**Black Tuesday 1929**

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**The Poor Wolf Of The Wall Street**

Money is the air of the civilization. It is eighty seven years ago, when the glamour of the Jazz Age and gangsters disappeared.[[1]](#footnote-1) The Great Depression impact milions lives of Americans. This may be the worst economic disaster of the 20 century. Moreover, in the years 1929 and 1933 the quantity of producing goods and services in the United States fell by one-third.2 The number of unemployed people was extreme. More than 13 million people were without a job. The society was poor. Furthermore, industrial production dropped by 45 percent. People lived in the primitive conditions, close to famine. Even New York's cave was temporary home for the one family.3 The crash collapse had series of events. It began in last days of October and continued a few weeks. In half of November Wall Street Crash reached its nadir. People lost confidence and faith in the Wall Street and an economy.4 And it might be the possibility, why Black Tuesday started the years of the Great Depression.

The market crush preceded age of the prosperity. In 1920 America undergo the economic boom. Industry was faster and an enviroment experienced the progressive changes. The gross national product leaped from $69 billion to $93 billion, summary wages rose from approximately $36.4 billion to $51.5 billion.5[[2]](#footnote-2) They were also carried the changes in working time and most of the people had more free time. Instead of 60 hours requirements decreased to 48 hours per week.6

Prosperity was on the top. For the most of the people lived in the cities of affluence as a New York City, Montreal, Chicago, Detroit, Paris, Berlin, London and Los Angeles, felt intensively the benefits of the increased prosperity. On the other side, poeople who lived on the villages possibly don't felt the profits to the same way and extent. It was even worse by widespread drought. As a resule people moved to the bigger citties and the migration crossed one million people. 7

On the whole people invested in the stocks. It was the business with a view of make a fortune. Many people without the stocks know-how invested lots of many. Stock market was volatile but profitable. 8

Buying on margin. Following the boom market many people were continued buying stocks with borrowed money. If someone planned shopping on the stock market and he had not an enough money to pay for the full price of the stuck, he could easily put down just ten or twenty percent and the rest borrow from a broker. The method buy now and pay later was a quite popular. Some people were able to invested all their money at the prospect of further earnings. Especially many speculators used this system with argue that it is safe and the regular method how to earned money. Buying on credit was conveniently until the stock prices continues to rise. When the cost of the stock fell lower than the borrowed money, the broker call the margin holder, which was the buyer and wanted back the money in the cash. The share trades was running machine for U. S. economy. The prices of stocks depended on demand. As demand grew the price of stocks increased. In 1928 were prices double higher, because buying shares peaked. 9[[3]](#footnote-3)

The Dow Jones experienced enourmous changes in the 1920s. The Dow Jones Industrial Average is an American index of stock which measure the actual value of shares. 10 In 1921 to 1929 the Dow Jones rapidly grown. From the sixty range to nearly four hundred. This jump in Dow Jones index created new millionaires. Seemingly there were just a few people who acually studied business and had properly education. This issue misappropriated many of the fraudulent companies. 11

The fist step to great depression was the mini crash on March 25 in 1929. It was the presage of the future events. The financial value of the shares began downfall and hysteria hitted across the country when brokers wanted their money back. This panic calmed down the banker Charles Mirchell with his an announcement. He promised that his bank was able to continued with keep lending, but it did not stopped the crash. The economy started to slow down. The production of steel declined and the car sales decreased. The highest level purchase prices reached the stocks during the summer of 1929, from June to August. But the peak the shares reached on September 3, 1929. The Dow Jones Industrial had the index 381, 17. Two days later the stock market begun gradually dropping. 12

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