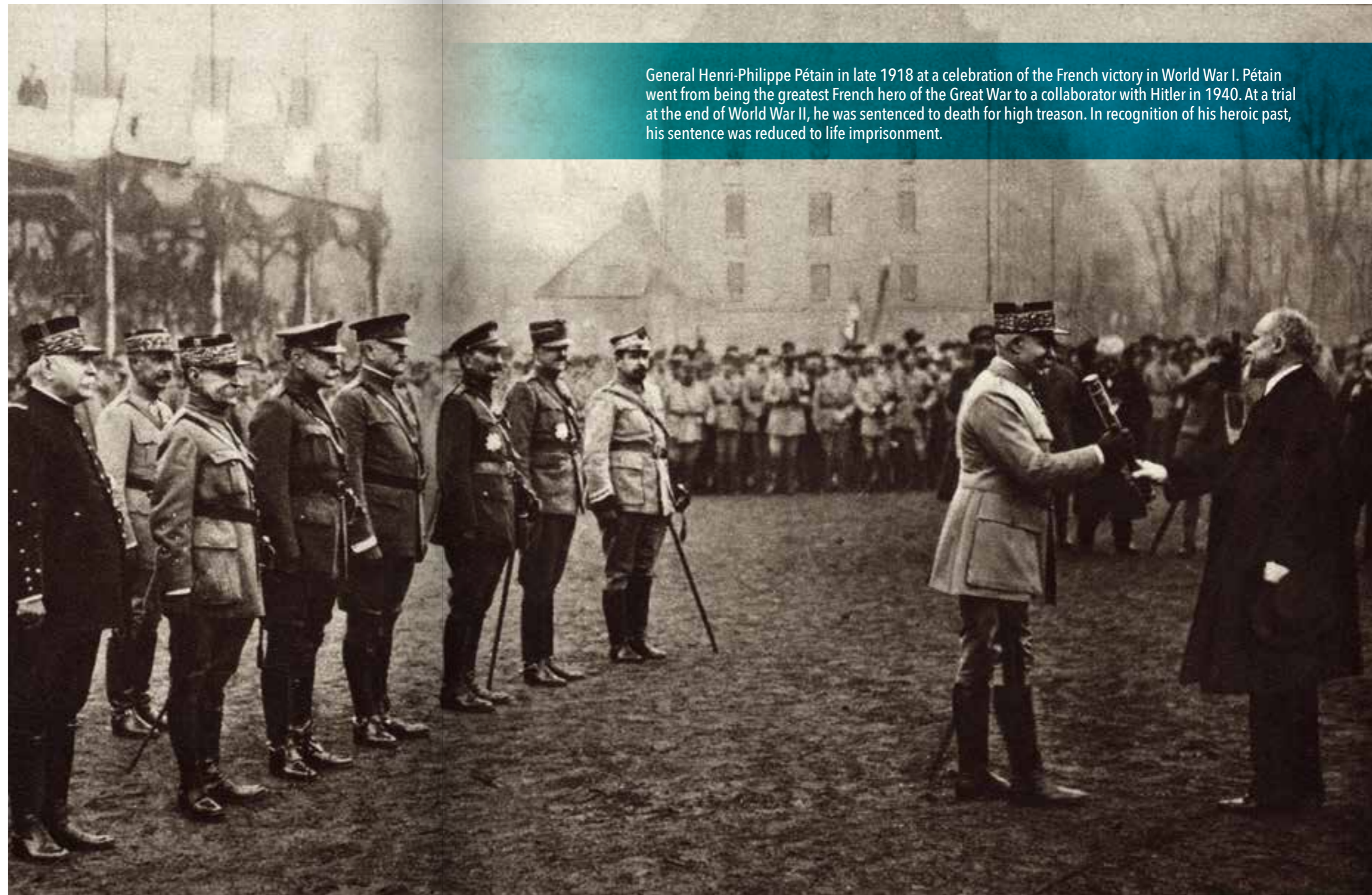


The French State was led by Marshal Henri-Philippe Pétain. He had been considered a hero in France for his participation in World War I. While Pétain declared neutrality in the war between Germany and Great Britain, the conditions of the armistice meant that he had to actively cooperate with Nazism.

Pétain supported the German war effort by helping to cover the expenses of the occupying army, providing labor to bolster the Nazi war economy, and contributing to the administration of the occupied zone. The French government also provided the German government with logistical support in its colonies in Africa and Asia. It fought domestic resistance at the hand of anti-Fascist groups, and actively took part in the capture of Jews living in France, and even Jewish citizens, and their subsequent transport to concentration camps in Eastern Europe.

The French working class also collaborated with the Germans, whether out of sympathy or self-interest, that is, for the sake of better pay and working conditions. Thousands of French workers voluntarily signed up to work for German-run companies. Later, French soldiers taken prisoner were put to work alongside specialized workers in factories occupied by the Nazi regime or, in some cases, located in Germany itself.

In opposition to the government of the occupied zone with seat in Vichy, the Free France government-in-exile was formed in Great Britain under General Charles de Gaulle. De Gaulle called the Vichy government collaborationist and joined in a number of Allied operations to destabilize the German occupation.



General Henri-Philippe Pétain in late 1918 at a celebration of the French victory in World War I. Pétain went from being the greatest French hero of the Great War to a collaborator with Hitler in 1940. At a trial at the end of World War II, he was sentenced to death for high treason. In recognition of his heroic past, his sentence was reduced to life imprisonment.

**Bombing, defeat, and surrender.** On May 13, 1940, the Dutch army surrendered to the Germans after a failed attempt to stave off the German invasion at the Battle of the Grebbeberg. The Dutch not only considered their strategic position unsustainable but also feared that a bombing of the sort that had destroyed Rotterdam would be repeated in other Dutch cities.

**Allied defeat in Sedan.** After three days of intense combat, the Battle of Sedan ended on May 15, 1940 in a resounding Nazi victory. The clashes were part of the Manstein Plan, in which the Wehrmacht surrounded the Allied armies and cornered them in northern France on the shores of the English Channel.

**Escape from Dunkirk.** On May 26, 1940, Operation Dynamo began. It was followed by Operation Cycle. The aim of both operations was to evacuate the British, French, and Belgian troops trapped near the ports of Dunkirk and Le Havre. Over 330,000 soldiers were taken to the British Isles.

**Hitler in Paris.** On June 14, 1940, German troops took Paris, marching down the Champs-Élysées. Hitler had his picture taken with the Eiffel Tower in the background, an example of the German feelings of revenge.

**The armistice wagon.** On June 22, 1940, France signed the armistice with Germany in the same train wagon in which Germany had surrendered in 1918. At that point, French territory was divided into Vichy France and the occupied territory. Though officially neutral, the new French government collaborated with the Nazi regime.





