

The Wall Street Crash of 1929

Dr David Rees



BROOKLYN DAILY EAGLE

And Complete Long Island News

LATE NEWS

WALL STREET ★★★
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WALL ST. IN PANIC AS STOCKS CRASH

Attempt Made to Kill Italy's Crown Prince

STOCKS CRASH IN RUSH TO SELL; BILLIONS LOST

Morgan, Mitchell Buying
Stocks in Effort to
Check Rush to Unload.

Wall Street was in a panic today, with no one to guide it out. Stocks crashed 15 to 20 points in subsequent hours. When buyers at last stepped in to bring an end to the panic selling, it was only after suffering some misfortune, but indicated the situation had gotten beyond them.

Charles E. Mitchell, chairman of the National City Bank, was conferring in the office of J. P. Morgan & Co. It was understood, and other bankers between with them.

It was also understood the Morgan partners had been talking by telephone with J. P. Morgan in London all morning.

It was widely held the speculation was that they had been buying stocks, but that the situation had gotten beyond them.

Plans were made in the Bank Exchange today. It was to be a long, hard day, and the market was expected to remain in a state of panic.

ASSASSIN CAUGHT IN BRUSSELS MOB; PRINCE UNHURT

Royal Sailor Was About
to Lay Wreath on Un-
known Soldiers' Tomb.

Princess, Deeply Mourned, Falls Into France's Arms and Kisses Him

Brussels, Oct. 24 (AP)—Crown Prince Umberto, after his return from the Kingdom of Italy, today was in Brussels, where he was met by a mob of unknown soldiers. The prince, who was wearing a military uniform, was surrounded by a group of men who were shouting and waving their arms. The prince was unharmed and was seen to kiss one of the men.

Hollywood Fire Destroys Films Worth Millions

ATTEMPT MADE ON LIFE



Charles F. Brannan

Consolidated Studios Are
Swept by Flames Fatal
to One—Master Pictures
Burned Include Many
New Talkie Productions.

Hollywood, Oct. 24 (AP)—One man was killed and another seriously injured today when a fire broke out in the Consolidated Studios building, which is one of the largest in the city. The fire destroyed many valuable films, including several new talkie productions. The cause of the fire is still unknown.

FEAR 52 PERISHED IN LAKE MICHIGAN; FERRY IS MISSING

Wreckage Picked Up In-
dicates Craft Went
Down With All Aboard.

Milwaukee, Wis., Oct. 24 (AP)—A search for the ferry Milwaukee of the Great Truck Bus, with 52 aboard, had revealed the 44-foot boat in Lake Michigan today with a report that wreckage told a boat had been picked up in 100 feet of water today. The boat was carrying 52 people, including 44 passengers and 8 crew members. The cause of the accident is still unknown.

PIECE OF PLANE LIKE DITEMAN'S IS FOUND AT SEA

Black and Orange Wreckage
Indicates Daring
Flier Went to Death.

St. John, N. F., Oct. 24 (AP)—The Canadian Press—The report from St. John today that the U. S. Navy had picked up a message from an unidentified ship concerning the falling of airplane wreckage was stated by the Newfoundland management to be without foundation. The management has had no message from the ship.

High Duty Group Gave \$700,000 to Coolidge Drive

Grandy Agrees Rates Went
Up Due to His Activi-
ties as Propagandist.
Favors More Lobbying to
'Carry Out Voters' Wish.'

Washington, Oct. 24—Joseph H. Grandy, Bristol, Pa., manufacturer who admittedly has been lobbying in the capital for several decades in the interest of a protective tariff, testified before the Senate Lobby Committee today that he had raised \$700,000 for President Coolidge's campaign in 1928 and that most of the money came from interests seeking higher tariffs.

He indicated that he was in favor of more lobbying for higher tariffs.

FOR MORE LOBBYISTS



JOSEPH H. GRANDY

WARDER SOUGHT TO KEEP SEA TRIP

SOMERS NAMED AS HEAD OF NEW

CARNegie CHANGE
OF PAID ATHLETES
PRIZES COLLEGE

HOOPER'S TRAIN
HALTED BY AUTO
PLAYED ON PAUSE

Popular Christmas Sale
Naples, Wis., Oct. 24 (AP)—The Naples Christmas sale, now being held in the city, is expected to be one of the largest in the state.

