

This lesson will help you understand major economic events in American history. Use it with core lesson 7. 1 Major Economic Events to reinforce and apply your knowledge.

Key Concept

The federal government has responded to economic events in a variety of ways; for example, by developing stimulus programs and regulating businesses.

Core Skills & Practices

- Analyze Information
- Identify Point of View

Booms and Busts

Throughout its history, the United States has experienced economic booms and busts.

Directions: Read the following questions. Then select the correct answers.

1. Businesses lose money and lay off workers during an economic _____.
A. relief
B. recession
C. stimulus
D. inflation
2. Mass production had what effect on the economy in the 1920s?
A. It caused the unemployment rate to increase.
B. It lowered the prices of goods significantly.
C. It allowed an increase in middle-class families.
D. It caused a trough to develop in the economy.
3. At a certain point, an increased demand for Model Ts would lead to a drop in supply. At that point, which of these is likely to have happened?
A. an increase in price
B. a decrease in inflation
C. a decline in GDP
D. an economic trough
4. The years 1920 to 1929 would be considered a time of economic _____ in the United States.
A. bust
B. boom
C. recession
D. depression

The Great Depression

The Great Depression was a period of severe decline in the US economy during the 1930s.

Directions: Complete the following paragraph with the correct terms.

5. Wealth in the 1920s was mainly based on the value of _____. When people bought stock, they bought it on _____, paying only about 10% and borrowing the rest. When the stock market plummeted on _____, many investors lost all their savings. Other citizens lost savings when _____ failed.

Directions: Use the passage to answer questions 5-8.

During the period between 1929 and 1933, more than 100,000 businesses failed, causing massive job losses. Without employment, many families lost their homes. With almost 25% of American workers out of work and homeless, shantytowns began to appear in parks and at the edges of cities. These collections of shacks were called “Hoovervilles.” Although Hoovervilles were made of temporary and makeshift structures, some were organized, with a mayor and governing committees. Even after the Great Depression, Hoovervilles persisted in some areas.

6. Large shantytowns populated by the unemployed and homeless appeared as a result of
- A. Black Tuesday.
 - B. the Great Depression.
 - C. the Roaring Twenties.
 - D. the Hooverville boom.
7. Why were the shantytowns named Hoovervilles?
- A. President Hoover had enacted many government programs that provided economic relief to individuals.
 - B. President Hoover had been involved in the stock market crash, which had damaged the economy.
 - C. Many companies owned by Herbert Hoover had failed, increasing unemployment during the Great Depression.
 - D. Massive unemployment and foreclosures occurred during Herbert Hoover’s tenure as president.
8. What is the most likely reason Hoovervilles would have persisted beyond the Great Depression?
- A. Strong communities were formed in these shantytowns.
 - B. Some Hooverville governments were highly effective.
 - C. Some people preferred living outside to living inside.
 - D. Relief programs took time to help all those who were in need.

The Government Responds

The federal government implemented laws and set up agencies to combat economic hardship and pull the United States out of the Great Depression.

Directions: Answer the following question.

9. Complete the table on the right by writing the purpose of each New Deal program next to its name and acronym.

Description	Program	Description
Built dams and power plants in the South	Agricultural Adjustment Administration (AAA)	
Hired people to complete construction projects	Civilian Conservation Corps (CCC)	
Hired people to plant forests	Federal Deposit Insurance Corporation (FDIC)	
Insured money people deposited in banks	National Recovery Administration (NRA)	
Paid farmers to produce fewer crops	Tennessee Valley Authority (TVA)	
Regulated how much businesses could produce	Works Progress Administration (WPA)	

Directions: Use the passage below to answer questions 10-12.

(1) Our greatest primary task is to put people to work. (2) This is no unsolvable problem if we face it wisely and courageously. (3) It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources... (4) The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities. (5) It can be helped by preventing realistically the tragedy of the growing loss through foreclosure of our small homes and our farms. (6) It can be helped by insistence that the Federal, State, and local governments act forthwith on the demand that their cost be drastically reduced. (7) It can be helped by the unifying of relief activities which today are often scattered, uneconomical, and unequal. (8) It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character. (9) There are many ways in which it can be helped, but it can never be helped merely by talking about it. (10) We must act and act quickly.

