

# The great depression



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Cause & Effect 1The Great Depression Cause & Effect Essay cv writing service london AbstractThe Great Depression was most definitely a turning point in American history. It was the single most devastating period of time that this country has had to face.

The economy collapsed due to the rise and fall of shares in the stock market. Some of the main events that led to Great Depression include the New York Stock Exchange, and the ??? Black Days???. It??™s safe to say that the United States was in its worst financial condition to date. Cause & Effect 3 The Great Depression started in 1929. It was the result of a failing economy. Basically, the economy of the world suffered an enormous drop in output and an outrageous increase in unemployment.

The economy continued to suffer in a downward spiral until 1932. At that point it hit bottom at 50% of its 1929 level. Needless to say, unemployment elevated in the United States. In 1933 it peaked at 24. 9%. The Great Depression had the worst and longest period of unemployment ever recorded to date. As a result of a failing economy, all labor institutions reduced their labor force to the minimum amount, several stores closed, and small businesses failed to exist.

Since its??™ inception in the 1700??™s, the Unites States has experienced quite a few short periods of depression, but the Great Depression of the1930??™s was by far the worst. As far as the roots of the great depression are concerned, they can be traced back all the way to the New York Stock Exchange that took place in the year 1929. During this particular period of time private individuals, also known as brokers, banks, and

businesses were conformed to buying stocks that rose in value because they thought they were a good buy. They would then buy more than one share of an individual stock. As this process continued, the share prices soared above the real value in terms of the dividends they might produce. In 1928, Montgomery Ward stock jumped from \$117 to \$140.

Sadly, while the prices were soaring, the demand for actual manufactured goods was decreasing. Coincidentally, when shares were climbing most rapidly is when it came time for a crash. It wasn't until 1929, when the investors started to feel uneasy that this selling frenzy began. Due to the governments Laissez Faire policy, they would not intervene in the fall in prices. Laissez Faire means hands-off the economy. The Great Depression was a gradual process. Day by day it kept getting worse.

By October, 1929 people were selling their stocks more furiously than ever before. On October 24, 1929 an event known as Black Thursday took place. Black Thursday is described as a day when fear struck the big investors and the little ones; thousands of them threw their holding into the whirling stock exchange for whatever money they could bring (New York Times, October 25, 1929, Pg. 1).

It was on this day that investors saw their year-long profits vanish. The White Sewing Machine company had reached \$48 per share by 1929, but on Black Thursday a broker offered it for a dollar per share with no takers. American Telephone & Telegraph fell \$28, and Allied Chemical fell \$35. Basically, Black Thursday was a day of commotion and hysteria on the streets, a day when people stood outside Wall Street like zombies awaiting the terrifying results

(The Great Depression, Pg. 8). Sadly, another terrible day shortly followed. People legitimately thought the worst of it was over until 5 days later. This day is known as ??? Black Tuesday???.

The aftermath of this day was immensely depressing. So many shares were sold that the stock market completely collapsed. Both Black Thursday and Black Tuesday are collectively known as the ??? Black Days???. The results of these events were a blow from which the business community (economy) could not recover.

The ??? Black Days??? indicated the beginning of the economic Cause & Effect 5 crisis which scared millions of people around the nation. This economic crisis is known as The Great Depression. Cause & Effect 6 References American Psychologist, Vol 57(12), Dec, 2002. pp. 1013-1023 Great Depression. (2009).

In The Hutchinson Unabridged Encyclopedia with Atlas and Weather Journal of Economic Methodology; Mar 2005, Vol. 12 Issue 1, p35-61, 27p Journal of Money, Credit & Banking; Aug 2005, Vol. 37 Issue 4, p753-773, 21p, 4 Charts, 3 Graphs Outline Sample Outline Cause/Effect Essay I Intro: The Great Depression started in 1929???. Thesis Statement: Since its??™ inception in the 1700??™ s???. II One cause of /effect of/ reason why 1. New York Stock Exchange 2. Black Thursday III Another cause of /effect of/ reason why 1. Black Tuesday 3.

V Conclusion: Both ??? Black Tuesday??? and ??? Black Thursday??? are collectively known???