U. S. Navy... The U. S. Navy is expected to receive a large number of new ships in the coming months.

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From the Roaring 20's



To collapse in the 30's



The Countdown

Monday 21st October

- Ticker falls 1h40m behind 3rd greatest volume of trade in history

Thursday 24th October (Black Thursday)

- Panic sets in as some sales find no buyers (air holes)
- 11 well-known speculators commit suicide
- 12h30 – the visitors' gallery of the Stock Exchange is closed
- The richest bankers meet and decide to pool their resources and buy
- Stocks recover as spare cash finds bargain shares. Ticker 2h late

Monday 28th October

- Slide to the bottom and no bankers' rescue

Tuesday 29th October –

- Most devastating day in the history of Wall Street. Air holes everywhere
- A messenger boy buys a block of White Sewing Machine shares (previously 48\$) for 1\$ a share.
- The bankers start selling as well.
- Credit based on shares dries up – lack of liquidity

Clerks in downtown hotels ask clients if they want the room for sleeping or jumping.



Stocks lose 90% of their value over 4 years

Times Industrials	November 13th 1929 Value: 224	October 28th 1929 Value: 28
US Steel	September 1929 Value : 262	July 1930 Value : 22
General Motors	September 1929 Value : 73	July 1930 Value : 8
Montgomery Ward (retail companies)	September 1929 Value : 138	July 1930 Value : 4
American Founders (investment trust)	September 1929 Value : 117	July 1930 Value : 0.70

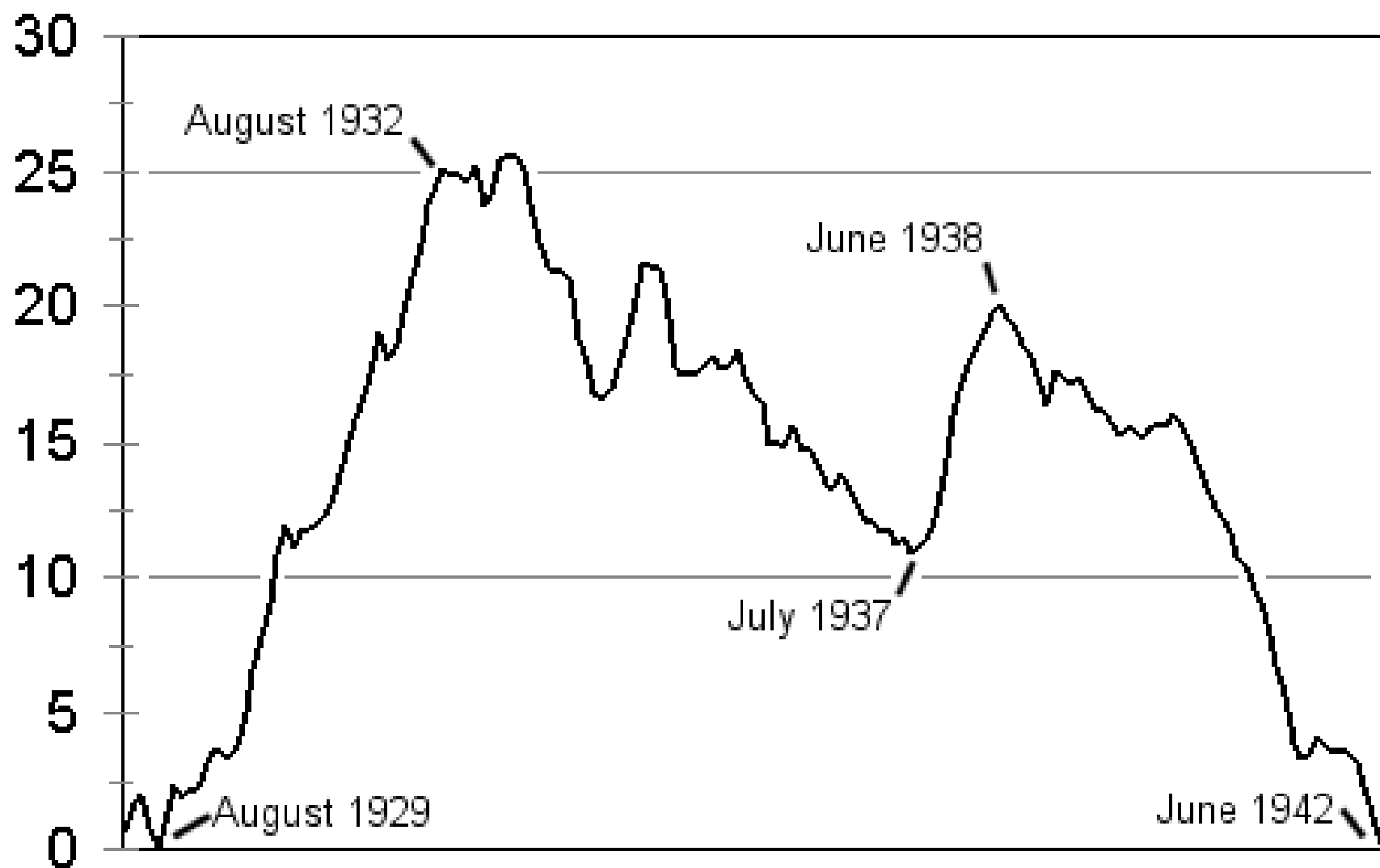
The crash blighted the fortunes of many hundreds of thousands of Americans (13m unemployed)



