Great Depression

The **Great Depression** was a dramatic, worldwide economic downturn beginning in some countries as early as 1928. The beginning of the Great Depression in the United States is associated with the stock market crash on October 29, 1929, known as Black Tuesday. The depression had devastating effects in both the industrialized countries and those which exported raw materials. International trade declined sharply, as did personal incomes, tax revenues, prices and profits. Cities all around the world were hit hard, especially those dependent on heavy industry. Construction was virtually halted in many countries. Farming and rural areas suffered as crop prices fell by 40 to 60 percent.[1] Mining and logging areas had perhaps the most striking blow because the demand fell sharply and there were few employment alternatives.

The Great Depression ended at different times in different countries; for subsequent history see Home front during World War II. The majority of countries set up relief programs, and most underwent some sort of political upheaval, pushing them to the left or right. Liberal democracy was weakened and on the defensive, as dictators such as Adolf Hitler, Joseph Stalin and Benito Mussolini made major gains, which helped set the stage for World War II in 1939.

Dorothea Lange's *Migrant Mother* depicts destitute pea pickers in California, centering on Florence Owens Thompson, a mother of seven children, age 32, in Nipomo, California, March 1936.

Lurching downward

The Great Depression was not a sudden total collapse. The stock market turned upward in early 1930, returning to early 1929 levels by April, though still almost 30 percent below of peak in September 1929.[2] Together government and business actually spent more in the first half of 1930 than in the corresponding period of the previous year. But consumers, many of whom had suffered severe losses in the stock market the prior year, cut back their expenditures by ten percent, and a severe drought ravaged the agricultural heartland of the USA beginning in the summer of 1930.

In the spring of 1930, credit was ample and available at low rates, but people were reluctant to add new debt by borrowing. By May 1930, auto sales had declined to below the levels of 1928. Prices in general began to decline, but wages held steady in 1930, then began to drop in 1931. Conditions were worst in farming areas where commodity prices plunged, and in mining and logging areas where unemployment was high and there were few other jobs. The decline in the American economy was the motor that pulled down most other countries at first, then internal weaknesses or strengths in each country made conditions worse or better. By late in 1930, a steady decline set in which reached bottom by March 1933.

Causes

Business cycles are thought to be a normal part of living in a world of inexact balances between supply and demand. What turns a usually mild and short recession or "ordinary" business cycle into a great depression is a subject of debate and concern. Scholars have not agreed on the exact causes and their relative importance. The search for causes is closely connected to the question of how to avoid a future depression, and so the political and policy viewpoints of scholars are mixed into the analysis of historic events eight decades ago. The even larger question is whether it was largely a failure on the part of free markets or largely a failure on the part of governments to prevent widespread bank failures and the resulting panics and reduction in the money supply. Those who believe in a large role for governments in the economy believe it was mostly a failure of the free markets and those who believe in free markets believe it was mostly a failure of government that exacerbated the problem.

Current theories may be broadly classified into three main points of view. First, there is orthodox classical economics: monetarist, Austrian Economics and neoclassical economic theory, all which focus on the macroeconomic effects of money supply and the supply of gold which backed many currencies before the Great Depression, including production and consumption.

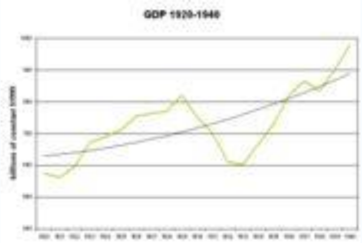
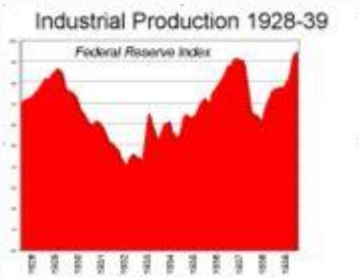


Chart 1: USA GDP annual pattern and long-term trend, 1920-40, in billions of constant dollars[3]

