

# The Great Depression

Language: en

## 1. Executive Summary

This five-minute lecture discusses the causes and effects of the Great Depression in the 1920s and early 1930s. The Roaring Twenties, a period of economic prosperity and cultural change following World War I, saw an increase in consumer spending due to factors such as more women entering the workforce, new inventions, and easy credit from banks. This led to a stock market boom, with many Americans investing their savings in stocks, believing they could become rich. However, over-investment and speculation caused the stock market to crash on Black Thursday (October 24, 1929) and Black Tuesday (October 29, 1929), leading to a rapid loss of wealth and the start of the Great Depression. The Dow Jones Industrial Average fell by nearly 90% from its high in 1929, unemployment reached record levels, and banks across the country shut down. The Great Depression had devastating effects on not only America but also the global economy, leading to the rise of the Nazi Party and the start of World War II. The lecture emphasizes the importance of learning from history to avoid repeating the mistakes of the past, such as excessive speculation and debt.

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## 2. Study Notes

- The Great Depression: worst economic downturn in industrialized world history

1929-1933 年 全球 經濟 陷入 衰退: 美國 經濟 崩潰 導致 全球 經濟 陷入 衰退

- Caused by stock market crash in 1929 (Black Tuesday)

1929 年 10 月 29 日 美國 股市 崩潰 (Black Tuesday)

- Preceded by the Roaring 20s, a period of economic prosperity and cultural change

1920 年代 是 美國 經濟 繁榮 和 文化 變革 的 時期

- Stock market became popular practice due to easy money-making opportunities

1920 年代 美國 股市 成為 流行 的 投資 方式 因為 容易 賺 錢

- Over-investment led to overestimation of growth and eventual stock market crash

1920 年代 美國 股市 過度 投資 導致 對 經濟 增長 的 過 度 估計 最終 導致 股市 崩潰

- Investors panicked, leading to massive selling and further market collapse

1929 年 10 月 29 日 美國 股市 崩潰 導致 投資者 恐慌 拋 售 股票 導致 股市 進一步 崩潰

- Effects felt globally, contributing to the rise of Hitler and WWII

1929 年 10 月 29 日 美國 股市 崩潰 導致 全球 經濟 陷入 衰退 最終 導致 希特勒 上 台 和 二 次 世界 大戰

- Lessons learned: greed, fear, and speculation can be destructive when unchecked

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- Laws introduced to safeguard financial institutions and deposits

1933 年 美國 政府 通過 了 一系列 法律 來 保護 金融 機構 和 存款

- FDR introduced FDIC and SEC to protect American wealth

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### 3. Exam Questions

Q1: What significant event marked the start of the Great Depression?

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Answer: Black Thursday, October 24th, 1929

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Q2: What was the impact of the Great Depression on America's total wealth?

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Answer: America's total wealth had doubled by 1929, but investments were up 218% since 1922. However, the Dow Jones fell for another three years after Black Thursday, losing 90% of its value from its high in 1929.

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Q3: What was one major cause of the Great Depression?

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Answer: One major cause of the Great Depression was excessive speculation and risky investments, leading to a stock market crash.

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Q4: How did the Great Depression affect unemployment in America?

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Answer: Unemployment reached its highest level in US history, reaching 24.9% during the Great Depression.

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Q5: What were some consequences of the Great Depression beyond the United States?

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Answer: The effects of the Great Depression were felt around the world, and in Germany, it led to the rise of the Nazi Party and the start of World War II.

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