SIMHISTORY LIVE DEBATE · PRINTABLE PLAYBOOK

The New Deal Playbook

Resolved: The New Deal helped end the Great Depression.

PRO: THE NEW DEAL HELPED END 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 · THE SCOREBOARD

"Something moving at a spectacular rate and in the right direction that nevertheless takes almost a decade to get where it's going has a long way to go."

Eric Rauchway, "New Deal Denialism," Dissent, Winter 2010

"GDP sank throughout Hoover's term in office and rose throughout Roosevelt's first two terms, with the exception of the dip in 1937-1938."

Rauchway, 2010

Stat: Real GDP grew 10.8% (1934), 8.9% (1935) and 12.9% (1936).

U.S. Bureau of Economic Analysis, via FRED

"Except in the 1937-38 recession, unemployment fell every year of the New Deal."

Rauchway, quoted in "FDR and the New Deal Did Not Prolong the Great Depression" (blog post)

IF THEY SAY

"Output per person in 1937 was still below 1929."

YOU SAY

Of course: the economy fell by about a quarter from 1929 to 1933. Rauchway's New York to San Francisco point: you can drive fast and still not be there yet.

PLAY 2 · COUNT EVERY WORKER

“We WPA workers want to work and be treated as workers.”

A WPA worker, quoted in Rauchway, 2010

Stat: Counting relief workers as employed, unemployment was 20.6% (1933), 9.1% (1937) and 9.5% (1940).

Michael Darby (1976), in Margo, Journal of Economic Perspectives, 1993, Table 1

Stat: The newest edition of Historical Statistics of the United States uses David Weir's series, which counts emergency workers as employed.

Rauchway, 2010

IF THEY SAY
"Relief jobs were make-work paid for by taxes."

YOU SAY
The WPA mostly built roads, schools and dams; with the PWA and TVA it built the infrastructure that later wartime and postwar growth ran on (Rauchway).

PLAY 3 · STOP THE BLEEDING

“Your action in going off gold saved the country from complete collapse.”

Russell Leffingwell, a J.P. Morgan banker, to Roosevelt, 1933, quoted in Liaquat Ahamed, Lords of Finance (2009)

“During the following three months, wholesale prices jumped by 45 percent and stock prices doubled.”

Ahamed, Lords of Finance, 2009

“Since depositors no longer worried about losing their money, though, there weren't any more serious bank panics.”

Jim Powell, Cato Policy Report, 2003 (a Con source admitting the point)

IF THEY SAY
"The Federal Reserve caused the Depression, not the market."

YOU SAY
Then the cure was fixing money and banks, which is exactly what the bank holiday, deposit insurance and leaving gold did in 1933.

PLAY 4 · THE 1937 FUMBLE

“Net stimulus of around 3 percent of GDP — not much.”

Paul Krugman, "New Deal economics," New York Times blog, Nov. 8, 2008

“It was the New Deal without restraint.”

Larry Beinhart, on World War II spending

Stat: Keynes wrote to Roosevelt in 1938 that the slump "could have been predicted with absolute certainty" after public works were cut back.

Rauchway, 2010

IF THEY SAY

"The Fed caused the 1937 recession by raising reserve requirements."

YOU SAY

Both happened at once: spending was cut and money was tightened. Either way, the economy fell when the government pulled back and rose when it stepped in again.

Works cited & game film

- Eric Rauchway, "New Deal Denialism," Dissent, Winter 2010. https://www.dissentmagazine.org/article/new-deal-denialism
- Paul Krugman, "New Deal economics," The Conscience of a Liberal (New York Times blog), Nov. 8, 2008. https://krugman.blogs.nytimes.com/2008/11/08/new-deal-economics/
- Liaquat Ahamed, Lords of Finance: The Bankers Who Broke the World (Penguin Press, 2009), pp. 460–463.
- Larry Beinhart, "The Great Depression, The New Deal, World War II and the Crash of '08."
- Michael R. Darby, "Three-and-a-Half Million U.S. Employees Have Been Mislaid," Journal of Political Economy 84, no. 1 (1976).
- U.S. Bureau of Economic Analysis, Real Gross Domestic Product, percent change from preceding year (FRED series A191RL1A225NBEA), public domain. https://fred.stlouisfed.org/series/A191RL1A225NBEA
- 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