
Impact and Causes of The Great Depression

The Great Depression produced some of the greatest problems this nation ever faced. It challenged our whole system of democracy and greatly increased the role of the government. The great depression was a time economic collapse which caused severe unemployment, and bankruptcy. Hunger and loss of faith in capitalism. People lost their jobs, homes and were forced forced to sell their personal valuables just to eat. One example was that there was no government welfare programs at this time. Another example was that people had to face the depression alone and many private groups set up soup kitchens and homeless shelters.

The second cause of the great depression was uneven distribution of income. The 1920's had been an era of extreme poverty and wealth which created inequality for example, the difference between black boy and great gatsby. The black boy was a famous novel of the early 1900's about poverty in america and the author of the novel was richard wright a famous american author. Richard wright had an old apartment with 4 people and 1 bedroom and was very hungry and begged for bread. His body ached, he had food, felt sadness because his father left the house and he felt bitter because father left him. The great gatsby was a famous novel of the 1920's by f. scott fitzgerald. Jay gatsby was a gangster, and a bootlegger. Jay gatsby also sold illegal alcohol. Jay gatsby bought lots of alcohol, a motor boat, a rolls-royce, made fancy parties, and had servants. He also had juice machine, butler, catering service, buffet table, and fancy food. Cesar chavez was an american worker who fought for civil rights for migrant in the southwest during the 1960's. Cesar chavez had a poor house in 1934. The bank foreclosed on the loan and the bank takes the house because they did not make house payments. His family were farmers and they had struggled to survive. His family suffered from from discrimination because they are poor. Also chavez went to 37 schools and received poor education.

The third cause of the Great Depression was the availability of easy credit. American consumers and business had piled a huge debt during the 1920's. Most were unable to pay their debts. Many went bankrupt and banks and businesses were closed. Consumers also went bankrupt because they didn't have any savings to pay off their loans. Many banks went bankrupt also due to the economy and people not consuming any products due to uneven incomes. So not only did business owners suffer the economy issues but the proletariat people suffered the most because most of them worked to feed their families and now they didn't have any jobs.

Another cause of the Great Depression was imbalance of foreign trade. During the 1920's the U.S. followed high tariff policy designed to keep out foreign products so that americans can only assume american products. They wanted people to do this so that the economy could increase

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by forcing people to consume american products. The economy was still not settled but the government forced people because they started producing products. Many people also lost their jobs because they had machines doing their jobs.

The last reason that was the cause of the depression was mechanization U.S. industry. In the 1920's they created new technology which caused many people to not have jobs. When they made new machines they did not have to worry about hiring new workers or paying workers, so they solved their problems by producing products without having workers manufacture it. So this meant too many people that if they had no work they had no money at all. Which led to people becoming homeless and living on the streets and starving.

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