LECTURE 14
THE NEW DEAL
MARCH 7, 2013

I. OVERVIEW OF THE NEW DEAL
   A. Fiscal policy actions
   B. Financial rehabilitation
   C. Programs aimed at raising prices
   D. Strengthening the social safety net and helping workers

II. SIZE AND LIKELY IMPACT OF FISCAL ACTIONS IN THE 1930S
   A. Key fiscal actions
   B. Size of the overall fiscal expansion
   C. IS-LM analysis

III. THE IMPACT OF THE 1936 VETERANS’ BONUS
   A. Size and Nature of the Bonus
   B. Evidence from the American Legion Survey
   C. Cross-state variation in spending

IV. SHLAES’S CRITIQUE OF THE NEW DEAL
   A. Key themes
   B. How does Shlaes think policy delayed recovery?
   C. Evaluation of Shlaes’s hypothesis and evidence

V. IMPACT OF THE NATIONAL INDUSTRIAL RECOVERY ACT
   A. Overview
   B. The NIRA as an inflation shock
   C. Reflationary policy may have been just what the economy needed

V. EXPLAINING THE RECESSION OF 1937-38 (IF THERE IS TIME)
   A. Timing
   B. Candidate Explanations