complete basketball players ever to play in the NBA, Bird recorded an amazing sixty-nine “triple doubles” (games in which three major statistics, such as points, rebounds, and assists, reach double digits) in his career—fifty-nine in the regular season and ten in postseason play.

Subsequent Events In 1992, Bird won a gold medal in basketball as a member of the U.S. Olympic “Dream Team.” He was elected to the Naismith Memorial Basketball Hall of Fame in 1998.

Further Reading

Alvin K. Benson

See also Basketball; Johnson, Magic; Sports.

Black Monday stock market crash

The Event Sudden decline in the value of most major publicly traded stocks

Date October 19, 1987

Hundreds of traders on Wall Street responded to fears about inflation and rising interest rates by using newly installed computerized trading programs to sell stocks, thereby causing the Dow Jones Industrial Average to suffer the largest one-day point loss and the second largest one-day percentage loss in its history to that date.

On October 19, 1987, the New York Stock Exchange (NYSE) experienced a dramatic sell-off, in which most of the stocks listed on the exchange lost a great deal of their value. The Dow Jones Industrial Average, which tracked the value thirty blue-chip stocks listed on the NYSE, plunged 508 points to close at 1,738.74. The drop equaled 22.6 percent of the average, which had stood at 2,246.74 at the beginning of the day’s trading. The overall net loss in market capitalization of all stocks affected by the crash has been estimated at roughly half a trillion dollars. That is, in one day, around $500 billion in stock value simply ceased to exist.

Immediate Effects of the Crash Black Monday had global repercussions, as stock prices around the world reeled. News of the stock market crash dominated television, as the three major networks preempted their regular programming to provide special coverage of the crash. Cable news networks, particularly CNN, offered continuous coverage. David Ruder, head of the Securities and Exchange Commission (SEC), threatened to close the markets in order to stop the slide. President Ronald Reagan announced that he was puzzled by the financial events, as nothing was wrong with the economy. He urged Americans not to panic. Since Black Monday conjured images of the start of the Great Depression, many Americans found it difficult to remain calm.

As experts described it, the calamity on Wall Street would set in motion an inexorable chain reaction. Fearful consumers, their net worth crippled by the deflation of stock prices, would put off purchases, forcing industry to slow production and lay off workers. The ripples of the economic slowdown would reach every corner of the nation—families, schools, retailers, pension funds, and charities—as the boom that had driven the 1980’s came to a crashing end. In the first days following the crash, no one knew whether Black Monday was simply a stock market correction or the harbinger of something far more serious.

Causes of the Crash Two varieties of program trading, known as portfolio insurance and index arbitrage, were viewed as the main culprits in the 1987 crash, as well as in a subsequent October, 1989, mini-crash. Program trading involves bundles of trades comprising fifteen or more securities and worth more than $1 million. Pension funds, mutual funds, and hedge funds all rely on computers to buy and sell such large collections of investments. Program trading reduces costs and allows the savings to be passed on to small investors. It also permits traders to match their holdings to a particular stock index.

Index arbitrage occurs when an investor buys a bundle of stocks and simultaneously sells futures contracts (that is, the contracts obliging the buyer to purchase a given stock on a particular date in the future at a predetermined price) for the index that those stocks represent. Meanwhile, large investors, particularly investment banks and brokerage houses trading on their own accounts, relied on portfolio
insurance. Such insurance was supposed to use futures, as well as options (similar to futures, but granting the purchaser a right to make a future purchase rather than creating an obligation to do so), to protect, or hedge, against steep declines. The rapid fall of stock prices and the market indexes triggered automatic sell orders in many computer programs that worsened the drop. Thus, hedging techniques exaggerated the crash, rather than protecting investors from market volatility.

Complicating the situation was the fact that financial market analysts could not agree on the underlying causes of Black Monday. While program trading triggered the drop, it was not apparent whether other factors were also involved. Democrats blamed Reagan for causing the disaster by allowing budget and trade deficits to balloon. Treasury Secretary James Baker blamed Democrats for raising taxes. Alan Greenspan, head of the Federal Reserve, had no comment. Other market observers were frightened by the tendency of program traders to buy and sell stocks without much regard for the quality or achievement of individual companies. Instead, they relied upon elaborate computerized procedures known as algorithms to compare the prices of various investments and then buy or sell particular stocks or sectors if they appeared undervalued or overvalued compared with historical norms. As a result, the programs tended to be most active in markets that were already moving. They could therefore accelerate or even exaggerate steep advances or declines.

