

# Reading Essentials and Study Guide



## The West Between the Wars, 1919–1939

### Lesson 1 Instability After World War I

#### ESSENTIAL QUESTIONS

*What can cause economic instability? How might political change impact society?*

#### Reading HELPDESK

##### Academic Vocabulary

**annual** yearly

**appropriate** suitable or compatible; fitting

##### Content Vocabulary

**depression** a period of low economic activity and rising unemployment

**collective bargaining** the right of unions to negotiate with employers over wages and hours

**deficit spending** when a situation in which a government pays out more money than it takes in through taxation and other revenues, thus going into debt

**surrealism** an artistic movement that seeks to depict the world of the unconscious

**uncertainty principle** the idea put forth by Werner Heisenberg in 1927 that the behavior of subatomic particles is uncertain, suggesting that all of the physical laws governing the universe are based on uncertainty

#### TAKING NOTES: *Organizing*

**ACTIVITY** As you read, use a table like the one below to compare France’s Popular Front with the New Deal in the United States.

Popular Front	New Deal

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The logo for 'networks' features the word in a bold, lowercase sans-serif font. To the right of the text is a stylized graphic of a network or starburst, consisting of several thin lines radiating from a central point, with a small circle at the center.

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#### IT MATTERS BECAUSE

Many nations were unhappy with the peace settlement that ended World War I. Europe had a brief period of prosperity in the 1920s when its economy was successful. That ended in 1929 with the beginning of the Great Depression. This economic collapse shook people's confidence in political democracy. The arts and sciences of the period also reflected the insecurity, or feelings of being unsafe and uncertain, that marked the age.

#### Uneasy Peace, Uncertain Security

**Guiding Question** *What led to new problems in the years after World War I?*

From the beginning, nations were unhappy with the peace settlement, called the Treaty of Versailles, that ended World War I. President Woodrow Wilson of the United States realized that the peace settlement included provisions that could become new causes for conflict. He had placed many of his hopes for the future in the League of Nations. This was a new international organization whose job was to keep the peace. However, it was not very effective at preventing conflict.

One important weakness of the League of Nations was that the United States was not part of the League. Most Americans wanted to stay out of European affairs, and the U.S. Senate refused to ratify, or approve, the Treaty of Versailles. Without the Senate's approval, the United States could not join the League of Nations. Without the political and military power of the United States, the League of Nations was weakened.

Between 1919 and 1924, the French government desired security, or the feeling of being safe. This led it to demand strict enforcement of the Treaty of Versailles. This policy began with the issue of reparations. The Germans were supposed to pay for the damage they had done in the war. In April 1921, the Allied Reparations Commission determined that Germany owed 132 billion German marks (33 billion U.S. dollars) for reparations. Germany was ordered to make **annual** payments of 2.5 billion marks to the Allies, especially to France and Belgium.

The new German republic made its first payment in 1921. One year later, the German government faced a financial crisis. Germany announced that it could pay no more reparations. France was outraged. In response, French troops occupied, or took control of, the Ruhr Valley, which was Germany's chief industrial and mining center. France planned to collect the reparations from the mines and factories of the Ruhr.

#### Inflation in Germany

The German government responded to French occupation with passive resistance. The Germans refused to cooperate with the French. German workers went on strike. The German government was able to pay salaries, or wages, to its workers by printing more paper money. This added to the inflation, or rise in prices, that had begun in Germany by the end of the war. The German mark soon became worthless. In 1914 4.2 marks equaled 1 U.S. dollar. By the end of November 1923, 4.2 trillion marks equaled 1 dollar.

Both France and Germany began to look for a way out of this terrible situation. In August 1924, an international commission, or a group meeting to discuss an issue, adopted a new payment plan for reparations. It was called the Dawes Plan, and it was named for the American banker who was the head of the commission. The first part of the plan was to reduce reparations. The second part was to agree that Germany's annual payments would be based on the nation's ability to pay.

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The Dawes Plan also gave Germany a \$200 million loan to help the country recover. The loan resulted in a great deal of American investment in Europe. As a result, Europe prospered for a brief time.

#### The Treaty of Locarno

A new European diplomacy came together with prosperity. The foreign ministers of Germany and France, Gustav Stresemann and Aristide Briand, encouraged a spirit of cooperation. In 1925 they signed the Treaty of Locarno. The treaty guaranteed Germany's new western borders with France and Belgium. Many saw the Locarno agreement as the beginning of a new era of European peace.

