

# 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 \_\_\_\_\_ .

# Guided Reading Activity *Cont.*



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### 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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