

# [Research paper on the great depression](https://assignbuster.com/research-paper-on-the-great-depression/)

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Arguably, the Great Depression is one of the severe economic depressions that hit the United States and the entire world. The Great depression took place in the year 1929 and lasted for approximately ten years. As a matter of fact, many factors played a tremendous role in causing the depression. Certainly, it is clear that the Great Depression could have been prevented in the world. In fact, the prevention could have come in various ways. The main cause of the Great depression was the unequal resource distribution that took place in 1920 and the speculations in the stock market. Hence, the Great Depression could be avoided by tacking its causes.

Certainly, many people invested most of the stock markets. Hence, the Great Depression could have been prevented if the federal government acted swiftly in restricting and advising the public on stock investments. Moreover, the government was supposed to implement tax policies that could redistribute wealth in the entire nation. More investment in the stock markets led to collapse of U. S stock markets, something that could have been avoided. The Fed was also the main cause of the speculative motive of the public on investment. The Great Depression could have been avoided if fed could have regulated the money supply in the late and mid 1920s. Perhaps, this could have avoided the speculative bubble that took place in the stock market.

The Fed was supposed to increase the rates of interest so as to restructure various economic issues and eliminate the speculation in the stock market. This would lead to actual consumption and investment preference. In economic perspective, depression comes after an economic boom. Hence, the government should have prevented unrealistic economic boom and regulate the money supply in the mid 1920s. Moreover, the Great depression should have been prevented through equal distribution of resources. In 1920s, wealth was distributed unevenly, which led to economic imbalance. Generally, the Great Depression could have been prevented.