

Name _____

Period _____

Economic Troubles on the Horizon

- _____ had protected businesses but hurt _____
- Some businesses thrived, making a few people _____
- Federal spending _____
- Many Americans could not earn _____
- Industries that had once been central to the economy began to _____
- Both consumers and farmers were steadily going into _____

1. For each industry, explain why it was in trouble.

a. Railroads -

b. Coal Mining -

c. Housing -

2. Go back up in the paragraph. Fill in the following questions.

a. _____ weakened even the boom industries - including automobiles, construction, and consumer goods.

b. _____ had allowed businesses to expand, but they had manufactured _____ products than consumers could afford to buy.

3. What happened to farming DURING WWI?

4. What happened to farming AFTER WWI?

a. Define **deflation**.

b. What happened to farmers next?

5. List four reasons why Americans stop buying goods and services?

6. Define **credit**.

a. Many people had trouble paying off what they owed. Faced with consumer debt, they _____ on spending.

7. Who wins the presidency in the election of 1928?

a. What did the new president believe made America great?

8. TRUE or FALSE. By 1929, economists had warned of weaknesses in the economy and Americans listened by stopping spending and starting to save.

9. TRUE or FALSE. Americans were so confident in the stock market that they rushed to buy stocks and bonds.

a. What is **speculation** and why is it bad?

b. Define **buying on margin**.

c. TRUE or FALSE. The government did little to discourage buying or to regulate the market.

13. When was **Black Tuesday**?

a. Summarize what happened on Black Tuesday?