Guided Reading Activity The Great Depression Begins, 1929–1932

Lesson 1 The Causes of the Great Depression

Review Questions: Identifying Supporting Details
DIRECTIONS: Read each main idea. Use your textbook to supply the details that support or explain each main idea.

A. Main Idea: In 1928 the economy was strong, but the stage was set for a crash.

1. Detail: In the presidential election of 1928, the Republican candidate was __________________ and the Democratic candidate was __________________ .

2. Detail: The Democratic candidate practiced the ________________ religion, which became a campaign issue.

3. Detail: Rising stock prices, also called a ________________ , convinced many people to invest.

B. Main Idea: During the fall of 1929, stock prices began to decline as investors sensed danger.

1. Detail: By mid-November of 1929, the market price of stocks had dropped about __________________.

2. Detail: Banks were weakened in two ways: ________________ , and they had ________________ in the stock market.

3. Detail: With less credit available, the economy went into a ________________ .

C. Main Idea: There were several other causes of the Great Depression.

1. Detail: Many Americans in the 1920s bought high-cost items on the ________________ plan.

2. Detail: Because they had to pay off their debts, many Americans stopped ________________ . Manufacturers then cut production, causing employees to ________________.

3. Detail: The ________________ Tariff, meant to protect American businesses, caused ________________ American goods to be sold overseas.

4. Detail: Low interest rates set by the Federal Reserve encouraged banks to ________________ and led business leaders to believe the economy ________________ .
Summary and Reflection

DIRECTIONS: Summarize the main ideas of this lesson by answering the question below.

How did the Great Depression affect the average American?

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