SIMHISTORY LIVE DEBATE · PRINTABLE PLAYBOOK

# The New Deal Playbook

*Resolved: The New Deal helped end the Great Depression.*

**CON: THE NEW DEAL PROLONGED IT**

Name _____ Period _____ Position _____

## 5 · Coach's Playbook RESEARCH YOUR COACH CURATED

Quotes are short excerpts for classroom criticism and comment, each with its source. Read the full articles through the links.

### PLAY 1 · STILL LOSING IN 1939

> *"the only occasion in our record when one deep depression followed immediately on the heels of another."*
>
> Milton Friedman and Anna Schwartz, quoted in Powell, Cato, 2003

**Stat:** Unemployment was 17.2% in 1939, down only somewhat from its 1933 peak of 24.9%.

UCLA Newsroom, Aug. 10, 2004

> *"Whatever it was, [the New Deal] was not a recovery program, or at any rate not an effective one."*
>
> Historian David M. Kennedy, Freedom from Fear (1999), quoted in Powell, 2003

**IF THEY SAY**

"Count relief workers and unemployment was only 9%."

**YOU SAY**

A government job paid with tax money isn't the private economy recovering. When relief spending was cut in 1937, those jobs disappeared and the economy fell.

### PLAY 2 · PRICE FIXING PUSHED OUT JOBS

> *"High wages and high prices in an economic slump run contrary to everything we know about market forces in economic downturns."*
>
> Lee Ohanian, UCLA Newsroom, Aug. 10, 2004

**Stat:** In 1934 Jacob Maged, a Jersey City dry cleaner, was fined and jailed for charging 35 cents to press a suit instead of the 40 cents the NRA code required.

Powell, Cato, 2003

**Stat:** About 500,000 Black workers were estimated to have lost jobs because of NRA minimum wage codes.

Powell, Cato, 2003 (an estimate he reports)

**IF THEY SAY**

"The Supreme Court struck down the NRA in 1935, so it barely mattered."

**YOU SAY**

Cole and Ohanian found price fixing went on for years after 1935, and the Wagner Act kept wages high: by 1939 wages in protected industries were still 24 to 33 percent above normal.

## PLAY 3 · UNCERTAINTY SCARED OFF INVESTMENT

*“economic royalists . . . the privileged princes of these new economic dynasties, thirsting for power.”*

Franklin D. Roosevelt, speech accepting the Democratic nomination, June 27, 1936 (public domain)

*“private investment was greatly hampered by New Deal initiatives that destroyed investor and business confidence”*

Mark Skousen, summarizing Robert Higgs, "Regime Uncertainty" (1997)

**Stat:** Federal taxes rose from $1.6 billion in 1933 to $5.3 billion in 1940.

Powell, Cato, 2003

**IF THEY SAY**

"The economy grew fast in 1934–36 anyway."

**YOU SAY**

It grew from a very low starting point, and private investment stayed low; Higgs argues real prosperity came only after the war, when the controls ended.

## PLAY 4 · 1920 SHOWS A FASTER WAY

*“Instead of "fiscal stimulus," Harding cut the government's budget nearly in half between 1920 and 1922.”*

Thomas E. Woods Jr., "The Forgotten Depression of 1920," Mises Institute, 2009

*“Canada, which permitted nationwide branch banking, didn't have a single bank failure during the Great Depression.”*

Powell, Cato, 2003

**IF THEY SAY**

"1920 wasn't a banking collapse like 1929–33."

**YOU SAY**

Unemployment still nearly tripled in 1920 and GNP fell 17%; the difference is what Washington did next (Woods).

## Works cited & game film


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- Franklin D. Roosevelt, Acceptance Speech for the Renomination for the Presidency, Philadelphia, June 27, 1936 (public domain).
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- Robert A. Margo, "Employment and Unemployment in the 1930s," Journal of Economic Perspectives 7, no. 2 (1993), Table 1 (Lebergott and Darby series). https://fraser.stlouisfed.org/title/journal-economic-perspectives-1167/employment-unemployment-1930s-2391/fulltext