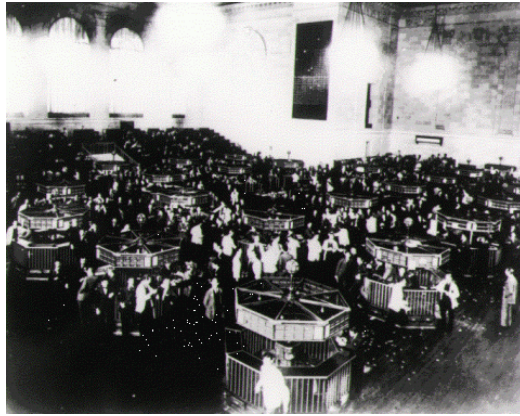




The New York Stock Exchange came into being on the 17th of May, 1792, when a group of 24 stockbrokers and merchants met under a sycamore tree in the city of New York.



That tree, which locals referred to as a "Buttonwood Tree," was located at 68 Wall Street. The agreement—between those 24 men—became known as the Buttonwood Agreement. Focusing on government bonds, the group set-up its headquarters at the Tontine Coffee House (then only a block away from the East River).

From those humble beginnings, the small organization that would become known as the New York Stock & Exchange Board (25 years later) grew into the largest stock exchange in the world. Fortunes can be made, and lost, via trading at the New York Stock Exchange.

The photo, at the top of this page, depicts a scene on the floor of the NYSE, in 1930, not long after the market crashed in the fall of 1929. The Hoover Presidential Library and Museum uses these words to describe the image:

*The trading floor of the New York Stock Exchange just after the crash of 1929.*

On the day of the crash—October 29, 1929—panic set in. People were not used to falling stock prices. During the prior eighteen months, for example, shares of GE had risen dramatically:

*In eighteen months, General Electric had tripled in value, reaching \$396 per share. Other blue chips, fueled by more than \$8 billion in brokers' loans, enjoyed similar rises.*

But then, during the last week of October (in 1929), things changed:

*The last week of October, however, brought a terrible reckoning. On October 24 alone, radio stocks lost 40% of their paper value. Montgomery Ward surrendered thirty-three points. Big bankers tried and failed to stem the dizzying decline in U.S. Steel, a bellwether stock.*

From the Hoover Library and Museum, we get a sense of how people reacted when the crash itself happened on October 29:

*On Black Tuesday, the twenty-ninth, the market collapsed. In the words of a gray haired Stock Exchange guard, "They roared like a lot of lions and tigers. They hollered and screamed, they clawed at one another collars. It was like a bunch of crazy men. Every once in a while, when Radio or Steel or Auburn would take another tumble, you'd see some poor devil collapse and fall to the floor."*

*In a single day, sixteen million shares were traded--a record--and thirty billion dollars vanished into thin air. Westinghouse lost two thirds of its September value. DuPont dropped seventy points. The "Era of Get Rich Quick" was over. Jack Dempsey, America's first millionaire athlete, lost \$3 million. Cynical New York hotel clerks asked incoming guests, "You want a room for sleeping or jumping?"*

After the stock market crashed, America endured a very long economic downturn, known as "The Great Depression."

Click on the image for a better view.

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See Learning Tasks for this story online at:

<http://www.awesomestories.com/asset/AcademicActivities/Stock-Exchange-after-the-1929-Crash>