

# The Crash of 1929

Video Guide: 55 min.

Name \_\_\_\_\_

Hour \_\_\_\_\_

**Introduction:** 1929 put the roar in the **Roaring Twenties**. It was a time when playing the stock market showed a national faith in a booming economy. Almost everyone believed in the American Dream and permanent prosperity that went with it. This belief continued until that fateful day in October when the stock market crashed and the rich as well as the common people lost fortunes.

1. To understand the bust, it is important to look closely at the \_\_\_\_\_ in the economic cycle.
2. The 1920's was a period of;            **optimism.**            **pessimism.**            (circle one)
3. This was the first time that many    **rich**    **ordinary**    (circle one)    Americans had begun to invest in stocks.
4. **True - False** A stock is a share of a company.
5. Stocks have;    **a fixed value.**    **no fixed value.**    (circle one)
6. For 8 years, stock values were \_\_\_\_\_.
7. Bankers, \_\_\_\_\_, & speculators had become celebrities & lived like royalty.
8. Herbert Hoover said in 1928 that " we shall... be in sight of the day when \_\_\_\_\_ will be banished from this nation."
9. It was the dawn of the \_\_\_\_\_ revolution.
10. One of the most wondrous inventions of the new age (1920's) was consumer;            **cash**            **credit**            (circle one)
11. By 1929, \_\_\_\_\_ now, \_\_\_\_\_ later had become a way of life.
12. **True - False** Wall Street got credit for the wealth of the 1920's.
13. Jesse Livermore was a \_\_\_\_\_. The stock market was a game of numbers.
14. Charles Mitchell invented the idea of \_\_\_\_\_ marketing stock shares to small investors.
15. Many investors followed the advice of Evangeline Adams,            **a stockbroker.**    **an astrologer.**    (circle one)
16. **True - False** In February, 1929, Adams predicted a dramatic **downturn** in stock prices.
17. Record numbers of investors were **borrowing money** to buy stocks. It was called buying on \_\_\_\_\_.
18. With this system, you only need \_\_\_\_\_% down to buy stock.
19. **True - False** Wealthy investors would secretly pool their money to buy a stock, inflate the price of the stock, & then sell it to the public.
20. They would begin \_\_\_\_\_ the tape to make the stock look exciting.
21. Critic Roger \_\_\_\_\_ questioned the boom & said there was going to be a crash.

22. This man said; "the stock market guys are crooked."

**Herbert Hoover**

**Al Capone**

**Calvin Coolidge**

(circle one)

23. **True - False** The Federal Reserve Board decided to regulate borrowing & the stock market.

24. **True - False** In March, the blue chip stocks fell & the people holding stock on margin were hit hard.

25. A credit crunch caused interest rates to; **rise.** **fall.** (circle one) 20% interest rates became common.

26. Interest rates stabilized at \_\_\_\_\_ % due to the efforts of Charles Mitchell.

27. In the spring of 1929, steel production was **declining**, car sales **dropped** & the stock market went; **up.** **down.** (circle one)

28. Because of easy credit, many people were deeply in \_\_\_\_\_.

29. Stock prices no longer had anything to do with company **profits.** **sales.** (circle one)

30. Evangeline Adams had \_\_\_\_\_ subscribers to her newsletter.

31. **True - False** The stock market kept rising during the summer of 1929.

32. On Sept. 5, Roger Babson predicted a stock market crash & the Babson Break occurred.

This was a stock market; **rise** **dip** (circle one)

33. In September, market prices fluctuated like a r \_\_\_\_\_ c \_\_\_\_\_.

34. An old saying on Wall Street is that the two most important emotions are fear & \_\_\_\_\_.

35. On Thursday, October 24, the first \_\_\_\_\_ Thursday, the market took a tumble.

36. **True - False** A bankers pool led by **Morgan Trust** tried to stop the panic.

37. The real crash came on; **Monday.** **Tuesday.** (circle one) **(October 29, 1929)**

38. For most (the small investors) it was all \_\_\_\_\_.

39. Herbert Hoover spent much of the early 1930's \_\_\_\_\_.

40. **True - False** At the end of 1929, everyone knew the Great Depression was coming.