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Specializing in Dow Theory and Cycles Analysis
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The History of Dow Theory

From the 1963 Encyclopedia of Stock Market Techniques
by Perry Greiner

We're always talking about Dow theory, but very few people actually know anything about Charles H. Dow or how his works became know as "The Dow Theory." I took the following information from the 1963 Encyclopedia of Stock Market Techniques. This piece was written by Perry Greiner and is a direct quote from the original material. I hope you enjoy the following background on Mr. Charles H. Dow and the evolution of his work.

In any anthology outlining the origin, development and application of what for more than 60 years has been known as Dow's Theory, it would be entirely appropriate to say at the outset that Charles H. Dow, in a very real sense, deserves designation as the father of modern financial journalism. Dow, against a background of reportorial training under two of the outstanding New England newspaper editors of the nineteenth century, transferred his base of operations to New York City from Providence, Rhode Island in 1880.

Following Dow's move to New York, he and Edward D. Jones, whom he had known in newspaper work in Providence, were employed by an organization engaged in gathering and disseminating financial and business news of the day.

As a result of this association: "In November 1882, Dow and Jones left the Kiernan News Agency to form Dow Jones & Company. Jones stayed with Dow in this new firm until his withdrawal on January 9, 1899, but lived for a score more years, dying in Providence in 1920.

"The first office of Dow Jones & Company was located at 15 Wall Street –'a ramshackle building next door to the entrance of the Stock Exchange.'"

One further indication of Dow's intimate familiarity with the Stock Exchange and the financial matters related to it is at least partially evidenced by the fact that for several years he personally was a member of that exclusive institution. The exhaustive research undertaken by Dr. George W. Bishop, Jr., in his effort to uncover every possible shred of information available regarding Charles H. Dow and the "Theory" which bears his name, reveals that, "on Christmas Eve, 1885, Dow became a member of the New York Stock Exchange and remained one until April 30, 1891, when the firm dissolved. Dow is not listed as a partner in the successor firm, Robert L. Goodbody & Company."

In his book The Stock Market Barometer, William Peter Hamilton touched briefly on Dow's membership on the exchange, explaining that the arrangement was partly at least an accommodation to Mr. Robert Goodbody until he became an American citizen, at which time Dow "returned to his more congenial newspaper work."

With Dow occupying the editor's post, the first edition of The Wall Street Journal, was published on July 8, 1889. From this rather inauspicious beginning The Wall Street Journal subsequently grew to be this nation's foremost gatherer and publisher of authoritative business and financial news, with Dow serving as its editor until his death on December 4, 1902.

It was sometime prior to the publication of the first issue of The Wall Street Journal in which mention is made of various stock averages – ranging in number from 12 to 60 issues – for which prices are given, dating back in one case as far as 1872. The best available information concerning the different series of averages, however, is contained in a book entitled The Dow-Jones Averages that was published by Barron's – another Dow-Jones & Company publication – in the early 1920's. A revised and more comprehensive edition of this book was published in 1946. Evidence derived from this latter source indicates that a 14-stock average was computed for over 10 months in 1885; a 20-stock average was compiled for a part of 1889; a 20-stock average was presented for the years 1890-1896, inclusive, and a 12-share composition was figured for part of 1896.

What these various combinations of indexes seem to imply is that from 1885 onward Dow was experimenting, searching, investigating the precise combinations of averages he was seeking, to depict the underlying trends of the market as a whole. His search evidently was concluded to his satisfaction when the calculation of dual – Industrial and Railroad – averages was initiated at the beginning of 1897. It was from this point, at any rate, that Dow's Theory as it is known today began to crystallize and to take its place in the field of business and stock market forecasting.

As to the biographical data of Charles H. Dow, Dr. Bishop's research discloses that he was born on November 6, 1851, in Sterling, Connecticut, on the homestead inherited by his father from his forebears who in turn "traced their ancestry to Henry Dow, who arrived in Boston in 1637…" The same source reveals that, at the age of 21, Charles H. Dow's first venture into the newspaper field was in 1872 with The Springfield (Mass.) Daily Republican, edited by Samuel Bowles. In 1875 Dow moved to Providence, Rhode Island, where he was associated with two newspapers before joining the staff of The Providence Journal, of which paper George W. Danielson was the editor. Dow served on the Journal from 1877 through 1879.

