

The Long Bull Market

Main Idea The long period of rising stock prices led many people to risky investment practices.

Reading Connection What are your strategies for saving money? Read on to find out about people's efforts to make money in the stock market during the 1920s.

The wave of optimism that swept Hoover into the White House also drove stock prices to new highs. The **stock market** was established as a system for buying and selling shares of companies. Sometimes circumstances in the stock market lead to a long period of rising stock prices, which is known as a **bull market**. In the late 1920s a prolonged bull market convinced many Americans to **invest** heavily in stocks. By 1929 about 3 million Americans, or roughly 10 percent of households, owned stocks.

As the market continued to soar, many investors began buying stocks on **margin**, meaning they made only a small cash down payment—as low as 10 percent of the price. With \$1,000 an investor could buy \$10,000 worth of stock. The other \$9,000 would come as a loan from a stockbroker, who earned both a commission on the sale and interest on the loan. The broker held the stock as collateral.

As long as stock prices kept rising, buying on margin was safe. For example, an investor who borrowed money to buy \$10,000 worth of stocks had to wait only a short time for them to rise to \$11,000 in value. The investor could then sell the stock, repay the loan, and make \$1,000 in profit. The problem came if the stock price began to fall. To protect the loan, a broker could issue a **margin call**, demanding the investor repay the loan at once. As a result, many investors were very sensitive to any fall in stock prices. If prices fell, they had to sell quickly, or they might not be able to repay their loans.

The Great Depression

Causes

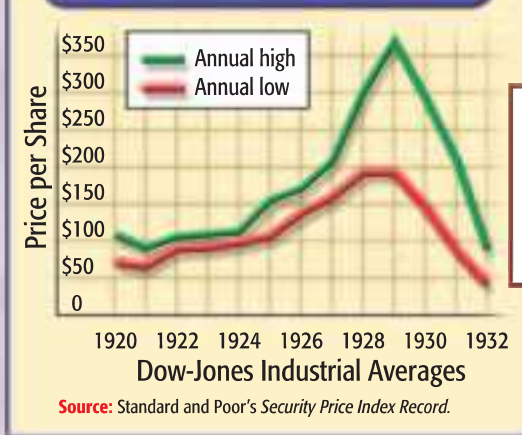
- Overproduction and low demand leads to employee layoffs
- Low wages reduce consumer buying power
- High tariffs restrict foreign demand for American goods
- Unemployment reduces buying power further



Cyclical Effect



Stock Prices, 1920–1932



Graph Skills

1. **Interpreting Graphs** Stock prices peaked in 1929. Before this peak, when did they begin to rise sharply?
2. **Making Generalizations** How did the decline in auto sales affect many other industries?

Before the late 1920s, the prices investors paid for stocks generally reflected the stocks' true value. If a company made a profit or had good future sales prospects, its stock price rose, while a drop in earnings or an aging product line could send the price down. In the late 1920s, however, hordes of new investors bid prices up without regard to a company's earnings and profits. Buyers, hoping to make a fortune overnight, engaged in **speculation**. Instead of investing in the future of the companies, speculators took risks, betting that the market would continue to climb, thus enabling them to make money quickly.

 **Reading Check** **Summarizing** What was the stock market like in the 1920s?

The Great Crash

 **The October 1929 stock market crash led to bank failures across the nation.**

Reading Connection If a stock market crash were to occur today, how would your family be affected? Read on to learn about the stock market collapse in 1929.

The bull market lasted only as long as investors continued putting new money into it. By the latter half of 1929, the market was running out of new customers. In September professional investors sensed danger and began to sell off their holdings. Prices slipped. Other investors sold shares to pay the interest on their brokerage loans. Prices fell further.

Crash! On Monday, October 21, Groucho Marx, the comic star of stage and screen, was awakened by a telephone call from his broker. "You'd better get down here with some cash to cover your margin," the broker said. The stock market had plunged. The dazed comedian had to pay back the money he had borrowed to buy stocks, which were now selling for far less than he had paid.

Other brokers made similar margin calls. Frightened customers put their stocks up for sale at a frenzied pace, driving the market into a tailspin. When Marx arrived at the brokerage, he found ticker tape "knee deep on the floor." He further recalled, "People were shouting orders to sell and others were frantically scribbling checks in vain efforts to save their original investments."