Three years later, the Kellogg-Briand Pact brought even more hope. Sixty-five nations signed this accord. They promised not to use war to solve conflicts. No one said what would be done if anyone violated, or did not follow, the pact, however.



#### Reading Progress Check

**Explaining** What contributed to the German mark becoming worthless?

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### The Great Depression

**Guiding Question** *What triggered the Great Depression?*

After the brief period of prosperity that began in Europe in 1924, there came an economic collapse known as the Great Depression. A **depression** is a period of low economic activity and rising unemployment. That is, it is a time when fewer items are made and sold, and more people are without work and without money.

The Great Depression was the result of several events. Two events played a major role in its start. To begin, the economies of individual nations began to suffer in the second half of the 1920s. Prices for farm products, especially wheat, fell rapidly because of overproduction. Because more wheat was grown than was needed, prices for wheat fell. Farmers lost huge amounts of money. An increase in the use of oil and hydroelectricity led to a slump in the coal industry.

The second event was the crash of the U.S. stock market. It caused a serious international financial crisis. Europe's prosperity between 1924 and 1929 was largely built on U.S. bank loans to Germany. During the 1920s, the U.S. stock market boomed, or grew a lot. By 1928, American investors started to take money out of Germany to invest it in stocks in the United States. Then, in October 1929, the U.S. stock market crashed. Stock prices fell sharply, causing people to lose huge amounts of money.

U.S. investors were in a panic. They withdrew, or took away, more money from Germany and other European markets. By 1931 trade was slowing, industrial production was declining, and unemployment was rising.

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**networks**

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#### Reading Progress Check

**Applying** Why were farmers hit hard at the onset of the Great Depression?

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## Responses to the Depression

**Guiding Question** *How did the Great Depression affect people's confidence in democracy?*

Economic depression was not new to Europe, but the seriousness of the economic problems after 1929 truly made this the Great Depression. During the worst year of the Depression—1932—nearly 1 in every 4 British workers was unemployed. About 5.5 million Germans, or about 30 percent of the German labor force, had no jobs. People without jobs and without homes filled the streets.

Governments were not sure how to deal with the crisis. They raised tariffs (taxes on imports) to keep foreign goods out of home markets. This worsened the crisis and had serious political effects.

One effect of the economic crisis was increased government activity in the economy. The Great Depression led people to follow political leaders who offered simple solutions in return for absolute power. Everywhere, democracy seemed on the defensive.

In 1919 most European states had democratic governments. Women could now vote in many nations. Political leaders had thanked women for their contributions to the war effort by giving them voting rights. (However, women could not vote until 1944 in France, 1945 in Italy, and 1971 in Switzerland.) In the 1920s, keeping these democratic governments in place was not easy.

### Germany

When Germany lost the war in 1918, the German Empire came to an end. A German democratic state was created. It was called the Weimar (VY·mahr) Republic. The Weimar Republic had serious economic problems. The very high inflation Germany experienced in 1922 and 1923 caused serious problems for the people. For example, families on fixed incomes watched their life savings disappear.

From 1924 to 1929, the German economy improved, but that did not last. The Great Depression struck Germany. In 1930 unemployment grew to 3 million people by March and to 4.38 million by December. The fear caused by poverty, homelessness, and unemployment prepared the way for the rise of extremist parties.

### France

France suffered from financial problems after the war, too. Its economy was more balanced than others, though. This meant it had many different kinds of businesses and a strong farming base. As a result, France did not feel the full effects of the Great Depression until 1932. As the economy failed, there were political results. During a 19-month period in 1932 and 1933, France faced political disorder

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and confusion. Six different cabinets, or governments, were formed during that time. Finally, a coalition, or union, of leftist parties—Communists, Socialists, and Radicals—formed the Popular Front government in 1936.

The Popular Front started a program for workers. This program was named after the New Deal in the United States. The French New Deal gave workers the right to **collective bargaining**. Workers' unions, or organizations, could bargain with employers over pay and hours. The New Deal also set up a 40-hour workweek in industry and a minimum wage.

