Name of Student

Name of Professor

Name of Class

Day Month Year

Great Depression

Spinning the wheel of history, it could be seen that some events have changed the world. Specifically talking about the American history, there could be viewed, a list of events that affected the United States in all ways; socially, politically, intellectually, culturally and economically. The “Great Depression” is one of the events of American history that changed all the areas of life. It was one of the worst economic downturns in the history of the industrial world which lasted for four years; from 1929 to 1933. It was the biggest recession is the history of modern world that started with the crash of the American stock market in 1929. According to historians and experts, the Great Depression was one of the most catastrophic economic events of the 20th century which destroyed the economic image of the U.S. on the world stage. The Great Depression is often remembered as the “defining moment” and gave a chance to the federal government for a transformation and making a difference in the economic conditions of America. During the 1920s, a boost in the American economy was observed and the value of the U.S. stock market was nearly doubled in the frenzy of speculative buying, right before eighteen months of the crash of “Black Thursday”. In 1929, the stock market of America crashed and gave an indication of a large recession. The collapse of the stock market was just one of the causes of the Great Depression and many other factors made the situation even worse. Another major cause of the economic collapse was the weak banking system, along with industrial overproduction that played a destructive role in the economic turndown.

The investment that was in the American stock market was at peak in 1920, but close to the year 1929, a hesitation in investors was found that made traders nervous. Investors were selling their overpriced shares. Soon after the five days of “Black Thursday”, around 16 million shares were sold in the market after another wave of panic that swept “Wall Street”. The confidence of the consumer vanished because of the crash of the stock. So, a downturn in both investment and spending, influenced businesses and factors, due to which their working and production slowed down. When production by factories came down to a certain limit, companies started firing their workers that worsened the social conditions. Those who survived as employees, had such low wages that they could not maintain their social stability (wages fell and buying was decreased to an alarming level).

The Great Depression affected almost all the areas of the U.S. whether it was the economy, politics or social conditions. It won't be wrong to say that the economy of the U.S. was the main area that was influenced by the Great Depression. Across the U.S., millions of people lost their jobs and around 1930, the unemployment rate reached its peak. Almost 4.3 million Americans become unemployed in 1930 and by the end of 1933; the number of unemployed citizens reached 13 million. The Great Depression affected the American economy and made 25 per cent of the population unemployed (Wilkins). People were forced to beg and sell apples on street corners. The banking system almost failed and long lines of people used to be viewed outside banks, as people wanted to retrieve their savings. Unfortunately, most of the citizens lost all their savings when the bank failed to curb the effects of the recession.

The political effects of the Great Depression were very obvious and shook the confidence of unfettered capitalism. When the Great Depression started, President Herbert Hoover failed to manage this national havoc that the Great Depression had caused. Due to Hoover's failure, people voted for Franklin Roosevelt, who promised the public that he would bring an end to the Great Depression with the expansion of his government. The situation started becoming favorable by 1934 as the economy grew 10.8% and it was the time when the unemployment rate declined, as well. Politicians and their policies showed that no one wanted to commit the same mistake, hence, they focused on different forms of expansionary fiscal policy. Military spending was considered good for boosting the American economy.

The Great Depression also resulted in social disturbance as there would be seen, a negative social change. Though on the social level, there were many effects, but the most drastic of these was the destruction of farming in the Midwest which lasted for almost ten years. Lowering of the agricultural prices added fuel to fire and farmers became homeless while they were in search of jobs. Almost six-thousand shantytowns sprang up in the 1930s because of the homeless farmers. An evident drop in the wages of those who were still having some jobs, was also an alarm for the American economy. Social conditions of America were the worst during the Great Depression and as it lasted for so long, people started believing that it was the end of the “American dream” (Calomiris et al.). The social condition of people was miserable as there were no jobs and by the end of the 1930s unemployment doubled and skyrocketed to 15.9 per cent in 1931. According to experts, almost 15 million people were out of work.

All Americans, including the government, who were forced to buy on credit, fell into debt while a climb in the repossessions and foreclosures was observed. Americans were in debt and because of the global adherence to the gold standard, spread the economic woes throughout the world, including Europe. So taking a look at the above discussion, it could be asserted that there happen some events that have impacted certain areas. On the other hand, there are very few historic events that affect all the areas in the same way that the Great Depression had. It was one of America’s worst situations as it had affected all the areas of American life. The Great Depression affected politics, social conditions and economy (Book et al, pp. 82-90). So as a whole, it could be promulgated that all the aspects of American society were affected because of the Great Depression. It was one of the most dangerous setbacks and recessions in American history. Changes were made in all the policies whether political or social, however, this change in the monetary policy was the demand of the time. When the conditions started getting better, policies were planned by keeping in consideration lesson taught by Great Depression

According to some of the experts, it was World War II that served as a stimulus for getting the American economy out of the depression and back on track. The number of unemployed workers started declining between the years 1940 and 1943 and it was the same time when the number of people increased, who joined the military. After the conditions were becoming better and economy was stabilizing, Americans mostly blamed Roosevelt’s administration for letting the Great Depression last so long. It was believed that Roosevelt's policies were antibusiness. It would not be wrong to say that there are various factors that contributed to the Great Depression and gave history a period of suffering that has been marked as the darkest recession in the history of the world.

Works Cited

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