



Men eating at a soup kitchen during the Great Depression

Tin cup



WITNESS HISTORY AUDIO

Brother, Can You Spare a Dime?

In the early 1930s, a worldwide economic depression threw thousands out of work and into lives of poverty. The song below summed up the mood of the time:

“They used to tell me I was building a dream  
With peace and glory ahead—  
Why should I be standing in line,  
Just waiting for bread?

Once I built a railroad, I made it run,  
Made it race against time.  
Once I built a railroad, now it's done—  
Brother, can you spare a dime?”

— from the song “Brother, Can You Spare a Dime?,” lyrics by E.Y. “Yip” Harburg & Jay Gorney. Published by Glocca Morra Music (ASCAP) & Gorney Music (ASCAP). Administered by Next Decade Entertainment, Inc. All rights reserved. Used by permission.

**Focus Question** What political and economic challenges did the leading democracies face in the 1920s and 1930s?

# The Western Democracies Stumble

## Objectives

- Summarize the domestic and foreign policy issues Europe faced after World War I.
- Compare the postwar economic situations in Britain, France, and the United States.
- Describe how the Great Depression began and spread and how Britain, France, and the United States tried to address it.

## Terms, People, and Places

Maginot Line	finance
Kellogg-Briand Pact	Federal Reserve
disarmament	Great Depression
general strike	Franklin D. Roosevelt
overproduction	New Deal

## Note Taking

**Reading Skill: Identify Main Ideas** Record main ideas from the first part of this section in a table like the one below.

Postwar Issues			
Country	Politics	Foreign Policy	Economics

In 1919, the three Western democracies—Britain, France, and the United States—appeared powerful. They had ruled the Paris Peace Conference and boosted hopes for democracy among the new nations of Eastern Europe. Beneath the surface, however, postwar Europe faced grave problems. To make matters worse, many members of the younger generation who might have become the next great leaders had been killed in the war.

## Politics in the Postwar World

At first, the most pressing issues were finding jobs for returning veterans and rebuilding war-ravaged lands. Economic problems fed social unrest and made radical ideas more popular.

**Party Struggles in Britain** In Britain during the 1920s, the Labour party surpassed the Liberal party in strength. The Labour party gained support among workers by promoting a gradual move toward socialism. The Liberal party passed some social legislation, but it traditionally represented middle-class business interests. As the Liberal party faltered, the middle class began to back the Conservative party, joining the upper class, professionals, and farmers. With this support, the Conservative party held power during much of 1920s. After a massive strike of over three million workers in 1926, Conservatives passed legislation limiting the power of workers to strike.





### The Irish Resist

Members of the Irish Republican Army prepare to resist the British occupation of Dublin in 1921 by erecting a barbed wire barricade. The Irish Free State, established in 1922, was a compromise between the opposing sides, but peace was short-lived.

### Vocabulary Builder

**suppressed**—(suh PRESD) *vt.* put down by force, subdued

**Irish Independence at Last** Britain still faced the “Irish question.” In 1914, Parliament passed a home-rule bill that was shelved when the war began. On Easter 1916, a small group of militant Irish nationalists launched a revolt against British rule. Although the Easter Rising was quickly suppressed, it stirred wider support for the Irish cause. When Parliament again failed to grant home rule in 1919, members of the Irish Republican Army (IRA) began a guerrilla war against British forces and their supporters. In 1922, moderates in Ireland and Britain reached an agreement. Most of Ireland became the self-governing Irish Free State. The largely Protestant northern counties remained under British rule. However, the IRA and others fought for decades against the division.

**France’s Troubled Peace** Like Britain, France emerged from World War I both a victor and a loser. Political divisions and financial scandals plagued the government of the Third Republic. Several parties—from conservatives to communists—competed for power. The parties differed on many issues, including how to get reparations payments from Germany. A series of quickly changing coalition governments ruled France.