*Paris is beautiful.  
But Berlin must be  
far more beautiful.*

Adolf Hitler



#### GREAT BRITAIN'S HOUR

After the surrender of France at the very site where the German Empire had signed its own surrender in 1918, Great Britain had to stave off the Nazi advance on its own. Prime Minister Winston Churchill's first measure was to call up the armed forces of the colonies and members of the Commonwealth. That was how Australia, Canada, South Africa, New Zealand, and India came to declare war on Germany. Despite that move, Hitler was sure Churchill would not take long to negotiate a peace treaty. Churchill and Great Britain were in a complicated situation. After the German occupation of France and the creation of the Vichy government, Britain's former allies became its enemies. The Royal Navy attacked and sunk a French squadron in the Mediterranean that refused to retreat to a neutral port. Churchill believed that making sure his armada went unscathed was fundamental to changing the course of a war that had, so far, not been going his way.

On July 19, 1940, Hitler returned to Berlin, where he was greeted by over a million people celebrating the German victory. In a fervent speech to the Reichstag, the German parliament, Hitler offered a series of concessions to get Churchill to accept the peace. The German leader's offer was that Great Britain could keep its colonies while Germany could conquer eastern European countries to ensure the so-longed-for *Lebensraum*, the living space the Germans considered so crucial to the development of their nation.

No matter how convincing Hitler may have sounded, Churchill was sure that the peace deal was a hoax and that, sooner or later, Germany would attempt to conquer Great Britain. He rejected the deal and tried to raise morale in his country to fight the Germans. He also ordered a new defense mounted on the coastline to deal with the Kriegsmarine. He planted mines along great swaths of coastal lands to prevent an attack by German air troops.

The British army also recruited new soldiers. While they may not have been in the best shape to face combat on the battlefield, they were large in number: the United Kingdom's forces reached almost a million and a half volunteers. While that was encouraging, it soon became clear that the British army did not have enough weaponry to equip its soldiers.

#### MEANWHILE...

**On February 23, 1940**, the animated film *Pinocchio* premiered. A Walt Disney production, it was based on the book *The Adventure of Pinocchio* by Italian writer Carlo Collodi. The film was the second animated feature film by Disney (the first was *Snow White and the Seven Dwarfs*).

**On August 20, 1940**, Leon Trotsky, the Russian revolutionary exiled in Mexico to escape Stalin's purges, was attacked with an axe. He died the following day. The murder was perpetrated by Ramón Mercader, a Spaniard who worked for the Soviet intelligence service. The killing was ordered by Stalin himself.

**On October 9, 1940**, John Winston Lennon, one of the founders of The Beatles, was born in Liverpool. He would become one of the most influential musicians of all times. Lennon was not only a musician but also a draftsman, a visual artist, and a pacifist.

## THE BELGIAN GOLD STOLEN BY THE NAZIS

As the frigid European winter of 1939-1940 came to an end, the rumor of a possible German invasion of Belgium was beginning to gain strength. Those rumors were based on the disclosures of secret Nazi plans that fell in the hands of the Allied troops. Before a possible armed confrontation with the German forces, the government in Brussels made a decision that it would later regret: it transferred the gold reserves of the National Bank of Belgium to the Bank of France in Bordeaux. The Belgians thought their reserves would be safer there should the German attack materialize. After the Nazi conquest of eastern Europe, the Belgian government-in-exile in Great Britain asked France to transfer its gold to London for safekeeping (the French government

had, by this time, also fallen to the Germans). The French ignored the request and sent the Belgian gold to a bank it controlled in the city of Dakar in the French colony of Senegal. On October 9 of that same year, Pierre Laval, the minister of foreign affairs for the collaborationist Vichy government, broke the promise his country had made to return the gold to its rightful owner and sent it to Berlin. There, the Belgian gold was smelted and then deposited in the Swiss National Bank in Berne. Though Switzerland had declared itself neutral in World War II, it made secret financial transactions with the Nazis. Some historians calculate that the value of the Belgian gold stolen by the Germans was nearly 380 million Swiss francs.







# THE BATTLE OF BRITAIN

After the fall of France, the appeasement policy of British Prime Minister Neville Chamberlain was no longer politically sustainable. In May 1940, he was replaced by Winston Churchill, a former military officer who, by this time, had had a lengthy political career. As unimaginable as it seemed at the time, the change in command in Great Britain brought about a total change in the course of the war.

Before Churchill took office, the conservative Chamberlain had been responsible for two major political defeats for the British Empire. First, the Munich Agreement of 1938, which allowed Hitler to take control of the Sudetenland region of what was then Czechoslovakia; second, the failure of the Allied forces to prevent the German invasion of Norway.

Churchill, who did not at this point have the reputation he would later enjoy, was also involved in that failure in Norway. At the outbreak of World War II, Churchill was named First Lord of the Admiralty. He was responsible for executing the plan to seize the Norwegian ports from which Swedish iron was sent to Germany. But Hitler anticipated that plan before it was carried out. He invaded Denmark and Norway simultaneously, and then defended the conquered ports from the impressive British fleet.

Chamberlain's parsimonious stance, regardless of his having declared war on Germany after the invasion of Poland, was harshly criticized by all British political parties. That, along with the aforementioned Munich Agreement and the defeat in Norway, was a decisive factor in replacing Chamberlain with Churchill as British prime minister.

Churchill formed his government on May 11, 1940. Just two days later, he gave a speech before the House of Commons that became very popular thanks, largely, to the fact that he quoted a phrase coined by American President Theodore Roosevelt in 1897, "I have nothing to offer but blood, toil, tears and sweat." With those words, Churchill took the British Empire into all-out war. Starting with that first speech, all of Churchill's speeches would be a source of inspiration for the British people.



London in September 1940. Seen below is the River Thames, streets, houses, and buildings. The Luftwaffe was a key component of the German military campaigns. Models like the Junkers Ju 87 Stuka, the Heinkel He 111, and the Messerschmitt Bf 109 became symbols of German air power. The Luftwaffe first defeat was to the Royal Air Force (RAF) at the Battle of Britain.



## RATIONING AND **SCARCITY** DURING THE WAR IN BRITAIN

Starting at the beginning of the war, one of Hitler's chief strategies was to attack and sink merchant marine vessels that supplied the United Kingdom. The idea was to weaken British industry. While the German Kriegsmarine could not defeat the powerful Royal Navy in the Battle of the Atlantic, Hitler's strategy did force Great Britain to implement a complex plan to ration food. In response to the blockade and isolation Great Britain was facing, government policy starting in 1939 determined that each person was given a book of ration coupons. The main problem was the scarcity of essential imported goods. With the coupon system, the government organized logistics. Each merchant was allocated an amount of goods according to the number of customers registered. In purchasing food, the customer not only paid but also handed over a coupon that authorized the purchase.