During the Summer of 1879, Dow was selected as one of three newspaper men to accompany a group of Eastern financiers and capitalists on an inspection trip to Leadville, Colorado, where the "Silver Rush" of 1879 in some respects rivaled the "Gold Rush" in California 30 years before. Dow's series of five "Leadville Letters," written for The Providence Journal on this excursion to the Rocky Mountain mining town, vividly describes a fascinating era in the conquest and development of the West.

Any student of Western History will find Dow's "Leadville Letters" to be a thoroughly thrilling and dramatic eyewitness account, that by comparison makes the scripts of many present-day movie and TV thrillers seem tame indeed.

"The 'Leadville Letters' also show Dow's preoccupation with financial matters," asserts Dr. Bishop and he goes on to state, "It is likely, too, that the trip to Leadville influenced Dow in his later writing on the business cycle." Dr. Bishop uses the following excerpt from Dow's letters to illustrate this point.

"All through 1878 people were crowding into Leadville. They needed food, clothing and shelter. Everyone who had either to sell could get his own price. There has always been great difficulty in getting places in which to do business. Today there is not a store or a house to rent in Leadville. In some stores half a dozen kinds of businesses are carried on, and the man who can hire a front window anywhere is content. One man who is doing business in a tent pays $100 a month ground rent; the proprietor of a variety theatre pays $1500 a month for the rude building which his patrons occupy."

Within a matter of months after returning from the booming mining town of Leadville, Dow made his move to Wall Street where his name, if not the history behind it, remains virtually a household word today.

Necessarily, in much condensed form the foregoing paragraphs touch lightly on Dow, the man himself, his journalistic training under outstanding editors of his day and his introduction to Wall Street and the New York Stock Exchange where, because of his fine schooling in newspaper work and his innate ability to grasp details and to make penetrating observations, he was able – through the stock averages he compiled and the Theory he propounded – to make a lasting contribution to the business and financial thoughts of all succeeding generations.

Dow's Original Hypothesis

Dow's original hypothesis evidently was not something that came to him in a single moment of inspiration. But rather, his concepts gradually evolved as he served and studied the countless facts, tips and rumors during his constant search for business and financial news, first for the Kiernan News Agency, and later after the firm of Dow Jones & Company had been formed and had commenced, the publication of The Wall Street Journal.

That Dow was a man of high principles and integrity is clearly indicated in Dr. Bishop's book wherein it is said that, "He made the rounds of the Street and it was recognized that the quiet financial reporter who took shorthand notes on his cuffs was turning routine financial reporting into expert financial analysis. Because of his service under Bowles and Danielson, Dow was already respected as a master journalist. His training and personality were such that the financiers he interviewed realized at once that he could be relied upon to quote them accurately, and that he could be trusted with news in confidence." Thus it is quite likely that Dow had access to sources of pertinent information not always available to less discreet financial reporters.

Speaking again of Dow's original hypothesis, it is obvious from his writings – gleaned mainly from The A B C of Stock Speculation – that, at some point subsequent to the time when the publication of The Wall Street Journal was initiated in July 1889, Dow became convinced that individual stocks, instead of fluctuating solely on the basis of each company's individual prospects (or the way these prospects were regarded by the speculative fraternity), were importantly influenced by the rising or falling tides in general business activity and the coincident bull or bear markets in stocks, all of which were a part of the same long term up or down cycle.

Other observers of the economic scene may possibly have arrived at the same conclusion as did Dow with respect to the fact that, over any extended period of time, stocks, as measured by an averaged group of representative issues, and general business activity, as measured by a comprehensive index of industrial production, tend to move in plainly discernible advancing or declining trends. It was wide public circulation. It was this fact, moreover, i.e., the tendency of both stocks and business to rise and fall together in well-defined and more or less periodic cycles, which caused S. A. Nelson to credit Dow with being the originator of this hypothesis.

S. A. Nelson's Contribution

As a reporter for The Wall Street Journal under Dow's stewardship, S. A. Nelson was impressed by the business and speculative concepts expressed by Dow in his editorial comments and in his verbal discussions of the economic affairs and problems of the late 19th century. That fact is emphasized quite clearly by its inclusion in Nelson's book The A B C of Stock Speculation, of which fifteen chapters are designated as "Dow's Theory" and are composed exclusively of excerpts taken from Dow's columns printed in The Wall Street Journal. Here then, so far as the records show, is the first use of the term "Dow's Theory" to describe the business and stock market principles and philosophy which Dow had – perhaps subconsciously – evolved. There is little evidence to suggest that Dow himself even vaguely considered that he was formulating a set of rules or precepts which could be adapted by investors, speculators and businessmen alike as a dependable, though not necessarily foolproof, guide to use in conducting their commercial and financial operations.

