

Winston Churchill lost a fortune in the New York stock exchange crash. He was not alone.

When people lost confidence in the market, everything took a dramatic downward turn. How could "the street" avoid a total financial meltdown?

Charles Mitchell met with some of the wealthiest men of America. What could be done to support the stock market? No one could have foreseen "the great crash." They agreed to use \$250,000,000 to support the stocks.

Hoping the symbolic act would turn the tide, these titans of industry were pleased when their strategy seemed to be working. Thomas Lamont addressed the public, trying to assure everyone that the worst was over. He was wrong.



People who had purchased stocks on margin were suddenly required to pay unexpected (and huge) sums of money. This had never previously happened - especially on such a large scale.

Brokerages were extremely worried that their loans would not be repaid, so they sent urgent notices to their customers. People with margin accounts were told to deposit additional funds into their accounts, to avoid liquidation of their existing stocks.

Those stocks, of course, were worth far less at liquidation than they were worth at the time of purchase.

On October 29th, stocks of the largest companies were being dumped - despite efforts by the leading bankers to prop-up the market.

The turmoil seemed to have no end in sight.

See, also:

[Stock Market Crash of 1929 - Part 1](#)

[Stock Market Crash of 1929 - Part 2](#)

[Stock Market Crash of 1929 - Part 3](#)

[Stock Market Crash of 1929 - Part 5](#)

[Stock Market Crash of 1929 - Part 6](#)

Credits:

Political cartoon by John T. McCutcheon, from 1931, originally [published in the *Chicago Tribune*](#). McCutcheon won a Pulitzer Prize, in 1932, for his political cartoons.

Clip from "1929: The Great Crash," online courtesy BBC.

BBC provides the following background about this documentary which explores causes of the 1929 Wall Street Crash:

Over six terrifying, desperate days in October 1929, shares crashed by a third on the New York Stock Exchange. More than \$25 billion in individual wealth was lost. Later, three thousand banks failed, taking people's savings with them. Surviving eyewitnesses describe the biggest financial catastrophe in history.

In 1919, the US had emerged victorious and dominant from World War One. Britain and its European allies were exhausted financially from the war. In contrast, the US economy was thriving and the world danced to the American tune.

Easy credit and mass production set the tone in the roaring twenties for an era of consumption like none that had ever been seen before. The stock market rose and investors piled in, borrowing money to cash in on the bubble. In 1928, the market went up by 50 per cent in just 12 months. The crash was followed by a devastating worldwide depression that lasted until the Second World War. Shares did not regain their pre-crash values until 1954.

This is the story of a financial disaster that we hoped could never happen again.

1929: The Great Crash

Blakeway Productions (2009)

Initial Broadcast, BBC 2

Director

Joanna Bartholomew

Producers

Joanna Batholomew

Denys Blakeway

Narrator

Bill Paterson

Readings

John Sessions

See Alignments to State and Common Core standards for this story online at:

<http://www.awesomestories.com/asset/AcademicAlignment/Stock-Market-Crash-of-1929-Turmoil-and-Anguish>

See Learning Tasks for this story online at:

<http://www.awesomestories.com/asset/AcademicActivities/Stock-Market-Crash-of-1929-Turmoil-and-Anguish>