

USA – Great Depression

Background

The Roaring Twenties came to a sudden end on Black Tuesday.

On October 29, 1929 the stock market crashed.

Stockholders panicked, and the market rushed to sell all its stock.

Stock prices fell to nothing. Entire fortunes were lost almost instantly.

When the American economy went down, the global economy was immediately brought to its knees!

What caused the Great Depression?

The immediate cause of the Great Depression was the crash of the American stock market, but the fundamental causes are just as important.

Be prepared to fully explain the impact of overproduction, speculation on the stock market, protective tariffs, and international debt after the First World War.

What was the Great Depression?

The Great Depression was a period of severe unemployment. It started in 1929 and only ended thanks to the employment brought by the Second World War.

What is the most important thing to know about the Great Depression?

I think the Great Depression is important because it fundamentally changes the role of government.

To deal with the Great Depression government powers were dramatically expanded, and government started to play a major role in society and the economy.

The modern welfare state was a direct result of the Great Depression!

The Great Depression also was a leading factor in the development of totalitarian regimes Italy, Germany, and Japan.

Assignment

1) Define and give the significance of the Fordney-McCumber Act and the Smoot-Hawley Tariff Bill.

<i>Definition</i>	<i>Significance</i>

2) Define and give the significance of autarky.

<i>Definition</i>	<i>Significance</i>

3) Define and give the significance of a laissez-faire economic system.

<i>Definition</i>	<i>Significance</i>

4) Define revenue.

5) Define expenditures.

6) Define and give the significance of a national budget.

<i>Definition</i>	<i>Significance</i>

7) Define and give the significance of a balanced budget.

<i>Definition</i>	<i>Significance</i>

8) Define and give the significance of deficit financing.

<i>Definition</i>	<i>Significance</i>

9) Define and give the significance of currency.

<i>Definition</i>	<i>Significance</i>

10) Define and give the significance of supply and demand.

<i>Definition</i>	<i>Significance</i>

11) Explain how overproduction caused the Great Depression.

12) Explain how speculation on the stock market caused the Great Depression.

13) Explain how economic nationalism and protective tariffs caused the Great Depression.

14) Explain how international debt from after the First World War caused the Great Depression.

15) Explain unemployment as a consequence of the Great Depression.

16) Explain banking failures as a consequence of the Great Depression.

17) Explain the political consequences of the Great Depression.

18) Explain the changing role of government as a consequence of the Great Depression.

19) How did government initially attempt to fix the effects of the Great Depression? Why this route?

20) John Maynard Keynes proposed a policy of deficit financing. Explain this policy.

21) How was deficit financing different from previous attempts to deal with the Great Depression?
