

★ Time Line Activity 9

Early Days of the Great Depression

Background

In October 1929, the stock market crashed, marking the end of six years of booming prosperity. The “crash” began on October 24, which came to be known as Black Thursday. By November, an estimated \$30 billion in stock values had “disappeared.” Before the October crash, 1.5 million people were unemployed, but in March 1930, that number had risen to 3.2 million. By November 1930, the streets of New York were crowded with over six thousand unemployed people who sold apples for five cents.

Despite assurances by President Hoover of a quick recovery, the situation continued to worsen. In January 1931, food riots began to break out in some large cities. In Minneapolis, hundreds smashed the windows of a grocery store and took off with canned goods, produce, and meat. Several hundred policemen were called in to control the riot. In March, three thousand unemployed workers marched on the Ford plant in Michigan. The police and company guards attacked, killing four workers. In December, the Bank of the United States in New York collapsed, losing over \$200 million in deposits.

The government took measures to help the economy, but their early efforts were largely unsuccessful. In January 1932, Congress established the Reconstruction Finance Corporation (RFC). The RFC was authorized to loan \$2 billion to banks and other companies. In New York, by April 1932, over 750,000 people were paid relief at an average of \$8.20 a month. An additional 160,000 were on a waiting list. In July, the RFC was authorized to lend money to states from the National Treasury.

Frustrated by what they saw as a lack of response by the government and President Hoover, the people wanted a change. In November 1932, they elected Franklin Delano Roosevelt by a landslide—22,800,000 votes for Roosevelt to 15,750,000 for Hoover.

DIRECTIONS: Use the background information above to create a time line about the early years of the Great Depression.

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1929
1930
1931
1932
1933

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CHAPTER 9