



# CHAPTER

# 17

# The Great Depression Begins

## 1929–1932

### Why It Matters

Prosperity in the United States seemed limitless before the Great Depression struck. Overproduction and agricultural problems contributed to the economic catastrophe. President Hoover looked to voluntary business action and limited government relief as solutions, but these efforts failed. Meanwhile, millions of Americans lost their jobs and life savings. Artists and writers depicted this suffering, and many people turned to lighthearted films to escape their difficult lives.

### The Impact Today

Events of this period remain important.

- Hoover's model of business-government cooperation is still influential.
- John Steinbeck's novel *The Grapes of Wrath* and Grant Wood's painting *American Gothic* are permanent artistic legacies.



#### The American Republic Since 1877 Video

The Chapter 17 video, "Brother, Can You Spare a Dime?" chronicles Depression-era life in the United States.



Hoover  
1929–1933

**October 29, 1929**

- Stock market crashes on Black Tuesday



**1930**

- Grant Wood paints *American Gothic*

**June 1930**

- Hawley-Smoot Tariff passed

1929

1930

1931



### World

**1929**

- Remarque's *All Quiet on the Western Front* published

**1930**

- Ras Tafari becomes Emperor Haile Selassie of Ethiopia

**1931**

- Gandhi released from prison in India, ending second passive resistance campaign against British rule



Girls pump for water during a dust storm in Springfield, Colorado.

**October 1931**

- National Credit Corporation created



**1932**

- Drought sweeps Great Plains

**January 1932**

- Reconstruction Finance Corporation created

**July 1932**

- Bonus Marchers forced out of Washington, D.C.

F. Roosevelt  
1933–1945



1932

1933

**September 21, 1931**

- Britain abandons gold standard

**1932**

- Salazar becomes premier of Portugal

**February 1932**

- Japan sets up puppet government in Manchukuo in northern China

**HISTORY**  
*Online*

**Chapter Overview**

Visit the *American Republic Since 1877* Web site at [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Chapter Overviews—Chapter 17** to preview chapter information.

# SECTION 1 Causes of the Depression

## Guide to Reading

### Main Idea

Inflated stock prices, overproduction, high tariffs, and mistakes by the Federal Reserve led to the Great Depression.

### Key Terms and Names

Alfred E. Smith, stock market, bull market, margin, margin call, speculation, Black Tuesday, installment, Hawley-Smoot Tariff

### Reading Strategy

**Categorizing** As you read about the election of 1928, complete a graphic organizer similar to the one below comparing the backgrounds and issues of the presidential candidates.

1928 Presidential Campaign		
Candidate	Background	Issues

### Reading Objectives

- **Describe** the characteristics of the 1920s stock market.
- **Identify** the causes of the Great Depression.

### Section Theme

**Economic Factors** The Great Depression was caused by a combination of various economic problems and government policies.

### Preview of Events

November 1928

**November 1928**  
Herbert Hoover elected president

September 1929

**October 24, 1929**  
Stocks fall during Black Thursday

**October 29, 1929**  
Black Tuesday stock market crash

July 1930

**June 1930**  
Congress passes Hawley-Smoot Tariff

## ★ An American Story ★

In the years just after the 1929 stock market crash, Annetta Gibson taught English in a Rockford, Illinois, grade school. As a teacher, Gibson was lucky because she was at least able to keep her job, unlike many other American workers.

“Everyone knew that the teachers’ salaries were being held up. . . . The stores charged anything we wanted, and we’d pay them when we got paid, so it wasn’t too bad.

The one thing that was bad was that we had worked hard at school to get the children to save. . . . The children would bring, oh, maybe just a few pennies that they would put in their banks. Some of them had nice little bank accounts when the Depression hit, and some of them never got their money back. It wasn’t too good a lesson . . . because they thought they might as well spend their money as save it and then have it gone.”

—quoted in *Centenarians: The Story of the Twentieth Century by the Americans Who Lived It*

## The Election of 1928

The economic collapse that began in 1929 had seemed unimaginable only a year earlier. In the election of 1928, the presidential candidates vied with each other to paint a rosy picture of the future. Republican Herbert Hoover declared, “We are nearer to the final triumph over poverty than ever before in the history of any land.”



Bank run





**The Candidates** When Calvin Coolidge decided not to run for president in 1928, he cleared the way for Herbert Hoover to head the Republican ticket. A successful engineer and former head of the Food Administration during World War I, Hoover had also spent over seven years as secretary of commerce in the Harding and Coolidge administrations. The Democrats chose **Alfred E. Smith**, four-time governor of New York. Smith was an Irish American from New York’s Lower East Side and the first Roman Catholic ever nominated to run for president.

**Campaign Issues** By 1928 Prohibition had become a major issue among voters. Because he favored the ban on liquor sales, Hoover was considered a “dry” in the popular language of the day. Smith, who disliked the ban, was a “wet.”

The candidates’ religious differences sparked a smear campaign against Smith. Many Protestants were willing to believe that the Catholic Church financed the Democratic Party and would rule the United States if Smith got into the White House. These slurs embarrassed Hoover, a Quaker, and he tried to quash them, but the charges seriously damaged Smith’s candidacy.

Smith’s biggest problem, however, was the prosperity of the 1920s, for which the Republicans took full credit. Republican candidates promised to continue the trend with such slogans as “two cars in every garage.” Hoover received over 6 million more votes than Smith and won the Electoral College in a landslide, 444 to 87.

On March 4, 1929, an audience of 50,000 stood in the rain to hear Hoover’s inaugural speech. Sound movie cameras covered the inauguration for the first time and radios broadcast the address worldwide. “I have no fears for the future of our country,” Hoover said. “It is bright with hope.”

 **Reading Check** **Examining** What campaign issues led to Herbert Hoover’s election to the presidency?

## The Long Bull Market

The wave of optimism that swept Hoover into the White House also drove stock prices to new highs. The **stock market** was established as a system for buying and selling shares of companies. Sometimes circumstances in the stock market lead to a long period of rising stock prices, which is known as a **bull market**. In the late 1920s a prolonged bull market convinced many Americans to invest heavily in stocks. By 1929 about 3 million Americans, or roughly 10 percent of households, owned stocks.

As the market continued to soar, many investors began buying stocks on **margin**, meaning they made only a small cash down payment—as low as 10 percent of the price. With \$1,000 an investor could buy \$10,000 worth of stock. The other \$9,000 would come as a loan from a stockbroker, who earned both a commission on the sale and interest on the loan. The broker held the stock as collateral.

As long as stock prices kept rising, buying on margin was safe. For example, an investor who borrowed money to buy \$10,000 worth of stocks had to wait only a short time for them to rise to \$11,000 in value. The investor could then sell the stock, repay the loan, and make \$1,000 in profit. The problem came if the stock price began to fall. To protect the loan, a broker could issue a **margin call**, demanding the investor repay the loan at once. As a result, many investors were very sensitive to any fall in stock prices. If prices fell, they had to sell quickly, or they might not be able to repay their loans.