Second, there are structural theories, most importantly Keynesian, but also including those of institutional economics, that point to underconsumption and over investment (economic bubble), malfeasance by bankers and industrialists or incompetence by government officials. Another theory revolves around the surplus of products and the fact that many Americans were not purchasing but saving. The only consensus viewpoint is that there was a large scale lack of confidence. Unfortunately, once panic and deflation set in, many people believed they could make more money by keeping clear of the markets as prices got lower and lower and a given amount of money bought ever more goods. Third, there is the Marxist critique of political economy. This emphasises contradictions within capital itself (which is viewed as a social relation involving the appropriation of surplus value) as giving rise to an inherently unbalanced dynamic of accumulation resulting in an overaccumulation of capital, culminating in periodic crises of devaluation of capital. The origin of crisis is thus located firmly in the sphere of production, though economic crisis can be aggravated by problems of disproportionality between spheres of production and the underconsumption of the masses.

There were multiple causes for the first downturn in 1929, including the structural weaknesses and specific events that turned it into a major depression and the way in which the downturn spread from country to country. In terms of the 1929 small downturn, historians emphasise structural factors like massive bank failures and the stock market crash, while economists (such as Peter Temin and Barry

Eichengreen) point to Britain's decision to return to the Gold Standard at pre-World War I parities (US$4.86:£1).



US industrial production

Debt

Macroeconomists, including the current chairman of the U.S. Federal Reserve Bank System Ben Bernanke, have revived the debt-deflation view of the Great Depression originated by Arthur Cecil Pigou and Irving Fisher. In the 1920s, in the U.S. the widespread use of purchases of businesses and factories on credit and the use of home mortgages and credit purchases of automobiles, furniture and even some stocks boosted spending but created consumer and commercial debt. People and businesses who were deeply in debt when a price deflation occurred or demand for their product decreased were often in serious trouble—even if they kept their jobs, they risked default. Many drastically cut current spending to keep up time payments, thus lowering demand for new products. Businesses began to fail as construction work and factory orders plunged.

Massive layoffs occurred, resulting in unemployment rates of over 25%. Banks which had financed a lot of this debt began to fail as debtors defaulted on debt and bank depositors became worried about their deposits and began massive withdrawals. Government guarantees and Federal Reserve banking regulations to prevent these types of panics were ineffective or not used. Bank failures led to the evaporation of billions of dollars in assets. Up to 40% of the available money supply normally used for purchases and bank payments was destroyed by all these bank failures.

Furthermore, the debt became heavier, because prices and incomes fell 20–50%, but the debts remained at the same dollar amount. After the panic of 1929, and during the first 10 months of 1930, 744 banks failed. In all, 9,000 banks failed during the decade of the 30s. By 1933, depositors saw $140 billion of their deposits disappear due to uninsured bank failures. [1] Bank failures snowballed as desperate bankers tried calling in loans which the borrowers did not have time or money to repay. With future profits looking poor, capital investment and construction slowed or completely ceased. In the face of bad loans and worsening future prospects, the surviving banks became even more conservative in their lending. [2] Banks built up their capital reserves, which intensified deflationary pressures. The vicious cycle developed and the downward spiral accelerated. This kind of self-aggravating process may have turned a 1930 recession into a 1933 great depression.

Trade Decline and the U.S. Smoot-Hawley Tariff Act

Many economists have argued that the sharp decline in international trade after 1930 helped to worsen the depression, especially for countries significantly dependent on foreign trade. Most historians and economists assign the American Smoot-Hawley Tariff Act of 1930 part of the blame for worsening the depression by seriously reducing international trade and causing retaliatory regulations in other countries. Foreign trade was a small part of overall economic activity in the United States and was concentrated in a few businesses like farming; it was a much larger factor in many other countries. [3] The average ad valorem rate of duties on dutiable imports for 1921–1925 was 25.9% but under the new tariff it jumped to 50% in 1931–1935.

