



THE GREAT DEPRESSION

The Great **Depression** was the biggest **economic** crisis in history. It started in the United States in 1929 and lasted for about a **decade**. It led to **poverty**, hunger and **unemployment** all over the world.

CAUSES

The **decade** after World War I was called the “**Roaring Twenties**”. It was a time of rebuilding after a great war. Many European countries didn’t have enough money . They had to pay a lot back to the USA because the Americans helped to win the war. **Above all**, Germany was **weak** because it had lost the war.

At the same time **industries** started **producing** many goods. People bought new **inventions**, like automobiles, radios and other **household goods**, but the normal worker didn’t have more money than before. **Consumers** had to **take out loans** so that they could buy the things that they didn’t have the money for.

STOCK MARKET CRASH

Many people also bought **stocks**. For a few years the **value** of **stocks** went up quickly. This made people invest even more money because they thought they would become rich very quickly. However, in September 1929 **stock** prices began to fall and on October 29, 1929 they **completely collapsed**. This day is known as Black Tuesday, the day the **stock market crashed**. After this day **stocks** were worth very little, sometimes even nothing at all.

Many Americans lost all the money they had. Banks **collapsed** too because the people who had **borrowed** money were not able to pay it back.

Factories and companies had to close because a large part of the **population** could not buy **goods** any more. They had to send most of their workers home. By 1932 about 13 million Americans, one fourth of all workers, were out of work. Those who kept their jobs had to work for little **pay**.

At that time the USA had no system to help the poor. There was no money for the **unemployed** and most of them had to wait in **breadlines** to get food.

GLOBAL EFFECTS

The crisis in the USA quickly **spread** to other countries around the world. Many European countries that **traded** with America tried to **protect** their own economy. They put **taxes** on imports which made **foreign goods** more expensive. They wanted people to buy the **goods** that their own country produced.

NEW DEAL

In 1932 the Americans **elected** a new president , Franklin D. Roosevelt, a Democrat. He **created** a new programme to help America and called it The New Deal. The government started **creating** jobs and brought many people back to work.



END OF THE DEPRESSION

The end of the **depression** came with the beginning of World War II. In Europe the people of many countries were also looking for new leaders. In Germany a large part of the **population supported** Adolf Hitler and the Nazi Party. They promised people work and gave them jobs, **especially** by making more and more **weapons**. The **depression** in Germany ended by 1936.

After the **attack** on Pearl Harbour in 1941, America entered the war. This ended the Great **Depression** in the USA.

WORDS

- **above all** =especially
- **attack** =to use weapons against someone in a war
- **breadline** =to wait in lines to get some food
- **borrow** = to take money from someone and then give it back to him
- **collapse** = to become lower very quickly
- **completely** =totally
- **consumer**= person who buys something
- **create** = make
- **crash** = to lose value very fast
- **decade** = ten years
- **depression** = time when factories close down and many people are poor and out of work
- **economic** =financial, about money and

business

- **elect** = to vote for
- **especially** = above all, mainly
- **factory** = a building in which machines and other things are produced
- **foreign** = from another country
- **goods** =products
- **household goods** = everything that can be used in the house
- **industry** = large companies
- **invention** = a new useful machine
- **pay** = the money you get for working
- **population** = the people who live in a country
- **poverty** = the situation of being poor
- **produce** = make
- **protect** =guard, defend

- **roaring** = loud and noisy ; the Roaring Twenties were a period in which life was very exciting and interesting
- **spread** =to move from one place to another
- **stock** = when you buy a very small part of a company
- **stock market** =place where stocks or shares of a company are bought and sold
- **support** = to help someone
- **take out a loan** = to borrow money from a bank or someone else
- **trade** = to buy and sell goods
- **unemployment** = when you have no job
- **value** =how much something is worth
- **weak** = not very strong
- **weapons** = things that you make for war, like guns, bombs etc..