Before the late 1920s, the prices investors paid for stocks had generally reflected the stocks’ true value. If a company made a profit or had good future sales prospects, its stock price rose, while a drop in earnings or an aging product line could send the price down. In the late 1920s, however, hordes of new investors bid prices up without regard to a company’s earnings and profits. Buyers, hoping to make a fortune overnight, engaged in **speculation**. Instead of investing in the future of the companies whose shares they bought,

### Picturing History

**Herbert Hoover** The nation and its new president felt confident about the future in early 1929. [Why were Americans so optimistic?](#)





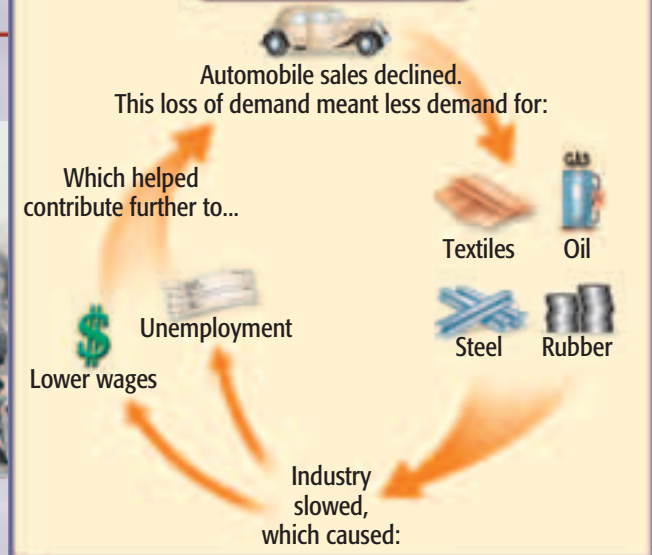
# The Great Depression

## Causes

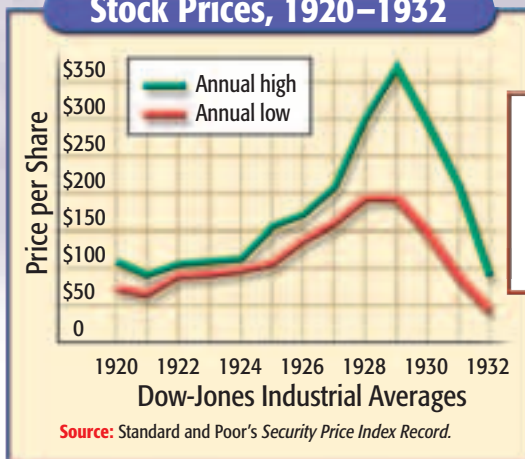
- Overproduction and low demand leads to employee layoffs
- Low wages reduce consumer buying power
- High tariffs restrict foreign demand for American goods
- Unemployment reduces buying power further



## Cyclical Effect



## Stock Prices, 1920–1932



## Graph Skills

1. **Interpreting Graphs** Stock prices peaked in 1929. Before this peak, when did they begin to rise sharply?
2. **Making Generalizations** How did the decline in auto sales affect many other industries?

speculators took risks, betting that the market would continue to climb, thus enabling them to sell the stock and make money quickly.

**Reading Check** **Summarizing** What was the stock market like in the 1920s?

## The Great Crash

The bull market lasted only as long as investors continued putting new money into it. By the latter half of 1929, the market was running out of new customers. In September professional investors sensed danger and began to sell off their holdings. Prices slipped. Other investors sold shares to pay the interest on their brokerage loans. Prices fell further.

### TURNING POINT

**Crash!** On Monday, October 21, Groucho Marx, the comic star of stage and screen, was awakened by a telephone call from his broker. "You'd better get

down here with some cash to cover your margin," the broker said. The stock market had plunged. The dazed comedian had to pay back the money he had borrowed to buy stocks, which were now selling for far less than he had paid.

Other brokers made similar margin calls. Frightened customers put their stocks up for sale at a frenzied pace, driving the market into a tailspin. When Marx arrived at the brokerage, he found ticker tape "knee-deep on the floor." He further recalled, "People were shouting orders to sell and others were frantically scribbling checks in vain efforts to save their original investments."

On October 24, a day that came to be called Black Thursday, the market plummeted further. Marx was wiped out. He had earned a small fortune from plays and films, and now it was gone in the blink of an eye. Like many other investors, he was deeply in debt. Arthur Marx recalled his father's final visit to the brokerage, as Groucho looked around and spotted his broker:

“He was sitting in front of the now-stilled ticker-tape machine, with his head buried in his hands. Ticker tape was strewn around him on the floor, and



the place . . . looked as if it hadn't been swept out in a week. Groucho tapped [him] on the shoulder and said, 'Aren't you the fellow who said nothing could go wrong?' 'I guess I made a mistake,' the broker wearily replied. 'No, I'm the one who made a mistake,' snapped Groucho. 'I listened to you.'👏👏

—quoted in *1929: The Year of the Great Crash*

The following week, on October 29, a day later dubbed **Black Tuesday**, prices took the steepest dive yet. That day stocks lost \$10 to \$15 billion in value.

By mid-November stock prices had dropped by over one-third. Some \$30 billion was lost, a sum roughly equal to the total wages earned by Americans in 1929. The stock market crash was not the major cause of the Great Depression, but it undermined the economy's ability to hold out against its other weaknesses.

**Banks in a Tailspin** The market crash severely weakened the nation's banks in two ways. First, many banks had lent money to stock speculators. Second, many banks had invested depositors' money in the stock market, hoping for higher returns than they could get by using the money for conventional loans.

When stock values collapsed, the banks lost money on their investments, and the speculators defaulted on their loans. Having suffered serious losses, many banks cut back drastically on the loans they made. With less credit available, consumers and businesses were unable to borrow as much money as they had previously. This helped to put the economy into a recession.

For some banks, the losses they suffered in the crash were more than they could absorb, and they were forced to close. At that time, the government did not insure bank deposits; therefore, if a bank collapsed, customers lost their savings. The bank failures in 1929 and early 1930 triggered a crisis of confidence in the banking system.

News of bank failures worried many Americans. They began to make runs on the nation's banks, causing the banks to collapse. A bank run takes place when many depositors decide to withdraw their money at one time, usually for fear the bank is going to collapse.

Most banks make a profit by lending money received from depositors and collecting interest on the loans. The bank holds on to only a fraction of the depositors' money to cover everyday business, such as occasional withdrawals. Ordinarily that reserve is enough to meet the bank's needs, but if too many people withdraw their money, the bank will eventually collapse. During the first two years

of the Depression, more than 3,000 banks—over 10 percent of the nation's total—were forced to close.

**Reading Check Evaluating** How did bank failures contribute to the Great Depression?

## The Roots of the Great Depression

The stock market crash helped put the economy into a recession. Yet the crash would not have led to a long-lasting depression if other forces had not been at work. The roots of the Great Depression were deeply entangled in the economy of the 1920s.

**The Uneven Distribution of Income** Most economists agree that overproduction was a key cause of the Depression. More efficient machinery increased the production capacity of both factories and farms.

Most Americans did not earn enough to buy up the flood of goods they helped produce. While manufacturing output per person-hour rose 32 percent, the average worker's wage increased only 8 percent. In 1929 the top 5 percent of all American households earned 30 percent of the nation's income. By contrast, about two-thirds of families earned less than \$2,500 a year, leaving them little expendable income.

### History Through Art

**Wall Street Panic** This painting shows the confusion and chaos surrounding the financial industry in October 1929. [How does the artist depict a sense of disorder?](#)







Newspaper headline the day after Black Tuesday

During the 1920s many Americans bought high-cost items, such as refrigerators and cars, on the **installment** plan, under which they would make a small down payment and pay the rest in monthly installments. Some buyers reached a point where paying off their debts forced them to reduce other purchases. This low consumption then led manufacturers to cut production and lay off employees.

