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By FLOYD NORRIS **BIG**

Seven decades later, the crash of 1929 is remembered as an unnecessary disaster, a market event that need not have led to economic collapse. What is not recalled is that people then, too, were confident about many of the same things that seem so reassuring today.

“While bubbles that burst are scarcely benign, the consequences need not be catastrophic for the economy,” said Alan Greenspan, the chairman of the Federal Reserve Board, in congressional testimony this summer. It was not the crash, but “ensuing failures



The front page of the Oct. 30, 1929 New York Times exclaimed the massive loss on Wall Street. It also worked to ease fear among panicked investors.

• [See the Full Front Page from The New York Times Learning Network](#)
[Oct. 28](#) | [Oct. 29](#) | [Oct. 31](#) | [Nov. 1](#)

A BAD WEEK

Read *The New York Times'* coverage of the 1929 stock market collapse.

Monday, Oct. 28, 1929

- [View the Front Page](#) (113k)
- [Wall Street Hums on the Day of Rest to Catch Up on Work](#)

Tuesday, Oct. 29, 1929

- [View the Front Page](#) (113k)
- [Stock Prices Slump \\$14,000,000,000 in Nationwide Stampede to Unload; Bankers to Support Market Today](#)
- [Decline in Crowds in Trading Rooms](#)
- [Telephone Calls 5% Above Normal](#)

Wednesday, Oct. 30, 1929

- [View the Front Page](#) (113k)
- [Stocks Collapse in 16,410,030-Share Day, but Rally at Close Cheers](#)

of policy" that led to the Great Depression, he said. He seemed confident that he could prevent similar errors if there were another crash, and recalled how the economy had not been devastated by the 1987 crash.

While considering such self-confidence, it may be useful to recall an editorial published in The New York Times in the midst of the 1929 crash, on Oct. 26. It heaped scorn on those who had participated in the "orgy of speculation" that had sent prices so high amid talk of a new era and permanently high stock prices. "We shall hear considerably less in the future of those newly invented conceptions of finance which revised the principles of political economy with a view solely to fitting the stock market's vagaries."

But after blasting the speculators, The Times took a much more sanguine view of the economy's future. The Federal Reserve had "insured the soundness of the business situation when the speculative markets went on the rocks."

Whether or not the current confidence in the Fed is justified will be known only after a similar crisis arrives.

concerns about the possibility of a crash, and thereby probably helped to push stock prices higher.

- [More](#)

It turned out that such confidence was not well placed. Whether or not the current confidence in the Fed is justified will be known only after a similar crisis arrives, if one does. For now, confidence in Mr. Greenspan has helped to reduce

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[Optimistic, to Continue](#)

[Aid](#)

- [Reserve Board Finds Action Unnecessary](#)

- [Crowds at Tickers See Fortunes Wane](#)

- [Leaders See Fear Waning](#)

- [Phone, Radio, Cable Beat All Records](#)

- [Brokers Believe Bottom Is Reached](#)

- [Comment of Press on Crash in Stocks](#)

- [Women Traders Going Back to Bridge Games; Say They Are Through With Stocks Forever](#)

Thursday, Oct. 31, 1929

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Friday, Nov. 1, 1929

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October 15, 1999

Looking Back at the Crash of '29: Then, as Now, a New Era

- [Return to Main Page](#)

Any look back now at the great stock market boom of the 1920's must inevitably be colored by the boom of the 1990's. Then, as now, leverage helped push prices up. Then anyone could buy stocks by putting up 10 percent of the purchase price. Now, the margin rules call for 50 percent, but that rule is easily evaded by those who wish to do so. Then, as now, there was talk that an exciting new technology had rendered the old economic laws irrelevant. Then, as now, stock connected to that technology zoomed skyward, but even companies that had nothing to do with the technology saw their stock prices benefit.



Corbis/ Bettman-UPI

Thousands of brokers and investors gathered outside of the exchange trying to find out about a drop in the market.

•[Click on Image to See Larger Version](#)

That technology was radio. Like the Internet, it led to widely publicized new ways to trade stocks. Suddenly, investors and speculators could be closer than ever before to the action. Millions of dollars of stocks were traded from brokerage house offices set up on cruise ships crossing the Atlantic.



Corbis/Bettman-UPI

Stock brokers and their clerks catching up on their sleep in a downtown Manhattan gym after they worked until early Oct. 30.

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Also like the 1990's, the rise in stock prices sparked warnings of excess from skeptics long before the actual top. Alexander D. Noyes, The Times' financial editor and probably the most respected financial journalist of the era, wrote a long and persuasive article comparing the 1920's "speculative mania" to previous manias and casting a skeptical eye on the ability of stock prices to continue rising. It was published on Nov. 15, 1925, nearly four years before the crash.

By 1929, such cautionary voices had been discredited, and the stock market had become a force unto itself, propelled by dreams -- and the reality -- of

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quick wealth. "Playing the stock market has become a major American pastime," reported The Times in a magazine article published on March 24, 1929. The article noted that the number of brokerage accounts had doubled in the past two years, and added, "It is quite true that the people who know the least about the stock market have made the most money out of it in the last few months. Fools who rushed in where wise men feared to tread ran up high gains."

That article was written after the Fed had made its principle stand against stock market speculation, by warning banks not to borrow from the Fed's discount window and then lend the money to stock market speculators. That led to a credit crunch, with interest rates on margin loans rising. The Dow Jones industrial average fell 4 percent the week of March 18-23. Then prices really cracked on Monday March 25 and continued falling until late in the day on Tuesday, when a rally arrived. Before that rally started, the Dow had fallen about 8 percent over less than two days _ the equivalent of around 800 points now.

"Responsible bankers agree," The Times quoted an unnamed broker as saying that day, after the recovery began, "that stocks should now be supported, having reached a level that makes them attractive."

The responsible banker in question, it turned out, was Charles Mitchell, the president of National City Bank, a predecessor of today's Citibank. He defied the Fed, and lent out all the money the speculators wanted. Soon prices were back on their upward course. By the August peak, the Dow was 35 percent above the low reached during the March sell-off. There was a furor in Washington, but the public and the politicians thought that rising stock prices were good, and the Fed did nothing about Mitchell's defiance.



The Associated Press

A detail of policemen on horseback were brought in to keep crowds moving past the New York Stock Exchange during the most severe decline in prices on Black Tuesday. Many of the passersby were wiped out when all trading records were broken. The ticker was 2 1/2 hours behind at closing.

[Click on Image to See Larger Version](#)

When the crash arrived in October, it took several days to unfold. The first break came on Thursday, Oct. 24, but there was an afternoon rally that reduced the losses and a decent rise on Friday. But prices were weak on Saturday. (The market traded six days a week in those days.)

Then the floor fell out. On Monday, Oct. 28, the Dow fell 12.8 percent. The next day, thereafter known as Black Tuesday, it lost another 11.7 percent. There would be rallies, but from then on the direction was down. By the time the bottom arrived, in 1932, the Dow was down 89 percent from its 1929 peak.

In rereading The Times' coverage of that crash, some things stand out. The paper wanted to cover the news thoroughly and honestly, but it also wanted to be careful not to be alarmist. Each day's headline found something positive to



Archive Photos

The floor of the New York Stock Exchange, the day after the collapse.

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a broad and intelligent scale. It was not the margin traders who were caught in the rush to sell, but the rich men of the country who are able to swing blocks of 5,000, 10,000, up to 100,000 shares of high-priced stocks. They went overboard with no more consideration than the little trader who was swept out on the first day of the market's upheaval, whose prices, even at their lowest of last Thursday, now look high by comparison."

"Wall Street was a street of vanished hopes, of curiously silent apprehension and of a sort of paralyzed hypnosis yesterday. Men and women crowded the brokerage offices, even those who have been long since wiped out, and followed the figures on the tape. Little groups gathered here and there to discuss the falling prices in hushed and awed tones. They were participating in the making of financial history. It was the consensus of bankers and brokers alike that no such scenes ever again will be witnessed by this generation. To most of those who have been in the market it is all the more awe-inspiring because their financial history is limited to bull markets."

They were right. Never since has something quite like that been seen. Those who are confident that the Fed will assure that a similar event today would not bring economic disaster might do well to remember that people 70 years ago had faith in the same institution.

include, such as promises by bankers to aid the market.

Nonetheless, the reporters knew they were witnessing something they had never seen before, as was reflected in two paragraphs below, taken from the lead story on Oct. 30, reporting on Black Tuesday:

"Yesterday's market crash was one which largely affected rich men, institutions, investment trusts and others who participate in the market on



Brown Brothers

Throngs of people gathered in front of the sub-Treasury building across from the New York Stock Exchange during the 1929 stock market crash.

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The New York Times

"All the News That's Fit to Print"

THE WEATHER
For the City and Vicinity
October 25, 1929
Partly cloudy, with showers
and drizzle in the afternoon.
Temperature, 55 to 65.

BRIAND FOREIGN MINISTER IN NEW DALADIER CABINET; SOCIALISTS HOLD UP SLATE

Paris, Oct. 24. — The French cabinet today announced the formation of a new government headed by Raymond Daladier, with Briand as foreign minister. The cabinet also included several socialists, but their slate was held up by the Chamber of Deputies.

PLANS PARTY OFFER IN MEDITERRANEAN

France Would Agree Near to Rupture in Three Weeks' Fight Superior to Italy's.

FOR BRITAIN AS GUARANTOR

Lord Curzon Will Oppose to French Request to Liberate the Mediterranean.

FRANCE WOULD AGREE NEAR TO RUPTURE IN THREE WEEKS' FIGHT SUPERIOR TO ITALY'S.

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WALL STREET RUMS ON THE DAY OF REST TO CATCH UP ON WORK

Trading Suspended, Lines of Investors and Buy Orders Suspended, Socialists Hold Up Slate.

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WHICH AIRLINE LAST OF SEA WENT ABOARD? Disappears in Gale After Ship Ties to Quay

London, Oct. 24. — The British Airline last of the sea went aboard the ship today, but the ship was lost in a gale after it tied to the quay.

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MISSILINI DECLARES ITALY IS INFLAMMABLE

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ROOSEVELT MEDAL BESTOWED ON YOUNG

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FINANCIAL REPORTS OF LARGE BUSINESSES IN THE STATE BECOMING AVAILABLE TO THE PUBLIC.

Financial reports of large businesses in the state are becoming available to the public.

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FIGHT FOR THIS RIBBON

Franklin Party Men See La Guardia Case Lost and Look to Future.

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STILLON SET BY DEMOCRATS

Democrat Paul Seem to Go for Mayor by 100,000, but 200,000 is Expected.

STILLON SET BY DEMOCRATS.

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October 28, 1929

Wall Street Hums on the Day of Rest to Catch Up on Work

By THE NEW YORK TIMES

Wall Street, usually as deserted and quiet on Sunday as a country graveyard, hummed with activity yesterday as bankers and brokers strove to put their houses in order after the most strenuous week in history, in which all previous records for the exchange of securities on the New York Stock Exchange, the Curb Market and over the counter were broken.



They did a good job of cleaning up the mass of detail, and when the bell clangs at 10 o'clock this morning for the resumption of trading, most houses will be abreast of their work and ready for what may come.

Every Stock Exchange and Curb house, all of the registrars and transfer offices and other organizations that clear, classify or deal with securities had full staffs at work all day yesterday, and in the financial district, ordinarily populated solely by guards and passers-by on their way to the Battery or Staten Island, messenger boys hurried through the streets, cars were parked, sometimes two abreast, before each large building, and workers struggled with the mountain of clerical detail entailed in finally adjusting the biggest stock market week in history.

