In 1936, the world faced a profound economic crisis, leading many to question the stability of the financial system. The crisis was described as "a perfect storm," combining factors such as high inflation, rapid depreciation of the currency, and a sharp decline in economic activity. This period was marked by widespread unemployment and a sharp reduction in consumer spending. The government responded with various measures to stabilize the economy, including increased government spending and tax cuts. Despite these efforts, the economy failed to recover, and the situation worsened until 1938.

In 1928, many economists had predicted a period of prosperity, believing that the economy was entering a "golden age." However, this optimism was short-lived, as the economy soon began to show signs of weakness. By 1930, the global economy had entered a deep recession, with many countries experiencing a significant decline in production and trade. The onset of the Great Depression in 1929 marked the beginning of a long economic downturn, which lasted for more than a decade.

The economic downturn of the 1930s had a profound impact on people's lives, with millions of individuals and families losing their jobs and facing financial hardship. Governments around the world responded with various policies, including increased government spending and tax cuts, in an attempt to stimulate the economy. However, the effectiveness of these measures was limited, and the economy continued to struggle for many years.

In the aftermath of the crisis, there was a shift in economic thinking, with many economists and policymakers advocating for a more interventionist approach to economic management. This led to the development of Keynesian economics, which emphasized the role of government intervention in stabilizing the economy. The Keynesian approach became dominant in the 1940s and 1950s, influencing economic policy in many countries around the world.