On October 24, a day that came to be called Black Thursday, the market plummeted further. Marx was wiped out. He had earned a small fortune from plays



Picturing History

Herbert Hoover The nation and its new president felt confident about the future in early 1929. [Why were Americans so optimistic?](#)

and films, and now it was gone in the blink of an eye. Like many other investors, he was deeply in debt. Arthur Marx recalled his father's final visit to the brokerage, as Groucho looked around and spotted his broker:

“He was sitting in front of the now-stilled ticker-tape machine, with his head buried in his hands. Ticker tape was strewn around him on the floor, and the place . . . looked as if it hadn't been swept out in a week. Groucho tapped [him] on the shoulder and said, 'Aren't you the fellow who said nothing could go wrong?' 'I guess I made a mistake,' the broker wearily replied. 'No, I'm the one who made a mistake,' snapped Groucho. 'I listened to you.'”

—quoted in 1929: *The Year of the Great Crash*

The following week, on October 29, a day later dubbed **Black Tuesday**, prices took the steepest dive yet. That day stocks lost \$10 to \$15 billion in value.

By mid-November stock prices had dropped by over one-third. Some \$30 billion was lost, a **sum** roughly equal to the total wages earned by Americans in 1929. The stock market crash was not the major cause of the Great Depression, but it undermined the economy's ability to hold out against its other weaknesses.

Banks in a Tailspin The market crash severely weakened the nation's banks in two ways. First, many banks had lent money to stock speculators. Second, many banks had invested depositors' money in the stock market, hoping for higher returns than they could get by using the money for conventional loans.

When stock values collapsed, the banks lost money on their investments, and the speculators defaulted on their loans. Having suffered serious losses, many banks cut back drastically on the loans they made. With less credit available, consumers and businesses were unable to borrow as much money as they had previously. This helped to put the economy into a recession.

For some banks, the losses they suffered in the crash were more than they could absorb, and they were forced to close. At that time, the government did not insure bank deposits; therefore, if a bank collapsed, customers lost their savings. The bank fail-

ures in 1929 and early 1930 triggered a crisis of confidence in the banking system.

News of bank failures worried many Americans. They began to make runs on the nation's banks, causing the banks to collapse. A bank run takes place when many depositors decide to withdraw their money at one time, usually for fear the bank is going to collapse. During this time, there were no guarantees to protect people's money in case of a bank collapse.

Most banks make a profit by lending money received from depositors and collecting interest on the loans. The bank holds on to only a fraction of the depositors' money to cover everyday business, such as occasional withdrawals. Ordinarily that reserve is enough to meet the bank's needs, but if too many people withdraw their money, the bank will eventually collapse. During the first two years of the Depression, more than 3,000 banks—over 10 percent of the nation's total—were forced to close.

 **Reading Check** **Evaluating** How did bank failures contribute to the Great Depression?

The Roots of the Great Depression

 **New Info** An uneven distribution of income, the lack of foreign markets for exports, and the Federal Reserve's mistakes contributed to the Great Depression.

Reading Connection What do you believe is the current distribution of income in America? Read on to learn about the distribution of income just prior to the Great Depression.

The stock market crash helped put the economy into a recession. Yet the crash would not have led to a long-lasting depression if other forces had not been at work. The roots of the Great Depression were deeply entangled in the economy of the 1920s.

The Uneven Distribution of Income Most economists agree that overproduction was a key cause of the Depression. More efficient machinery increased the production capacity of both factories and farms.

Most Americans did not earn enough to buy up the flood of goods they helped produce. While manufacturing output per person-hour rose 32 percent, the average worker's wage increased only 8 percent. In 1929 the top 5 percent of all American households earned 30 percent of the nation's income. By contrast, about two-thirds of families earned less than \$2,500 a year, leaving them little expendable income.

History Through Art

Wall Street Panic This painting shows the confusion and chaos surrounding the financial industry in October 1929. [How does the artist depict a sense of disorder?](#)





▲ Newspaper headline the day after Black Tuesday

During the 1920s many Americans bought high-cost items on the **installment** plan, under which they would make a small down payment and pay the rest in monthly installments. Some buyers could not pay off their debts without reducing other purchases. This low consumption then led manufacturers to cut production and lay off employees.

The slowdown in retail manufacturing had repercussions throughout the economy. When radio sales slumped, for example, makers cut back on their orders for copper wire, wood cabinets, and glass radio tubes. Montana copper miners, Minnesota lumberjacks, and Ohio glassworkers, in turn, lost their jobs. Jobless workers had to cut back purchases, further reducing sales. This kind of chain **reaction** put more and more Americans out of work.

The Loss of Export Sales Many jobs might have been saved if American manufacturers had sold more goods abroad. As the bull market of the 1920s accelerated, U.S. banks made high-interest loans to stock speculators instead of lending money to foreign companies. Without these loans from U.S. banks, foreign companies purchased fewer American products.

Matters grew worse after June 1930, when Congress passed the **Hawley-Smoot Tariff** raising


the average tariff rate to the highest level in American history. The Hawley-Smoot Tariff aimed to protect American manufacturers from foreign competition, but it damaged American sales abroad. Because imports now cost much more, Americans bought fewer of them. Foreign countries responded by raising their own tariffs against American products, and this caused fewer American products to be sold overseas. In 1932 U.S. exports fell to about one-fifth of what they had been in 1929, which hurt both American companies and farmers.

