

STOCK MARKET SUFFERS SWIFTEST DECLINE EXPERIENCED IN YEARS

More Than Three Billion Dollars in Paper Values Disappeared In Brief Interval Between 2 And 3 P. M.; New Records In Reactions Were Expected, Bankers Say.

By **CLAUDE A. JAGGER**

(Associated Press Financial Writer)

NEW YORK, Oct. 23.—(A)—The stock market suffered the swiftest and most hair raising drop in recent financial history today, a sweeping decline far more drastic than anything yet experienced in this modern era of speculation, and astonishingly enough, practically all of it took place in the short space of a single hour.

Scores of leading shares tumbled \$8 to \$30 a share during the wildest and most panicky conditions experienced in years. More than \$3,000,000 in paper values disappeared in the brief interval between 2 and 3 o'clock. To say that this drop was the most disastrous in stock market history, however, would be a fanciful exaggeration.

In view of the high margin requirements, and the extraordinary rise in share prices since May, Wall Street does not consider that irreparable damage has been done. Bankers point out that there had been an unprecedented rise in share prices and that new records in reactions were to have been expected.

That enormous losses have been suffered, however, cannot be gainsaid. A

senior partner in one of the largest commission houses intimated that thousands of smaller traders had been wiped out, but added that undoubtedly much of the stock sold today was actually sold at a profit, having been purchased at lower levels months ago.

Sharpest Drop

The Standard Statistics Company, Associated Press price indices, which take average prices as of 1926 as 100, suffered the sharpest drop since they have been compiled. The index of 50 industrials dropping 13.8 points to 211.9, the lowest level since June 12; the index of 20 utilities, 20.7 points to 265.5, the lowest since June 26, and that of 20 rails, 4.3 to 148.2; the lowest since July 3. The day's losses as indicated by these indices and others dating back many years, were the most precipitate ever experienced in a single day.

The market held fairly steady during the early hours of the session, many shares actually recording substantial gains for a short time, and trading dragged along at a quiet pace. A sharp rear drive against automotive parts and equipment and radio issues in the early afternoon, however, completely unsettled confidence, and a cyclone of selling developed in the last hour. The mild rally from Monday's low levels was not very reassuring and when prices once more began to give way, traders rushed to get out of the market for what their shares would bring. Also, stop loss orders were uncovered in enormous volume.

Case Of Nerves

There was nothing in the day's industrial and business news to account for the severe drop and Wall Street generally regarded it as due to an acute case of nerves. Steel production was reported to have picked up a little, Iron Age stating that "the view is gaining ground that production has struck bottom." Statistics on total building contracts for the first half of the month displayed a moderate increase and several favorable earnings statements and dividend actions appeared. Call money again dropped to 5 per cent and time money and bankers' acceptances were easier. Freight car loadings figures for the latest week were disappointing, however, showing a slight decline from the previous week and again a substantial drop from the like week of 1928.

An extreme but rather insignificant loss of 96 points was recorded in Adams Express Old, an erratic issue. Commercial Solvents Old dropped 70. J. I. Case 46, Columbian Carbon 35, Westinghouse 33, Simmons 30, and Westinghouse Electric 25. Losses of 8 to 18 points were suffered by such stocks as American Telephone, Atchison, Columbia Gas, Consolidated Gas, Eastman Kodak, National Biscuit, New York Central, Radio, Stone and Webster, United Air Craft and Standard Gas, more than 100 issues reached new lows for the year, or since traded on this market.

Commodity prices also tumbled sharply, in sympathy with the drop in stocks, and influenced by bearish crop and weather reports. Wheat futures lost about 4 cents and corn 2 1-2 cents a bushel, while cotton futures lost about \$2 a bale.

Foreign exchanges were less buoyant, but Sterling Cables reached another new high for more than a year at \$4.87 13-16.

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