In dollar terms, American exports declined from about $5.2 billion in 1929 to $1.7 billion in 1933; but prices also fell, so the physical volume of exports only fell in half. Hardest hit were farm commodities such as wheat, cotton, tobacco, and lumber. According to this theory, the collapse of farm exports caused many American farmers to default on their loans leading to the bank runs on small rural banks that characterized the early years of the Great Depression.

U.S. Federal Reserve and money supply

Monetarists, including Milton Friedman and Benjamin Bernanke, argue that the Great Depression was caused by monetary contraction, which was the consequence of poor policy making by the American Federal Reserve System and continuous crisis in the banking system.[4] By not acting, the Federal Reserve allowed the money supply to shrink by one-third from 1930 to 1931. Friedman argued[5] the downward turn in the economy starting with the stock market crash would have been just another recession. The problem was that some large, public bank failures, particularly the Huntly New York Bank of the United States, produced panic and widespread runs on local banks, and that the Federal Reserve sat idly by while banks fell. He claimed if the Fed had provided emergency lending to these key banks, or simply bought government bonds on the open market to provide liquidity and increase the quantity of money after the key banks fell, all the rest of the banks would not have fallen after the large ones did and the money supply would not have fallen to the extent and at the speed that it did.[6] With significantly less money to go around, businessmen could not get new loans and could not even get their old loans renewed, forcing many to stop investing. This interpretation blames the Federal Reserve for inaction, especially the New York branch, which was owned and controlled by Wall Street bankers. The Federal Reserve, by design, is not controlled by the President or the U.S. Treasury; it is primarily controlled by member banks and the chairman of the Federal Reserve.[7]

Those who believe that the Great Depression could have been avoided if the Federal Reserve had acted are not aware of the fact that the Federal Reserve could not act.[*citation needed*] At that time the amount of credit that the Federal Reserve could issue was limited due to laws which required partial gold backing of that credit. By the late 1920's the Federal Reserve had almost hit the limit of allowable credit that could be backed by the gold in its possession. This credit was in the form of Federal Reserve demand notes. Since a "promise of gold" is not as good as "gold in the hand", during the bank panics a portion of those demand notes were redeemed for Federal Reserve gold. Since the Federal Reserve had hit its limit on allowable credit, any reduction in gold in its vaults had to be accompanied by a greater reduction in credit. Several years into the Great Depression the private ownership of gold was declared illegal and reduced the pressure on Federal Reserve gold.

Austrian School explanations

Another explanation comes from the Austrian School of economics. Austrian theorists who wrote about the Depression include Hayek and Murray Rothbard, who wrote "America's Great Depression" in 1963. In their view, the key cause of the Depression was the expansion of the money supply in the 1920s that lead to an unsustainable credit driven boom. In their view, the Federal Reserve, which was created in 1913, shoulders much of the blame.

One reason for the monetary inflation was to help Great Britain, which, in the 1920s, was struggling with its plans to return to the gold standard at pre-war (World War I) parity. Returning to the gold standard at this rate meant that the British economy was facing deflationary pressure.[8] According to Rothbard, the lack of price flexibility in Britain meant that unemployment shot up, and the American government was asked to help. The United States was receiving a net inflow of gold and inflated further in order to help Britain return to the gold standard. Montagu Norman, head of the Bank of England, had an especially good relationship with Benjamin Strong, the *de facto* head of the Federal Reserve. Norman pressured the heads of the central banks of France and Germany to inflate as well, but unlike Strong, they refused.[9] Rothbard says American inflation was meant to allow Britain to inflate as well, because under the gold standard, Britain could not inflate on its own.

In the Austrian view it was this inflation of the money supply that led to an unsustainable boom in both asset prices (stocks and bonds) and in capital goods. By the time the Fed belatedly tightened in 1928, it was far too late and, in the Austrian view, a depression was inevitable.

