

# Social Studies Unit: The Great Depression



Name \_\_\_\_\_  
Class \_\_\_\_\_

# The Great Depression

## Section 1



### MAIN IDEAS

1. The U.S. stock market crashed in 1929.
2. The economy collapsed after the stock market crash.
3. Many Americans were dissatisfied with Hoover's reaction to economic conditions.
4. Roosevelt defeated Hoover in the election of 1932.

## Key Terms and People

**buying on margin** purchasing stocks with borrowed money

**Black Tuesday** Tuesday, October 29, 1929, the day of the stock market crash

**business cycle** up-and-down pattern of business production and unemployment

**Great Depression** severe, economic depression that followed the stock crash of 1929

**Bonus Army** unemployed World War I veterans who camped in Washington D.C. to demand early payment of military bonuses

**Franklin D. Roosevelt** New York governor elected president in the 1932 election

## Academic Vocabulary

**implement** put in place

## Section Summary

### THE STOCK MARKET CRASHES

During the 1920s, stock prices rose rapidly. Many people bought stocks by **buying on margin**, hoping to sell them later at a large profit. In 1929 stock prices began to drop. Frightened investors sold stocks to pay off their loans, but there were few buyers. On October 29, known as **Black Tuesday**, the stock market crashed. Investors lost everything.

### THE ECONOMY COLLAPSES

The stock crash caused a banking crisis as banks lost their investments. People tried to withdraw all of their deposits and many banks went out of business. This crisis contributed to losses by businesses, which then needed fewer workers.

**Why did many banks go out of business after the stock market crash?**

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**Section 1, *continued***

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Normally when businesses produce more than they can sell, they have to cut back production. As people are laid off, the demand for goods drops. This can cause a severe recession called a depression. When the economy bounces back, more people are hired, and demand increases. This pattern of ups and downs in the economy is called a **business cycle**.

The economy was slow to recover after the crash in 1929. This period, the **Great Depression**, had several causes. One was overproduction of goods as the market was shrinking. Other factors were the uneven division of wealth and limited world trade.

**HOOVER'S REACTION**

President Hoover knew that people needed help. He did not believe, however, that it was the role of the federal government to provide direct relief. He did **implement** some new programs to help banks and other institutions recover.

In 1932 the **Bonus Army** camped in Washington, D.C. These veterans wanted early payment of military bonuses. Hoover sent U.S. troops to evict them. When several people were killed, the public was outraged.

**ELECTION OF 1932**

The Republican Party nominated Herbert Hoover again in 1932. However, much of the public had lost confidence in him. The Democratic nominee was **Franklin D. Roosevelt**. As governor, he had worked to provide aid to citizens of New York. In particular, he had provided aid to farmers. Roosevelt promised a “new deal” for the American people. He won the election in a landslide.

**CHALLENGE ACTIVITY**

**Critical Thinking: Making Judgments** Do you think the American people were justified in blaming Herbert Hoover for the Great Depression? Write a paragraph to explain your position.

**What normally happens in the business cycle after a recession?**

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**Underline the sentence that explains why President Hoover did not implement relief programs to help people who were struggling.**

**Why did people believe Roosevelt would keep his promise to provide aid?**

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Section 1, *continued*

buying on margin	business cycle	Bonus Army
Black Tuesday	Great Depression	Franklin D. Roosevelt

**DIRECTIONS** On the line provided before each statement, write **T** if a statement is true and **F** if a statement is false. If the statement is false, write the correct term on the line after each sentence that makes the sentence a true statement.

- \_\_\_\_\_ 1. The up-and-down pattern of the economy is known as the Great Depression.  
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- \_\_\_\_\_ 2. When an investor bought stocks with borrowed money, that person was buying on margin.  
\_\_\_\_\_
- \_\_\_\_\_ 3. In contrast to Herbert Hoover, the Bonus Army provided aid to Americans who were suffering from the Great Depression.  
\_\_\_\_\_
- \_\_\_\_\_ 4. The stock market crash on October 29, 1929, became known as the business cycle.  
\_\_\_\_\_
- \_\_\_\_\_ 5. The economic downturn following the stock market crash in 1929 was called the Great Depression because of its severity and length.  
\_\_\_\_\_
- \_\_\_\_\_ 6. The Bonus Army lived in a Hooverville in Washington, D.C.  
\_\_\_\_\_

## The Great Depression

### Section 2



#### MAIN IDEAS

1. Congress approved many new programs during the Hundred Days.
2. Critics expressed concerns about the New Deal.
3. New Deal programs continued through Roosevelt's first term in what became known as the Second New Deal.
4. Roosevelt clashed with the Supreme Court over the New Deal.