—President Franklin D. Roosevelt, First Inaugural Address, 1933

10. In which sentence does Roosevelt speak of an issue that would be partially addressed by the creation of Social Security?
- A. sentence 4
 - B. sentence 5
 - C. sentence 7
 - D. sentence 8
11. New Deal programs outlined in Roosevelt's speech provided _____ to the economy by providing relief to workers and reforms for businesses.
12. Which of these statements summarizes Roosevelt's point of view, as outlined in his speech?
- A. The government must control all aspects of the American economy.
 - B. The economy can be improved through government intervention.
 - C. Direct monetary relief is the only way to help the poorest Americans.
 - D. Local and state governments are corrupt and must be reined in.



Test-Taking Tip

Fill-in-the-blank questions are often used to test your knowledge of vocabulary words. Answering these questions will be easier if you study the accepted definition for each vocabulary word in a lesson or chapter.

The Relationship Between Politics and Economics Lesson 7. 2

This lesson will help you explain the relationship between political and economic freedoms, identify the economic causes and impacts of wars, and discuss how exploration and colonization were driven by economic factors. Use it with core lesson 7. 2 The Relationship Between Politics and Economics to reinforce and apply your knowledge.

Key Concept

Politics and economics interact with each other in complex ways that affect the entire society.

Core Skills & Practices

- * Compare and Contrast
- Make Inferences

Political and Economic Freedom

In the United States, the balance between personal freedom, as outlined in the Constitution, and economic freedom is frequently addressed.

Directions: Use the passage below to answer questions 1 and 2.

The time is arriving when we can have further tax reduction, when, unless we wish to hamper the people in their right to earn a living, we must have tax reform. The method of raising revenue ought not to impede the transaction of business; it ought to encourage it. I am opposed to extremely high rates, because they produce little or no revenue, because they are bad for the country, and, finally, because they are wrong. We cannot finance the country, we cannot improve social conditions, through any system of injustice, even if we attempt to inflict it upon the rich. Those who suffer the most harm will be the poor. This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous. The wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success but to create conditions under which everyone will have a better chance to be successful.

—President Calvin Coolidge, Inaugural Address, 1925

1. The speech indicates that President Calvin Coolidge had a _____ approach to government.
 - A. laissez-faire
 - B. reductionist
 - C. totalitarian
 - D. socialist
2. Which of these statements does the speech appear to support?
 - A. The poor will benefit most from larger taxes on the rich.
 - B. Prosperity cannot be attained unless taxation is increased.
 - C. Successful people should not be punished through taxation.
 - D. The tax system should be completely abolished in the United States.

3. Which of these is an inference about Coolidge's beliefs that can be made from this speech?

- A. Poor people have been treated justly.
- B. Rich people earned their success.
- C. Taxation is completely unnecessary.
- D. Poor people are jealous of rich people.

Directions: Complete the following paragraph with the correct terms.

4. President Franklin D. Roosevelt used the ideas of _____, a noted economist, to create the _____ plan. This plan increased _____ involvement in all aspects of the economy. Programs managed by the government have been used since the Great Depression, during periods of _____

The Politics of Imperialism

The policy of imperialism—the governing of weaker nations or colonies by more powerful nations—is an example of the influence of politics on the economy.

Directions: Use the chart below to answer question 5.

5. Complete the table by writing each of the four terms below next to the correct description.

Annexation	Open-Door Policy
Imperialism	Tariff

Description	
Hawaii was added to the United States as a territory in 1898.	
Sugar from Brazil is taxed when it enters the United States.	
The United States and Mexico both have the right to trade with China.	
The United States obtains territory to build a canal in Panama.	

Directions: Read the following question. Then select the correct answer.

6. One root of American _____ in the late 1800s was an overabundance of American goods.
- A. socialism
 - B. democracy
 - C. imperialism
 - D. laissez-faire

Directions: Read the passage below. Then answer the questions that follow.

