

Usa experienced a
horrible economic
meltdown that



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USA experienced a horrible economic meltdown that impacted on various aspects of economy such as farming and industrial sector; this was from 1929 to 1942[1]. The recession was triggered by various fiscal features such as the vast margin between the poor and the wealthy, government debts and surplus production of commodities only to mention a few.

Business failure, depreciated stock prices, high unemployment rates are some of the negative impacts created by the depression[2]. The depression exposed various societal and economic problems faced by USA that they hardly knew. Since the depression was partially caused by the imbalanced allotment of resources, it revealed that the US economy suffered a colossal wealth imbalance.

It indicated the huge margin that existed between the wealthy and the poor. Additionally, it meant that a significant proportion of national wealth was controlled by few tycoons who never even felt the impact during the depression. The depression also revealed how the US administration, commerce and financial entities were incapable of coping with the economic meltdown. This was evident when businesses were unable to sustain the depression leading to closure. Consequently, people lost their jobs leading to reduced purchasing power within the constraints of the economy[3]. In addition, many financial institutions such as banks reduced their operations due to a decrease in customer savings. This was indication that businesses had no mechanisms that would mitigate such a situation.

The depression also revealed an incapacitated government that was unable to handle an economic crisis before it worsens[4]. It never had effective immediate strategies such as stimulus packages that would curb the

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situation but instead it relied on market forces, an approach that was unrealistic. The depression revealed a society with ineffective mechanisms that were incapable of handling an economic crunch. Instead of coming up with creative approaches of curbing the situation, the society (the poor) languished in poverty without any concrete efforts. The depression also revealed how prosperous person never cared much about the poor since to them it was an opportunity to gain more wealth at the expense of the poor. Due to doubts of their investment security, Americans lacked confidence on their economy. It was so long before they regained assurance of their financial system, a setback that accelerated the crisis[5].

This clearly pointed out how people in US had lost faith with their economy. Racism was at its peak to an extent that it was applicable even for the fewer jobs available. This exposed how immoral the US society was at the expense of certain innocent races, especially at this crucial moment.

Sometimes one may not understand problems that a country faces until an event that reveals them comes to pass. American's suffered because they didn't have effective instruments capable of preventing or minimizing the dreadful period. If only recognized their societal and economic weaknesses in time they could have come up with different approaches to limit the situation. Even though the economy of US was worst hit by the depression, some few individual emerged courageous and successfully regained back their economy, thank to President Franklin Roosevelt's new ideas. This should act as an example to many states that have no mechanism to combat with recession.

The lessons drawn from the recession are numerous and should serve as examples to different nations.

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