

TEST #3 STUDY GUIDE

These questions will help you to prepare for the third test. The material on which the multiple choice questions are based will be drawn from this study guide. If you are able to answer the review questions and understand the material they cover, you should have no trouble answering the exam questions.

1. By being neither too harsh nor too lenient on the Germans, how did the Treaty of Versailles create a situation in which the Germans were in a position to exact revenge on the British and French later on?
2. How did German war reparations and French and British war debt involve the United States? How did this 3-way relationship work and why did it cause international economic instability?
3. What were some alternatives to the circular system of debt repayment and reparations? Why would they have made the world economy more stable? Why were such alternatives never implemented?
4. Why was the U.S. government's refusal to forgive European war debts during the late 1920s and early 1930s a bad idea?
5. Why did the German government pursue a policy of hyperinflation? Why did the French and British oppose this policy? Why did the German people come to oppose the policy?
6. Why did the Dawes Plan temporarily stabilize the international economy?
7. Why did the U.S. stock market draw so many speculators during the 1920s? What was "buying on margin" and why was it a dangerous practice?
8. What caused the U.S. stock market crash in 1929 and why did this crash have a *global* effect?
9. Why did the U.S. government raise the tariff on most imported goods in the early 1930s? Why was doing this a bad idea? Why did the high tariffs of the 1930s have a *global* effect?
10. Why did cutting taxes on the wealthiest Americans during the 1920s not necessarily mean that wealth and prosperity "trickled down" to those at the bottom of the socio-economic ladder?
11. Why did the *entire* economy suffer when the housing and auto markets slackened during the mid- to late-1920s?
12. What are the two main powers of the Federal Reserve? By using these powers, how did the Federal Reserve end up making the Great Depression worse?
13. Why was it a bad idea for the Federal Reserve to raise interest rates as the Great Depression was beginning? Why did doing this create the wrong economic incentives?
14. Why did establishing the FDIC end the run on the banks? Why did some argue that establishing the FDIC might encourage banks to make risky investments?
15. Why did the Glass-Steagall Act separate savings banks from investment banks? What problem was this meant to solve?
16. What reforms did the SEC bring to the process of investing in stocks? How did it make the buying and selling of stocks more "transparent"?

17. Why did Franklin Roosevelt refer to direct cash payments from the government to those in need as a way of "priming the pump"?
18. Why did Franklin Roosevelt believe that public works projects—building post offices, bridges, and dams—would help to stimulate the economy? Why did he prefer such projects to direct cash payments to those in need?
19. Why were farmers suffering during the 1930s? How did Franklin Roosevelt's New Deal propose to help them?
20. Why did higher wages for workers—required by the NRA—sometimes produce higher unemployment among low skilled and unskilled laborers? Why did some businesses actually *prefer* to pay workers higher wages during the 1930s?
21. How did Roosevelt's NRA help labor unions and the workers who belonged to them?
22. Why did Roosevelt set up a "social security" system rather than simply give government aid to those who were too old or sick to work?
23. Explain the origins of World War II in Europe. How and why did the conflict begin? What were the key *events* that led to the official beginning of the war on September 1, 1939?
24. How did Hitler justify his moves into places like the Rhineland, Austria, and the Sudetenland? Why did this argument collapse when the German army invaded Poland?
25. During the late 1930s, why did the British and French governments choose to "appease" Hitler rather than confront him? How did they justify this decision?
26. Despite their ideological differences, why did Nazi Germany and the Soviet Union sign a non-aggression pact in 1939? How did each nation stand to benefit from this agreement?
27. Identify the two biggest mistakes that Hitler made during World War II and explain why these mistakes were so costly.
28. Why did Roosevelt come up with the program of "Lend Lease"? What problem was it meant to solve?
29. Why was Roosevelt's top priority to keep Germany from taking over the entire European continent? How did this priority affect the way he decided to wage war once the U.S. was involved?
30. Why did "interventionists" believe the U.S. priority should be to help Great Britain? Why did "isolationists" oppose helping Great Britain?
31. Why did the Japanese attack Pearl Harbor? In hindsight, why did this prove a costly mistake?
32. How did American racism make the attack on Pearl Harbor even more costly for the U.S. military? How did Japanese racism contribute to the Japanese decision to attack Pearl Harbor in the first place?
33. Why did Josef Stalin want the Americans and the British to open a "Second Front"? Why were the Americans and the British slow to do so?
34. What was the significance of D-Day? How did it affect the course of World War II?
35. What advantages did the United States have over Japan in waging war? Why was the U.S. more likely to defeat the Japanese in an extended war of attrition?

36. What factors led to the surrender of the Japanese? Why was the dropping of the Atomic Bomb not a major reason for their surrender?
37. The 1950s were characterized by the "Four A's" - anxiety, anticommunism, affluence, and alienation. Explain how each "A" led logically to the next one.
38. Why were many Americans anxious after the end of World War II?
39. Why was inflation, more than the return of unemployment and economic depression, a problem in the years immediately after World War II? What factors caused the rise in prices?
40. What role did spying play in the Soviet Union's detonation of an atomic bomb? Why did this heighten anxiety in the U.S.?
41. Why did the Soviets' launching of "Sputnik" cause anxiety in the U.S.? Why did it affect education spending in the U.S.?
42. Why were so many Americans strongly anticommunist during the 1950s? Why did they tend to focus their anticommunism inward (at their fellow citizens) rather than demand that their government directly confront the Soviet Union?
43. Why did some Americans accused of having Communist sympathies "take the Fifth"? How did "taking the Fifth" contribute to the impression that there were more Communists in the U.S. than there really were?
44. Why did politicians (like Richard Nixon and Joseph McCarthy) embrace the cause of anticommunism?
45. Why was it especially troubling to many Americans that someone "normal looking" like Alger Hiss turned out to be a Communist spy?
46. Why did the anticommunism of the 1950s make American society more *conformist*?
47. How did American family life, gender roles, and religion during the 1950s distinguish the United States from the Soviet Union?
48. What provisions were in the GI Bill and the Marshall Plan? Why did they help to expand the American economy and the middle class after World War II?
49. How were the GI Bill, the housing boom, the construction of the highway network, and the baby boom all connected in helping to expand the American economy?
50. How did the introduction of "franchising" enable more Americans to go into business for themselves?
51. How did new products and innovations help fuel the affluence of the 1950s?
52. Why did African Americans not benefit from the housing boom in the suburbs and the movement of more and more jobs to suburban locations?
53. How was the alienation that African Americans experienced during the 1950s different from the alienation that artists, writers, musicians, and young, white suburban kids experienced?
54. How did U.S. participation in World War II undermine support for racial segregation in the United States? Why, even to many white Americans, did defending segregation now seem hypocritical?
55. How did some artists, writers, and musicians during the 1950s express their alienation from mainstream American society? What particular aspects of mainstream society did they find so alienating?

56. Why were many young people alienated from the bland, secure, yet boring suburban lives of their parents? Why did their parents find satisfaction in such a life, but their children did not?
57. How did Elvis Presley blur the lines between white and black culture? How did he help to change some white teenagers' attitudes about black culture?
58. How did Elvis Presley undermine traditional notions about gender, sexuality, and the Protestant work ethic? How, for example, did his purchase of a pink Cadillac ridicule the goals and priorities of many hard-working Americans?