



THE GREAT DEPRESSION

The Great Depression of the 1930s was a worldwide financial disaster. It all began in the United States with the 'Wall Street Crash' of 1929.

America was prosperous in the 1920s. People invested in the stock market, and many made fortunes. They borrowed money to buy shares. In 1929 those share prices started falling. People started selling their shares. The more shares were sold the more prices fell. Investors began to panic and tried to sell their shares before they became worthless. Prices fell even further and finally the stock market collapsed. People couldn't repay their bank loans because their shares were worthless. They went broke and so did the banks.

The crash destroyed the American economy and the effects were felt throughout the world. Factories and businesses closed down or dismissed many workers. Millions of people could not find work, and many families were hungry.

The worst years of the Depression were 1929–34 but, for many people, life was difficult for a lot longer. The Second World War years (1939–45) were a time of poverty for millions of people.

In Australia the 1920s had been prosperous. Wool and wheat were our primary industries. We sent these products overseas and our exports earned a great deal of money. By 1929, prices paid for Australian wool and wheat had dropped because countries like the United States had reduced their imports.

Manufacturing industries were unable to compete for markets overseas. Wages were reduced and people were dismissed from their jobs. Thousands of men walked the streets looking for work to pay rents and feed and clothe families. But work was scarce. Many left home to look for work in the country. Few were successful.

In the 1920s Australia's population was six million and one-third of the workforce—up to 300 000 people—was unemployed.

from *Battlers of the Great Depression*
by Edel Wignell
HBJ 1990

