

**CHAPTER 12 THE GREAT DEPRESSION
REVIEW PACKET**

Name: _____

Ms. E's Key

ISSUES YOU LEARNED ABOUT - p. 391
Government's Role in the Economy

1- **Note:** Your response should reflect an understanding of Hoover's policies during the Great Depression and offer alternative policies that might have improved the nation.

Hoover's Policies:

Hands-off (Laissez Faire) policies - Hoover viewed the upswings and downswings of the business cycle as normal, natural occurrences. He felt government should not interfere in these events. He believed that strong businesses could weather the storm without interference from the government.

Volunteerism - Hoover encouraged businesses and industrial leaders to keep employment, wages, and prices at current levels. He called for the government to reduce taxes, lower interest rates, and create public-works programs. He asked the wealthy to give more money to charity. The idea was for all Americans to voluntarily join forces to combat the depression.

Hoover had faith in localism. He believed that problems could best be solved at the state and local levels. He strongly resisted the idea of using federal resources to provide direct relief to individuals; he believed it was unconstitutional - opposed public assistance and favored "rugged individualism" so people could better themselves by their own efforts.

Activist Policies - Hoover urged Congress to create the Reconstruction Finance Corporation – lend money to large businesses and railroads, lent money to banks for loans to struggling businesses... In turn, companies would hire workers, production and consumption would increase, and depression would end. This is known as trickle-down economics. Hoover also called for the construction of the Hoover Dam – irrigated land and provided power.

4 pts

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- 2- Why did thousands of people who lived in the Great Plains leave the region in the 1930s?

Drought, high winds, and unstable topsoil combined to transform much of the Great Plains into a Dust Bowl, causing the land to be unusable for growing crops.

- 3- How did the drought on the Great Plains change population distribution in the country?

The Dust Bowl forced approximately 800,000 people to migrate out of the Great Plains to other regions. * California

- 4- What other migrations took place as a result of the Great Depression (other than that of those on the Great Plains)?

Many African Americans migrated from rural areas to cities to find work. (Share croppers)
Some Mexican Americans returned to Mexico as a result of increased migration of people from the Great Plains. (Repatriation)

Global Interdependence - p. 391

The economies of nations around the world are impacted by distant events.

- 5- What economic practice of the 1920s contributed to the weakening of European economies?

The repayment of British and French war debts to the United States and the German reparation payments to Britain and France contributed to the weak economies in Europe. (Remember: Dawes Plan)

- 6- What happened to European economies as a result of the Great Depression in the United States?

The Great Depression in the United States caused Europe to experience the same cycle of business failures, bank collapses, and high unemployment.

Remember: Dawes Plan

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CHAPTER ASSESSMENT - p. 392

Terms & People

1- Who was Herbert Hoover? What did he represent to the American people in 1928?
Hoover was a seasoned political and business leader who represented the promise of continued prosperity to Americans who elected him as their 31st President (1929-1933). (Republican)

2- What is the business cycle? If you were to chart the business cycle of 1929, how would you represent the period from mid-October through mid-November?
A model for explaining periodic economic growth and contraction; as a plunge into a cyclical trough.

3- Define bread line. Who ran bread lines during the Depression?
A place where people lined up to receive free food from charities or public agencies.

4- What was Mexican American repatriation? How did Mexican Americans respond to this effort?
A movement among white Americans in the Southwest to encourage or coerce Mexican immigrants to return to Mexico; although many Mexicans were frightened into leaving, many remained.

5- Define trickle-down economics. Explain how the Depression proved whether or not this theory worked.
A theory that the money poured into the top of the economic pyramid will trickle down to the base; Hoover administration programs based on this model, such as the Reconstruction Finance Corporation, proved to be unsuccessful.

(Some) Businesses did not use money to hire more workers.

(Some) Banks did not loan money to businesses.