Aside from the fact that he was the first to bring together a collection of Dow's editorial writings and to recognize in them a continuous thread of repeated cyclical phenomena, in both stock price fluctuations and the rising and falling tides in general business conditions, Nelson unquestionably must likewise be credited with being the first to recognize the fundamental soundness and validity, as well as the enduring nature, of Dow's observations.

Nelson's contribution to Dow's Theory consequently consists of discovering the merits in Dow's observation and in giving them a name. Dow's basic principles have continued to function effectively in the more than 60 years since his death and throughout a period which has encompassed both the horse-and-buggy and the space ages; two world wars; the ascendancy of communism throughout the world; the vast changes in political, social and economic philosophies both at home and abroad, not to mention the long, long strides this nation has made away from the private enterprise system and toward a bureaucratic, welfare state. Considering the effective manner in which these complex changes have been fully analyzed and appraised over a long span of years, there is more than a little justification for believing that Dow's basic observations and the tenets resulting from them instead of being labeled a "Theory," might more correctly have been designated as "Dow's Law of Stock Price and Business Behavior." Factual evidence accumulated over a period of more than six decades lends rather strong credence to such a designation.

William Peter Hamilton's Amplification and Application

Next in line among the expounders of Dow's Theory was William Peter Hamilton, who also served as a reporter under Dow after a career as a newspaper man in England and South Africa. Hamilton's contact with Dow began in 1899 when he became a reporter for The Wall Street Journal, of which publication he was made editor several years following Mr. Dow's death. Between Dow and Hamilton, two men held the position of editor of The Wall Street Journal but neither, so far as the records show, became intrigued with or became enthusiastic proponents of Dow's Theory.

Nevertheless, about a year following Dow's death in December 1902, Hamilton commenced to write articles for The Wall Street Journal – mostly under the heading "The Price Movement" – wherein the movements of the Dow-Jones Averages were analyzed and discussed in terms of the investment or speculative outlook, and as related to business conditions in general. Over a span of more than 25 years, as reporter and editor, Hamilton penned more then 250 editorials for The Wall Street Journal and Barron's.

It was from the painstaking study of these expositions, plus the material collected by Nelson, in conjunction with Hamilton's book The Stock Market Barometer, that Robert Rhea, as will be explained later, was able to devise a series of useful and workable rules and definitions for the guidance of investors, speculators and businessmen generally, to aid them in determining the direction in which the broad tides of industry and stock prices were moving.

The Stock Market Barometer represented the earliest attempt to correlate the movements of the Dow-Jones Averages with the recurrent up and down trends in business activity. The aim was to do this in such a way as to provide business management with a usable tool for gauging the expansion or contraction in overall industrial activity.

Some writers contend that the business "barometer" aspect of the stock averages was an innovation conjured up by Hamilton and that it was almost completely foreign to the original concepts of Dow and the "Theory" which has long been credited to him. While there may conceivably be some grounds for the contention stated above, it perhaps should be borne in mind that in Dow’s day there were no recognized business indexes comparable to the Federal Reserve Board’s Industrial Production Index against which to make comparisons. Nevertheless, while Dow quite likely was focusing his attention on the "stock price averages" that he originated, the following quotation rather plainly indicates when it was written, but Dow did express his ideas in these words: "The panic of September, 1873, was a commercial as well as a Stock Exchange panic. (Emphasis supplied) It was the outcome of an enormous conversion of floating into fixed capital. Business had been expanded on an enormous scale, and the supply of money became insufficient for the demands made upon it. Credit collapsed and the depression was extremely serious."

On another occasion Dow said: "A correspondent writes: ‘Is it true that commercial or stock exchange panics are approximately periodic in their occurrence?’" He goes on to answer in this fashion: "The facts point distinctly in that direction, and there is reason back of the facts. (Emphasis supplied.) The reason is that the business community has a tendency to go from one extreme to another. As a whole, it is either contracting business under a belief that prices will be lower or expanding under a belief that prices will be higher. It appears to take ordinarily five or six years for public confidence to go from the point of too little hope to the point of too much confidence and then five or six years more to get back to the condition of hopelessness."