The artificial interference in the economy was a disaster prior to the Depression, and government efforts to prop up the economy after the crash of 1929 only made things worse. According to Rothbard, government intervention delayed the market's adjustment and made the road to complete recovery more difficult.[10]

Furthermore, Rothbard criticizes Milton Friedman's assertion that the central bank failed to inflate the supply of money. Rothbard asserts that the Federal Reserve purchased $1.1 billion of government securities from February to July 1932 which raised its total holding to $1.8 billion. Total bank reserves only rose by $212 million, but Rothbard argues that this was because the American populace lost faith in the banking system and began hoarding more cash, a factor very much beyond the control of the Central Bank. The potential for a run on the banks caused local bankers to be more conservative in lending out their reserves, and, Rothbard argues, was the cause of the Federal Reserve's inability to inflate.[11]

Power farming displaces tenants from the land in the western dry cotton area. Childress County, Texas, 1938

Business

Franklin D. Roosevelt, elected in 1932, primarily blamed the excesses of big business for causing an unstable bubble-like economy. Democrats believed the problem was that business had too much power, and the New Deal was intended as a remedy, by empowering labor unions and farmers and by raising taxes on corporate profits. Regulation of the economy was a favorite remedy. Some New Deal regulation (the NRA and AAA) was declared unconstitutional by the U.S. Supreme Court. Most New Deal regulations were abolished or scaled back in the 1970s and 1980s in a bipartisan wave of deregulation.[12] However the Securities and Exchange Commission, Federal Reserve, and Social Security won widespread support which continues to this day.

Government deficit spending

British economist John Maynard Keynes argued in *General Theory of Employment Interest and Money* that lower aggregate expenditures in the economy contributed to a massive decline in income and employment that was well below the average. In this situation, the economy might have reached a perfect balance, at a cost of high unemployment. Keynesian economists called for governments during times of economic crisis to pick up the slack by increasing government spending and/or cutting taxes.

Massive increases in deficit spending, new banking regulation, and boosting farm prices did start turning the U.S. economy around in 1933, but it was a slow and painful process. The U.S. had not returned to 1929's GNP for over a decade and still had an unemployment rate of about 15% in 1940—down from 25% in 1932. The unemployment problem was not "solved" until the advent of World War II, when about 12 million men were drafted and taken out of the labor market. Multiple war good production programs reduced unemployment to under 2% and brought in millions of new workers to the labor markets.

Literature

The U.S. Depression has been the subject of much writing, as the country has sought to reevaluate an era that dumped financial as well as emotional catastrophe on its people. Perhaps the most note-worthy and famous novel written on the subject is *The Grapes of Wrath*, published in 1939 and written by John Steinbeck, who was awarded the Pulitzer Prize for the novel and the Nobel Prize for literature for this work. The novel, which was later made into a movie, focuses on a poor family of sharecroppers who are forced from their home as drought, economic hardship, and changes in the agricultural industry occur during the Great Depression. Steinbeck's *Of Mice and Men* is another important novel about a journey during the Great Depression.

Effects

Australia

Main article: Great Depression in Australia

Australia's extreme dependence on agricultural and industrial exports meant it was one of the hardest-hit countries in the Western world, amongst the likes of Canada and Germany. Falling export demand and commodity prices placed massive downward pressures on wages. Further, unemployment reached a record high of 28% in 1932, with incidents of civil unrest becoming common. After 1932, an increase in wool and meat prices led to a gradual recovery.

Canada

Harshly impacted by both the global economic downturn and the Dust Bowl, Canadian industrial production had fallen to only at 58% of the 1929 level by 1932, the second lowest level in the world after the United States, and well behind nations such as Britain, which only saw it fall to 83% of the 1929 level. Total national income fell to 55% of the 1929 level, again worse than any nation other than the United States.

France

The Depression began to affect France from about 1931. Its relatively high degree of self-sufficiency meant it was damaged considerably less than nations like Germany. However hardship and unemployment were high enough to lead to rioting and the rise of the socialist Popular Front.

