


A grande crise do Capitalismo nos anos 30

O colapso da economia
americana

A pixelated illustration of a theater interior. A large black rectangular area represents the stage or screen. In the center of this black area is a yellow rectangular sign with horizontal lines. The sign is framed by a border of small, glowing yellow lights. The background of the theater is dark brown with vertical red stripes. The floor is a dark, textured brown.

COMING

SOON!







WORLD'S HIGHEST STANDARD OF LIVING

★ ★ ★



*There's no way
like the
American Way*

The billboard features a large illustration of a family—a man, a woman, and two children—smiling from inside a vintage car. A small dog is visible in the lower left corner of the car's interior. The background of the illustration shows a scenic landscape with hills and a body of water. The text "WORLD'S HIGHEST STANDARD OF LIVING" is written in bold, capital letters at the top, flanked by three stars on the left and two on the right. The phrase "There's no way like the American Way" is written in a large, stylized, cursive font on the right side of the billboard.

24 de Outubro de 1929
Quinta-feira negra

IN THIS SECTION

E. E. Free, Ph. D.; John J. Leary Jr.; C. B. Allen;
J. Otis Swift; Lester A. Walton;
Rollin Kirby's Cartoon

The



World

EDITORIAL SECTION

NEW YORK, SUNDAY, NOVEMBER 3, 1929.

IN THIS SECTION

Editorial Comment: News of Science, Aviation,
Labor and the Automobile
World

AFTERMATH OF A STOCK MARKET CRASH

Behind the Exciting Show Window of Frenzied Wall Street Is an Endless Pageant of Obscure Tragedies

By Courtenay Terrett

THE front pages tell the story of the shouting brokers, the haggard clerks, the aimlessly chattering stock tickers, the dull-eyed traders staring at the chalked figures on the brokers' blackboards.

They tell the story in terms of millions—millions of shares sold, and millions pledged to support the market, and millions upon countless millions tossed into the hole. Fifty billion dollars, they recite, have been lost in the astounding collapse of security values. And exhausted financial writers, finding no comparable precedents, can only reiterate that there has never been anything like it before.

But this is the show-window stuff. This is the down-stage action.

The cyclorama before which the actors sweat and shout and despair is so vast a panorama that the critical eye has hardly been able to see it and to comprehend it.

Much of the Huge Picture Is Hazy

That background measures 25,000 miles—or whatever the approximate circumference of the earth may be. It stretches out to the tobacco plantations of Sumatra, and down to the diamond fields of the African cape, and up to the Arctic sealing grounds.

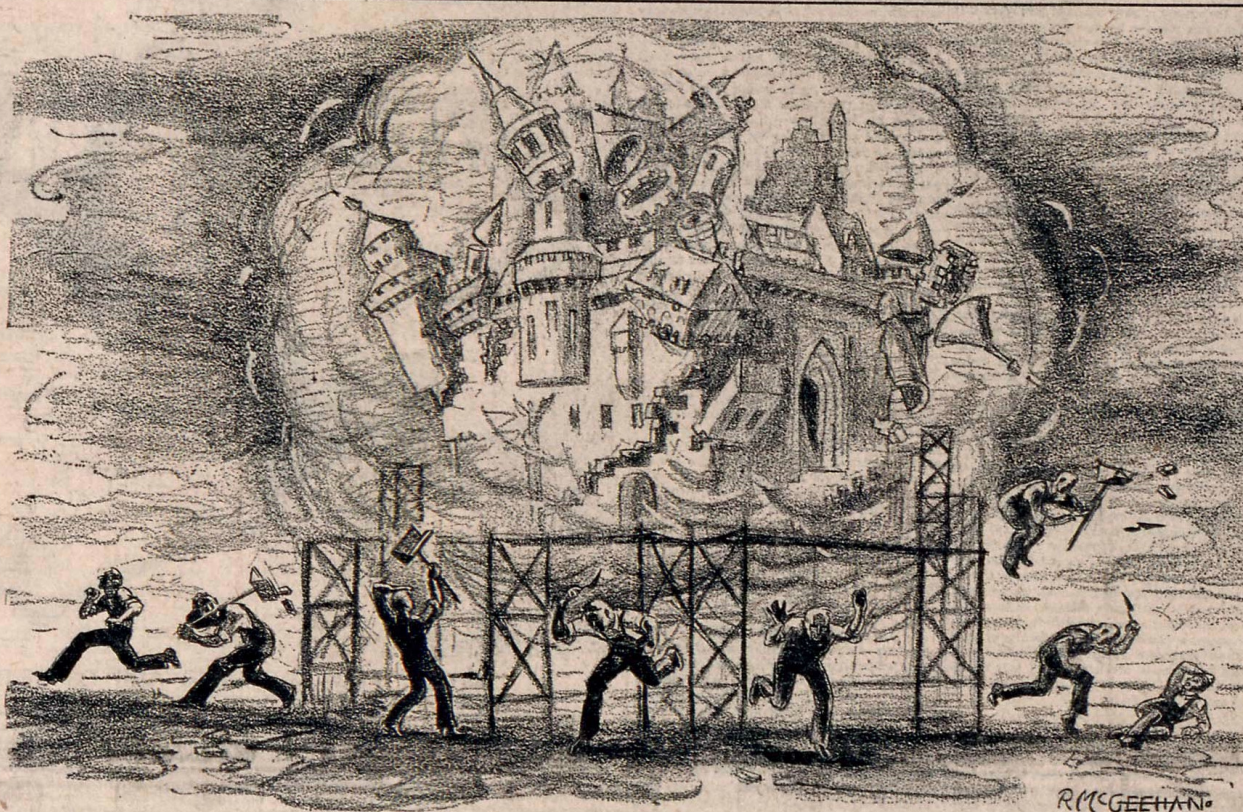
Much of that gigantic picture is hazy; the cloud effects and the dimly sketched mountains in the far background may be said to symbolize the possible but as yet undefined results of the great bear market for which the month of October, 1929, will be remembered as long as there are stock market statistics.

