

**Social Studies 30-2 Workbook**  
**Unit 2 – Part 2B**

*To what extent is resistance to liberalism justified?*

## The Big Questions

- *To what extent is resistance to liberalism justified?*
- *To what extent can classical liberalism impact a society?*
- *To what extent did classical liberalism meet the needs of society?*
- *To what extent is the rejection of liberalism justified?*
- *To what extent is modern liberalism continuing to evolve?*

## The Main Topics

- How did classical liberalism evolve?
- What is the difference between classical and modern liberalism?
- How did modern liberalism evolve from classical liberalism?
- What are the alternatives to liberal economies?

**Associated Chapters: 3, 4, 5, 6, 7, 8**

## Key Terms and Concepts

Classical Liberalism	Socialism	Modern Liberalism	Neo - Conservatism
Business Cycle Capitalism Classical Liberalism Free Enterprise Iron Law of Wages Industrialization Industrial Revolution Inflation Invisible Hand Laissez-faire Mercantilism Nouveau riche Privatization Profit Motive Price System Private Property Recession Social Darwinism  Adam Smith John Locke John Stuart Mill Thomas Malthus	Bourgeoisie Classical Conservatism Class system and conflict Collectivism Collectivized Farms Communism Democratic Socialism Glasnost GOSPLAN Marxism Nationalization New Economic Policy Perestroika Planned Economy Proletariat Socialism Utopian Socialists  Edmund Burke Karl Marx Lenin Robert Owen Stalin	“Cradle to Grave” Deficit Financing Demand-side economics Fiscal Policy Flat Tax Rates Indicative Planning Keynesian Economics Mixed Economy New Deal Progressivism Progressive Taxation Tariffs Unions Universal (e.g. Health Care) Welfare Capitalism Welfare State  F.D. Roosevelt J.M. Keynes Theodore Roosevelt	Deregulation Flat Tax Rates Monetarism Neo-conservatism Privatization Reaganomics Stagflation Supply-side Economics  Milton Freidman Ronald Reagan Ralph Klein

## **The Roaring 20s**

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What were the Roaring 20s?

Outline the social and political changes that occurred during this time period:

# The Great Depression

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What was Black Tuesday?

What Caused the 1929 Stock Market Crash?

What Caused the Great Depression?

How do the experiences of people reflect their ideology? Or a change in their ideology?

Compare and Contrast the King and Bennett reactions/policies to the Great Depression in Canada.

<b>Mackenzie King</b>	<b>R.B. Bennett</b>

Who do you think responded better to the Great Depression in Canada? Explain your response.

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## William Aberhart

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William Aberhart was the first Social Credit Party premier of Alberta, during and after the Great Depression.

Trained as a teacher, Aberhart was a high-school principal and Protestant lay preacher in Calgary, Alberta. Beginning in the mid-1920s he became widely known as a radio evangelist, earning the sobriquet "Bible Bill." In 1927 he founded the Calgary Prophetic Bible Institute and in 1932 employed his evangelical rhetoric in promoting the unorthodox Social Credit monetary-reform and political theories of the British economist C.H. Douglas.

In order to solve economic problems and to build a new society, Aberhart proposed to issue dividends (social credit) to each person, based on the real wealth of the province.

After the 1935 provincial election in which the Social Credit Party candidates won 56 of the 63 assembly seats, he became premier and minister of education, and he determined to make Alberta an example of the Social Credit system. The necessary enabling legislation, however, was declared unconstitutional and was disallowed by the federal government. Aberhart nonetheless continued in office, directing Alberta's economy along orthodox financial lines, until his death.



## Franklin D. Roosevelt

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Franklin D. Roosevelt was the 32<sup>nd</sup> president of the United States. The only president elected to the office four times, Roosevelt led the United States through two of the greatest crises of the 20th century: the Great Depression and World War II. In so doing, he greatly expanded the powers of the federal government through a series of programs and reforms known as the New Deal, and he served as the principal architect of the successful effort to rid the world of German and Japanese militarism.



In 1900 Roosevelt entered Harvard University, where he spent most of his time on extracurricular activities and a strenuous social life; his academic record was undistinguished.

It was during his Harvard years that he fell under the spell of his fifth cousin, President Theodore Roosevelt, the progressive champion who advocated a vastly increased role for the government in the nation's economy. It was also during his Harvard years that he fell in love with Theodore Roosevelt's niece, Eleanor Roosevelt, who was then active in charitable work for the poor in New York City. The distant cousins became engaged during Roosevelt's final year at Harvard, and they were married on March 17, 1905. Eleanor would later open her husband's eyes to the deplorable state of the poor in New York's slums.

With the Great Depression the only issue of consequence in the campaign of 1932 the American people had a choice between the apparently unsuccessful policies of the incumbent Hoover and the vaguely defined New Deal program presented by Roosevelt. While Roosevelt avoided specifics, he made clear that his program for economic recovery would make extensive use of the power of the federal government. In a series of he promised aid to farmers, public development of electric power, a balanced budget, and government policing of irresponsible private economic power. Besides having policy differences, the two candidates presented a stark contrast in personal demeanour as well. Roosevelt was genial and exuded confidence, while Hoover remained unremittingly grim and dour. On election day, Roosevelt received nearly 23 million popular votes to Hoover's nearly 16 million; the electoral vote was 472 to 59. In a repudiation not just of Hoover but also of the Republican Party, Americans elected substantial Democratic majorities to both houses of Congress.



