

The World Economic Meltdown 1929-1939



Economic sectors
already suffering:

- Coal
- Agriculture



The Great Depression in the Democracies

- Western democracies
 - France
 - Continued to fear Germany
 - Policy of deflation
 - Class conflict and labor troubles

The Great Depression in the Democracies

- Western democracies
 - Britain
 - Policy of deflation
 - Reduction in wages and decline in the standard of living
 - The Labour Party (1924 and 1929)
 - Increasing trade union militancy
 - Unemployment never below 10% in Britain between the wars

The Great Depression in the Democracies

- Western democracies
 - United States
 - Bastion of conservatism
 - Presidents and the Supreme Court
- The origins of the Great Depression
 - Causes
 - Instability of national currencies

The Great Depression in the Democracies

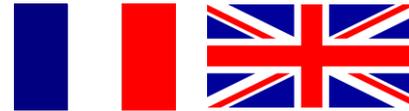
- The origins of the Great Depression
 - Interdependence of national economies
 - Widespread drop in industrial productivity
 - Restrictions of free trade

the international debt mess of the 1920s



Germany owes huge reparations to England and France

France and England insist on collecting from Germany because they owe debts to the United States



What if there was a stock market crash in the United States???



The U.S. won't ease up on France and England's war debts . . .

. . . but encourages investors to lend money to Germany

The Great Depression in the Democracies

- The origins of the Great Depression
 - October 1929: Collapse of the New York Stock Exchange
 - United States as world's creditor nation
 - Immediate and disastrous consequences for European economy
 - Banking houses closed, manufacturers laid off entire workforces

the great crash . . . 1929 - 1931



- 1930: 1,352 banks failed with 850 million in deposits
- 1931: almost 2,300 banks failed with 1.7 billion in deposits
- . . . People got ten cents on the dollar of their savings, if they were lucky.
- **Smoot-Tawley Act 1931**

The Great Depression in the Democracies

- The origins of the Great Depression
 - Government response
 - Britain
 - Abandoned gold standard and free trade
 - Cautious relief efforts

The Great Depression in the Democracies

- The origins of the Great Depression
 - France
 - The Popular Front under Léon Blum
 - Nationalized munitions industry
 - Forty-hour week
 - Fixed the price and regulated the distribution of grain

The Great Depression in the Democracies

- The origins of the Great Depression
 - United States
 - The New Deal and FDR
 - Recovery without destroying capitalism
 - Managing the economy and public-works projects
 - John Maynard Keynes

Inflation in Weimar Germany



Consequences

- Less produced = smaller labor force = unemployment
 - In Germany, 6 million people were unemployed by 1933
- Spread of disease due to poverty
- Women working were told they were taking jobs away from men.
- Psychological impact on workers and their families.



Mohandas Gandhi (1869-1948)

- Mass following to boycott British goods
- Land reform movement of rural peasants



Japanese Imperialism

