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World War-I

The United States' entrance into First World War happened in April 1917. However President Woodrow Wilson was putting efforts to maintain the United States neutral throughout World for more than two and a half years since the war started. It should be noted that beginning of war happened at the end period of the massive Recession of 1913-1914 in the United States of America. As the recession ended, Loans were offered in large volume from American monetary institutions to the members of the Allied powers mainly in the European scenario. Industrial productivity rate drastically increased by 32% and this as reflected in the GNP and it got augmented by about 20% during the period ranging from 1914 to 1917. The increase in capital build-up that helped companies in America to supply ammunition and other commodities to the American forces helped in achieving a bigger long-term productivity strategy in the post-war period beginning with the late 1918. Once the state finalized the required size of the Army, the financial requirements became obvious, even though the resources to achieve them did not: clothing and food, armory and ammunition, infrastructure requirements, and means of transport were primary concerns. Consequently, a swift hike in federal spending was done from \$476 million during 1916 to a soaring \$8, 455 million in 1918. The last figure accounted to over 12% of total GNP, and that financial volume does not include expenditures by other war outfit and expenses by allies which were mostly funded by America. After the war, the global economic status of the United States was enduringly redefined. For many years, the United States has been in the status of a debtor nation. After the war, the united States come out as a net

creditor nation. The outcomes of this financial switch were immense. In 1914 the American reserves outside the US accounted to \$5. 0 billion, whereas the total foreign reserves in the United States figured at \$7. 3 billion. During the fiscal year 1919 the American foreign investments rose to \$9. 7 billion, whereas consolidated overseas investments in America pitched to \$3. 3 billion. The visible financial outcome of the war is that the business center of the switched from London to New York, and the responsibility of the Federal Reserve were highly increased.

Works Cited

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