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Focus Questions

The focus question for the Chapter is **HOW DID THE GREAT DEPRESSION HAPPEN, AND HOW DID AMERICANS RESPOND TO IT?** Build an answer to this big question by answering the focus questions (for Sections 1, 2, & 3) and critical thinking questions that follow (here).

6- (Section 1) How did the prosperity of the 1920s give way to the Great Depression?

Buying on Margin; Installment buying
Unwise loans
Overproduction
Unsustainable practices in finance, agriculture, consumption, and industry, which fueled economic expansion during the 1920s, contributed to the collapse that brought on the Great Depression.

7- (Section 2) How did the Great Depression affect the lives of urban and rural Americans?

The Great Depression caused economic turmoil in both areas. In urban areas, production cutbacks in factories caused many people to lose their jobs and their homes. Homeless communities called Hoovervilles sprang up in many American cities. In rural areas, many farmers were already experiencing economic troubles. The Great Depression caused crop prices to plummet and many farmers to lose their farms and homes.

8- (Section 3) Why did Herbert Hoover's policies fail to solve the country's economic crisis?

Reluctant to impose legislation, he relied on volunteerism and on trickle-down economics, both of which were inadequate to meet the crisis.

Not enough effort Failed
Volunteerism
Localism
Trickle-Down Economics
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Critical Thinking

- 9- **Identifying Central Issues** What weaknesses existed in the U.S. economy before the stock market crash?

A collapse in unsustainable trends in consumption (consumer spending), finance (unwise loans), agriculture (overproduction), and industry (overproduction), which had been fueling the economic expansion.

- 10- **Recognizing Causes** How did the Dust Bowl cause Okies to prefer life in California over life on the Great Plains?

The Dust Bowl led Okies to look elsewhere for jobs and homes, leaving devastated farms for possible jobs in other areas of the country, like California.

- 11- **Analyzing Graphs** (Use the graph on p. 392 to help answer this problem.) Based on the graph, between which 2 years did unemployment rise the most? Based on your reading, explain why the increase was especially great during this period.

The vicious circle of business cutbacks and layoffs that began in the 1930s caused unemployment to increase most precipitously (drastically rise!) between 1930 and 1932.

- 12- **Synthesizing Information** Why did some men find their role in the family diminished during the Depression? What were some of the different ways these men reacted?

Many men who lost their jobs felt a loss of status because they could no longer act in their traditional role as family "bread-winner." Some men tried to find new jobs and others sank into despair.

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13- **Identifying Central Issues** Do you think the Depression changed people's goals and expectations? Why or why not?

POSSIBLE ANSWERS

YES! A large number of people discovered that their lives could suddenly be turned upside down and that they were powerless to do anything about it.

NO! Though people were hit hard by the Depression, many believed that if they continued to work hard and not give up, they would get back on their feet. Many understood what it was like to build from the bottom up. These people may have had to adjust their timelines for reaching their goals, but their expectations of coming out on top would still have been there.

14- **Draw Conclusions** Why did Hoover turn from volunteerism and localism to more activist policies to fight the Depression?

Volunteerism and localism were not ending the Depression, and Americans were becoming angry at Hoover's failure to alleviate the crisis.

