

HISTORY OF THE MODERN WORLD

MODULE IV-20TH CENTURY WORLD



TOPIC-THE GREAT DEPRESSION
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THE GREAT DEPRESSION-1929



- Originated in the United States destroying the post war economic prosperity of the country
- The **Great Depression** was the worst economic downturn in US history
- The stock market crash of October 1929 signaled the beginning of the Great Depression. By 1933, unemployment was at 25 percent and more than 5,000 banks had gone out of business.
- Wall Street was the financial centre of the US, where shares were bought and sold
- The crash began when the prices of shares began to fall. This led to the collapse of the stock market
- This disaster is remembered as the Wall Street Crash
- The stock market crash signaled the beginning of the **Great Depression**, but it was only one factor among many root causes of the Depression



IMPACTS



- A weak banking system, further collapse in already-low farm prices, and industrial overproduction each contributed to the economic downturn.
- The result was shrinking international trade and a further decline in global economies
- As the effects of the Depression cascaded across the US economy, millions of people lost their jobs. By 1930 there were 4.3 million unemployed; by 1931, 8 million; and in 1932 the number had risen to 12 million
- Farmers were hit particularly hard by the crisis -falling prices for crops, a devastating drought in Oklahoma, Texas, and Kansas
- The financial crisis was not limited to the United States. Countries in Europe and around the world experienced the depression.
- Hitler's rise to power in Germany was fueled in part by the economic slowdown, and throughout the 1930s international tensions increased as the global economy declined.



- Franklin Roosevelt was elected president in November 1932. Inaugurated as president in March 1933, Roosevelt's **New Deal** offered a new approach to the Great Depression.
- The **New Deal** was a set of domestic policies enacted under President Franklin D. Roosevelt that dramatically expanded the federal government's role in the economy in response to the Great Depression.
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