## **The New Deal**

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Explain FDR's New Deal and provide examples of each:

Relief

Recovery

Reform

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## **Demand Side vs. Supply Side Economics**

Define the following terms:

Depression:

Inflation:

Prosperity:

Recession:

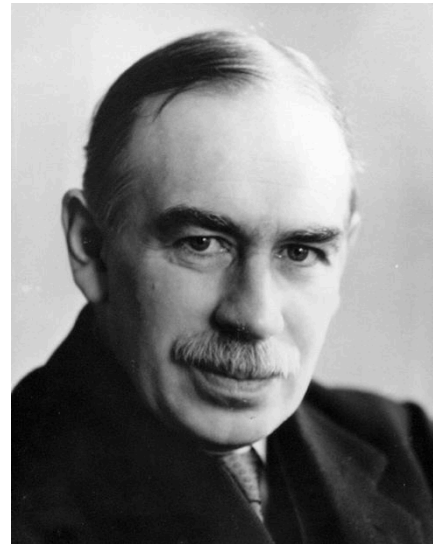
Recovery:

Draw and label the Business Cycle:

## John Maynard Keynes

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John Maynard Keynes was an English economist, journalist, and financier, best known for his economic theories (Keynesian Economics) on the causes of prolonged unemployment. His work, *The General Theory of Employment, Interest and Money* (1935–36), advocated a remedy for economic recession based on a government-sponsored policy of full employment.



Although the tone of Keynes's major writings in the 1920s was occasionally skeptical, he did not directly challenge the conventional wisdom of the period that favoured laissez-faire —only slightly tempered by public policy—as the best of all possible social arrangements.

Two of Keynes's opinions did foreshadow the theoretical revolution he triggered in the 1930s. In 1925 he opposed Britain's return to the gold standard at the pre-war dollar–pound ratio of \$4.86; and, long before the Great Depression, Keynes expressed concern over the persistent unemployment of British coal miners, shipyard workers, and textile labourers. Reconciled by this time with David Lloyd George, he supported the Liberal Party's program of public works to take the unemployed off welfare by placing them in useful jobs. But “respectable” economists still expected the automatic adjustments of the free market to solve these problems, and the Treasury was convinced that public works were useless because any increase in the government deficit would likely cause an equal decline in private investment. Although Keynes could not offer a theoretical refutation of his colleagues' opinions, he agitated for public works nevertheless.

The *General Theory*, as it has come to be called, is one of the most influential economics books in history, yet its lack of clarity still causes economists to debate “what Keynes was really saying.” He appeared to suggest that a reduction in wage rates would not reduce unemployment; instead, the key to reducing unemployment was to increase government spending and to run a budget deficit. Governments, many of them looking for excuses to increase spending, wholeheartedly accepted Keynes's views. Most of his professional colleagues also accepted his views.

According to Keynesian Economics, what should governments do during (and why):

A. An economic recession/Depression (economic downswing)?

B. An economic recovery/Prosperity (economic upswing)

Describe the theory of Trickle-Down Economics and illustrate it:

## **Post WWII Economics**

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What was the economic impact of the Yalta Conference and the Bretton Woods Conference?

Describe the political and economic system of Germany in 1945

# Neo-Conservatism

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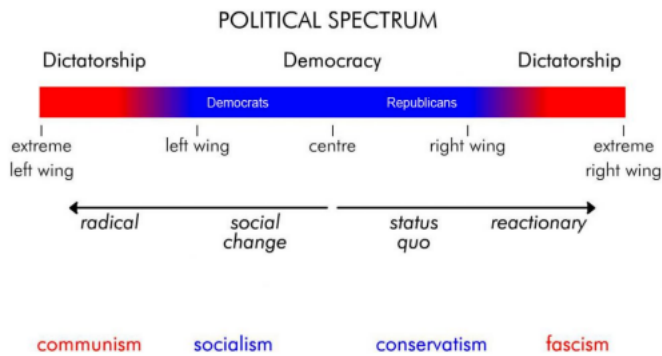
Define Neo-Conservatism:

Use the chart below to look at the different aspects of Neo-Conservatism

Economic Beliefs	Foreign Policy Beliefs

Define Affirmative Action Policies and how a Neo-Conservative would respond to them:

Label where Neo-Conservatism goes on the political spectrum



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**FINAL**


**DAILY NEWS**  
NEW YORK'S PICTURE NEWSPAPER

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Vol. 46, No. 166    City: 1963 News Syndicate Co. Inc.    New York, N.Y. 10017, Tuesday, January 6, 1965\*    WEATHER: Mostly sunny and milder.

# LBJ'S BLUEPRINT

## *Billions for Schools, Aged; Medicare & War on Poverty*



**The State of the Union.** President Lyndon Johnson voices his hope for the future in his address to a joint session of Congress. Behind him are House Speaker John McCormack (left) and Sen. Carl Hayden, president pro tem of the Senate. The President, in unusual nighttime speech, outlined plans for the Great Society. —Story on page 3