



The Great Depression

■ The Great Depression

- was a severe worldwide economic crisis
- in most countries it started in about 1929 and lasted until the late 1930s or early 1940s.
- It was the longest, most widespread, and deepest depression of the 20th century

Effect

- The Great Depression had devastating effects
- Personal income, tax revenue, profits and prices dropped
- while international trade plunged by more than 50%
- Some economies started to recover by the mid-1930s
- But in many countries, the negative effects of the Great Depression lasted until the start of World War II.

Start of the Great Depression

- Started with sudden devastating collapse of US stock market _prices on October 29, 1929.
- Known as Black Tuesday.
- Which was the most devastating stock market crash in the history of the United States.
- It signaled the beginning of the 10-year Great Depression.
- Market collapse and financial panic Constant demand for shares.

Market collapse and financial panic

- Constant demand for shares made their price higher and higher.
- During the 1928-29 years _prices reached extreme heights.
- Shareholders became worried at first, then panicked.
- group of companies couldn't cover costs and become bankrupt.

Aftermath

- The Great Depression was a severe worldwide economic depression in the decade
- Cities all around the world were hit hard, especially those dependent on heavy industry.
- Construction was virtually halted in many countries.
- And some economies started to recover by the mid-1930s.