

II.G.8

The Other Side of Modernity

The Great Depression of 1929 – Worldwide aspects of an historic economic meltdown

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Die Weltwirtschaftskrise von 1929 hat Regierungen ins Wanken gebracht und Gesellschaften zerrüttet. Die in englischsprachigen Ländern als „Great Depression“ bezeichnete Wirtschaftskrise von 1929 hatte globale Auswirkungen. Sie trug zum Aufstieg der Nationalsozialisten in Deutschland, zur Abschaffung der Demokratie in vielen europäischen Ländern und zu einem weitverbreiteten Wandel in Wirtschaft, Handel, Gesellschaft und Kultur bei. Die Weltwirtschaftskrise gilt als ein Meilenstein auf dem Weg in den Zweiten Weltkrieg.

KOMPETENZ

Klassenstufe: 10 (G8), 9–11 (G9)

Dauer: ca. 10 Unterrichtsstunden

Kompetenzen: Die Grundlagen der Konjunktur verstehen; den „Schwarzen Freitag“ und seine unmittelbaren Folgen beschreiben; Auswirkungen der Krise auf verschiedene Staaten (Schwerpunkt: Deutschland und USA) erläutern und beurteilen; gesellschaftliche, politische und kulturelle Folgen der Krise nachvollziehen; einen historischen Vergleich mit den Krisen von 2008 und 2020 ziehen

Thematische Bereiche: Wirtschaft; (Welt-)Wirtschaftskrisen; globale ökonomische Zusammenhänge; Verknüpfung zwischen Wirtschaft, Gesellschaft, Kultur und Politik

Medien: Texte, Statistiken, Schaubilder, Gedichte, Gemälde

The reasons for the crash on "Black Thursday"

The crash which happened on Thursday, the 24th October 1929, cannot be understood without knowing its background and previous history. After the USA had won World War One together with the allies, the US economy started to expand and prosper¹. Since 1922, the boom of the economy became almost all-encompassing²: Both industry as well as agriculture experienced billions of dollars of investments, price increases and a growth in employment. This development led to very high expectations among ordinary people, many of whom now started to try their luck and bought shares in promising companies. Especially the new industries like car manufacturing, the chemical industry or the oil industry promised huge rewards and big dividends for shareholders. The result was excessive expectations. As early as 1925 the state of Florida experienced a housing boom which was not matched by the demand for real estate³ and thus led to a smaller crash there.

Alongside the individual shareholder, the big banks now started to invest in shares in companies. There were hardly any restrictions by the state, so the speculation quickly got out of hand. Many people overestimated the demand for new products. The real buying power of many Americans still lagged behind the production of goods. This meant an overproduction took place, thus flooding the markets with products which were hardly sold to anyone. When the mismatch between production and demand became obvious to the shareholders, many of them started to sell their shares because they wanted to get as much money out of them as was possible. The stock market thus experienced a surge in supply and a loss in demand which led to a fall in stock market prices. When everyone became aware of this, thousands of both ordinary people and investment banks started to sell their shares. On "Black Thursday", the 24th October 1929, this sell off reached a new level. During the following weeks, the stock market lost up to 40 % of its wealth. Many people "broke"⁴. Because many shareholders had bought their shares using bank loans, and were now unable to repay them, the banks got into trouble, too. They fell into a panic and stopped giving loans to companies. This in turn led to a credit crunch⁵, rendering many companies without money. To avoid bankruptcy, they started to fire their workers. Those workers then could not afford to buy anything but the most important goods. A downward spiral had begun.



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¹ **to prosper** = prosperieren, sich gut entwickeln

² **all-encompassing** = allumfassend

³ **real estate** = Immobilien.

⁴ **to go broke** = in Konkurs gehen, pleitegehen

⁵ **credit crunch** = Kreditklemme

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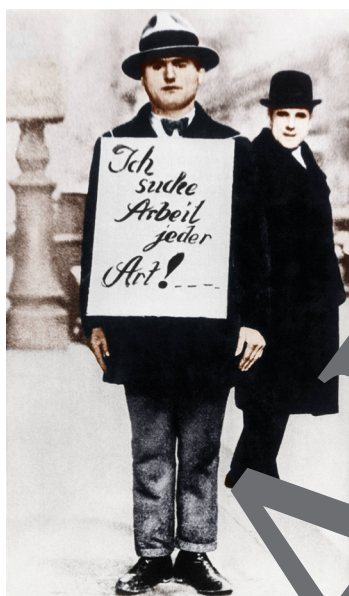
The everyday life of ordinary Germans during the crisis

For many Germans, the economic crisis of 1929 meant the loss of their job, their income and their financial security. Moreover, many people became depressed and lost their belief in the democratic system. Some reacted by voting for extremist parties or searching for scapegoats. Others just continued their everyday life, hoping for a better future to come.

Tasks

1. Analyse the picture. Which impression does it convey about the feelings and the living conditions of unemployed Germans in the 1930s? Work with a partner.
2. Describe and explain the experiences of Dorothea Günther during the economic crisis.

German unemployed man in 1931/32



© picture alliance / ullstein bild | Archiv Gerstenberg

Dorothea Günther and her memories of her first steps of her working life

"At Easter 1932, and thus at the time of the peak of the economic depression, I joined 'professional life'. I was lucky to be one of the few who – obviously because of my good diploma from business school – immediately found a job. [...] On Easter Sunday I had an impressive sum of money for the first time of my life – I earned! I bought a huge bunch of flowers for my mum and lots of Easter eggs for myself. At that time, I started to walk around the city with open eyes. During my daily walk to the Alexander Platz I recognised the long queues in front of the job centre: people who lined up early in the morning to get their unemployment benefits. [...] Edith, a friend of mine [...], told me how fast the unemployed got into poverty and misery. Her family made this experience. Many of my then classmates and friends neither got a job nor support. When I walked next to all the unemployed, I became aware of our privileged existence since I grew up in a family of civil servants. [...] [In my next job] I earned 80 Marks which was a lot. Other young women earned only 60 Marks. [...] I was happy and proud of this wage. My self-confidence grew. [...] I was able to do as I wanted with [most of] the money."