Mistakes by the Federal Reserve Just as consumers were able to buy more goods on credit, access to easy money propelled the stock market. Instead of raising interest rates to curb excessive speculation, the Federal Reserve Board kept its rates very low.

The Board's failure to raise interest rates contributed to the Depression in two ways. First, by keeping rates low, it encouraged member banks to make risky loans. Second, low interest rates led business leaders to think the economy was still expanding. As a result, they borrowed more money to expand production, which led to overproduction when sales were falling. When the Depression hit, companies had to lay off workers to cut costs. Then the Fed made another mistake. It raised interest rates, tightening credit. The economy continued to spiral downward.

✓ **Reading Check** **Examining** How did the decline in worldwide trade contribute to the Depression?

SECTION 1 ASSESSMENT

HISTORY  **Study Central**
Online

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

Checking for Understanding

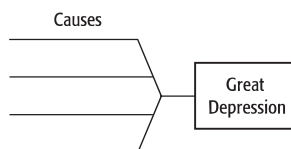
- Vocabulary** Define: stock market, bull market, invest, margin, margin call, speculation, sum installment, reaction.
- People and Terms** Identify: Alfred E. Smith, Black Tuesday, Hawley-Smoot Tariff.
- Explain** the significance of the stock market crash, including Black Tuesday.

Reviewing Big Ideas

- Interpreting** How did the practices of buying on margin and speculation cause the stock market to rise?

Critical Thinking

- Evaluating** Why did the stock market crash cause banks to fail?
- Organizing** Use a graphic organizer similar to the one below to list the causes of the Great Depression.



Analyzing Visuals

- Analyzing Graphs** Study the graphs on page 470. Note that decreased demand for automobiles ultimately led to layoffs. These layoffs further decreased the demand for automobiles. What do you think might have ended this cycle?

Writing About History

- Expository Writing** Write an article for a financial magazine explaining the rapid decline of the stock market in 1929 and the reasons for the Black Tuesday crash. **CA 11WA2.1a**

Life During the Depression

Guide to Reading

Connection

In the previous section, you learned about the causes of the Great Depression. In this section, you will discover how the Depression worsened and people sought escape from the hardships.

Main Idea

- As banks continued to fail and people lost jobs and homes, soup kitchens and shantytowns sprang up throughout the United States. Droughts during the 1930s made the Depression even worse for farmers. (p. 475)
- Movies and radio shows allowed people to forget temporarily the miseries of the Depression. (p. 477)

- Painters, photographers, and writers all captured the experiences of people during the Great Depression. (p. 479)

Content Vocabulary

bailiff, shantytown, Hooverville, hobo, Dust Bowl, soap opera

Academic Vocabulary

suspend, colleague, technique

People and Terms to Identify

Walt Disney, Grant Wood, John Steinbeck, William Faulkner

Reading Objectives

- **Describe** how the Great Depression affected American families.

- **Discuss** how artists portrayed the effects of the Depression.

Reading Strategy

Taking Notes As you read about life in the United States during the Great Depression, use the major headings of the section to create an outline similar to the one below.

Life During the Depression

- I. The Depression Worsens
 - A.
 - B.
 - C.
- II.

Preview of Events



The following are the main History–Social Science Standards covered in this section.

11.6 Students analyze the different explanations for the Great Depression and how the New Deal fundamentally changed the role of the federal government.

11.6.3 Discuss the human toll of the Depression, natural disasters, and unwise agricultural practices and their effects on the depopulation of rural regions and on political movements of the left and right, with particular attention to the Dust Bowl refugees and their social and economic impacts in California.

The Big Idea

Societies change over time. As the Depression worsened, many people could not afford housing. They lived in makeshift villages and traveled from town to town in search of work. When the Dust Bowl hit in the Great Plains, many more found themselves without jobs or places to live. People found escape from their troubles in movies or radio programs, which allowed them brief visits into a more exciting and happier world. At the same time, Depression hardships inspired painters, photographers, and writers to depict their views of life under such difficult circumstances.

The Depression Worsens

Main Idea As banks continued to fail and people lost jobs and homes, soup kitchens and shantytowns sprang up throughout the United States. Droughts during the 1930s made the Depression worse for farmers.

Reading Connection Have you or someone you know ever helped serve in a local soup kitchen or food pantry? Read on to discover how people relied on private charities for their meals during the Great Depression.

In 1930, 1,352 banks **suspended** operations across the nation, more than twice the number of bank failures in 1929. As the Depression grew steadily worse during Hoover’s administration, many people found themselves unable to afford housing.