But the matter of immediate concern is not the chance that Australian wool growers may find no market for their fine fleeces this winter, nor the possibility that Parisian couturiers may find American customers few and economical next spring, but that Mr. and Mrs. Fred R. Higgins out in Ashland have decided to get along with the old Buick another year and that Agnes Schmidt, in Rochester, has left school to clerk in the S-and-10 because her janitor father lost the family savings when his margin account was tossed over the side.

For the history of the vastest financial movement in history should and inevitably must be told in the terms of the individuals affected, for down in Wall Street they compute that in this country alone between 12,000,000 and 15,000,000 persons had been drawn into the securities markets by the long and glorious and seemingly never-to-end bull market of the past five years.

That means, to a nation which counts 120,000,000 as its population and reckons five to the average family, that at least one member of every two households was engaged in speculation, or investment. It means that an entire country had gone rabidly mad with the fever for easy money, far beyond the extent of any Mississippi Bubble or any Spanish lottery.

CASTLES IN THE AIR



four years and suddenly finds herself unable to meet her November hotel bills.

And the little old-maid must teacher out in Columbus who scraped \$3,000 together and thought, a fortnight ago, that she had \$3,000; her stocks are worth about \$1,500 to-day and she says that if she weren't a Christian Scientist she'd be frightened.

And there is the professional woman, just turned seventy, who says dully that she had everything in Kennecott Copper.

And pretty little Mrs. A., with her two young daughters, who had been earning their living in an advertising agency, but preparing for their school-

ing by building up a little "fortune" in the market, always on margins.

The break in the market is a tough jolt to Joe K. He is a clerk in Newburger, Henderson & Loeb, the brokerage house, and he thought he was market-wise. He'd made some money and was generously helping his friends by investing their money in sure things. He's wiped clean now, and his friends and relatives are out \$10,000.

Take a cross-section of any office. The big boss may smile contentedly and say, "Well, you see I always buy everything outright, so I'm all right as soon as the market comes back." He may have to

cut out that trip to Paris in the spring that his wife has been telling her friends they were going to take, but he won't have to do anything drastic about cutting down the number of his automobiles to two, or selling the lodge up in Maine.

Or, on the other hand, he may have tight little lines around the corners of his mouth, and pass his time scribbling figures on a pencil pad. If that's the case, Eddie may have to leave Yale, and Mrs. Bow's pearls may have to be returned, quietly, to the same jeweler who sold them to her, for naught or a third of what she paid.

Look at the under-executives, the \$25,000-to-

\$50,000 a year men. Some of them are making no secret that their paper losses are about \$10,000 or so, but others who counted themselves worth \$45,000 on Oct. 1, when they bought new co-operative apartments, are wondering where they'll get \$15,000 to square their accounts.

