

**“Business As Usual”:
The 1920 Wall Street Explosion and the Politics of Forgetting**

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A few blocks east and a few blocks south of what was once the World Trade Center, there is a memorial to the victims of terrorism. It is easy to miss—just a dozen or so pock marks the north side of the old Morgan bank. There is no sign, no plaque, no list of names. For the past 83 years, the pitted marble wall at the corner of Wall and Broad streets has served as the sole public marker of what was, until September 11, 2001, New York City’s worst terrorist disaster.

The attack, known as the Wall Street explosion, took place on September 16, 1920. Just after noon, as hundreds of workers poured from their buildings for lunch, a horse-drawn cart exploded at the corner of Wall and Broad streets. By the next day, more than 30 people were dead, and within a month a total of 39 people lost their lives. In 1920, that death toll qualified the Wall Street explosion as the deadliest act of domestic terrorism in U.S. history.

At the time, the explosion inspired thousands of pages of anguished press coverage and commentary. It also inspired one of the largest criminal inquiries to that point in U.S. history, extending into territory as far-flung as Russia, Italy and Poland, and reaching into some of the key political trials of the 1920s, including the prosecution of Italian anarchists Nicola Sacco and Bartolomeo Vanzetti.

But within five years of its eruption, the explosion was already well on its way to being forgotten. In late August, 1925, for instance, a *Wall Street Journal* reporter noticed

two young stenographers standing near the north wall of the Morgan bank. Gazing at the pockmarks in the Morgan bank, the women looked puzzled. “You know,” one told the other, in the *Journal*’s paraphrase, “I’ve often wondered why they allowed imperfect stone to be used when this building was erected. It might have been cheaper but stone without any holes in it would have looked much better.”

The *Journal* attributed the stenographers’ amnesia to the inevitable process of historical forgetting. “How quickly time effaces the memory of startling events,” the paper mused.¹ But it was not time alone that allowed the stenographers to forget. As I will discuss over the next ten or so minutes, the erosion of the national memory of the Wall Street explosion was a deliberate and highly political process—not a natural and inevitable one.

It was this question of erasure—as much as the drama of the explosion itself—that first led me to research the Wall Street explosion. When I came across a reference to the explosion in a history textbook in 1998, I immediately wondered why I had never heard of it. Given enormous contemporary interest both in Wall Street and in terrorism, it seemed odd that an attack of such magnitude had been almost deleted from discussion of the American national past. And so I set out to discover not only what had happened on Wall Street on September 16, 1920, but also why it had been forgotten.

In the six long years of graduate school since then, I have managed to come to a few conclusions about why the Wall Street explosion disappeared so quickly from public consciousness. For an event to be remembered as a significant historical moment, there must be a group of people both concerned with preserving the memory and capable of inserting that memory into a public discussion. The Wall Street explosion disappeared

because nobody involved with it—not the Morgan bank, not law enforcement officials, not the press, not superpatriots, not civil libertarians, not political radicals—had an interest in preserving it. By 1925, when the *Wall Street Journal* encountered the puzzled stenographers standing at the corner of Wall and Broad, the explosion and the investigation which followed held little more than embarrassment, fear, and grief for the main parties involved.

Today, I'll be talking about just one of those groups: the businessmen and bankers who decided that the best strategy in responding to the Wall Street explosion was not to respond at all.

The process of forgetting began within hours of the explosion.

On the afternoon of September 16, employers throughout Wall Street imported a full “battalion” of sweepers, repairmen, street cleaners, stonemasons, and mechanics to work through the night,² spreading as far south as Bowling Green and all the way east to the river.³ Bathed in the unnatural glow of arc lights,⁴ gangs of men scooped glass, stone, and plaster into the metal carts that circled the neighborhood, pausing like omnibuses to collect each messy new load.⁵ The fire department opened up the sewers and hosed down the streets, washing dust and gore underground, while laborers tackled stubborn bloodstains with bleach and muscle.⁶ Inside the office buildings, scrubwomen worked in teams, righting furniture, sweeping up rubble, setting aside scraps of cloth and flesh.⁷

¹ *Wall Street Journal*, August 29, 1925.

² *Journal of Commerce and Commercial Bulletin*, September 17, 1920.

³ *New York Evening Mail*, September 16, 1920.

⁴ *New York World*, September 18, 1920.

⁵ *Ibid*; *Journal of Commerce*, September 17, 1920.

⁶ *New York Daily News*, September 20, 1920.

⁷ *Sun and New York Herald*, September 17, 1920. [ck]

The quick clean-up was the first step in a strategy crafted by Wall Street's leading men to minimize the explosion's impact on financial markets. The explosion, erupting just a few feet away from the New York Stock Exchange, had forced an early closing of the New York market, which in turn had caused a domino-like closure of financial markets around the world. Early that afternoon, while the rescue effort swirled outside, the governors of the stock exchange assembled for a hasty meeting to determine what would happen to clearing sheets, call margins, and deliveries for the day's disruptive trade. They resolved that all exchange of securities should be suspended, and all deals rolled over to the next business day. They neglected, however, to state when that next business day might be. The afternoon newspapers took this as a sign that "it will be impossible to resume trading before Monday."⁸

But around 3:30, after consulting with the top men at Chase, Morgan, the Federal Reserve, and the National City Bank, the exchange governors decided to go ahead and attempt the "impossible."⁹ Late on Thursday afternoon, they wired a special message around the country: "The Governing Committee determines that the Exchange will be open for business at the usual hour Friday, September 17."¹⁰ After that, wrote the *Sun and Herald*, the resolve to proceed as usual on Friday morning swept the district "like an infection."¹¹

From a banker's perspective, the advantages of leaping back to work were obvious in both the short and long term. Nobody working in the financial district in 1920 had forgotten the disaster of July, 1914, when the stock exchange had shut down after

⁸ *Milwaukee Journal*, September 16, 1920.

