

#25



Onset of the Great Depression

1. Large manufacturers during the 1920s
 - A) often sought market stability through trade associations.
 - B) continued to be attacked and broken up by the trust-busting Presidents.
 - C) did their best to bankrupt and destroy their competitors.
 - D) used their monopolistic power to gain the maximum profit in the short run.
2. During the presidencies of Warren G. Harding and Calvin Coolidge, most of the federal regulatory agencies which had been created during the Progressive Era to address big business excesses of the Gilded Age
 - A) were placed in the hands of the states.
 - B) reflected the public's disdain for big business.
 - C) were abolished, allowed to expire, or declared unconstitutional.
 - D) served mainly to aid business.
3. Which was typical of American farming, the weakest element in the economy during the 1920s?
 - A) Rapid inflation in the price of farmland.
 - B) Growth in the size of the farm population.
 - C) Increased government subsidization.
 - D) Low prices for agricultural products.
4. President Calvin Coolidge stated that "the chief business of the American people is business." One factor leading to the economic boom during the Coolidge presidency was
 - A) farmers' over-production led to agricultural inflation.
 - B) the post-war economic downturn eased, then shifted into a period of prosperity.
 - C) Americans' commitment to saving money and frugal living rather than budget-stretching expenditures on new products.
 - D) the nation's wealth was more equally distributed among social classes than during any lengthy period since the early 1800s.
5. President Herbert Hoover believed that direct economic aid to farmers
 - A) was compatible with traditional ideals of individualism.
 - B) should have been included as part of a global plan of economic recovery.
 - C) was necessary to ease the agricultural depression of the 1920s.
 - D) should be opposed as a matter of principle.
6. The primary economic weakness undermining the prosperity of the 1920s was the
 - A) extensive fragmentation in the financial markets.
 - B) maldistribution of resources.
 - C) excessive government regulation.
 - D) increasing industrial consolidation.

7. The Great Depression was a worldwide phenomenon caused chiefly by the
- A) worldwide stock market booms of 1930.
 - B) faulty tax policies of the Hoover administration.
 - C) illegal financial manipulations by large bankers.
 - D) economic imbalances resulting from the chaos of World War I.
8. The economic problems causing the Great Depression came to a head mainly because of the
- A) anti-business attitudes in Congress.
 - B) overconsumption of consumer goods.
 - C) easy credit policies of the Federal Reserve Board.
 - D) production shortages in basic consumer goods.
9. The economic policies of Secretary of Treasury _____ dominated the 1920s.
- A) Charles Forbes
 - B) Andrew Mellon
 - C) John Maynard Keynes
 - D) Albert Fall
10. All of the following factors helped cause the Great Depression EXCEPT
- A) availability of easy credit.
 - B) unequal distribution of wealth.
 - C) the stock market crash.
 - D) high trade barriers.
11. President Herbert Hoover's program for ending the Depression called for the federal government to
- A) take control of bankrupt state and local relief programs.
 - B) provide direct federal relief to the unemployed.
 - C) lend funds to banks and corporations on the verge of collapse.
 - D) intervene actively in the economy by prohibiting manufacturers from cutting wages or laying off workers.
12. In 1932, President Herbert Hoover approved creating the _____ to lend money to insurance companies, railroads, and banks.
- A) National Recovery Administration
 - B) Federal Financial Emergency Board
 - C) Reconstruction Finance Corporation
 - D) Federal Reserve Board
13. President Herbert Hoover approached the task of caring for unemployed workers during the Great Depression by
- A) expanding the federal government's payroll.
 - B) requesting large corporations hire war veterans.
 - C) emphasizing the importance of private charities.
 - D) relying on services provided by federal welfare agencies.

14. During the Great Depression, President Herbert Hoover permitted the Federal Farm Board to
- authorize a reduction in wages and output.
 - increase tariffs so that any excess food would be used for domestic consumption.
 - check the rapid increase in agricultural prices.
 - establish stabilization corporations to purchase surplus wheat and cotton.
15. The so-called “Hoovervilles” formed during the 1930s were
- shantytowns of unemployed and homeless people.
 - model communities established by President Herbert Hoover for the downtrodden.
 - government relocation centers for rebellious farmers.
 - camps in California for unemployed Mexicans awaiting deportation.
16. The Bonus Army which came to Washington, DC in 1932 consisted largely of
- steelworkers still unemployed as a result of several bitter labor disputes during the late 1920s.
 - municipal, county, and state employees suddenly fired in a nationwide effort to streamline government processes.
 - leftwing activists who organized public meetings to challenge the economic viability of capitalistic democracy.
 - unemployed World War I veterans seeking early issuance of future extra pay announced by the federal government prior to the onset of the Great Depression.



17. The cartoon above conveys all the following messages EXCEPT
- President Herbert Hoover’s approach to the onset of the Great Depression was too conservative.
 - the New Deal program offered by newly-elected President Franklin D. Roosevelt was experiencing initial success.
 - America’s economic recovery was the paramount national concern in the early 1930s.
 - President Franklin D. Roosevelt’s colossal economic task ahead was heightened by policies of the previous administration.

18. President Herbert Hoover's response to the Great Depression was inadequate for all of the following reasons EXCEPT

- A) his refusal to allow federal funds to be used for direct relief for individuals.
- B) the federal government's inclination to approve vast financial assistance for state and local relief.
- C) Hoover treated the Depression, at least at its outset, as a typical economic downturn and therefore did not employ measures appropriately aggressive to bring remedy.
- D) it was too rigid and uncompromising.

19. The capitals of which states rhyme?

- A) Connecticut and Utah.
- B) Arkansas and New Mexico.
- C) Florida and Ohio.
- D) Massachusetts and Texas.