The Great Depression Begins

Part A: Open Response: Instructions: For each occurrence depicted below, explain how that event helped contribute to the Great Depression.

1. **Occurrence:** Americans were living beyond their means with credit.

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   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________

2. **Occurrence:** Europeans recovered after WW I and stopped buying American crops.

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   __________________________________________
   __________________________________________
   __________________________________________
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3. **Occurrence:** Investors started “buying on margin.”

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Part B: True or False: Instructions: Circle TRUE if the sentence is true and FALSE if the sentence is false. If the sentence is false, write a one sentence description explaining why it is false.

1. After World War I, Europeans could not buy from American farmers because they were too poor. (TRUE / FALSE)

   __________________________________________

2. Calvin Coolidge vetoed the McNary-Haugen Bill (TRUE / FALSE)

   __________________________________________

3. 50% of Americans became unemployed during the Great Depression (TRUE / FALSE)

   __________________________________________
Part C: Word Search: Instructions: First, fill in the blanks below with the terms that complete the sentences. Second, find the term in the word search below.

1. When the stock market is doing poorly and investors are not making money, there is a ________ Market.
2. On __________ Tuesday, the Stock Market crashed.
3. When the stock market is healthy and investors are making profits, there is a ________ Market.
4. On October 29th, 1929, the Stock Market ___________ damaged the USA economy.
5. When farmers could not pay back their loans, the banks ____________ on their farms.
6. The Dow Jones _____________ Average is a poll of the health of 30 large businesses in the USA.
7. Buying on _____________ is when an investor borrows money to invest.
8. Calvin Coolidge was in the ________________ Party.
9. When you buy stocks hoping to get a quick profit, you are buying on ________________.
10. 25% of the nation became ____________________ during the Great Depression.
Answers:  

The Great Depression Begins

Part A: Open Response: Instructions: For each occurrence depicted below, explain how that event helped contribute to the Great Depression.

1. **Occurrence:** Americans were living beyond their means with credit.  
   Many Americans began to borrow money to buy items they did not have cash for. The problem with this is that, once their credit ran out, they could no longer buy like they were. Also, they were now loaded down with debt. When they quit buying as much, this slowed down the economy.

2. **Occurrence:** Europeans recovered after WW I and stopped buying American crops.  
   After WW I, Europe was devastated. Since farming was difficult on the war torn continent, European nations started buying American crops. This meant the farmers in the USA had many customers. Yet, as the European nations recovered, the farmers lost these customers. This resulted in a surplus that the farmers could not sell. Many farmers could not pay their mortgages and lost their farms.

3. **Occurrence:** Investors started “buying on margin.”  
   America experienced prosperity in the 1920s. Many Americans wanted to get involved in the Stock Market to reap profits. Since many did not have cash to do this, they borrowed money to buy stock. The problem was, unless they made a profit on their stocks, they could not pay back their loans. Once the Stock Market crashed, these investors could not pay back their loans.

Part B: True or False: Instructions: Circle TRUE if the sentence is true and FALSE if the sentence is false. If the sentence is false, write a one sentence description explaining why it is false.

1. After World War I, Europeans could not buy from American farmers because they were too poor. (TRUE / FALSE)  
   Many European nations bought American crops after WW I, despite their poor economies.

2. Calvin Coolidge vetoed the McNary-Haugen Bill (TRUE / FALSE)

3. 50% of Americans became unemployed during the Great Depression (TRUE / FALSE)  
   25% of Americans became unemployed
Part C: Word Search: Instructions: First, fill in the blanks below with the terms that complete the sentences. Second, find the term in the word search below.

R + + + N + + + + U + F + + + + + + K +
+ E + + + I B + N + + O + + + + + + C +
+ + P + + + G E + + Y R T S U D N I A +
+ + + U + + M R A + + E + + + + + + L +
+ + + B P + + A R + C + + + + + + B +
+ + + + L L + + + M + L + + + + + + + +
+ + Y H + + I + + + + O + + + + + + + +
+ + Y H + + C + + + S + + + + + + + + +
+ E + S + + + + A + + E + + + + + + + + +
D + A + + + + + + N + D + + + + + + + + +
+ R + + + + + + + + + + + + + + + + + + +
C + + + + + + + + + + + + + + + + + + +
+ + + + + + + + + + + + + + + + + + +
+ + + + + + + + + + + + B U L L + + + + + +
+ + + + + + + S P E C U L A T I O N + +

1. When the stock market is doing poorly and investors are not making money, there is a BEAR Market.
2. On BLACK Tuesday, the Stock Market crashed.
3. When the stock market is healthy and investors are making profits, there is a BULL Market.
4. On October 29th, 1929, the Stock Market CRASH damaged the USA economy.
5. When farmers could not pay back their loans, the banks FORECLOSED on their farms.
6. The Dow Jones INDUSTRY Average is a poll of the health of 30 large businesses in the USA.
7. Buying on MARGIN is when an investor borrows money to invest.
8. Calvin Coolidge was in the REPUBLICAN Party.
9. When you buy stocks hoping to get a quick profit, you are buying on SPECULATION.
10. 25% of the nation became UNEMPLOYED during the Great Depression.