Against this necessarily cursory background, William Peter Hamilton – first as a reporter and later as editor of The Wall Street Journal – picked up the rather fine, and in some ways indistinct, thread which Dow had spun and proceeded to weave therefrom a useful piece of economic fabric which, since the early 1900’s, has provided countless numbers of businessmen, investors and speculators with a highly dependable combination of principles on which to base competent estimates and often extremely accurate forecasts of forthcoming major trends in both business and stock prices.

Hamilton’s role in the evolution of Dow’s Theory consisted mainly in picking up the loose thread left by Dow and, over more than a quarter of a century, working it into a recognizable and usable design for the guidance of future generations of persons concerned with the constantly changing fortunes of both business and stocks.

The value of Hamilton’s application of Dow’s fundamental precepts naturally increased as he gained experience in observing the day-to-day and year-to-year fluctuations of the dual Dow-Jones Averages and as he consequently had greater opportunity to compare their gyrations with the more or less coincident booms or recessions in business trends.

The Stock Market Barometer, in conjunction with more than 250 editorials in The Wall Street Journal and Barron’s comprises Hamilton’s written efforts to expound and delineate the workings of Dow’s original tenets. While not all of the editorial forecasts scored bull’s-eyes, and at least one missed the mark by a wide margin, most were amazingly accurate and the collection of written material on the whole demonstrates the efficacy of Dow’s original hypothesis and the reliability of the "barometer" he discovered. Hamilton’s most famous forecast was titled "A Turn in the Tide." It appeared in The Wall Street Journal for October 25, 1929, just two months before he died in December 1929.

That editorial called the turn to the most devastating business depression that the United States, and in fact the entire World, has ever known. It would be stretching the truth to infer that Hamilton foresaw the ultimate severity of the downtrends which had been set in motion at the time his October 25, 1929 editorial was written. He nevertheless did end that particular discussion in these words: "Some time ago it was said in a Wall Street Journal editorial that if the stock market was compelled to deflate, as politicians seemed so earnestly to wish, they would shortly after experience a deflation elsewhere which would be much less to their liking.

Up to the end of 1929, Dow’s Theory had developed as a result of the thoughts and efforts of three men, of whom the third – Hamilton – by his newspaper articles and book, did the most to publicize and popularize the Theory’s principles among the investment and business communities of the nation.

Later in this exposition the basic elements of the Theory, as it evolved over a period of more than 30 years, will be defined. Meanwhile, readers undoubtedly will find it interesting, as well as enlightening, to consider a few brief, but cogent, observations which flowed from Hamilton’s pen.

Early in his book Hamilton offers the thought that, "Dow’s Theory is fundamentally simple." A few pages later he asserts, "The Dow-Jones Average is still standard, although it has been extensively imitated. There have been various ways of reading it; but nothing has stood the test of which has been applied to Dow’s Theory. The weakness of every other method is that extraneous matters are taken in, from their tempting relevance. There have been unnecessary attempts to combine the volume of sales and to read the average with reference to commodity index numbers. But it must be obvious that the averages have already taken those things into account, just as the barometer considers everything which affects the weather."

"The law that governs the movement of the stock market, formulated here," said Hamilton, "would be equally true of the London Stock Exchange, the Paris Bourse or even the Berlin Bourse." In the 40-odd years since this idea was advanced, the computation of averages has been commenced in many, if not all, of the exchanges around the globe. And in many (London is a noteworthy example) of these foreign stock markets, Dow's principles are being applied.

After explaining the difference between a thermometer and a barometer, Hamilton added these thoughts, "But it is essentially the business of a barometer to predict. In that lies it's great value, and in that lies the value of Dow's theory. The stock market is the barometer of the country's and even the world's business, and the theory shows how to read it."

Further emphasis regarding the barometric qualities in the averages was supplied by Hamilton in these words: "The sum and tendency of the transactions in the Stock Exchange represent the sum of all Wall Street's knowledge of the past, immediate and remote, applied to the discounting of the future." Note here that probably the most significant words are "the discounting of the future," but in the same paragraph he went on to explain why: "There is no need to add to the averages, as some statisticians do, elaborate compilations of commodity price index numbers, bank clearings, fluctuations in exchange, volume of domestic and foreign trade or anything else. Wall Street considers all these things. It properly regards them as experience of the past, if only of the immediate past, to be used for estimating the future. They are merely creating causes of the weather predicted."

