

## ABSTRACT

### “A STRING OF BUBBLES: TULIPS, THE SOUTH SEAS AND THE 1990’S INTERNET FRENZY”

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## ABSTRACT

This paper combines personal, practical, and scholarly perspectives on the Internet frenzy of the late 1990’s, along with lessons that might be gleaned from two of its bubble forebears: Holland’s Tulip Craze of the early 18<sup>th</sup> Century and England’s South Sea Bubble of a century earlier.

The paper includes some brief comments on the author’s own lengthy experience in Financial Services industry management, and then reviews, briefly, major history on the 17th Century Tulip Craze, the 18th Century South Seas Bubble, and then focuses largely on recent news and research on the Internet Bubble of the late 1990’s. The author’s concentration centers on extracting common themes and lessons to be gained from all three bubbles, especially concerning the fascination of their separate eras with several common elements:

- financial innovation
- blinding arrogance on the part of participants and observers
- a tendency to generate bubbles within bubbles
- a short-term focus, marked by large price spikes
- a desperate search for scapegoats
- stern post-bubble government hand-wringing.

While the above elements were common to all three bubbles studied, it is not clear how the pain and excess spawned by these bubbles might have been avoided.