On January 8, 1940, bacon was first rationed and it was followed by restrictions on the purchase of butter and sugar. It was not long before meat, ham, tea, jam, grains, cheese, eggs, milk, and canned fruits were rationed as well. The situation became critical in August 1942, when weekly rations were so low that they barely covered the minimum calorie requirement. By that time, even rice was scarce. Excessive government control of rations led many people to buy food on the black market. They were often swindled and overcharged, especially when purchasing meat. In addition to the German blockade, the British textile industry had been reconverted to manufacture war supplies. That meant clothing was also rationed. While at first each adult was given sixty-six coupons to buy new clothing (a coat would cost sixteen coupons, for instance), by 1942 only forty-two coupons were allocated per person per year.







# THE BATTLE OF THE ATLANTIC

The Battle of the Atlantic began on September 3, 1939, just forty-eight hours after the German invasion of Poland. From that very day—the one when Great Britain declared war on Nazi Germany—the Royal Navy had to begin to deal with the attacks of the Kriegsmarine. Indeed, it would have to endure those attacks until the German surrendered and the war in the Atlantic came to an end.

Those clashes took place throughout the entire Atlantic Ocean. When they began, Hitler's forces had just twenty submarines. As the months wore on and the Wehrmacht succeeded at conquering much of continental Europe, however, the Kriegsmarine's navy and ports grew more powerful. Its fortified fleet left all of Great Britain virtually without food and with scarcities of other essential goods.

Indeed, the Kriegsmarine's blockade of the British Isles starting in 1940 was one of the keys to the Battle of the Atlantic. By that time, the Nazi high command understood the need to put together a fleet of submarines capable of sabotaging and sinking merchant ships trying to land on British ports, most of them from the United States, Australia, Canada, and British colonies like India. Those ships were successfully

intercepted by the fleet of U-Boats whose mission was to weaken, even suffocate, the British, cutting off any foreign support.

The contingent of Nazi submarines multiplied thanks to the quick invasion of not only Belgium, the Netherlands, and France but also Denmark and Norway. In those two Scandinavian countries, Germany seized ports vital to supply the British in an attempt to wear out the Royal Navy. While the powerful British fleet was never in danger of extinction, its ability to build, monitor, and supply its submarines operating in Atlantic waters was severely curtailed by Hitler's expansion in Europe.

Over the course of 1940, hundreds of merchant ships were sunk in the open sea, long before spotting the British coast. Over sixteen tons of provisions and weapons ended up on the ocean floor. British Prime Minister Winston Churchill understood well by now that if he lost control of the sea, Hitler would have free rein to invade Great Britain.





On December 18, 1939, Captain Langsdorff, along with forty members of his crew, unanchored the *Graf Spee* from the Port of Montevideo. He ordered to detonate the explosives the ship was carrying, thus, burning and sinking the boat. The German sailors were picked up by a tugboat and taken to Argentina, where they were held for the rest of the war. On December 20, Langsdorff died in a hotel in Buenos Aires after having shot himself in the head.

### THE FIRST BATTLE IN THE RIVER PLATE

The Battle of the Atlantic was indeed fought in the entire Atlantic Ocean, even as far as the Uruguayan waters of the River Plate in the southern cone of South America. The Battle of the River Plate was the first naval clash between British and German ships in World War II.

The *Admiral Graf Spee*, a German warship, set sail from the Port of Wilhelmshaven eleven days before hostilities broke out on August 21, 1939. Its mission was to anchor in the Southern Atlantic in order to intercept all the ships passing through on their way to Great Britain. During its crossing, the German ship was escorted by mothership *Altmark*, which would supply it with fuel and provisions at previously determined sites in the high seas.

The *Graf Spee*, which engaged in piracy, seriously impeded British access to supplies. It was, for that reason, hotly pursued by the Royal Navy. Each time they attacked a vessel, the Germans would seize its provisions, hold the high command captive, and evacuate the crew. From the beginning of its mission, the *Graf Spee* was particularly successful in its surprise attacks.

In December 1939, the war and the Nazi advance were ravaging Europe. That was when Hans Langsdorff, captain of the *Graf Spee*, decided to venture into South American waters to end his service and return to Germany. On the way, he sunk what would be his final prey, *SS Streonshalh*, a cargo ship. It managed to give notice of the German attack and sent out a message disclosing the position of the enemy vessel.



## ATTACK ON SCAPA FLOW



Scapa Flow, a bay on the northernmost tip of Great Britain, was the main British naval base for operations in the Atlantic. This medallion commemorates the sinking of the German fleet at its own hand as ordered by Admiral Ludwig von Reuter in 1919 in order to keep the German ships that had surrendered at Scapa Flow from being divvied up by the Allies.

The German attack on Scapa Flow was perpetrated by *U-47*, which penetrated the bay on October 14, 1939. The mission was to sink *HMS Royal Oak*, an old battleship (it had been in service for over thirty-five years) and a crucial component of the air defense of the naval base. The surprise attack was silent and deadly. The *U-47* torpedoes tore a nine-meter hole in the hull of *Royal Oak*. Its crew could do nothing to prevent it from sinking to the bottom of the sea, which it did in a matter of minutes.

At the time of the attack, the crew of *Royal Oak* was some 1,400 men strong; 833 of them lost their lives. Though an old vessel, it had enormous symbolic importance for Great Britain. After the attack, Churchill ordered the construction of defensive barriers to block enemies from entering Scapa Flow and make sure an attack of this sort would never happen again.

Three days after the submarine attack, four Luftwaffe bombers flew over Scapa Flow and damaged *HMS Iron Duke*, a warship stationed there.



The Royal Navy ordered Commander Henry Harwood to head to the location where the attack had taken place, but he predicted the *Graf Spee* would change course and hence decided to change his own position. Langsdorff, knowing that the Royal Navy had identified his vessel's location, steered his ship to the River Plate estuary, where he did not expect to meet enemy forces. But he was mistaken: at dawn on December 13, he came upon HMS *Ajax*, HMS *Achilles*, and HMS *Exeter*, the three British ships awaiting off the coast of Punta del Este, Uruguay. After suffering serious damage during the battle against the enemy ships, the *Graf Spee* grounded its crew in Montevideo. It was then blown up at the order of Langsdorff, who later took his own life.

#### GREAT BRITAIN TAKES CONTROL

During the first months of 1941, the Kriegsmarine high command decided to implement a new strategy on the surface of the Atlantic in order to take full advantage of the damage the U-Boats were doing in its depths. Deception was key to the attack on British supply chains: the heads of the Nazi navy turned a number of merchant ships into warships that attacked the convoys heading for British coasts without warning. Thanks to that tactic, dozens of ships were treacherously sunk by Hitler's forces.

Explosion of several depth charges launched by the *Cutter Spencer*, a US coastguard vessel, on April 17, 1943. The explosives sank the German submarine *U-175* that was attempting to break into the middle of a large convoy of United States ships heading for Great Britain.