★ An American Story ★

A young girl with the unusual name of Dynamite Garland was living with her family in Cleveland, Ohio, in the 1930s when her father, a railroad worker, lost his job. Unable to afford rent, they gave up their home and moved into a two-car garage.

The hardest aspect of living in a garage was getting through the frigid winters. “We would sleep with rugs and blankets over the top of us,” Garland later recalled. “In the morning we’d . . . get some snow and put it on the stove and melt it and wash ‘round our faces.” When Garland’s father found a part-time job in a Chinese restaurant, the family “lived on those fried noodles.”

On Sundays the family looked at houses for sale. “That was a recreation during the Depression,” said Garland. “You’d go and see where you’d put this and where you could put that, and this is gonna be my room.” In this way, the family tried to focus on better times. Movies and radio programs also provided a brief escape from their troubles, but the struggle to survive left little room for pleasure.

—adapted from *Hard Times*

By 1933 more than 9,000 banks had failed. In 1932 alone some 30,000 companies went out of business. By 1933 more than 12 million workers were unemployed—about one fourth of the workforce. Average family income dropped from \$2,300 in 1929 to \$1,600 a few years later.

Lining Up at Soup Kitchens People without jobs often went hungry. Whenever possible they joined bread lines to receive a free handout of food or lined up outside soup kitchens, which private charities set up to give poor people a meal.

Peggy Terry, a young girl in Oklahoma City during the Depression, later told an interviewer how each day after school, her mother sent her to the soup kitchen:

“If you happened to be one of the first ones in line, you didn’t get anything but water that was on top. So we’d ask the guy that was ladling out soup into the buckets—everybody had to bring their own bucket to get the soup—he’d dip the greasy, watery stuff off the top. So we’d ask him to please dip down to get some meat and potatoes from the bottom of the kettle. But he wouldn’t do it.”

—quoted in *Hard Times*

Living in Makeshift Villages Families or individuals who could not pay their rent or mortgage lost their homes. Some of them, paralyzed by fear and humiliation over their sudden misfortune, simply would not or could not move. Their landlord would then ask the court for an eviction notice. Court officers called **bailiffs** then ejected the nonpaying tenants, piling their belongings in the street.

Throughout the country, newly homeless people put up shacks on unused or public lands, forming communities called **shantytowns**. Blaming the president for their plight, people referred to such places as **Hoovervilles**.



An unemployed man advertising his skills



Student Web Activity

Visit the *American Vision: Modern Times* Web site at tav.mt.glencoe.com and click on **Student Web Activities—Chapter 9** for an activity on the Great Depression.

In search of work or a better life, many homeless and unemployed Americans began to wander around the country, walking, hitchhiking, or, most often, “riding the rails.” These wanderers, called **hobos**, would sneak past railroad police to slip into open boxcars on freight trains for a ride to somewhere else. They camped in “hobo jungles,” usually situated near rail yards. Hundreds of thousands of people, mostly boys

and young men, wandered from place to place in this fashion, sleeping and eating where they could.

The Dust Bowl Farmers soon faced a new disaster. Since the beginnings of homesteading on the Great Plains, farmers had gambled with nature. Their plows had uprooted the wild grasses that held the

soil’s moisture. The new settlers then blanketed the region with wheat fields.

When crop prices dropped in the 1920s, however, Midwestern farmers left many of their fields uncultivated. Then, beginning in 1932, a terrible drought struck the Great Plains. With neither grass nor wheat to hold the scant rainfall, the soil dried to dust. From the Dakotas to Texas, America’s pastures and wheat fields became a vast **“Dust Bowl.”**

Winds whipped the arid earth, blowing it aloft and blackening the sky. When the dust settled, it buried crops and livestock and piled up against farmhouses like snow. No matter how carefully farm families sealed their homes, dust covered everything. As the drought persisted, the number of yearly dust storms grew, from 22 in 1934 to 72 in 1937.

