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# 01

Research in  
economic and  
real estate

Volume 01

## Economic Timeline 1929-1974

March 2023

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# 01 Timeline

The common phrase is that history repeats itself. However, it is more likely that human behavior has repeated itself throughout history.

When it comes to analyzing historical economic data, I have always had trouble finding information that goes beyond the 1970's. This has always frustrated me because there is so much important data in the past economic and social events from the Great Depression of 1929 onward.

After searching through the stacks in The Strand bookstore in New York, I stumbled upon a book that was published in 1975 titled *The Economic Crisis Reader*. This book was a great first step in understanding a general timeline of social and economic events that took place both domestically and internationally from 1929-1974.

The cyclicalty of economics is evident when distilling patterns from the timeline below. A few noticeable patterns are: (i) labor strikes tend to be a good indicator of an economic downturn to present itself in the following 2-3 years, (ii) recessionary periods are often followed by external conflicts/war, and (iii) wage/price controls often occur during these conflicts. Boom → Internal Conflict → Bust → Policy → External Conflict → Policy.

Date	Description	Event Type
Sept. 1929	One month before the stock market crash, in a period of prosperity, 60% of Americans have incomes less than \$2,000 (\$35k in 2023), then estimated to be the bare minimum needed to supply the necessities of life	Economic Status
Oct. 1929	Panic on Wall Street as 16M shares are dumped on the market by desperate stockholders. Almost \$30M (\$528M in 2023) in paper value is wiped out by Nov. 13th (14 days after crash).	Economic Crisis
Jun. 1930	President Hoover signs the Hawley-Smoot Tariff Act, raising duties on 890 articles. This tariff helps set off a wave of economic nationalism leading to a breakdown in international trade.	Fiscal Policy
Dec. 1930	Bank of U.S. in New York folds; 400k depositors left stranded. During 1932 alone, more than 1.4k banks failed, an average of 4 per day.	Economic Crisis
Jun. 1931	Hoover proposes an international moratorium on war reparations and debts.	Fiscal Policy
May 1931	Failure of Austria's most powerful bank, Credit Anstalt, sets off crisis in Austria and Germany	International Economic Crisis
Sept. 1931	England goes off the gold standard.	International Monetary Policy
1933	Unemployment Reaches 13M with 25% of the labor force out of work. Wages are 40% less than 1929. Production stands at half the maximum 1929 volume	Economic Status
Mar. 1933	Franklin Roosevelt takes office. The famous first "100 days" starts in order to try to alleviate the depression.	Fiscal Policy
1934	Unemployment starts to drop, reaching low of 14% in 1937.	Economic Status