While the Germans believed they could dominate the seas and challenge Churchill and Great Britain as a whole, the Royal Navy introduced a weapon that would prove decisive in restoring the balance of powers in the sea, but chiefly in defeating and destroying most of the German U-Boats: depth charges.

Depth charges were a sort of grenade thrown into the ocean when an enemy submarine was detected. They would, as their name suggests, explode at a certain depth. While one of them would not do much damage, many of them exploding at once could do serious harm to a submarine's hull, communications, and—most important—control systems.

Another technological advance that enabled the Royal Navy to get the upper hand over the Kriegsmarine was sonar. Through the use of sound waves, sonar made it possible to detect the location of German submarines with far greater precision.

Sonar was capable of detecting, locating, and then tracking U-Boats. This technology, along with depth charges, turned out to be deadly to Hitler's naval forces.



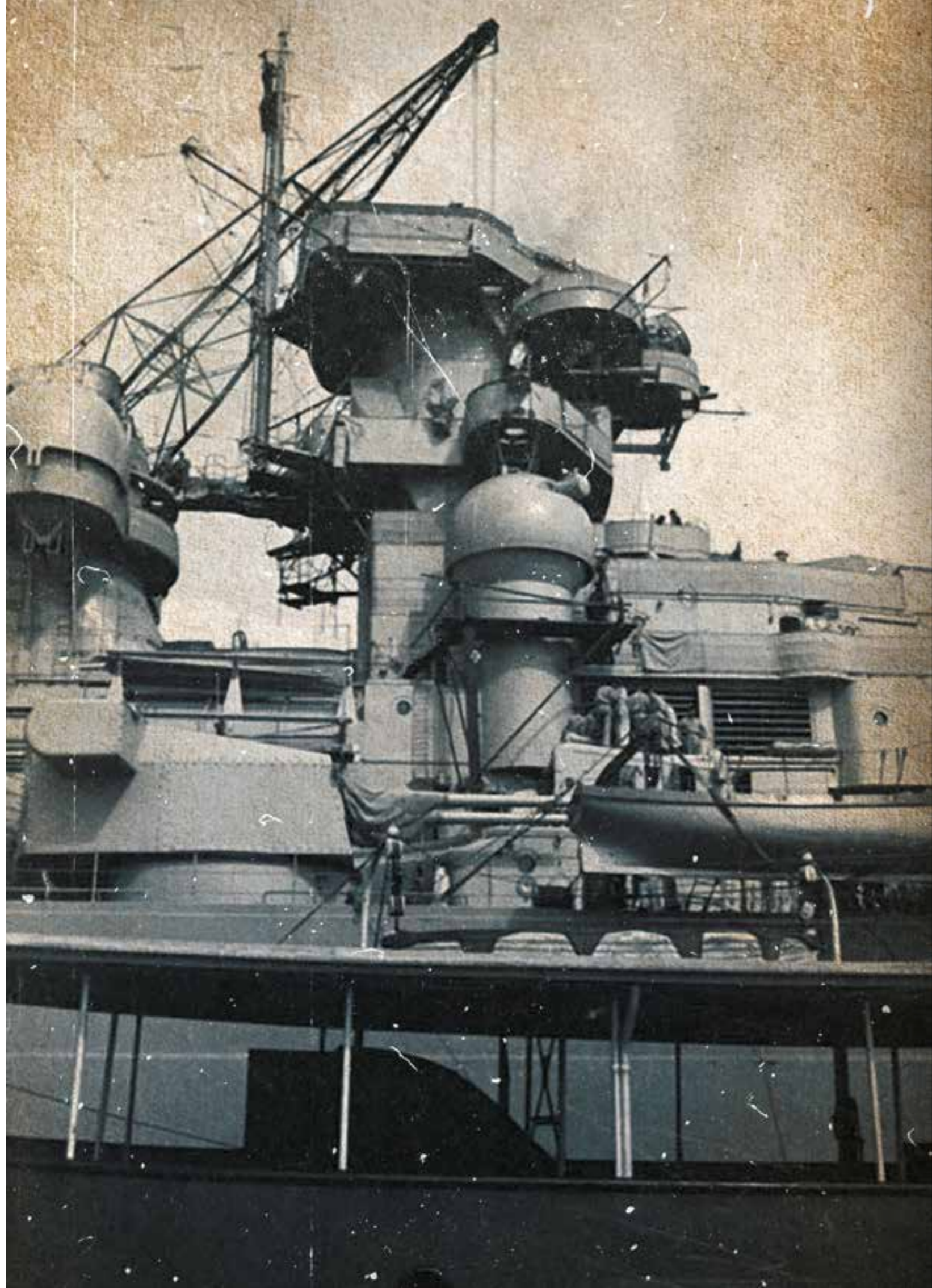
**The disappearance of a sea wolf.** On March 7, 1941, Günther Prien, captain of the German submarine *U-47*, disappeared in the sea along with his crew. Under Prien's command, his vessel had torpedoed and sunk around thirty Allied ships. His most famous feat was the sinking of HMS *Royal Oak* in Scapa Flow in the Orkney Islands, the northernmost tip of the British Isles.

**Friendly escorts for naval convoys.** On September 1, 1941, military high commands in Washington announced the formation of a patrol (two heavy cruisers and four destroyers) to be deployed to the Denmark Straits between Greenland and Iceland. The United States navy would thus begin to escort convoys carrying goods and weapons across the Atlantic.

**Fire first and ask later.** On September 11, 1941, *USS Greer*, a destroyer, attacked a German submarine with depth charges. In response, the submarine launched two torpedoes that missed their target. As a result of the incident, President Roosevelt announced that United States warships could "fire first and ask later" in order to assure the protection of convoys. The declaration only served to formalize what was, by then, common practice in the Atlantic.

**Heroes of the sea.** On November 13, 1941, the German submarine *U-81*, under the command of Captain Friedrich Guggenberger, torpedoed HMS *Ark Royal*, an aircraft carrier near Gibraltar. The ship would sink the following day. The *U-81*'s next mission was in the eastern Mediterranean, where it sunk the Egyptian *Bab el Farag* and *Fatouh el Kher*, as well as the British ship *Caspia* and the Free France's *Vikings*, an anti-submarine vessel.





### THE HUNT FOR *BISMARCK*

German political leader Otto von Bismarck's greatest achievement was the unification of Germany in 1871. In his honor, the Kriegsmarine named the largest battleship not only in its fleet but in any navy in Europe after him.

The *Bismarck* was laid down at the Blohm & Voss shipyard in Hamburg in July 1936 and it was put into service for the German navy in August 1940. While the Kriegsmarine had planned a number of missions for its star battleship, the *Bismarck* was only in service for eight months, enough time to take part in just one offensive operation.

