Great Depression

Causes:

1. **Stock Market Crash**
2. **World wide depression**
   - financing of WWI
   - war debts
   - decline in trade
3. **Smoot-Hawley Tariff**
   - highest in American History
4. **income gap**
   - small % of population have most $.
   - workers/farmers paid less/
5. **business cycle**
   - theoretic economic viewpoint.
   - surplus of 20’s causes cutbacks in 30’s, surplus runs out.
Effects on America:

1. **unemployment**
   1929: 1.5 mil.  1933: 15 mil.

2. **low wages and hours**
   -10 cents/hr.

3. **Homelessness**
   -shantytowns/Hoovervilles
   -makeshift shacks outside cities.

4. **poverty/hunger**
   -breadlines only source of food in many cities.

5. **drought/Dust Bowl**
   -poor farming conditions
   -major move West.

6. **psychological effects.**
   -damage to people’s attitudes.