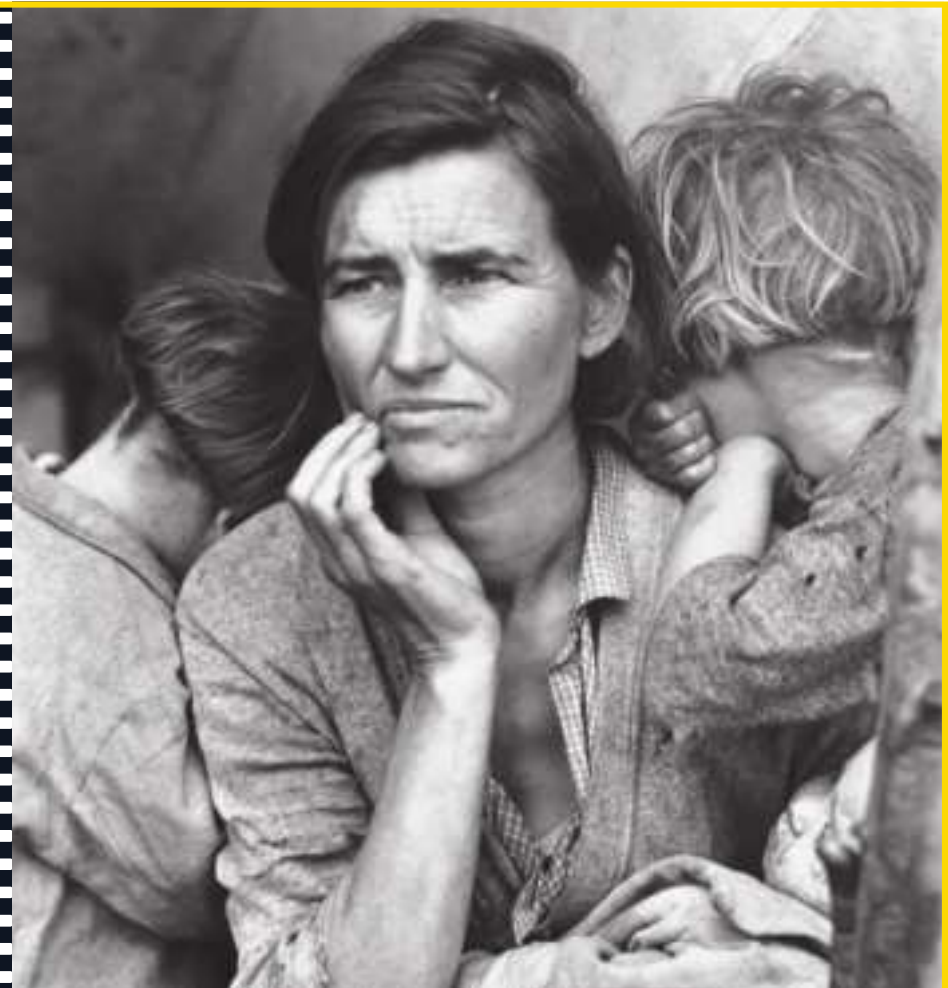
Only some Midwestern and Great Plains farmers managed to hold on to their land. If their withered fields were mortgaged, they had to turn them over to the banks. Then, nearly penniless, many families packed their belongings and headed west. Since many migrants were from Oklahoma, they became

