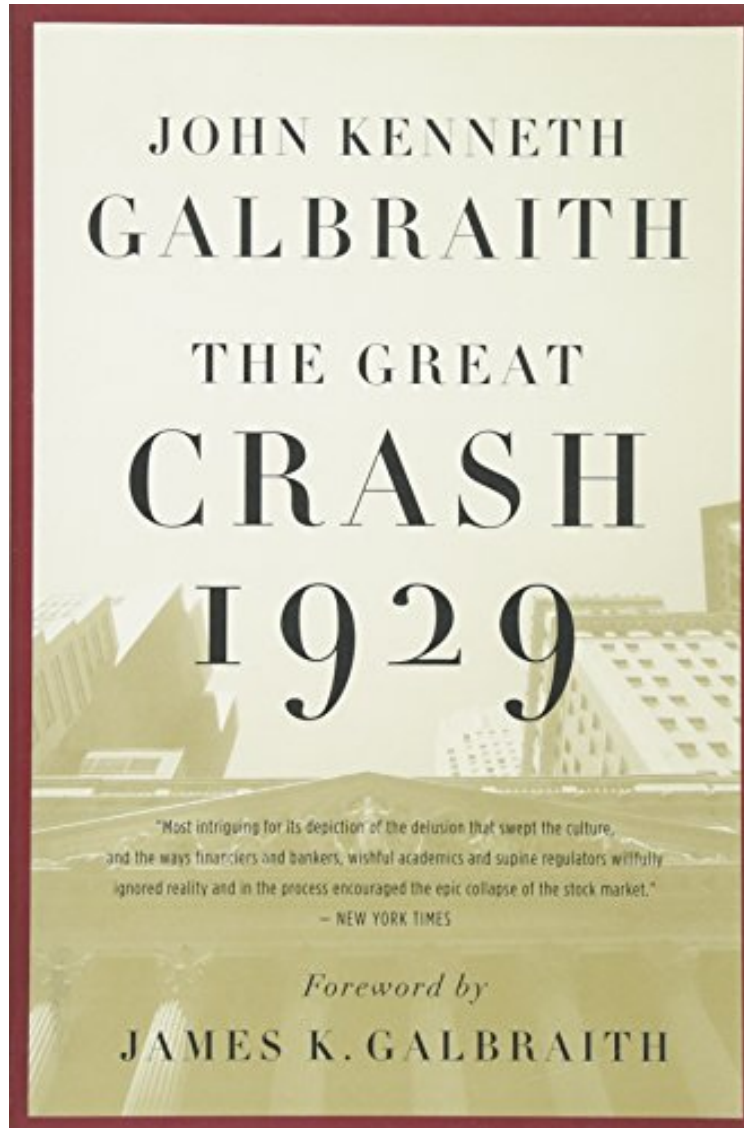


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The Great Crash 1929

John Kenneth Galbraith

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#84528 in Books Galbraith, John Kenneth/ Galbraith, James K. (FRW) 2009-09-10 2009-09-10 Original language: English PDF # 1 8.25 x .55 x 5.50l, .48 #File Name: 0547248164224 pages Mariner Books | File size: 73.Mb

John Kenneth Galbraith : The Great Crash 1929 before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Great Crash 1929:

5 of 5 people found the following review helpful. Excellent, but scary By ystein Sjlje John Kenneth Galbraith's book on The Great Crash in 1929 is a short and vivid story about the causes leading to the stock market crash in October 1929. Reading it in February 2009, it is like a horror story. The description of the boom years, from 1925 to 1929, are very

similar to today. Then people bought stocks on the margin, now they got houses. A main investment object was securitized stock loans, today it was CDOs based on mortgages. Then, as now, capital was flowing to the US from the whole world to take part in the boom. Galbraith also spends some space to discuss why this particular crash led to The Great Depression, while most crashes don't get us into anything like that. That part is also very scary, 54 years after the writing. He claims that income distribution in 1929 was partly responsible. Today, it is almost as uneven. The credit and banking system was distorted in pretty much the same way as today. And the current account ran a deficit (however, far smaller than today). There is consolation in two important differences. The US is no longer on gold standard. That will probably prevent the devastating and long-lasting deflation from the Great Depression. And balanced budgets are not the holy grail of public finances, as it were in the 1930s (including under president Roosevelt). To anyone with the slightest interest of the mechanisms of booms and busts, I will recommend Galbraith's excellent work. There are naturally simplifications and political biases, but in a couple of hours reading, he offers a lot of understanding.