#### Great Britain

Britain experienced some economic prosperity from 1925 to 1929. However, by 1929 it, too, faced the growing effects of the Great Depression. The Labour Party did not solve the nation's economic problems. As a result, it lost power in 1931. A new government, led by the Conservative Party, took credit for bringing Britain out of the worst stages of the Depression. They promoted traditional policies of balanced budgets and protective, or high, tariffs.

Political leaders in Britain largely ignored the new ideas of a British economist, John Maynard Keynes. Keynes argued that unemployment came from a decline in demand, or the desire to buy goods. Keynes said unemployment did not result from overproduction. He believed governments could increase demand. They just needed to create jobs through deficit spending, or going into debt if necessary. Others believed that depressions would resolve themselves and that the government should not interfere.

#### The United States

The Great Depression hit hard in the United States. Only Germany was hit harder. All groups in society suffered its effects. From 1929 to 1932, U.S. industrial production fell by almost 50 percent. By 1933, more than 12 million people were without jobs. In 1932, Democrat Franklin D. Roosevelt won the presidential election with a huge victory. Roosevelt believed in free enterprise, or the practice of letting companies act without government control. On the other hand, he believed capitalism must be reformed in order to save it. He started a policy of active government intervention in the economy. This policy was called the New Deal.

The New Deal included a large program of public works. The Works Progress Administration (WPA) was established in 1935. This government organization employed about three million people at its peak. Workers in the WPA built bridges, roads, post offices, and airports.

The Roosevelt administration passed new laws that established the U.S. welfare system. In 1935 the Social Security Act created pensions for the elderly to be collected at age 65 by those no longer working. It also supplied unemployment insurance, or a temporary income to workers who had lost their jobs. This legislation also made small welfare payments to others in need. This included people with disabilities.

These reforms likely prevented a social revolution in the United States. However, the reforms did not solve the unemployment problems. In 1938, more than 10 million U.S. workers did not have jobs. Only World War II, which helped speed up the growth of weapons industries, brought U.S. workers back to full employment.

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#### Reading Progress Check

**Defining** How might collective bargaining have helped French workers?

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## Arts and Sciences

**Guiding Question** *How were the arts and sciences influenced by World War I?*

There were political, economic, and social problems and uncertainties after World War I. Along with these came intellectual uncertainties. These doubts were seen in the arts and sciences that followed World War I. The shocks of World War I had left many authors without a sense of direction when it was over. Writer Gertrude Stein began using the phrase “the lost generation” to describe this feeling of spiritual confusion. Author Ernest Hemingway’s wrote *The Sun Also Rises*. It is a central work of this “lost generation.” It shows many people psychologically damaged by the human losses of World War I.

Before the war, artists, writers, and thinkers were fascinated with the absurd, or meaninglessness of life, and the unconscious content of the mind. This interest seemed even more **appropriate** after the horror of the World War I battle fields, which created a nightmare world. Artists could make no sense of the world around them and reflected this confusion in their works. A common statement was, “The world does not make sense, so why should art?” This sentiment gave rise to both the Dada movement and surrealism.

Dadaists were artists and writers who were obsessed with the idea that life has no purpose or meaning. They tried to express the insanity, or craziness, of life in their art. **Surrealism** was another important artistic movement. Surrealists tried to show the unconscious—fantasies, dreams, nightmares—in their paintings. They were trying to say that a greater reality exists beyond the physical world. The Spaniard Salvador Dalí was one of the best-known surrealists. He placed objects that the viewer could recognize in relationships that could not exist in the real world. His paintings showed an irrational world, or one that is not based on reason.

Before the war, Albert Einstein had begun a revolution in physics, the scientific study of matter and energy. This continued in the 1920s and 1930s. In fact, the 1920s has been called the “heroic age of physics.” Newtonian physics proposed that all phenomena (facts or events that can be observed) could be completely defined and predicted. In 1927 German physicist Werner Heisenberg shook this belief with his **uncertainty principle**. Physicists knew that atoms were made up of smaller parts. These smaller parts are called subatomic particles. The way these particles behave, or act, is unpredictable. The uncertainty principle is based on this unpredictable behavior of these subatomic particles. Heisenberg’s theory suggests that all physical laws are based on uncertainty. This theory challenged Newtonian physics. In a way, it represented a new view of the world. It fit in well with the economic, political, and social uncertainties of the years between the two World Wars.

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#### Reading Progress Check

**Assessing** Why was nonrealistic art popular after World War I?

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