Date	Description	Event Type
Jul. 1934	General strike takes place in San Francisco	Labor Strike
1935	Roosevelt signs Wagner Act, giving the workers the right to self-organize, and the social security act.	Fiscal Policy
Nov. 1935	Workers strikes seen across the country. By May 1937, the government estimates that 500k workers had engaged in sit-down strikes since 1936.	Labor Strikes
Aug. 1937	A new business recession sets in. By 1938, 19% of the labor force is unemployed, despite New Deal measures	Recession
Dec. 1941	US enters WWII. Federal expenditures rise from \$12,8B in fiscal 1941 to about \$100B in 1945. Federal debt rises from \$49B in 1941 to \$259B in 1945. Unemployment drops from 16.5% in 1939 to 1.2% in 1944.	Global Conflict/War
1942	Wage and price controls and rent ceilings are put into effect. Nationwide gas rationing starts in Sept. 1942. Shoes, meats, fats, cheese and canned goods are among the items rationed. ATL and CIO agree not to strike during the war.	Fiscal Policy, Price Controls
Jul. 1944	Conference held in Bretton Woods, setting up postwar international monetary system, which survives until 1971	International Policy
Feb. 1946	President Truman signs Employment Act of 1946, the objectives of which are “to promote maximum employment, production, and purchasing power.”	Fiscal Policy
Nov. 1946	All WWII wage and price controls end, except of rents, sugar, and rice.	Price controls end
1946	Inflation runs rampant. CPI rises 23% from mid-1946 to mid-1947, paced by a 40% rise in retail food prices.	Economic Status (Inflation)
1946	Highest strike wave in the postwar period. Number of man days lost through strikes soars from 38M in 1945 to 116M in 1946.	Labor Strikes
Jun. 1947	The Marshall Plan enacted to help European economic recovery providing a first-year sum of \$5.3B.	International Monetary Policy
Jun. 1947	Taft-Hartley Act passed over President Truman’s veto. It reduces or eliminates many labor-union advantages.	Fiscal Policy
1948-1949	First postwar recession. Unemployment rises from a low of 3.4% in 1948 to a peak of over 6% in early 1950. Consumer prices fall 1.6% from Dec. 1945 to Nov. 1949. The federal budget falls to a post-WWII low of \$33B in 1948, down from almost \$100B in 1945.	Recession
Jan. 1950	Minimum wage is raised to 75 cents per hour.	Fiscal Policy
Jun. 1950	Korean War begins. Business on upswing. Military spending increases from \$13B in 1950 to \$44B in 1952. Unemployment falls to low of 2.9% in 1953.	Global Conflict/War
Jan. 1951	Wage and price freeze announced. In February, organized labor withdraws from Wage and Price Control Boards in protest of pro-business bias. Consumer prices rise by 11% between Jun. 1950 and Nov. 1951	Fiscal Policy / Price Controls / Inflation
Mar. 1953	Price controls official ended (wage controls having already been lifted in the previous month).	Price controls end
1953-1954	Mild economic recession lasting 13 months. GNP drops 4% between 2Q1953 and 1954. Unemployment rises to a peak of 5.8%. Consumer prices remain stable while interest rates fall.	Recession / Lower Interest Rates
1954-1957	Period of economic expansion. GNP grows to exceed \$400B in 1956. In 1957, Federal Reserve Board discount rate reaches 3.5%, which at the time represents a postwar peak. Also, that same year there are fewer strikes than any year since WWII.	Economic Expansion

Date	Description	Event Type
Mid-1957-1958	Severest Postwar Recession. Unemployment reaches a seasonally adjusted peak of 7.5% in Apr. 1958. Total industrial production drops 13%. CPI continues to rise slowly.	Recession
Oct. 1957	Soviet Union launches Sputnik I, the first earth satellite	Global Event
1958	Balance-of-payments problems begin to attract attention as US deficit exceeds \$3B.	Economic Status
Jul. 1959	116-day steel strike begins, longest in US history	Labor Strike
1958-1960	Expansion of economic activity that had begun in 1958 ended in the first half of 1960.	Economic Expansion
1960-1961	Fourth postwar recession gets under way. By Dec. 1960, unemployment rate shoots back up to 6.8%.	Recession
Feb. 1961	Recession “bottoms out” and economic recovery proceeds steadily, fueled by easy fiscal and monetary policy of Kennedy Administration. The longest post-WWII period without a recession follows, lasting from 1961 to 1970.	Economic Expansion
Feb. 1961	GE and Westinghouse found guilty of price fixing and bid rigging.	Business Event
Aug. 1962	Congress passes 7% investment credit, a tax cut for businesses.	Fiscal Policy
Oct. 1962	In a move to increase the world market for US goods, Congress passes the Trade-Expansion Act, giving the President more authority to reduce tariffs. Competition from Germany and Japan becoming a major worry.	International Policy
Jun. 1963	Rapidly growing employment of women reaches 23M. Kennedy signs bill for equal pay for equal work for women.	Fiscal Policy
Jul. 1963	Special presidential message to Congress on the growing balance-of-payment problem. Treasury to raise short-term interest rates to slow capital outflow.	Monetary Policy
Aug. 1963	Martin Luther King, Jr., leads 200k people on a march on Washington demanding jobs and freedom for African Americans	Historical Event
Oct. 1963	AT&T completes its third and longest trans-Atlantic cable, future expansion to be by use of satellite. By early 1964, US foreign investments have quadrupled since 1950	Economic Status
Feb. 1964	Massive tax cut is passed. Designed to stimulate the economy. Considered to be Keynesian economics’ finest hours.	Fiscal Policy
Mar. 1964	President Johnson calls for a full-scale “War on Poverty”	Historical Event
Jul. 1964	California becomes the most populous state in the US, surpassing New York. Reflection of rapid industrial development.	Economic Status
Feb. 1965	Prolonged US air strikes begin against North Vietnam. First acknowledged US ground troops are sent to Vietnam in March. US Troop build up peaks at 550k. Total government spending increases rapidly, going over \$100B by 1966. Total US cost of Vietnam war from 1965 to 1971 alone is estimated at \$120B.	Global Conflict/War
Mar. 1965	25% gold backing of bank reserves at Fed is eliminated as US gold supply continues to fall.	Economic Status
Apr. 1965	25k US troops are sent to the Dominican Republic to “stop Communism”.	Global Conflict
Aug. 1965	\$200M in property damage and 35 killed in Watts riot.	Internal Conflict