Sight-seers Tour District

Sight-seers strolled from street to street, gazing curiously at the Stock Exchange building and at the Morgan banking offices across the way, centres of last week's dramatic financial happenings. Here and there a sight-seer picked up from the street a vagrant slip of ticker tape, as visitors seize upon spent bullets on a battlefield as souvenirs.

Sight-seeing buses made special trips through the district, and the passengers, mostly from out of town, had a first-hand view of the place, as the conductors graphically pointed out, "where all that money was lost last week." Workmen engaged in two or three new skyscrapers plodded away at their overtime jobs; details of plain-clothes policemen strolled in pairs, here and there, keeping a watchful eye on the Street's guests; the restaurants, quick to sense the opportunity for a few extra dollars, kept their doors open and did a land-office



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build/compare your vehicle

search a dealer's inventory

schedule a test drive



business, and double batteries of elevators in the bigger office buildings were kept on duty all day and far into the night.

The parked cars in Broadway and Wall, Broad, Beaver and William Streets gave striking evidence that it was an unusual Sunday. Many a limousine, with a bored chauffeur lounging at the wheel, stood the day long in the financial district. Usually these cars are on the road on Sunday, at golf courses or at least far from the Street. Yesterday thousands of them were parked about. Traffic policemen removed parking restrictions for the day, for their accommodation.

Work "Well in Hand"

"The physical work of the members of the New York Stock Exchange is well in hand," said an official of the organization last night. "Not all of them have caught up, of course, but at least the day and a half respite from trading has given the opportunity to post the books, straighten out orders and make inroads on the clerical work."

Every specialist on the floor of the New York Stock Exchange was on the job with his books yesterday from 10 A.M. to 1 P.M. Only a few left authorized representatives. Most of them were present in person, by order of the governors of the Exchange. It was authoritatively said that no difficulties had arisen over the confusion of orders which could not soon be straightened out. Most of them are already adjusted. The committee of arbitration of the Exchange has a few of the more technical ones yet to handle. Most of these are readjustments between broker and broker, which do not concern the public.

No statements of any kind were issued yesterday by members of the banking pool engaged in stabilizing the market. In fact, the market appears already to have stabilized itself quickly and to a remarkable degree. The calmness of the trading on Friday and again on Saturday indicated that normal conditions had once again been restored and that the hysteria of last Thursday had passed as quickly as it developed.

Interest in Today's Trading

There will, nevertheless, be great interest in today's stock fluctuations and those of subsequent days this week, or until the last vestige of the market upheaval has disappeared. Many important readjustments are yet to be made; there are some large accounts to be liquidated, but it is believed that these tasks can be accomplished on quiet and steady markets over a long period of time, if necessary, so that there will be no further disturbance of the orderly course of the fluctuations.

The opinions expressed about the trend of the market for the balance of the year are varied. One prophet says, for instance, that good stocks are a buy now; another believes that the trend will be downward, with intermittent rallies, and that there will be a great shift from stocks to bonds; still another advises purchasing the oils and railroad shares, as groups which have not been exploited, but letting the public utilities and the run of industrials strictly alone.

Possibly, now that the nervousness has passed and holders of stocks or

prospective holders of stocks have the opportunity to delve into the merits of their securities, especially in the points of earnings, dividends and outlook, the forecast may safely be made that it will be the best of stocks which will give the best accounts of themselves, no matter what the condition of the market.

This week will probably see the development of many constructive factors. Much news of this sort was held back last week on the ground that it would be "wasted ammunition." Brokers' loans, to be announced on Thursday, are expected to show a tremendous contraction because of the passing of a vast volume of stocks from weak hands to strong ones. United States Steel Corporation directors meet on Thursday, and may have an important and constructive announcement to make. It would not surprise Wall Street in the least to see several leading corporations adopt a policy of greater liberality to their stockholders during the balance of the year, in view of the crisis which has developed and passed. Money is expected to continue cheap and plentiful.

Business Appears Good

Business in most lines, according to all of the farometric indices, continues good and record-breaking Christmas trade is expected because of the high rate of employment. Ratios of operation in basic lines are not as high as in late Summer and early Fall, and the edge has been dulled measurably. On the other hand, the general state of trade compares favorably with this time last year, and corporate earnings as a whole, for the complete year, will show gains, it is expected, of between 20 and 25 per cent, over the full year 1928. The activity of the Farm Board, which has made an advance to the cotton growers and on Saturday night announced a similar advance to the wheat industry, emphasizing that the price of wheat is too low, is expected to have material effect on the open market prices of agricultural commodities this week. Virtually every important financial, industrial and political leader has declared the country's fundamentals to be sound.

Recovery from an overwrought speculative position in the stock market is usually a long and tedious process, especially when thousands of holders of stocks have literally been shocked and blown out by a financial cyclone. Stocks of all sorts, those that have been selling at five times earnings, those that have been selling at ten times earnings and those that have been selling at 75, 100 and even in extreme cases 150 times earnings, are now expected to engage in a quiet era of readjustment, in which the earnings will determine their worth, rather than the market value governed by the anxiety of speculators in all parts of the country to own them.

Relatives Have Not Heard From Man Who Vanished After Stock Crash

The Mount Vernon police reported last night that none of the relatives or friends of Abraham Germansky, a real estate broker of 140 East Broadway, New York, and a resident of 43 Birch Street, Mount Vernon, who disappeared on Thursday, had seen or heard from him.

After the crash in stocks of that day Germansky was seen walking up Broadway tearing up ticker tape. His friends believe he lost considerable money on Thursday and that his loss affected his mind.



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October 29, 1929

Stock Prices Slump \$14,000,000,000 in Nation-Wide Stampede to Unload; Bankers to Support Market Today

By THE NEW YORK TIMES

The second hurricane of liquidation within four days hit the stock market yesterday. It came suddenly, and violently, after holders of stocks had been lulled into a sense of security by the rallies of Friday and Saturday. It was a country-wide collapse of open-market security values in which the declines established and the actual losses taken in dollars and cents were probably the most disastrous and far-reaching in the history of the Stock Exchange.



That the storm has now blown itself out, that there will be organized support to put an end to a reaction which has ripped billions of dollars from market values, appeared certain last night from statements by leading bankers.

Although total estimates of the losses on securities are difficult to make, because of the large number of them not listed on any exchange, it was calculated last night that the total shrinkage in American securities on all exchanges yesterday had aggregated some \$14,000,000,000, with a decline of about \$10,000,000,000 in New York Stock Exchange securities. The figure is necessarily a rough one, but nevertheless gives an idea of the dollars and cents recessions in one of the most extraordinary declines in the history of American markets.

It was not so much the little trader or speculator who was struck by yesterday's cyclone; it was the rich men of the country, the institutions which have purchased common stocks, the investment trusts and investors of all kinds. The little speculators were mostly blown out of their accounts by the long decline from early September. Thousands of them went headlong out of the market on Thursday. It was the big man, however, whose holdings were endangered yesterday and who threw his holdings into the Stock Exchange for just what they would bring, when hysteria finally seized him.

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smashed through their old lows of Thursday, and most of them to the lowest level for many years, as wave after wave of liquidation swept the market during its day of utter confusion and rout. As bid after bid was filled for stocks and more and more offered, stocks of the best grade dropped almost perpendicularly, with 2, 3, 5 and even 10 points between sales under probably the most demoralized conditions of trading in the history of the Stock Exchange and the Curb.

United States Steel declined 17 1/2, General Electric lost 47 1/2; United States Industrial Alcohol, 39 1/2; Standard Gas, 40 1/2; Columbia Gas, 22; Air Reduction, 48 7/8; Allied Chemical & Dye, 36; Baltimore & Ohio, 13 3/8; A.M. Byers Company, 30 3/4; Chesapeake & Ohio, 23 1/2; New York Central, 22 5/8; Peoples Gas, 40 1/2; Westinghouse Electric, 34 1/4; Western Union, 39 1/2; and Worthington Pump, 29.

These are the blue chips of the market, seasoned stocks based on the country's leading industries, and which have lead the way up the ladder of fluctuations over many months of the now thoroughly defunct bull market. They, and many others, are the issues in which speculation has been most rampant. But stocks of all kinds were affected by the market's second debacle. The good went down with the bad and levels undreamed of in Wall Street a month or so ago were crashed through before the resistless assault of a headlong and in many cases senseless wave of liquidation.

Causes of Crash Varied

Yesterday's far-reaching decline in stocks may be ascribed mainly to a general loss of confidence in the market and the inability of any man or group to stem such a torrent of selling, which came from all parts of the world. European selling forming a very material percentage of the stocks forced on the market. But there were thousands of ramifications to the market and many factors, too, which served to add their quota of pressure.

Among these may be enumerated: Belated liquidation from Thursday's crash, when the market did not rally promptly from the decline.

The cleaning out of several stale pools, whose holdings, in some cases large, went into the market for what they would bring.

The immediate drying up of buying power on the part of the general public, already badly hit in the smash of Thursday.

Bear selling for the decline of an adroit and unspectacular fashion.

The mob psychology which impels holders of stocks in all parts of the country to try to sell them all at once when the market shows signs of giving way.

Margin calls which went out of Wall Street by the thousands and which mainly were answered by orders to sell at the market.

The catching of stop-loss orders, many of them put in months ago.

Day's Sales 9,212,800 Shares

The statistical record of yesterday's tremendous day furnished proof that in

many respects it did not equal last Thursday's trading, although the declines were larger. Trading on the Stock Exchange aggregated 9,212,800 shares, as compared with 12,894,650 on Thursday. On the Curb Market sales were 4,152,900 shares, as compared with 6,837,415 in last week's violent decline.

Once again the lateness of the tickers added to the confusion and as a guide to the trading were well-nigh worthless. At ten-minute intervals the floor prices were flashed on the bond tickers; and the Dow, Jones news tickers and the New York News Bureau tickers furnished running flows of quotations as they were received from the floor of the Exchanges. It was only by these methods of expediency that Wall Street was able to keep up with the market at all, and in most brokerage houses all attempts to keep their quotation boards up to date were abandoned. It just could not be done.

Pool's Purpose Misunderstood

One of the difficulties that beset the market was the popular misconception that the banking pool, organized by J. P. Morgan & Co., the First National Bank, the National City Bank, the Guaranty Trust Company, the Equitable Trust Company, and the Chase National Bank would throw funds into the market to save it. What the bankers had set out to do, with their consortium, was merely to supply bids where no bids existed and to plug up the "air hole" which the market had developed on Thursday. They had no idea of putting the market up, or saving any one's profits. Rather the general plan was to provide a degree of stabilization on which further liquidation could take place, if it proved necessary.

The rally of Friday and the steadiness of the market, which returned to normal on Saturday, could be attributed partly to this misconception, partly to a temporary restoration of confidence by the public generally. The long Sunday holiday gave traders the opportunity to think over their own particular problems. Those who still had profits in the market could visualize them slipping away; those who had losses feared that they might be extended still further. There was that very large definite quota, too, who had received margin calls over the week's end and who had decided to get out of the market completely.

Opening Weak and Nervous

At any rate, stocks opened weak, nervous and unsettled. Steel, at 202 1/4 was off 1 1/4. International Telephone and Telegraph at 100 was off 3, General Electric at 290 was off 7 1/2, and there were similar reactions from Saturday's closing figures.

The opening quotations were a surprise and a shock to Wall Street and to the country, which watched its tickers at 10 o'clock with feverish anxiety. It had been generally believed that some sort of organized support had been arranged over Sunday and that the market, at least, would be a steady one. Most persons believed that the storm of liquidation had blown itself out and that while the market might not advance, still it would not decline very far and that the orderly readjustments started on Friday and Saturday could be completed.

