

Task: complete the chart using the references provided. Explanation points come from the Slidedeck (you will have to record these). Factors will require reading and thinking; sometimes multiple factors will apply! Then answer the follow up questions in your notebook.

Examples of factors include:

- Excessive Credit
- Tariffs / Protectionism
- War Debt
- Reliance on export of staples
- Dependence on US for trade
- Buying on Margin /Speculation
- Drought
- Overproduction
- Other

Reference: Workbook, p.98-100, Slidedeck (class website), Counterpoints p.90-94

Factor	Explanation	Other / Interesting?
	<ul style="list-style-type: none"> ● Good times had encouraged producers to increase production beyond what markets demanded ● Stockpiling of goods ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● Competition from other producers of same products reduced price on world market ● Vulnerable if those industries suffered a setback (Ex. farmers facing drought in the 1930's) ● Wheat especially - lots of demand in the 1920's, but then other markets increased supply, prices fell ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● Buy now; pay later motto caught up with Canadians ● New consumer goods paid for in installments ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● Stock Markets very active - Toronto, NY, Montreal ● 1922-1926 Canadian companies issued shares valued at \$700 million ● Put 10% down on stocks with idea of paying back the 	

	<p>rest with dividends - sometimes even the “margin” was borrowed on easily obtained credit</p> <ul style="list-style-type: none"> ● Investors sought to cash in on high prices, but flooded market and prices crashed ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● Tariffs shut Canada out of world markets ● Exports plummeted, with serious repercussions for the economy ● Smoot Hawley Tariff Act 1930 (US) - raised import duties, led to trade decline with Canada 	
	<ul style="list-style-type: none"> ● Primary market, so downturn there affects us (reduced business, trade) ● US Federal Reserve cut money supply by 1/3 from 1930-1931 - businessmen couldn't get loans or renew old ones 	
	<ul style="list-style-type: none"> ● Poor farming practices and drier climate led to drought ● Topsoil dried up and blew away in great dust storms ● Affected “Palliser’s Triangle” in Canada ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● Economic model - gov’t not as involved, so economy is slave to the markets (capitalism) ● Banking system and dropping gold standard ● Unequal distribution of wealth - small middle class, wages not keeping pace with cost of living ● _____ ● _____ 	
	<ul style="list-style-type: none"> ● USA suffered for many similar reasons ● France and Britain relied on German reparations to pay back the loans they had with the US ● _____ ● _____ 	

Causes of the Great Depression: Follow Up Questions

1. Write out these key terms on flashcards or in your notebook.

- *laissez faire*
- revenue
- expenditures
- Budget
- balanced budget
- deficit
- Capitalism
- market economy
- supply & demand
- Business cycle
- recession
- depression (economic)

2. Read the testimonials on pg. 108-109 of your Workbook. Based on what you read, use five words to describe the Depression.

Decline in Provincial per Capita Incomes, from 1928–1929 to 1932

	1928–29 Average \$ per Capita	1932 \$ per Capita	Percentage Decrease
Canada	471	247	48
Saskatchewan	478	135	72
Alberta	548	212	61
Manitoba	466	240	49
British Columbia	594	314	47
Prince Edward Island	278	154	45
Ontario	549	310	44
Quebec	391	220	44
New Brunswick	292	180	39
Nova Scotia	322	207	36

Source: Michael Horn, *The Dirty Thirties* (Toronto: Copp Clark, 1972), 175.

3. Referring to the chart above, which province do you think was hardest hit by the Depression? Explain your analysis, and give a reason for the situation of this province.

APPLY YOUR NOTES FROM TODAY'S LESSON TO YOUR ONE-PAGE UNIT MATRIX.