Chapter 21 and 22: The Great Depression and the New Deal

Study Guide

1. The total value of all goods and services produced in a nation is the __________________________.

2. In the 1920s, stock prices rose so much that ordinary Americans began to buy stocks and stockbrokers began to loan people money to buy stocks in a process called ______________________________.

3. Even though the _______________, or nation’s central bank, took steps to reduce this practice, falling prices prompted the stock market to crash.

4. October 29, 1929, the day the stock market collapsed became known as _______________________.

5. The stock market collapse triggered the ____________________________ which became the worst economic downturn in the history of the United States.

6. Many farmers who were already experiencing hard times couldn’t make their mortgage payments and faced ________________, which means the banks would repossess their farms.

7. To make matters worse for farmers a severe drought in the Great Plains created a _______________ destroying farms, homes, and machinery.

8. Many farmers fled these conditions and tried moving to California, where they were called ________________, whether they were from Oklahoma or not.

9. Like his predecessor Calvin Coolidge, ______________________________ believed that government should play as small a role as possible in business.

10. He called for a voluntary partnership between business and government called the ______________ __________________________, a process used to build Hoover Dam.

11. He also believed that businesses, like farmers, could form ______________, which are organizations owned by its members who work together for a common goal.

12. Faced with economic disaster Herbert Hoover established the ____________________________ to give government money to banks and other institutions.

13. The passage of the ________________, a high tax in imports, actually hurt the economy more than it helped.

14. In the 1932 election Democrat _________________________ was elected president on his promise of a New Deal for the American people.

15. He favored a program of deficit spending on large projects called ______________ ________________ paid for by the government.

16. To keep Americans at ease, and informed, Roosevelt spoke to the country by radio in this weekly ________________.

17. Because FDR was disabled by polio when he was a boy, his wife _________________________ became her husband’s “eyes and ears.”

18. In his first Hundred Days, FDR called a “Bank Holiday” and pushed through the ______________ ________________ which made the banks report to the government.

19. He also created the ________________ where young men were paid to work on conservation projects to solve the problem of young men getting a job.

20. The Agricultural Adjustment act, gave farmers ________________ which is a payment for growing fewer crops.
21. Some people criticized the New Deal like Louisiana Senator __________________ and radio host/catholic priest __________________________ who believed that FDR was not doing enough and __________________ who believed the New Deal was not doing enough for older people.

22. Rather than giving people money directly, the government began a series relief programs that required work, including the ______________________ in building roads, subways and airports and also created work for artists and writers.

23. The ______________________ program guaranteed an income for many Americans 65 and older and also included disability and unemployment insurance.

24. The __________________ outlawed many anti-labor practices and established the ____________________________.

25. ______________________ of the United Mine Workers helped found the ___________________________ which organized the unions of unskilled workers.

26. FDR’s New Deal was based on the theory of English economist __________________________ who argued that deficit spending would help the economy.

27. With the encouragement of Eleanor Roosevelt, women’s roles in government expanded, particularly when __________________________ was appointed the Secretary of Labor becoming the first woman to serve in a president’s cabinet.

28. FDR also appointed African Americans to key positions who unofficially became known as the ____________________________________________.

29. The Grapes of Wrath was a novel about a family of Okies leaving the Dustbowl for California written by ________________________________.

30. One of the legacies of the New deal was the passage of a national ___________________________ and maximum work hours.

Short Answer: Supply at least three historical facts that answer the following questions. Include all or most of the bold face terms in your answer.

1. What economic factors and conditions made the American economy appear prosperous in the 1920s? (gross national product, welfare capitalism, stocks, shares, Calvin Coolidge, Herbert Hoover, )

2. What were the underlying economic weaknesses in the 1920s? (unequal distribution of wealth, installment credit, buying on margin, Federal Reserve System)
3. What **key events** led to the stock market crash? *(Thursday October 24, 1929, Black Tuesday, )*  

4. What were the **effects** of the stock market crash? *(margin buyers, bank runs, surplus goods, high tariffs, hobo, foreclosures, Hoovervilles)*  

5. What were the effects of the Dust Bowl? *(drought, Dust Bowl, Okies, John Steinbeck, Woody Guthrie)*  

6. What was Hoover’s philosophy about the role of Government in the economy? *(rugged individualism, associative state, Hoover Dam, cooperatives)*  


8. What did President Roosevelt believe was the proper role of government in the lives of American Citizens? *(New Deal, public works, fireside chats, Eleanor Roosevelt, deficit spending, John Maynard Keynes)*
9. What immediate steps did FDR take in his first term to put the banking system on sounder footing? (Bank Holiday, First Hundred Days, Emergency Banking Act, Glass-Steagall Act, Federal Deposit Insurance Corporation)

10. What did FDR mean by “relief, recovery, and reform”? (CCC, AAA, NIRA, PWA, SEC, TVA, CWA, IRA)

11. What were the complaints about the New Deal from critics during Roosevelt’s first term in office? (conservatives, Huey P. Long, Father Charles Coughlin, Dr. Francis Townsend, United States v. Butler)

12. What were the major elements of the Second Hundred Days? (Second New Deal, WPA, Social Security NIRA, CIO, sit-down strike)

13. How did the role of women and minorities change during the New Deal? (Francis Perkins, Black Cabinet, Mary McLeod Bethune)

14. What was the lasting impact of the New Deal? (What new deal programs are still in effect today?)