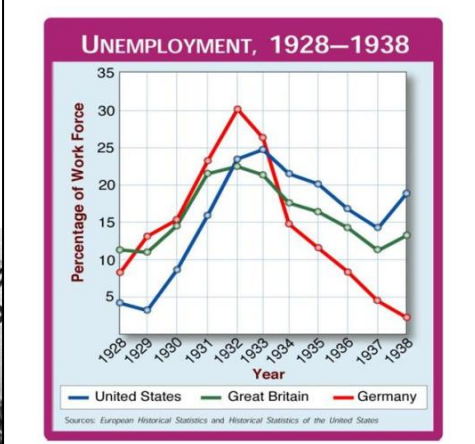
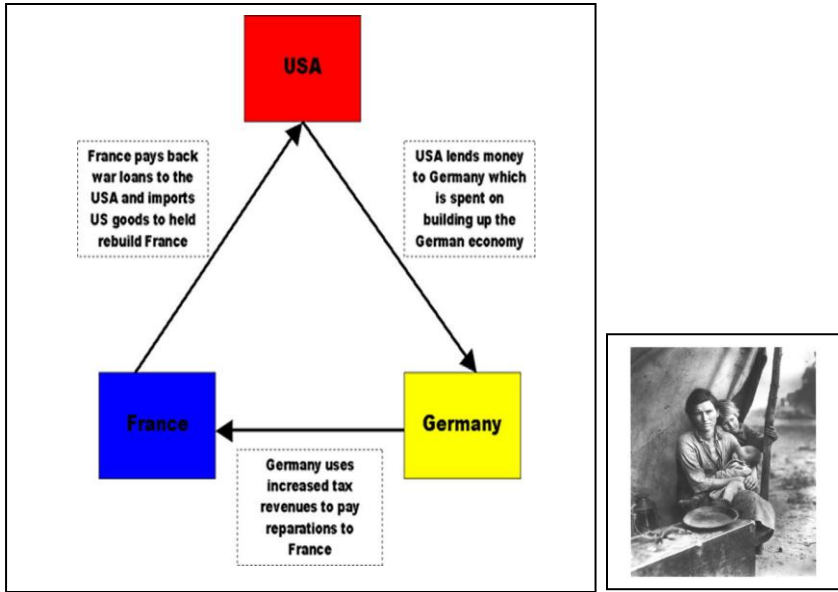
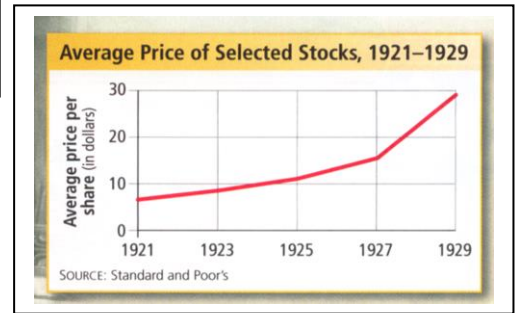
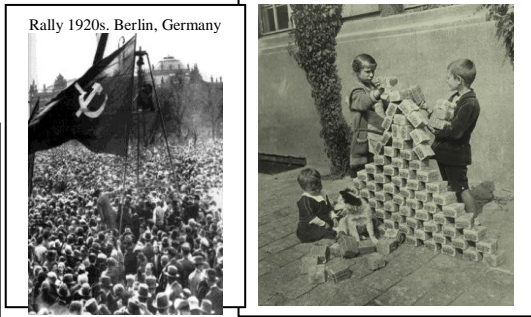
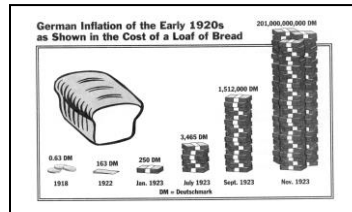
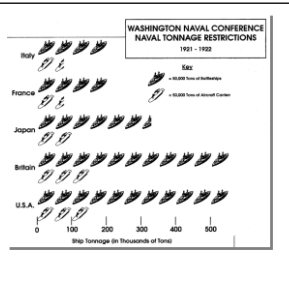
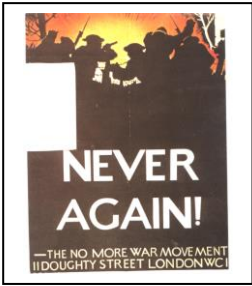


Aim #1: How were the years between WWI & WWII times of both great hopes & great troubles?



