

Every Man a Speculator: A History of Wall Street in American Life. *By Steven Fraser.* New York: HarperCollins Publishers, 2005. xxiii + 752 pp. Index, notes. Cloth, \$29.95. ISBN: 0-066-62048-1.

Reviewed by Bruce J. Schulman

Steven Fraser's writings trace at once the odyssey of American political economy—what Fraser and his collaborators have called the rise and fall of the New Deal order—and the parallel arc of American historical scholarship. Facing a generation-long conservative ascendancy in American politics and unprecedented prestige for market capitalism, the once-flourishing enterprise of labor history in which Fraser defined his reputation has all but dissolved into the larger sea of political and economic history. The fate of the labor movement and the political alliances that sustained it no longer seem the important question to ask of the nation's recent past. Instead of *Labor Will Rule*, the title of Fraser's first book, with its invocation of triumphant unions as the natural outcome of American economic development and its insistence on labor's failure as the central problem for historians, Fraser now explores the emergence of a "shareholder nation," the strange evolution of a polity where everyone has become a speculator.

Fraser turns this surrender into a glorious victory. *Every Man a Speculator* is a remarkable achievement. Exhaustively and imaginatively researched, fetchingly written, passionately argued, Fraser has produced an exhilarating, informative, thought-provoking book. Employing a broad array of sources—exposés and novels, films and plays and songs—Fraser leads an extravagant tour of the competing Wall Streets of the American mind. He guides readers past portraits of the street, from William Dean Howells to Tom Wolfe, Thomas Jefferson to Bill Clinton, Scott Joplin's syncopated rags to Oliver Stone's overheated films. In the process, he not only explains what sundry American characters thought about Wall Street, but he also asks what their wonder and revulsion at the street revealed about the national character.

Fraser's account begins in the republic's formative years. Before the Civil War, Wall Street and the enterprise of finance capital it represented provoked suspicion and contempt. With few exceptions, Americans regarded the street as the haunt of confidence

men, gamblers, and foreigners (more than a whiff of anti-Semitism underlay this mistrust). Wall Street championed luxury in a nation that valued republican simplicity, preferred speculation and exploitation to honest toil. Admonishing the nation's financiers, Thomas Jefferson described New York City as "a cloacina of all the depravities of human nature."

Jacksonian-era novelists and pamphleteers hated the street even more. They saw merchant capital as a seamy, sordid underworld; Wall Street appeared as the "crimson-canopied altar of Mammon," full of "picturesque rascals," operators who "shaved" unsuspecting clients "till the blood followed the razor," unscrupulous men who hardly cared "how many lips may turn white with hunger" or "how many milk-white virgin bosoms be given to the polluting touch of lust." Wall Street, one typically hyperbolic account asked, "Who shall fathom the depth and rottenness of thy mysteries?" (pp. 63–65).

But, in the second half of the nineteenth century, a new image of finance capital took hold of the national mind. In what Fraser terms "a peculiarly American form of cultic idolatry," the bloodsucking con man of the Jacksonian era became heroic, simultaneously an innovator and a solid citizen. In part, this revised opinion reflected growing appreciation of Wall Street's role in the nation's emergence as an economic power. Americans recognized the street as "the engine room of corporate capitalism"—a motive force behind the construction of all those railroad tracks, factories, and foundries. Wall Street even lubricated boss politics; the Tweed ring financed huge public-works projects and provided its supporters with employment through city bonds, usually underwritten by August Belmont and resold to European investors.

Meanwhile, New York financiers like Belmont and J. P. Morgan inspired admiration as well as awe. No longer the realm of shysters and speculators, Manhattan's investment houses became respectable. At times, such as Morgan's intervention during the panic of 1893, the street seemed positively public spirited. At the very least, Morgan and his colleagues brought stability to a volatile economy.

As the nineteenth century ended, however, Wall Street once again donned the villain's black cape. New York's brokers and bankers became the target of populists (who looked both forward toward the modern regulatory state and back toward ancient

anxieties over religion, sex, money, and race) and of “old money” aristocrats (who saw the decay of civilization in so much furious getting and spending). “In a society of Jews and brokers,” Henry Adams complained, “a world made-up of maniacs wild for gold, I have no place.” His brother and fellow voice of patrician dismay, Brooks Adams, concurred: “I tell you Rome was a blessed garden of paradise beside the rotten, unsexed, swindling, lying Jews, represented by J. P. Morgan and the gang who have been manipulating our country for these last four years.”

Yet, at the same time, Wall Street, for the first time in its checkered existence, entered the realm of middle-class respectability. A bevy of cultural arbiters and political leaders, from journalists to politicians to upwardly mobile professionals, began to rethink the ethics and value of speculation. “By calming a high-strung, erratic economy that seemed perpetually verging on collapse,” Fraser explains, “the white-shoe investment fraternity seemed to prove the once unthinkable: that risk-taking could be rational, that a stable society might rest on acts of speculation” (p. 249).