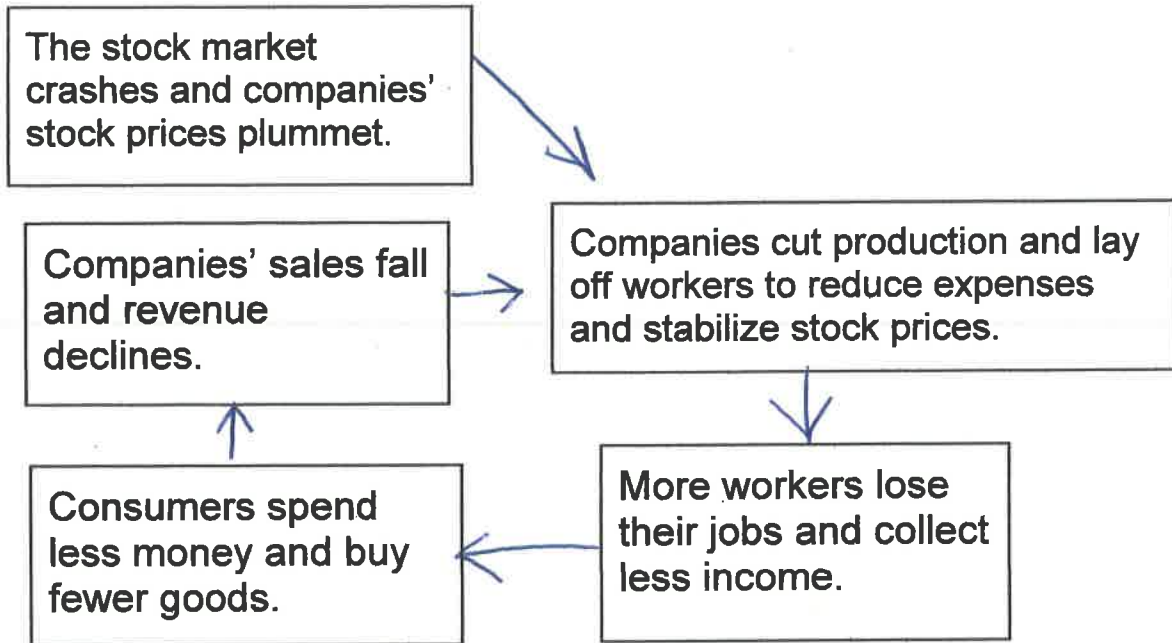
15- **Identify Fact Versus Opinion** What demands did the Bonus Army make? What did General MacArthur think about the Bonus Army?

The Bonus Army sought early payment of the veterans' bonuses; MacArthur thought the Bonus Army was an imminent threat to the U.S. government.

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5 These remaining questions are to be completed independently for homework.

★ Copy *THE CYCLE OF PRODUCTION CUTBACKS* chart (p. 390) here:



4 pts ★★ The focus question for the Chapter is **HOW DID THE GREAT DEPRESSION HAPPEN, AND HOW DID AMERICANS RESPOND TO IT?** (Use your answers to the Section Focus Questions and the Critical Thinking Questions on the preceding pages to help you formulate your response.)

Your answers will vary on this. Your answers should explain:

#1 - How the Great Depression began... What led up to it? What were the causes?

#2 - Different ways Americans dealt with the situation...

Migration, unemployment, ignoring volunteerism, getting angry with Hoover, having to use bread lines, becoming homeless, losing farms and homes, showing hatred toward others (racism) - pushing people out of "their" areas, moving to find new jobs/ other work, giving to charity, using the help of charities, electing a new leader, etc.

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(3)

DOCUMENT-BASED ASSESSMENT - p. 393 - Use the Documents on p. 393 to answer the following questions.

1- Which of the documents is a primary source that explains how the stock market crash snowballed into an international economic crisis?

- A. **Document A (The newspaper quote)**
- B. Document B (The map of indebtedness and loans given by the US)
- C. Document C (The quote by Joseph M. Jones)
- D. Document D (The flow chart about WWI Loan Repayments)

2- What conclusion is best supported by Document D?

- A. The U.S. government helped Germany make reparation payments.
- B. Britain owed a large war debt to France.
- C. **Funds from U.S. investors ended up in the hands of the U.S. government.**
- D. Germany made reparation payments to the United States.

3- According to Joseph Jones, which of the following statements is an accurate statement of the Hawley-Smoot Tariff?

- A. **It caused European countries to pass their own protective tariffs.**
- B. It opened international markets and stimulated world trade.
- C. It put limits on Allied war debts.
- D. It established the funds for the Reconstruction Finance Corporation.