

# The Great Depression

1929 to early 1940's

- a depression is an extended slump in business activity
- began in Oct. 1929 when the US stock market "crashed"
- the value of businesses and companies went

down

- people invested in stocks  
lost money, some wiped out

- ★ - too much buying on  
credit, (on margin) loans

- some loans were called  
in and they couldn't get  
covered, a panic followed  
and everyone called in  
their loans

- not enough money  
existed to pay all of  
the outstanding loans

results...

businesses could not  
get new loans to buy  
materials or pay workers

businesses "lay-off"  
their employees

unemployed people have  
less or no money to  
buy goods

businesses therefore  
also make less money

Why it went worldwide...

- virtually all nations raised tariffs, or taxes, on imported goods,

- raised prices on those goods, they went unsold

- \* - Smoot-Hawley Tariff Act (US)

What hurt US even more...

- 1934 Dust Bowl on the American Plains States

- overproduction from

- WWI & continued

- thru 20's combined

w/drought & over-cultivation, left no roots to hold down the soil

importance

-many nations turned to leaders who promised quick economic condition fixes

Hitler - Germany

Mussolini - Italy

-many nations became aggressive towards

others to obtain resources

Japan's invasion of China

Italy's attacks in Africa

Germany's European invasion

- Some nations went to measures in which govts. did more to guarantee aid & help to those in need

USA's social programs of 1930's

- Hoovervilles