But these reckonings had been made without taking into consideration the deep-seated fear of a smashing and declining market by the thousands of

holders of stocks at home and abroad. They had been through a tempestuous and nerve-wracking week and the answer to the opening quotations was a veritable flood of selling which swept the market from its feet.

Steel Leads in Decline

Steel pounded down through 200, and 5 to 10 point declines all over the list had been established by 10:30 o' clock. By 11 o' clock the market was in the identical state of demoralization that characterized it on Thursday when the bottom dropped out. Each set of figures brought news of a lower level of prices, and stocks were going down 5 to 10 points in an hour, with support evidently of a very chary character and without power to stem the torrent of liquidation which again was flowing over the country's Exchanges.

From nervous irregularity at the opening, the tone became weak and it continued increasingly weak right through to the close, with nervousness and hysteria becoming more emphasized during the final hour of trading when almost 3,000,000 shares were dealt in on the Stock Exchange.

It was in this final hour that the greatest damage was done. Terror reigned on the Stock Exchange, on the Curb and in the brokerage offices. A curious hush fell over customers' rooms in strange contrast to the pushing, whirling, shouting mob of brokers on the floor of the Exchanges who strove with might and main to execute their orders. Few men or women spoke. Most of them merely watched with fascinated eyes the jumping hieroglyphics. Most of them had been sold out. But they held to their chairs and watched the quotations as if hypnotized.

Rush of Sales Increases

The mounting volume and the declining quotations synchronized with each other during the entire day. Sales to 10:30 on the Stock Exchange were 815,600 shares; by 12 o'clock they had mounted to 3,135,200; by 1:30 to 5,547,900; by 2:10 to 6,328,500, with the total finally footing up to 9,212,800.

The statistical record of the day's debacle, as measured by the averages compiled by The New York Times, which have been maintained since 1911, reflected the greatest decline in history, and the industrial averages and the combined, that is, twenty-five representative railroad and twenty-five representative industrial shares, sold down to new low points for the year. Little more than two months ago all of them established new highs. Figured by these measures, the rails declined 9.31, and the industrials 49.12, the combined dropping 29.22. The industrials reached a high of 469.49 on Sept. 19. Yesterday they dropped to 314.95, a decline of 154.54. The combined average of fifty stocks sold at their high for all time on Sept. 19 was 311.90. The decline since that date, to yesterday's low of 222.57, has been 89.33 points.

Wild Rumors Current

One of the features of the day's trading was the large number of rumors afloat. These involved houses as well as individuals, but none of them was believed to be true. Thus far, the financial district has got through the most disastrous break in its history in exceptionally good fashion. As on Thursday, there were many reports of suicides in Wall Street, none of which was true. There was no

mistaking the gravity of the situation which has developed, however, or the attitude with which leading bankers and brokers view it.

There was but one brief respite during the day. At 1:10 P.M. the news tickers reported that Charles E. Mitchell had just entered the Morgan offices. Wall Street jumped to the conclusion that another banking conference was on, and stocks steadied momentarily. Steel common was then selling on the floor of the Exchange at 193 1/2. A Morgan broker on the floor of the Stock Exchange started bidding for Steel, and the market leader immediately rallied to 198. But the rally was short-lived. Ten minutes later Steel was back to 190 and stocks started once more on the violent smash that did not stop until the bell halted trading.



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October 29, 1929

Decline in Crowds in Trading Rooms

By THE NEW YORK TIMES

Many familiar faces were absent yesterday from the throngs in the trading rooms of the large brokerage firms. Although the decline in many stocks surpassed that of last Thursday, when security holders and sight-seers jostled their way through the chasms of downtown New York, yesterday's headlong drop in stocks failed to attract huge crowds.



There is scarcely a brokerage room where at least a few humbler citizens have not been fairly assiduous followers of the ticker tape. Although less frequently visiting in person the board rooms of the firms where they trade, the wealthier speculators also have been well-known figures in recent days.

Yesterday the ranks were thinner. For one thing, their normal occupations took many traders back to their desks, their stores or their tools. Further, many speculators were counted out last week and have sworn off stocks--until next time. All in all, however, the reason behind the smaller attendance in Wall Street was that the average and small trader has been hurt and has lost interest in proceedings.

While a better feeling was noted among the traders, the brokers themselves were mostly worried over the turn of affairs, for efforts to save some star accounts came to naught. The poor man's theory that he is always the loser, while the rich man profits whichever way the market turns, did not prove true in this crash.

The higher spirits, however, while they may have been due to a nervous reaction from last week's tension, were traceable to a general belief of the small man in the power of the big bankers to arrest the flood of selling that has hit the market. The speculators who have become involuntary investors hang their hopes on the delayed recovery and on a faith in the industrial prosperity of the country.



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October 29, 1929

Telephone Calls 5% Above Normal

By THE NEW YORK TIMES

The continued high pressure of stock market operations again taxed the telegraph, cable, radio and telephone facilities of the country yesterday, as out-of-town and foreign speculators used every means at their disposal to keep in touch with conditions on the New York Stock Exchange and other leading markets.



Telephone officials reported last night that a 5 per cent increase over normal business was taken care of without trouble.

Marked increases were noted by the Postal Telegraph and Cable Company and the Western Union Telegraph Company. The messages sent by brokers to their correspondents abroad went at the preferred rate of 23 cents a word, adding substantially to the daily income of the cable companies. Thomas M. Drew, business manager of the Commercial Cable Company, said that speed was of vital importance, and that in many instances the messages transmitted between New York and London took less than a minute.

The Radio-Marine Corporation of America, including only messages to and from ships which as yet have no brokerage offices, reported a 5 per cent gain in communications over traffic prior to the market break.

Brokers telegraphing for margin coverage also increased the Postal Telegraph land file, while the greater part of the increase in cable business was due to arbitrage trading, with market traders cabling for bargain prices in stocks.





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October 30, 1929

Stocks Collapse in 16,410,030-Share Day, but Rally at Close Cheers Brokers; Bankers Optimistic, to Continue Aid

By THE NEW YORK TIMES

Stock prices virtually collapsed yesterday, swept downward with gigantic losses in the most disastrous trading day in the stock market's history. Billions of dollars in open market values were wiped out as prices crumbled under the pressure of liquidation of securities which had to be sold at any price.



There was an impressive rally just at the close, which brought many leading stocks back from 4 to 14 points from their lowest points of the day.

Trading on the New York Stock Exchange aggregated 16,410,030 shares; on the Curb, 7,096,300 shares were dealt in. Both totals far exceeded any previous day's dealings.

From every point of view, in the extent of losses sustained, in total turnover, in the number of speculators wiped out, the day was the most disastrous in Wall Street's history. Hysteria swept the country and stocks went overboard for just what they would bring at forced sale.

Efforts to estimate yesterday's market losses in dollars are futile because of the vast number of securities quoted over the counter and on out-of-town exchanges on which no calculations are possible. However, it was estimated that 880 issues, on the New York Stock Exchange, lost between \$8,000,000,000 and \$9,000,000,000 yesterday. Added to that loss is to be reckoned the depreciation on issues on the Curb Market, in the over the counter market and on other exchanges.

Two Extra Dividends Declared

There were two cheerful notes, however, which sounded through the pall of gloom which overhung the financial centres of the country. One was the brisk

rally of stocks at the close, on tremendous buying by those who believe that prices have sunk too low. The other was that the liquidation has been so violent, as well as widespread, that many bankers, brokers and industrial leaders expressed the belief last night that it now has run its course.

A further note of optimism in the soundness of fundamentals was sounded by the directors of the United States Steel Corporation and the American Can Company, each of which declared an extra dividend of \$1 a share at their late afternoon meetings.

Banking support, which would have been impressive and successful under ordinary circumstances, was swept violently aside, as block after block of stock, tremendous in proportions, deluged the market. Bid prices placed by bankers, industrial leaders and brokers trying to halt the decline were crashed through violently, their orders were filled, and quotations plunged downward in a day of disorganization, confusion and financial impotence.

Change Is Expected Today

That there will be a change today seemed likely from statements made last night by financial and business leaders. Organized support will be accorded to the market from the start, it is believed, but those who are staking their all on the country's leading securities are placing a great deal of confidence, too, in the expectation that there will be an overnight change in sentiment; that the counsel of cool heads will prevail and that the mob psychology which has been so largely responsible for the market's debacle will be broken.

The fact that the leading stocks were able to rally in the final fifteen minutes of trading yesterday was considered a good omen, especially as the weakest period of the day had developed just prior to that time and the minimum prices for the day had then been established. It was a quick run-up which followed the announcement that the American Can directors had declared an extra dividend of \$1. The advances in leading stocks in this last fifteen minutes represented a measurable snapback from the lows. American Can gained 10; United States Steel common, 7 1/2, General Electric, 12; New York Central, 14 1/2, Anaconda Copper, 9 1/2; Chrysler Motors 5 1/4; Montgomery Ward, 4 1/4 and Johns Manville, 8. Even with these recoveries the losses of these particular stocks, and practically all others, were staggering.

Yesterday's market crash was one which largely affected rich men, institutions, investment trusts and others who participate in the stock market on a broad and intelligent scale. It was not the margin traders who were caught in the rush to sell, but the rich men of the country who are able to swing blocks of 5,000, 10,000 up to 100,000 shares of high-priced stocks. They went overboard with no more consideration than the little trader who was swept out on the first day of the market's upheaval, whose prices, even at their lowest of last Thursday, now look high in comparison.

The market on the rampage is no respecter of persons. It washed fortune after fortune away yesterday and financially crippled thousands of individuals in all parts of the world. It was not until after the market had closed that the financial district began to realize that a good-sized rally had taken place and that there was a stopping place on the downgrade for good stocks.

Third Day of Collapse

The market has now passed through three days of collapse, and so violent has it been that most authorities believe that the end is not far away. It started last Thursday, when 12,800,000 shares were dealt in on the Exchange, and holders of stocks commenced to learn just what a decline in the market means. This was followed by a moderate rally on Friday and entirely normal conditions on Saturday, with fluctuations on a comparatively narrow scale and with the efforts of the leading bankers to stabilize the market evidently successful. But the storm broke anew on Monday, with prices slaughtered in every direction, to be followed by yesterday's tremendous trading of 16,410,030 shares.

Sentiment had been generally unsettled since the first of September. Market prices had then reached peak levels, and, try as they would, pool operators and other friends of the market could not get them higher. It was a gradual downward sag, gaining momentum as it went on, then to break out into an open market smash in which the good, the bad, and indifferent stocks went down alike. Thousands of traders were able to weather the first storm and answered their margin calls; thousands fell by the wayside Monday and again yesterday, unable to meet the demands of their brokers that their accounts be protected.

There was no quibbling at all between customer and broker yesterday. In any case where margin became thin a peremptory call went out. If there was no immediate answer the stock was sold out "at the market" for just what it would bring. Thousands, sold out on the decline and amid the confusion, found themselves in debt to their brokers last night.

Three Factors in Market

Three factors stood out most prominently last night after the market's close. They were:

Wall Street has been able to weather the storm with but a single Curb failure, small in size, and no member of the New York Stock Exchange has announced himself unable to meet commitments.

The smashing decline has brought stocks down to a level where, in the opinion of leading bankers and industrialists, they are a buy on their merits and prospects, and brokers have so advised their customers.

The very violence of the liquidation, which has cleaned up many hundreds of sore spots which honeycombed the market, and the expected ability of the market to right itself, since millions of shares of stock have passed to strong hands from weak ones.