Impact The recession or depression that many observers feared would occur in the wake of Black Monday did not materialize. No great number of businesses failed, and unemployment rates did not jump, although Wall Street financial firms did lay off about fifteen thousand workers. While stock market officials expected that individual investors would avoid the market for years, such fears ultimately proved unfounded. Some investors, particularly inexperienced ones, did avoid the market, but only for a few years. Only about 20 percent of household financial assets in 1987 were tied up in stock, and most of that was indirectly owned through pension plans or mutual funds. The stock market did not prove to be a leading economic indicator.

However, Black Monday did dramatically reduce both the number of companies planning to go public and the amount of cash available for other firms to raise in the equity market. On Black Monday, 229 businesses had filed papers with the SEC declaring their intention to issue public stock for the first time; about 45 percent abandoned those plans within nine months after the crash. This number of canceled initial public offerings (IPOs) was unprecedented. Stock market analysts estimated that each company that did not cancel its planned IPO raised an average of $7.2 million less than it would have done if the IPO had occurred before Black Monday.

The SEC had no clear sense of how to respond to Black Monday. The NYSE swiftly adopted new rules to control program trading. Capital requirements for specialists, who make a market in a given stock on the exchange floor, were increased, while both over-the-counter and standard trade processing were im-

Newspaper headlines across the United States announced the Black Monday stock market crash in October, 1987. (AP/Wide World Photos)
proved through computer programs. Many subsequent computer programs had built-in stopping points or “circuit breakers,” designed to limit huge losses. While Congress considered banning program trading, no such legislation was passed.

Further Reading


Caryn E. Neumann

See also Business and the economy in Canada; Business and the economy in the United States; Reagan, Ronald; Reaganomics; Television.

Blade Runner

Identification Science-fiction film

Director Ridley Scott (1937- )

Date Released June 25, 1982

Blade Runner’s groundbreaking design blended film noir and punk sensibilities, striving to portray a realist vision of the architecture, fashion, and technology of the future. Although its initial theatrical release was unsuccessful, the film garnered growing popular approval and critical reappraisal through videotape rentals. Through its eventual cult popularity and original design, it came to influence the look of countless science-fiction films that followed.

Fans of Harrison Ford were expecting him to act in Blade Runner like the wise-cracking action hero of Star Wars (1977), Han Solo; they were surprised and disappointed to see him play a downbeat, film-noir-inspired character. Rick Deckard is a former police detective living in a bleak, rain-soaked, shadow-filled, overcrowded, postmodern Los Angeles. His job was to hunt down and kill renegade replicants (biological androids) who had illegally come back to Earth in 2019.

The production had gone over schedule and over budget, reaching approximately $28 million, and director Ridley Scott had been forced to borrow footage from Stanley Kubrick’s The Shining (1980) to complete the original theatrical ending. As a result, he had lost control of the film to Warner Bros. studios, which decided to add an expository voice-over and other explanatory elements to the dense film, as well as tacking on a romantic happy ending.

Despite the film’s slow, standard plot and a plodding pace, its strengths lie in its visual design, including its cinematography, art direction, production design, and special effects. Art director David Snyder was assisted by a talented crew that included visual futurist Syd Mead, who also worked on Tron (1982), 2010 (1984), Aliens (1986), among other films. The goal of the design was to create a coherent, dense environment characterized by dystopian bleakness, alienation, and “terrible wonder” or “strange sublimeness.” Scott said he liked to give the eye so much to see in a film it was like a “seventy-layer cake.” Blade Runner’s design changed the look of science-fiction cinema as drastically as had Kubrick’s 2001: A Space Odyssey (1968) and George Lucas’s Star Wars before it.

The film also featured a thematically complex plot. It blurred the boundaries between hero and villain (Deckard sees himself as little better than a murderer, and the replicants are by turns inhuman and sympathetic), as well as between hunter and hunted and between artificial and human life. It also incorporated allegories of class and slavery and envisioned a bleak future meant to explore the excesses of 1980’s international conglomerates and the globalization of capitalism, while soberly pondering what it means to be human in the context of mechanized commodity culture. Like Star Wars before it, the film portrayed a future in which technology could be shabby rather than shiny, but it put a decidedly cyberpunk spin on this portrayal, influencing many of the near-future fiction and films that followed.

Impact In retrospect, Blade Runner can be seen as a distinctively postmodern film, in that it incorporates a pastiche of many different elements to assemble a vision of the future. As much film noir as science fiction, the film surmounted its component subgenres