The battle took place in the Denmark Straits. The *Bismarck* sank HMS *Hood*, one of the Royal Navy's most important cruisers, and did enough damage to HMS *Prince of Wales* which forced the battleship to retreat.

The sinking of the *Hood* triggered a frenetic search for the *Bismarck*, which was able to sail despite the three British projectiles that had hit it. To intercept it, the Royal Navy deployed dozens of ships whose mission was to sink the German warship. While the RAF was the force that located *Bismarck*, the Fairey Swordfish torpedo planes launched from HMS *Ark Royal* struck her. That attack paralyzed the *Bismarck* in the waters of occupied France.

The next morning, the *Bismarck* was attacked again, this time by intense fire from a number of British vessels. The ship was sunk, and most of its crew perished.

Bridge of the *Bismarck* battleship. In just five minutes on May 24, 1941, the *Bismarck* sank HMS *Hood*—a battle cruiser which was the flagship and pride of the Royal Navy. When learning the news, British Prime Minister Winston Churchill mobilized an unprecedented naval force. Sixty-four vessels, including battleships, cruisers, aircraft carriers, destroyers, and submarines, were called up from every corner of the Atlantic where the Royal Navy had a presence to hunt down and sink the *Bismarck*.

## LIFE ON SUBMARINES

On average, fifty men lived together in a submarine, most of them young enlistees who had received minimal training in how to operate machines and radios and launch torpedoes. Living conditions were harsh.

The sense of claustrophobia in the tight spaces was only worsened by the stale air inside the vessel—humidity, fuel, feces, and sweat. Furthermore, sunlight and privacy were in short supply, and the noise of the machinery was as relentless as the suffocating heat given off by the engines. In most submarines there was one bunk for every two men, which meant soldiers had to take turns using them. When embarking on a mission, the number of torpedoes onboard was so great that many had to sleep on top of them. Submarine crews were subject to a tremendous amount of psychological pressure.

When spotted by an enemy vessel, submarines would dive deep into the sea to avoid sonar detection and subsequent attack with depth charges. For that reason, crews would spend long hours in silence and, often, in the dark due to the shock waves from the charges.

Three out of every four men who served in the almost nine hundred Kriegsmarine U-Boats perished. Their deaths were always slow. If an enemy attack sunk the submarine, the pressure would cause the hull to break open and water to come pouring in. That meant that the crew would drown to death. If the submarine sank but the pressure was not great enough to break its structure, the crew would be trapped and die of suffocation when the oxygen ran out.

In the words of Winston Churchill, "Of all the branches of the armed forces none show more devotion or face greater perils than the crew of a submarine."





*A computer can be called intelligent if it manages to fool a person into believing it is a human.*

Alan Turing



the submarine was setting out to attack them with its deck guns and they did not stop attacking until they understood that *U-110* was being evacuated and its crew surrendering.

Finding the opportunity to capture *U-110*, Commander Joe Baker-Cresswell of HMS *Bulldog* tried to keep it from sinking into the depths of the Atlantic. Lemp was convinced that the submarine would sink no matter what since during the evacuation the portholes and air vents had been left open and water would rush in, sending *U-110* to the bottom of the sea.

Lemp was mistaken, however: the crew of *Bulldog* was able to board *U-110* and take possession of a number of secret documents as well as an enigma machine with a code book and operations manual. All of that, and other information, meant that the coded messages sent to and from Kriegsmarine submarines could be intercepted by the Allied forces.

Though the interception of transmissions was used guardedly to avoid awakening suspicion, it did allow the British navy to locate the routes on which Kriegsmarine vessels sailed and detoured its ships accordingly. The cracked codes and the machine allowed the British to better protect their corvette, destroyer, and aircraft escorts.

Though the documents seized on *U-110* were very important, by the time that seizure happened both the British and Americans were able to decipher German codes thanks to a team of engineers led by mathematician Alan Turing. The seizure of the Enigma machine did facilitate the work of Allied cryptographers. It played a decisive role in the outcome of World War II.

#### THE CAPTURE OF *U-110* AND CRACKING THE ENIGMA CODE

In early May, 1941, the submarine *U-110* was on a mission to the south of Iceland. Its target was a convoy taking supplies to Great Britain. The attack failed and its position was revealed by the torpedoes it had launch. HMS *Aubretia* detected it with sonar before firing a series of depth charges. While *U-110* was able to withstand the first attack, its structure was seriously compromised. After the second attack from the *Aubretia*, it had no choice but to surface. Its commander, Captain Fritz-Julius Lemp, ordered his crew to come up on deck and abandon the vessel.

While the evacuation was underway, the crew was under fire from HMS *Bulldog* and HMS *Broadway*, two destroyers. The British thought

#### MEANWHILE...

**July 1, 1941:** The first television commercial of all time was aired by WNBT in New York at 1:29 p.m. The advertiser, Bulova watchmakers, paid nine dollars for a ten-second ad. It was broadcast between innings at a baseball game between the Brooklyn Dodgers and the Philadelphia Phillies.

**October 4, 1941:** Anne Rice, a bestselling author of gothic and religious novels, was born in the United States. Her best-known series is the *Vampire Chronicles*. With nearly one hundred million copies sold, she is one of the most widely read authors anywhere in the world.

**October 23, 1941** Based on Helen Aberson's children's book of the same name, *Dumbo*, a Walt Disney production distributed by RKO Radio Pictures, premiered.