### Key Terms and People

**New Deal** programs developed by Roosevelt to aid economic recovery

**fireside chats** radio addresses in which Roosevelt spoke directly to the public

**Tennessee Valley Authority** New Deal program to build dams to provide electricity in the Tennessee River valley

**Frances Perkins** Roosevelt's Secretary of Labor, the first female cabinet member

**Eleanor Roosevelt** First Lady in Roosevelt administration who supported New Deal

**Social Security Act** federal law that started programs to ensure economic well-being of citizens who could not provide for themselves

**Congress of Industrial Organizations** new union that organized workers based on industry, not skill level

**sit-down strike** strategy in which striking workers remained inside the workplace

### Academic Vocabulary

**authority** power, right to rule

## Section Summary

### THE HUNDRED DAYS

Roosevelt told Americans that economic recovery was possible. He called Congress into a special session, known as the Hundred Days. They created the **New Deal** to aid economic recovery.

One program was the Emergency Banking Relief Act. It was passed to restore confidence in banks. The president talked about it in his first **fireside chat**.

Other programs put people to work on public projects, such as roads, airports, and parks. The

**Why was the Emergency Banking Relief Act passed?**

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**Section 2, continued**

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**Tennessee Valley Authority** (TVA) hired people to build dams that provided electricity to poor communities. **Frances Perkins** helped pass the National Industry Recovery Act to help businesses.

**NEW DEAL CRITICS**

Critics of the New Deal felt it went too far or not far enough. Some disliked the expansion of the federal government and the **authority** of the president. Others thought there should be higher taxes for the rich and guaranteed income for the poor.

**What were the criticisms of the New Deal?**

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**THE NEW DEAL CONTINUES**

The Second New Deal was introduced in 1934. The Works Progress Administration (WPA) employed more than 8.5 million people. **Eleanor Roosevelt** supported programs for young people. Congress passed the **Social Security Act** to help children and the elderly, disabled, and unemployed.

The New Deal included new labor laws. The **Congress of Industrial Organizations** (CIO) was a union with many skilled and unskilled workers. It welcomed women, immigrants, and minority groups. The CIO used a **sit-down strike** to keep General Motors from replacing strikers. This success helped the unions grow stronger.

**Why would a sit-down strike be more effective than just staying home?**

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**CLASHES WITH THE COURT**

Democrats controlled the presidency and the Congress, but not the Supreme Court. The Supreme Court declared several New Deal programs unconstitutional. Roosevelt's plan to increase the number of justices was defeated in Congress.

**CHALLENGE ACTIVITY**

**Critical Thinking: Writing to Explore** Research one of the New Deal programs. Write a three-paragraph report about its effects.

**Section 2, *continued***

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**DIRECTIONS** Look at each set of terms below. On the line provided, write the letter of the term that does not relate to the others.

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|---|---|
| <p>_____ 1. a. New Deal<br/>b. Civilian Conservation Corps<br/>c. sit-down strike<br/>d. Tennessee Valley Authority</p>                       | <p>_____ 4. a. New Deal<br/>b. Franklin D. Roosevelt<br/>c. fireside chat<br/>d. American Liberty League</p>                    |
| <p>_____ 2. a. Father Charles Edward Coughlin<br/>b. Frances Perkins<br/>c. Eleanor Roosevelt<br/>d. Franklin D. Roosevelt</p>                | <p>_____ 5. a. Supreme Court<br/>b. Social Security Act<br/>c. Civil Works Administration<br/>d. Tennessee Valley Authority</p> |
| <p>_____ 3. a. sit-down strike<br/>b. National Labor Relations Act<br/>c. Social Security Act<br/>d. Congress of Industrial Organizations</p> |   |

**DIRECTIONS** Match the terms in the first column with their correct definitions from the second column by placing the letter of the correct definition in the space provided before each term.

