

# Chapter 12 – Section 1

## The Economy in the late 1920's

- 1. What were three reasons people were optimistic about the economy in the late 1920s?
- 2. What was *welfare capitalism* and how did it help prevent any more violent labor strikes?
- 3. Why was the nation's prosperity and wealth misleading?
- 4. How did buying on credit lead to an increase in personal debt?

- 5. What was “speculation?”
- 6. How did the type of investors differ from before WWI?
- 7. How did “buying on margin” allow even more people to invest?
- 8. Why were the country’s warehouses loaded with piles of unpurchased consumer goods?

- 9. What did this overproduction of goods lead to?
- 10. What trouble did farmers face in the late 1920s?
- 11. What was life like for factory workers?
- 12. So, what five factors then, were leading to major disaster?

# Chapter 12 – Section 2

## The Stock Market Crash

- 1. What is the Dow-Jones Industrial Average and what had happened to it by September 1929?
- 2. What was “black Tuesday?”
- 3. Why was this called the “Great Crash?”
- 4. What did the Crash of 1929 do?

- 5. How did the crash affect middle and upper class families?
- 6. What was the Great Depression?
- 7. What happened as factories began to close?
- 8. How many people were unemployed by 1932? Why was this a major problem?

- 9. What is the Gross National Product (GNP) and what happened to it by 1933?
- 10. What were three ways the effects of the crash spread?
- 11. What crisis occurred with the banks?
- 12. How was the whole world's economy affected by the depression in America?
- 13. What were five affects of the Great Depression?