

# Lamb of Wall Street

By John T. Flynn

Meet the first paid president of the New York Stock Exchange, a power in finance at thirty-one

IT CAN happen here.  
In fact anything can.

After all, when the members of the New York Stock Exchange go through a successful revolution anything can happen.

But it's more surprising than that. For in that temple of conservatism, white whiskers and moss, they have elected a thirty-one-year-old youth as president of the Exchange.

Some of the old gentlemen are still sitting around a little dazed and wondering just what has happened and how. A few of them have fled to the comfortable chairs of the Union League Club to think it all out while the youngster who has been named to head the governors has had to put away his tennis rackets, give up his classes at Columbia and knuckle down to the brass tacks of introducing a new brand of civilization into the sadly beleaguered temple of money and power at Broad and Wall.

His name is William McChesney Martin, Jr.

He is the youngest member of the Board of Governors. He has no powerful banking connections. He scarcely knows even by sight many of the once great bigwigs of Wall Street. He is not even a member of a New York brokerage firm. He does business in a small one-room office. He does not own a penthouse on Park Avenue, a summer place at Bar Harbor and a winter refuge in Florida. He lives in one room in the Yale Club. He is the first of his type ever to head the New York Stock Exchange, but he is probably the first head of that institution who really knows what it is all about.

It is a strange land, this Wall Street of today, looked at against the Wall Street of 1929. Then billions were flowing into it from every quarter of the globe begging for the privilege of being loaned out to keep the fires of speculation burning. Today the frightened dollars flee from its inhospitable offices. Over 275 of its 1929 members—a fourth—have sold their seats, and those seats, once worth \$600,000, now go begging at one tenth the price.

And it is out of this crisis in the history of the great bourse and this bewilderment that this studious and thoughtful youth, full of ideals and high purposes, emerges as the leader.

Martin was born in St. Louis and educated at Yale, from which he graduated in 1928. In 1929, when the great stock-market crash came and when Richard Whitney was striding out on the floor of the Exchange bidding 205 for U. S. Steel to stem the rising storm of liquidation, young Bill Martin was pushing a pencil in the Federal Reserve Bank of St. Louis as a clerk at \$67.50 a month.

In Yale he had majored in English and Latin, which was not at all odd since his father had been a professor of Latin. Early in his married life the elder Martin, while teaching Latin, had taken a course in law, hoping to improve his economic condition. An old St. Louis banker who knew him formed the habit of asking occasional advice of the young professor and was so well pleased with the sapient answers that he urged him to give up professoring and enter the bank as a legal adviser. He did. He rose later

to be a bank president himself, and when Woodrow Wilson organized the Federal Reserve System he was named as head of the Reserve Bank in St. Louis, a post he holds to this day.

So when the son got back to St. Louis from Yale he got a small job in the bank-examination department of the Reserve Bank.

He did not, however, have any designs upon preferment in the banking world. He had about made up his mind that he wanted to teach—probably economics. And very soon he got a better job as a statistician with a brokerage house at \$100 a month and proceeded to take some night courses looking toward one day getting a Ph.D. degree.

## Stockbroker Collegian

The firm he went with was that of A. G. Edwards & Co., a well-known and highly respected brokerage house in St. Louis. Its clients were security buyers in that general neighborhood. Mr. Edwards was a member of the New York Stock Exchange and spent a great deal of his time in New York representing his house on the floor. Martin began to spend a good deal of time with investment figures and data. Those figures fascinated him. This was in 1930 and 1931 when things were looking pretty black for investors and most of them were at sea. Martin had some good breaks in giving good advice and in a very short time he had earned a small local reputation for sound judgment in finances. Then in 1931, as the stock market moved down and business grew thinner, Mr. Edwards decided he wanted to give up his seat on the Exchange and commit the work to a younger man. He called Martin in and suggested that the seat be transferred to his name and that Martin go to New York to handle the firm's business on the Exchange floor.

Edwards pointed out to Martin that his hours would be short—those of a floor member, from 10 to 3—and this would leave him plenty of time to go forward with his studies for a Ph.D. at Columbia. In other words, he held out to Martin the prospect of working his way through college as a member of the New York Stock Exchange. This decided Martin and he made his appearance in New York and on the floor of the Exchange as the representative of Edwards & Co., in 1931, as prosperity moved further away around that famous corner.