Mini Lecture

- In 1919, after WWI, Britain, France, & the U.S. appeared powerful. However, postwar Europe faced grave problems.
- The most pressing issues were finding jobs for veterans & rebuilding war-ravaged lands. These problems made radical ideas more popular (especially Communism & Fascism in Western Europe).
- Many European countries owed war debts- some economies recovered fairly quickly. Germany had major debts & experienced **hyperinflation** because the government printed too much money to pay back war debts & reparations.
- There was hope and optimism for a better future. The countries of the world hoped for peace and pursued **disarmament**. Many nations signed the **Kellogg-Briand Pact** promising to renounce war. (Unfortunately, neither the Kellogg-Briand Pact nor the League of Nations had the power to stop aggression).
- As some economies prospered (especially the U.S.), more consumer products became easily available. People enjoyed new technologies such as cars, radios, refrigerators, & vacuum cleaners. The stock market was at an all-time high.
- However, better technologies allowed for factories to make more products faster, leading to overproduction. Factories then cut back and many workers lost their jobs.
- There were also other weaknesses in the American economy: farmers struggled to pay their mortgages affecting banks & many people bought on credit & failed to pay back.
- Then, in October 1929, prices on the New York stock market started to fall a little. Many investors had bought stock "on margin"- borrowing money to buy stocks. When stocks prices fell, investors feared they would not be able to repay their loans.
- They were eager to sell before prices decline any more. Fear increases that prices would continue to fall. Within days, many people wanted to sell stocks & very few wanted to buy. Stock prices spiraled downwards & within weeks, people's savings were wiped out.
- The depression in the U.S. affected economies all over the world as American investors who had lent money to businesses in Europe began to demand payment. This drew capital (money) from countries that had not yet recovered from the expenses of WWI.
- Manufacturers everywhere tried frantically to sell their products in order to raise money to repay loans. Few people were able to buy these goods & world prices collapsed. With the loss of markets, production fell & thus so too did employment.
- Millions of people all over the world lost their job in the **Great Depression**, hitting record high unemployment numbers. This led to many social problems as well as people felt worthless & hopeless.
- The Great Depression created fertile ground for extremists. Angry & fearful, Germans began to seek answers from Fascist leaders who gave them convenient scapegoats & aggressive solutions.
- The Great Depression of the 1930s, the largest economic collapse of modern times, reshaped world politics & economics.

Review Questions:

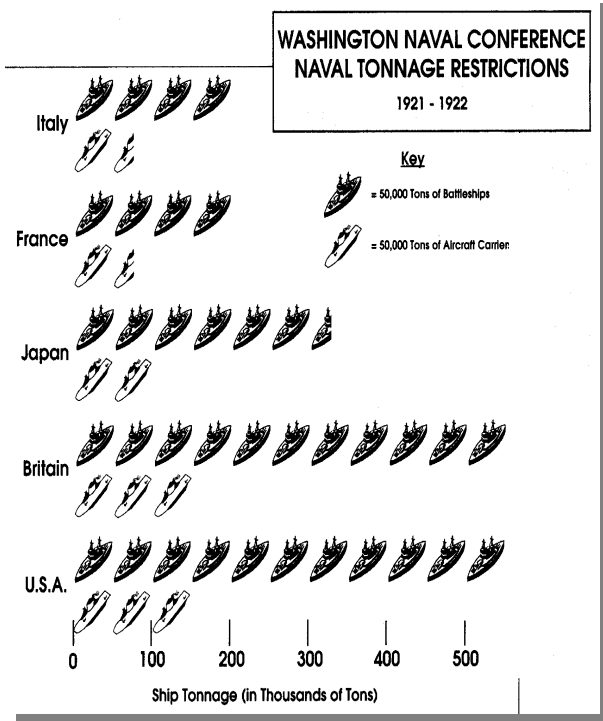
1. How were the 1920s a time of great hopes?
2. How were the 1930s a time of great troubles?
3. What were the causes and effects of the Great Depression?

Enduring Issue:

Interconnectedness

“The decade [the 1920s] began with a roar and ended with a crash. To paraphrase Charles Dickens in A Tale of Two Cities, ‘It was the best of times, and sometimes it was the worst of times.’”

1. Explain the author’s point of view.



2. Explain the historical context of the information in the accompanying document.

What caused the Great Depression? How did the Great Depression impact the rise of totalitarian dictators?

Directions: Read the excerpt below. Respond to the questions.

One major cause of the global Great Depression was the American Wall Street Crash of October 1929. America had given the Weimar Republic huge loans in 1924 to help with reparation payments. However, now America needed those loans back to assist its troubled economy. Because Germany lost its loans from America, it was unable to make reparation payments. Germany’s failure to make reparation payments meant that France and Britain were unable to make their loan payments. Throughout the world, trade began to slow down and production decreased. The Wall Street Crash had a ripple effect throughout the world that resulted in high unemployment throughout Europe. Unemployment forced many Europeans, especially in Germany, to rely on soup kitchens and other government support.

1. What caused the Great Depression?
2. How did the Great Depression impact European nations?

European governments seemed unable to handle the crisis. The traditional approaches to handling economic crises seemed to only cause more problems. With the current governments unable to ease the pain and suffering of unemployment and inflation, Europeans began to be drawn to **totalitarian** leaders who made promises about economic recovery. **Totalitarianism** is a political system in which all authority is in the hands of the state. In a totalitarian society, all control of public and private life are government run.

3. How did the Great Depression lead to the rise of totalitarian leaders?