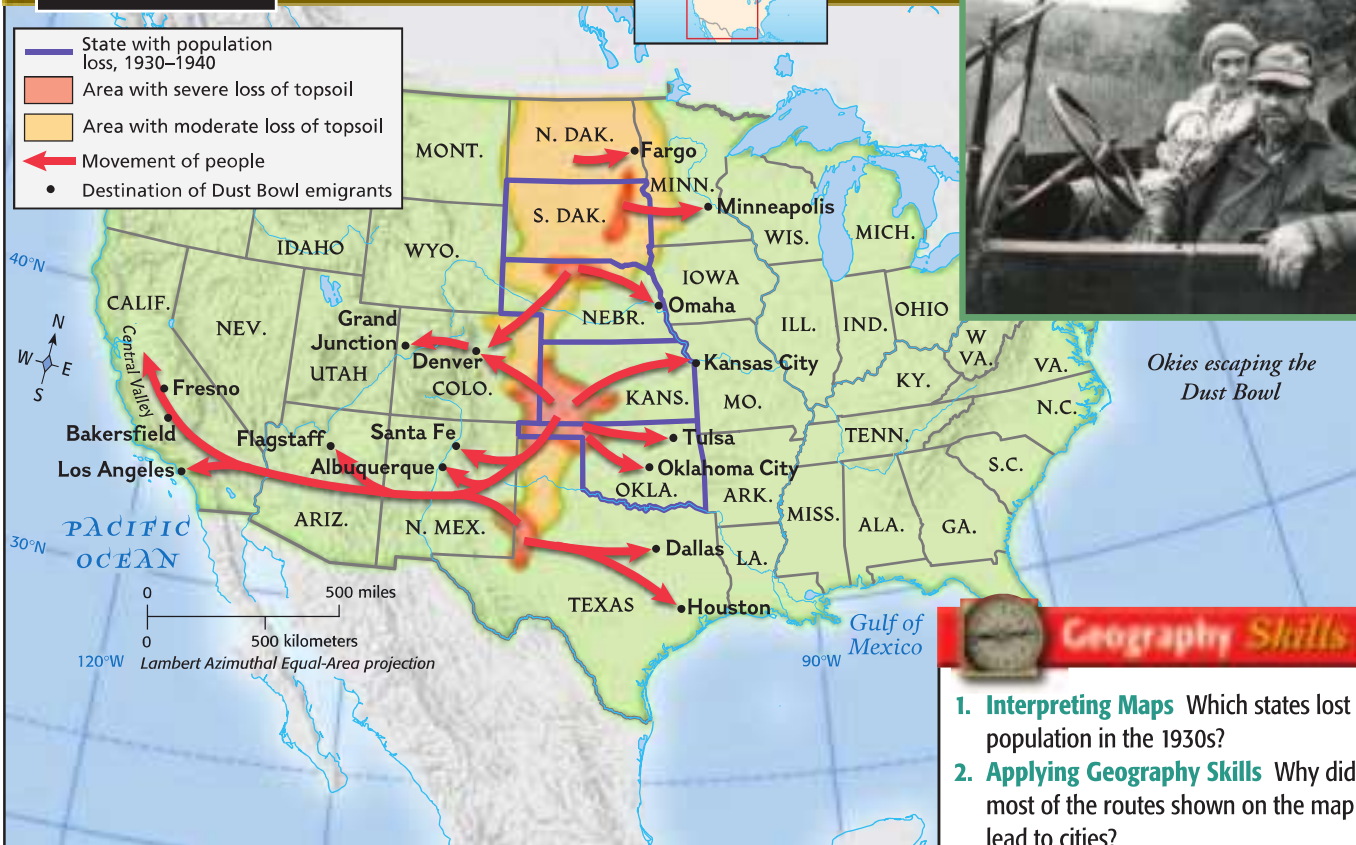
NATIONAL GEOGRAPHIC

MOMENT in HISTORY

IMAGE OF AN ERA

Lasting a decade, the Great Depression deprived many Americans of jobs, land, and livelihoods. Plummeting crop prices and farms withering under drought, and dust clouds forced many families to take to the road in search of work, often with little success. Dismayed by scenes of destitution and homelessness, photographer Dorothea Lange joined the Resettlement Administration in 1935. In 1936 in rural Nipomo, California, Lange photographed this “Migrant Mother,” a 32-year-old woman with seven children. She had just sold her car tires to buy food.





Okies escaping the Dust Bowl

Geography Skills

- Interpreting Maps** Which states lost population in the 1930s?
- Applying Geography Skills** Why did most of the routes shown on the map lead to cities?

known as “Okies.” Many migrants believed they would find a better life in California, which was thought to have a perfect climate for agriculture and plenty of work available. California soon became overwhelmed with the number of migrant workers. Many migrants were met with hostility from those already living in California because of competition for jobs. Most remained homeless and impoverished.

Reading Check Explaining What chain of events turned the once-fertile Great Plains into the Dust Bowl?

Escaping the Depression

Main Idea Movies and radio shows allowed people to forget the miseries of the Depression.

Reading Connection How do movies and other forms of media help you get through difficult times? Read on to learn ways that people coped with the Great Depression.

Despite the devastatingly hard times, Americans could escape—if only for an hour or two—through entertainment. Most people could scrape together

the money to go to the movies, or they could sit with their families and listen to one of the many radio programs broadcast across the country. Entertainment provided an escape from the difficult times.

The Hollywood Fantasy Factory Ordinary citizens often went to the movies to see people who were rich, happy, and successful. The 60 to 90 million weekly viewers walked into a fantasy world of thrills and romance. Comical screenplays offered a welcome release from daily worries. Groucho Marx wisecracked while his brothers’ antics provoked hilarity in such films as *Animal Crackers*.

Many European actors, writers, and directors, fleeing economic hardship and the threat of dictatorships, went to Hollywood in the 1920s and 1930s. Two European women emerged as superstars. Germany’s Marlene Dietrich portrayed a range of roles with subtlety in movies such as *Morocco* and *Shanghai Express*. Swedish actress Greta Garbo often played a doomed beauty, direct and unhesitating in her speech and actions, and was the highest paid female in the United States during the mid-1930s.

Moviegoers also loved cartoons. **Walt Disney** produced the first feature-length animated film, *Snow*

White and the Seven Dwarfs, in 1937. Its box office appeal may have spurred MGM two years later to produce *The Wizard of Oz*, a colorful musical that lifted viewers' spirits.

Even when films focused on serious subjects, they usually contained a note of optimism. In *Mr. Smith Goes to Washington*, James Stewart plays a naïve youth leader who becomes a senator. He dramatically exposes the corruption of some of his **colleagues** and calls upon his fellow senators to see the American political system as the peak of "what man's carved out for himself after centuries of fighting for something better than just jungle law."

