**Causes of the Great Depression**

What was the Great Depression?

* The Great Depression lasted from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and was the worst economic disaster to hit the modern world.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of people suffered as they lost their \_\_\_\_\_\_ and living conditions \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**MAJOR IMMEDIATE CAUSES**

1. The Stock Market Crash of 1929

* The Great Depression was triggered by this collapse of the market on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* It became known as “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ collapsed in the U.S. and Canada.
* Investors realized that their shares were \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and tried to \_\_\_\_\_\_ them all at once.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shares were traded and lost \_\_\_\_\_\_\_ their value ($9 billion)
* Many investors lost all savings and went \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

2. Prairie Drought of 1929

* The drought lasted for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ plague destroyed many crops.
* A lack of \_\_\_\_\_\_\_ turned sections of the west into \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* The economies of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ suffered as the farmers could no longer afford to buy \_\_\_\_\_\_\_\_\_\_\_\_\_ goods.
* While prairie farmers were struggling to survive, Australia, Russia, and Argentina had \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* This forced the price of wheat down from $1.29/bushel in 1928 to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in 1932.
* Things went back to normal by 1939, but 250, 000 farmers had \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ their farms in the West and went \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ throughout Canadian cities.

Dust Bowls

* A dust bowl is “an area of land where \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has been lost and soil reduced to \_\_\_\_\_\_\_\_ and eroded, especially as a consequence of drought or unsuitable farming practice.”

**MAJOR UNDERLYING CAUSES**

1. Natural Resources

* Canada’s economy depended on the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to other countries, mainly to the U.S., and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ made up most of these exports.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ made Canada prosperous.
* The good times \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

2. Buying on Credit

* Buying on credit became very popular in the 1920s (spending money that you do not have).
* Most people and businesses in the 1920s were overly \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* Farmers, businesses, and individuals \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as long as they could afford to make their \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Some people bought shares of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on credit.

3. Overproduction of Goods

* Many businesses \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ their goods in warehouses in the 1920s.
* There was not \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for all the products.
* Businesses bought more \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and hired more \_\_\_\_\_\_\_\_\_\_\_\_\_ for the factories in the 1920s.
* Farmers purchased more \_\_\_\_\_\_\_ as they were optimistic like everyone else about the future.

4. High Tariffs

* To protect Canadian businesses and their workers, the government \_\_\_\_\_\_\_\_\_\_\_ tariffs on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Other countries also raised tariffs and this resulted in less trade and \_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* Demands for goods from Canada began to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and Canadian workers were \_\_\_\_\_\_\_ off.
* The tariff increase further \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ economies.

What do you think the message is behind this political cartoon?

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5. Low Incomes of Some Canadians

* Contrary to belief, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shared in the prosperity of the 1920s.
* Some people remained in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and had \_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* Farmers who did not produce grain did not receive high prices for their crops.
* Some regions, such as the Maritimes, did not share in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* All of these factors \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the demand for Canadian goods and services.

Summary

* All of these factors played a role in the causes of the Depression.
* The collapse of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ made companies realize that they had overspent and overproduced.
* The results were \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the economy.
* People could not meet \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and lost houses, cars, appliances, etc.
* There was less money to \_\_\_\_\_\_\_\_\_\_ and the economy went \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.