**“The Red Scare” and Isolationism in the United States** In contrast, the United States emerged from World War I in good shape. A late entrant into the war, it had suffered relatively few casualties and little loss of property. However, the United States did experience some domestic unrest. Fear of radicals and the Bolshevik Revolution in Russia set off a “Red Scare” in 1919 and 1920. Police rounded up suspected foreign-born radicals, and a number were expelled from the United States.

The “Red Scare” fed growing demands to limit immigration. Millions of immigrants from southern and eastern Europe had poured into the United States between 1890 and 1914. Some native-born Americans sought to exclude these newcomers, whose cultures differed from those of earlier settlers from northern Europe. In response, Congress passed laws limiting immigration from Europe. Earlier laws had already excluded or limited Chinese and Japanese immigration.

 **Checkpoint** What political issues did each of the three democracies face after World War I?



## Postwar Foreign Policy

In addition to problems at home, the three democracies faced a difficult international situation. The peace settlements caused friction, especially in Germany and among some ethnic groups in Eastern Europe.

**Arguing Allies** France's chief concern after the war was securing its borders against Germany. The French remembered the German invasions of 1870 and 1914. To prevent a third invasion, France built massive fortifications called the **Maginot Line** (ma zhee NOH) along its border with Germany. However, the line would not be enough to stop another German invasion in 1940.

In its quest for security, France also strengthened its military and sought alliances with other countries, including the Soviet Union. It insisted on strict enforcement of the Versailles treaty and complete payment of reparations. France's goal was to keep the German economy weak.

Britain disagreed with this aim. Almost from the signing of the Treaty of Versailles, British leaders wanted to relax the treaty's harsh treatment of Germany. They feared that if Germany became too weak, the Soviet Union and France would become too powerful.

**The Search for Peace** Despite disagreements, many people worked for peace in the 1920s. Hopes soared in 1925 when representatives from seven European nations signed a series of treaties at Locarno, Switzerland. These treaties settled Germany's disputed borders with France, Belgium, Czechoslovakia, and Poland. The Locarno treaties became the symbol of a new era of peace.

The **Kellogg-Briand Pact**, which was sponsored by the United States in 1928, echoed the hopeful "spirit of Locarno." Almost every independent nation signed this agreement, promising to "renounce war as an instrument of national policy." In this optimistic spirit, the great powers pursued **disarmament**, the reduction of armed forces and weapons. The United States, Britain, France, Japan, and other nations signed treaties to reduce the size of their navies. However, they failed to agree on limiting the size of their armies.

From its headquarters in Geneva, Switzerland, the League of Nations encouraged cooperation and tried to get members to make a commitment to stop aggression. In 1926, after signing the Locarno agreements, Germany joined the League. Later, the Soviet Union was also admitted.

**The League's Weakness** The peace was fragile. Although the Kellogg-Briand Pact outlawed war, it provided no way of enforcing the ban. The League of Nations, too, was powerless to stop aggression. In 1931, the League vigorously condemned Japan's invasion of Manchuria, but did not take military action to stop it. Ambitious dictators in Europe noted the League's weakness and began to pursue aggressive foreign policies.

✓ **Checkpoint** How did the Treaty of Versailles affect the relationship between France and Britain?

### Analyzing Political Cartoons

**An End to War?** The Kellogg-Briand Pact raised hopes for an end to war. But not everyone was so optimistic, as this 1929 American cartoon shows.

- A** Kellogg-Briand Pact framed as a fire insurance policy
- B** Adequate navy as a fire extinguisher
- C** Uncle Sam looking at both

1. Do you think that the cartoonist feels that a fire insurance policy is enough to prevent a fire?
2. What point do you think the cartoonist is making about the Kellogg-Briand Pact?