Germany

Germany's Weimar Republic was hit hard by the depression, as American loans to help rebuild the German economy now stopped. Unemployment soared, especially in larger cities, and the political system veered toward extremism. Hitler's Nazi Party came to power in January 1933. In 1934 the economy was still not balanced enough for Germany to work on its own. In 1935 Germany ran out of money completely primarily due to the reparations it was still paying to the victor countries of World War I.

Latin America

Because of high levels of United States investment in Latin American economies, they were severely damaged by the Depression. Within the region, Chile, Bolivia and Peru were particularly badly affected. One result of the Depression in this area was the rise of fascist movements.

Netherlands

From roughly 1931 until 1937, the Netherlands suffered a deep and exceptionally long depression. This depression was partly caused by the after-effects of the Stock Market Crash of 1929 in the United States, and partly by internal factors in the Netherlands. Government policy, especially the very late dropping of the Gold Standard, played a role in prolonging the depression. The Great Depression in the Netherlands led to some political instability and riots, and can be linked to the rise of the Dutch national-socialistic party NSB. The depression in the Netherlands lessened somewhat in force at the end of 1936, when the government finally dropped the Gold Standard, but real economic stability did not return until after World War II.

South Africa

United Kingdom

United States

Early response

Secretary of the Treasury Andrew Mellon advised President Hoover shock treatment would be the best response: "Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate.... That will purge the rottenness out of the system. High costs of living and high living will come down. People will work harder, live a more moral life. Values will be adjusted, and enterprising people will pick up the wrecks from less competent people."[13] Hoover rejected this advice, not believing government should directly aid the people, but insisted instead on "voluntary cooperation" between business and government.

The New Deal

Shortly after President Roosevelt was inaugurated in 1933, drought and erosion combined to cause the Dust Bowl, shifting hundreds of thousands of displaced persons off of their farms in the midwest. From his inauguration onward, Roosevelt argued a restructuring of the economy would be needed to prevent another or avoid prolonging the current depression. New Deal programs sought to stimulate demand and provide work and relief for the impoverished through increased government spending, by:

- Reforming the financial system, especially the banks and Wall Street. The Securities Act of 1933 comprehensively regulated the securities industry. This was followed by the Securities Exchange Act of 1934 which created the Securities and Exchange Commission. (Though amended, the key provisions of both Acts are still in force as of 2007). Federal insurance of bank deposits was provided by the FDIC (still operating as of 2007), and the Glass-Steagal Act (which remained in effect for 50 years). The institution of the National Recovery Administration remains a controversial act to this day. Although it only lasted until 1935, it made a number of sweeping changes to the American economy until it was declared unconstitutional by the Supreme Court.

- Instituting regulations which ended what was called "cut-throat competition," which kept forcing down prices for everyone. (done by the NRA).
- Setting minimum prices and wages and competitive conditions in all industries. (done by the NRA)
- Encouraging unions that would raise wages, to increase the purchasing power of the working class. (done by the NRA)
- Cutting farm production so as to raise prices and make it possible to earn a living in farming (done by the AAA and successor farm programs).
- Forcing businesses to work with government to set price codes (done by the NRA).
- Creating the NRA board to set labor codes and standards. (done by the NRA).

These reforms (together with relief and recovery measures) are called by historians the First New Deal. It was centered around the use of an alphabet soup of agencies set up in 1933 and 1934, along with the use of previous agencies such as the Reconstruction Finance Corporation, to regulate and stimulate the economy. By 1935, the "Second New Deal" added Social Security, a national relief agency (the Works Progress Administration, WPA) and, through the National Labor Relations Board, a strong stimulus to the growth of labor unions. Unemployment fell by two-thirds in Roosevelt's first term (from 25% to 9%, 1933 to 1937), but then remained stubbornly high until 1942.