© Dorothea Günther: *Berufseinstieg während der Weltwirtschaftskrise 1932*. In: <https://www.dhm.de/lemo/zeitzeugen/dorothea-guenther-berufseinstieg-waehrend-der-weltwirtschaftskrise-1932.html>. Last accessed 9th July 2020. Translated, shortened and amended by Henning Kulbarsch.

The New Objectivity displaces Expressionism

Roughly between 1900 and 1920, the art style of Expressionism dominated art and literature. Expressionists wanted to show their own inner feelings and emotions. Their main aim was to strike the viewer's or the reader's emotions. He or she should be touched by the Expressionist paintings, poems or books. There was thus a strong focus on emotions like happiness, sadness, anger, lust and anxiety.

5 The historical background to this art style was the beginning of a new century which brought with it huge expectations for new technologies, hobbies and societal changes. When the devastation caused by World War One came to an end in 1918, Expressionism came to an end, too.

The writers and artists of the New Objectivity wanted to objectively portray the reality as they saw it. They did not like the overly emotional and personal aspects of Expressionism. Instead, they preferred

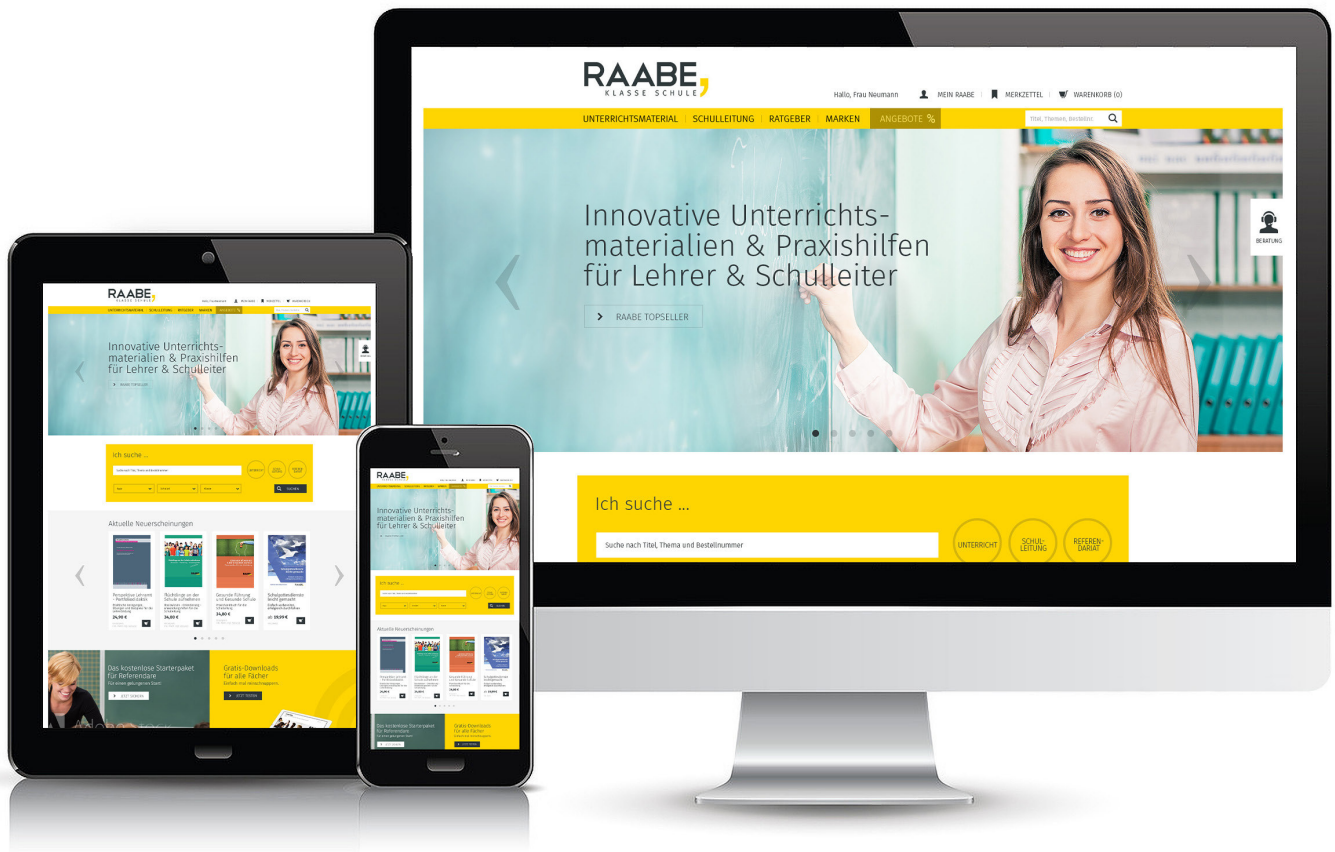
10 to portray the new reality of the 1920s – and especially the time of the economic crisis in 1929 – in a sober¹, objective and almost emotionless manner. Many of their paintings and writings dealt with unemployment, poverty, misery, hunger, and other aspects of the crisis. The paintings of the New Objectivity often used dark colours to support the impression of bad and hard times. One example for this new art style is the painting "Arbeitslose" by the German painter Käthe Kollwitz (1902):



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¹ **Sober** = Nüchtern.

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