The slowdown in retail manufacturing had repercussions throughout the economy. When radio sales slumped, for example, makers cut back on their orders for copper wire, wood cabinets, and glass radio tubes. Montana copper miners, Minnesota lumberjacks, and Ohio glassworkers, in turn, lost their jobs. Jobless workers had to cut back purchases, further reducing sales. This kind of chain reaction put more and more Americans out of work.

**The Loss of Export Sales** Many jobs might have been saved if American manufacturers had sold more goods abroad. As the bull market of the 1920s accelerated, U.S. banks made high-interest loans to stock speculators instead of lending money to foreign companies. Without these loans from U.S. banks, foreign companies purchased fewer products from American manufacturers.

Matters grew worse after June 1930, when Congress passed the **Hawley-Smoot Tariff** raising the average tariff rate to the highest level in American history. Rates went up on more than 900 manufactured items. The Hawley-Smoot Tariff aimed to protect American manufacturers from foreign competition, but it damaged American sales abroad. Because imports now cost much more, Americans bought fewer of them. Foreign countries responded by raising their own tariffs against American products, and this caused fewer American products to be sold overseas. In 1932 U.S. exports fell to about one-fifth of what they had been in 1929, which hurt both American companies and farmers.

**Mistakes by the Federal Reserve** Just as consumers were able to buy more goods on credit, access to easy money propelled the stock market. Instead of raising interest rates to curb excessive speculation, the Federal Reserve Board kept its rates very low throughout the 1920s.

The Board's failure to raise interest rates significantly helped cause the Depression in two ways. First, by keeping rates low, it encouraged member banks to make risky loans. Second, its low interest rates led business leaders to think the economy was still expanding. As a result, they borrowed more money to expand production, a serious mistake because it led to overproduction when sales were falling. When the Depression finally hit, companies had to lay off workers to cut costs. Then the Fed made another mistake. It raised interest rates, tightening credit. The economy continued to spiral downward.

**Reading Check** **Examining** How did the decline in worldwide trade contribute to the Depression?

## SECTION 1 ASSESSMENT



**Study Central™** To review this section, go to [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Study Central™**.

### Checking for Understanding

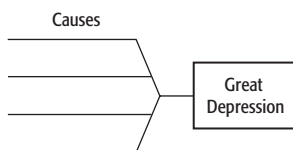
- Define:** stock market, bull market, margin, margin call, speculation, installment.
- Identify:** Alfred E. Smith, Black Tuesday, Hawley-Smoot Tariff.
- Explain** the significance of the year 1929.

### Reviewing Themes

- Economic Factors** How did the practices of buying on margin and speculation cause the stock market to rise?

### Critical Thinking

- Determining Cause and Effect** Why did the stock market crash cause banks to fail?
- Organizing** Use a graphic organizer similar to the one below to list the causes of the Great Depression.



### Analyzing Visuals

- Analyzing Graphs** Study the graphs on page 532. Note that decreased demand for automobiles ultimately led to layoffs. These layoffs further decreased the demand for automobiles. What do you think might have ended this cycle?

### Writing About History

- Expository Writing** Write an article for a financial magazine explaining the rapid decline of the stock market in 1929 and the reasons for the Black Tuesday crash.



## SECTION 2

# Life During the Depression

### Guide to Reading

#### Main Idea

Many people were impoverished during the Great Depression, but some found ways to cope with the hard times.

#### Key Terms and Names

bailiff, shantytown, Hooverville, hobo, Dust Bowl, Walt Disney, soap opera, Grant Wood, John Steinbeck, William Faulkner

#### Reading Strategy

**Taking Notes** As you read about life in the United States during the Great Depression, use the major headings of the section to create an outline similar to the one below.

Life During the Depression  
I. The Depression Worsens  
A.  
B.  
C.  
II.

#### Reading Objectives

- **Describe** how the Great Depression affected American families.
- **Discuss** how artists portrayed the effects of the Depression.

#### Section Theme

**Culture and Traditions** Radio and motion pictures provided ways to escape the worries that plagued people during the Depression's early years.

#### Preview of Events



## ★ An American Story ★



An unemployed man advertising his skills

A young girl with the unusual name of Dynamite Garland was living with her family in Cleveland, Ohio, in the 1930s when her father, a railroad worker, lost his job. Unable to afford rent, they gave up their home and moved into a two-car garage.

The hardest aspect of living in a garage was getting through the frigid winters. "We would sleep with rugs and blankets over the top of us," Garland later recalled. "In the morning we'd . . . get some snow and put it on the stove and melt it and wash 'round our faces." When Garland's father found a part-time job in a Chinese restaurant, the family "lived on those fried noodles."

On Sundays the family looked at houses for sale. "That was a recreation during the Depression," said Garland. "You'd go and see where you'd put this and where you could put that, and this is gonna be my room." In this way, the family tried to focus on better times. Movies and radio programs also provided a brief escape from their troubles, but the struggle to survive left little room for pleasure.

—adapted from *Hard Times*

## The Depression Worsens

In 1930, 1,352 banks suspended operations across the nation, more than twice the number of bank failures in 1929. The Depression grew steadily worse during Hoover's administration. By 1933 more than 9,000 banks had failed. In 1932 alone some 30,000 companies

