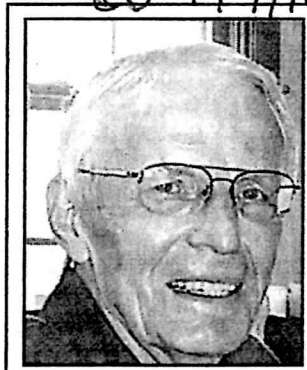


Washburn In The Great Depression—Part 1

By the end of the 1920s most people had accepted the reality that old Washburn with its busy docks, mills and quarries and bustling main street was gone forever. Facing an uncertain future, they consoled themselves with a dream of a new Washburn, to be created by the proposed St. Lawrence Seaway, connecting the Great Lakes to the Atlantic Ocean. Giving voice to this dream, one speaker at the 1929 Homecoming declared that the seaway would bring renewed prosperity to Washburn, predicting that "great wharves will dot our harbor and ribbons of steel will lie along the waterfront."

But Paul Ungrodt, former "boy mayor" of Washburn, introduced a strong dose of reality into such heady optimism about the future of the city. Washburn, he noted, lacked the factors that determine the locations of industry, particularly a well-developed rail network, such as those serving Ashland and Superior. Rather than the impossible dream of Washburn becoming a great port and industrial center, people should support what they already had, the Du Pont plant, agriculture, tourism and forestry. Like a faithful home town boy, he ended on an optimistic note, declaring that "I have great faith in my home town and I am proud of it. I know that things will go well if the citizens are determined that things shall go well."

But it would take much



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grim determination on the part of the people of Washburn just to make things "go," much less "go well," during the coming second decade of Washburn's modern history. A harbinger of the troubles to come was the great stock market crash of 1929, from Wednesday October 23rd through Thursday October 31st. There had been modest sell-offs earlier in the month, but nothing comparable to what occurred during these eight days. Thursday, October 24th, known as "Black Thursday," was the worst. During these eight trading sessions 70.8 millions shares were traded, more than almost any previous month, while the Dow Jones average declined by 53 points, or by a little more than 16%, and between October 23rd and November 13th, by 39%. Millions of people with small resources and no knowledge about the stock market, who were duped into buying stock on the margin with borrowed money, lost

everything when stock values plummeted. The big banks purchased huge blocks of stock to restore confidence in the market, and important people in business, finance, and government urged everyone to remain calm and adapt a positive, confident attitude. Economic indicators during the winter of 1929-30 were mixed, so could be interpreted as promising recovery or prophesying disaster. But by the spring of 1930 it was clear what was happening—the stock market slid downward and crashed, while all economic indicators began to line up and point in one direction: depression.

President Herbert Hoover's view was that the depression would be short-lived, "a temporary halt in the prosperity of a great people," and he issued optimistic statements to bolster the confidence of the public, particularly that of investors, in the fundamental soundness of the economy. The proper role of government, he asserted, was to encourage and support voluntary cooperation among business, labor, and government, a view he promoted at several conferences of representatives from these groups, held at the White House. But voluntary cooperation, even if it were wholeheartedly embraced by business and industry, which it was not, was of little avail in the face of the economic realities of the deepening depression, while state and local governments did not have the

financial resources to provide relief to the increasing numbers of unemployed and destitute. President Hoover finally took additional steps in an attempt to stem the tide, initiating public works projects such as Hoover Dam and providing loans to local and state government for relief.

But conditions continued to deteriorate, with 12 million people, or almost 24% of the work force, unemployed by 1932. People became disenchanted with President Hoover and his policies, even suspicious of his motives. Abandoning their traditional opposition to direct government intervention in the economy, the demand that the government "do something" became widespread. And a man who promised to do that, Democrat Franklin D. Roosevelt, was elected president in November of that year, overwhelmingly defeating Hoover, bringing the long reign of the Republicans to an end. What the new President and his experts, much less ordinary people, could not know was that this depression was not to be a short and sharp downturn, but a great world-wide economic and social disaster that would drag on for ten years. The people of Washburn, already accustomed to economic adversity, would struggle to preserve themselves and their community during the decade of the great depression.