## HITLER'S PHANTOM AIRCRAFT CARRIER: *GRAF ZEPPELIN*

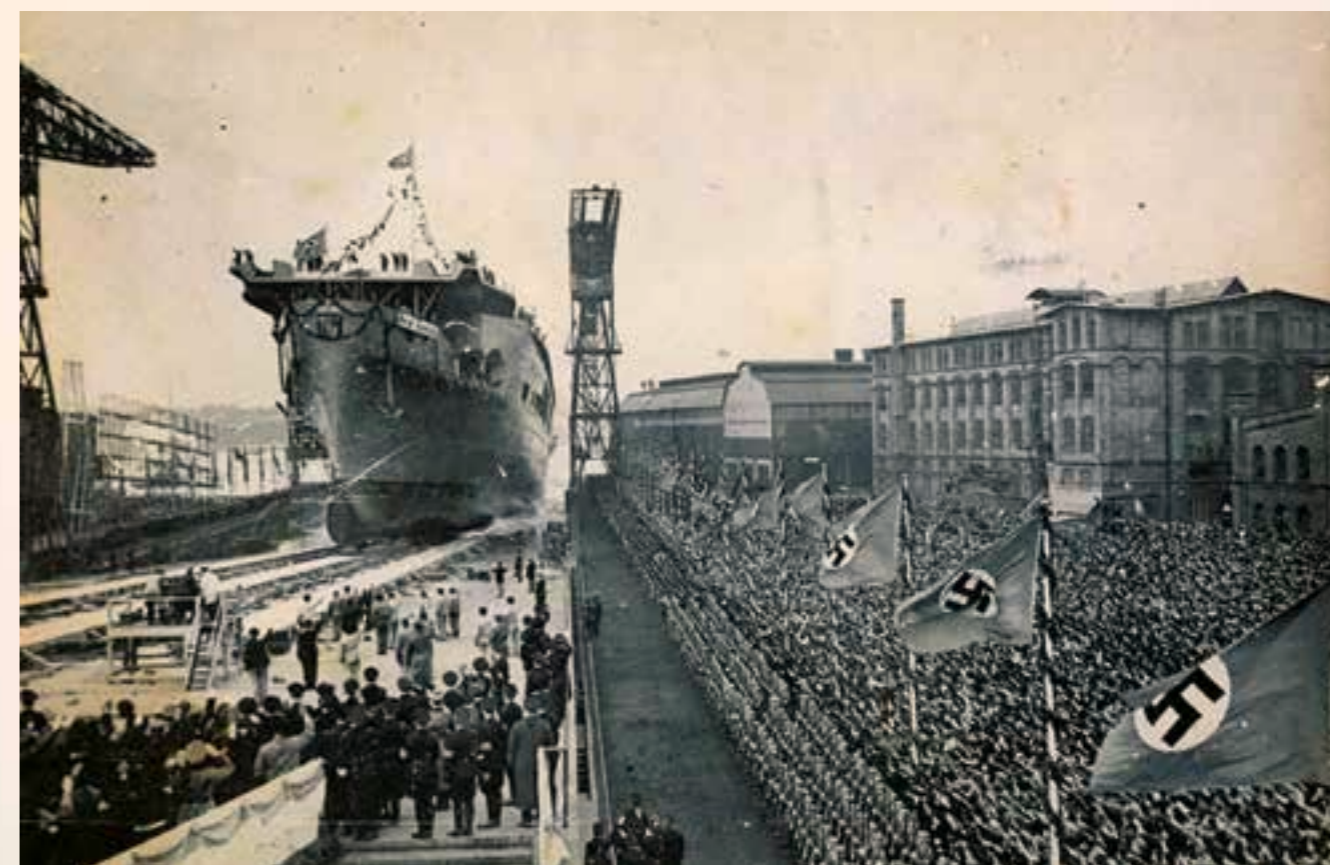
In addition to their advantage in air power, jet engines, and missiles, the German forces were far ahead of the Allies in a military asset that would prove decisive toward the middle and end of World War II: aircraft carriers.

Before the British, Americans, or Japanese had the powerful and enormous aircraft carriers they would eventually acquire, Hitler was trying to bring *Graf Zeppelin* into his fleet—the German's first aircraft carrier and the pride of the Kriegsmarine. But the *Graf Zeppelin* was not ready for battle when the war broke out. Hitler prioritized the construction of the smaller ships necessary for the challenges faced at the beginning of the war, which meant that the aircraft carrier project was put on the back burner. Some of the artillery planned for use on the *Graf Zeppelin* was redeployed to equip other vessels. Germany was expanding rapidly, and the *Graf Zeppelin's* debut was put off. The crew of this enormous aircraft carrier (it

was over two hundred and sixty meters long) could be more than two thousand men. It could carry twenty Messerschmitt BF109T fighter planes, twenty Junkers Ju87 Stuka bombers, and ten Fieseler torpedo bombers. In late 1941, with the war well underway and the imminent defeat of the German fleet to the powerful British Royal Navy, Hitler decided to suspend the construction of the *Graf Zeppelin* indefinitely and gear all the military's effort and funds to the manufacture of U-Boats, the Kriegsmarine submarines that had taken center stage in the Atlantic.

The *Graf Zeppelin* went from being Hitler's pride and joy to being eliminated from the Nazi war machine after the Soviets sunk it in 1947. Its final resting place was the bottom of the Baltic Sea.

The photograph shows the launching of the *Graf Zeppelin* in the Port of Kiel on December 8, 1938.







*The only thing that ever really frightened me during the war was the U-boat peril.*

Winston Churchill



#### GERMANY FALLS BEHIND

During the Battle of the Atlantic, German submarines sunk 2,848 merchant ships, a total of 14 million tons scuttled. Be that as it may, Great Britain was never in danger of a complete blockage. No ship carrying troops across the Atlantic on the way to the United Kingdom was sunk at any point in the war.

Once the Allies had coordinated their efforts, they were able not only to provide almost absolute protection to their convoys and their transport routes but also to organize squadrons of subchasers. New technological advances and combat tactics might have tipped the balance temporarily in one direction or the other, but Germany ultimately proved incapable of dealing with the innovations spearheaded by the English-speaking forces.

The percentage of German vessels sunk was alarming: of the 1,170 U-Boats that took part in World War II, 785 were sunk by the Allies—and that does not include those that were captured or disappeared without a trace. A total of 76% of German submarines were sunk or captured.



The introduction of convoys in which a large number of merchant ships would be escorted by Allied corvette destroyers killed the hope Germany had placed in its wolfpack tactic. The idea was a coordinated attack by a number of submarines. The development of sonar and antisubmarine charges delivered the final blow to the Kriegsmarine.





# ITALY ENTERS THE WAR

The outcome of Italy's participation in World War I was disastrous: over seven hundred thousand were killed, large agricultural spaces ravished, and much of the country's industrial power seriously damaged.

And though Italy was on the winning side of that war, it did not enjoy the increase in territory that France and Great Britain had promised. It was granted control of Trieste, Trentino, Alto Adige, Istria, and Zara, but did not gain any colonies in Africa as the Italian government and people had hoped.

The situation in the country was complex. In the months just prior to the end of World War I, the nationalist bourgeoisie attempted to oust a government weakened by a profound institutional, economic, and social crisis due to faltering production, rising inflation, and widespread strikes. The most vulnerable sectors of Italian society were not disinclined to follow in the footsteps of the Russian Revolution of 1917, where workers and peasants took over factories and farms before the Bolsheviks seized power. In January 1921, Amadeo Bordiga, Antonio Gramsci, and Palmiro Togliatti founded the Italian Communist Party. It grew out of a powerful social and labor movement which, along with widespread social crisis, had seriously undermined King Victor Emmanuel III's ability to govern.

In Milan that same year, former combatant Benito Mussolini founded the opposition to the communists: the nationalist *fasci di combattimento* (league of combatants) would give rise to what would later be the National Fascist Party, created on November 9, 1921. The Fascists' agenda appealed to the resentful former soldiers who were disappointed with the peace treaty and to members of the middle class that had been impoverished by skyrocketing inflation after the war.