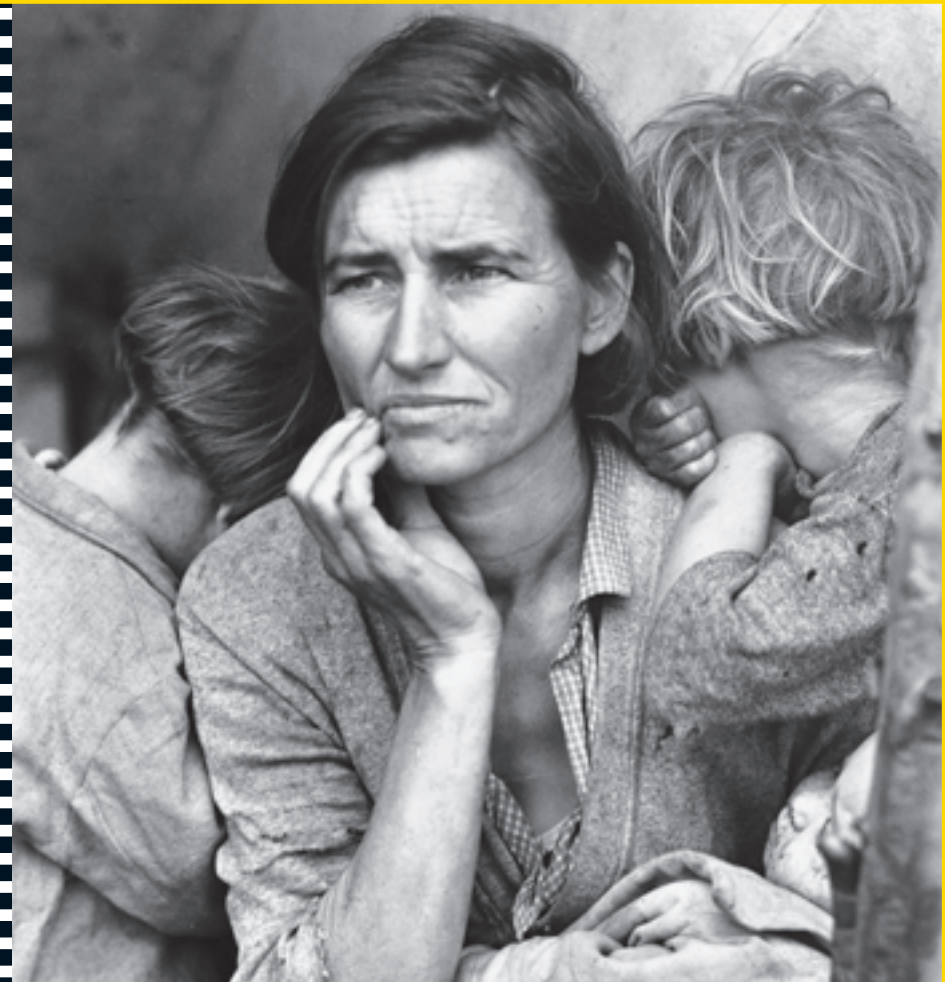


**NATIONAL  
GEOGRAPHIC**

## **MOMENT in HISTORY**

### **IMAGE OF AN ERA**

Lasting a decade, the Great Depression deprived many Americans of jobs, land, and livelihoods. Plummeting crop prices and farms withering under drought and dust clouds forced many families to take to the road in search of work, often with little success. Dismayed by scenes of destitution and homelessness, photographer Dorothea Lange joined the Resettlement Administration in 1935. In 1936 in rural Nipomo, California, Lange photographed this “Migrant Mother,” a 32-year-old woman with seven children. She had just sold her car tires to buy food.



went out of business. By 1933 more than 12 million workers were unemployed—about one-fourth of the workforce. Average family income dropped from \$2,300 in 1929 to \$1,600 a few years later.

**Lining Up at Soup Kitchens** People without jobs often went hungry. Whenever possible they joined **bread lines** to receive a free handout of food or lined up outside **soup kitchens**, which private charities set up to give poor people a meal.

Peggy Terry, a young girl in Oklahoma City during the Depression, later told an interviewer how each day after school, her mother sent her to the soup kitchen:

“If you happened to be one of the first ones in line, you didn’t get anything but water that was on top. So we’d ask the guy that was ladling out soup into the buckets—everybody had to bring their own bucket to get the soup—he’d dip the greasy, watery stuff off the top. So we’d ask him to please dip down to get some meat and potatoes from the bottom of the kettle. But he wouldn’t do it.”

—quoted in *Hard Times*

**Living in Makeshift Villages** Families or individuals who could not pay their rent or mortgage lost their homes. Some of them, paralyzed by fear and humiliation over their sudden misfortune, simply would not or could not move. Their landlord would then ask the court for an eviction notice. Court officers called **bailiffs** then ejected the nonpaying tenants, piling their belongings in the street.

Throughout the country, newly homeless people put up shacks on unused or public lands, forming communities called **shantytowns**. Blaming the president for their plight, people referred to such places as **Hoovervilles**.

In search of work or a better life, many homeless and unemployed Americans began to wander around the country, walking, hitchhiking, or, most often, “riding the rails.” These wanderers, called **hobos**, would sneak past railroad police to slip into open boxcars on freight trains for a ride to somewhere else. They camped in “hobo jungles,” usually situated near rail yards. Hundreds of thousands of people, mostly boys and young men, wandered from place to place in this fashion.

## GEOGRAPHY

**The Dust Bowl** Farmers soon faced a new disaster. Since the beginnings of homesteading on the Great Plains, farmers had gambled with nature. Their plows had uprooted the wild grasses that held the soil's moisture. The new settlers then blanketed the region with wheat fields.

When crop prices dropped in the 1920s, however, Midwestern farmers left many of their fields uncultivated. Then, beginning in 1932, a terrible drought struck the Great Plains. With neither grass nor wheat to hold the scant rainfall, the soil dried to dust. From the Dakotas to Texas, America's pastures and wheat fields became a vast "Dust Bowl."

Winds whipped the arid earth, blowing it aloft and blackening the sky for hundreds of miles. When the dust settled, it buried crops and livestock and piled up against farmhouses like snow. No matter how carefully farm families sealed their homes, dust covered everything in the house. As the drought persisted, the number of yearly dust storms grew, from 22 in 1934 to 72 in 1937.

Some Midwestern and Great Plains farmers managed to hold on to their land, but many had no chance. If their withered fields were mortgaged, they had to

turn them over to the banks. Then, nearly penniless, many families packed their belongings into old cars or trucks and headed west, hoping for a better life in California. Since many migrants were from Oklahoma, they became known as "Okies." In California, they lived in makeshift roadside camps and remained homeless and impoverished.

### ✓ Reading Check

**Explaining** What chain of events turned the once-fertile Great Plains into the Dust Bowl?

## Escaping the Depression

Despite the devastatingly hard times, Americans could escape—if only for an hour or two—through entertainment. Most people could scrape together the money to go to the movies, or they could sit with their families and listen to one of the many radio programs broadcast across the country.

**HISTORY**  
*Online*

**Student Web Activity** Visit the *American Republic Since 1877* Web site at [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Student Web Activities—Chapter 17** for an activity on the Great Depression.







**The Hollywood Fantasy Factory** Ordinary citizens often went to the movies to see people who were rich, happy, and successful. The 60 to 90 million weekly viewers walked into a fantasy world of thrills and romance. Comical screenplays offered a welcome release from daily worries. Groucho Marx wisecracked while his brothers' antics provoked hilarity in such films as *Animal Crackers*.

Many European actors, writers, and directors, fleeing economic hardship and the threat of dictatorships, went to Hollywood in the 1920s and 1930s. Two European women emerged as superstars. Germany's **Marlene Dietrich** portrayed a range of roles with subtlety. Swedish actress **Greta Garbo** often played a doomed beauty, direct and unhesitating in her speech and actions.

Moviegoers also loved cartoons. **Walt Disney** produced the first feature-length animated film, *Snow White and the Seven Dwarfs*, in 1937. Its box office appeal may have spurred MGM two years later to produce *The Wizard of Oz*, a colorful musical that lifted viewers' spirits.

Even when films focused on serious subjects, they usually contained a note of optimism. In *Mr. Smith Goes to Washington*, James Stewart plays a naïve youth leader who becomes a senator. He dramatically exposes the corruption of some of his colleagues and calls upon his fellow senators to see the

American political system as the peak of "what man's carved out for himself after centuries of fighting for something better than just jungle law."

*Gone with the Wind*, an elaborately costumed film nearly four hours long, topped the Depression-era epics. Its heroine, Scarlett O'Hara, played by British actress Vivien Leigh, struggles to maintain her life on a Georgia plantation during and after the Civil War. Romance enters as Clark Gable, playing the masterful Rhett Butler, woos Scarlett. Audiences found inspiration in Scarlett's unassailable will to survive.

**On the Air** While movie drama captured the imagination, radio offered entertainment on a more personal level. People listened to the radio every day, gathering around the big wooden box in the living room. It could have been the voice of the president or a newscaster that held their attention. More often it was the comedy of Jack Benny or George Burns and Gracie Allen, or the adventures of a hero like the Green Hornet.

One of the most popular heroes was the Lone Ranger, who fought injustice in the Old West with the help of his "faithful Indian companion," Tonto. The listener needed only to picture the hero with a black mask hiding his identity, as he fired a silver bullet to knock a gun from an outlaw's hand.

Daytime radio dramas carried their stories over from day to day. Programs such as *The Guiding Light* depicted middle-class families confronting illness, conflict, and other problems. These short dramas allowed listeners to escape into a world more exciting than their own. The shows' sponsors were often makers of laundry soaps, so the shows were nicknamed **soap operas**.

While the Depression tore at the fabric of many towns, radio created a new type of community. Even strangers found common ground in discussing the lives of radio characters.

