Compass Life Adult Sunday School

Pastor Pete

March 4, 2018

**“The Financial End of the World”**

**I. Causes of the Great Depression**

Throughout the 1920s, the U.S. economy expanded rapidly, and the nation’s total wealth more than \_\_\_\_\_\_\_ between 1920 and 1929. The stock market, centered at the New York Stock Exchange on Wall Street was the scene of reckless speculation, where everyone from millionaire tycoons to cooks and janitors poured their savings into \_\_\_\_\_\_\_\_. As a result, the stock market underwent rapid expansion, reaching its peak in August 1929. By then, production had already \_\_\_\_\_\_\_\_\_\_ and unemployment had risen, leaving stock prices much higher than their actual value. Additionally, wages at that time were low, consumer debt was proliferating, the agricultural sector of the economy was struggling due to \_\_\_\_\_\_\_ and falling food prices, and banks had an excess of large loans that could not be liquidated. The American economy entered a mild recession during the summer of 1929, as consumer spending slowed and \_\_\_\_\_\_\_\_\_\_\_\_ began to pile up, which in turn slowed factory production. Nonetheless, stock prices continued to \_\_\_\_\_\_\_\_, and by the fall of that year had reached stratospheric levels that could not be justified by expected future earnings. On October 24, 1929, as nervous investors began selling overpriced shares in large lots, the stock market crash that some had feared happened at last. A record 12.9 million shares were traded that day, known as “Black Thursday.” Five days later, on October 29 or “Black Tuesday” some \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ were traded after another wave of panic swept Wall Street. Millions of shares ended up worthless, and those investors who had bought stocks “on margin” were wiped out completely. As consumer confidence vanished in the wake of the stock market crash, the downturn in spending and investment led factories and other businesses to slow down production and begin \_\_\_\_\_ their workers. For those who were lucky enough to remain employed, wages fell and buying power decreased. Many Americans forced to buy on \_\_\_\_\_\_\_\_ fell into debt, and the number of foreclosures and repossessions climbed steadily. The global adherence to the gold standard, which joined countries around the world in a fixed currency exchange, helped spread economic woes from the United States throughout the world, especially \_\_\_\_\_\_\_\_\_\_. Despite assurances from President Herbert Hoover and other leaders that the crisis would run its course, matters continued to get worse over the next three years. By 1930, \_\_\_\_\_\_\_\_\_\_\_ Americans looking for work could not find it; that number had risen to 6 million in 1931. Meanwhile, the country’s industrial production had dropped by half. Bread lines, soup kitchens and rising numbers of homeless people became more and more common in America’s towns and cities. Farmers couldn’t afford to harvest their crops and were forced to leave them rotting in the fields while people elsewhere \_\_\_\_\_\_\_\_. In the fall of 1930, the first of four waves of banking panics began, as large numbers of investors lost confidence in the solvency of their banks and demanded deposits in cash, forcing banks to liquidate loans in order to supplement their insufficient cash reserves on hand. \_\_\_\_\_\_\_\_\_\_ swept the United States again in the spring and fall of 1931 and the fall of 1932, and by early 1933 thousands of banks had closed their doors. Hoover’s administration tried supporting failing banks and other institutions with government loans; the idea was that the banks in turn would loan to businesses, which would be able to hire back their employees.

**II. Was God Punishing America for the Lust and Greed of the 1920’s?**

There are at least three ways the Bible talks about God’s judgment. 1. In judgment, God hands over the impenitent to hardening in this life. The wrath of God is revealed from heaven against all ungodliness and unrighteousness of men, who by their unrighteousness suppress the truth. 2. In judgment, God punishes nations in history, both \_\_\_\_\_\_\_\_ and others. “You [Jerusalem] shall be a reproach and a taunt, a warning and a horror, to the nations all around you, when I execute judgments on you in anger and fury.” (Ezekiel 5:15) “My sword descends for judgment upon Edom, upon the people I have devoted to destruction.” (Isaiah 34:5). 3. There will be a final judgment of all people at the end of history. Because of your hard and impenitent heart, you are storing up wrath for yourself on the day of wrath when God’s righteous judgment will be revealed. (Romans 2:5). The Bible portrays God as sovereign over the nations and ruling them for his purposes. This includes ethnic peoples as well as the political states that emerge around them: “Kingship belongs to the Lᴏʀᴅ, and he rules over the nations” (Psalm 22:28). The Bible portrays God’s relation to nations as tolerating sin up to a point, and then bringing \_\_\_\_\_\_\_\_\_\_. God said to Abram that his descendants would spend 400 years in a foreign land as slaves (Genesis 15:13). Then God would “bring judgment on the nation that they serve” (Genesis 15:14). (Response to \_\_\_\_\_\_\_\_\_\_\_\_\_) (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

