FIRING, NOT HIRING

BY NANCY HAYES

Sixteen-year-old Gordon Parks—who would later become an award-winning photographer, film director, musician, writer, and activist—was putting himself through high school by working part-time at an exclusive social club in Minnesota. In the fall of 1929, he recorded the events that changed his life:

"Market Crashes—Panic Hits Nation!" one headline blared. The newspapers were full of it, and I read everything I could get my hands on, gathering in the full meaning of such terms as Black Thursday, deflation, and depression. I couldn't imagine such financial disaster touching my small world; it surely concerned only the rich. But by the first week of November I too knew differently: along with millions of others across the nation, I was without a job. All that next week I searched for any kind of work that would prevent my leaving school. Again it was, "We're firing, not hiring." Finally, on the seventh of November I went to school and cleaned out my locker, knowing it was impossible to stay on.

Black Thursday, as October 24, 1929, came to be known, dramatically changed the lives of many people. As stock prices dropped lower and lower that day, speculators desperately cashed in their stocks for whatever they were worth. Stocks were selling for a small fraction of what people had paid for them. Many people who had invested heavily in the stock market lost large fortunes.

President Herbert Hoover tried to reassure the nation that what had happened on Wall Street was only a temporary problem. After all, the nation had experienced economic depressions before, in the 1870s and the 1890s. But the 1920s had been a boom time. People had started buying things such as cars and refrigerators on credit: They didn't have the money on hand to pay for these goods, but they agreed to make regular future payments. This system meant that some Americans were in debt even before the stock market crashed.

Most Americans, of course, owned no stocks at all, so they were not in danger of going bankrupt overnight. But five days later, Black Thursday led to Black Tuesday, when even more shares were traded at a fraction of their worth.

It was not long before one person's misfortune led to another's in a downward economic spiral. As people began to cut down on their expenses and to go without new clothes, furniture, and other goods, businesses that depended on those customers were affected. Owners and managers lost confidence in the economy. They postponed plans to expand; they reduced production levels, laid off employees, or closed stores and offices altogether.

As the situation worsened, people disagreed on the best way to help the unemployed. Hoover, for one, felt that people should be self-reliant. He believed that if the government fed and sheltered the unemployed, it would go into debt. Hoover was widely criticized for providing public funds to pay for food for farmers' livestock but not for human beings.

Hoover and his advisors tried to come up with other ways to help. The President's Organization on Unemployment Relief (POUR), for example, encouraged people to help the needy by sharing food. Unfortunately, the number of people who needed help was so great that this program had little effect.

By March 1930, millions of people across the country were unemployed. In the fall of that year, the International Apple Shippers Association decided to sell fruit to the unemployed on credit. For the next few years, men, women, and children selling five-cent apples on street corners became a familiar sight across the land.

Before 1933, no federal or state programs existed to help families in hard times. Unable to pay the rent or to find work, some people found themselves and their furniture on the sidewalk. In larger cities, the homeless congregated in abandoned lots and constructed makeshift "homes" of scrap wood. These growing communities were sarcastically called "Hoovervilles."

Banks stopped lending money. In 1930 and 1931, many banks failed, and customers lost all their money. (Today, the federal government insures people's bank accounts through the Federal Deposit Insurance Corporation.) People who had put cash away under mattresses and in coffee cans lived off their savings. Others borrowed from friends or relatives or were forced to go to private charities for help. Still others wound up begging for food on street corners.

Businesses and public institutions were also affected by bank closings and failures. The Empire State Building in New York City was completed in 1931, but remained half empty for several years. Some schools closed, and despite child labor laws, youngsters could be found working in factories to help support their families whenever jobs were available.

The worst year of the Depression came in 1932. One out of every four Americans came from a family that had no full-time breadwinner. By that fall, three years after Black Thursday, people were ready for a change. Many Americans had grown impatient with Hoover. They hoped that a new national leader might solve the riddle of the Depression. In his campaign for the presidency, Franklin Delano Roosevelt (FDR) promised to do just that. On Inauguration Day 1933, FDR stressed the need for immediate action.

The new president's efforts to end the Depression gave new hope to many people. The Great Depression, however, continued into the early 1940s. And even after the country had recovered fully, workers had found steady employment, and lack of food was no longer an issue, people never forgot the hardships they had suffered. The memories of the Depression left deep emotional, psychological, and physical scars on a generation of Americans.

Speculators are people who buy or sell something with an element of risk for a chance at a profit.