

## The Great Depression

After World War One, the economics of \_\_\_\_ European countries were in chaos. Germany had to pay reparations to \_\_\_\_\_ and France for starting the war. This led to its e\_\_\_\_\_ to collapse in the 1920's. Other nations also suffered as they tried to pay back \_\_\_\_\_ borrowed to finance their war effort.

Most of the money borrowed to finance the war came from the United States. There, many people had invested in stock and \_\_\_\_\_, pushing their prices up beyond their real value. Share prices reached a peak in A\_\_\_\_\_ 1929, then started to dip. Investors panicked and started to sell recklessly. Prices fell and fell and t\_\_\_\_\_ lost all their money. This was called the Wall Street Crash and started an economic crisis as many banks and businesses closed down. The situation was made \_\_\_\_\_ as a severe drought hit the mid west of America and, combined with years of over farming, created the enormous Dust Bowl in which nothing would grow. Many farms were abandoned.

The economic crisis in the U.S.A soon a\_\_\_\_\_ the whole world. As loans were called in by the U.S.A, economies came close to collapsing. They brought severe economic problems to E\_\_\_\_\_, especially to Britain and Germany, both of which had high unemployment. At the height of the Depression in 1932, world exports of raw materials had fallen by over 70 percent.

1. Copy the above and use the words to fill in the gaps:

Worse            money            affected            many            Britain            Europe  
August                            economy                            thousands

2. Use the table below to draw a graph showing world unemployment:

Year	Percentage of the World Population Unemployed
1930	13
1932	30
1934	20
1936	18
1938	15

3. Use the graph to answer these questions
- When was unemployment at its highest?
  - When was it at its lowest?
  - Why do you think unemployment started to fall?