APPEASEMENT

Churchill’s position:
- Opposed German rearmament from 1932 when he opposed giving Germany the right to military parity with France
- Ambiguous attitude towards fascist dictators, supported Hoare-Laval Pact and Mussolini up till 1937, no public expression of Italian invasion of Abyssinia
- Churchill recommended: massive air rearmament, a reliance on the French army to deal with Nazi Germany, an alliance with Russia, co-operation with USA to create a Grand Alliance
- HOWEVER: Can Britain afford to invest in RAF? Will RAF alone be enough?
- French Army was unreliable, defensive behind Maginot Line, Germans just went round
- Russia led by Stalin, ruthless purges, Br had supported Whites, could they rely on him?
- US policy of isolationism, uninterested in getting involved in a European war
- Effect: Churchill extremely unpopular until war became imminent, seen as out of touch, unnecessarily pugnacious and a warmonger, by 1938 the Conservative Central Office was trying to foment a revolt against him in his own constituency of Epping

Key details/figures:
- Examples of appeasement in 1930s: remilitarisation of Rhineland, Anschluss with Austria (12th March 1938), invasion of Sudetenland and rest of Czechoslovakia (March 1939).
- Jan 1933: Hitler comes to power, Churchill openly criticises
- Feb 1934: First major speech on defence, stressed need to rebuilt RAF and create MoD
- July 1934: First renewed role for LoN
- 1936: Churchill surprisingly overlooked for post of Minister for Co-ordination of
Key details/figures:
- 1924: Churchill appointed Chancellor of the Exchequer
- 1925: Ignores advice from John Maynard Keynes and returns to the gold standard on the advice of the Bank of England and common feeling
- Pre-1924: £1=$3.80
  Post April 1925: £1=$4.87
- Benefited financial sector but crippled exports as our export industries’ prices were 10% more expensive thus much less internationally competitive
- Caused structural unemployment that dogged British industry during the inter-war years
- British industry was immobile (unable to shift from an old industry to a new one quickly) therefore suffered heavily

Other details:
- Other work as Chancellor: committed to Free Trade and reducing expenditure (reduced defence spending from 1919)
- Came under some criticism for the technical quality of his budgets but he delivered them in an energetic and entertaining way, remained in post for full term of government

RETURN TO THE GOLD STANDARD APRIL 1925

Churchill’s position:
- Was not criticised at the time for returning to the Gold Standard, was only criticised retrospectively
- Followed advice from Bank of England, didn’t have own expertise
- Public expected to return to the Gold Standard following the war, extremely important for British traders and for financiers that the pound was seen as totally stable