

# Article review

[Literature](#), [Russian Literature](#)



Article Review Randall Parker is the author of this article (Parker, Web). This article is about an overview of the great depression that affected United States of America in the 20th century. In this article, some selected aspects are used to explain what transpired during the Great Depression. Some attempt is made to focus on various topics of interest to the reader. In this paper, I will summarize the article and provide some details about my view on various aspects found in this article. I will also put my attention on the research carried out, and provide an alternative where possible for the listed aspect. Moreover, I will suggest additional research findings that would make the article more authentic, and bring some more understandings.

Parker begins by describing the economic history of depression. In this period, there was a high rate of economic growth, and increased consumer spending and purchasing power. He claims that economic growth was only disrupted minimally by the three recessions that took place in 1923, 1924, and 1926 (Parker, 2010, Web). Parker also claims that the policy adopted by the federal government were key in economic growth. For example in the 1920's, the Federal Reserve used monetary policies to stabilize business cycle fluctuations (Parker, 2010, Web). Moreover, there were also high demands of America goods, as World War 1 did not affect it like other European countries. In addition, the Gold Standards were not much entrenched during this period (Parker, 2010, Web).

Secondly, Parker describes the beginning of the economic anguish. He talks of the federal government failures to notice dangers leading to the great depression. He says that deflation failed to operate, as it was the case in the beginning of 1920. Moreover, the European economies had recovered and

Gold Standards became a mode of transaction. He also focuses on failures of the economy, and factors that might have led to this failure. He describes failures in the bank claiming that there was no deposit insurance and this led to panic. He also cites various forms of contemporary explanation on the great Depression. For this reason, various theories are highlighted such as liquidationist theory. He also describes the modern explanation based on monetary hypothesis of Friedman and Schwartz together with the nonmonetary/financial hypotheses of Bernanke and Fisher (Parker, 2010, Web). Parker claims that based on his own understanding, the non-monetary theories cannot support the theories mentioned to account the state of the economy during the Great Depression. He also criticizes various theories explaining The Great Depression. Finally, he focuses on recovery, and the new deal.

The article focuses much on the gold standards, federal policy, and banks failures as the cause of the great Depression. However, other factors led to the Great Depression and have not been highlighted. This makes this article not to be comprehensive for any person trying to understand economic catastrophe that took place in 20th century in America. He fails to include a section covering the nonmonetary/nonfinancial theories. He even fails to substantiate his own argument, for example, he claims there were no convincing answers regarding why the earlier theories of macroeconomic behavior failed to explain the events that were occurring. Secondly, there is no clear conclusion on the above topic and hence the reader is left hanging. However, the historical aspect of this issue is convincing to the reader. The research should also focus on nonmonetary theory to be comprehensive.

## Reference

Parker, R 2010, An Overview of the Great Depression, viewed 17 July 2012, <  
<http://eh.net/encyclopedia/article/parker.depression> >