

CHAPTER 28
SECTION 2

Section Summary
THE WESTERN DEMOCRACIES STUMBLE

READING CHECK

How did Britain and France pay back their war loans to the United States?

VOCABULARY STRATEGY

What does the word *affluent* mean in the underlined sentence? *Affluent* comes from a Latin word that means “to flow.” Ask yourself what people have a lot of if they are *affluent*. Use these clues to help you figure out the meaning of *affluent*.

READING SKILL

Identify Main Ideas Write a sentence that summarizes the main idea of this Summary.

In 1919, after World War I, Britain, France, and the United States appeared powerful. However, postwar Europe faced grave problems. The most pressing issues were finding jobs for veterans and rebuilding war-ravaged lands. These problems made radical ideas more popular. Britain had to deal with growing socialism and the “Irish question.” Fear of radicals set off a “Red Scare” in the United States.

The three democracies also faced international issues. Concern about a strong Germany led France to build the **Maginot Line** and insist on strict enforcement of the Versailles treaty. Many nations signed the **Kellogg-Briand Pact** promising to “renounce war as an instrument of national policy.” In this optimistic spirit, the great powers pursued **disarmament**. Unfortunately, neither the Kellogg-Briand Pact nor the League of Nations had the power to stop aggression. Ambitious dictators in Europe noted this weakness.

The war affected economies all over the world. Both Britain and France owed huge war debts to the United States and relied on repayment payments from Germany to pay their loans. Britain was deeply in debt, with high unemployment and low wages. In 1926, a **general strike** lasted nine days and involved three million workers. On the other hand, the French economy recovered fairly quickly, and the United States emerged as the world’s top economic power. In the affluent 1920s, middle-class Americans enjoyed the benefits of capitalism, buying cars, radios, and refrigerators.

However, better technologies allowed factories to make more products faster, leading to **overproduction** in the United States. Factories then cut back, and many workers lost their jobs. A crisis in **finance** led the **Federal Reserve** to raise interest rates. This made people even more nervous about the economy. In the autumn of 1929, financial panic set in. Stock prices crashed. The United States economy entered the **Great Depression**, which soon spread around the world.

Governments searched for solutions. In the United States, President **Franklin D. Roosevelt** introduced the programs of the **New Deal**. Although the New Deal failed to end the Depression, it did ease much suffering. However, as the Depression wore on, it created fertile ground for extremists.

Review Questions

1. After the war, what international agreement was intended to ensure peace?

2. What economic problems did Britain face after the war?
