

Chapter 8 Test, Form A

The Great Depression Begins

DIRECTIONS: Matching Match each item with the correct statement below.

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| _____ 1. reluctantly signed by President Hoover to supply relief funds to states | A. Black Tuesday |
| _____ 2. led the troops that dispersed the Bonus Army | B. bank run |
| _____ 3. painter of the 1930s who was part of the regionalist school | C. Okies |
| _____ 4. stockbroker's demand for immediate repayment of a loan used to buy stock | D. budget deficit |
| _____ 5. the result when the government spends more than it collects in taxes | E. Douglas MacArthur |
| _____ 6. many depositors withdrawing their money at once | F. William Faulkner |
| _____ 7. the biggest drop of the 1929 stock market crash | G. margin call |
| _____ 8. writer who showed what characters were thinking before they spoke | H. Reconstruction Finance Corporation |
| _____ 9. migrants from the Great Plains heading west in search of better lives | I. Emergency Relief and Construction Act |
| _____ 10. set up in 1932 to allow the government to make loans to businesses | J. Grant Wood |

DIRECTIONS: Multiple Choice Indicate the answer choice that best completes the statement or answers the question.

- _____ 11. _____ invested in stocks, betting that the market would continue to climb so they could make a quick profit.
- Speculators
 - Okies
 - Bailiffs
 - Stockbrokers
- _____ 12. Stock prices first began to decline in late 1929 because
- stockbrokers stopped margin loans.
 - company earnings declined.
 - several companies went bankrupt.
 - investors began to sell their stock.

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- _____ 13. The stock market crash weakened the nation's banks because
- A. banks had invested their deposits in the stock market.
 - B. investors no longer had money to deposit in banks.
 - C. banks depended on their stock for operating funds.
 - D. investors could no longer afford to take out loans from banks.
- _____ 14. The Depression had deep roots in the economy of the 1920s, including overproduction, high tariffs, missteps by the Federal Reserve, and
- A. the uneven distribution of income.
 - B. an inadequate money supply.
 - C. deficit spending by the government.
 - D. excessive reliance on export sales.
- _____ 15. Which group of people living in California were forced from the United States during the Great Depression?
- A. Chinese Americans
 - B. African Americans
 - C. Native Americans
 - D. Mexican Americans
- _____ 16. Farmers on the Great Plains began to lose their crops during the Depression because
- A. the soil lost its fertility.
 - B. frequent rains eroded the soil.
 - C. a fungus depleted the soil of nutrients.
 - D. a terrible drought dried the soil.
- _____ 17. During the 1930s, many Americans preferred movies, radio programs, and other forms of popular entertainment that
- A. focused on the homeless and unemployed.
 - B. evoked indignation at social injustice.
 - C. provided a release from daily worries.
 - D. created thrills with new special effects.
- _____ 18. President Herbert Hoover hoped that increasing government funding for public works projects would
- A. reduce the budget deficit.
 - B. spur the construction industry.
 - C. provide jobs lost in the private sector.
 - D. help reduce farm foreclosures.

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- _____19. President Hoover opposed direct federal relief to the unemployed because he believed
- A. only state and city governments should dole out relief.
 - B. federal relief would only shorten the Depression.
 - C. charities could provide sufficient relief.
 - D. individuals could take care of themselves.
- _____20. Thousands of World War I veterans came to Washington, D.C., in 1932 to lobby Congress to
- A. give bonus payments to war veterans and their families.
 - B. pass legislation giving veterans their promised bonuses early.
 - C. provide public works jobs for unemployed veterans.
 - D. provide military jobs for family members of veterans.

DIRECTIONS: Short Answer Answer each of the following questions.

21. Explain how buying stocks on margin worked in the late 1920s, and describe the risks and rewards of this investment practice.

22. Discuss three major root causes of the Great Depression that were at work before the stock market crash of 1929.

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“Maybe he [the owner of the fields] needs two hunderd men, so he talks to five hunderd, an’ they tell other folks, an’ when you get to the place, they’s a thousan’ men. This here fella says, ‘I’m payin’ twenty cents an hour.’ An’ maybe half the men walk off. But they’s still five hunderd that’s so . . . hungry they’ll work for nothin’ but biscuits. Well, this here fella’s got a contract to pick them peaches or—chop that cotton. You see now? The more fellas he can get, an’ the hungrier, less he’s gonna pay. An’ he’ll get a fella with kids if he can.”

—John Steinbeck, from *The Grapes of Wrath*

- 23.** Based on the excerpt above, describe the circumstances faced by Great Plains farmers who migrated to California during the Depression.

DIRECTIONS: Essay Answer the following question on a separate piece of paper.

- 24.** Explain how people in your region of California might have been affected by the Great Depression.