0 of 0 people found the following review helpful. Five Stars
By Robert G. San Socie
So how do you think no regulations will work? Read this and find out.
0 of 0 people found the following review helpful. Good Explanation of the Great Crash
By Rufus Burgess
Galbraith's 'The Great Crash of 1929' offers a good analysis of why the stock market crashed. The underlying point throughout the book is that an increasingly fragile financial sector created a speculative bubble which eventually popped. To be clear: Galbraith does not try to prove what caused the Great Depression. The first 3/5th of the book is on the follow up to the Great Crash, the next 1/5 on its aftermath, and the last 1/5 on how it contributed to the Great Depression. As an account of the Great Crash it uses easy to understand explanations, clearly written for laymen, centered around a compelling story. This means that more a sophisticated quantitative analysis, that would have presumably centered around Keynes's 'General Theory', is ignored. This is conventional in Galbraith's works where he tries to convey economic theory in a language that ordinary people can understand. The problems with Galbraith's analysis is; yes, he does ignore the Federal Reserve and largely omits changes in the money supply. While Friedman goes as far as to say monetary factors CAUSED the Great Depression most contemporary economist would disagree. The money hypothesis contributed to the depression but did NOT cause it. In hindsight Galbraith's tentative analysis of what caused the Great Depression is obviously incomplete but, ironically, more accurate than Friedman's monetary analysis. Someone wishing to understand the Great Depression should look elsewhere. People looking to understand the theoretical underpinnings of the business cycle and depressions should look elsewhere (ex: Keynes's 'General Theory' or the works of Hyman Minsky). If you are looking for a good explanation of the Great Crash Galbraith's work stands the test of time.

Of Galbraith's classic examination of the 1929 financial collapse, the Atlantic Monthly said: "Economic writings are seldom notable for their entertainment value, but this book is. Galbraith's prose has grace and wit, and he distills a good deal of sardonic fun from the whopping errors of the nation's oracles and the wondrous antics of the financial community." Now, with the stock market riding historic highs, the celebrated economist returns with new insights on the legacy of our past and the consequences of blind optimism and power plays within the financial community.

.com Rampant speculation. Record trading volumes. Assets bought not because of their value but because the buyer believes he can sell them for more in a day or two, or an hour or two. Welcome to the late 1920s. There are obvious and absolute parallels to the great bull market of the late 1990s, writes Galbraith in a new introduction dated 1997. Of course, Galbraith notes, every financial bubble since 1929 has been compared to the Great Crash, which is why this book has never been out of print since it became a bestseller in 1955. Galbraith writes with great wit and erudition about the perilous actions of investors, and the curious inaction of the government. He notes that the problem wasn't a scarcity of securities to buy and sell; "the ingenuity and zeal with which companies were devised in which securities might be sold was as remarkable as anything." Those words become strikingly relevant in light of revenue-negative start-up companies coming into the market each week in the 1990s, along with fragmented pieces of established companies, like real estate and bottling plants. Of course, the 1920s were different from the 1990s. There was no safety net below citizens, no unemployment insurance or Social Security. And today we don't have the creepy investment trusts--in which shares of companies that held some stocks and bonds were sold for several times the assets' market value. But, boy, are the similarities spooky, particularly the prevailing trend at the time toward corporate mergers and industry consolidations--not to mention all the partially informed people who imagined themselves to be financial geniuses because the shares of stock they bought kept going up. --Lou Schuler "[A] skilled analysis of that most memorable year in our economic history." (St. Louis Post-Dispatch)"Most intriguing for its depiction of the delusion that swept the culture, and the ways financiers and bankers, wishful academics and supine regulators willfully ignored reality and in the process encouraged the epic collapse of the stock market." (New York Times)"Paints a vivid picture of how the supposedly rational capitalist system seemed to lose its collective mind, and it has spooky parallels with what we are witnessing now." (Fortune)

About the Author John Kenneth Galbraith (1908-2006) was a critically acclaimed author and one of America's foremost economists. His most famous works include *The Affluent Society*, *The Good Society*, and *The Great Crash*. Galbraith was the recipient of the Order of Canada and the Robert F.

Kennedy Book Award for Lifetime Achievement, and he was twice awarded the Presidential Medal of Freedom.