He lost no time arranging to begin classes at Columbia looking toward a Ph.D. degree. It is probable that he planned to teach in some college. Instead, in that brief span, he rose slowly up through the brokerage offices to become the head of the Exchange. This bespectacled young man sitting behind the desk of the president of the Exchange in that high-ceilinged, paneled office where so many ponderous and heavy-jowled old tycoons of the old order sat in state tells in one swift glance of the force and power of the wind that blew through this great building last May.

Martin looks for all the world like any of those personable young men you see around a tennis court in summer tourna-



William McChesney Martin, Jr., president of the New York Stock Exchange

ments on Long Island. And why not? He is one of them. Every summer up to now he has done his vacationing by going from one tennis tournament to another. He is a first-class operator with a tennis racket, can put up a good game against the ranking stars and has been good enough to get into the national championships for several years.

He plays tennis for exercise and because he likes sports. He is a baseball fan and turns to the sports pages of the morning paper perhaps ahead of the financial department. He bristles with statistics on the national game and knows the weight, age, history and batting average of all the pitchers. He used to play golf and I have heard it said that he once held some Midwestern championship.

## A Hat for the President

He belongs to that generation of youths who learned how to go around without a hat. And Martin carried this independence so far that he occasionally went around without a coat. When he was elected chairman and acting president of the Stock Exchange, the governors' committee that informed him of his election told him solemnly that there was one condition he would have to meet. Martin said he was prepared to meet any reasonable conditions.

"Well," they said, "after this you will have to wear a hat." He has bought one and dutifully uses it.

There is one characteristic of the new chairman that will have to be reckoned with. Unlike most young Americans of his generation he is profoundly religious. In fact at Yale he seriously considered a career in the church. This explains his majoring in Latin and English. But

Martin takes his religion seriously. He is a Presbyterian and goes regularly each week to Dr. McComb's Broadway Presbyterian Church. He is a fundamentalist and remains severely away from those more modern forms among the Presbyterians that have been popularized by Dr. Harry Emerson Fosdick. And he has ideas on the subject of ethics, with religion as a basis for his code rather than the herd or utilitarian standards of modern moral philosophers. Some of these standards must have gotten a pretty severe jolt when he began to see and understand what was going on on the floor of the Exchange. Certainly they had a very important bearing on the views he developed and the groups he began to side with.