Bids Provided Where Needed

One of the factors which Wall Street failed to take into consideration throughout the entire debacle was that the banking consortium has no idea of putting stocks up or to save any individuals from loss, but that its sole purpose was to alleviate the wave of financial hysteria sweeping the country and provide bids, at some price, where needed. It was pointed out in many quarters that no broad liquidating movement in the stock market has ever been

stopped by so-called good buying. This is helpful, of course, but it never stops an avalanche of liquidation, as was this one.

There is only one factor, it was pointed out, which can and always does stop a down swing--that is, the actual cessation of forced liquidation. It is usually the case, too, that when the last of the forced selling has been completed the stock market always faces a wide-open gap in which there are practically no offerings of securities at all. When that point is reached, buying springs up from everywhere and always accounts for a sharp, almost perpendicular recovery in the best stocks. The opinion was widely expressed in Wall Street last night that that point has been reached, or at least very nearly reached.

Huge Blocks Offered at Opening

The opening bell on the Stock Exchange released such a flood of selling as has never before been witnessed in this country. The failure of the market to rally consistently on the previous day, the tremendous shrinkage of open market values and the wave of hysteria which appeared to sweep the country brought an avalanche of stock to the market to be sold at whatever price it would bring.

From the very first quotation until thirty minutes after 10 o'clock it was evident that the day's market would be an unprecedented one. In that first thirty-minutes of trading stocks were poured out in 5,000, 10,000, 20,000 and 50,000 share blocks at tremendous sacrifices as compared with the previous closing. The declines ranged from a point or so to as much as 29 1/2 points, and the reports of opening prices brought selling into the market in confused volume that has never before been equaled.

In this first half hour of trading on the Stock Exchange a total of 3,250,800 shares were dealt in. The volume of the first twenty-six blocks of stock dealt in at the opening totaled more than 630,000 shares.

There was simply no near-by demand for even the country's leading industrial and railroad shares, and many millions of dollars in values were lost in the first quotations tapped out. All considerations other than to get rid of the stock at any price were brushed aside.

Brokerage Offices Crowded

Wall Street was a street of vanished hopes, of curiously silent apprehension and of a sort of paralyzed hypnosis yesterday. Men and women crowded the brokerage offices, even those who have been long since wiped out, and followed the figures on the tape. Little groups gathered here and there to discuss the fall in prices in hushed and awed tones. They were participating in the making of financial history. It was the consensus of bankers and brokers alike that no such scenes ever again will be witnessed by this generation. To most of those who have been in the market it is all the more awe-inspiring because their financial history is limited to bull markets.

The machinery of the New York Stock Exchange and the Curb market were unable to handle the tremendous volume of trading which went over them. Early in the day they kept up well, because most of the trading was in big blocks, but as the day progressed the tickers fell further and further behind,

and as on the previous big days of this week and last it was only by printing late quotations of stocks on the bond tickers and by the 10-minute flashes on stock prices put out by Dow, Jones & Co. and the Wall Street News Bureau that the financial district could get any idea of what was happening in the wild mob of brokers on the Exchange and the Curb.

Peaks Reached in September

The bull market, the most extensive in the history of the country, started in the Coolidge Administration and reached its height with a tremendous burst of speculation in the public utility issues, the flames of speculation being fed by mergers, new groupings, combinations and good earnings.

The highest prices were reached in early September. At that time the market had a quick break and an equally rapid recovery. Then started a slow sag. Two developments, not considered important at the time, served to start the ball rolling downhill. The first of these was the refusal of the Massachusetts Public Service Commission to permit the Boston Edison Company to split its shares; the second was the collapse of a pool in International Combustion Engineering shares on the Stock Exchange, an over-exploited industrial which had been pushed across 100 by a pool and which crashed when the corporation passed its dividend.

In the meanwhile, the Hatry failure abroad had diverted a tremendous volume of selling to the United States, and under these influences the market continued to sag until it literally crumpled of its own weight.






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October 30, 1929

Reserve Board Finds Action Unnecessary

Special to the New York Times

Washington -- The further decline in stock market prices today passed without expressed apprehension on the part of Federal officials. The situation was watched intently by the Federal Reserve Board, which held a continuous session from 10 A. M. until 4 P. M., with Secretary Mellon in attendance.



Secretary Mellon, as ex-officio chairman of the board, attended the early part of the meeting before going to the White House for the Cabinet meeting. It could not be learned whether the market situation was discussed by the President and the Cabinet.

At 2:30 P. M. Mellon returned to the Reserve Board meeting, and remained until near its close. During the day he had conferred with Under-Secretary Ogden L. Mills and Roy A. Young, Governor of the Reserve Board. After the board adjourned, neither Secretary Mellon nor Young would even intimate the nature or scope of the discussions.

The Federal Reserve Board was so absorbed in studying the financial problems facing the country as the result of another violent stock fluctuation that most of its members did not leave the board room for luncheon.

Board Reviews Credit Situation

Members of the board, while admitting that the market situation was under discussion, declared at the end of the day that there was no change which called upon the board for action relative to credits.

There was a report that the board had reviewed the credit situation to determine whether the time had come to lower the rediscount rate to ease credit for business ventures.

The board has hesitated to act on the rediscount rate during the stock market decline, fearing that lowered rates might be employed to bolster up the

market. The board's policy is not to aid in speculation, but it feels that the rediscount rate should be lowered to stimulate credits for business when it is apparent that such action would not be accepted as assistance to speculative loans.

Young said there was no change in financial conditions which the board thought called for its action.

Cut in Discount Rate Expected

It is thought the question of lowering rediscount rates may come before the Federal Reserve Board shortly. The Boston Federal Reserve Bank directors will meet tomorrow and the New York directors on Thursday. It is possible that one of these banks may suggest a lowering of the rates.

Some observers believe that a reduction in rediscount rates might have a strong psychological effect not only upon business but the market as well. There was no official indication that such a move was imminent, although some observers thought such action might come if suggested by the New York bank directors, since the rate there is 6 per cent as against 5 per cent in other regions. Some thought the New York rediscount rate might be reduced to 5 per cent soon.

Today's session of the board was the longest since the financial flurry of 1920. It is understood that it was kept closely informed of the progress of the New York market situation during the day and was in frequent touch with the New York Federal Reserve Bank; while officials of leading banks in New York were reported to have conferred with members of the board relative to the government's position.

Late in the day the board was reported to be awaiting a report from a meeting of the directorate of the New York Federal Reserve Bank. The report eventually was received, but, whatever its nature, it did not cause the Reserve Board to take action. No one was willing to forecast developments which might be expected within the next few days.

Bank Rate Cut Expected

As developments of the day pointed to increasing ease in credit, banking opinion in Wall Street yesterday reached the conclusion that a reduction in the rediscount rate of the Federal Reserve Bank of New York was sure to be ordered at tomorrow's meeting of the directors. Although call money advanced from the renewal rate of 5 per cent to 6 per cent, in response to the calling of \$150,000,000 in loans, rates on bankers' acceptances were again slashed one-eighth of 1 per cent and other branches of credit displayed ease.

The calling of loans which developed during the day was largely the result of withdrawal of funds by out-of-town and non-banking lenders.

Rates on bankers' acceptances are now down one-half of 1 per cent from the levels which obtained since last August and leaves the bill buying rate of the Federal Reserve far out of line with the actual market.

The new rates are 4 3/4 per cent bid, 4 5/8 per cent asked for 30, 60 and 90

day bills; $4 \frac{7}{8}$ per cent bid, $4 \frac{3}{4}$ per cent asked for four months' bills, and 5 per cent bid, $4 \frac{7}{8}$ per cent asked for five and six months' bills.

Tomorrow's statement of brokers' loans is expected to show a record-breaking decrease. Some put the figure at \$750,000,000.



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October 30, 1929

Crowds at Tickers See Fortunes Wane

By THE NEW YORK TIMES

Groups of men, with here and there a woman, stood about inverted glass bowls all over the city yesterday watching spools of ticker tape unwind and as the tenuous paper with its cryptic numerals grew longer at their feet, their fortunes shrunk. Others sat stolidly on tilted chairs in the customers' rooms of brokerage houses and watched a motion picture of waning wealth as the day's quotations moved silently across a screen.



It was among such groups as these, feeling the pulse of a feverish financial world, whose heart is the Stock Exchange, that drama and perhaps tragedy were to be found. On the floor of the Exchange itself there was little to indicate that the butcher, the baker and the candlestick maker, all were dumping holdings upon a market whose buying appetite was sated.

But the crowds about the ticker tapes, like friends about the bedside of a stricken friend, reflected in their faces the story the tape was telling. There were no smiles. There were no tears either. Just the camaraderie of fellow-sufferers. Everybody wanted to tell his neighbor how much he had lost. Nobody wanted to listen. It was too repetitious a tale.

Crowds Outside Exchange

Crowds gathered about the chaste white building that is the Stock Exchange, drawn by the fascination of being close while financial history was being made, to catch the fever of excitement that emanated from it. Many who stopped at Broad and Wall Streets knew not why they had come or what they had hoped to see. Actually they saw little enough--bankers whom they did not know by sight hurrying in and out of the office of J. P. Morgan & Co. across the way, other sightseers, a special detail of policemen and a few political speakers who addressed the noonday crowds near the Sub-Treasury Building.

Inside the Exchange, from which all visitors have been barred since Thursday's break in prices, the scene was only a little more dramatic. Even in the closing rally, when excitement reached the high pitch for the day, the scene was not so different from that beneath the grandstand at race meets when bettors hurry to lay their wagers with bookmakers before the bugle sounds. In calmer moments the floor resembled Grand Central Terminal at

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commuting time with the information desk multiplied many times.

In each horseshoe trading post, uniformed clerks with nimble fingers filed away contract slips and sent duplicates sliding through pneumatic tubes. They were like information clerks in a busy railway station handing out time-tables. Pages and ticker boys darted back and forth like porters. Brokers, swamped under an avalanche of orders to sell, sell, sell, bustled fanatically about the edges of their trading posts, harassing the clerks like impatient travelers trying to find out in two minutes' time the best route to Kalamazoo.

Still it was an orderly seething, except at intervals when wild rumors sent blood pressure up and prices down.

Richard Whitney, acting president of the Exchange, hat tilted on his head at a jaunty angle, sauntered nonchalantly across the floor half an hour before the closing and left the room with a debonair smile at Post 2, where traders in United States Steel, one of the country's basic industries, were waiting to dispose of shares at 175. It closed Monday at 186 and dropped yesterday at one time to 170.

Growing Excitement at Close

The hands of the clock on the west wall moved steadily around to ward 3 o'clock, the hour of closing. Time was growing short. Little groups of brokers went into huddles around the posts where the more active issues, General Electric, Steel, Anaconda, were being bought and sold. The hoarse undertone that wailed up from the floor increased in volume. Occasionally it was pierced by a whistle, a shriek. A few hands were upraised as bidding for stocks began. It looked like what it was--a rally. A state of mind like that which sweeps over great crowds at football games, at prizefights, swept over the vaulted room and communicated itself electrically to every one who was a part of it.

Amid this growing turmoil the clock's hands crept steadily around toward the right angle of 3 o'clock--the hour when the broker's work is done and the hour when the troubles of his clerical force in the office begin. William Crawford, a dark-haired youth who is superintendent of the mechanical department which reports the record of sales and prices, sauntered out upon the marble rostrum, sat down and took a watch from his pocket.

The tumult of shouting increased. The whole tempo of the scene speeded up. The small man in gray continued his calisthenic bidding. The first stroke of the closing gong came at fifteen seconds of 3. The last choked off a shouted offer and reduced the bedlam to a murmur. Slowly, singly the brokers surrendered the floor to the porters to sweep up the torn papers, which littered it so thickly as to form a carpet.