**Reading Check** **Evaluating** What movies and radio shows entertained Americans during the Depression?

## The Depression in Art

Art and literature also flourished in the harsh and emotional 1930s. The homeless and unemployed became the subject of pictures and stories as artists and writers tried to portray life around them.

**Thomas Hart Benton** and **Grant Wood** led the regionalist school, which emphasized traditional American values, especially those of the rural Midwest and South. Wood's most famous painting, *American Gothic*, portrays a stern farmer and his daughter in

Fact	Fiction	Folklore
<p><b>Hobo Signs</b> The hundreds of thousands of hobos who roamed the country developed intricate symbols that they wrote on trees, fences, or buildings to warn or inform other hobos. Many became a part of American folklore.</p>		
	(a closed eye)	This community is indifferent toward hobos.
	(an open eye)	The authorities here are alert; be careful.
		This is a dangerous neighborhood.
		Fresh water and a safe campsite.
		This is dangerous drinking water.
		This is a good place for a handout.
		You may sleep in the hayloft here.

Source: *Hobo Signs*.



front of their humble farmhouse. The portrait pays tribute to no-nonsense Midwesterners while at the same time gently making fun of their severity.

Novelists such as **John Steinbeck** added flesh and blood to journalists' reports of poverty and misfortune. Their writing evoked both sympathy for their characters and indignation at social injustice. In *The Grapes of Wrath*, published in 1939, Steinbeck tells the story of an Oklahoma family fleeing the Dust Bowl to find a new life in California. Steinbeck had seen firsthand the plight of migrant farm families uprooted by the Dust Bowl. After visiting camps of these families he had a better understanding of their fears. He described "people in flight" along Route 66. Inside one old jalopy sat the members of a family, worrying:

“There goes a gasket. Got to go on. Find a nice place to camp. . . . The food’s getting low, the money’s getting low. When we can’t buy no more gas—what then? Danny in the back seat wants a cup a water. Little fella’s thirsty.”

—from *The Grapes of Wrath*

Other novelists of this time influenced literary style itself. In *The Sound and the Fury*, for example, author **William Faulkner** shows what his characters are thinking and feeling before they speak. Using this stream of consciousness technique, he exposes hidden attitudes of Southern whites and African Americans in a fictional Mississippi county. Another

## Profiles IN HISTORY

### Dorothea Lange 1895–1965

Before she had ever used a camera, Dorothea Lange knew she wanted to be a photographer. After finishing high school, she took a photography course in New York, then traveled around the world. Lange earned her keep by taking and selling photos. Her trip ended in San Francisco.

In San Francisco, Lange photographed homeless people and uncovered the desperation of her subjects. One day, while driving through California’s Central Valley, Lange noticed a sign: “Pea-Pickers Camp.” On impulse, she stopped. She approached a woman and her children

gazing listlessly out of a tattered tent. Lange took five pictures while the mother “sat in that lean-to tent with her children huddled around her, and seemed to know that my pictures might help her, and so she helped me.”

In the mid-1930s, Lange traveled through the Dust Bowl states, capturing the ravages of dust storms. When the images were reproduced in a best-selling book, *American Exodus*, the state of California created camps to shelter migrant workers.



Southern writer, Thomas Wolfe, used the facts of his own life to examine the theme of artistic creation in such powerful novels as *Look Homeward Angel*.

While the written word remained powerful, the printed image was growing in influence. Magazine photographers roamed the nation armed with the new 35-millimeter cameras, seeking new subjects. Photojournalist **Margaret Bourke-White’s** striking pictures, displayed in *Fortune* magazine, showed the ravages of drought. In 1936 *Time* magazine publisher Henry Luce introduced *Life*, a weekly photojournalism magazine that enjoyed instant success.

**Reading Check** **Examining** How did artists, photographers, and writers, such as John Steinbeck, reflect the characteristics of the 1930s?

## SECTION 2 ASSESSMENT



**Study Central™** To review this section, go to [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Study Central™**.

### Checking for Understanding

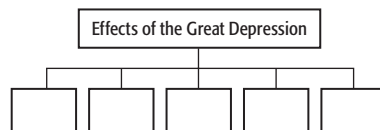
- Define:** *bailiff, shantytown, Hooverville, hobo, Dust Bowl, soap opera.*
- Identify:** Walt Disney, Grant Wood, John Steinbeck, William Faulkner.
- Explain** what caused the Dust Bowl conditions on the Great Plains.

### Reviewing Themes

- Culture and Traditions** In what ways did people seek to forget about the Depression?

### Critical Thinking

- Making Inferences** Why do you think *Life* magazine was so popular during the 1930s?
- Organizing** Use a graphic organizer to list the effects of the Great Depression.



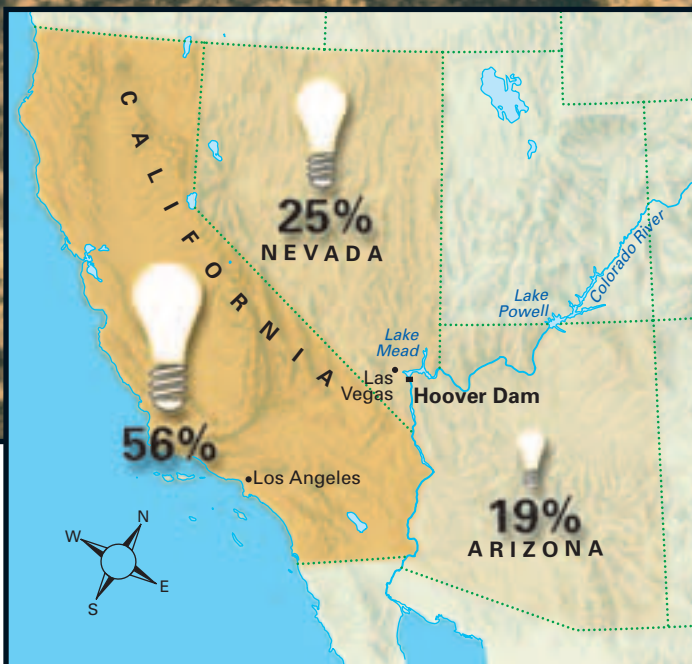
### Analyzing Visuals

- Analyzing Photos** Study the photograph on page 536. Think of three adjectives that you would use to describe the people in the photograph. Using these adjectives, write a paragraph describing the family pictured.

### Writing About History

- Descriptive Writing** Imagine that you are living during the Great Depression. Write a journal entry describing a day in your life.





## THE FLOW OF ELECTRICITY

Today Hoover Dam generates more than 4 billion kilowatt-hours of electricity per year—enough to keep machines humming and lights burning for over a million people. More than half of that electricity is sent to California; the remainder goes to Nevada and Arizona (see inset map).





# Hoover Dam



**Hoover Dam and Environs**

- State boundary
- - - - - Aqueduct
- Road
- \* - \* - \* - Power line
- Urban area

Scale varies in this perspective

American farmers and settlers in the low-lying valleys of southern California and southwestern Arizona have been tapping the waters of the Colorado River for more than a century. Thanks to irrigation canals, the parched desert valleys became year-round gardens that provided fruit and vegetables for the nation. At times, however, the unpredictable river would decrease to a trickle. Other times, it became a raging torrent, destroying all in its path. The federal government decided to dam the Colorado to control it. In 1931 construction began in Black Canyon, whose high rock walls made it an ideal site. Here, on the border between Arizona and Nevada, would rise one of the most ambitious engineering projects the world had ever seen: the Hoover Dam.