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|--|--|
| <p>_____ 6. New Deal</p>                             | <p>a. brought electricity and jobs to many poor communities</p>                    |
| <p>_____ 7. Tennessee Valley Authority</p>           | <p>b. workers stayed in a factory so they could not be replaced by new workers</p> |
| <p>_____ 8. Social Security Act</p>                  | <p>c. provided basic economic security for the elderly</p>                         |
| <p>_____ 9. Congress of Industrial Organizations</p> | <p>d. the system of government programs meant to improve the economy</p>           |
| <p>_____ 10. sit-down strike</p>                     | <p>e. a new union based on industry, not on skill level</p>                        |

## The Great Depression

### Section 3



#### MAIN IDEAS

1. Parts of the Great Plains came to be known as the Dust Bowl as severe drought destroyed farms there.
2. Families all over the United States faced hard times.
3. Depression-era culture helped lift people's spirits.
4. The New Deal had lasting effects on American society.

### Key Terms and People

**Dust Bowl** region of the Great Plains affected by extreme drought and dust storms

**Mary McLeod Bethune** African American educator appointed as an adviser by President Roosevelt

**John Steinbeck** novelist who wrote about the hardships of the Great Depression

**Woody Guthrie** Depression-era folksinger from Oklahoma

### Section Summary

#### THE DUST BOWL

American farmers were already having hard times before the Great Depression. Then the situation got worse. In the early 1930s, a severe drought hit the Great Plains. In the **Dust Bowl** region, topsoil blew away. Farmers could not grow crops; many could not to pay their mortgages and lost their farms.

Although several New Deal programs tried to help farmers, they came too late for most. About 2.5 million people left the Great Plains. Many of them drove to California to look for jobs. They often found that there were already too many workers.

**Why did so many farmers move from the Great Plains to California during the Dust Bowl period?**

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#### HARD TIMES

During the Great Depression, many families had to split up as people looked for work in different places. Children dropped out of school to help support their families.

The Great Depression was especially hard on minority groups. Many faced discrimination and lost jobs to unemployed white workers. But some found jobs through relief programs. Several African



**Section 3, continued**

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American leaders, including **Mary McLeod Bethune**, advised the president. They became known as the Black Cabinet.

Eleanor Roosevelt was a strong advocate of equal rights. She resigned from the Daughters of the American Revolution when they refused to rent a hall to African American singer Marian Anderson.

**What was the Black Cabinet?**

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**DEPRESSION-ERA CULTURE**

In 1935 the Works Progress Administration put many artists, writers, and actors to work. Musicians went to rural areas to record traditional music. They preserved culture that might have been lost. Writers interviewed Americans from many different backgrounds. They kept a record of their lives and memories.

**John Steinbeck** was deeply affected by the hardships of the Depression. He wrote novels about depression life. Folksinger **Woody Guthrie** crossed the country, writing and singing songs of loss and struggle. At the same time, swing music became popular because it helped people forget about their troubles. Movies were yet another form of escape.

**Underline the name of the New Deal program that helped artists, writers, and musicians**

**Why were lively music and movies so popular during the Great Depression?**

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**EFFECTS OF THE NEW DEAL**

Today, people still disagree about the effects of the New Deal. Critics argue that recovery did not occur until the U.S. entered World War II. Supporters say it gave Americans hope in a time of crisis. The New Deal did expand the role of the federal government. Some of its programs, such as Social Security and the Federal Deposit Insurance Corporation, are still important today.

**Circle the names of two New Deal programs that still exist today.**

**CHALLENGE ACTIVITY**

**Critical Thinking: Writing to Explore** Imagine what it would be like to grow up during the Great Depression. Write a short poem about what your life might have been like.

Section 3, *continued*

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Dust Bowl	John Steinbeck	Mary McLeod Bethune
Woody Guthrie	Dorothea Lange	

**DIRECTIONS** Use the five words or phrases from the word list to write a summary of what you learned in this section.

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**DIRECTIONS** Read each sentence and fill in the blank with the word in the word pair that best completes the sentence.

1. \_\_\_\_\_ was a famous American novelist who wrote about average Americans during the Great Depression. (John Steinbeck/Woody Guthrie)
2. \_\_\_\_\_ was an African American adviser to President Roosevelt. (Woody Guthrie/Mary McLeod Bethune)
3. Because of \_\_\_\_\_, soil conservation programs were established to help preserve farmland. (Mary McLeod Bethune/the Dust Bowl)
4. \_\_\_\_\_ was a folk singer who wrote songs about people's struggles during the Great Depression. (Woody Guthrie/Mary McLeod Bethune)