Michael Li

**To what extent was buying on margin the primary cause of Black Tuesday in the New York Stock Exchange on 10/29/1929?**

**Klein, Maury. Rainbows End: The Crash of 1929. Oxford University Press, 2001.**

This origin of this book is that it was written in 2001 by Maury Klein, a Professor Emeritus of History at the University of Rhode Island. The value of the origins is that since Klein specializes on American business history, he can give educated insights on possible causes of the crash. The limitation of the origins is that because the University of Rhode Island is liberal, Klein's analysis reflects liberal economics and hence an opposition to governmental intervention in the economy.

The purpose of this book is to defend the notion that a host of varying factors, not simply causes nested within the stock market, prompted the crash of 1929. The value of the purpose is that the consideration of many factors allows for better understanding of how all the factors interconnect and work together to cause the crash. The limitation of the purpose is that because of the breadth of possible causes covered in the book, there is little in-depth analysis behind any one of them.

The content of this book includes analysis of the crash from many perspectives, especially those who believe the causes of the crash were not solely economically oriented. The value of the content is that because Klein cites many contemporary and historical sources to support his claims, the writing is relatively moderate and unbiased. The limitation of the content is that since Klein asserts the crash cannot be explained by economics or observable forces but should instead be justified by levels of market optimism, he focuses on more marginal factors such as sports, religion, or other aspects of culture and society which hardly relate to the crash.

**Smiley, Gene, and Richard H. Keehn. “Margin Purchases, Brokers' Loans and the Bull Market of the Twenties.” Business and Economic History, vol. 17, 1988, pp. 129–142. JSTOR, www.jstor.org/stable/23702966. Accessed 1 Mar. 2020.**

The origin of this article is that it was written in 1988 by Gene Smiley, a Professor Emeritus of Economics at Marquette University who also was past President of the Economic and Business Historical Society. The value of the origins is that Smiley's past position as president of the Economic and Business Historical Society allows him to take a moderate view on the crash of 1929. The limitation of the origins is that since Smiley specializes more in economics and less in history, he lacks the historical context to successfully analyze the complex forces driving the market in 1929.

The purpose of this article is to reevaluate the widely accepted view that margin purchases and brokers' loans caused Black Tuesday. The value of the purpose is that it adds insight by challenging the notion that low margin requirements in the 1920s were a major cause of the crash. The limitation of the purpose is that because Smiley focuses on the effect of margin purchases and brokers’ loans, other possible factors and their relations to the crash are omitted, while the extent to which margin purchases and brokers’ loans were influenced by these causes is oversimplified.

The content of this article is the study of the implications of inner scope accounts from the crash. The value of the content is that because a lot of inner scope material is cited, there is plenty of direct evidence regarding the situation. The limitation of the content is that since Smiley bases his argument on prior interpretations, he does not bring in new evidence to support his claims, but instead reanalyzes evidence used by other historians to explain the crash.

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