Great Depression

Name

Institution

Great Depression

The great depression is one of the most significant economic downfall of the twentieth century, which took place in the United States of America and impacted other countries of the world as well. It was also one of the longest economic downfalls which emerged in the year 1929 and lasted till the later years of the 1930s, which made the crisis memorable and remarkable. It provided the opportunity to the economists and the historians to study the impact of economic failure and its expansion to the whole world. The great depression may have been caused due to a number of social, political and economic reasons, however, it became the source of impacting the lives of the general population across the United States of America.

The social, economic and political conditions of the society played an important role in laying the foundation of the great depression. One of the most important cause in this regard was the lack of diversity of the American economy, which was dependent on the progress of a few industries like automobile and construction. Another important scenario which led to the great depression was the unequal purchasing power of the general public. The lower groups of society were not able to earn sufficient profits to lead their lives comfortably. The third cause of the great depression was the credit structure of the United States of America, where farmers were poor and in debt as well, even after selling their whole production. Moreover, the position of American society in the international trade also played an important role in this regard as the American economy was unable to earn profits and lend more and more loan to other countries of the world, which they were unable to pay off.[[1]](#footnote-1)

The great depression of the United States of America became the global depression within a few years, as the countries of the world were unable to pay off their loan to the United States of America. The great depression was triggered by the First World War and by the end of 1932, the major participant countries of the First World War were trapped in the global depression. The countries like Austria and Germany were unable to pay off their debts and the major banks of these countries went bankrupt which caused a great blow to their economy. After that, the stock market of the United States of America also crashed, due to which the number of banks went bankrupt. Moreover, almost twenty-five percent population of the country became unemployed within a few days.[[2]](#footnote-2)

The Native American experience in post-civil war America is solely based on the outcomes of the great depression. The population became unemployed while having no opportunities for earning money, in order to feed their families. The population started protesting against the policies of the government. In addition to it, the crime rate also increased in the society. The consequences of the situation were increased disorder and conflicts in the society and the government was unable to play an effective role in the initial years of depression, however, the development of the Reconstruction Finance Corporation in 1932, guaranteed the improvement of the situation.[[3]](#footnote-3)

The great depression is one of the most remarkable economic downfalls in the history of the world, which originated from the United States of America and impacted other countries of the world as well. The First World War also played an important in causing the economic downfall, in addition to the internal conflicts and conditions of the United States of America. The population of the United States of America became unemployed, which increased crime rate and disorder in society.

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2. Sciullo, Nick J. "America in the World: A History in Documents from the War with Spain to the War on Terror." *Insight Turkey*20, no. 3 (2018): 310-312. [↑](#footnote-ref-2)
3. Shi, David E., and George Brown Tindall. *America: A narrative history*. WW Norton & Company, 2016. [↑](#footnote-ref-3)