

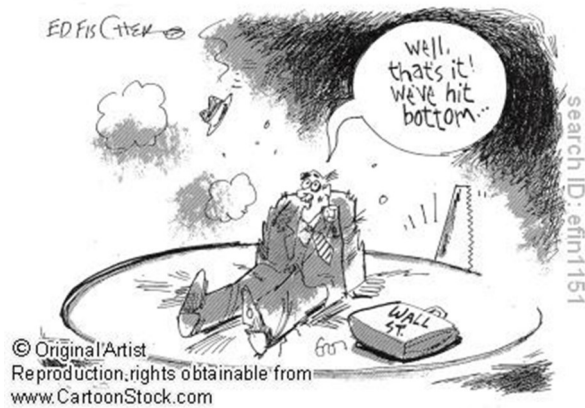
Why do you think the Golden Years officially came to an end in 1929?



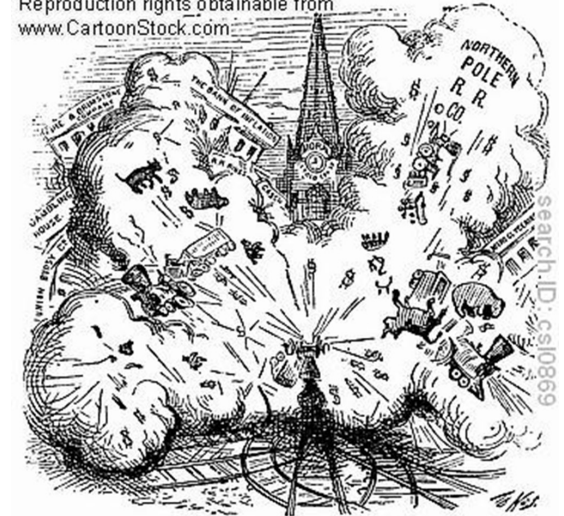
Shortly before Gustav Stresemann died in 1929 he stated:  
"The economic position is only flourishing on the surface. Germany is in fact dancing on a volcano. If the **short-term credits** are called in, a large section of our economy would collapse."

What can you learn from the source about the German economy in 1929?

Write as many words/phrases as you can to describe the event these pictures are illustrating around this page



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THE "LONG" AND "SHORT" OF IT IS A  
GENERAL "BUST" UP IN THE "STREET"

# The Wall Street Crash

- In **October 1929**, share prices began to fall on the Wall Street Stock exchange
- Falling shares meant people's investments fell in value
- Worried about losing money, people rushed to sell their shares before their value fell any further
- On '**Black Thursday**', **24 October 1929**, 13 million shares were sold
- This panic selling made things worse, and sent prices even lower
- Shares worth **\$20,000** in the morning were worth **\$1000** by the end of the day's trading
- Within a week, investors had lost over **\$4000million**

These are the different ways in which Weimar Germany was affected by the Wall Street Crash. Create a key and colour code the cards into three categories: social effects, political effects, and economic effects. Some may overlap!

- |  |  |  |
|--|--|--|
| 1. Banks were major investors in shares and suffered huge losses. German banks lost so much money that people were worried they would not be able to get their money out of the bank. People rushed to get their money back- some banks ran out of cash! | 5. German and American banks both desperately needed the money they had lent to businesses returned. German companies were dependent on these loans, and many were forced to close as a result. German industrial output fell and unemployment rose. | 9. The coalition of parties which the Weimar Government relied upon collapsed in 1930, leaving Brüning to govern by decree. Brüning passed 44 decrees in 1931 and 66 in 1932. The crisis continued to worsen, and people lost confidence in the Weimar Republic.   |
| 2. The middle classes lost the most in Germany - their savings, their companies, and their homes   | 6. The crash had caused a worldwide depression, so it was difficult to sell goods abroad, causing further problems for Germany's economy   | 10. The Chancellor of the Weimar Government, Heinrich Brüning, proposed raising taxes to pay the cost of unemployment benefit whilst at the same time reducing unemployment benefit to make payments more affordable for the Weimar government. Many Germans, understandably viewed this as incredibly unfair. |
| 3. As unemployment rose, demand for domestic goods fell as people could not afford to buy things, so unemployment rose further. This created another vicious circle and undid Stresemann's hard work.  | 7. Right-wing parties, the middle classes and the wealthy opposed the idea of raising taxes to pay for unemployment benefit  | 11. Left-wing parties and the working classes opposed the idea of lowering unemployment benefit payments   |
| 4. Workers became unemployed   | 8. The unemployed roamed the streets, and some joined the private armies of the political parties. Violent clashes became common. 500 people were killed or wounded during a seven week period during the 1932 elections                             | 12. Brüning had to resign in 1932. He had lost control of the Reichstag, the economy, and the people on the streets. His resignation left a dangerous power vacuum for a new leader to fill  |



Extension task:

- ♦ What can you learn from these sources about the effects of the great depression in Germany? Answer in your books.

Source A



Source B

|                |                      |
|----------------|----------------------|
| September 1928 | 650,000 unemployed   |
| September 1929 | 1,320,000 unemployed |
| September 1930 | 3,000,000 unemployed |
| September 1931 | 4,350,000 unemployed |
| September 1932 | 5,102,000 unemployed |
| January 1933   | 6,100,000 unemployed |

Source C

Four private armies, with knives, revolvers and knuckle-dusters rampaged through the towns- the SA of the Nazis, the Red Front of the KPD, the Sozi of the SPD and the Stalhelmer. The Reichswehr (the army) were nowhere.

Kurt Ludecke, an eyewitness, reporting in 1930