HAVING AN INSURANCE POLICY DOESN'T MEAN YOU CAN DO WITHOUT FIRE PREVENTION



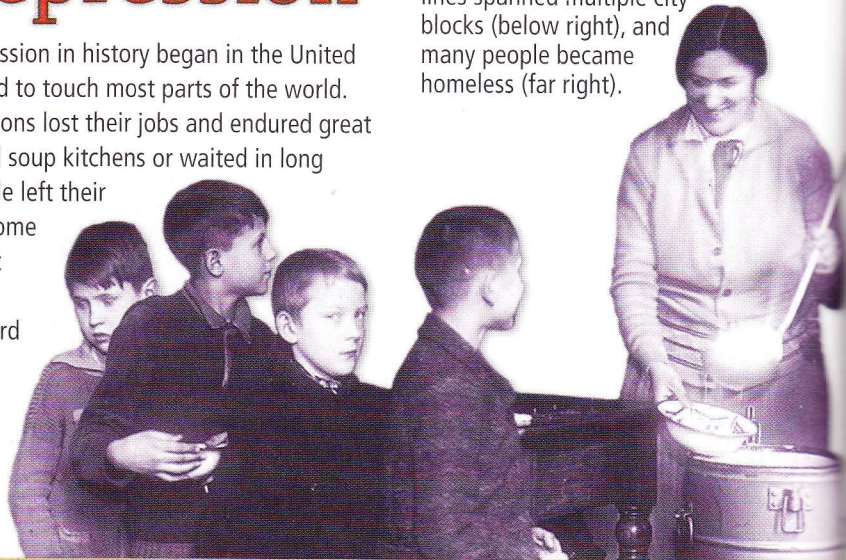
WORK-IS-WHAT-I  
WANT-AND-NOT-CHARITY  
WHO-WILL-HELP-ME-  
GET-A-JOB-7 YEARS-  
IN-DETROIT. NO MONEY  
SENT AWAY. FURNISH-  
BEST-OF-REFERENCES  
PHONE RANDOLPH 8331 Room  
#39

## ● INFOGRAPHIC

# The Despair of the Great Depression

The greatest worldwide depression in history began in the United States in 1929, and soon spread to touch most parts of the world. In the United States alone, millions lost their jobs and endured great hardship. Hungry people visited soup kitchens or waited in long bread lines. Thousands of people left their homes to seek work in cities. Some were forced to live in makeshift shantytowns or on the streets when they could no longer afford to pay for housing. The United States would not recover from this economic downturn until the start of World War II.

Unemployment led people to visit soup kitchens like the one below in Berlin. In New York and other cities, bread lines spanned multiple city blocks (below right), and many people became homeless (far right).



NEW YORK STOCK EXCHANGE OCT

29.1929...

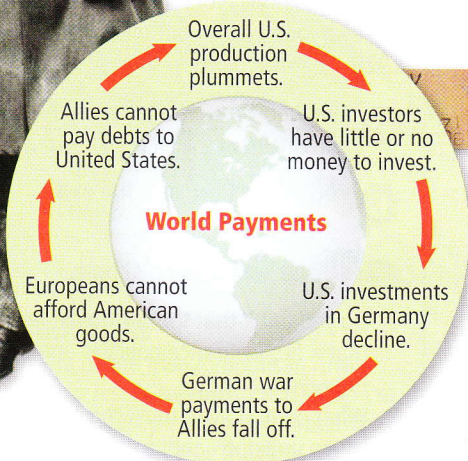
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▲ A man tries to find work (above). The cycle of war payments helped spread the Great Depression to Europe.

## Postwar Economics

The war affected economies all over the world, hurting some and helping others. Britain and France both owed huge war debts to the United States. Both relied on reparation payments from Germany to pay back their loans. Meanwhile, the crushing reparations and other conditions hurt Germany's economy.

**Britain and France Recover** Britain faced serious economic problems in the 1920s. It was deeply in debt, and its factories were out of date. Unemployment was severe. Wages remained low, leading to worker unrest and frequent strikes. In 1926, a **general strike**, or strike by workers in many different industries at the same time, lasted nine days and involved some three million workers.

