

The Big Stock Market Crash

Americans awoke to new values when a lush era of speculation came to a sudden end

by **FREDERICK LEWIS ALLEN**

Seventeen years ago this October, the greatest financial disaster in history occurred. It was the forerunner of the great Depression, the forerunner of the New Deal and Franklin D. Roosevelt. Today, some of the conditions which brought about the '29 collapse in Wall Street have been corrected by Federal legislation. But the Big Crash of 17 years ago emphasizes the age-old truism that catastrophe always follows unbridled speculation in any field of human endeavor.

—THE EDITORS

HOW MANY AMERICANS actually held stocks on margin during the fabulous summer of 1929 there seems to be no way of computing, but there were probably more than 1,000,000.

As one walked up the aisle of the 5:27 commuters' local, or found one's seat in the trolley, two out of three newspapers were open to the stock-market quotations. Branch offices of big Wall Street houses blossomed in cities and villages everywhere. The broker found himself regarded with new wonder and esteem; ordinary people hung upon his every word. Let him but drop a

hint of a possible split-up in General Industries Associates and his neighbor was off hot-foot to place a buying order.

Stories were told of a broker's valet who had made \$250,000 in the market, of a trained nurse who cleaned up \$30,000 on tips from grateful patients.

Everywhere one heard fantastic stories of sudden fortune. Thousands speculated—and won—without the slightest knowledge of the company upon whose fortunes they were relying, like the people who bought Seaboard Air Line under the impression it was an aviation stock. Grocers, motormen, plumbers, seamstresses and speakeasy waiters were buying on margin. The Big Bull Market had become a national mania.

In September the market reached its glittering peak. It was six months, now, since Herbert Hoover had taken office as President. Colonel Lindbergh, true to his role as national super-hero, had married Miss Anne Morrow. Commander Byrd was waiting in "Little Amer-