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How the Stock Market Crash of 1929 Changed the World

The Stock Market Crash of 1929 led to the most catastrophic events in the 20th century. The crash caused a worldwide depression, ravaging through nations like America, and countries in Europe. The countries had their entire economies crumble, they experienced hardships for the entirety of their populations, and the crash created huge political problems. The world hit a huge brick wall in all three of those things, and once it started, it was near impossible to stop. The Stock Market Crash of 1929 was one of the most devastating events in the recent past, and definitely deserves to be recognised as such.

The crash didn't just happen in one day, but all throughout October, 1929, the stock market went into a downward spiral. During the month, the stocks acted erratically, and then began to fall. By October 29, known as "Black Tuesday", 16.4 million shares were sold ("Stock Market Crash" 4). This sharply decreased the values of other stocks all over the market. This caused panic and unrest for everyone taking part in the stock market, and it just spiraled down from there. Another aspect of the massive downturn in the stock market was the trading overseas. Many economic industries were at a large surplus in product, causing the prices to go down. The problem with that is, after World War I the European nations didn't need to buy as much of America's products as they used to. So there were less products being bought at a lower price, meaning much less profit for many of the overseas trading companies. Once the stock

market in America had crashed, the trading crippled, so whatever goods Europe did want from the United States were now burdened with tariffs that were instituted by the US. Once the tariffs failed to turn around America's sagging economy, the US started an embargo. By doing so, the country stopped trading all together in order to try and save itself. All of this and more created huge problems for the United States and almost all of Europe and started the Great Depression.

The Great Depression was a massive economic turn for the worse all around the globe. After the 1920's, all of a sudden the economy had fallen just as drastically as the stock market. Every single economic industry, from entertainment to agriculture, had collapsed. Companies couldn't afford to pay their employees, they couldn't sell anything because no one had the money to buy any products, and they all began to fall apart. In Germany by 1930, production fell 40 percent from what it was the year before, and the country lost two billion dollars in gold and currency. Germany is just an example of the struggles for all nations across the globe. By 1932, the worldwide stocks had lowered all the way down to 12 percent of their previous value in 1929. The world had reached a record breaking low economically, and it didn't stop there.

People all around the world were hit very hard by this disaster. People of all reaches of the social hierarchy, rich and poor, old and young, had just about every luxury taken away from them. People who used to have plenty of money to spare were forced to beg for food on the streets. Everyone was brought to the same level, and that level was down. By 1933, unemployment had reached 30 percent of America (which was over 15 million people), 14.1 percent of Britain, 28.8 percent in Denmark, 23.7 in Sweden, 20.4 percent in Belgium, and 26.3 percent in Germany ("Stock Market Crash Global Definition"). There was just about no recovery in sight. Hundreds of banks had failed. In 1931 alone, over 20 thousand American

citizens had committed suicide. The citizens of every country were waiting for hope, just trying to survive.

Another failing aspect of the world after the stock market crash was the politics. Many countries looked to America to try and assist other crumbling nations, but to no avail. The United States turned inwards to try and help itself, leaving the other nations to do the same. In President Franklin Roosevelt's address to the nation, he said "In every dark hour of our national life a leadership of frankness or vigor has met with that understanding and support of the people themselves which is essential to victory." (National Archives and Records 1). Desperately trying to stabilize their nations, governments tried very hard to control the angst of their countries. When their efforts to console their nations didn't work, government had to institute forceful policies in order to control the masses of people. During these times of strife, people began to act out just so they could survive. All of this turning inward created something in many of the European nations, called nationalism. This happens when a country only focused on its own problems, and neglects or even turns against the rest of the world. The greatest example of this was the German Nazi Political Party. Eventually this nationalism escalated into what we know was World War II.

The Stock Market Crash of 1929 severely damaged the world politically, socially, and economically. The event severed many world relations and destroyed the economy. The masses were forced to beg for food and live on the streets. The crash altered the world as the people of the 1920-1930's knew it. Not only was the economy, they way people lived, and the world's politics utterly devastated, but the stock crash had a hand in starting WWII. This event was

definitely the most catastrophic of its time, and definitely changed the world. Recently, the stock market has undergone a huge drop recently, and who knows what might happen to it now?

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