What was the short term significance of the Great Depression 1929 to 1933?

In ordinary conversation in the thirties, people would begin by saying "since '29," or "in the days before the crash," writes William E Leuchtenburg. This supports my view that the Great Depression was very significant 1929 to 1933. Leuchtenburg suggests that the Depression was significant enough to have been a key turning point; people's lives had dramatically changed by 'the thirties'. Also, the phrase 'ordinary conversation' emphasises how unconditional the Great Depression was, people began conversations expecting the other person to know and to have been affected by it. Leuchtenburg is a useful secondary source because he is a leading Depression-era scholar. Defining significance as 'of importance/consequence,' I will analyse the Great Depression's economic, social and political significance to support this view. On balance, the Depression was significant economically and socially but many of these effects were temporary and limited. For example, as humourist William Rogers illustrates 'there is not an unemployed man who hasn't contributed to the wealth of every millionaire in America.' Rogers suggests that richer people avoided the economic/social effects at other people's expense. Rogers is a useful primary source because he was a respected social commentator and expressed public opinion. Overall, the Great Depression was most significant politically. The Democratic Party would remain in power for two decades but most importantly Roosevelt's New Deal completely changed America and his affected everyone. However, perhaps the most significant aspect of the Great Depression was that it occurred. America was the wealthiest country in the world and appeared invincible in the 'Roaring Twenties.' As Rogers again illustrates; 'we are the first nation to starve to death in a storehouse that's overfilled with everything we want'.

The Great Depression was significant economically, and the economic effects of the Depression precipitated many social and political effects. Taking a Keynesian position; the Great Depression began with a large-scale loss of confidence after the Wall Street Crash which led to reduced consumption and investment spending. This in turn meant many businesses were forced to close. Figure 1 shows the increased number of business failures with over 40,000 in 1933. This is a useful secondary source because graphs are the most accurate way of portraying economic trends and this graph originated in an Advanced History textbook which aims to be factual and objective. In 1930, with the economy deteriorating, a contagion of fear led many people to withdraw their savings and deposits. This led to a systematic banking crisis which further destabilised the economy. Figure 2 shows the increased number of bank failures. Over 4,000 banks closed in towns and cities dependent on primary industries such as mining and construction also suffered because people weren't prepared for it. One of the most significant economic effects of the downturn was unemployment. Figure 3 shows the increased level of unemployment with over 12 million people unemployed in 1933. Figures 2 and 3 both originated from the same core text as figure 1. Lawyer Benjamin Roth summarises the economic significance of the Great Depression in his diary entry from the 17th August 1931. 'Money is either in hoarding or tied up in closed banks and business is crippled. Conditions get worse instead of better and unemployment increases.' This supports the evidence shown in the graphs; 'business is crippled, 'closed banks, 'unemployment increases.' Roth also mentions hoarding; many people withdrew their bank deposits and hid them. This was significant because it intensified the banking crisis and increased crime rates. Roth is a useful primary source because, though he was not an economic expert, his diary entries are plain-spoken and honest and he gives an matter-of-fact account of the Depression. Industrialist Henry Ford challenges Roth's account; 'the average man won't really do a day's work unless he is caught and cannot get out of it. There is plenty of work to do if people would do it.' Ford suggests that there were opportunities for employment. But Ford is not a useful primary source because he was a billionaire and was

4 Joan de Pennington, Modern America: The USA, 1865 to the Present (London: Hodder Education, 2005), 134.
5 Benjamin Roth, The Great Depression: A Diary (New York: PublicAffairs, 2010), 14.