Named after President Herbert Hoover, the dam was built in the middle of a forbidding desert. Everything had to be imported, including labor. There was no shortage of candidates. The country was in the grips of the Great Depression; thousands of unemployed workers flocked to the remote canyon. To accommodate them, an entire town was built—Boulder City, Nevada.

The new arrivals faced brutal conditions. Men worked in three shifts around the clock. Summer



Suspended on ropes, “high scalers” armed with dynamite and jackhammers prepare the walls of Black Canyon to take the concrete of Hoover Dam. Such work was hazardous. Twenty-four workers fell to their deaths during construction of the dam.

temperatures climbed higher than 120 degrees in the canyon, and even those who worked at night had to endure temperatures of more than 85 degrees. Still, the project was completed in less than five years. Lake Mead, the 115-mile-long reservoir created by the dam, is large enough to hold two years’ worth of the average flow of the Colorado River—enough to cover the entire state of New York with one foot of water. The benefits to the Southwest were immense. Hoover Dam created much-needed employment. It also provided a regular supply of water, irrigating over a million acres of rich agricultural land and producing hydroelectric power, which has allowed Southwestern cities to grow.



Hoover Dam, a major supplier of hydroelectric power, is more than 700 feet (213 m) tall and contains about 4,360,000 cubic yards of concrete—enough for a two-lane highway from Los Angeles to Boston.

## LEARNING FROM GEOGRAPHY

1. Why did the federal government decide to dam the Colorado River?
2. Why did engineers choose the Black Canyon site?

## SECTION 3

# Hoover Responds

### Guide to Reading

#### Main Idea

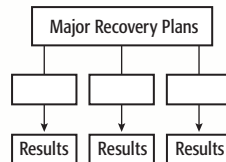
President Hoover's philosophy of government guided his response to the Depression.

#### Key Terms and Names

public works, Reconstruction Finance Corporation, relief, foreclose, Bonus Army

#### Reading Strategy

**Categorizing** As you read about Hoover's response to the Depression, complete a graphic organizer by listing his major initiatives and their results.



#### Reading Objectives

- **Evaluate** President Hoover's attempts to revive the economy.
- **Analyze** the limitations of Hoover's recovery plans.

#### Section Theme

**Groups and Institutions** President Hoover began using new government agencies to improve the nation's slumping economy.

#### Preview of Events

◆ 1931

**October 1931**  
National Credit Corporation created

◆ 1932

**January 1932**  
Congress approves Reconstruction Finance Corporation

◆ 1933

**July 1932**  
Congress passes Emergency Relief and Construction Act; soldiers rout the Bonus Marchers

### ★ An American Story ★



Joseph Heffernan

In December 1929, Mayor Joseph Heffernan of Youngstown, Ohio, listened impatiently to fellow public officials assembled in the Cleveland Chamber of Commerce hall. He had been called to one of a series of conferences on unemployment that President Hoover had arranged. At the conference, Heffernan grew restless as he listened to the other speakers. He felt that it would take too long to pass their confident proposals for ending unemployment, and by that time, it would be too late to prevent a depression. He asked the other conference members, "Why not tell people the truth?"

Youngstown business leaders criticized Heffernan for trying to tell his constituents how bad the economic outlook was. Heffernan later recalled that one of them said to him, "Don't emphasize hard times and everything will be all right."

The man who rebuked Mayor Heffernan expressed what many, including President Hoover himself, believed in late 1929: The country merely needed to regain its confidence. As the crisis worsened, Hoover took steps to help the economy recover, but only within the limits of his philosophy of government.

—adapted from *The Great Depression*

### Promoting Recovery

On Friday, October 25, the day after Black Thursday, President Hoover issued a statement assuring the nation that industry was "on a sound and prosperous basis." In March 1930 he told the public that "the worst effects of the crash . . . will have passed during the next 60 days." Critics derided his optimism as conditions worsened. Hoover,





however, hoped to downplay the public's fears. He wanted to avoid more bank runs and layoffs by urging consumers and business leaders to become more rational in their decision making.

**Voluntary Efforts and Public Works** Despite his soothing words, Hoover was seriously worried about the economy. He organized a series of conferences, bringing together the heads of banks, railroads, and other big businesses, as well as labor and government officials.

He won a pledge from industry to keep factories open and to stop slashing wages. By 1931, however, business leaders had abandoned those pledges. Hoover's next step was to increase **public works**—government-financed building projects. The resulting construction jobs could replace some of those lost

in the private sector. He urged governors and mayors throughout the nation to increase public works spending.

Hoover's actions did spur construction increases, but the effort made up for only a small fraction of the jobs lost in the private sector. The only way the government could create enough new jobs would be to massively increase government spending, which Hoover refused to do.

The problem was that someone had to pay for public works projects. If the government raised taxes to pay for them, it would take money away from consumers and hurt businesses that were already struggling. If the government decided to keep taxes low and run a budget deficit instead—spending more money than it collected in taxes—it would have to borrow the money from banks. If the government did this, less

## Different Viewpoints

### What Should the Government's Role in the Economy Be?

The government's role in the economy was an important issue in the 1932 presidential election, when the country was in the throes of the Depression. President Herbert Hoover explained in a 1928 speech why a limited government role was best, while President Franklin Roosevelt argued in his inaugural address in 1933 that an expanded government role was necessary.

#### from Hoover's Madison Square Garden Address, 1928

"During one hundred and fifty years we have built up a form of self-government and a social system which is peculiarly our own. . . . It is founded upon a particular conception of self-government in which decentralized local responsibility is the very base. . . .

During the war we necessarily turned to the government to solve every difficult economic problem. . . . However justified in time of war, if continued in peacetime it would destroy . . . our progress and freedom. . . . The acceptance of these ideas would have meant the destruction of self-government through centralization of government. It would have meant the undermining of the individual initiative and enterprise through which our people have grown to unparalleled greatness."

#### from Roosevelt's Inaugural Address, 1933

"Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

. . . The task can be helped . . . by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character. There are many ways in which it can be helped, but it can never be helped merely by talking about it. We must act and act quickly.

. . . We now realize as we have never realized before our interdependence on each other; . . . that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline."

### Learning From History

- Analyzing Arguments** What did Hoover fear would happen if government programs started during World War I were continued after the war?
- Making Inferences** Do you think Roosevelt would have agreed with Hoover's assessment of the government's role during World War I? Why or why not?



money would be available for businesses that wanted to expand and for consumers who wanted mortgages or other loans. Hoover feared that deficit spending would actually delay an economic recovery.

**The Midterm Election** As the congressional elections of 1930 approached, most Americans felt that worsening unemployment posed a grave threat to their well-being. Citizens blamed the party in power for the stumbling economy. The Republicans lost 49 seats and their majority in the House of Representatives; they held on to the Senate by a single vote.

**✓ Reading Check** **Examining** Why did Hoover oppose deficit spending?

## Pumping Money Into the Economy

Hoover soon turned his attention to the problem of money. There was very little in the economy now that so many banks had collapsed. The government, he believed, had to make sure that banks could make loans to corporations so they could expand production and rehire workers.

**White Angel Breadline** In 1932 a wealthy woman nicknamed the “White Angel” set up a breadline in San Francisco. Dorothea Lange captured the hopelessness of the Depression in this famous photograph of the breadline.



## GOVERNMENT

**Trying to Rescue the Banks** The president asked the Federal Reserve Board to put more currency into circulation, but the Board refused. In an attempt to ease the money shortage, Hoover set up the National Credit Corporation (NCC) in October 1931. The NCC created a pool of money to enable troubled banks to continue lending money in their communities. Hoover then persuaded a number of New York bankers to contribute to the NCC. Their contributions, however, did not meet the nation’s needs.

