



As a result of the stock-market crash, and the ensuing great depression, some rich people ended up in "the poor house." Even those who did not lose personal wealth suffered psychological damage.

Franklin Roosevelt was elected in a landslide, and his first order of business was to restore confidence in the country's financial system. New laws were passed to regulate banks and the stock market.

An investigation into the crash produced 10,000 pages of testimony. Much of it blackened Wall Street. Even respected banks, like J.P. Morgan, were tainted with the uncovered evidence.

America's woes also spread to Europe. Millions of Brits lost their jobs when manufacturing businesses closed. Germans, trying to recover from the effects of World War I, also suffered.

After an examination of the Great Crash of 1929, what comparisons can we make between what happened then and what happened in the recent "Great Recession?"

We can see, quite clearly, that "history repeats itself. Human folly and greed are much stronger forces in financial affairs than reason and restraint."

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 4](#)

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

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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

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<http://www.awesomestories.com/asset/AcademicAlignment/Stock-Market-Crash-of-1929-Wall-Street-Greed-0>

See Learning Tasks for this story online at:

<http://www.awesomestories.com/asset/AcademicActivities/Stock-Market-Crash-of-1929-Wall-Street-Greed-0>