

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 _____.