Parenthetically, it is worth noting that Hamilton's observations were made at a time when business was relatively free of government regulations. Within less than five years following Hamilton's death vast strides were made toward a so-called "planned economy." This fact, in its earliest stages was inaugurated with and characterized by such agencies and bureaus as the NRA, the AAA, the SEC, the NLRB, the CCC, the WPA, the CWA – to name but a few.

In the three intervening decades these original government agencies have been augmented with countless others, while a few have disappeared and some have been superseded. Some agencies have fulfilled their intended functions in a credit-able manner, while some – like the original AAA – have created more problems than they've solved, or at any rate, the problems have been magnified rather than diminished with the passing of the years.

Nevertheless, despite the man-made attempts to regulate the ebb and flow of the economic tides during the past thirty years, wherein one World War, one "police action" and an extended "cold war" have been interspersed, evidence is still lacking that the periodic economic cycle has been harnessed to the point where either the world at large, or the United States in particular, has entered an era in which the receding economic tides have been eliminated and perpetually rising tides have been guaranteed by legislation, executive decree or intensive governmental efforts at economic planning.

Under a subheading titled "The Deadly Hand of Politics," in discussing the panic of 1893 and the 10 prosperous years prior to 1907, Hamilton again may have been far more prophetic than he knew when he wrote: "Every man who knows anything foresaw what bureaucratic meddling and unintelligent regulation would do for the business of the country. It seems to me, if I am not wandering from my text, that this is largely what is the matter with the country now, war or no war, and that the stock market for two years past has been foreseeing some of the further consequences of fool politics." Hamilton continued to observe, "It may also be that in the impending improvement in business, already foreshadowed by the averages and the underlying investment demand shown in bonds, the market foresees some return to sanity, even if the indications in Congress at present are anything but encouraging."

What the intervening years have shown is that Hamilton was accurately peering far, far into the future when he spoke of "bureaucratic meddling" and "unintelligent regulation." Little did he realize the degree to which the next 40 years would bring, in steadily increasing doses, enlarged attempts (not only by Congress but also by other branches and agencies of Government as well) to regulate and control virtually all phases of human existence. Opinion is poles apart as to whether the changes that have been wrought since Hamiliton’s day have brought the United States, and the free enterprise system, to the brink of Utopia or oblivion.

Actually, since the advent of the "planned economy" concept, this nation has experienced several severe business recessions. And even as this is being written in early 1963, the President has stated that unless his tax-cut, tax-reform proposals are adopted in the form presented to Congress, a business recession is practically assured. Whether the foregoing projection is correct or not must remain for the future to reveal. The records show, however, that during the past three decades some roughly comparable estimates have been motivated more by political considerations than they were by fundamental economic factors.

Prior to the New Deal and prior even to the 1929 collapse, Hamilton offered this sage explanation for the recurrent booms and slumps in business and stock prices: "Prosperity will drive men to excess, and repentance for the consequence of those excesses will produce a corresponding depression." Up to this point in recorded history the evidence is inconclusive that the basic rules have been radically changed. The years 1961 and 1962 provided at least a partial corroboration of that.

One more excerpt from Hamilton’s pen will perhaps suffice to indicate his convictions regarding the usefulness of Dow’s tenets as an aid in navigating the probable course of future trends in business activity. Here is his terse comment: "There is no business so small that it can afford to disregard the stock market barometer. Certainly there is no business so large that it dare disregard it. Indeed the most serious mistakes in the management of great business have come from a failure of these navigators of the great liners of the sea of commerce to take heed when the passionless, disinterested stock market called their attention to bad weather ahead."

No critic of Dow's Theory was more fully aware of the known limitations of the stock market barometer than was Hamilton, for on numerous occasions in his book and editorials he stated that it was not a system for beating the market, nor was it a mathematically precise instrument, the use of which would enable the business executive to pinpoint the beginning or ending of each advancing or receding wave of industrial expansion or contraction.

