American Government & Politics: A Christian Worldview. Short Film: "The Politically Incorrect Guide to the Great Depression and New Deal" (20–25 Minutes)

TEACHER INSTRUCTIONS

Goal

In this entertaining animated film (16:46), author and speaker Thomas Woods sets straight several myths about the Great Depression and the New Deal. (NOTE: This video is easily understandable when played at 1.25 speed.)

Instructions

1. Play the short film above here: https://www.youtube.com/watch?v=S6jYIOzm5Mg.
2. If time, discuss in pairs/small groups.
3. Discuss as a class by asking for volunteers for their thoughts.

Film Notes

- Unemployment was nearly 20 percent even right before WWII began, so the New Deal was not the solution to the Great Depression.
- America had cheaper food, but FDR's AAA paid farmers to cut back or produce nothing (paid farmers to destroy crops—six million pigs, 10 million acres of cotton).
- New Deal = help one group at a time, harming others
- Lower prices are good for consumers, not bad for an economy, like FDR's "brain trust" claimed!
- NIRA philosophy similar—allowed businesses in industries to set a "code of production" (set wages, working hours, prices); killed new competitors, who compete on price (made illegal!)
- The Works Progress Administration (WPA) created "jobs," but destroyed jobs created by private companies, which are more efficient with spending their own money.
- Business refused to invest and create jobs because they weren't sure what penalties and regulations the government would place upon them in the future.
- Depressions are not a natural feature of capitalism; they're caused by government intervention.
- Hoover pressured businesses to raise wages during a depression (higher cost of employment = lower employment).
- Hoover spent more on government make-work jobs in four years than had been spent in the previous 20 years.
- Smoot-Hawley tariff raised tariffs to 60 percent (hurt U.S. farmers who exported produce, since foreign buyers had less money to buy their food), foreigners retaliated with their own tariffs.
- Hoover raised income tax rate, estate taxes, corporate taxes, gift taxes, as well as taxes on goods and services.
- WW II didn't end depression; men were "employed" as soldiers at taxpayer expense (less consumption because of higher taxes to pay for this).
- Wars don't improve economies, or else we should just stay perpetually at war.
- A depression in 1920–21 ended because the government did nothing to "help" it.

Ask students: How could you summarize the lesson learned with this book section and video?