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

It is an extraordinary fact that the fundamental economic problem of a Europe starving and disintegrating before their eyes, was the one question in which it was impossible to arouse the interest of the Four. Reparation was their main excursion into the economic field, and they settled it from every point of view except that of the economic future of the States whose destiny they were handling.” KEYNES

**Versailles Treaty**

The [Paris Peace Conference](http://spartacus-educational.com/FWWparis.htm) opened on 12th January 1919, meetings were held at various locations in and around Paris until 20th January, 1920. Leaders of 32 states representing about 75% of the world's population, attended. However, negotiations were dominated by the five major powers responsible for defeating the [Central Powers](http://spartacus-educational.com/FWWcentral.htm): the [United States](http://spartacus-educational.com/USA.htm), [Britain](http://spartacus-educational.com/industry.html), [France](http://spartacus-educational.com/France.htm), [Italy](http://spartacus-educational.com/2WWitaly.htm) and [Japan](http://spartacus-educational.com/Japan.htm). Important figures in these negotiations included [Georges Clemenceau](http://spartacus-educational.com/FWWclemenceau.htm) (France) [David Lloyd George](http://spartacus-educational.com/PRgeorge.htm) (Britain), [Vittorio Orlando](http://spartacus-educational.com/FWWorlando.htm) (Italy), and [Woodrow Wilson](http://spartacus-educational.com/FWWwilsonW.htm) (United States).

Eventually five treaties emerged from the Conference that dealt with the defeated powers. The five treaties were named after the Paris suburbs of [Versailles](http://spartacus-educational.com/FWWversailles.htm) (Germany), St Germain (Austria), Trianon (Hungary), Neuilly (Bulgaria) and Serves (Turkey).

The main terms of the Versailles Treaty were:

(1) the surrender of all German colonies as League of Nations mandates;

(2) the return of Alsace-Lorraine to France;

(3) cession of Eupen-Malmedy to Belgium, Memel to Lithuania, the Hultschin district to Czechoslovakia,

(4) Poznania, parts of East Prussia and Upper Silesia to Poland;

(5) Danzig to become a free city;

(6) plebiscites to be held in northern Schleswig to settle the Danish-German frontier;

(7) occupation and special status for the Saar under French control; (8) demilitarization and a fifteen-year occupation of the Rhineland;

(9) German reparations of £6,600 million;

(10) a ban on the union of Germany and Austria;

(11) an acceptance of Germany's guilt in causing the war;

(11) provision for the trial of the former Kaiser and other war leaders;

(12) limitation of Germany's army to 100,000 men with no conscription, no tanks, no heavy artillery, no poison-gas supplies, no aircraft and no airships;

(13) the limitation of the German Navy to vessels under 100,000 tons, with no submarines;

Germany signed the Versailles Treaty under protest. The USA Congress refused to ratify the treaty. Many people in France and Britain were angry that there was no trial of the Kaiser or the other war leaders.

