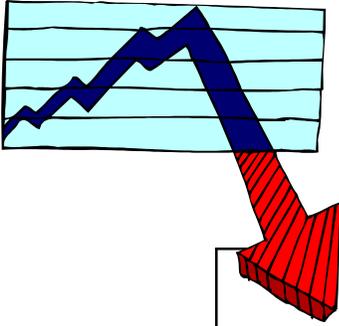


## Teaching Guide

### SEGMENT 1, WEBISODE 12

Please note: Each segment in this Webisode has its own Teaching Guide



#### Segment Overview



#### Let's Discuss

The alluring and seemingly surefire opportunity to rapidly amass wealth occurred with the great bull market of the late twenties. Ordinary people invested their savings, mortgaged their houses, and even borrowed money to play the stock market in the hope of making a quick fortune. Speculative fever gripped the nation. But beneath the veneer of perpetual prosperity, the economy was in serious trouble. Wild speculation, the buying of stocks on margin, and factory and farm overproduction collided with a downward spiraling worldwide economy to end the boom with the Stock Market Crash of 1929. Americans responded with shock and disbelief. Those in power attempted to deny its reality or importance; they claimed it was just another swing in the boom-depression cycle. The decade had provided such a gloriously wild ride into universal prosperity that Americans had forgotten the possibility of a sickeningly abrupt fall into hardship and despair.

#### Teacher Directions

1. Ask the students the following questions.
  - How did people get rich in the 1920s?
  - Describe buying stocks on margin.
  - Who was affected when the stock market crashed?
2. Make sure students understand the following points in discussing the questions.

Many Americans got rich by buying stocks in the 1920s. If someone bought 100 stocks for \$10 each, the value of the stock might grow to \$500 each in a short time. The investor would now have \$50,000 for his \$1,000 dollar investment.

The possibilities for getting rich quickly tempted investors to borrow money to invest. This practice was called buying on margin. The investor would put up 10 percent of the price of the stock and borrow 90 percent from the broker.

The problem with all this investing and borrowing was that no real value backed it. Some companies with no products sold stock. This could not go on forever. When the stock market crashed, investors not only lost their 10 percent, but also owed the 90 percent they had borrowed.

Let's Discuss, Cont.

The stock market crash affected many people who were not directly involved in investing. People who had their money in banks panicked and wanted to take it out, but the banks had loaned the money and could not give it to the depositors all at once. Factories and businesses closed. People lost their jobs. Farmers lost their farms.

### Teacher Directions

1. Write "Black Thursday, October 24, 1929, on the chalkboard. Ask the students to speculate the meaning of this date. What would make October 24, 1929 earn the title of Black Thursday?
2. Explain to the students that this was the date when investors sold their stocks in huge quantities because they feared the values would drop. The wild selling caused this very thing to happen.
3. Distribute the Student Sheet: *The New York Times Headlines, 1929*. Tell the students that many people were shocked and surprised when the stock market began to crash. They had ignored the warning signs that had begun to appear several months earlier. The so-called experts and even President Coolidge said that the stock market was sound.
4. Direct the students to cut the cards apart and place them on the desks with the date sides facing up. Students arrange the cards in a timeline by date. Students then take turns turning the cards over one by one to read the *New York Times* headline for that date. As headlines are revealed, students discuss what they would do with money they had to invest or with money that they could borrow. Explain that Sission, Price, and Fisher are stock market experts.

### Teacher Directions

Students respond to the following prompt.

- Imagine that you are a student living in 1929. Write a letter to a friend in which you discuss the personal changes in your life due to the stock market crash.





Moving Toward  
Freedom



Connections

### Teacher Directions

1. Distribute the Student Sheet: *LULAC – The League of United Latin American Citizens*. Students read the information on the Student Sheet.
2. Ask the students.
  - How did LULAC help American citizens of Hispanic origin move toward freedom?
  - What other groups had represented minority groups move toward full freedom as American citizens?

### Teacher Directions

Use the following activities with your students.

**Language Arts** — Students read *No Promises in the Wind* by Irene Hunt, *Roll of Thunder, Hear My Cry* by Mildred Taylor, and *A Jar of Dreams* by Yoshiko Uchida. Partner Discussion Guides are available from Johns Hopkins University Talent Development Middle School Program.

**Math** — Students use facts and figures of the Stock Market Crash and the resulting Great Depression to create math problems for other students to solve.

**Language Arts** — Students read nonfiction accounts of the stock market crash and the Great Depression in *The Crash of '29 and the New Deal* by Bruce Glassman; *Picture History of the 20<sup>th</sup> Century: The 1920* by Richard Tames, or *Cobblestone Magazine, The Great Depression*.

**Media** — Students view segments of videos: *1929-1941: The Great Depression*, National Geographic, or *The World of the Thirties: America in the Thirties – Depression and Optimism*, Films for the Humanities and Sciences.

## *LULAC: The League of United Latin American Citizens*



**I**n 1929, many Mexican Americans struggled to overcome the injustices and discrimination they faced. Many were lynched and crimes against Mexican Americans went unpunished. Mexican American children attended segregated and inferior schools. Voting restrictions denied many Mexican American citizens the right to vote, and they were not allowed to serve on juries. Mexican Americans worked in the lowest-paying jobs, such as on fields, farms, and ranches, and received less money for the same work.

Mexican American leaders realized the need to organize to promote the interests and rights of Mexican Americans. In 1929, Mexican Americans organized the League of United Latin American Citizens (LULAC). LULAC wanted to help Mexican Americans obtain their rights as citizens and help them thrive within mainstream American society.

Because of their involvement in LULAC, early members faced harassment or lost jobs. LULAC organizers traveled the southwest to urge Mexican Americans to organize in spite of the discrimination and harassment they faced. As they traveled, they could not eat in Anglo restaurants or sleep in Anglo hotels.

LULAC has worked hard to bring about positive change for the Hispanic American community. For example, in 1945, LULAC successfully sued the Orange County school system to protest segregated and inferior schools. In 1930, it brought lawsuits to desegregate public places throughout Texas such as pools, restrooms, water fountains, restaurants, and hotels. LULAC now represents not just Mexican Americans but Hispanics in most of the United States, with chapters in forty-eight states, Puerto Rico, and Mexico.

*The New York Times*  
**HEADLINES**

October 13,  
1929

*The New York Times*  
**HEADLINES**

October 29,  
1929

*The New York Times*  
**HEADLINES**

December 19,  
1929

*The New York Times*  
**HEADLINES**

October 26,  
1929

*The New York Times*  
**HEADLINES**

October 24,  
1929

*The New York Times*  
**HEADLINES**

September 6,  
1929

*The New York Times*  
**HEADLINES**

October 16,  
1929

*The New York Times*  
**HEADLINES**

October 24,  
1929

*The New York Times*  
**HEADLINES**

November 1,  
1929

WW. Price Says  
Crashes Will Come  
So Long As  
Facilities For  
Speculation Exist

Stock Prices Slump  
\$14,000,000,000 in  
Nation-Wide  
Stampede to Unload:  
Bankers to Support  
Market Today

“Stock Prices will  
Stay at High Levels  
for Years to Come,”  
says Ohio  
Economist

Fisher Declares no  
Big Recession in  
Market is Due  
Because Inventions  
are Adding to Health

2,600,00 Shares  
Sold in the Final  
Hour in Record  
Decline

Narrow Trading is  
Predicted for a Time  
Till the Market  
Recuperates

Sisson Decries  
Inflation; Lays  
Crash to Small  
Investors' Lack of  
Experience

Many Accounts  
Wiped Out

Fisher Sees Stocks  
Permanently High