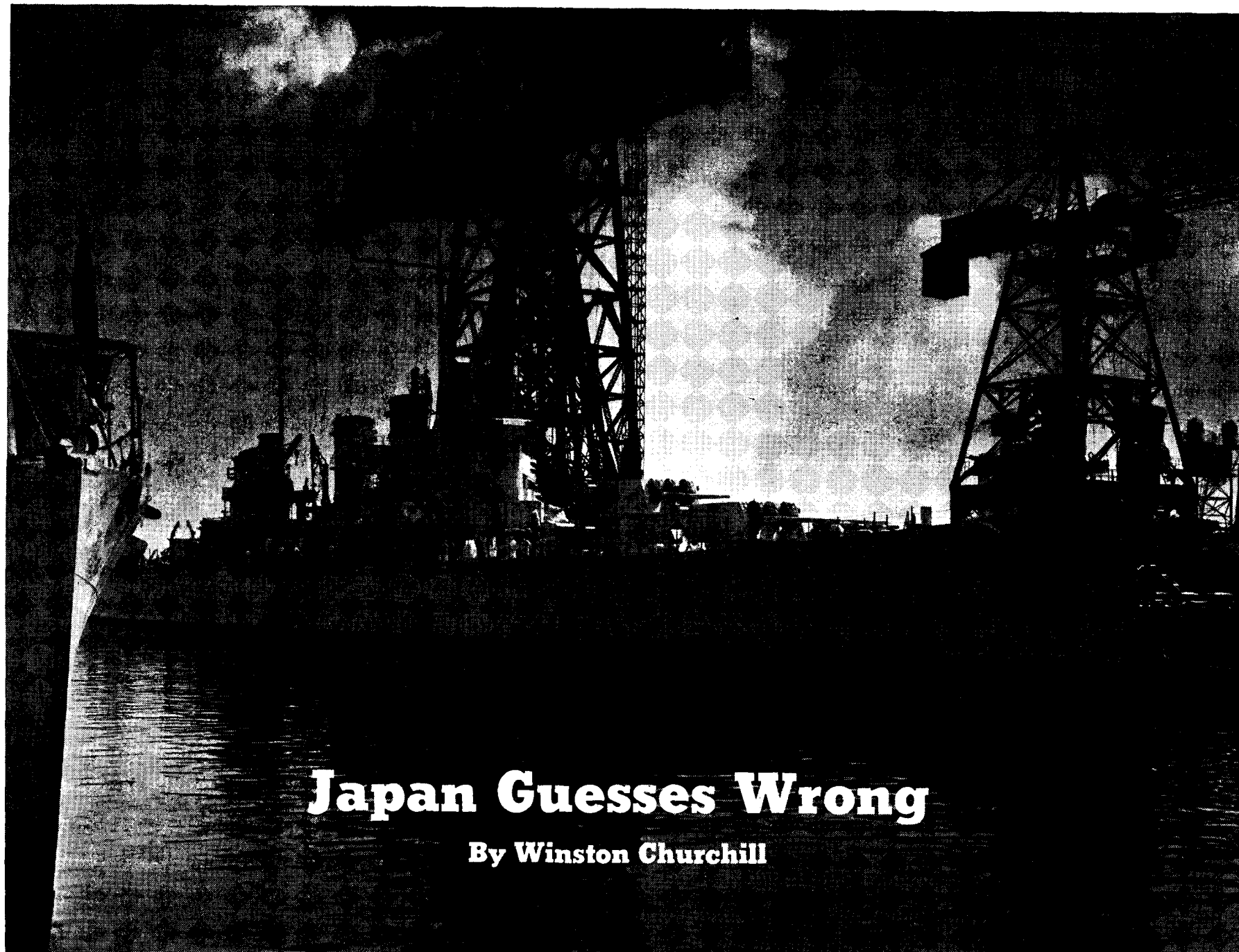
But Martin is not a sanctimonious person. He keeps his religion pretty much to himself and for his own guidance. He is an inveterate theatergoer, never misses a show on Broadway, and has been known once or twice to make up one of a group to act as angel to a production. However, his theatergoing reveals a streak of old-fashioned thrift. He buys his tickets at Gray's Cut-Rate ticket office and frequently sits in the balcony. His usual routine when he goes to the theater is a seat bought at Gray's and after that a plate of beans at the Automat.

Unlike most of the men who have their being around Wall Street he is a Democrat, voted for Roosevelt at least in 1932, and does not spend his time singing hymns of hatred of the New Deal. This does not mean he approves. It means merely that he has not let it poison his own thinking.

But while Martin enjoys his tennis game and his theater he is essentially a

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# Japan Guesses Wrong

By Winston Churchill

THE Japanese government has refused to contradict the allegation that it is building battleships of over 35,000 tons. In consequence, the British and the United States admiralities have invoked the Escalator Clause, and are free to build capital ships of whatever tonnage and of whatever cannon they may desire. This decision has been taken with pious regrets but with a strong underlying alacrity by the two English-speaking naval powers. They have absolutely nothing to do with each other, but their minds were moving on parallel lines and they both came simultaneously to the conclusion that they should agree to free themselves from their mutually imposed treaty restrictions about the size of battleships.

Some people say, loud and often, that we are launched upon another naval race. Certainly it is not a naval race between our two countries. We have for many years abandoned all rivalry. But there was a foolish epoch in which Americans were trying to cut down British warship building and the British were arguing with the United States delegation about the exact interpretation of "parity." That crazy time is over. Nothing resulted from it except that the two peace-keeping powers nagged each other as far as possible, and the pirate powers took the fullest advantage of their stupidity. Now these follies have been discarded. The only question asked in England about the American Navy is whether it is strong enough; and the United States government has, for some time, ceased to be at all distressed by