The street gained legitimacy because of its crucial role in financing the proliferating number of publicly traded corporations and as a practical investment outlet for a growing fraction of the population. While small by contemporary standards, only about four million Americans owned securities in 1900; the number of investors doubled by 1910. And in Theodore Roosevelt’s America, assuming risk, whether on the battlefield or in the boardroom, gained cultural currency. Progressive-Era assaults on the “money trust” and the subsequent reforms reflected a less heated, more measured response to the abuses of Wall Street.

Of course, the 1929 crash and the Great Depression liquidated all of Wall Street’s accumulated cultural capital and then some. Brokers and bankers became the chief scoundrels in a tale of unmatched evil, the principal perpetrators in the nation’s catalog of woe. Even as the economy recovered and the stock market began a steady ascent, Wall Street regained none of its earlier prestige.

According to Fraser, in the half-century from 1930 to 1980, Wall Street fell into eclipse. To be sure, American financiers exercised potent influence in the world economy; they helped to construct and maintain the postwar international order (playing important roles in the Marshall Plan, the International Monetary Fund, and the World

Bank). But the street ceased to occupy the American mind. Relegated to the business pages, Wall Street became almost invisible. The liberal state, a heady tonic of Keynesian fiscal policy and national labor standards, “presided over a domestic and international order grounded on material abundance and the melioration of social conflict.” Wall Street “disappeared into the capacious embrace of that consensual order” (p. 528).

The end of the postwar boom and the onset of stagflation marked the collapse of the liberal consensus. As much as the nation’s leading manufacturers and once-potent labor unions, Wall Street suffered the economic pain of the 1970s. The share of American households invested in the securities markets fell from 24.3 percent in 1968 to 8.5 percent a decade later. Between 1968 and 1982, the Dow Jones Industrial average lost roughly three-quarters of its value. Those sobering years also saw the final disappearance of the street’s commitment to disinterested service. The emergence of the Business Roundtable and other lobbying groups signaled the financial elite’s determination to advance its own parochial interests without reservation.

Amid the rubble of the postwar boom and the liberal state, Americans increasingly turned to the market as the engine of dynamic growth and social change. They embraced, or at the least acceded to, the “Reagan Revolution.” By the end of the century, nearly half of American households claimed a stake in the market. Although most invested passively through mutual funds and retirement accounts, so many possessed an interest in rising stock prices that historic suspicions of Wall Street faded, and fresh scandals barely dampened public faith in the market.

The “democratization of the street” witnessed the emergence of a “shareholder nation.” First suggested by broad popular participation in World War I bond drives, this United States of stockholders ironically owed its triumph to the liberal state it supplanted. The New Deal and its aftermath—the “great compression of national income distribution” that brought workers into the middle class—laid the foundations for a shareholder nation when the New Deal order faded (p. 582).

Subtitled a “History of Wall Street in American Life,” Fraser’s book is more cultural history than business history. *Every Man a Speculator* explores “how Wall Street has entered into the lives of generations long passed and those alive today.” Less a

place or a set of financial institutions, Fraser's Wall Street functions as a "window into the souls of Americans" (pp. xv–xvi).

In the end, shifting fortunes of Wall Street in the American imagination reflect the author's ambivalence as much as the nation's. Fraser generally applauds the "democratization" of the market over the past quarter-century. But he worries about the disfranchisement of working Americans—now 401K investors instead of union members—and especially about the growing inequality in the distribution of wealth and income.

Fraser particularly derides the Reagan-era celebration of the free market as hypocritical (the federal government bailed out reckless financial institutions while working Americans suffered the onslaught of deindustrialization) and destructive. Gilded-Age speculation had its nefarious characters, Fraser asserts, but it produced rail networks, steel mills, and a "dazzling cornucopia of new material delights," not just billions of dollars in financial transactions that oversaw the decay of the nation's productive apparatus.

Every Man a Speculator is a long ride (nearly 700 pages) and a bracing one, full of vivid characters, rich detail, and incisive commentary. Still, at the end of Fraser's cavalcade—the songs and cartoons, treatises and films, learned books and pulp novels—the rival Wall Streets of the mind offer no clear lesson about the nation's economic and political development, much less the evolution of that elusive "American character."

Ultimately, the book sits comfortably alongside the author's earlier work, offering yet another eloquent elegy for the New Deal order. It treats the heyday of postwar America as the norm—the established script from which recent history unfortunately deviated. Yet Fraser's own chronicle suggests the exceptional character of the liberal half-century he celebrates. It marked an uncharacteristic era of social solidarity and political consensus, a hiatus during which markets figured little in a nation customarily dominated by commercial passions and the free-for-all of capitalist enterprise. Like it or not, in the United States, where everyone is a speculator, the securities market—not labor—will continue to rule.

Bruce J. Schulman is professor of history at Boston University and the author, among other works, of From Cotton Belt to Sunbelt (1991) and The Seventies (2001). He is currently writing the 1896–1929 volume for the Oxford History of the United States.