Illustrative of his views on this subject is the following: "This is why the stock market barometer is so valuable. It makes little of cycles or systems, interesting and even well-grounded inferences or common fads. It uses them all so far as they are useful, together with every other scrap of information it is possible to collect. The market movement reflects all the real knowledge available, every day's trading sifts the wheat from the chaff. If the resultant showing of grain is poor, the market reflects the estimate of its value in lower prices. If the winnowing is good, prices advance long before the most industrious and up-to-date student of general business conditions can bushel up the residue and set it forth in his pictorial chart. Few of us can be Keplers or Newtons. But it is possible to formulate working rules which will help and protect any man in that forecast of the market barometer does. It makes no false claims. It admits highly human and obvious limitations. But such as it is, it can honestly claim that it has a quality of forecast which no other business record yet devised has even closely approached."

In much condensed form this section touches only certain highlights of Hamilton's vies, his ideas, his philosophy with respect to Dow's Theory and its usefulness as a barometer for reading business and stock market trends. Wherever possible, those interested in pursuing the subject intensively will find it edifying, and perhaps very beneficial, to read The Stock Market Barometer by William Peter Hamilton and his 252 editorials which comprise the Appendix of Robert Rhea's book The Dow Theory. Otherwise, what is written above does provide a thumbnail sketch of the way in which Hamilton applied and amplified Dow's original precepts during the period in this nation's history, when it was emerging from a largely craftsman-type business setup to a highly industrialized economy.

Robert Rhea's Codification and Explanation of Dow's Tenets

As the fourth in the sequence of individuals who became both exponents and propounders in writing of the principles originated by Charles H. Dow, Robert Rhea, in the Preface of his book entitled The Dow Theory, introduces himself in this way: "For more than ten years my business affairs have been conducted from my bed and my only recreation has been the study of business economics – particularly the trends of business and of the stock market; and either the Dow Theory or just plain luck caused me to buy a few stocks at the proper time in 1921 and prevented my owning any during the final stages of the 1929 uprush." Rhea went on to say, "Moreover, either the Dow Theory or luck caused me to carry a short account of small proportions during the two years after the crash. Thus my study has paid dividends, and if I can explain the theory as I try to practice it, others may be helped. I hope so, anyhow."

Elsewhere on the same page Rhea said, "I have no qualifications to justify my writing a book on the Dow Theory except a firm conviction that it is the only reasonably sure method of forecasting stock market movements."

To explain why Rhea's business was conducted from his bed, it would perhaps be appropriate to mention that, as a result of an accident suffered while in the Army during World War I, Rhea – though spending about 95% of his time in bed from 1918 until his death in 1939 – nonetheless was actively engaged in managing or helping to direct several business ventures. During the depths of the depression in the 1930's, Rhea assisted in working out plans for the successful liquidation and/or reorganization of several local institutions that in one way or another had come up on evil days. Actually, though his physical capacity to move about was severely restricted, Rhea spent more time on the job than do most able-bodied individuals – and the 35 – or 4-hour weeks was entirely beyond his comprehension.

Parenthetically, following the publication of The Dow Theory in the Summer of 1932, an increasing amount of Rhrea's time was spent in explaining, clarifying, propounding and teaching the principles of Dow's Theory. It was in November of that year that the constantly growing volume of personal correspondence resulting from his book literally forced Rhea into the ranks of professional soothsayers.

Aimed at lightening what proved to be a burdensome volume of mail requesting clarification, elaboration or current interpretation of points introduced in his book The Dow Theory, Rhea instituted, on November 12, 1932, a series of periodic letter titled Dow Theory Comment whereby it was hoped and expected that the need for individual answers to letters with old and new friends alike, but rather the volume reached the point where it was beyond the ability of one man to handle.

Incidentally, as will be indicated later, the series of Dow Theory Comment letter has been continued without interruption since Robert Rhea's death nearly 24 years ago.

Like his predecessors, Rhea made a significant contribution to the investment and business thinking of his time – and of the years that followed. Tens of thousands of men and women have read his original textbook on Dow's Theory and the two succeeding volumes which he authored in a further attempt to explain the usability of the Theory in the solution of individual investment or business problems.

As was to be expected, many hybrid-versions of the Theory have sprung up to capitalize on the name Dow Theory and the recognition it had achieved, in part at least as a result of Rhea's writings. Some of these versions, except for the use of the name Dow in their titles, bear little resemblance and pay little heed to the originally propounded concepts.

To conclude this personal part of the anthology, Robert Rhea – after seven years engaged in analyzing the stock market and business trends according to Dow's precepts – died on November 6, 1939, at the age of 53.

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