

Name: _____

Period: _____

What Caused the Great Depression? Questions

Document Set #1: Buying on Margin and the Stock Market

1. What is "buying on margin"? What is a payment plan?
2. You buy stock on margin from a broker. What happens when the stock values increase? What happens when the stock values decrease?
3. What does the headline say in Picture #1?
4. Describe Picture #2. Who is in the picture? What does his sign say? How does this relate to the stock market crash?
4. The stock market crashed on October 29, 1929. How did this affect people who borrowed money by buying stocks? **Think about it!** If many Americans lost money when the stock market crashed, how would this affect the economy?

Revise Hypothesis:

Document Set #2: Bank Failure

1. What is a loan?
2. What does “uninsured” mean? If your bank deposit is uninsured, what happens if the bank fails?
3. What is happening in Picture #1? Where are the people waiting outside? What are they trying to do?
4. What happened to the man in the cartoon in Picture #2? What is the cartoon trying to say?
5. How did the closure of banks affect the US economy? **Think about it!** If many Americans lost their money when the banks failed, what happens?

Revised Hypothesis:

Document Set #3: Smoot-Hawley Tariff

1. What was the Smoot-Hawley Tariff?
2. Why did President Hoover sign the Smoot-Hawley Tariff?
3. How did foreign countries respond to the Smoot-Hawley Tariff?
4. What do the newspaper headlines say in Picture #1? Look at **all** of the headlines!
5. Describe the political cartoon in Picture #2. What is happening? Read the caption. What is cartoon trying to say?
6. How did the response of foreign countries affect international trade and the world economy? **Think about it!** If it was more expensive to buy other countries' goods, what would happen to trade?

Revise Hypothesis: