

US History: The Great Depression & FDR's New Deal



Use the matching sheet ID when checking answers.

Part A: Historical & Economic Analysis. Examine the systemic crises of the Great Depression and New Deal interventions.

1. Which combination of economic vulnerabilities contributed directly to the severity of the 1929 stock market crash and subsequent Great Depression?

Answer: B. Unchecked speculative buying on margin, agricultural overproduction, and unregulated commercial banking runs

Buying on margin (borrowing up to 90% of stock costs), farm debt from post-WWI crop overproduction, and fractional reserve banks failing during liquidity panics collapsed the national economy.

2. What was the overarching structural objective of the landmark Social Security Act passed in 1935 as part of the Second New Deal?

Answer: B. To establish a permanent federal safety net providing old-age retirement pensions, unemployment insurance, and disability aid

The Social Security Act of 1935 fundamentally transformed the federal government's obligation to citizens by creating old-age pensions, unemployment compensation, and assistance for families with dependent children.

3. How did the Federal Deposit Insurance Corporation (FDIC) established by the 1933 Banking Act permanently restore public confidence in the financial system?

Answer: B. By guaranteeing individual bank deposits with federal insurance in the event of institutional insolvency

By guaranteeing depositor savings up to a statutory limit, the FDIC stopped contagious bank runs because customers knew their money was backed by the federal government.

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Part B: The Three R's of the New Deal. Categorize each agency or program into Relief (immediate aid), Recovery (economic rebuilding), or Reform (permanent structural prevention).

Sort these items: Civilian Conservation Corps (CCC): Employed young men in reforestation, erosion control, and state parks; Tennessee Valley Authority (TVA): Built dams to generate regional electricity and control rural flooding; Securities and Exchange Commission (SEC): Regulated stock market trading and outlawed insider speculation; Federal Emergency Relief Administration (FERA): Direct cash relief grants to starving destitute families; Agricultural Adjustment Act (AAA): Subsidized farmers to reduce surplus production and raise crop prices; Federal Deposit Insurance Corporation (FDIC): Insured private savings deposits against future bank collapse

Relief (Immediate Aid)	Recovery (Economic Stimulus)	Reform (Permanent Safeguards)
Civilian Conservation Corps (CCC): Employed young men in reforestation, erosion control, and state parks; Federal Emergency Relief Administration (FERA): Direct cash relief grants to starving destitute families	Tennessee Valley Authority (TVA): Built dams to generate regional electricity and control rural flooding; Agricultural Adjustment Act (AAA): Subsidized farmers to reduce surplus production and raise crop prices	Securities and Exchange Commission (SEC): Regulated stock market trading and outlawed insider speculation; Federal Deposit Insurance Corporation (FDIC): Insured private savings deposits against future bank collapse