Unit 7: Global Depression – Causes and Impacts

**Credit Expands…Dangerous!**

During the 1920s, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (giving loans to be paid back at a later date) greatly ­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_with the risk that if the economy got worse, people would not be able to pay it back!

More and more people relied on credit even to purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_, hoping the stock prices would rise and they could pay back their credit…what if prices don’t rise???

**US Dominates the World Economy!**

After WWI, the \_\_\_\_\_\_\_\_ dominated the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was in debt and recovering from the war.

America increased its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to provide goods to Europe and grew \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as a result!

* This time period was called:
“ ”



**Black Tuesday**

October \_\_\_\_\_th, 1929: Stock Market crashes!

* Value of \_\_\_\_\_\_\_\_\_\_\_\_\_ drop
* People can’t pay back all the credit!
* \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, credit collapses!
* The Stock Market lost \_\_\_\_\_ Billion in two days!!!



**The Global Depression**

High **Tariffs** (\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on imported goods) raised to “protect” US industry!

Keep money inside country to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from the crash

Result, Europe had to cut back on production, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **lose jobs!**

**High Unemployment everywhere! Great Depression goes \_\_\_\_\_\_\_\_\_\_\_\_\_ !**



German children playing with worthless Marks

German woman paying for her vegetables with baskets full of Marks

At its worst in 1923, a loaf of bread = 3 Billion Marks…that’s 2 Billion US Dollars!!!

**The German Hyperinflation**

Germany struggled to pay back the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the Treaty of Versailles

Decided to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ more money to help pay it back.

Problem: this policy devalued the German currency, creating \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Result: German money became \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_!



Global Depression – Impacts

**Unemployment Rates Rise!**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ countries experienced high unemployment

In the U.S. alone, \_\_\_\_ out of every \_\_\_\_\_ Americans was without a job during the Global Depression!

**World Trade Falls!**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for goods drop in **world trade**, losing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and making it harder for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to pay their workers, which leads to more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in production and jobs!

**From Democracy to Totalitarianism!**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ weakened western democracies

This gave \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (citizens under absolute state control) a chance to come to power!

People turned to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ governments to get them out of the Depression!

**The Rise of National Socialism (Nazism)**

The horrible effects of **hyperinflation** and the **Great Depression** on Germany, combined with **German \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** towards the Treaty of Versailles, gave the Nazi Party a platform and followers!

The Nazis blamed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ bankers and financiers for the global depression.

**Anti-Semitism** is:



**Nazi and Fascist Propaganda**

The poster on the left reads “Work and Bread” – urging Germans to vote for the Nazis to recover from the Depression

The poster on the right reads “Counter the global crisis by supporting a nationalized economy. Purchase Italian products!” – urging Italians to stop the Depression by following the fascist control of Mussolini



How to be a Dictator:
Step One – Give a good speech!

“The German farmer must be rescued in order that the nation may be supplied with the necessities of life...”

“Within four years unemployment must be finally overcome.”

“The securing of the necessities of life will include the performance of social duties to the sick and aged.”

“May the good will of all others assist in the fulfillment of this our earnest wish for the welfare of Europe and of the whole world.”

“First will come honor and then freedom, and from both of these happiness, prosperity, life: in a word, that state of things will return which we Germans perhaps dimly saw before the War, when individuals can once more live with joy in their hearts because life has a meaning and a purpose, because the close of life is then not in itself the end, since there will be an endless chain of generations to follow!”

* **Adolf Hitler, September 1930** (nearly a year after the Stock Market Crash)
1. What are 3 things that the German people would have liked

from this speech?

Published in 1925, *Mein Kampf* (My Struggle) was Hitler’s book outlining his Nazi political beliefs and ant-Jewish views, blaming the Jews for Germany’s economic problems and calling for the rise of a stronger Germany full of living space (Lebensraum) – the rise of a German empire!

1. What is Hitler’s wish and for whom?
2. What promises does he make to the German people?