M. C. Bouvier and William B. Wadsworth, who welcomed him as a member in 1869, left the floor showing fewer signs of strain than brokers half their age, although they had been more active in the trading than in many years.

As soon as word of the sensational drop in prices which marked the opening of the Exchange, reached Police Headquarters, Commissioner Whalen, anticipating crowds of sightseers in the financial district, ordered thirty extra patrolmen and four mounted policemen to proceed to the neighborhood of Broad and Wall Streets. They augmented the special guards around the

Morgan offices and helped shoo sightseers away from the Exchange.

The turnover of more than 16,000,000 shares in a day's trading swamped the machinery of the financial world. The clerical forces of brokers' offices were held with their noses at their ledgers until long after midnight. The sidewalks teemed with scurrying runners, clutching comparison slips in their hands. Hundreds of taxicabs lined the curbs in Wall Street, Broad Street and Exchange Place. Others snarled themselves into traffic jams on Broadway which usually is almost deserted in that part of town after 7 or 8 P. M.

Restaurants in the financial district, which usually close early in the evening remained open until midnight and virtually all their tables were filled. The office buildings themselves were as brightly illuminated as at 5 P. M. on an ordinary day.

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October 30, 1929

Leaders See Fear Waning

By THE NEW YORK TIMES

Resources of the banking group which was organized last Thursday to stabilize conditions in the stock market were utilized yesterday to break the force of the terrific flood of selling which accompanied the biggest day, from the point of view of volume, ever experienced on the New York Stock Exchange.



Despite the drastic decline, sentiment in Wall Street last night was more cheerful than it has been on any day since the torrent of selling got under way. Periodic "lifting spells" which developed between intervals of extreme weakness were cited by bankers at the close of the market, as testifying to the presence of investment buying. The public is in some measure regaining its senses and the unreasoning fear which has prompted the sacrifice of securities for any price they would bring is at length subsiding.

While even the tremendous buying power of the banking group was unable to turn the tide of selling in yesterday's market, the group did not relax its concern over the situation on the Exchange. Two meetings were held during the day, one at noon and one at 4:30 P. M., the latter lasting until 6:30 P.M.

Will Continue Support

After the evening meeting Thomas W. Lamont of J. P. Morgan & Co. spoke to reporters.

"I want to take occasion," Lamont said, "to explain again, as heretofore, that the banking group was organized to offer certain support in the market and to act as far as possible as somewhat of a stabilizing factor.

"It was not the intention of the group to attempt to maintain prices, but to maintain a free market; in other words, to correct the condition that prevailed last Thursday.

"The group has continued and will continue in a cooperative way to support the market and has not been a seller of stocks."

The statement was issued at the request of reporters to quiet rumors which had been abroad that the banking group had been selling stocks instead of supporting them.

These rumors were, of course, without foundation, for the group is known to have purchased heavily in directions where the force of its buying power would be most effective in stemming demoralization. It was reliably reported that in many instances when no bids could be obtained on the floor for large blocks of stock forced on the market the group had supplied the necessary bids and in other instances had acted as a stabilizing influence upon the list as a whole.

At the noon meeting of the group Owen D. Young, chairman of the General Electric Company, director of the Federal Reserve Bank of New York and head of the Young committee on reparations which recently developed the Young plan, joined the banking leaders. At the evening meeting Chellis Austin, president of the Equitable Trust Company, entered the conference. The original group, which was first organized last Thursday and which has since been meeting daily, includes:

Charles E. Mitchell, chairman of the National City Bank.

Albert H. Wiggin, chairman of the Chase National Bank.

William C. Potter, president of the Guaranty Trust Company.

Seward Prosser, chairman of the Bank-Trust Company.

George F. Baker, Jr. of the First National Bank.

Thomas W. Lamont, partner of the Morgan firm.

In addition to Lamont, George Whitney and several other Morgan partners have regularly participated in the meetings of the group.

In discussing the developments of the day Lamont and Whitney, who acted as spokesmen for the group, said last night that the feeling among bankers so far as they could see was that the public was coming somewhat to its senses. This was shown, it was said, by the fact that there had been during the day a considerable amount of first-class investment buying. Large capitalists, they said, had been "bargain counter" buying and there had been heavy purchasing by many corporations of securities destined for employee stock funds and similar purposes. The resistance shown by certain groups, notably the rails, and the fact that in most cases closing quotations were above the low prices for the day, indicated, it was said, that a more promising situation had developed.

As an indication that the outlook for leading corporations is far brighter than the action of the stock market would seem to indicate, reference was made to the declaration yesterday afternoon of extra dividends by the United States Steel Corporation and the American Can Company.

A further constructive development of the day was the action of leading

banking institutions in reducing margin requirements upon security loans. This move was announced at midday at the time of the first meeting of the banking group. According to the announcement the institutions participating in the group, together with other leading banks of the city, had agreed upon a reduction of margin requirements to 25 per cent of the market price of the securities pledged as collateral.

The move was taken in Wall Street to indicate that the bankers felt that security prices had now sunk to so low a level that the large margins required previously were no longer necessary to secure the safety of the loans. The action of the banks was at once followed by large Stock Exchange houses which reduced the amount of margins required of customers to a corresponding figure and in some cases to even as low as 10 per cent. In the opinion of bankers the move did much to obviate the necessity for distressed selling, since the revision of margin requirements enabled many traders to hold their commitments without being forced to put up more margin.

In addition to the large offers of funds which the banking group has received from other banking institutions, offers of money from corporations and other wealthy institutions to be employed in support of the stock market were received, it was learned yesterday. According to the best opinion in Wall Street the banking group has at its disposal a stupendous sum, amounting possibly to \$750,000,000, and it is clear that once the overwhelming deluge of selling has, in some measure, spent its force the resources of the group will be enormously effective in bringing order back into the market.

In the face of the unprecedented rush of selling which broke loose yesterday it was impossible for the buying power of the group or of the many investment purchasers who came into the market to make headway. Indiscriminate purchases of securities in an attempt to turn the tide would have been futile, bankers outside the group conceded, in discussing the matter, for it would be manifestly impossible for any banking coalition, no matter how great its resources, to purchase even a major part of the 16,410,030 shares dumped on the market yesterday.

Improved Sentiment Noted

At the close of the day a very much improved sentiment was displayed in financial circles. Bankers remarked that the ample credit available would do much to help tide through the period of crisis.

In this connection there were indications that a reduction in the rediscount rate of the New York Federal Reserve Bank is almost certain to be ordered this Thursday. A special meeting of the directors of the bank was held yesterday afternoon, and it was at first expected that a reduction would be voted. No announcement was made, however, but it was regarded as significant that in well-informed quarters reference to this failure to take action received the comment "a couple of days won't make much difference."

Confirmation of the reports that the Reserve has recently been a purchaser of United States Government securities was given at the Federal Reserve Bank and it was indicated that the bank of issue would maintain central banking tradition by making available at this time of crisis an abundance of credit.

Other developments of the day pertaining to the credit situation which added to the improvement of sentiment included a reduction in the yield rates on bankers' acceptances, continued ease in time and call money and the increasing expectation of an enormous decline in brokers' loans to be announced in the figures given out tomorrow night by the Federal Reserve.

Renewed Buying Expected

Bankers, consulted as to whether or not they believed that the full force of the decline had spent its fury, were chary of predictions. They said, however, that the prices of sound securities had been driven down to a point where strong investment buying would be inevitably attracted from all over the world, and that ultimately as distressed selling decreased, this buying was bound to be felt with greater and greater force.

As an indication of how attractive security prices in this market have now become, it was learned that several houses having foreign connections had received cable communications from investment trusts and other interests abroad instructing them to be on the lookout for large offers of sound stocks at attractive prices.

Although the close of the day found Wall Street shaken by one of the most drastic declines in its history, there was no denying the increased optimism with which leaders of the financial district viewed the situation. On the surface, as one banker remarked, all that could be said was that another day had been passed, but a careful scrutiny of events indicated that there had been a considerable recovery from Monday's hysteria and that conditions had now reached the point where, at least, some measure of resistance to the decline had become evident.



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October 30, 1929

Phone, Radio, Cable Beat All Records

By THE NEW YORK TIMES

Every form of electrical communication was severely taxed yesterday by the increasing pressure of messages resulting from the break in security values on the country's leading exchanges. The traffic yesterday surpassed in volume all previous known records for telegraph, cable and telephone communications between the leading cities of the entire world.



Instead of being fairly well distributed, yesterday's additional telephone traffic was concentrated upon a relatively few lines with greater intensity than upon the first day of the breaking market. The routes bearing the force of this concentration were those to Boston, Montreal, Chicago, Detroit, Cleveland, Toledo and St. Louis, while the transcontinental lines were kept busy connecting San Francisco and Los Angeles with New York. More than 11,000 messages above the usual daily total were put through between such points.

At the same time, transatlantic telephone messages yesterday showed a more than 100 per cent increase over the normal average for this season, as hundreds of Americans in Europe turned to this form of communication for conferences with their Wall Street brokers.

Telegraph Wire Hum

Western Union wires carried without a delay yesterday the strain of the heaviest stock market trading in history, the company reported. Increases of 200 to 300 per cent in the volume of business to San Francisco, Los Angeles, Portland, Seattle and other points in the Far West were handled.

Wire facilities of the Western Union to Pacific points were expanded by the addition of twice as many circuits as were put into use last Thursday, the previous record day on the market. Increases in the volume of telegraphic messages were easily handled, it was reported, although gains in business from individual brokers ran to 500 per cent. Many brokers whose private wires were loaded to capacity turned to the telegraph for the balance of their messages.

Records were established in cable communications to and from Europe

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yesterday as traders on both sides of the Atlantic tried to keep up with the unusual New York stock market, the Commercial Cable Company reported. European markets were kept in instantaneous connection with the swift happenings on the floor of the New York Stock Exchange, and transmission of stock messages was made in a few seconds' time.

Never Such a Volume Before

"Never in the history of international communication have Atlantic cable facilities been taxed as they have been during the present market," Thomas M. Drew, business manager of the Commercial Cable Company, said yesterday. Drew has been connected with the cable company for forty- one years and said that it was the most acute situation no excluding the World War, in his experience. "We have never at any time before been called upon to do such a large volume of business in such a short time," he said.

The cable traffic jumped to nearly 20,000 messages a day over the Commercial Cable Company's lines, with probably 3,000 messages dealing with the stock market. Message were principally from New York to Paris and London, although there was a large increase in westbound traffic also. R. G. McLaughlin, assistant general manager of the metropolitan division of the Postal Telegraph Company, said yesterday's market was estimated to have increased telegraph business originating in New York from 10 to 15 per cent.



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October 30, 1929

Brokers Believe Bottom Is Reached

By THE NEW YORK TIMES

The opinions of some of the leading wire houses as expressed in their stock letters sent out to branch offices and customers last night follow:



Hornblower & Weeks--Even in this abnormal market yesterday's amazing volume would seem to indicate that the process of liquidation was in its final stages. This point of view is also substantiated by the slight rally at the close and the confidence which the steel directors place in the situation by augmenting their dividend. In any case, real values are being thoroughly disregarded on the downside to a degree that cannot long obtain.

Clucas & Co.--High type of stock thrown on the market at this time in large volume indicates that the big traders and many so-called investment trusts, rather than the general public were forced out yesterday. We do not expect an immediate turn in the market for quick profits, but do believe that purchase of sound securities around current levels will prove a profitable investment over a period of time.

E. F. Hutton & Co.--As an indication of the low prices which many outstanding issues have attained, it is interesting to consider that at times today Chrysler was selling at a level where it had 71 cents working capital for every dollar a share the stock was selling at in the market. International Harvester sold down to a level where it had 67 cents working capital for every dollar it sold at a share in the market. Similarly, United States Steel had 33 cents, Anaconda 29 cents, Famous Players 26 cents and General Foods over 40 cents. We don't think the market calls for any further comment.