In comparison, the French economy recovered fairly rapidly. Financial reparations and territories gained from Germany helped. Still, economic swings did occur, adding to an unstable political scene.

Despite these problems, Europe made a shaky recovery during the 1920s. Economies returned to peacetime manufacturing and trade. Veterans gradually found jobs, although unemployment never ceased to be a problem. Middle-class families enjoyed a rising standard of living.

**The United States Booms** In contrast, the United States emerged from the war as the world's leading economic power. In the **affluent** 1920s, middle-class Americans enjoyed the benefits of capitalism. American loans and investments backed the recovery in Europe. As long as the American economy prospered, the global economy remained stable.

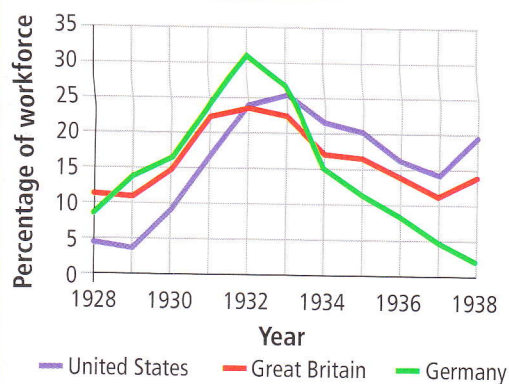
✓ **Checkpoint** How did the war and its peace treaties affect the international economy?

### Vocabulary Builder

**affluent**—(AF loo unt) *adj.* rich, wealthy



Unemployment, 1928–1938



SOURCES: *European Historical Statistics* and *Historical Statistics of the United States*



### Thinking Critically

- Synthesize Information** How did world payments help cause the Great Depression to spread from the United States to Europe?
- Analyze Visuals** Based on the line graph, which country had the highest percentage of unemployed people in 1932? In 1938?

## The Great Depression

This prosperity did not last. At the end of the 1920s, an economic crisis began in the United States and spread to the rest of the world, leaving almost no corner untouched.

**Falling Demand and Overproduction** The wealth created during the 1920s in the United States was not shared evenly. Farmers and unskilled workers were on the losing end. Though demand for raw materials and agricultural products had skyrocketed during the war, demand dwindled and prices fell after the war. Farmers, miners and other suppliers of raw materials suffered. Because they earned less, they bought less. At the same time, better technology allowed factories to make more products faster. This led to **overproduction**, a condition in which the production of goods exceeds the demand for them. As demand slowed, factories cut back on production and workers lost their jobs.

**Crash and Collapse** Meanwhile, a crisis in **finance**—the management of money matters, including the circulation of money, loans, investments, and banking—was brewing. Few saw the danger. Prices on the New York Stock Exchange were at an all-time high. Eager investors acquired stocks through risky methods. To slow the run on the stock market, the **Federal Reserve**, the central banking system of the United States, which regulates banks, raised interest rates in 1928 and again in 1929. It didn't work. Instead, the higher interest rates made people nervous about borrowing money and investing, thereby hurting demand.

In the autumn of 1929, jitters about the economy caused many people to sell their stocks at once. Financial panic set in. Stock prices crashed, wiping out the fortunes of many investors. The **Great Depression**, a painful time of global economic collapse, had begun quietly in the

### Note Taking

**Reading Skill: Identify Main Ideas** To help you to remember what you've read, use a chart like the one below to record the main ideas of the next two subsections.

The Great Depression		
Causes	Effects	Reactions
• • •	• • •	• • •



## WITNESS HISTORY VIDEO

Watch *The Great Depression and American Farmers* on the **Witness History Discovery School™** video program to learn more about the impact of the Great Depression on rural Americans.



summer of 1929 with decreasing production. The October stock market crash aggravated the economic decline.

In 1931, the Federal Reserve again increased the interest rate, with an even more disastrous effect. As people bought and invested less, businesses closed and banks failed, throwing millions out of work. The cycle spiraled steadily downward. The jobless could not afford to buy goods, so more factories had to close, which in turn increased unemployment. People slept on park benches and lined up to eat in soup kitchens.