Date	Description	Event Type
Jan. 1966	President Johnson post record budget due to the “increased commitments in Vietnam” that has hindered advancement of the “Great Society”	Fiscal Policy
Feb. 1966	US Announces it will sell 200 tanks to Israel. It has already supplied similar tanks to Jordan.	Global Conflict
Apr. 1966	NY Central and Pennsylvania RR merge to form the Central Railroad. An example of the wave of business mergers in the 1960's, many creating giant conglomerates.	Economic Status
Aug. 1966	Crunch puts money markets in near crisis.	Economic Crisis
Aug. 1966	CPI hits record high; 1966 is the most inflationary year since 1957. From 1961 to 1965, prices rose 1-2% a year; in 1966, 3.3%. Unemployment falls below 4% for the first time since 1953.	Inflation
Sept. 1966	President Johnson increases minimum wage for farm workers to \$1.60 per hour.	Minimum Wage Increase
Oct. 1966	Congress approves \$55B defense budget.	Fiscal Policy
1967	Major strikes in auto and copper industries send work time lost due to strikes to highest levels since 1959.	Labor Strikes
Sept. 1967	Ghetto riots occur in more than a hundred cities. Over \$200M in property damage and 33 people killed in Detroit riot alone.	Internal Conflict
Jun. 1967	Six-day Mideast war. Suez Canal is closed.	Global Conflict/War
Sept. 1967	IMF and World Bank approve a plan to increase the world money supply by creating international monetary reserve, later to be known as SDRs. Reflection of growing economic troubles and growing instability in the international money markets.	International Economic Concerns
1968	Highest federal budget deficit since 1945.	Economic Status
Jan. 1968	President Johnson imposes mandatory restrictions on most direct investments overseas in order to curb outflow of dollars.	Fiscal/Trade Policy
Jan. 1968	President Johnson asks for legislation eliminating the requirement that 25% of US currency be backed by gold.	Monetary Policy
Mar. 1968	London gold market closed at the request of the US to halt heavy trading in gold. International financial crisis is intensified.	International Economic Crisis
Jul. 1968	Congress enacts President Johnson's 10% income-tax surcharge.	Fiscal Policy
Jan. 1969	Government report issued showing hunger and malnutrition widespread in the US.	Economic Status
Jun. 1969	Prime interest rate rises to 8.5%	Monetary Policy
Oct. 1969	150k GE worker's strike.	Labor Strike
Dec. 1969	Inflation growing rapidly. CPI up 6.1%, highest increase since 1947.	Inflation
1970	Congress passes legislation authorizing the President to freeze wages and prices. Nixon signs bill but says he will not use it.	Fiscal Policy/Price Controls
Mar. 1970	Postal workers strike for the first time in history.	Labor Strike