F. B. Keech & Co.--Now, at last, stocks may be safely recommended both as investments and for the speculative turn. Prices in many instances are far below intrinsic value, and liquidation in many quarters is believed to have run its course. Considering the extreme extent of the deflation, a very sharp recovery is in order.

Jackson Bros., Boesel & Co.--Some very clear-cut indications came to hand in the afternoon session of yesterday's record-breaking market that forced

selling had been practically completed and that the stock market had touched the natural bottom.



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October 30, 1929

Comment of Press on Crash in Stocks

New York: No Catastrophe Is Seen

By THE WORLD

What can be said, and what very much needs to be said, is that, however sour things may look to individuals at the moment, the country has not suffered a catastrophe. Its power to produce wealth is unimpaired; its power to consume wealth is unimpaired. There will be many cases of individual hardship, but no hardship like that which is almost normal in other countries. In very large degree the present excitement on the Stock Exchange is concerned with a gambler's change of fortune in the distribution of the surplus luxury money. The American people has been gambling furiously, but it has been gambling largely with the surplus of its astonishing prosperity.



New York: Finds Feeling Better

By THE EVENING POST

The "feeling" is better. This is the "news" of the stock market situation today. It is important. The situation, as the bankers' conference said in effect last night, is as much based on feeling as on anything else. There is no doubt that the tension of feeling is lessened here in Wall Street. Had there been quicker price transmission to the industrial heart of America we believe that a great part of the sales rush might have been averted.

New York: Productive Powers Unharmd

By THE DAILY NEWS

The sagging of the stocks has not destroyed a single factory, wiped out a single farm or city lot or real estate development, decreased the productive powers of a single workman or machine in the United States. All those things are still there, and when they are essentially sound, as this country is, the more magnificently they recover.

Newark: Urges End of Mob Movement

By THE STAR-EAGLE

While stock prices crumble, those who watch the collapse of their dreams cannot be blamed for taking desperate chances to save something from the ruins. Stock market onlookers, those who have lost nothing or who have gotten clear without damage, are the persons who must be depended upon in the present emergency to restore sanity, avert calamity and save the country from the adverse effects of a blind and foolish mob movement.

Newark: Fundamental Conditions Good

By THE EVENING NEWS

The President was undoubtedly correct in saying that fundamental conditions are good, if he meant that there is a solid cushion toward which a declining trend can look with comfort and confidence. It has been necessary since this year opened to look in that direction, and the making of a beginning toward getting there has been too long deferred. That is the indication of all the figures which are now appearing.

Syracuse: Some Knew When to Sell

By THE POST STANDARD

One fact which has not been emphasized when the stock market spectacle is being considered is that thousands of selling orders have poured into Wall Street from those who know how and when to lose. There are thousands who have protected their principal by selling before all of their profits, in paper, were gone.

Syracuse: Values Are Unchanged

By THE MORNING NEWS

Values have not changed. Inflated prices were bound to disappear when something or somebody pricked the bubble. Values are still there. We can still afford to be bulls on the United States.

Buffalo: Warnings Not Heeded

By THE COURIER EXPRESS

The attitude of the Federal Reserve Board toward the use of tremendous sums of money in the orgy of speculation that gripped the country for more than a year undoubtedly carried a warning that was heeded by many in the stock market, but to many others * * * the warnings to banks and the increases in the rediscount rate were merely news items of the day. And, unfortunately, the latter class was preponderant in the present market.

Hartford: Not a Reserve Board Function

By THE COURANT

Day by day the expectations of a brightening rift in the financial horizon fail

to materialize. The panicky state of mind is purely psychological. Out of the depths are heard calls for help by the Federal Reserve Board. This is not a function of the Federal Reserve.

Baltimore: Calls Forces Transitory

By THE SUN

The stock market crash obviously is the result of many forces, most of them transitory and all of them combined incapable of upsetting the firm base of prosperity. An aspect of the crash, however, that is perfectly obvious to anyone who reads is that it is an inevitable reaction to a consistent post-war Republican policy of pumping artificial stimulants into the economic system.

Chicago: Bargain Prices Seen

By THE HERALD AND EXAMINER

The Stock Exchange has become the bargain counter of the world. It is difficult to believe that financial shoppers in this country and abroad will not take advantage of the low prices at which the very best of securities are selling. Although losses suffered by the public have been enormous, a group of investors, numbering thousands, escaped uninjured and is now ready to take advantage of the break.

St. Louis: Country "Well Fortified"

By THE GLOBE DEMOCRAT

The country is too well fortified by its business and financial conditions to be materially disturbed. It was not a consequence of any impairment of these conditions, which have never been more favorable than they are at this time.

St. Louis: Market Called "Chance"

By THE POST-DISPATCH

Since the stock market never did represent anything better than chance, it is not reasonable to suppose that the mischance of a day is going to make it very much different. There is always plenty of chance.

Louisville: Nothing Unsound at Bottom

By THE COURIER-JOURNAL

There is nothing fundamentally unsound behind the commotion on the Stock Exchange. Such a commotion has been long overdue, as the logical result of excessive speculation which has pushed up and kept up prices to figures which in many instances were artificial conditions will right themselves without serious injury to the country or to the market.

Louisville: Grain Stronger After Crash

By THE HERALD-POST

While Wall Street was getting rid of its weak holder to their own most drastic punishment, grain was stronger. That will go to the credit side of the national prosperity and help replace that buying power which some fear has been gravely impaired.

Kansas City: Demand for Expansion

By THE STAR

Now that the inevitable deflation has come, business conditions remain essentially sound with expanding demand throughout the world. With market uncertainties virtually at an end and with credit being released from Wall Street for ordinary business uses, the way is prepared for a further advance in industry.

Fears Blow to Structure

By THE WORLD

The continuous performance in the Stock Market indicates that professional and amateur speculators refuse to be impressed by the uneasiness of business and the public generally. Allowing the craze to run its course may not save the speculators and investing interests and may endanger the entire country. The financial structure has so far withstood the confusion, but further wildness is certain to undermine confidence and cause widespread disturbances.



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October 30, 1929

Women Traders Going Back to Bridge Games; Say They Are Through With Stocks Forever

By THE NEW YORK TIMES

The women who some time ago took up the pastime of high finance seemed yesterday on the verge of returning to bridge. They filled the uptown offices of Stock Exchange firms, irritable and nervous. Toward 3 o'clock the general tenor of their remarks was that they were through forever.



Stock brokers have said that the women speculators are the worst losers. Many of those appearing the most worried yesterday were elderly. They pushed their way into the crowded rooms, asked for the latest quotations and then blamed the brokers for the condition of things. In one office a stout woman with chins asked a harassed manager for a quotation, heard it and then remarked: "You might at least be a gentleman." She went away crying.

Another woman, also elderly, went into the same office and announced loudly that she had lost \$10,000. She seemed proud that she had lost it and went around for some time telling her friends. She wore four rings on one hand and smoked a succession of gold-tipped cigarettes from a jewel-studded gold case.

Four women were making the rounds of the offices on upper Broadway, apparently bent on turning catastrophe into a social affair. They drove in a large car with a chauffeur and entered each office regally. One of them, who said she had lost \$15,000, remarked of an office that "this place is depressing." They went elsewhere.

The men in the uptown offices gathered around the tickers, sat quietly in their chairs or stood along the walls of the room. They made calculations, they appeared worried, but they said very little.

Shortly after 3 o'clock a small boy wandered into one of the uptown offices, looked around and finally found his mother. Apparently that is where he had been accustomed to meet her after school. They went out together shortly

afterward, the boy asking for an ice cream cone and the woman telling a friend of her day's losses.



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October 31, 1929

Exchange to Close for 2 Days of Rest

By THE NEW YORK TIMES

Threatened with a breakdown of its personnel and of its physical machinery after an exhausting week, the New York Stock Exchange decided yesterday to reduce the trading period today from five to three hours, and to suspend trading entirely tomorrow and Saturday. Business will open on the Exchange today at 12 o'clock instead of 10 o'clock.



The New York Curb and other security exchanges were prompt in following the example set by the "Big Board." The Chicago Stock Exchange will have a three-hour trading period today, beginning at 11 o'clock, and will remain closed tomorrow and Saturday. The securities market of the New York Produce Exchange will observe the same schedule as the New York Stock Exchange.

The Unlisted Security Dealers Association announced that business would be limited today to the period between 11 A.M. and 4 P.M., and would be suspended entirely tomorrow and Saturday. Member houses of the Association of Bank Stock Dealers also will be open from 11 to 4 today and will remain closed tomorrow and Saturday. Business will be resumed on all exchanges Monday morning as usual, but there will be another suspension on Tuesday, election day.

Acts to Relieve Workers

The two-day shutdown and the change in today's trading schedule were ordered by the governing committee of the Stock Exchange at a special meeting at noon yesterday. It was feared that to suspend trading with public excitement running high might be misinterpreted and aggravate market conditions, and the governors acted only because they deemed it necessary to relieve the strain on the army of Wall Street workers.

"The volume of trading in the last week," the Exchange's announcement said, "has been so enormous that the organizations of the Stock Exchange houses have reached a point of complete physical exhaustion. Most of these employes and those of the Stock Clearing Corporation have been on almost continuous duty for days and nights past and many of them have been without

sleep for forty-eight to seventy-two hours.

"The governors have felt under an absolute necessity to recognize these purely physical and mechanical conditions and to afford the overworked staffs sufficient time to recuperate and recover their strength. The governors believe that the shorter hours and the two days of holiday as arranged will put the working organizations again in good condition, and contribute materially to a more orderly and effective handling of all the trading centring on the Exchange. This plan of procedure as announced has been adopted after consultation with and approval by the so-called banking group."

Thomas W. Lamont announced that the Exchange's action met with the approval of banking interests.

Greeted With a Roar

The Exchange's announcement was read from the rostrum at 1:40 P.M. by Acting President Richard Whitney, and was greeted by a roar of approval from the overworked brokers and employes on the floor. The news was also eagerly received in the brokerage houses, where the strain on workers has been daily increasing.

The news had the effect of relieving at once the tension under which the brokerage community was struggling. The offices of member firms will be open as usual tomorrow and Saturday for the transaction of routine business, but they will be manned by limited staffs.

"The banking groups," said Lamont, "heartily approved the action of the Stock Exchange governors in arranging to give the over-worked staffs of the Street houses some let-up. In a period of extraordinary stress these houses and their staffs have performed a great task. It has only been through their unswerving determination and loyalty that it has been possible to keep the Exchange's physical machinery of trading and clearing in operation."

The Stock Exchange committee of arrangements announced that specialists and all floor brokers are required to be on the floor of the Exchange at 10 o'clock, the usual opening time, today, and also at that time tomorrow. They will remain on the floor until their previous transactions have been adjusted.

It was also announced that the time for confirming "good till canceled" orders with specialists has been extended until 11 A.M. Saturday.

It was announced at the Exchange that yesterday's business was cleared as usual and that deliveries will be made today by whatever time is fixed. The delivery time yesterday was extended to 4 o'clock. Today's business will be cleared though the Stock Clearing Corporation Saturday and deliveries made on Monday.

Montreal Also Declares the Same Holiday as New York

Toronto, Ont. -- Toronto Stock Exchange will be closed tomorrow until 12 o'clock noon and all day Friday and Saturday. Montreal will observe the same hours. The tremendous volume of business and disorganized states of the markets led exchange officials to take such steps.

