

# **The Great Depression**

## **I. Causes:**

### **1. The Stock Market Crash Of 1929**

**- stockholders, brokers, bankers and businesses lost**

**everything in the stock market**

### **2. Agricultural Problems**

**- "Dust Bowl" in the midwest drove up prices of food.**

**- Displaced farmers as they were forced to look for work elsewhere.**

### **3. Failure Of European Nations To Pay War Debts**

***A. Fordney McCumber and Smoot-Hawley Tariffs***

**- raised tariffs on foreign goods to a new high level**

**- European nations were unable to sell their**

**products in American markets**

**- led to a decline in international trade**

### **4. Overproduction and Credit Buying**

**- American plants and factories were producing more than could be consumed**

**5. Weak System Of Banks**

**- closure of banks caused people to panic and withdraw their savings from other banks**

**- more banks closed as a result**

**6. Domino Effect**