Futile Search for Stability

Ch. 17.1

Regular Edition! 3:45 p.m. Third Edition!

THE BRAINERD DAILY DISPATCH

ARMISTICE IS SIGNED GERMANY SURRENDERS

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President Reads Armistice Terms

“America Gains All She Fought For.”

Washington President Wilson today issued the following message to the American people:

“America has gained all she fought for. It has won its measure and more. It has won the war without losing its soul or sacrificing its principles. It has won the war and its share in the peace.”

PRES. CANCELS OUTSTANDING DRAFT CALLS

Kaiser Bill Flees to Holland

All Draft Calls are Cancelled

Big Parade at Brainerd

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Objectives

- Explain why peace and prosperity were short-lived after WWI.
- Describe how a global economic depression weakened the Western democracies after 1929.
Discontent with the Treaty of Versailles and a weak League of Nations opened the door to new problems in the interwar years.
Uneasy Peace, Uncertain Security

Treaty of Versailles $\rightarrow$ Weak League of Nations

The United States Senate refused to ratify the Treaty of Versailles $\rightarrow$ making it impossible for the United States to join the League of Nations

U.S. did not join (isolationist)

Enforcement Problems
—unwilling to use force against aggression
The German government made one payment of reparations to France, but the following year it announced it could not make any more payments due to financial crisis.
French Demands
Reparations after the war
(Allied Reparations Committee)
-33 billion dollars (yearly installments).......Germany makes 1 payment

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In reaction, France seized the Ruhr Valley to collect reparations by using Ruhr mines and factories.

The Ruhr Valley was the industrial central of Germany
The **Dawes Plan** was implemented to help both France and Germany:

- reduced reparations
- coordinated Germany’s payments with their ability to pay
- granted a $200 million loan for German recovery
- *opened door to American Business in Germany*
Inflation in Germany

inflation – rise in prices
The foreign ministers of Germany and France signed the Treaty of Locarno, guaranteeing Germany’s new borders with France and Belgium.

Germany entered into League of Nations
Kellogg – Briand Pact

Frank B. Kellogg
(U.S. Secretary of State)

&

Aristide Briand
(French foreign minister)

"renounce war as instrument of national policy"

Enforcement Issues
The Great Depression

Underlying economic problems and an American stock market crisis triggered the Great Depression.
A depression ended the short period of prosperity that began in 1924.

depression – period of low economic activity and rising unemployment.
Causes of the Great Depression:

- Several nations experienced economic downturns as prices for farm products fell due to overproduction.
- An international financial crisis occurred when the U.S. stock market crashed and U.S. investors withdrew money from Germany.
Germany and other European nations’ banks became weak. Trade slowed, industrial production declined, and unemployment rose.

Governments did not know how to handle the economic crisis. They made it worse by lowering wages and raising tariffs.

Communism and Marxism became more popular, and people began to support dictators who offered solutions to the crises.
Democratic States after the War

Although new democracies were established in Europe after World War I, the Depression shook people’s confidence in political democracy.
Most European nations had political democracies after World War I and granted more freedoms such as female suffrage. In Switzerland, however, women did not get the right to vote until 1971.
Germany created a democratic state known as the Weimar Republic.

The Weimar Republic faced severe inflation and serious social problems.
Next to Germany, the United States was affected most by the Great Depression.

The United States elected Franklin Delano Roosevelt as president. He pursued a policy of active government intervention in the economy known as the New Deal.

A New Deal program, the Works Progress Administration, employed around 3 million people for work on bridges, roads, and airports.
France became the strongest European nation after World War I but eventually felt the effects of the Great Depression.

The Popular Front started the French New Deal, which gave workers the right to collective bargaining, a 40-hour workweek, a two-week paid vacation, and a minimum wage.
Great Britain

A new government formed by the Conservatives claimed credit for successfully dealing with the Great Depression by using the traditional policies of balanced budgets and protective tariffs.

British economist John Maynard Keynes condemned the belief that depressions should regulate themselves with little government interference.

He felt if necessary, government should finance projects with deficit spending.