Contrasting vividly with yesterday when the greatest stock market plunge in history took place, stocks advanced today on the Toronto exchange. Grains ranged from 2 to 4 points in the leaders to as much as 45 points in highest priced issues.

For the first time this week there was active bidding for stocks. Volume on the advance was almost equal to the record sales handled yesterday when stocks were plunging headlong.

Support from banking interests bolstered the market at the opening. Waves of liquidation swept prices back at times, but the advance prevailed over all. The close was strong, at or near the best for the day.

Brokers' Clerks, Working 18 to 20 Hours Daily, Are Housed at Hotels

Pittsburgh -- The Pittsburgh Stock Exchange announced this afternoon that it had taken action similar to that of the New York Stock Exchange in opening tomorrow at noon and remaining closed on Friday and Saturday. This action will give stock brokerage houses an opportunity to catch up with their work, piled up in the heavy trading of the last few days.

While sales have been large on the local exchange, the trading in stocks listed in New York has been unusually heavy here. For several days the clerical forces of brokerage houses have been housed in hotels, so that they might put in extra hours without losing time coming and going from their homes. The secretary of the local exchange said that clerks in brokerage houses have been working between eighteen and twenty hours a day for a week.

United Gas Improvement stock, which has been under pressure, sold, at one time today above 33 and ended the session with a gain of $6 \frac{5}{8}$ points on sales of 108,700 shares. Pennsylvania Railroad, also in demand, went up $9 \frac{1}{2}$ points, Pennroad, 4, Budd preferred, 15, and Budd Wheel, $11 \frac{3}{4}$.

Exchange Will Suspend Trading In Line With New York Markets

Cincinnati -- The Cincinnati Stock Exchange will open tomorrow an hour later than usual and will close at the regular time, 2 o'clock. It will be closed Friday and Saturday in order to give the staffs of local investment banking houses a much needed rest.

Since last Thursday workers in the brokerage houses have been busy night and day. Until today sleep has been almost as great a rarity as a buying order in many of the houses.

The announcement of the closing of the local Exchange this week-end and today's rise of stocks listed on the local board brought cheer here tonight, and in many quarters the opinion was expressed that the "worst" is over in the local financial district.

Forces in Brokerage Offices There Have Been Worked to Limit

Baltimore -- Following the lead of the New York Stock Exchange, the

Baltimore Stock Exchange has decided to delay the opening hour tomorrow and to close all day Friday and Saturday. The reasons given are the same as were announced from the rostrum of the New York Exchange. Trading here has been comparatively as excited as in New York.

All the brokers here either have offices or connections in New York and besides their dealings on the New York exchanges, have had heavy trading on the local Exchange to handle. Office forces have been working far past midnight trying to catch up with the work and eagerly welcomed the closing plan.

While losses among traders here were serious, there have been no casualties among the brokerage houses.



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October 31, 1929

Stocks Mount in Strong All-Day Rally; Rockefeller Buying Heartens Market; 2- Day Closing Ordered to Erase Strain

By THE NEW YORK TIMES

Stocks came back with a rush yesterday, and as the wave of terrified liquidation of the two previous days subsided, the market quickly regained its poise and stability.



Prices of active shares on the New York Stock Exchange gained from a point or so to as much as 36 points. On the Curb, the advances ranged upward to 38 3/4 points. Similarly, in the bank stocks and in the over-counter security markets, stocks of all sorts established sweeping recoveries from their low prices of the previous day.

It was a vigorous, buoyant rally that lasted from bell to bell. While there was yet much confusion, due to the late tickers and the physical exhaustion of Wall Street's man power, these conditions, too, reflected improvement.

Day's Sales 10,727,320 Shares

It was another tremendous market day. Sales on the New York Stock Exchange aggregated 10,727,820 shares, as compared with 16,388,700 shares on the previous day. On the Curb the turnover was 3,809,200 shares, compared with 7,096,300 on Tuesday.

The tickers were more than an hour late all day, the final quotation on the Stock Exchange being reached at 5:52 and for the Curb at 5:35 o'clock. As on all previous days of the big markets, late quotations of active stocks were printed on the bond tickers at ten-minute intervals, and this service was supplemented by flashes of floor prices at ten-minute intervals by the Wall Street news ticker services.

The announcement of the suspension of trading met with the general approval of the financial district, as it did with that of the consortium of bankers formed to stabilize trading. It was generally realized that those who man the market machinery had been subjected to tremendous physical and emotional strain

during the last three days and that the brokerage firms needed an opportunity to catch up with the mountain of clerical work which still lies before them. It is believed, too, that the two-day respite will give the investors and speculators of the country an opportunity to assemble their purchasing resources, and that by the time the market reopens on Monday morning the last vestiges of the wave of financial hysteria which demoralized the market will have passed away.

Rockefellers Buying Heavily

The manner in which the country's leading men have rushed to the rescue of the market, not only with words but with huge buying orders, has emphasized the public's conviction that the country's business fundamentals are entirely sound.

The authorized statement of John D. Rockefeller yesterday that he and his son believe that there is nothing in the business situation to warrant the destruction of values which has taken place during the past week and that they are buying and will continue to buy common stocks which represent sound investment values had an electric effect on the market. Mr. Rockefeller's statement followed statements by the country's leading bankers and industrialists that in their opinion the pendulum had swung too far.

These statements brought a wave of buying into the market that quickly absorbed many big blocks of stock which had been overhanging the market, and that placed the market once more firmly on its feet and headed toward the recovery that continued practically all day.

Heavy Buying Starts at Opening

Sentiment toward the stock market, from the very outset of the day showed improvement. Thousands of investors all over the country, owning their share certificates outright, had heeded the advice of their bankers and brokers not to sacrifice their holdings. In addition, the overnight developments had persuaded many thousands, at home and abroad, that stocks were a buy at these levels.

A stupendous volume of cash was marshaled at the market's opening for the purchase of stocks. The banking consortium stood by with practically unlimited buying power to be thrown under leading stocks, if necessary. But, as it developed, the buying power furnished by investors was sufficient not only to stem the tide of the decline, but to start stocks along the road of recovery.

Rich men bought stocks heavily yesterday. Poor men bought, too, as evidenced by the tremendous odd lot business transacted. The man of medium means, with surplus cash, rushed it to the market. Most of the big wire houses did the biggest business in their history, and the purchasing orders came from every section of the country. Bankers declared it the most remarkable exhibition of confidence in the country's prosperity and of its future they had ever seen.

Early Gains Moderate

Even before the market opened it was evident that hysterical selling of the previous day had been taken care of, and Wall Street as a whole sensed recovery. Many private deals had been made overnight, that this or that block of distressed stock was to be taken out of the market. There was no lack of support at the opening, as has been the case on so many recent market days.

First quotations brought out tremendous blocks of stock, but it was with a sigh of relief which extended from ocean to ocean, that the waiting throngs in brokerage offices heard the first prices. United States Steel common's first price was 177, up 3; Anaconda Copper, on 10,000 shares, opened unchanged; American Telephone and Telegraph gained 6 1/8 points at the start; New Haven was up 2 1/8; American Can was off 1/2 on 20,000 shares; North American made an overnight gain of 10 points; Westinghouse was up 4, and on through a long list of leading market issues.

It was the same story on the Curb. Cities Service, with 30,000 shares, opened at 24 1/8, up 1 7/8; Electric Bond and Share, with 20,000 shares, was 10 3/8 points higher; American Superpower, on a block of 10,000 shares, was up 1 1/2 points.

Much Short Covering

The tremendous volume of stocks purchased at the opening of the market and the subsequently advancing quotations gave assurance that the collapse had been stayed. Liquidating orders were canceled by the thousands and some prospective sellers actually turned buyers. There was a great amount of short covering, too. Sentiment brightened perceptibly, and as the market got away to a good start, with the best sort of buying at its back, the pressure of buying, orders from the interior began to be felt in the leading stocks. Foreign orders, too, began to reach the Stock Exchange and the Curb and stocks mounted.

Trading was on a wide scale, extremely active and much more orderly than on the preceding two days. But after such a storm as has swept the market, it was by no means calm or placid trading. There were frequently one, two and sometimes five points between sales in the leading issues. Here and there minor air holes were reported, as some stocks not traded in on the previous day dropped sharply. The general trend, however, was strongly upward and closing prices were just about the best of the day, on the Stock Exchange, the Curb Market and over the counter.

No Bull Market Expected

It was a day of recovery that bankers and brokers believe will be extended until stabilization has been completed. Even the most hopeful in the financial district do not believe that the bull market can be resumed within the next few months. It is thought that stocks will become stabilized at their actual worth levels, some higher and some lower than the present ones, and that the selling prices will be guided in the immediate future by the worth of each particular security, based on its dividend record, earnings ability and prospects. Little is heard in Wall Street these days about "putting stocks up."

It is difficult to classify the buying in a stock market of 10,000,000 shares and more, just as it is difficult to classify the selling. But orders came from all quarters. Bankers provided their quota, corporation officials purchased their

own stocks, investment trusts were heavy buyers all day long, wealthy individuals were in the market for large amounts of stock.

Scale buying of an impressive sort took place all day long, and when it was found that opening levels were too low, many of these scale orders were moved up to the newer level of prices and the orders executed. In the main, however, the brokerage office buying was "at the market," just as had been the selling. Prospective holders of stocks saw the opportunity to buy at favorable levels and hurried in. Many large brokerage houses and some bankers sent telegrams to their biggest customers advising the purchase of stocks at the present levels, and this action brought in a rising tide of new orders.

Many Records Exceeded

Though yesterday's trading was 5,600,000 shares under that of Tuesday, it could not be handled by the Exchange tickers in a five-hour day.

The differences in the volume for the three days are shown in the following table:

Wednesday. Tuesday. Monday.

10:30 1,945,900 3,239,000 815,600

12:00 5,576,800 8,378,200 3,133,200

1:30 7,972,100 12,652,000 5,547,900

2:10 8,738,000 13,838,000 6,328,500

3:00 P.M. 10,727,320 16,410,030 9,212,800

Thus for three days, sales on the Exchange have aggregated 36,350,150 shares an average of more than 12,000,000 a day for a machine geared to 4,000,000 shares. Trading during October on both the Stock Exchange and Curb has broken all previous records. For the month to date the total on the Exchange has been 134,519,020 shares, compared with 115,433,835 shares in November, 1928. On the Curb the trading this month has aggregated 59,693,930 shares, compared with the previous record of 57,646,460 shares in July of this year. Bond sales on the New York Stock Exchange, which have totaled \$332,023,800 thus far this month, are the heaviest for any single month in five years.



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November 1, 1929

Stocks Up Again on Flood of Buying; Discount Rate Cut Here and in London; Back to Normal, Reserve Board Finds

By THE NEW YORK TIMES

Under the impetus of a tremendous volume of orders to buy at the market, the prices of stocks bounded forward vigorously yesterday and established further progress toward complete stabilization. Wide gains, ranging from 2 to more than 30 points, were established in the most active Stock Exchange issues. Curb gains ranged up to 55 1/2 points, while bank and other stocks across the counter responded keenly to the steady buying.



The news of the day was all constructive, including a reduction in the rates of rediscount at New York and London and a \$1,096,000,000 shrinkage in the brokers' loan totals. Doubtless, these developments will be of far-reaching importance in stabilizing a badly shattered market, but yesterday's real influence was the steady inflow of orders, ranging in size from 50,000 shares down to a single share, which reached the markets from men and women of every estate.

Second Day of Sustained Rally

It was a remarkable exhibition of confidence in the country's stability and prosperity, bankers said, and it represented the second day of wide and sustained rally. The prices of leading issues now are up 10 to 70 points from their lows of Monday and Tuesday, and the hysteria which seized the country on those days, as well as on the previous Thursday, seems now to have definitely vanished.