By 1932 Hoover concluded that the only way to provide funding for borrowers was for the government to do the lending. He requested that Congress set up the **Reconstruction Finance Corporation** (RFC) to make loans to banks, railroads, and agricultural institutions. By early 1932, the RFC had lent about \$238 million to approximately 160 banks, 60 railroads, and 18 building-and-loan organizations. The RFC was overly cautious, however. It failed to increase its loans in sufficient amounts to meet the need, and the economy continued its decline.

**Direct Help for Citizens** From the start, Hoover strongly opposed the federal government’s participation in **relief**—money that went directly to impoverished families. He believed that only state and city governments should dole out relief. By the spring of 1932, however, they were running out of money.

In 1932 political support was building for a relief measure, and Congress passed the Emergency Relief and Construction Act. Although reluctant, Hoover signed the bill on July 21. The new act called for \$1.5 billion for public works and \$300 million in loans to the states for direct relief. By this time, however, the new program could not reverse the accelerating collapse.

**✓ Reading Check** **Summarizing** Why did Hoover oppose the federal government’s participation in relief programs?

## In an Angry Mood

In the months after the Wall Street crash, Americans had seemed resigned to bad economic news. By 1931, however, they were growing increasingly discontented, and open acts of revolt began to occur.

**Hunger Marches** In January 1931, around 500 men and women in Oklahoma City, shouting angrily about hunger and joblessness, broke into a grocery store and looted it. Crowds began showing



### **Picturing History**

**Poverty and Plenty** Spattered with milk, dairy farmers are shown here destroying their product in a vain effort to drive up prices. For the hungry and unemployed, like the families at left, the farmers' actions were unthinkable. [Why did the farmers think their actions would drive up prices?](#)

up at rallies and “hunger marches” held by the American Communist Party, which was eager to take advantage of national problems to change the American form of government. On December 5, 1932, a freezing day in the nation’s capital, around 1,200 hunger marchers assembled and chanted, “Feed the hungry, tax the rich.” Police herded them into a blocked-off area, where they had to spend the night sleeping on the sidewalk or in trucks. The police denied them food, water, and medical treatment until some members of Congress insisted on the marchers’ right to petition their government. They were then released and permitted to march to Capitol Hill.

**Farmers Revolt** In the summer of 1932, farmers also took matters into their own hands. Beginning in the boom days of World War I, many farmers had heavily mortgaged their land to pay for seed, feed, and equipment. After the war, prices sank so low that farmers could not even earn back their costs, let alone make a profit. Between 1930 and 1934 creditors **foreclosed** on nearly one million farms, taking possession of them and evicting the families.

Some farmers began destroying their crops in a desperate attempt to raise crop prices by reducing the supply. In Nebraska grain growers burned corn

to heat their homes in the winter. In Iowa food growers forcibly prevented the delivery of vegetables to distributors. Georgia dairy farmers blocked highways and stopped milk trucks, emptying the milk cans into ditches.

**The Bonus Marchers** In appreciation of the World War I service of American soldiers and sailors, Congress in 1924 had enacted a \$1,000 bonus for each veteran, to be distributed in 1945. The economic crisis, however, made the wait more difficult. In 1931 Texas congressman Wright Patman introduced a bill in the House of Representatives that authorized early payment of the veterans’ bonuses. The bill later passed the House and moved to the Senate for debate.

In May 1932 several hundred Portland, Oregon, veterans set off on a month-long march to Washington to lobby Congress to pass the legislation. As they moved east, other veterans joined them until they numbered about 1,000. Wearing ragged military uniforms, they trudged along the highways or rode the rails, singing old war songs and reminiscing about army days. The press termed the marchers the “**Bonus Army.**”

Once in Washington, the marchers camped in Hoovervilles. As weeks went by, additional veterans joined them, until the Bonus Army swelled to





ignored Hoover's orders to clear the buildings but to leave the camps alone. He sent cavalry, infantry, and tanks to clear the veterans from the city.

A Federal Trade Commission member, A. Everette McIntyre, watched as the infantry "fixed their bayonets and also fixed their gas masks over their faces. At orders they brought their bayonets at thrust and moved in. The bayonets were used to jab people to make them move." Soon unarmed veterans were on the run with 700 soldiers at their heels. The soldiers tear-gassed stragglers and burned the shacks. Tear gas killed a baby boy.

The nationwide press coverage and newsreel images of veterans under assault by troops presented an ugly picture to the public. The routing of the veterans hounded the president throughout his 1932 re-election campaign.

Hoover failed to resolve the crisis of the Depression, but he did more to expand the economic role of the federal government than any previous president. The Reconstruction Finance Corporation marked the first time the federal government had established a federal agency to stimulate the economy during peacetime. It was the image of the routed Bonus Marchers and the lingering Depression, however, that shaped the public's perception of President Hoover.

**Reading Check** **Evaluating** How did Americans react as the Depression continued?

### **Picturing History**

**Clearing Out the Bonus Marchers** Fierce battles resulted when President Hoover ordered the Washington, D.C., police to evict the Bonus Army from public buildings and land they had been occupying. **How did the public feel when they saw or heard about this event?**

15,000. President Hoover acknowledged the veterans' petition rights but refused to meet with them.

When the Senate voted the new bonus bill down, veterans waiting outside the Capitol began to grumble, until one of their leaders started them singing "America." Gradually their anger cooled, and many returned home. A significant number of the marchers, however, stayed on since they had no job prospects. Some moved from the camps to unoccupied buildings downtown.

In late July, Hoover ordered the buildings cleared. The police made the first try, but one of them panicked and fired into a crowd, killing two veterans. The Washington, D.C., government then called in the army. Army chief of staff Douglas MacArthur

## SECTION 3 ASSESSMENT



**Study Central™** To review this section, go to [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Study Central™**.

### Checking for Understanding

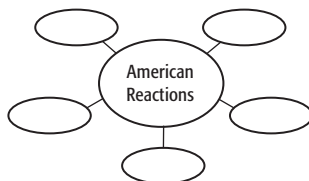
- Define:** public works, relief, foreclose.
- Identify:** Reconstruction Finance Corporation, Bonus Army.
- Summarize** three major initiatives taken by Hoover to improve the economy and the results of each.

### Reviewing Themes

- Groups and Institutions** What did business leaders promise Hoover they would do to help the economy? Did they keep their promises?

### Critical Thinking

- Interpreting** How did President Hoover's philosophy of government guide his response to the Depression?
- Organizing** Use a graphic organizer similar to the one below to list American reactions to the Depression.



### Analyzing Visuals

- Picturing History** Study the photographs on page 545. The farmers shown would rather dump their milk than sell it. What did they hope to achieve by their actions?

### Writing About History

- Persuasive Writing** Imagine that you are a veteran of World War I. Write a letter to members of Congress explaining your circumstances and asking them to give you your bonus early.



# Technology SKILLBUILDER

## Building a Database

### Why Learn This Skill?

Do you have a collection of sports cards, CDs, or DVDs? Have you ever kept a list of the names, addresses, and phone numbers of friends and relatives? If you have collected information and kept it in a list or file, then you have created a database.

### Learning the Skill

An electronic database is a collection of facts that are stored in a file on a computer. The information is organized in fields.

A database can be organized and reorganized in any way that is useful to you. By using a database management system (DBMS)—special software developed for record keeping—you can easily add, delete, change, or update information. You give commands to the computer that tell it what to do with the information, and it follows these commands. When you want to retrieve information, the computer searches through the file, finds the information, and displays it on the screen.

