**Chapter 17 Short Answer Questions**

1) Corporate giants have internationalized in the period since World War II becoming what are known as \_\_\_\_\_\_\_\_, with vast holdings in many countries that are often bigger than most governments.

2) How does the economy normally affect elections?

3) The nation's \_\_\_\_\_\_\_\_ is measured monthly by a random survey of the United States population by the Bureau of Labor Statistics, using a massive sample size to assure policymakers of its accuracy.

4) The government uses the monthly measurement known as the \_\_\_\_\_\_\_\_, to keep tabs on inflation in the economy.

5) Explain the laissez-faire principle of economics and its impact on American government.

6) When the stock market crash of 1929 sent unemployment soaring, President Herbert Hoover largely clung to the \_\_\_\_\_\_\_\_ principle that government should not meddle with the economy.

7) The main government agency for making monetary policy is the \_\_\_\_\_\_\_\_, headed by a seven-member Board of Governors.

8) \_\_\_\_\_\_\_\_ describes the impact of the federal budget (taxing, spending and borrowing) on the economy.

9) The English economist \_\_\_\_\_\_\_\_ made famous the economic theory that government spending, particularly on jobs programs during a depression, could help an economy weather its normal ups and downs.

10) What are the main principles of Keynesian economic theory?

11) \_\_\_\_\_\_\_\_ economics, made famous by the economist Arthur Laffer and embraced by President Reagan during his first year in office, holds that the more the government taxes, the less people work, and thus the lower the government's total tax revenues.

12) What is meant by supply-side economics, and how did Ronald Reagan attempt to institute this policy while president?

13) The \_\_\_\_\_\_\_\_ is responsible for regulating international trade.

14) Starting with the Sherman Act in 1890, the national government has attempted to ensure competition in business and prevent monopolies through \_\_\_\_\_\_\_\_ legislation.

15) What is the purpose of antitrust policy, and how has it been used in the United States?

16) What are the primary functions of the Food and Drug Administration?

17) Created in 1972, the \_\_\_\_\_\_\_\_ has broad powers to ban hazardous products from the market, regulating the safety of items ranging from toys to lawn mowers.

18) Passed during the New Deal era, the \_\_\_\_\_\_\_\_ guaranteed workers the right of collective bargaining for the first time, and set rules to protect unions and organizers.

19) In what ways is the Federal Trade Commission involved in consumer protection?

20) What are the main provisions of the Taft-Hartley Act?