**III. New Deal vs God: A New Dependence on Government**

In 1932, Franklin D. Roosevelt defeated Herbert Hoover and became the President of the USA. He declared a four-day bank holiday to stop people from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ their money from shaky banks. On March 9, Congress passed Roosevelt’s Emergency Banking Act, which reorganized the banks and closed the ones that were insolvent. In his first “fireside chat” three days later, the president urged Americans to put their savings back in the banks, and by the end of the month almost three quarters of them had reopened. Next, he asked Congress to take the first step toward ending \_\_\_\_\_\_\_\_\_\_\_\_\_\_ by making it legal once again for Americans to buy beer. At the end of the year, Congress ratified the 21st Amendment and ended prohibition. In May, he signed the Tennessee Valley Authority Act into law, enabling the federal government to build \_\_\_\_\_\_\_\_ along the Tennessee River that controlled flooding and generated inexpensive hydroelectric power for the people in the region. That same month, Congress passed a bill that paid commodity farmers (farmers who produced things like wheat, dairy products, tobacco and corn) to leave their fields \_\_\_\_\_\_\_\_\_\_\_\_ in order to end agricultural surpluses and boost prices. June’s National Industrial Recovery Act guaranteed that workers would have the right to unionize and bargain collectively for higher wages and better working conditions; it also suspended some antitrust laws and established a federally funded Public Works Administration. In addition to the Agricultural Adjustment Act, the Tennessee Valley Authority Act, and the National Industrial Recovery Act, Roosevelt had won passage of 12 other major laws, including the Glass-Steagall Banking Bill and the Home Owners’ Loan Act, in his first \_\_\_\_\_\_\_\_\_\_ in office. Almost every American found something to be pleased about and something to complain about in this motley collection of bills, but it was clear to all that FDR was taking the “direct, vigorous” action that he’d promised in his inaugural address. Despite the best efforts of President Roosevelt and his cabinet, however, the Great Depression \_\_\_\_\_\_\_\_\_\_–the nation’s economy continued to wheeze; unemployment persisted; and people grew angrier and more desperate. So, in the spring of 1935, Roosevelt launched a second, more aggressive series of federal programs, sometimes called the Second New Deal. In April, he created the Works Progress Administration (WPA) to provide jobs for unemployed people. WPA projects weren’t allowed to compete with private industry, so they focused on building things like post offices, bridges, schools, highways and parks. The WPA also gave work to artists, writers, theater directors and musicians. In July 1935, the National Labor Relations Act, also known as the Wagner Act, created the National Labor Relations Board to supervise union elections and prevent businesses from treating their workers unfairly. In August, FDR signed the \_\_\_\_\_\_\_\_\_\_\_ Act of 1935, which guaranteed pensions to millions of Americans, set up a system of unemployment insurance and stipulated that the federal government would help care for dependent children and the disabled.

**IV. How did the Great Depression End?**

There were three major factors that ended the Depression:

1. The destruction during the war of the industrial capacity of most of the major industrial powers (including in Europe and Japan), but not including the United States, left the US with a near \_\_\_\_\_\_\_\_\_\_\_ on production of major items. In fact, many of the factories greatly built up their capacity for the war, and the increased capacity was used to advantage after the war. This advantage lasted several decades and gave America a long head start on establishing markets.
2. A strong need for automobiles, appliances, and many other items developed due to the manufacturing plants converting to manufacturing supplies for the \_\_\_\_\_\_\_. After the war, the conversion back allowed huge amounts of sales of these items. This lasted long enough to establish many businesses financially.
3. The \_\_\_\_\_\_\_\_\_ allowed huge numbers of military personal to buy homes, and even more important, go to college. The large increase in well-educated people resulting had a major effect on the level of technology that could be developed. The middle class grew to a much larger percent of the population, and consumer buying increased greatly.

**3/11 “Who Was the Real Muhammad”**