

Name _____

Date _____

The Great Depression

Use the text to answer each question below.

1. In 1918, warring nations made peace after four years of "The Great War," now referred to as World War I. The United States retreated somewhat from global politics. Instead, the country focused on its own economic and technologic growth. The 1920s were a prosperous time for many Americans. The economy was booming, and many people made a lot of money. The decade is commonly known as the Roaring Twenties. People focused on having fun, spending time at cinemas and jazz clubs. Consumerism was on the rise. For the first time, factories built new products like cars and telephones for a wide market. With newfound wealth, people were able to buy these luxury items. Though the economy was doing well, mostly managers and business owners profited. Workers were not always so lucky. The gap between the rich and the poor grew. Those who still could not afford fancy new consumer products bought on credit. They took out loans on the promise that they would pay back the money they borrowed. Many people also borrowed money to invest in the stock market. They bought shares of businesses in order to make a profit if the company had success. All this borrowing meant that people saved very little and spent money that they ultimately did not have. When the economy started to slow, this became a major issue.

Which of these is **not** associated with the Roaring Twenties?

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| A. a rise in consumerism and production | B. soldiers leaving to fight in The Great War |
| C. people spending money on music and movies | D. a growing division between the rich and the poor |
2. By the summer of 1929, the economy was suffering. People had built up massive debt after a decade of fast spending. They could not buy anymore, so factory production slowed. Because of this, factories shut down, and people lost their jobs. With unemployment on the rise, many people had no income. And many people had borrowed money that they now had no way of paying back. Thus, banks began to fail and close their doors. People sold what stocks they had and stopped buying shares. On October 29, 1929, known today as Black Tuesday, the stock market crashed. 16 million shares were sold in one single day. The market lost \$14 billion. This caused a panic. People rushed to withdraw any money they had left in banks. For many, it was too late, and they lost their life savings. This was the official start of the nation's worst economic crisis, the Great Depression.

Based on the passage, why did people withdraw their money from banks after Black Tuesday?

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| A. because the banks forced them to | B. so that they could buy more stocks |
| C. so that they could afford more goods from factories | D. because the stock market crash caused them to panic |

3. By 1932, over 12 million Americans were unemployed. At the time, that was about 25% of the population. Families lost their savings and fell into poverty. Many had to rely on bread lines to eat. Schools were only open for a few hours a day or just shut down completely. Children were sent to find work to help their families survive. Minorities, like African Americans, Native Americans and women, suffered discrimination. Many could not get jobs because white men were given preferential treatment. And all over the country, unemployed people called hobos traveled around to find work. These hobos rode trains across the country and lived in camps. People tried to earn a living in any way they could. Many people even became street beggars. It seemed that the prosperous American way of life that so many had grown used to had come to an end for good.

In 1932, children were most likely to

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| A. quit their jobs because they no longer needed money. | B. attend classes outside instead of in a school building. |
| C. look for jobs so that they could help their families. | D. spend over twelve hours each day in school. |

4. People had nowhere to turn for help. Many wanted the government to provide aid. But President Herbert Hoover did not believe the government should step in. He thought that people needed to work hard to give themselves a better life. When people lost their homes, many were forced to live in shantytowns. These crude housing setups, with scrap materials like cardboard and tin, were bleak and dirty. People called them "Hoovervilles" to mock the president who had not helped them.

With which of these statements would President Hoover most likely agree?

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| A. The government should not give handouts to people. | B. People should not question government plans. |
| C. People should build homes only out of metal. | D. Nobody should have to live in a shantytown. |

5. As if the economic crisis were not bad enough, the southern plains of the US also faced an environmental crisis. Parts of Colorado, Kansas, New Mexico, Oklahoma and Texas experienced a terrible drought. It began in 1930. The farmland of the Great Plains dried out. Farmers' businesses suffered, and a food shortage followed. The crisis became known as the Dust Bowl when the dry land caused dust storms. The black dust darkened the sky and made the area uninhabitable for a time. Thousands left the region, heading west to California. They hoped to find a better life on the coast.

Based on the passage, what was true about the Great Plains region before the 1930s?

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| A. The Great Plains had farms and produced food. | B. The Great Plains was known for factories and technologic industry. |
| C. The Great Plains was completely uninhabitable because of droughts. | D. The Great Plains was the only region in the US that was affected by Black Tuesday. |

6. Franklin D. Roosevelt became President of the US in 1932. In a reversal of Hoover's policies, Roosevelt made a firm plan to help relieve the country of the depression. It was called the New Deal. The New Deal included programs, projects and reforms to help people. A number of agencies were set up under the New Deal. The PWA, Public Works Administration, and the WPA, Works Progress Administration, were established to provide employment. Millions of workers were hired to build public infrastructure. Both administrations created many new construction jobs. The PWA project led to new highways, airports, bridges and dams. The WPA project led to new schools, hospitals, parks and roads. The TVA, Tennessee Valley Authority, was created to help the Tennessee Valley region. It had been hit particularly hard by the depression. The project helped the government bring electricity to rural areas. It created jobs in electricity, dam-building and flood control. The FDIC, Federal Deposit Insurance Corporation, protected the money that people put in banks. Finally, the Social Security Act was established to help unemployed workers and the elderly. It provided pensions for retired people who could no longer work. It also gave unemployment pay to those who could not find jobs. Some believed these programs were too expensive and that the policies gave the government too much control. Still, the New Deal helped many people survive the depression. And his policies made Roosevelt a very popular president. So much so that he was elected to serve four terms. Though America did not recover completely from the Great Depression until the country entered World War II.

Under which New Deal program did the retired elderly get federal aid?

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| A. Public Works Act | B. Social Security Act |
| C. Tennessee Valley Authority | D. Works Progress Administration |