

# Betty Scholem on the Depression (August 1931)

## Abstract

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In the second half of 1931, a banking crisis exacerbated the already dire economic situation in Germany. The bankruptcy of Nordwolle, a wool and yarn producer in Bremen, created enormous difficulties for creditors, particularly the Darmstädter und Nationalbank (Danatbank) and Dresdner Bank. The announcement that Danatbank would be closing its doors on July 13, 1931, led to a run on other banks as well. As a result, the German government designated July 14 and 15, 1931, as bank holidays and put restrictions on the kinds of transactions that savings banks and other financial institutions could carry out. These restrictions remained in place until August 5 (in some cases until August 8, 1931). The government also introduced currency controls. In this excerpt from a letter Betty Scholem wrote to her son Gershom, who had emigrated to Palestine in 1923, she describes the effects of the banking crisis on the family business. The Scholem family had run a successful printing business, which was continued by Gershom's two oldest brothers after the death of Gershom's father, Arthur Scholem in 1925. His widowed mother moved into her son Erich's apartment in 1931, as she describes in this letter. Both Erich and his brother Reinhold emigrated to Australia in 1938, where Betty followed them a year later.

## Source

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Zernsdorf, August 4, 1931

My dear child,

Your letter of the twenty-second arrived on the thirtieth. Meanwhile, you should already have received two letters from me describing the terrible situation. Technically, I'm in no position to give you a *complete* picture of the collapse, which you'd need in order to really understand what's happening. The year 1930 was still a good one. We were a bit in the red; but given more or less normal business, we still hoped to make it up eventually. We never would have taken such a long trip if we'd had an inkling that such a crisis lay ahead!! It hit us like a catastrophe. An enormous fall in the demand for price tags caused our debts to swell. Just as all business came to a halt, the bank failed; so there was no one to speak to. The banks went into a government holding company, which showed no interest in the debts of „customers.“ All of this happened at once. It looks as if we'll lose everything. It's cold comfort to know that the entire commercial sector is in the same position and that more shops are going under than staying afloat. Since everywhere you look there's desert, you see no chance to plant anything new. The situation is desperate. [...]

I cannot continue to maintain my own house and household—this much seems certain. A pity, isn't it? My mama, hardly a wealthy woman, at least died in *her own* apartment. Of all the possible alternatives left to me, moving in with Erich seems the best. Hermine is leaving on the first of September, and Martha will move into her room. As long as we can still keep the house, I want to stay in my own apartment. For now, the rent of 170 marks is still easy to come up with. Martha helps with the cleaning, and for lunch I go upstairs. I make my own breakfast, and evenings I'm mostly out. As an innocent victim of Germany's crisis, I will have to place my existence upon the famous „other basis“ and enjoy the last good thirty years of my life like a fine-tasting stew.

Even though *at the moment* things aren't so bad that I have to give up the household, they could reach that point at any time. I'll ask you now if you could use anything, because it takes two to three weeks to get a letter back from you. Selling things amounts to giving them away. I'll let Werner have what he can

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take; other things can be stored in the attic of the Fregehaus. It's impossible to send furniture to Palestine, isn't it? Shipping and taxes are expensive, and who can pay them? You must bear in mind that we have *nothing*. [...]

With kisses, Mum

Source: Gershom Scholem, *A Life in Letters, 1914–1982*. Ed. and trans. Anthony David Skinner. Cambridge: Harvard University Press, 2002, pp. 193–94.

Source of original German text: Betty Scholem and Gershom Scholem, *Mutter und Sohn im Briefwechsel 1917–1946*. Edited by Itta Shedletzky with Thomas Sparr. Munich: Verlag C.H. Beck, 1989, pp. 243–44.

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