

THE 1929 WALL STREET CRASH

Caused by panic selling on the New York stock exchange following an artificial boom from 1927 to 1929 fed by speculation. On the 24th October 1929, 13 million shares changed hands, with further heavy selling on the 28th October and the disposal of 16 million shares on the 29th October. As the crash deepened many shareholders were ruined, banks and businesses failed, and in the depression that followed, US unemployment rose to approximately 17 million.

The repercussions of the Wall Street Crash experienced throughout the USA were also felt in Europe, worsened by the reduction of US loans. A world economic crisis followed the crash, bringing an era of depression and unemployment. Between the 29th October and the 30th November (when stock prices hit their lowest point), over \$30 billion disappeared from the American economy. The greatest financial crisis in US history. The collapse of the stock market ended a period of prosperity and ushered in the 'Great Depression'.



Panic stricken investors on Wall Street after the stock market crash of 29th October 1929.



HOW THE CRASH AFFECTED EUROPE

People in Europe faced homelessness and unemployment at alarming rates. Studies carried out in the United Kingdom between 1934 and 1938 showed that 19 percent of the people were on a substandard diet. Along with homelessness and unemployment, one of the most significant effects of the depression in Europe was the rise of extremist political parties. In the United Kingdom, both the Communist Party and the British Union of Fascists received popular support in run-down areas of many inner cities. Extremism was most apparent in Germany, where Adolf Hitler seized the chance to win the backing of many Germans dissatisfied with the leadership of their country after World War 1. He persuaded many Germans that he would make them proud of their nation once again. Hitler gained control of the country in 1933. He soon began to re-arm Germany, which put industry back to work again and reduced unemployment, but ultimately, Hitler's Nazi ideology would lead to World War II.



1933: Adolf Hitler celebrates becoming Chancellor of Germany.