



# PANIC

**A simulation of the prosperity of the 1920s and the depression of the 1930s**

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## **SIMULATIONS AND THE “NEW” SOCIAL STUDIES**

In America today social studies teaching is in ferment. No longer satisfied with classroom teaching dominated by textbooks, teachers are examining course content and teaching methods in the light of concepts such as inductive or inquiry learning, discovery of a discipline’s structure, student involvement through interaction and value conflicts, and an emphasis on learning rather than on teaching. Interactive simulations incorporate all of these concepts by applying game theory to enhance classroom instruction. The following educational simulation is one of hundreds offered by INTERACT.

In PANIC your classroom environment simulates the situations and problems Americans faced during the 1920s and the 1930s. Participating in this simulation will allow your students to acquire knowledge about these decades, to feel empathy for the people caught in problems seemingly beyond their control, and to experience the application of democratic processes in trying to solve these problems using historical models as a guide. Specifically, your students will experience the following:

### **Knowledge**

- Understand the transformation of American life and thought following World War I:
  - Urbanization
  - Conflicts between urban mores and “small town morality”
  - Mass production
  - Emergence of the middle class
  - Emancipation of women
  - Impact of the automobile
  - Rising economic expectations due to prosperity
- Explore the economic, psychological, legal, and political causes of the Great Depression
- Compare and contrast the liberal and conservative arguments for curing the nation’s economic ills during the Great Depression
- Discover how and why New Deal legislation changed the role and size of the federal government by studying the following:
  - **Agricultural Adjustment Act (AAA)**
  - **National Labor Relations Act (NLRA)**
  - **National Recovery Act (NRA)**
  - **Federal Insurance Contributions Act (FICA)**
  - **Federal Emergency Relief Act (FERA)**
  - **Works Progress Administration Act (WPA)**
  - **Civilian Conservation Corps (CCC)**
  - **Federal Deposit Insurance Corporation (FDIC)**
  - **Securities and Exchange Commission (SEC)**

## PURPOSE - 2

### **Skills**

- Use texts, library sources, CD ROM programs, and Internet sources (if available) to conduct research and write reports
- Use research reports to teach other students, who must take notes in preparation for a quiz
- Prepare and present an illustrated speech to a mock Congressional Committee
- Defend a point of view while sitting on a congressional committee
- Achieve what is politically possible through compromise and democratic action

### **Attitudes**

- Enjoy the exhilaration of actual or anticipated riches when playing the stock market
- Suffer the loss of what has been gambled and earned when the market crashes
- Appreciate the dilemma of individuals caught by forces beyond their control, and learn to either take collective action to solve economic problems or to “go under” as individuals
- Support or oppose socio-economic issues as alive today as in the 1930s: the Progressive Income Tax, various governmental welfare programs, and the role and size of the federal government.

## PHASE I: THE ROARING TWENTIES

PANIC begins when students draw Identity Tags to receive an occupational identity placing them in one of six regional groups and also within a national Occupational Interest Group. These identities are:

- Business Person
- Banker
- Farmer
- Labor Representative
- Social Critic
- Women's Rights Advocate

The PANIC simulation incorporates the organizational principles inherent in Interact's STEPS writing program. Students are taught the concepts of an idea or **General Statement (GS)** that is supported by **Specific Detail** statements (**SDs**), and how the **GS/SD structure** in writing and speaking leads students to organize their thoughts and their learning.

As the simulation begins, each region sends its members to various national meetings conducted by the Occupational Interest Groups. Each student receives handouts and a Student Guide containing:

- **Introduction**—details how students of each Occupational Interest Group will participate in the simulation
- **How to Play the Stock Market**—a guide for student investing
- **GS/SD Assignment Instructions**—six GS focus statements for research by Occupational Interest Group members
- **GS/SD Outline Example**—a model outline
- **Depression Days Interview**—GS7 and GS8 research topics
- **Senate and Lobbyist Group Activities**—participation instructions
- **Bill Research Report Form Model**—a model outline
- **GS9 to GS14 Bills**—main provisions
- **Congressional Debriefing Guide**—four GS focus statements for student discussion

Each Occupational Interest Group develops its own GS/SD research outline in response to specific occupation-related General Statements (GSs) given in the Student Guides. Representatives then return to their regions, which include members of different Occupational Interest Groups. Each occupational representative then briefs the region in his/her area of expertise in sufficient detail for other regional group members to successfully pass a teacher-given quiz. Each daily quiz tests students about two GS/SD outline reports on three successive days. Students are awarded **Wealth Points (WPs)** for doing well on the quizzes and may use these points as money to invest in the Stock Market.