Mussolini's organization became known for stirring social unrest and engaging in acts of aggression against Socialist and Communist leaders and trade union offices. Self-declared defenders of the motherland and the status quo, the Fascists managed to procure the economic backing of the industrial bourgeoisie and landowners, who feared the outbreak of a revolution.

Thanks to that financial support, Mussolini's movement grew rapidly. By the end of 1921, it had almost one million supporters.



### THE RISE OF MUSSOLINI

The Italian political scene in the early twenties was dominated by the Socialists who, despite the Fascists' violent campaigns, managed to keep control of the government. They were even able to find compromise agreements to end strikes and factory takeovers. But gradually Mussolini's "black shirts"—a strike force that would take to the street armed and in military attire—started to eat away at the Socialist's ability to keep order. In October 1922, Mussolini organized the March on Rome; some forty thousand Fascists marched down the streets of the capital city. After that show of force, the king decided he should hand power over to Mussolini. On October 29, he was named prime minister.

The Fascist leader's hold on power was consolidated with the elections of April 1924, where he won 65% of the vote. Emboldened by that success, in under three years' time he turned Italy's parliamentary system into a dictatorship, censored the press, dissolved trade unions, suspended the right to strike, and outlawed political parties other than his own. The monarchy was left intact, but it had no role in matters of the state. To deal with the economic crisis of 1929, Mussolini launched a public works program, which included the drainage of water lands in central Italy; the expansion of the wheat crop; the construction of highways, bridges, and roads; and the development of hydroelectric energy. While that investment in infrastructure did create jobs, Mussolini's government did not manage to improve the economic situation or living conditions of the Italian people.



Italian children and teenagers donning black shirts, the symbol of Fascism. Despite manipulation of the media and control of education, Fascism was never able to rally a total consensus. It did, however, manage to spread a sense of nationalist pride in Italian society by the end of the thirties.

**The Anti-Communist Pact.** On January 13, 1939, Hungary signed the Anti-Comintern Pact, which Germany and Japan had signed on November 25, 1936. Mussolini's Italy joined in 1937 and Franco's Spain in 1939. The signing nations promised to take measures to avoid the influence of the Communist International (Comintern) championed by the Soviet Union.

**The Castillo de Olite tragedy.** On March 7, 1939, in the context of the Spanish Civil War, the *Castillo de Olite* was sunk in the Port of Cartagena by the Republican force's coastal defense. Though it was a merchant ship, the nationalists were using it to transport troops. With some 1,476 dead, it was the deadliest sinking in Spanish history.

**The End of the Spanish Civil War.** On March 28, 1939, General Francisco Franco and his troops stormed Madrid, bringing the Spanish Civil War to an end after almost three years of fighting. While Franco was on friendly terms with Mussolini and Hitler—they had provided him with military resources during the civil war—Spain declared itself neutral at the beginning of conflict.

**The Pact of Steel.** On May 22, 1939, Italy and Germany entered into the Pact of Steel, popularly known as the Pact of Friendship and Alliance. The political-military agreement signed in Berlin by foreign ministers Galeazzo Ciano (Italy) and Joachim von Ribbentrop (Germany) laid the basis for mutual support in the case of war.

**The First Nuclear Weapons.** On August 2, 1939, German physicist Albert Einstein wrote a letter to President Roosevelt alerting him of Nazi progress toward developing a nuclear weapon. The letter would spark the Manhattan Project, as the effort to produce the first nuclear weapons was known.





# THE ITALIAN LIRA



From 1805 to 1814, the lira was the official currency of the Napoleonic Kingdom of Italy, which encompassed the northeast of what is today Italian territory. After the creation of the Kingdom of Italy in 1861 under King Victor Emmanuel II, the lira became the sole currency, replacing regional currencies like the florin of Lombardy, the piastre of the Two Sicilies, the fiorin of Tuscany, and the Roman *scudo* and lira of Parma.

In 1865, Italy joined the Latin Monetary Union, and parity was established between the lira and the French franc, the Swiss franc, and the Belgian franc. But the outbreak of World War I brought unbridled inflation. The Latin Monetary Union was dissolved.

In 1926, inflation was partly reined in thanks to a new exchange rate between the lira and the pound (one pound was set at ninety lira). The United States dollar was worth nineteen lira (it would not reach twenty until 1939).

When the Allies invaded Italy in June 1943, the exchange rate was set at one dollar to one hundred and twenty lira, and one pound to four hundred and eighty lira. That measure set off another wave of inflation. In 1947, after the war, the value of the Italian currency reached five hundred and seventy-five against the dollar; in 1949, the rate reached six hundred and twenty-five.

The exchange rate remained practically unaltered until the seventies, when inflation hit once again. In 1999, when the process of introducing the euro began, the euro was worth 1,936 lira.

Over the course of the thirties, the government of *Il Duce*—the Italian word for leader and a common way of referring to Mussolini—established what was known as corporate statism, a form of government based on corporations of businesspeople, workers, and representatives of the government. Those were the ones who decided jointly what economic policy to follow.

That system was no more than a disguise to give cover to a dictatorship determined to keep power. The Chamber of Fasces and Corporations was heralded as an attempt to improve the economic conditions of the common people, but it ended up replacing the House of Representatives. The Fascist regime began persecuting its opponents: politicians, artists, and public figures were incarcerated, murdered, or—in the best-case scenario—forced to leave the country.

## THE IMPERIALIST DREAM

Mussolini's imperialist adventures began in mid-1935. It wouldn't be long before they would bring Italy to the verge of social chaos and economic collapse.

Mussolini aspired to create a new Roman Empire, and in October he invaded Abyssinia, which at that time encompassed the territories of Eritrea and Ethiopia. The armed conflict lasted seven months and formed part of the expansionist policy characteristic of the Axis powers between the wars. What motivated the Italian dictator? Revenge for Italy's defeat in the First Italo-Ethiopian War in the late nineteenth century.

With the total support of Germany, the Italian army penetrated Abyssinia without having first declared war. The only countries to oppose the invasion were Great Britain and France. Abyssinian Emperor Haile Selassie tried to ward off the Italian troops, but Mussolini's modern forces toppled the African resistance.

Even though it imposed economic sanctions on Italy, the League of Nations' inefficiency became patently clear on May 7, 1936, when Italy officially annexed the territory of Ethiopia. In response to



sanctions, Mussolini withdrew Italy from that international body. To maintain control of that territory in Africa, he declared Victor Emmanuel III the new emperor of Ethiopia: Eritrea, Somalia, and Ethiopia itself became Italian East Africa.

The Fascist expansion continued into 1939 with the invasion of Albania, where Italy already had an economic presence with the exploitation of mineral resources and the loans granted during the twenties. The Italian military had even overseen the formation of the Albanian army.

