Impact of the World Economic crisis on Weimar Germany

Major crisis – felt throughout the world except in the soviet union
- Germany suffered more than any other country – American loans and investment dried up – demands for repayment of loans came almost immediately
- Decline in the price of food and raw materials
- Demand for exports collapsed – world trade slumped
- Germany industry could no longer pay its way
- Wages fell and number of bankruptcies increased
- See pg.122 for statistics and numbers
- Germany had fundamental economic weaknesses before the wall street crash:
  - Balance of trade was in the red i.e. in debt
  - Number of unemployed averaged 1.9 million even before the wall street crash
  - Many farmers were already in debt and had been facing falling incomes since 1927
  - German government finances from 1925 were continually run in deficit
- Probable that Germany faced serious depression without the Wall Street Crash – merely the occasion not the cause

The Human effects of the great depression
- Winter 1929-1930 unemployment rose to over 2 million and only 12 months after the crash it had reached 3 million
- January 1932 – 6.1 million – this figure didn’t dramatically fall until spring 1933 – statistics do not account for unregistered or part-time workers
- Few families escaped the effects of the great depression
- Manual industrial workers skilled and unskilled – faced long-term unemployment – impossible to feed families and keep homes warm on limited social security benefits
- Depression also dragged down middle class – small shopkeepers and well-qualified professionals in law and medicine - little demand for their goods and services – loss of pride and respectability
- Agricultural depression deepened – widespread rural poverty – some farmers had to be evicted from homes that had belonged to family for generations
- Banks closed their doors
- Many ordinary Germans felt society was breaking down – lost faith in Weimar and sought more extreme options

The political implications
- In Germany, one in 3 workers was unemployed in 1933 and by 1932 industrial production had fallen by 42% of its 1929 level