### Practicing the Skill

The Great Depression is a well-known period in American history. Follow these steps to build a database containing the events that led to the Great Depression and its effects on the country.

- 1 Determine what facts you want to include in your database.
- 2 Follow instructions to set up fields in the DBMS that you are using. Then enter each item of data in its assigned field.
- 3 Determine how you want to organize the facts in the database—chronologically by the date of the event, or alphabetically by the name of the event.
- 4 Follow the instructions in your computer program to place the information in the order you selected.

### Skills Assessment

Complete the Practicing Skills questions on page 549 and the Chapter 17 Skill Reinforcement Activity to assess your mastery of this skill.



### Applying the Skill

**Building a Database** Bring current newspapers or news magazines to class. Using the steps just described, build a database of current political events in the United States. Include a brief explanation of why the database is organized the way it is and how it might be used in class.



Glencoe's **Skillbuilder Interactive Workbook CD-ROM, Level 2**, provides instruction and practice in key social studies skills.



**Reviewing Key Terms**

On a sheet of paper, use each of these terms in a sentence.

- 1. stock market
- 2. bull market
- 3. margin
- 4. margin call
- 5. speculation
- 6. installment
- 7. bailiff
- 8. shantytown
- 9. Hooverville
- 10. hobo
- 11. Dust Bowl
- 12. soap opera
- 13. public works
- 14. relief
- 15. foreclose

**Reviewing Key Facts**

- 16. **Identify:** Black Tuesday, Hawley-Smoot Tariff, Walt Disney, Grant Wood, John Steinbeck, Reconstruction Finance Corporation, Bonus Army.
- 17. What was the character of the stock market in the late 1920s, and what caused it to crash?
- 18. How did artists and writers capture the effects of the Great Depression?
- 19. Why did “Okies” migrate to California during the Great Depression, and what happened to them once they got there?
- 20. What three major initiatives did President Hoover take to try to help the economy of the United States?
- 21. What did World War I veterans do to try to get their service bonuses early?

**Critical Thinking**

- 22. **Analyzing Themes: Culture and Traditions** Many people in the United States were impoverished during the Depression, yet 60 to 90 million weekly viewers paid to see movies. Why do you think movies were so popular?
- 23. **Evaluating** Do you think President Hoover could have done more to end the Great Depression? Why or why not?
- 24. **Identifying** What approaches were used in literature and photography to highlight social problems during the Depression?
- 25. **Categorizing** Use a graphic organizer similar to the one below to list the causes and effects of the Great Depression.

Causes	Effects

- 26. **Interpreting Primary Sources** E.Y. Harburg lived during the Great Depression. After he lost his business, he became a poet and lyricist. He wrote the lyrics to one of the most famous songs of the time, “Brother, Can You Spare a Dime?” Read an excerpt of the lyrics to this song and answer the questions that follow.

“They used to tell me I was building a dream  
 With peace and glory ahead—  
 Why should I be standing on line  
 Just waiting for bread?”

**Chapter Summary**

**Stock Market Helps Trigger Depression**

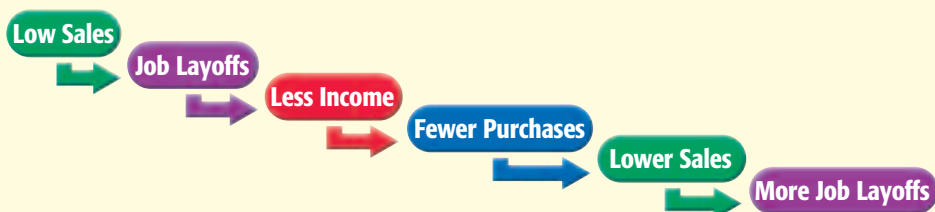
- Bull market encouraged widespread speculation.
- Many investors bought stocks on margin.
- Sharp drop in market prices left investors in debt.
- Bank closings left many in debt.



**Underlying Causes of Great Depression**

- Overproduction and low interest rates
- Uneven distribution of income, which led to low demand
- Depressed farm sector
- Weak international market with high tariffs

**Downward Momentum of the Great Depression**



**Self-Check Quiz**

Visit the *American Republic Since 1877* Web site at [tarvol2.glencoe.com](http://tarvol2.glencoe.com) and click on **Self-Check Quizzes—Chapter 17** to assess your knowledge of chapter content.

Once I built a railroad, made it run,  
Made it run against time.  
Once I built a railroad,  
Now it's done—  
Brother, can you spare a dime?

Once I built a tower to the sun.  
Brick and rivet and lime,  
Once I built a tower,  
Now it's done—  
Brother, can you spare a dime?☹☹

- How was the narrator's life different before the Great Depression than it was during it?
- During the 1932 presidential campaign, the Republicans tried to discourage the radio networks from playing this song. Why do you think they did that?

**Practicing Skills**

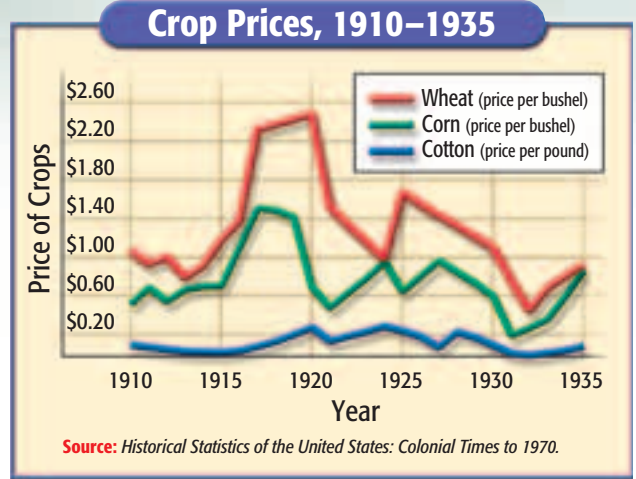
- Building a Database** Use the business section of your local newspaper to prepare a database that lists the prices of three different stocks for one week. Use the following information in your database:
  - Stock symbol
  - Date
  - Stock price at the end of each day (closing price)
 Be sure to follow these steps to build your database:
  - Follow instructions in the DBMS that you are using. Then enter each item in its assigned field.
  - Determine how you want to organize the information in the database.
  - Place the information in the order you choose (by date, alphabetically by symbol, by price, etc.).
  - Check the accuracy of the information. Make necessary changes.

**Writing Activity**

- Creating a Dictionary** Create a dictionary of words and phrases that grew out of the Great Depression. If possible, include pictures or photographs that illustrate the entries.

**Chapter Activity**

- Creative Presentations** Analyze the statistical information you gathered in building the computer database in



question 27. Write a short report describing the progress of the stocks you followed. Create a chart and a graph as a visual aid to present your findings to the class.

**Economics and History**

- The graph above shows changes in crop prices from 1910 to 1935. Study the graph and answer the questions below.
  - Interpreting Graphs** What trend does this graph show about wheat and corn prices in the 1930s?
  - Analyzing** Between which 10-year span did the greatest increase and decrease in farm prices occur?

**Standardized Test Practice**

**Directions:** Choose the phrase that best completes the following sentence.

A major reason for the collapse of the American economy after 1929 was

- high interest rates.
- decreased farm production.
- low tariffs at home and abroad.
- overproduction of consumer goods.

**Test-Taking Tip:** If you are not sure of the answer, use the process of elimination. For example, farmers were not prosperous in the 1920s because their huge crops forced down agricultural prices. Therefore, answer B is incorrect.