I, Liliuokalani of Hawaii, by the will of God named heir apparent on the tenth day of April, A. D. 1877, and by the grace of God Queen of the Hawaiian Islands on the seventeenth day of January, A. D. 1893, do hereby protest against the ratification of a certain treaty, which, so I am informed, has been signed at Washington by Messrs. Hatch, Thurston, and Kinney, purporting to cede those Islands to the territory and dominion of the United States. I declare such a treaty to be an act of wrong toward the native and part-native people of Hawaii, an invasion of the rights of the ruling chiefs, in violation of international rights both toward my people and toward friendly nations with whom they have made treaties, the perpetuation of the fraud whereby the constitutional government was overthrown, and, finally, an act of gross injustice to me.

—Queen Liliuokalani of Hawaii. Official Protest to the Treaty of Annexation. 1897

7. What does Queen Liliuokalani imply about her role as ruler of Hawaii?
- A. She was ordained by God to rule.
 - B. She was chosen by the people to rule.
 - C. She supports American rule of Hawaii.
 - D. She needs help from the US government.
8. Why does Queen Liliuokalani protest the treaty referred to in the passage?
- A. It gives native Hawaiians more say in their government.
 - B. It ignores the right of Hawaii to rule itself independently.
 - C. It spreads imperialism into the South Pacific region.
 - D. It overthrows the constitutional government of Hawaii.



Test-Taking Tip

An inference is a conclusion that is reached on the basis of evidence and reasoning. When you are asked to identify an inference based on evidence from a reading passage, first read the inferences that are provided. Then read the passage to see which inference could be made based on information in the passage.

The Economics of War

War and conflict are sometimes the result of countries attempting to gain or control natural resources.

Directions: Read the following question. Then select the correct answer.

9. Which of these impacts of war could indirectly cause homelessness?

- A. War disrupts businesses.
- B. Bombing destroys houses.
- C. Fighting destroys farm fields.
- D. Conflict shuts down power grids.

Directions: Read the passage below. Then answer the questions that follow.

The United States has a long history of extending a helping hand to people overseas struggling to make a better life. It is a history that both reflects the American people's compassion and support of human dignity as well as advances US foreign policy interests.

—US Agency for International Development, Statement of "Who We Are"

10. US Agency for International Development provides _____ aid to improve the lives of people in foreign countries that may have been affected by war or famine.

11. How would US aid advance US foreign policy interests?

- A. by stabilizing economies of foreign countries
- B. by providing military support to foreign countries
- C. by showing that US citizens can be compassionate
- D. by supporting those who want to overthrow dictators

Directions: Complete the following paragraph with the correct terms..

12. War creates unstable _____, which scare away _____. However, money is needed after a war to rebuild _____, to provide food and services to people who have been affected by war, and to support _____ that are trying to reopen.

The Scientific and Industrial Revolutions Lesson 7. 3

This lesson will help you understand how the Scientific and Industrial Revolutions have shaped modern life. Use it with core lesson 7. 3 The Scientific and Industrial Revolutions to reinforce and apply your knowledge.

Key Concept

Today's world has been shaped by the technological advances that came about as a result of the Scientific and Industrial Revolutions.

Core Skills & Practices

- Interpret Meaning
- Identify Cause and Effect

The Scientific Revolution

During the Scientific Revolution, which lasted from the late 1500s to the early 1600s, people began to use rational thinking to question old ideas about the world around them and to search for new answers.

Directions: Read the following questions. Then select the correct answers.

- The _____ is the process used by scientists for testing ideas through experimentation and careful observation.
A. scientific method
B. industrial method
C. Scientific Revolution
D. urbanization
- Which of these statements best describes the period of the Scientific Revolution?
A. Political revolution drove scientific discoveries in many nations.
B. A mass movement of people occurred from the country to cities.
C. The use of rational thinking caused many former ideas to be discarded.
D. Scientists began to accept discoveries that were made in the past.
- Place each scientist in the correct spot in the left table, to show whether his discoveries related to the solar system or the human body.