**The Depression Spreads** The economic problems quickly spread around the world. American banks stopped making loans abroad and demanded repayment of foreign loans. Without support from the United States, Germany suffered. It could not make its reparations payments. France and Britain were not able to make their loan payments.

Desperate governments tried to protect their economies from foreign competition. The United States imposed the highest tariffs in its history. The policy backfired when other nations retaliated by raising their tariffs. In 1932 and 1933, global world trade sank to its 1900 level. As you have read, the Great Depression spread misery from the industrial world to Latin America, Africa, and Asia.

 **Checkpoint** How did the Federal Reserve's policies affect the Great Depression?

## The Democracies React to the Depression

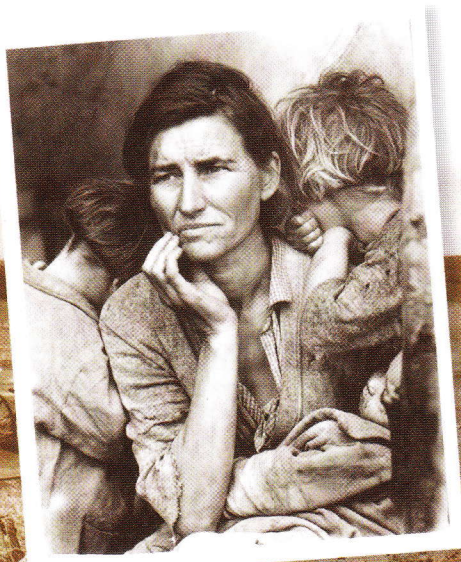
The governments of Britain, France, and the United States, like others around the world, tried to find ways to lift the Depression. None of their methods provided a quick fix, but they did alleviate some of the suffering.

**Britain and France Search for Solutions** In response to the Depression, Britain set up a coalition government made up of leaders from all three of its major political parties. The government provided some unemployment benefits but failed to take decisive action to improve the economy. By 1931, one in every four workers was unemployed.

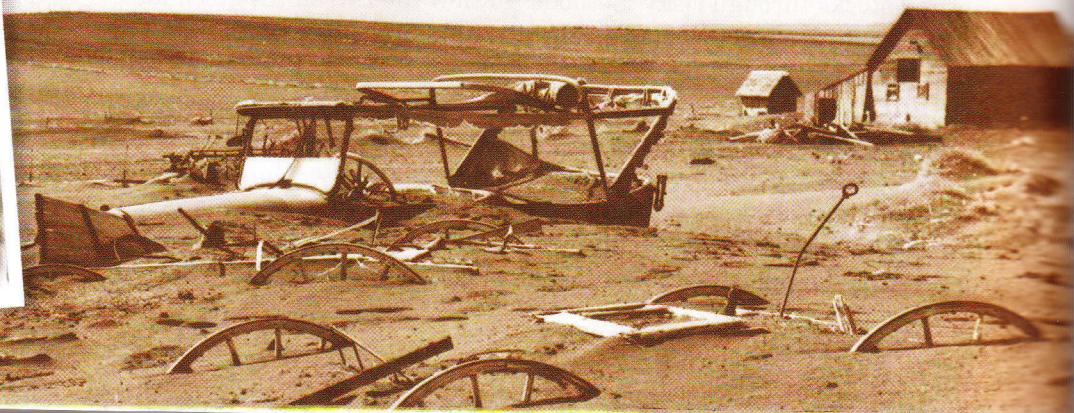
The Great Depression took longer to hurt France than some other countries. However, by the mid-1930s, France was feeling the pinch of decreased production and unemployment. In response, several leftist parties united behind the socialist leader Leon Blum. His Popular Front government tried to solve labor problems and passed some social legislation. But it could not satisfy more radical leftists. Strikes soon brought down Blum's government. Democracy survived, but the country lacked strong leadership able to respond to the clamor for change.