## OVERVIEW - 2

Stock Market investing takes place during the last part of each class period during Phase I. This market is decidedly a bull market which can make a wise investor rich overnight. Market trading becomes most exciting as students discover that by investing they can double, or even triple, their material assets (grade points), measured in Wealth Points (WPs). A student can suddenly jump from a below average grade to an “A.” Of course, the market eventually must crash; but students, like Americans intoxicated by the speculative hysteria of the 1920s, figure they can get out before Black Thursday strikes. Some do, but most don’t, and the great crash that hits after a week or so reduces the WPs of most students and even wipes out all WPs of some students, who now have an “F” at this stage of the simulation.

After the great crash, another dark event drops the nation deeper into despair: the banks close. As a result, students lose additional material assets, in varying amounts up to 100 percent. Needless to say, these two events cause students to scream in pain, for many of them now have “D” or “F” grades. Those students who lose all of their wealth points lose their desks and must live in a “Hooverville,” sitting on newspapers in the corner of the room. All students’ common task as they enter Phase II of PANIC is to research and develop solutions to the nation’s economic problems.

### PHASE II: THE GREAT DEPRESSION

Phase II begins when students take a POLITICAL ATTITUDE SURVEY to indicate which political party (Republican, Democrat, or Independent) they would most logically belong to in the 1930s. However, they are told that because logic sometimes plays little part in a person’s choice of political party, they may switch at any time. Students who switch political parties are required to do so publicly and immediately change their ID tags.

Phase II is mostly devoted to Congressional Committee hearings on bills presented by lobbyists for the various Occupational Interest Groups set up in Phase I. During Phase II students wear three hats:

- they are lobbyists representing a particular Occupational Interest Group who make presentations on proposed legislation to a Congressional Committee;
- they are senators from various regions sitting on different Congressional Committees; and, finally,
- they are members of a political party wondering whether they must support the party position.

Often students get caught by a conflict of interests, not an uncommon state of affairs in Congress.

Hearings on the bills are conducted by various senate committees. First lobbyists and then the general public are given opportunity to give their views. Once all have been heard, the committee debates then votes on the bill's various provisions. The committee can accept the bill as written, change or omit parts of it, or vote to turn all of it down. The committee's vote is presumed to be that of the full Senate and House and the bill is sent to the President for his/her signature. If the president vetoes a bill, two-thirds of the whole class (acting as the full Congress) must vote to override the veto.

If a bill passes with few changes, the teacher indicates the WP effects on the various occupational and regional interest groups, with the lobbyists receiving their full WPs award. If a bill fails to pass, the teacher will further reduce the WP assets of those students still affected by the unsolved problems. (For further explanation, see the PAY YOUR DEPOSITORS CHARTS and the Gain And Tax Cost Consequences sections of this Teacher Guide.)

Of course, any bill passed carries a WPs price tag specifying how it is to be financed (either everyone is taxed equally or everyone is taxed progressively according to individual wealth). A passed bill is paid for by reducing each citizen's WPs according to the amount of taxes he or she is required to pay. However, before passing any bill, members of Congress must weigh the cost factor against the benefits certain members of certain occupations would receive. Suddenly, students role-playing members of Congress realize they are caught in the same dilemma faced by congressional representatives of their great grandparents' time and by congressional representatives of today.

After all bills are reported out and voted on and WPs are added up to see who was able to "beat" the Great Depression, two days of testing and evaluation normally end the simulation. You can rest assured your students will not forget their "panic" during *their* Great Depression.

## SETUP DIRECTIONS - 1

1. **Grouping** On small slips of paper write numbers that correspond with the numbers on the OCCUPATIONAL INTEREST GROUP ROSTER. Place these numbers in an envelope marked *numbered slips: Occupational Interest Group Roster*. On Day 1, students will draw these numbers from a box or hat. This method provides a quick way to determine groups and individual roles and creates an air of excitement. If you have fewer than 36 students, divide the identities equally among the six groups.

**Note:** If you have a particularly average class with few leaders you may want to “pre-draw” for certain students whom you designate as “regional leaders,” to ensure that each region has at least one leader.

2. **ID Tags** An ID Tag consists of a red, green, or blue 8.5" x 5.5" piece of paper with a 3" x 5" white index card taped to it. Make up the same number of Identity Tags as you have students. Put numbers on these ID Tags corresponding with the numbers on the OCCUPATIONAL INTEREST GROUP ROSTER. After receiving their identities on Day 1, students will enter the following information on the white card:



Use similarly colored ID Tags for each pair: the Bankers and Business Persons, the Farmers and Laborers, and the Social Critics and Women's Rights Advocates. Put the diagram on the board so that there is some uniformity to ID Tag construction. Tell students to print in ink, using large block capital letters.

