

Name _____

The Great Depression: Understanding Its Causes

Short Answer Key

1. "Black Tuesday" refers to October 29, 1929, when the stock market crashed, leading to a sharp decline in stock prices and widespread panic among investors. This event is often considered the starting point of the Great Depression.
2. The Dust Bowl was an ecological disaster in the Southern Plains of the United States during the 1930s. It was characterized by severe droughts and dust storms that devastated agriculture. Crop failures occurred, leading to food shortages and forcing many families to migrate in search of better living conditions.
3. The Smoot-Hawley Tariff Act of 1930 imposed high tariffs on imported goods. This policy is believed to have worsened the economic crisis by reducing international trade. It led to retaliatory tariffs from other countries, further hampering global trade.
4. Reduced consumer spending during the Great Depression resulted from high unemployment rates and financial insecurity. As people lost their jobs or had reduced incomes, they had less money to spend on goods and services. This decrease in demand for products led to decreased production and more job losses.
5. The Great Depression was a global economic crisis because it affected countries around the world. For example, the United States' economic difficulties reduced its ability to import goods from other countries, leading to a decline in international trade. Additionally, the economic downturn in the U.S. affected the economies of trading partners, contributing to a worldwide recession.