Gone with the Wind, an elaborately costumed film nearly four hours long, topped the Depression-era epics. Its heroine, Scarlett O'Hara, played by British actress Vivien Leigh, struggles to maintain her life on a Georgia plantation during and after the Civil War. Romance enters as Clark Gable, playing the masterful Rhett Butler, woos Scarlett. Audiences found inspiration in Scarlett's unassailable will to survive.

On the Air While movie drama captured the imagination, radio offered entertainment on a more personal level. People listened to the radio every day, gathering around the big wooden box in the living

room. It could have been the voice of the president or a newscaster that held their attention. More often it was the comedy of Jack Benny or George Burns and Gracie Allen, or the adventures of a hero like the Green Hornet.

One of the most popular heroes was the Lone Ranger, who fought injustice in the Old West with the help of his "faithful Indian companion," Tonto. The listener needed only to picture the hero with a black mask hiding his identity, as he fired a silver bullet to knock a gun from an outlaw's hand.

Daytime radio dramas carried their stories over from day to day. Programs such as *The Guiding Light* depicted middle-class families confronting illness, conflict, and other problems. These short dramas allowed listeners to escape into a world more exciting than their own. The shows' sponsors were often makers of laundry soaps, so the shows were nicknamed **soap operas**.

While the Depression tore at the fabric of many towns, radio created a new type of community. Even strangers found common ground in discussing the lives of radio characters.

 **Reading Check** **Evaluating** What movies and radio shows entertained Americans during the Depression?

Profiles IN HISTORY

Dorothea Lange

1895–1965

Before she had ever used a camera, Dorothea Lange knew she wanted to be a photographer. After finishing high school, she took a photography course in New York, then traveled around the world. Lange earned her keep by taking and selling photos. Her trip ended in San Francisco.

In San Francisco, Lange photographed homeless people and uncovered the desperation of her subjects. One day, while driving through California's Central Valley, Lange noticed a sign: "Pea-Pickers Camp." On impulse, she stopped. She approached a woman and her children gazing listlessly out of a tattered tent. Lange took five pictures while the mother "sat in that lean-to tent with her children huddled around her, and seemed to know that my pictures might help her, and so she helped me."

In the mid-1930s, Lange traveled through the Dust Bowl states, capturing the ravages of dust storms. When the images were reproduced in a best-selling book, *American Exodus*, the state of California created camps to shelter migrant workers.



The Depression in Art

Main Idea Painters, photographers, and writers all captured the experiences of people during the Great Depression.

Reading Connection Have you ever written a poem, story, or diary entry or drawn a picture to express how you were feeling at a particular time? Read on to find out about the artists of the 1930s and their portrayals of the nation.

Art and literature also flourished in the harsh and emotional 1930s. The homeless and unemployed became the subject of pictures and stories as artists and writers tried to portray life around them.

Thomas Hart Benton and **Grant Wood** led the regionalist school, which emphasized traditional American values, especially those of the rural Midwest and South. Wood's most famous painting, *American Gothic*, portrays a stern farmer and his daughter in front of their humble farmhouse. The portrait pays tribute to no-nonsense Midwesterners while at the same time gently making fun of their severity.

Novelists such as **John Steinbeck** added flesh and blood to journalists' reports of poverty and misfortune. Their writing evoked both sympathy for their characters and indignation at social injustice. In *The Grapes of Wrath*, published in 1939, Steinbeck tells the story of an Oklahoma family fleeing the Dust Bowl to find a new life in California. Steinbeck had seen firsthand the plight of migrant farm families uprooted by the Dust Bowl. After visiting camps of these families he had a better understanding of their fears. He described "people in flight" along Route 66. Inside one old jalopy sat the members of a family, worrying:

“There goes a gasket. Got to go on. Find a nice place to camp. . . . The food's getting low, the money's getting low. When we can't buy no more gas—what then? Danny in the back seat wants a cup a water. Little fella's thirsty.”

—from *The Grapes of Wrath*

Other novelists of this time influenced literary style itself. In *The Sound and the Fury*, for example, author **William Faulkner** shows what his characters are thinking and feeling before they speak. Using this stream of consciousness **technique**, he exposes hidden attitudes of Southern whites and African Americans in a fictional Mississippi county. Another Southern writer, Thomas Wolfe, used the facts of his own life to examine the theme of artistic creation in such powerful novels as *Look Homeward Angel*.

While the written word remained powerful, the printed image was growing in influence. Magazine photographers roamed the nation armed with the new 35-millimeter cameras, seeking new subjects. Photojournalist Margaret Bourke-White's striking pictures, displayed in *Fortune* magazine, showed the ravages of drought. In 1936 *Time* magazine publisher Henry Luce introduced *Life*, a weekly photojournalism magazine that enjoyed instant success.