Name	
Occupation	
Region	
Political Party	WPs

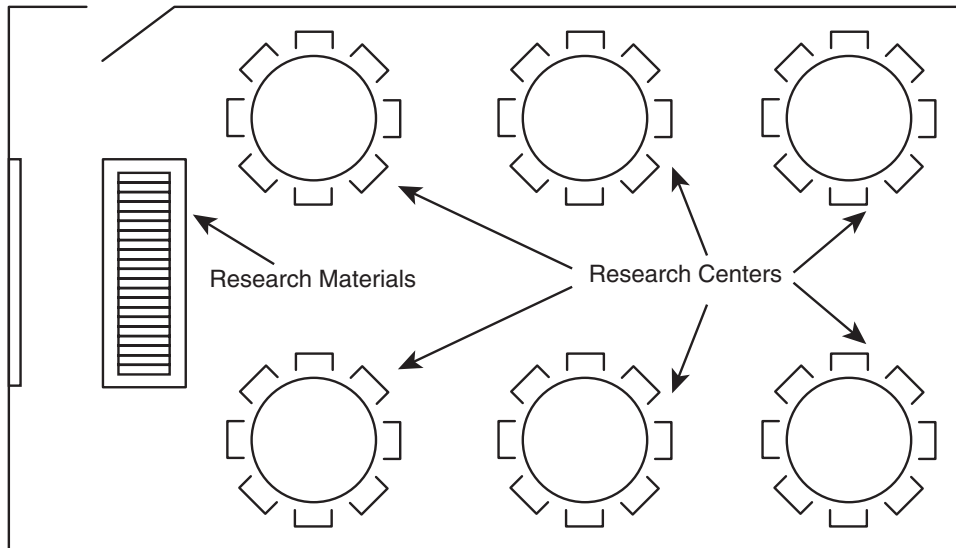
On Day 1, students enter as their **WPs Total** the number of WPs that fate has allotted them. They may enter any political party they want in Phase I, as long as it is Republican, Democrat, or Independent, or they may leave the **Political Party** area blank.

**Note:** Advise students to use pencil when entering **Political Party** and **WPs Total**, since the information in these two categories is subject to change as the simulation progresses.

## SETUP DIRECTIONS - 3

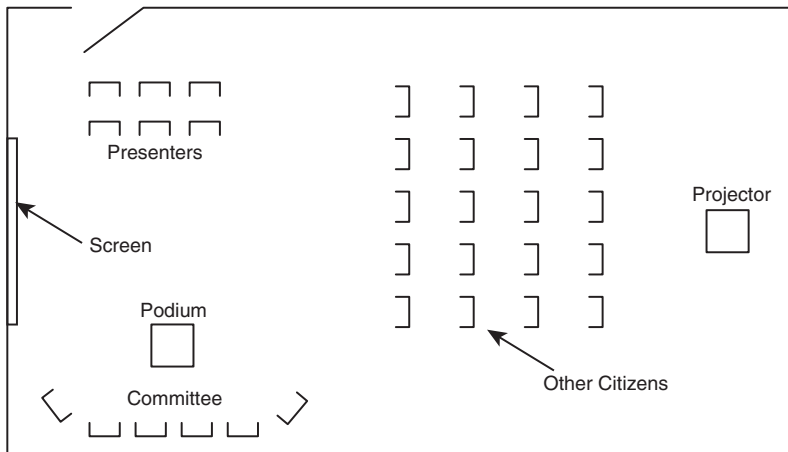
5. **Room Arrangement** Plan to change your room back and forth into the following action areas:

- **Group Research Centers** These areas can be as simple as forming six circles of desks with each circle having available



to it research materials such as texts, magazines, and other reading material. The first use of these areas will be by the Occupational Interest Groups researching the 1920's; the second use will be by the same groups researching relevant New Deal bills. (See diagram)

RESEARCH CENTERS



- **Committee Hearing Room** When a Senate Committee is scheduled to conduct a hearing set the room up as shown in diagram).

COMMITTEE HEARING ROOM

- **Hooverville** On Day 8, after the banks close, set up a Hooverville in one area of your room. Require that students who are wiped out by the market crash and the bank closure “live” here. They must bring in and sit on newspapers on the floor, with no chairs or tables. Of course, they can sit on chairs/desks when participating as senators in committee meetings; but they must return to sitting on the newspaper when meeting with their Occupational Interest Group as they prepare their lobbying strategy.