



## Protesting Wall Street: A Brief History

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In the fall of 2011, Occupy Wall Street captured the nation's attention as a protest movement taking aim at the financiers whose shenanigans pushed America into the recent Great Recession. This iteration may be new, yet protest against Wall Street has a long, checkered history in the United States. For more than a century, protest against Wall Street has served as a focal point for movements concerned with inequality, labor, and social reform. Many of these movements have had a dramatic impact on the course of U.S. history. To understand both the roots and potential influence of Occupy Wall Street, it is important to situate today's movement in this larger story of protest and reaction.

### How Wall Street Became the Center of American Finance

In the early 19th century, Boston, Philadelphia, Hartford, and New York competed (along with other cities) to become the center of the American financial world. The race began to have a winner when the Civil War enhanced New York's role as an arbiter of war finance. Wall Street as we now know it, however, took hold only in the late 19th century – a period known as America's first Gilded Age. During those years, New York bankers such as J.P. Morgan helped to inaugurate the modern age of investment banking and corporate consolidation. World War I further solidified New York's place as a center of global finance. By the end of the war, the United States was a creditor nation for the first time in its history, and almost all of that money flowed through the banks, markets, and clearinghouses of lower Manhattan.

### Contested from the Start: A Long Tradition of Protests

Opposition to Wall Street emerged in tandem with Wall Street itself. In the early 19th century, many Americans objected to the idea of a centralized banking system, particularly one controlled by the federal government. By the late 19th century, popular criticism came to focus on the new private corporations, banks, and trusts orchestrating the nation's shift toward large-scale industry. Centered mainly in the South and Midwest, the Populist movement objected to the concentration of financial power on Wall Street, arguing that the new corporate and banking structures would destroy the nation's democratic traditions. Muckrakers exposed the "gilded" lifestyles, stock manipulations, and price-fixing trusts of the late nineteenth-century "robber barons." The growing U.S. labor movement focused on wages and working conditions, and highlighted links between grassroots industrial strife and the secretive workings of Wall Street's financial institutions. More radical movements – such as the socialists, anarchists, and Industrial Workers of the World – all attacked Wall Street as the great symbol of capitalism's many ills. Protests continued into the twentieth century, when progressive reformers campaigned for government trust-busting and regulation of Wall Street abuses.

While the Gilded Age witnessed the birth of major "anti-Wall Street" movements, other historical eras have seen similar waves of protest. During the 1930s, a wide array of citizens pointed to Wall Street's excesses in the 1920s as the chief cause of the Great Depression. One high point of this line of attack was President Franklin Roosevelt's 1933 inaugural address denouncing the "moneychangers" of Wall Street. And the protests did not end there. During the 1960s and 1970s, social movements criticized financial institutions such as Bank of America for their policies toward the poor and racial minorities, as well as for their ties to defense industries said to be promoting unpopular wars abroad.

### Wall Street and the Fight to Limit Inequality

Concerns about income and wealth inequality have long been linked to criticism of Wall Street. The protest movements active in the late 19th century worried that the large fortunes of men such as John D. Rockefeller, J.P. Morgan, and Andrew Carnegie would create a new system of American "plutocracy." Despite the protests, gaps in wealth and income grew apace throughout the late 19th and early 20th centuries, reaching a peak in the 1920s. From the 1930s through the 1960s American incomes became somewhat more equal and the fruits of economic growth more widely distributed. To explain this reduction in inequality during the middle decades of the century, scholars have pointed to New Deal reforms and strong labor unions along with U.S. industrial

dominance after World War II. But since the 1970s, U.S. inequality has been on the rise once again. Today, levels of inequality are roughly equal to what we saw in the early 20th century – and the U.S. super-rich have pulled far away from the middle class as well as the poor. Given sharply rising inequality along with the widespread suffering caused by the financial meltdown of 2008, it is hardly surprising that, once again, American protestors are targeting Wall Street as a symbol of unchecked power and privilege, just as so many earlier movements did.

## **What Protests Achieve – And How**

By historical standards, today's Occupy Wall Street demonstrations are relatively subdued and remarkably committed to non-violence. Many of the battles over Wall Street and the economy during earlier periods of U.S. history were characterized by deadly clashes pitting protesters or strikers against the police, armed guards, vigilantes, and soldiers. The most sensational incident of all was the Wall Street bombing of September 16, 1920. At one minute after noon, a bomb exploded at the corner of Wall and Broad streets in New York, near the Morgan bank and the New York Stock Exchange, killing 38 people and wounding hundreds. Though the case was never solved, many Americans understood the bombing as a direct attack on U.S. capitalism at its geographic and symbolic center.

Violent incidents can backfire on protestors even when they are not to blame, but protests against Wall Street have at times called attention to inequality, undemocratic decisions, harmful labor practices, and violations of free-speech rights. Protest movements have been less effective in acquiring direct political power. The Populists, for instance, largely failed to achieve their electoral goals in the late 19th century. But short of achieving electoral office, protest movements can pressure legislators to address their chief areas of concern. Many of the government institutions that now regulate our financial lives – from the Federal Reserve to the Securities and Exchange Commission – came about as responses to social unrest. Taking on sharply rising inequalities today, Occupy Wall Street builds on a long history of protest, and it remains to be seen what changes in politics and policy it might help to bring about.