In 1929, federal expenditures constituted only 3% of the GDP. Between 1933 and 1939, they tripled, funded primarily by a growth in the national debt. The debt as proportion of GNP rose under Hoover from 20% to 40%. Roosevelt kept it at 40% until the war began, when it soared to 128%. After the Recession of 1937, conservatives were able to form a bipartisan conservative coalition to stop further expansion of the New Deal and, by 1943, had abolished all of the relief programs.

Recession of 1937

In 1937, the American economy took an unexpected nosedive, lasting through most of 1938. Production declined sharply, as did profits and employment. Unemployment jumped from 14.3% in 1937 to 19.0% in 1938. The Roosevelt administration reacted by launching a rhetorical campaign against monopoly power, which was cast as the cause of the depression, and appointing Thurman Arnold to act; Arnold's effectiveness ended once World War II began and corporate energies had to be directed to winning the war.

The administration's other response to the 1937 deepening of the Great Depression had more tangible results. Ignoring the pleas of the Treasury Department, Roosevelt embarked on an antidote to the depression, reluctantly abandoning his efforts to balance the budget and launching a $5 billion spending program in the spring of 1938, an effort to increase mass purchasing power. Business-oriented observers explained the recession and recovery in very different terms from the Keynesians. They argued the New Deal had been very hostile to business expansion in 1935–37, had encouraged massive strikes which had a negative impact on major industries such as automobiles, and had threatened massive antitrust legal attacks on big corporations. All those threats diminished sharply after 1938. For example, the antitrust efforts fizzled out without major cases. The CIO and AFL unions started battling each other more than corporations, and tax policy became more favorable to long-term growth.

On the other hand, according to economist Robert Higgs, when looking only at the supply of consumer goods, significant GDP growth resumed only in 1946 (Higgs does not estimate the value to consumers of collective, intangible goods like victory in war[14]). To Keynesians, the war economy showed just how large the fiscal stimulus required to end the downturn of the Depression was, and it led, at the time, to fears that as soon as America demobilized, it would return to Depression conditions and industrial output would fall to its pre-war levels. The incorrect Keynesian prediction that a new depression would start after the war failed to take account of pent-up consumer demand as a result of the Depression and World War.

Keynesian models

In the early 1930s, before John Maynard Keynes wrote *The General Theory*, he was advocating public works programs and deficits as a way to get the British economy out of the Depression. Although Keynes never mentions fiscal policy in *The General Theory*, and instead advocates the need to socialize investments, Keynes ushered in more of a theoretical revolution than a policy one. His basic idea was simple: to keep people fully employed, governments have to run deficits when the economy is slowing because the private sector will not invest enough to increase production and reverse the recession.

As the Depression wore on, Roosevelt tried public works, farm subsidies, and other devices to restart the economy, but never completely gave up trying to balance the budget. According to the Keynesians, he had to spend much more money; they were unable to say how much more. With fiscal policy, however, government could provide the needed Keynesian spending by decreasing taxes, increasing government spending, increasing individuals' incomes. As incomes increased, they would spend more. As they spent more, the multiplier effect would take over and expand the effect on the initial spending. The Keynesians did not estimate what the size of the multiplier was. Keynesian economists assumed poor people would spend new incomes; in reality they saved much of the new money; that is, they paid back debts owed to landlords, grocers and family. Keynesian ideas of the consumption function have been challenged, most notably in the 1950s by Milton Friedman and Franco Modigliani.

Neoclassical approach

Recent work from a neoclassical perspective focuses on the decline in productivity that caused the initial decline in output and a prolonged recovery due to policies that affected the labor market. This work, collected by Kehoe and Prescott [15], decomposes the economic decline into a decline in the labor force, capital stock, and the productivity with which these inputs are used. This study suggests that theories of the Great Depression have to explain an initial severe decline but rapid recovery in productivity, relatively little change in the capital stock, and a prolonged depression in the labor force. This analysis rejects theories that focus on the role of savings and posit a decline in the capital stock.

