

**American Democracy**  
**Study Guide – Unit 6: Finance and Policy**  
**Chapters 16-17**

**Vocabulary**

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|--------------------|-------------------------|-------------------------|
| 1. progressive tax | 9. entitlement          | 17. Monroe Doctrine     |
| 2. regressive tax  | 10. domestic affairs    | 18. Roosevelt Corollary |
| 3. excise tax      | 11. foreign affairs     | 19. Truman Doctrine     |
| 4. estate tax      | 12. isolationism        | 20. deterrence          |
| 5. gift tax        | 13. foreign policy      | 21. cold war            |
| 6. customs duty    | 14. right of legation   | 22. containment         |
| 7. deficit         | 15. ambassador          | 23. détente             |
| 8. surplus         | 16. diplomatic immunity | 24. foreign aid         |

**Discussion questions**

1. Why does the Constitution allow the Federal Government to levy taxes?
2. What underlying assumptions about congressional powers and individuals' activities are suggested by the government's right to tax such sports as migratory bird hunting through the issuing of licenses?
3. In what ways might the expanding public debt affect future citizens of the United States?
4. Compare and contrast the effects of controllable spending and uncontrollable spending on the federal budget.
5. You have just become President of the United States. What are your thoughts on the huge public debt and what will you do about it?
6. Upon what assumptions does a policy of isolationism depend?
7. If the United States became involved in a worldwide conflict and needed more military personnel for the army, what might be some alternative methods for gaining personnel other than the draft?
8. Since the end of the cold war, the United States Army has begun to allow women to take a more active role in combat-related duties. Write two or three questions that a married couple, both serving in the military, might have regarding this policy.
9. Why must a nation's foreign policy include more than military matters?

**Court Cases**

1. McCulloch v. Maryland