

Black Tuesday 1929: just a 'correction'

Even a cursory look into the archives of the 1929-33 period, following the crash of the stock market in October 1929, reveals some striking parallels to the responses of today's elected officials and "financial analysts":

Oct. 22, 1929. Professor Irving Fisher of Yale: "Even in the present high market the prices of stocks have not caught up with their real values. Yesterday's break was a shaking out of the lunatic fringe that attempts to speculate on margin."

Oct. 23, 1929. Stocks fell sharply.

Oct. 24, 1929. Charles E. Mitchell of National City Bank: "This reaction has badly outrun itself."

Oct. 24, 1929. *New York Times*: "Confidence in the soundness of the stock market structure notwithstanding the upheaval of the last few days was voiced last night by bankers and other financial leaders."

Oct. 24, 1929. Thomas W. Lamont of J.P. Morgan and Co.: "Prices of many important issues had been carried down below the levels at which they might be fairly expected to sell."

Oct. 25, 1929. President Herbert Hoover: "The fundamental business of the country, that is, production and distribution, is on a sound and prosperous basis."

Oct. 26, 1929. Stocks again fell sharply.

Oct. 29, 1929. Stocks plunged wildly. John D. Rockefeller announced that conditions were fundamentally sound, and he was buying stocks.

Oct. 30, 1929. John J. Raskob, Democratic Party

National Chairman, in a statement in the *New York Times*: "Prudent investors are now buying stocks in huge quantities and will profit handsomely when this hysteria is over and our people have opportunity in calmer moments to appreciate the great stability of business by reason of the sound fundamental economic conditions in this great country of ours."

Nov. 18, 1929. William Green, president of the American Federation of Labor: "The Federal Reserve System is operating, serving as a barrier against financial demoralization. Within a few months industrial conditions will become normal, confidence and stabilization in industry and finance will be restored."

Mass unemployment then struck American labor. Banks collapsed throughout the world.

Oct. 22, 1932. Detroit, Michigan. Speech of President Herbert Hoover: ". . . the tide has turned and the gigantic forces of depression are in retreat. Our measures and policies have demonstrated their effectiveness. . . . Recovery would have been faster but for four months of paralysis during the spring months while we were defeating proposals of the Democratic House of Representatives to increase governmental expenses by \$3.5 billion. . . ."

"Manufacturing production has increased by ten percent. . . . The Department of Commerce shows that over 180,000 workers returned to the manufacturing industry in August, 360,000 more in September. . . ."

1932. Campaign slogan of President Herbert Hoover: "Prosperity is just around the corner."

The Great Depression increased in its fury, continuing until 1939. Then President Franklin Roosevelt, in defense preparations, geared up the peacetime economy, deliberately promoting industrial development with cheap credit and government contracts.

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"All my friends believe," becomes the means by which the credulous, half-brainwashed citizen argues against any facts which contradict a psy-ops-manufactured "popular opinion."

The President believes that "Black Monday" was not caused by anything real, but only by "bad psychology." So, he considers it perfectly proper to fake the Dow Jones statistics by inflationary manipulation of markets, to cause a correction of "bad psychology."

"We will not lose the war, as long as we continue to believe we are winning it," is the famous policy of Nazi Propaganda Minister Josef Goebbels, from the beginning of 1943 onward, almost to the end. So, the White House believes that the inevitability of the biggest international financial crash in history can be prevented simply by a few sleight-

of-hand tricks of manipulating opinion expressed by the nightly news media dispatches.

So, "whom the gods would destroy, they first make mad." Prometheus' warning now stares us in the face.

It might still be possible for some of the establishment to come to its senses, and rally behind the emergency measures of reform I have proposed. In that case, they and the nation would survive this crisis. In that case, they would survive, not as gods of Olympus, but as a part of a revived American System of political-economy. Otherwise, Olympus and the rest of us are likely to be carried deep into the pits of crisis.

If we wish to survive, we had better quickly recognize that President Reagan's present policy, like George Bush's presidential campaign, is a delusion; we had better act quickly to ensure that we do not come down together with our modern would-be gods of Olympus.