Right down the line you may proceed, and the story is always the same. The man or woman who bought stocks outright is confident that all will be well again in a few months—a year at the outside. But he who bought on margin and pyramided his paper gains isn't sure he can pay for the laundering of the shirt on his back.

Plans Go Glimmering in Thousands of Homes as Margins Melt and Savings of Lifetime Are Swept Away

These, of course, are the direct results of the market break.

The indirect results must, logically, be all the greater.

What of the Negro maid whose services are dispensed with by the housewife whose husband was pinched badly in the collapse? Her \$20 a week has been about 40 per cent. of the income of a Harlem household, and there will be a hard time making the rent until she gets a job again.

And the florist's helper who, since he was the newest man in the shop, was the first to be let go when business fell off.

And the clerk in the theatre ticket agency who was told there wasn't enough business to warrant his further employment.

And the actors who were rehearsing a play backed by a downtown angel who suddenly discovered he couldn't afford to patronize the arts this winter.

And all the salesfolk in the countless little luxury shops which have sprung up, the country over, in these years of unprecedented easy profits and easy spending.

For those whose livelihood has been made from supplying the non-essentials to the American consuming public are now and will be the first to be rendered jobless.

Most Vicious of All Vicious Circles

This goes farther than the mere salesmen, the "gaffe shopper" folk, the venders of yachts and \$20,000 imported motor cars, and the purveyors of Spanish antiques and Sandwich glasses.

It extends to the men who tailor \$125 suits and peg \$35 shoes, and the sewing women in the smart shops east of the Avenue, and the waiters in the expensive restaurants, and the blenders of the more expensive bootleg wares, and even to the taxi drivers.

In short then, it is possible, perhaps even probable, that all those who have been making their living supplying wares and services which can be and will be dispensed with will be affected in varying degree by the market's drop.

One has here, of course, the elements of that most vicious of all vicious circles, the financial and industrial panic.

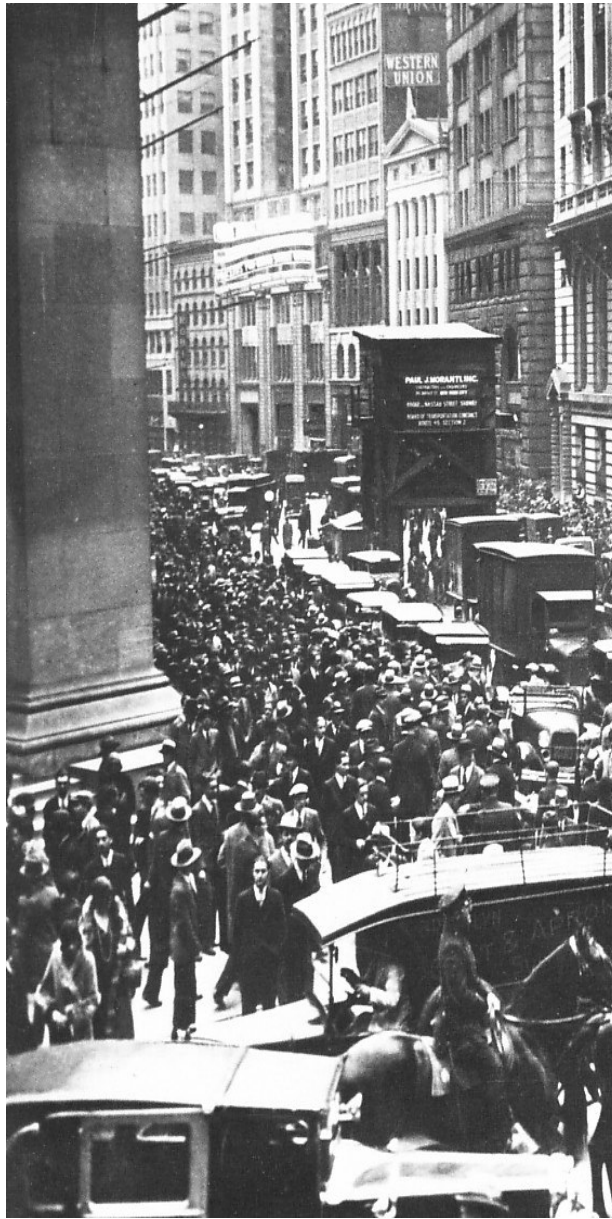
If this break in the market forced 12,000,000 people to make a drastic change in their consuming habits—forced them to economies which would result in the ruin of certain businesses and trades—one would inevitably have an unemployment problem. And this, in turn, would bring about a decrease in the consumption of the true necessities, and then there would be further unemployment. And so on, in the old economic textbook manner.

