

YouTube Title: Top Three Myths about the Great Depression and the New Deal

www.youtube.com/watch?v=7QLoeMw0w&feature=relmfu

Video Length: 2:13 minutes

The Economy Today Chapter 8: The Business Cycle

The Macro Economy Today Chapter 8: The Business Cycle

The Economy Today Learning Objective 2: Why the debate over macro stability is important.

Topics: Great Depression, New Deal, World War II

Key Terms: Macroeconomics, business cycle, laissez faire

Summary

Historian Stephen Davies describes what he claims to be three persistent myths about the Great Depression.

Economic Application

This video can be used to introduce the competing economic theories that attempt to explain the alternating periods of growth and contraction that characterize the business cycle and the various macroeconomic policy attempts used to control the cycle.

Multiple-Choice Question

All but which ONE of the following are myths described by Dr. Davies?

- a) Herbert Hoover was a laissez-faire president
- b) The New Deal ended the Great Depression
- c) The Great Depression was isolated to the United States
- d) World War II ended the Great Depression

Discussion Question

Why do we care about economic recessions?