Reading Check **Examining** How did artists, photographers, and writers, such as John Steinbeck, reflect the characteristics of the 1930s?

SECTION 2 ASSESSMENT

Checking for Understanding

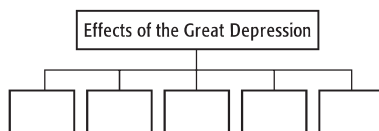
- Vocabulary** Define: suspend, bailiff, shantytown, Hooverville, hobo, Dust Bowl, colleague, soap opera, technique.
- People and Terms** Identify: Walt Disney, Grant Wood, John Steinbeck, William Faulkner.
- Explain** what caused the Dust Bowl conditions on the Great Plains.

Reviewing Big Ideas

- Describing** In what ways did people seek to forget about the Depression?

Critical Thinking

- Historical Analysis** **Making Inferences** Why do you think *Life* magazine was so popular during the 1930s?
CA HIT; HI3
- Organizing** Use a graphic organizer to list the effects of the Great Depression.



Analyzing Visuals

- Analyzing Photos** Study the photograph on page 476. Think of three adjectives that you would use to describe the people in the photograph. Using these adjectives, write a paragraph describing the family pictured.

Writing About History

- Descriptive Writing** Imagine that you are living during the Great Depression. Write a journal entry describing a day in your life. **CA 11WA2.1c; 11WA2.1e**

HISTORY Online Study Central

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

What *Life* Was Like...

1930s Entertainment

During the Depression, people needed entertainment more than ever. Movies topped the list of ways to escape everyday hardship, but music and dance were popular as well. For really cheap entertainment, one could stay at home and play cards or board games.

● **Dance Craze**

Dance marathons got their start in the manic 1920s, but they gained wide popularity in the 1930s. Couples might dance hundreds of hours, until they were exhausted. The last couple standing could win substantial prize money.

● **Movie Escapism**

Movies cost less than 25¢ in many places, so children could afford to go, too. These children display door prizes handed out during a matinee in California.



Monopoly •

Monopoly was a major 1930s fad. Players of this board game moved pieces around, buying and developing “property” in a race to amass a fortune in fake money.



• Music

The legendary Jimmie Lunceford Orchestra was one of many big band orchestras of the 1930s. Whether touring the country in one-night gigs or playing on the radio, they drew a huge following.

UNDERSTANDING THE TIME

Checking for Understanding

1. **Identifying** What entertainment was cheap and could be played at home?

Critical Thinking

2. **Making Connections** How would you compare the ideas of entertainment today with the 1930s?

Hoover Responds

Guide to Reading

Connection

In the previous section, you learned how the Depression worsened and people sought escape. In this section, you will discover how President Hoover tried unsuccessfully to help the economy.

Main Idea

- President Hoover's cautious efforts to help the economy did not succeed; Republicans lost many seats in Congress during the midterm elections. (p. 483)
- President Hoover tried to help banks recover and offer limited help to citizens directly, but it was too late. (p. 484)

- Farmers, veterans, and others who were suffering grew frustrated and protested against the government's inability to help them. (p. 485)

Content Vocabulary

public works, relief, foreclose

Academic Vocabulary

series, community, contribute

People and Terms to Identify

Reconstruction Finance Corporation, Bonus Army

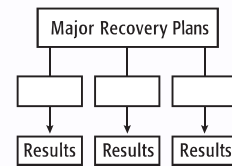
Reading Objectives

- **Evaluate** President Hoover's attempts to revive the economy.

- **Analyze** the limitations of Hoover's recovery plans.

Reading Strategy

Categorizing As you read about Hoover's response to the Depression, complete a graphic organizer by listing his major initiatives and their results.



Preview of Events

◆ 1931

October 1931
National Credit Corporation created

◆ 1932

January 1932
Congress approves Reconstruction Finance Corporation

◆ 1933

July 1932
Congress passes Emergency Relief and Construction Act; soldiers rout the Bonus Marchers

The following are the main History–Social Science Standards covered in this section.

11.6 Students analyze the different explanations for the Great Depression and how the New Deal fundamentally changed the role of the federal government.

11.6.3 Discuss the human toll of the Depression, natural disasters, and unwise agricultural practices and their effects on the depopulation of rural regions and on political movements of the left and right, with particular attention to the Dust Bowl refugees and their social and economic impacts in California.

The Big Idea

Social and economic crises lead to new roles for government. President Hoover was cautious in his efforts to improve the economy. He also tried to present an optimistic outlook of the country's economic situation. Voters responded to worsening unemployment by not reelecting many Republicans to office. Hoover then asked Congress for laws to fund banks and to provide relief, but these efforts came too late and were too limited to help. Farmers, veterans, and others who were suffering began to protest the government and its inability to assist people.