Solar System	Human Body

Scientists
Andreas Vesalius
Antonie van Leeuwenhoek
Galileo Galilei
Isaac Newton
Nicholas Copernicus

Directions: Use the passage below to answer questions 4 and 5.

The astrolabe is an instrument that allows the user to study the position of the Sun and stars to determine time during the day or night and the time of a celestial event. During the 15th and 16th centuries, the Mariner's Astrolabe was developed to measure the height of a celestial body above the horizon.

4. An astrolabe would allow a navigator to determine which of these while sailing in the middle of an ocean?
 - A. distance to land
 - B. time until sunrise
 - C. latitude position
 - D. distance between stars
5. The invention of the astrolabe had the greatest effect on which of the following?
 - A. the Scientific Revolution
 - B. industrialization
 - C. European exploration
 - D. the work of Copernicus and Galileo

The Industrial Revolution

During the time period known as the Industrial Revolution, machines replaced hand tools in the manufacturing of goods, and many people left their farms to work in factories.

Directions: Read the following questions. Then select the correct answers.

6. People who make candles in their homes to sell to local gift shops are operating a(n)
 - A. factory.
 - B. illegal business.
 - C. cottage industry.
 - D. stay-at-home industry.
7. What is the most likely effect of an industrial revolution in a country?
 - A. More people are able to work at home.
 - B. People move from the cities to rural areas.
 - C. The economy shifts from agriculture to manufacturing.
 - D. New machines make more expensive goods that are difficult to obtain.

Directions: Use the table below to answer questions 8-10.

Cotton Mills in England, 1838

Location in England	Number of Cotton Mills	Number of Employees
Northwest	1, 562	215, 556
Northeast	16	1, 704
Southwest	1	29
Southeast	19	942

8. Based on the information in this chart, you can conclude that in the first half of the 19th century, northwest England most likely developed a higher concentration of
- A. universities.
 - B. middle-class families.
 - C. labor unions in the southwest.
 - D. railroads.
9. The chart suggests that which area of England may have been least affected by the Industrial Revolution?
- A. the northwest
 - B. the northeast
 - C. the southwest
 - D. the southeast

Directions: Complete the following sentences with the correct terms.

10. According to the table, the cotton industry was _____ in one area of England, with _____ other area(s) as (a) smaller textile center(s).
11. The movement of people from farms to industrial cities appears to have been greatest in _____ England.



Test-taking Tip

When answering questions based on a data table, study the table to determine any trends in the data.

The Rise of Cities

Between 1800 and 1850 there was a significant increase in the number and size of cities in Europe and the United States.

Directions: Read the following questions. Then select the correct answers.

12. Before labor unions formed during the Industrial Revolution, which of these statements was true?
 - A. Employers were held responsible for workplace accidents.
 - B. Employee wages were based on experience and gender.
 - C. Employers operated according to their own set of rules.
 - D. Employees working long hours received overtime pay.
13. What led to urbanization during the Industrial Revolution?
 - A. the need for factory workers
 - B. the abundance of city services
 - C. healthy living conditions in the cities
 - D. high pay and safe working conditions in city jobs

Directions: Use the passage below to answer questions 14 and 15.

Textile factories in England used child labor to perform many tasks, such as picking up loose cotton or crawling under machines while they were in motion. Interviews with people who worked in cotton mills as children reveal that they were sometimes forced to work from 12-17 hours at the mill, and were punished if they tried to sit down or rest in any way. Very small children were sought for mill work, because they were cheaper to hire as well as being small and agile.

14. Which of these jobs in a cotton mill would most likely be done by the youngest children?
 - A. picking up cotton bales from the floor
 - B. running cloth-making machinery
 - C. running errands for managers outside the factory
 - D. crawling under running machines
15. What does this passage indicate about conditions during the Industrial Revolution?
 - A. Poverty was common.
 - B. Education was valued.
 - C. Children worked short days.
 - D. Children were protected.