

Unit Seven – Reading Guide

Chapter Eighteen – Economic Policy

1. Describe the term *laissez-faire* and its application to economic theory. Why do you think the concept is so ingrained in American economic policy?

2.

Federal Government Involvement in the U.S. Economy
Early Interventions –
The Progressive Era –
The Great Depression and the New Deal --
The Social Regulation Era –
Deregulation –

The Great Depression and the Raise of the Interventionist State	
Glass-Steagall (1933)	
FDIC (1933)	
SEC (1934)	
The Wagner Act (1935)	
NLRB (1935)	
FLSA (1938)	
FCC (1934)	
ICC (1935)	

3. Describe monetary policy and the crucial role of the Federal Reserve. How does the Federal Reserve influence monetary policy?

4. Describe fiscal policy and the effects of globalization on taxes and spending policy. Describe the different priorities of both Democrats and Republicans when it comes to fiscal policy.

5. Describe the Budgetary Process. How does the federal government raise money? What does it spend the majority of the budget on? What traditionally have been major budget conflicts in Congress?

6. Do we need an Environmental Protection Agency? Why or why not? Should the government be able to regulate private industry? How much of the federal budget does the United States government dedicate to regulatory agencies each year?