But, say the most highly respected authorities, nothing of the sort is to be feared.

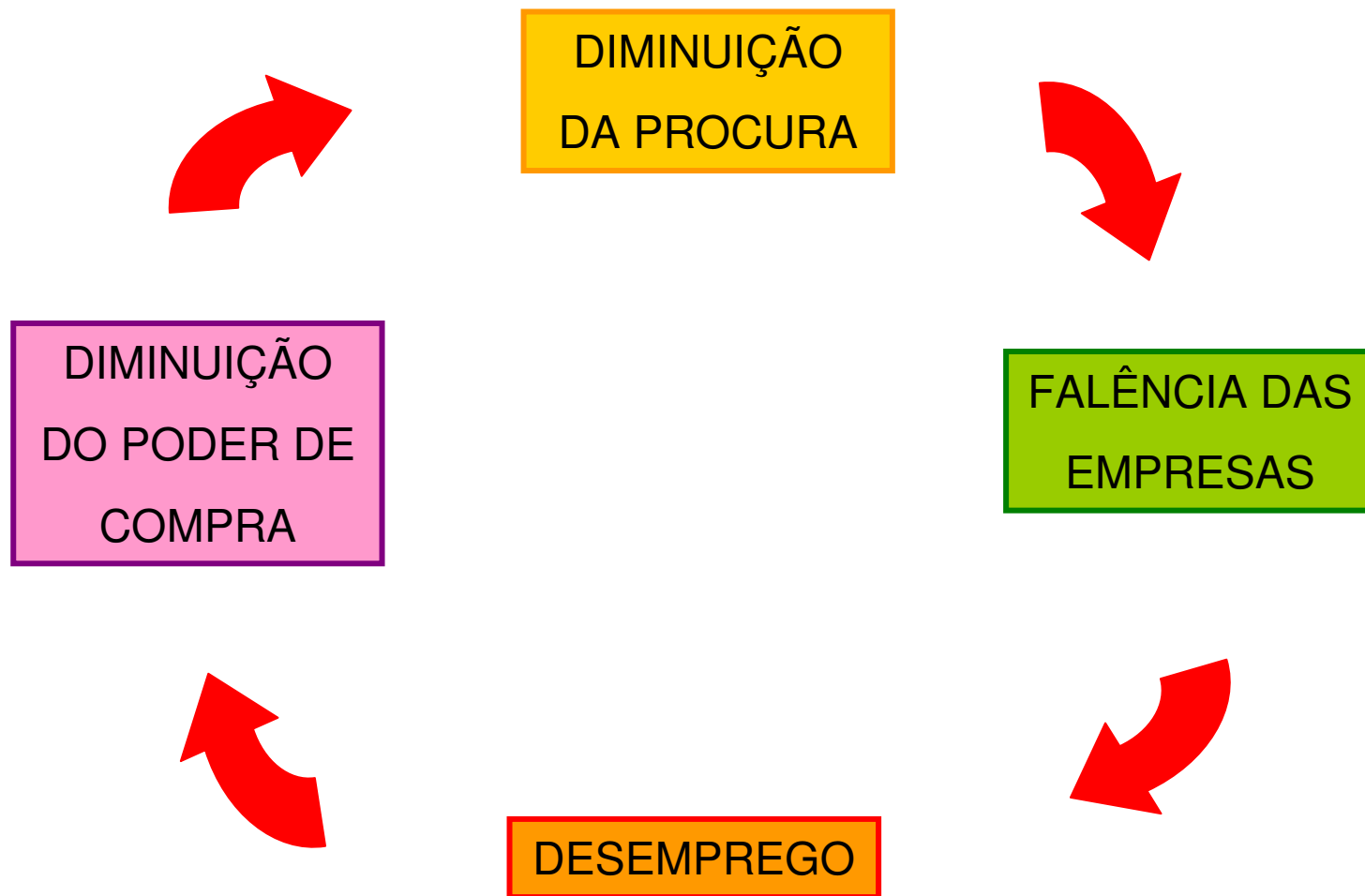
True, they shrug, that a lot of the little fellows were wiped out or pretty badly squeezed.

But, they proclaim, the "fundamental condition" is sound, the collapse of security values was carried to unreasonable lengths, and all will be well.









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