Gold standard

Great Britain departed from the gold standard in September 1931, allowing the pound sterling to float internationally. The value of the pound then dropped significantly and British exports became cheaper. In April 1933, Roosevelt issued Executive Order 6102 prohibiting citizens of the U.S. from owning other-than-token amounts of gold and from using gold as money. Citizens were forced to sell all gold holdings (apart from jewelry) to the federal government at a price of $20.67 per ounce. In January 1934, Roosevelt raised the official price of gold to $35 per ounce, thereby devaluing the U.S. dollar by 41%.

Rearmament and recovery

The massive rearmament policies to counter the threat from Nazi Germany helped stimulate the economies in Europe in 1937-39. By 1937, unemployment in Britain had fallen to 1.5 million. The mobilization of manpower following the outbreak of war in 1939 finally ended unemployment.

In the United States, the massive war spending doubled the GNP, masking the effects of the Depression. Businessmen ignored the mounting national debt and heavy new taxes, redoubling their efforts for greater output to take advantage of generous government contracts. Most people worked overtime and gave up leisure activities to make money after so many hard years. People accepted rationing and price controls for the first time as a way of expressing their support for the war effort. Cost-plus pricing in munitions contracts guaranteed businesses a profit no matter how many mediocre workers they employed or how inefficient the techniques they used. The demand was for a vast quantity of war supplies as soon as possible, regardless of cost. Businesses hired every person in sight, even driving sound trucks up and down city streets begging people to apply for jobs. New workers were needed to replace the 11 million working-age men serving in the military. These events magnified the role of the federal government in the national economy. In 1929, federal expenditures accounted for only 3% of GNP. Between 1933 and 1939, federal expenditure tripled, and Roosevelt's critics charged that he was turning America into a socialist state[*citation needed*]. However, spending on the New Deal was far smaller than on the war effort.

Political consequences

The crisis had many political consequences, among which was the abandonment of classic economic liberal approaches, which Roosevelt replaced in the United States with Keynesian policies. It was a main factor in the implementation of social democracy and planned economies in European countries after the war. Although Austrian economists had challenged Keynesianism since the 1920s, it was not until the 1970s, when the Nobel Prize in Economic Sciences was awarded to Friedrich Hayek notably for being *"one of the few economists who gave warning of the possibility of a major economic crisis before the great crash came in the autumn of 1929"* [4], and the beginning of monetarism, that the Keynesian approach was politically questioned, leading the way to neoliberalism.[*citation needed*]

Other Great Depressions

The Great Depression was not unique in magnitude or duration. Several Latin American countries faced similar events in the 1980s. Finnish economists refer to the Finnish economic decline around the breakup of the Soviet Union (1989-1994) as a great depression. Kehoe and Prescott define a great depression to be a period of diminished economic output with at least one year where output is 20% below the trend. By this definition Argentina, Brazil, Chile, and Mexico experienced great depressions in the 1980s, and Argentina experienced another in 1998-2002. This definition also includes the economic performance of New Zealand from 1974-1992 and Switzerland from 1973-present, although this designation for Switzerland has been controversial.[16]

See also

- America's Great Depression written by Murray Rothbard. The fifth edition was released in 2000.
- Aftermath of World War I
- Business cycle
- Cities in the great depression
- Economic collapse
- Gold as an investment
- Keynesian economics
- New Deal
- Recession
- Smoot-Hawley Tariff Act
- Wall Street Crash of 1929

External links

- Great Depressions of the Twentieth Century, edited by T. J. Kehoe and E. C. Prescott
- Theories of the Great Depression, R. L. Norman, Jr.
- Recession? Depression? What's the difference? (About.com)
- An Overview of the Great Depression from EH.NET by Randall Parker.
- Great Myths of the Great Depression by Lawrence Reed
- Franklin D. Roosevelt Library & Museum for copyright-free photos of the period
- Economic Depressions: Their Cause and Cure by Murray Rothbard (1969)
- The Impact of the Great Depression in NI, on the Second World War online resource for NI