⁹ *Wall Street Journal*, September 17, 1920; *Milwaukee Journal*, September 16, 1920; *New York World*, September 17, 1920.

¹⁰ *Wall Street Journal*, September 17, 1920; *New York World*, September 17, 1920.

getting news of the war's outbreak in Europe. It had taken a full six months for the market to reopen, and full trading hadn't resumed until spring.¹² While the explosion on Wall Street hardly rivaled the war as a depressing market force, the chance of a calamitous loss of confidence remained. On Thursday afternoon, bankers made known, in private and strategic conversations, that the major financial institutions were prepared, if necessary, to "support" the market on Friday—that is, to buy enough stock to ensure a rising tide.¹³

When employees who had been called back to work emerged from the subways on the morning of September 17, they encountered an eloquently sanitized scene. "Everything was clean as a pin," wrote one observer, marveling at the absence of the "broken glass, crushed straw hats, fragments of clothing, scraps of iron" that had so recently covered every inch of Wall and Broad.¹⁴ Thanks to the swift work of the plate glass insurance companies, most of the smaller windows had already been replaced. At buildings like the Morgan bank and the stock exchange, where special large panes were required, muslin curtains and specially fitted boards covered unsightly holes.¹⁵ Outer walls had been scrubbed clean of soot, even of the usual dust and grime, and the pock

¹¹ *The Sun and New York Herald*, September 18, 1920.

¹² Ron Chernow, *The House of Morgan: An American Banking Dynasty and the Rise of Modern Finance* (New York, 1990), p. 184.

¹³ *New York Times*, September 18, 1920; *New York Tribune*, September 18, 1920; *New York World*, September 18, 1920; *New York American*, September 18, 1920; *Sun and New York Herald*, September 18, 1920.

¹⁴ *Globe and Commercial Advertiser*, September 17, 1920.

¹⁵ G.E. Souch (CK) to John Axten, September 17, 1920, Morgan MSS; *New York Post*, September 17, 1920; *Sun and New York Herald*, September 17, 1920; *Journal of Commerce and Commercial Bulletin*, September 18, 1920; *New York Times*, September 18, 1920.

marks seemed already less severe.¹⁶ Hand-lettered “Business as Usual” signs hung defiantly in doorways.¹⁷

This effort to contain and minimize the explosion’s impact carried over into Wall Street leaders’ newspaper commentary on the blast. While a handful of businessmen called for a ruthless war against political radicals—the anarchists and communists who were the main suspects in the blast—most were more concerned with showing the public that financial operations had been restored. Early on Friday afternoon, for instance, Morgan partner Thomas Lamont extended a rare invitation to reporters to enter the Morgan bank and see both its victimization and recovery for themselves.¹⁸ The reporter for the *New York Times* seemed a bit awestruck at his sudden grant of access. “It was a novel sight,” he wrote,

to enter one of the biggest financial institutions in the world and the see dignified executives at work with heads bandaged, to see clerks operating typewriters and adding machines with one disabled hand, to be greeted by special watchmen, whose eyes and noses were the only parts of their features visible, to see everywhere persons looking like patients in the convalescent ward of an army hospital.

He took comfort in the fact that the employees, despite their injuries, seemed perfectly content to go about their daily tasks. It was a testament, he wrote, to “the calm yet steady impulse of a great business organization.”¹⁹

The practice of “Business as Usual” carried over to the anniversaries of the blast as well. Though hundreds of victims and witnesses still worked in the financial district by September, 1921, the first anniversary received no official recognition on Wall Street. There was no public event to mourn the victims, or even to acknowledge the passage of

¹⁶ *New York Post*, September 17, 1920.

¹⁷ *New York Commercial*, September 18, 1920.

¹⁸ *New York Times*, September 18, 1920.

¹⁹ *Ibid.*

an intervening year. Nor, as the years wore on, was there an effort to put up a plaque or memorial at the Morgan bank to explain the pock marks that, by 1925, would so puzzle passing stenographers.

Today, the lack of a memorial continues the process of erasure that began on the afternoon of September 16, 1920. Though many contemporary New Yorkers have heard vague reports of an earlier explosion, and though walking tour guides point out the pock marks with some regularity, few workers and residents of Wall Street are aware that September 11, 2001, was not, in fact, the financial district's first terrorist attack.

This past fall, assigned to explore parallels between earlier attacks and the September 11 attacks, *New York Times* James Barron ventured down to the corner of Wall and Broad on the anniversary of the Wall Street explosion. What he found in questioning passersby was that little had changed since those stenographers wondered in 1925 why the Morgan bank didn't just up its building. Gazing at the pock marks in the wall, one lawyer mourned that "The average Joe walking by will be like, 'What a ratty building.'" Four nearby firefighters, told of the explosion for the first time, wondered why there had never been a memorial. "People of my generation would never know the significance of what took place," one of them mused, "because there's nothing to memorialize the event, and that's a shame."²⁰

Around them, Wall Street continued with "business as usual."

²⁰ *New York Times*, September 17, 2003.