Despite Italy's strong influence in the region, King Zog I refused to give into pressure from Mussolini. On April 7, 1939, *Il Duce's* army attacked Albania, which it had always seen as a territory of major strategic importance. The Italian naval high command looked favorably on occupying the Port of Vlorë and Sazan Island as a means to control entry into the Adriatic Sea and as a gateway to the Balkan Peninsula region.

On April 12, after just a few days of combat, the Albanian Parliament voted to depose Zog I and accept annexation by Italy in what was called a personal union. The Albanian crown was now in the hands of King Victor Emmanuel III; Italy celebrated a victory it deemed key to Mussolini's expansionist aspirations.

### MUSSOLINI'S WORST NIGHTMARE

When, on September 1, 1939, World War II broke out in Europe, Mussolini declared his country neutral. In *Il Duce's* view, Italy was not yet prepared to handle conflict on a continental scale. His stance was not to Hitler's liking. After all, Italy and Germany had signed the Pact of Steel. Italy did eventually join the war on June 10, 1940, with an attack on the French Alps (France was already being battered by the German forces). Italy's belated involvement did not occur until the French defeat was all but certain.

Italy's engagement in the war generated the fear in Great Britain that its holdings in Africa—Egypt and Sudan in particular—were easy targets for invasion by Italian troops stationed in Libya and in the recently conquered Italian East Africa.

That fear became a reality in September 1940, when Italian troops in Libya invaded Egypt and captured the small coastal city of Sidi Barrani. Mussolini aspired to occupy Egypt and Sudan in order to create an Italian-dominated territorial stretch that would extend from Libya to the Horn of Africa. To the Italian leader, the mission seemed easy enough: Italy had some five hundred thousand troops in the region, whereas the British numbered little more than fifty thousand. But Mussolini's dream would soon become his worst nightmare. The troops entrenched in Sidi Barrani, located less than one hundred kilometers from the Libyan border, were waiting for supplies to continue their invasion when the British army launched a surprise attack. That defeat was the first sign that Mussolini's forces were not as awesome as they were believed to be.

## THE LIFE OF SOLDIERS IN THE DESERT

Italian and British troops fighting in Africa had to confront great hardships, among them high temperatures. There was virtually no way to escape the blaring sun and heat waves when temperatures would climb to over one hundred and ten degrees Fahrenheit. All soldiers could do was sit with their heads covered and wait for the night when the temperature could fall to as low as sixty-eight degrees, which at least made sleep possible.

The greatest hardship faced by soldiers in the desert, however, was the lack of water. They knew they could survive a certain number of days without food, but without water they could barely stay on their feet. Dehydration caused headaches, fatigue, muscle contractions, and—worst of all—hallucinations, rendering them completely unfit for combat.

Access to water was always restricted in the Desert War. Vehicles were used to provide motorized divisions with fuel, not soldiers with water, which meant that often the only way soldiers could get water was through the occasional waterhole in a desert oasis. But the water from those holes had a high salt content; drinking it might provide some momentary relief, but would eventually cause greater thirst. All the food the troops fighting in the desert received was canned since the intense heat made the preservation of any fresh food impossible. The amount of protein varied with the flag the soldiers were fighting for. Another problem was the sand, which the wind would spread everywhere: plates of food, vehicles, and inside the tents where the soldiers slept.

### MEANWHILE...

**On July 20, 1940**, the Olympic Games in Helsinki were canceled because of World War II. The Finnish city had been chosen to house the games after Tokyo had given up the honor since Japan had been fighting in the Second Sino-Japanese War since 1937.

**On October 15, 1940**, *The Great Dictator*, a film written and directed by Charles Chaplin, who also played the leading role, was released. Though the United States was not yet at war with Germany, the film, embraced by North American audiences, was seen as a fierce condemnation of Nazism, Fascism, anti-Semitism, and dictatorships in general. It was Chaplin's first sound film.

**On December 21, 1940**, Francis Scott Key Fitzgerald died at the age of forty-four. A member of the so-called Lost Generation of the nineteen-twenties, he is considered one of the greatest North American writers of the twentieth century. His major works include the novels *The Great Gatsby*, *Tender is the Night*, and *This Side of Paradise*.







Italian troops in 1940 building a road to transport their armored vehicles into Greek territory. Poorly planned and executed, the Italian attack drew infantry troops, armored vehicles, transport ships, and planes initially intended for Northern Africa to the Balkan front, thus, preventing Italian General Rodolfo Graziani from furthering his attack on Egypt.

The British victory continued with an unstoppable westward advance by its motorized divisions. By late December 1940, British expeditionary forces had advanced almost one thousand kilometers into Libya. By that time, half of Mussolini's Libyan Empire had been occupied and over one hundred thousand Italian soldiers taken prisoner. East Africa would also fall into British hands.

The Italian defeat in Egypt and Libya was due to a lack of planning as well as poor preparation on the part of the Fascist troops.

#### DEFEAT IN GREECE AND GERMAN INTERVENTION

Greece was the next place that delivered a blow to Mussolini's imperialist dream. In October 1940, after having occupied Albania, Italian troops invaded Greece when the Kingdom of Greece declined the invitation to become an Italian colony. Though the Greek forces were patently inferior to Mussolini's, they managed to ward off the Italian army. Due to a poor strategy, the Italians were expelled not only from Greece but also from southern Albania in early March 1941.

The support British Prime Minister Winston Churchill sent to the Greeks to fight the Italians proved decisive in forcing their retreat and thwarting Mussolini's ambitions in the Balkans. The Greco-Italian War took place in the snowy mountains along the Greek-Albanian border, where temperatures could fall as low as minus thirteen degrees and the fog, snow, and hail were relentless. The temperatures fell so low that the Italian command began replacing its soldiers from south and central Italy with draftees from the northern regions. It was thought they would be better prepared to handle the conditions in the cold highlands of Epirus.

The Italian defeats posed a problem for Hitler. He had to decide whether to send some of his forces away from other fronts in Europe to aid his primary ally on the continent. He ultimately decided to help Mussolini avoid total defeat. In April 1941, German forces crossed what was then Yugoslavia quickly to penetrate Greece. Exhausted from six months of heavy combat against the Italians, the Greek army was unable to stave off the German invasion. Despite British support, the Greeks could not contain the Germans and their country fell quickly.

The Greek and British troops retreated to the Island of Crete, but German air strikes were relentless and, in a matter of days, the island had fallen to Hitler.

The Axis powers now controlled much of the Mediterranean and, with it, North African supply routes.

Hitler's offensive not only helped the Italians in their fight against the Greeks but also forced the British out of the Balkans and protected Romanian oil wells from possible attacks. It appeared that Hitler's decision had been a good one. But, in fact, all the battle with the Greeks managed to do was to distract Hitler from his primary foe, the Soviet Union, and take an unnecessary toll on his troops.



DELUXEBOOKS  
*Editions*



DELUXEBOOKS  
*Editions*



**DELUXEBOOKS**  
*Editions*

