**Causes of the Great Depression** (p 670- 677)

For each topic sentence, give several specific facts as SUPPORTING EVIDENCE. You MUST use the key terms provided and underline them in your work. Then, explain how that theme contributed to the Great Depression.

**Key Terms** to include in your SUPPORTING FACTS:

*Bank failures, Black Tuesday, Buying on Margin, Credit, Hawley-Smoot Tariff, Installment Plan, Speculation, Uneven Distribution of Wealth*

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| Farmers faced many difficulties in the 1920s, as they were no longer required to produce as much.  SUPPORTING FACTS:  o    o    o  Explain how the above was a cause of the Great Depression:  A small recession in the early 1920s caused people to not spend as much money.  SUPPORTING FACTS:            Explain how the above was a cause of the Great Depression: | Low consumption (or **under consumption**) went along with overproduction.  SUPPORTING FACTS:  o    o    o  Explain how the above was a cause of the Great Depression:  The rich were getting richer while the poor struggled. This forced the poor to buy on credit.  SUPPORTING FACTS:              Explain how the above was a cause of the Great Depression: |

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| In the late 1920s, a prolonged period of rising stock prices (called a **bull market**) convinced many Americans to invest heavily in the stock market.  SUPPORTING FACTS:      Explain how the above was a cause of the Great Depression: | Buying on margin was incredibly easy to do, and many began spending money they did not have.  SUPPORTING FACTS:  o    o    o  Explain how the above was a cause of the Great Depression: |
| The Stock Market Crash on October 29th signaled the beginning of the Great Depression.  SUPPORTING FACTS:      Explain how the above was a cause of the Great Depression: | Hoover believed that the government should not intervene in fixing the economy.  SUPPORTING FACTS:      Explain how the above was a cause of the Great Depression: |

Which of the above causes contributed the MOST to the Great Depression? Answer in CER form.