STOCKS COLLAPSE IN 16,410,030-SHARE DAY, BUT RALLY AT CLOSE CHEERS BROKERS; BANKERS OPTIMISTIC, TO CONTINUE AID

(*New York Times*, Oct. 30, 1929)

CLOSING RALLY VIGOROUS

Leading Issues Regain From 4 to 14 Points in 15 Minutes

INVESTMENT TRUSTS BUY

Large Blocks Thrown on Market at Opening Start Third Break of Week.

BIG TRADERS HARDEST HIT

Bankers Believe Liquidation Now Has Run Its Course and Advise Purchases

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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.

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.

Ending Session Nov. 15.

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U.S. Steel To Pay $1 Extra Dividend:American Can Votes the Same and Raises Annual Rate From $3 to $4

Reserve Board Finds Action Unnecessary:Six-Hour Session Brings No Change in the New York Rediscount Rate.

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 /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 sa 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.