



## 15.9 History

# The Great Depression of the 1930s in the USA

### IELTS Academic Reading



**1** READ the passage about the Great Depression and answer questions 1–13.



The passage has SIX paragraphs, A–F. Choose the correct heading (i–viii) for each paragraph from the list of headings below. Write the correct number, i–viii, in the spaces below.



#### List of Headings

- i An oversupply of goods and credit sales
- ii The effect on production
- iii The worst crisis in American history
- iv An extended period of poor performance
- v The gap between social classes grows wider and wider
- vi A policy for maintaining economic growth
- vii The fall of production and rise of unemployment
- viii The release of foreign exchange rates

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|---------------------|---------------------|
| 1 Paragraph A ..... | 4 Paragraph D ..... |
| 2 Paragraph B ..... | 5 Paragraph E ..... |
| 3 Paragraph C ..... | 6 Paragraph F ..... |

Choose the correct letter, A, B, C or D, to complete the sentences (7–9).

- 7 The Great Depression was
- A the worst economic crisis in world history.
  - B followed by inflation.
  - C also the cause of economic problems in Europe.
  - D caused by the war.

- 8 The Great Depression was caused by
- A a balance of wealth.
  - B economic instability.
  - C decreased industrial production.
  - D the fast rate of increase of wages.
- 9 In the 1920s
- A there was an excessive production of goods.
  - B people bought and paid straightaway.
  - C the economy did not depend on luxury goods.
  - D people could afford to buy anything.

Complete sentences 10–13 with words taken from the reading passage. Use NO MORE THAN THREE WORDS for each answer.

- 10 ..... concerning technological industries was that they were limited in their expansion by the fact that people could not buy too many luxury goods.
- 11 Industrial production fell because people stopped buying things .....
- 12 Foreign countries gave up importing American products because the US imposed higher ..... to protect the national economy.
- 13 The Fed was devised ..... sudden widespread alarm concerning finance and decreased business activity.

#### GLOSSARY

**slump** caduta dei prezzi  
**loans** prestiti  
**aftermath** conseguenza  
**imbalance** sbilanciato

**output** produzione  
**oversupply** quantità eccessiva  
**credit sales** vendita a credito  
**inflate** inflazionare

## AN ECONOMIC CATASTROPHE

**A.** The Wall Street Crash of 1929 (⊕15.1) started an economic crisis known as the Great Depression. It was the worst economic slump in American history.

It was not a novelty, because previous economic declines had afflicted the world. They were usually preceded by speculation and inflation. Between 1924 and 1930 both the US and most parts of Europe enjoyed favourable economic conditions, but it soon became clear that this prosperity depended on American loans and American markets, which almost vanished in late 1929. The European economy, still recovering from the trauma of the World War I (⊕13.3) and its aftermath, was too weak to face this crisis.



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**B.** Many factors brought about the Great Depression; however, the main cause was the combination of the unequal distribution of wealth throughout the 1920s and the extensive stock market speculation that took place during the latter part of that same decade. Money was distributed unequally between the rich and the working classes, between industry and agriculture within the United States, and between the US and Europe. This imbalance of wealth created an unstable economy. The excessive speculation in the late 1920s kept the stock

1 New Yorkers queuing at an unemployment agency, 1932.