### The Dust Bowl

In Dorothea Lange's famous 1936 photo *Migrant Mother*, Nipomo, California, a mother looks into the future with despair. She migrated to escape scenes like the one below, where huge dust storms buried farm equipment in Dallas, Texas. *How did geography help aggravate the depression in the United States?*



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**Roosevelt Offers the United States a New Deal** Meanwhile, in the United States, President Herbert Hoover firmly believed that the government should not intervene in private business matters. Even so, he did try a variety of limited measures to solve the crisis. Nothing seemed to work. In 1932, Americans elected a new President, **Franklin D. Roosevelt**. “FDR” argued that the government had to take an active role in combating the Great Depression. He introduced the **New Deal**, a massive package of economic and social programs.

Under the New Deal, the federal government became more directly involved in people’s everyday lives than ever before. New laws regulated the stock market and protected bank deposits. Government programs created jobs and gave aid to farmers. A new Social Security system provided pensions for the elderly and other benefits.

As the New Deal programs were being put into effect, a natural disaster in 1934 hit several central states. After years of drought and overfarming, huge winds blew across the plains. The winds picked up and carried away the topsoil exposed by erosion, creating the Dust Bowl. The storms destroyed crops, land, and equipment. Thousands of farmers lost their land. Many migrated to the cities of the West Coast in search of work and a new life.

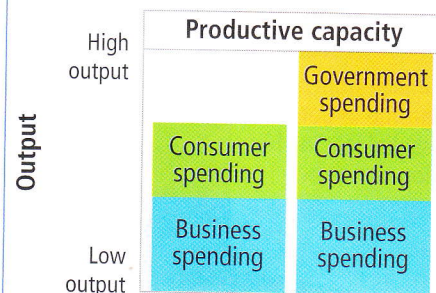
The New Deal failed to end the Great Depression, although it did ease the suffering for many. Still, some critics fiercely condemned FDR’s expansion of the role of government. The debate about the size and role of the federal government continues to this day.

**Loss of Faith in Democracy** As the Depression wore on, many people lost faith in the ability of democratic governments to solve the problems of the modern world. Postwar disillusionment, soothed by the few good years of the 1920s, turned into despair in Europe. Misery and hopelessness created fertile ground for extremists who promised radical solutions.

**Checkpoint** How did the government of the United States react to the Depression?

## Economic Theories and the Great Depression

According to classical economists, free market economies naturally regulate their own highs and lows. The government should interfere as little as possible. The economist John Maynard Keynes argued that during a depression, the government should step in and spend more to bring the economy back up to its full productive capacity.



**Diagram Skills** What role did Keynes envision for government in the economy?

## SECTION 2 Assessment

### Terms, People, and Places

- For each term, person, or place listed at the beginning of the section, write a sentence explaining its significance.

### Note Taking

- Reading Skill: Identify Main Ideas** Use your completed table and chart to answer the Focus Question: What political and economic challenges did the leading democracies face in the 1920s and 1930s?

### Comprehension and Critical Thinking

- Synthesize Information** How did Britain and France emerge from World War I as both victors and losers?

- Predict Consequences** What steps did the major powers take to protect the peace? Why did these moves have limited effects?
- Recognize Cause and Effect** Explain how each of the following contributed to the outbreak or spread of the Great Depression: (a) falling demand, (b) Federal Reserve Board, and (c) financial crisis.
- Identify Central Issues** How did the Great Depression affect political developments in the United States?

## Progress Monitoring Online

For: Self-quiz with vocabulary practice  
Web Code: naa-2821

### Writing About History

**Quick Write: Make a Venn Diagram** A useful way to gather details for a compare-and-contrast essay is to use a Venn diagram. Place similarities between two ideas in the overlapping part of the circles; place differences in the parts that don’t overlap. Create a Venn diagram for an essay on the following thesis statement: The United States was in better shape than Britain and France after World War I.