Date	Description	Event Type
May 1970	Invasion in Cambodia touches off massive and sustained anti-war protests.	Internal Conflicts
May 1970	Chairman of Federal Reserve breaks with Nixon and calls for wage and price controls.	Wage/Price Controls
May 1970	Dow-Jones falls to 631.13, its lowest point in several years.	Economic Crisis
Jun. 1970	Penn-Central files for bankruptcy, as fears of increasing corporate bankruptcies mount.	Economic Crisis
Sept. 1970	GM auto workers strike, beginning 67-day strike.	Labor Strike
1971	Balance-of-payments problem mounts. In 1949 the US held \$23.4B in gold; by 1971 it holds only \$10.1B in gold.	Economic Status
1971	US economy remains stagnant. Unemployment is hovering around 6%.	Economic Status / Unemployment
1971	US imports of goods exceed exports for the first time since 1888.	Economic Status
Mar. 1971	Interest rates continue to fall, reaching low in March. Falling interest rates, relative to Europe, increase dollar outflow and help deepen balance-of-payment problems.	Interest Rates Fall
Jun. 1971	Nixon announces 21-year embargo on trade with China	Foreign Policy
Aug. 1971	President Nixon announces a New Economic Program, including a 90-day wage and price freeze, budget cuts and a temporary 10% surcharge on imports.	Fiscal Policy
Nov. 1971	Phase II goes into effect. Limits wage increases to 5.5% and price increases to 2.5%.	Wage/Price Control
Dec. 1971	Dollar is devalued by 8.57%. First dollar devaluation since 1934. US rescinds 10% import surcharge.	Fiscal Policy
Jun. 1972	Britain floats the pound.	International Policy
Nov. 1972	England announces 90-day freeze on prices and wages	Foreign Wage / Price Control
Jan. 1973	Phase III begins – providing for “self-administrating” wage-price guidelines	Wage/Price Controls
Jan. 1973	Dow-Jones average hits record high at 1051.70.	Economic Status
Feb. 1973	Dollar is devalued by more than 10%, the second devaluation in fourteen months, raising the price of gold.	Monetary Policy
Mar. 1973	FX markets close in London, Brussels, Frankfurt, Amsterdam, Vienna and Tokyo, in the face of a new international monetary crisis.	International Economic Crisis
Jun. 1973	Phase III.5, a 60-day freeze on all prices except unprocessed agricultural products and rents, at June levels	Wage/Price Controls
Jul. 1973	Price controls lifted on all foods, except beef	Wage/Price Controls End
Oct. 1973	New Mideast war breaks out. Saudi Arabia cuts production 10%. Arab states cut all oil shipments to the US. Persian Gulf oil producers announce largest price hike in history & boycott Europe.	Global Conflict/War

Date	Description	Event Type
Oct. 1973	US National Bank of San Diego collapses.	Economic Crisis
Nov. 1973	Airline flight cut and employees laid off due to energy crisis.	Economic Status
Nov. 1973	Nixon orders a 15% nationwide reduction in gas deliveries to wholesalers and retailers, and a speed limit reduction to 50 mph	Fiscal Policy
Dec. 1973	Truckdrivers blockade highway in protest of rising fuel prices	Labor Strike
Dec. 1973	Japanese declare Economic Emergency and Tanaka puts an “austerity” budget into effect for 1974.	International Economic Crisis
Jan. 1974	Nixon issues Energy message that includes mor stringent taxation on foreign profits of oil companies.	Fiscal Policy
Apr. 1974	Wage-price controls expire.	Fiscal Policy
May 1974	Treasury offers \$300M in bonds paying 8.5%, the highest rate since the Civil War.	Monetary Policy
May 1974	Franklin National Bank announces it had lost \$39M in foreign currency. Federal Reserve begins to pump in funds to keep bank solvent.	Economic Crisis
Jun. 1974	Major banks raise prime rates to 11.75% from 8.5%	Monetary Policy
Jun. 1974	Big West German Herstatt bank liquidated, setting off reaction in Western banking circles.	Economic Crisis
Aug. 1974	West German Chancellor Helmut Schmidt announces a \$2B grant to Italy to bail her out of financial crisis.	International Monetary Policy
Sept. 1974	Unemployment begins sharp rise to 5.8%, up from 5.4% in August.	Unemployment
Sept. 1974	August CPI rose 1.3%, the largest monthly increase since 1947, with the exception of periods immediately following lifting of price freezes.	Inflation
Oct. 1974	Franklin National Bank declared insolvent and sold to the European-American Bank & Trust Co.	Economic Crisis
Nov. 1974	Unemployment rises steeply, up to 6.5% from 6.0% in October.	Unemployment
Dec. 1974	Layoffs hit auto industry. By January an estimated 300k out of 700k blue-collar auto workers will be out of work. Unemployment rises to 7.1%	Unemployment