The postponement of the security markets' opening until 12 o'clock gave ample opportunity for investors in all parts of the country to pick the securities which financial, industrial and political leaders had declared to be sound and at "investment levels."

There was no artificial banking support at the opening; in fact, it was not needed. Such a tremendous torrent of buying power was released on the market's start that the scramble to buy stocks was just about as disorderly and as wild as had been the scramble to sell stocks two or three days before.

Opening Gains Are Notable

Wall Street, accustomed to starting its day at 10 o'clock, was all set for a big opening at 12, and it was not disappointed. Opening prices on the Stock Exchange were 2 to 25 1/2 points higher, while on the Curb leading shares reflected an overnight improvement of a point or so to as much as 42 3/4. These initial sales were on a tremendous volume of orders, all of them bunched and with blocks of 10,000, 20,000 and up to 40,000 shares coming out in quick succession on the tickers. In the first half hour a total of 2,452,000 shares were handled on the Stock Exchange.

The opening pace was too hot to hold, and at the end of the first hour the market had eased off moderately. In fact, most stocks did not again reach their opening levels during the three hours trading. The recessions, however, were not large ones, nor important, representing mainly trading profits being taken on stocks purchased the previous day, and on which some extraordinarily good gains had been established.

Brisk Rally Precedes Close

Another brisk rally developed just before the close as belated buying orders reached the market and many stocks advanced smartly just before the closing bell. Solid buying of the most impressive sort was in the market. Its range was tremendous. Bankers were heavy buyers for their own account, institutions were in the market for selected stocks, investment trusts were making purchases here and there. The backbone of the purchasing, however, came from the country at large, in the many thousands of 50-share, 100-share and 200-share orders, which represented a tremendous total.

Naturally, it was the standard stocks which were in demand and this was reflected in orders which began to flood into brokers' offices hours before the opening.

It would be difficult to classify the orders which reached the market, or to define the varied factors which brought them in. It could be attributed to a wide variety of causes: First, the market's own indicated ability to regain its equilibrium; the steady and determined support afforded by banking interests; the cessation of forced and frightened liquidation; the cleaning up of thousands of weakly margined accounts and the passage of these stocks into hands capable of seeing them through; the declaration by the country's leading men, including John D. Rockefeller Sr., that stocks had reached a level where they appealed to the prudent investor; and, finally, the complete elimination of the hysteria which had swept the country.

Reports to Wall Street indicated that all markets were better and that prices were higher around the world. Markets of the world have more or less taken their cue from the fluctuations of prices on the New York Stock Exchange during the last few days. When our markets improved, it was the signal for quick revival abroad, and particularly in the interior markets of this country. Bank stocks revived quickly and the general level of over the counter security prices was once more definitely higher last night.

7,149,390 Shares Sold

Trading on the Stock Exchange aggregated 7,149,390 shares in the three hours of dealings. In the first half hour, 2,452,000 shares were traded in; by 1:30 P.M. the volume had reached 4,472,000 shares, and by 2:10 o'clock 5,312,800. These totals far exceed the average for a normal five-hour day, and as a result of the big dealings the tickers once more fell far behind the market. They were sixty-three minutes behind just before 3 o'clock and it was 108 minutes after 3 when the final quotation was printed. Similar lateness and confusion existed on the Curb Market.

The day's lateness of the Exchange ticker and the open market price of the market's leader, United States Steel common, are shown at intervals during the trading in the following table:

There will be but one trading day in the next five. All security markets in the country will close today and Saturday to give brokerage staffs an opportunity to catch up with the work of the tremendous markets and to allow a respite for frayed nerves of Wall Street workers. The market will resume Monday, but close again Tuesday for the city election.

Great interest now centers in the Monday morning quotations, in view of yesterday's evidence that the market once more is in an upward trend. It is not expected that the bull movement will be resumed. In fact, any such a development probably would be sharply discouraged. It is expected that the markets will seek an equitable price level and then quiet down until normal conditions have been entirely restored.

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November 1, 1929

Brokers See End of Stock Hysteria

By THE NEW YORK TIMES

Opinion in brokerage houses after the close of yesterday's short session of the stock market was that of contentment.

Partners in many houses declared that the fact that the market had shown real buoyancy for two days in succession, in spite of selling yesterday by speculators who wanted to get out of the market before the two-day suspension of trading, was absolute proof that the last symptom of hysteria had disappeared.



Sentiment had changed to a great extent. Wednesday night the most optimistic of the brokers were advising customers to be cautious and buy only for investment possibilities. The best that they would predict in regard to the market was that it was progressing toward stabilization and that the chances of a relapse were remote.

Bullish Sentiment Arises

Last night, however, there was a feeling that the market had become bullish. One house went so far as to predict an additional 10 to 20-point rise in prices of the better grade of securities before the bullish sentiment subsided. Other houses, while admitting that individual opinion of members of the firm was that the rallying power exhibited on Wednesday and yesterday would carry the general price level higher next week, kept the market letters which they sent to customers on a cautious keynote.

One of the houses stated that buying power had returned to the market in tremendous volume; that orders filed on Wednesday with commission houses were at the ratio of ten buying orders to each selling order. Many of these orders to buy were not executed because prices had already passed the mark set, but it was reported that many of them were returned yesterday with instructions to buy "at the market."

Many of the houses accustomed to sending out letters each night did not do so yesterday. They felt that in view of the two days' suspension of trading any advice contained in such letters might be inapplicable by Monday. Other houses which get out only weekly letters issued theirs last night.

See Outlook Encouraging

Some of the opinions expressed in letters that were mailed to customers

yesterday follow:

Orton, Kent & Co.--We consider the situation from the standpoint of the market and from that of business to be more encouraging than for some time past. It is true that the terrific losses sustained by security holders throughout the country will make serious inroads into the demand for luxuries. To a certain extent this will no doubt permeate all phases of commerce and industry and should result in slightly lower, corporate profits in the fourth quarter of this year than last year. While reduced demands for luxuries and semi-luxuries resulting from stock market losses will somewhat aggravate the industrial retrenchment, the deflation has resulted in other conditions which are distinctly favorable.

Jackson Bros., Boesel & Co.--The demonstration in the stock market yesterday was a vote of confidence in the business and credit situations of the nation. The size of the buying power still unsatisfied leads us to the conclusion now that the market could easily rally another 10 to 20 points in the averages before real resistance is encountered.

P. F. Cusik & Co.--That a large part of the recent collapse in security prices was due to an aggravated condition of "undigested securities" there is little doubt. With a temporary, even if enforced check on the flood of new issues, stabilization of prices for existing securities will be further aided.

Wads Bros. & Co.--We expect, however, within the next week to see an orderly and healthy market which will reflect the prosperity of individual companies.

E. F. Hutton & Co.--It is hard to imagine any reason for selling high-grade securities at these levels and there seems to be every fundamental and technical justification for buying.

Logan & Bryan--The promise of a better market tone was fulfilled with the noon opening yesterday. The fluctuations probably represented short covering operations, together with selling by those who preferred to be out of the market during the pending protracted closing of the Stock Exchange. A notable feature was the comparative tenacity with which the utility shares held their gains.

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November 1, 1929

Reserve Board Sees Speculation Curbed

Special to the New York Times

Washington -- A definite termination of the era of wild speculation and high money rates, which hampered some lines of industry and brought on the collapse of stock market values, was seen today by members of the Federal Reserve Board and other officials in the huge decrease of \$1,096,000,000 in brokers' loans as reported by New York member banks, and the reduction, with the approval of the board, of the rediscount rate of the New York Reserve Bank from 6 to 5 per cent.



There was an intimation in one quarter also that while no further reduction of the rate--now at 5 per cent in all of the Reserve districts--was contemplated immediately, such action might be expected as money conditions in various sections of the country eased.

A general air of optimism prevailed among treasury officials, who again said that their latest surveys did not indicate that business had been seriously affected by the stock market crash, and offered the cheering prediction that the Christmas trade would be "very large and satisfactory."

In this connection it was said that incomes derived from stock market profits represented only a small percentage of the incomes that made up the holiday purchasing power.

Satisfaction Over Loan Reports

Members of the Federal Reserve Board viewed the sharp decline in brokers' loans reported by the New York member banks with much satisfaction, even though the total was still considerably above the figure on the comparable date one year ago.

It is believed that, after the shiftings incident to a more complete stabilization of the stock market values, the total will continue to recede at a more gradual pace, until it is at a level against which the board will have no legitimate complaint.

Some members are said to be opposed to a policy that would have the government advocate further reduction of the rate at this time to perhaps 4 1/2 per cent in New York or other sections. This question will be left

undetermined, pending recommendations which may be made by directors of the various reserve banks.

That the board, however, is doing what it can to steer developments in the direction of easier money, which would stimulate business and help the bond market, without threatening again to arouse a spirit of undue speculation was evident from the quick action that it took in connection with the New York rate cut to 5 per cent, and in the fact that the boards' weekly statement showed an increase of \$156,984,000 in the purchase of government securities by the reserve banks. These purchases released additional funds in the money market, and probably will be continued.

British Move Called Logical

The decrease in the Bank of England rate to 6 per cent was accepted as a logical result of the stock market collapse here and the flow of funds back to the that country with the decrease in the American call loan rate and the end of the speculative craze. The British Government, it was said, naturally was anxious to take any action it could that was desired by and beneficial to its business interests. In this connection an intimation that the New York rate would follow was given.

The practice has been to keep the New York rate approximately 1 per cent under the British rate to stabilize the international money market and prevent the flow of more gold than Great Britain could afford to lose into the American market. The feeling here was that the danger of a continuing disturbance of the international money market by shipments of gold to this country had been passed. No further heavy outflow of gold, however, is expected immediately.

The fact that the brokers' loan report showed a reduction in the loans classified as "accounts of others" of \$1,096,000,000 did not cause much surprise.

These include loans in the call money market by domestic corporations and foreign interests among others, and it was considered logical that there should be heavy withdrawals by such sources when the break came. The opinion was expressed that no small part of the buying which has been in progress since Tuesday represented the reinvestment of part of these funds.

In discussing the effect of the market break upon Christmas trade, some officials offered the opinion that while it might not be as brisk as had been anticipated, it would be entirely satisfactory.

Attention was called to the fact that despite the market break two years ago, Christmas buyers virtually cleared the counters of the big stores.

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WHO'S WHAT'S
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See what you know about the stock market crash on October 29, 1929. Good luck!

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1. How many shares were traded at the New York Stock Exchange on October 29, 1929?

5,426

10,126

245,987

16,410,030

too many to count

[Hint: Read this article from October 30, 1929.](#)

2. On October 29, 1929, groups of people all over New York City, looking to get more information about stock prices, stood about inverted glass bowls watching spools of _____ unwind.

devalued dollar bills

ticker tape

computer printouts

yarn

[Hint: Read this article from October 30, 1929.](#)

3. As a result of stock market activity, what businesses handled unprecedented high volumes of activity in late October, 1929?

railroad and steamboat
telephone, cable and telegraph
restaurants and bars
television and radio

[Hint: Read this article from October 30, 1929.](#)

4. At the time of the crash, there was talk of an exciting new technology that would change the economy. What was it?

television
the Internet
telegraph
electricity
radio

[Hint: Read this article from October 15, 1999.](#)

5. Approximately how much money was estimated lost in open market values of shares on October 29, 1929?

hundreds of dollars
millions of dollars
billions of dollars
trillions of dollars
shares had no open market value

[Hint: Read this article from October 30, 1929.](#)

6. There were women stock traders in 1929.

true
false

[Hint: Read this article from October 30, 1929.](#)

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