The Great Depression 1930's



U.S. Unemployment Rate



Why did it all happen?



Why did it all happen?

- Highly unequal income. The top 5% received 35% total income. By 1948 top 5 % less than 20 %
- The workers too poor to buy goods (NB Karl Marx!)
- The rich too rich to spend everything – spare cash to invest - but speculation more profitable than investing in industry
- Low interest rates
 - stimulates the poor to use credit and consume
 - stimulates the rich to borrow to speculate
- Bad banking structure – independent banks, lack of regulations

and the solution?

WASHINGTON GIVES NEW DEAL HUGE CONFIDENCE VOTE; '130' DEFEATED

King County Rejects Agnew, Demos Make Clean Sweep

Washington New-Dealer

(Official Organ of the Washington Commonwealth Federation)

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Pulling No Punches

Tax Education

By J. A. Cour

Thursday, when I strolled into a cigar store near the office I heard a gentleman, obviously an ardent Republican, proclaim vehemently to a friend:

"... it's just as I told Bert Sweera yesterday. We shouldn't feel so bad. Those '130' had to fight for everything they got this time. Boy, what tickled me is the vote the '130' got. That sure had 'em worried."

I doubt if our friend's supplications made Mr. Sweera's wounds smart any less sharply in reflection of his defeat, but I had to agree with what he said. We DID have to fight and fight hard for every office we won, and to beat '130'.

That's what made the victory all the sweeter.

Never before has King county, nor the state as a whole, witnessed such a costly, underhanded campaign of misrepresentation as in this election.

On radio broadcasts, billboards,

Anti-Strike Initiative Buried By 20,000 Votes

Decisively defeated by more than 20,000 votes with returns from all but 512 of the state's 2,962 precincts tabulated, anti-strike Initiative 130 joined a similar pro-fascist proposal which was thrown into the political scrap heap by California voters.

Twenty-two of Washington's 39 counties voted against the measure, and 19 gave margins favoring it. As The New-Dealer went to press the vote on the initiative stood 218,838 for, and 228,612 against.

The campaign to pass the law, which would have virtually eliminated the right of unions to strike

Washington Voters Send Them Back To Help F.D.R. Carry On New Deal



Homer T. Bone



Warren G. Magnuson



Mon C. Wallgren



John M. Coffey



Knute Hill

Bone, All Six Liberal Congressmen Re-Elected

Washington voters left no doubt anywhere in the nation how they felt about President Roosevelt and the New Deal Tuesday.

Re-electing U. S. Senator Homer T. Bone and Congressman Warren G. Magnuson, John M. Coffey, Mon C. Wallgren, Charles H. Leary and Martin F. Smith by crushing majorities and electing Democrats to an overwhelming percentage of eight offices on the ballot, the Evergreen country forged its way into the very front row of the states showing an unmistakable desire for regeneration and expansion of the New Deal.

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