

The Great Depression: Causes and Effects Worksheet

The optimism of the 1920s concealed problems in the American economic system.

| Cause | Effect |
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| People overspeculated on stocks, using borrowed money. | People could not pay the borrowed money back when stock prices began to go down. |
| The Federal Reserve System was not able to regulate banks or keep the value of money stable. | The banking system failed. |
| The United States placed high tariffs on goods coming into the United States. | Other countries put high tariffs on U.S. goods that they imported. International trade declined. |