

The Course of the Great Depression (1929-34)

Abstract

The stock market crash in New York on October 24, 1929 resulted in the withdrawal of American loans from abroad, which had also financed the economic upswing of the “golden 20s” in Germany. The stock market crash in the USA escalated into a global economic crisis, which hit Germany particularly hard due to its dependence on foreign loans and investments. Both the German government and large companies were heavily in debt and could no longer obtain loans when the banks collapsed in the wake of the global economic crisis. Companies either filed for bankruptcy or laid off large numbers of employees. In the years from 1929 onwards, mass unemployment emerged, affecting millions of people in Germany. This reached its highest level in 1932, when around 5.6 million people were registered as unemployed. At the same time, industrial production in Germany (as in the USA) fell by 40%. This table traces the course of the global economic crisis in Germany using statistical data on production and employment as well as prices and wages in the years 1929 to 1934 and in comparison to 1928.

Source

The Course of the Great Depression (1928 = 100)

	1929	1930	1931	1932	1933	1934
Goods and Services						
Industrial goods	103	86	61	46	54	77
Capital goods	103	84	54	35	45	75
Consumer goods, elastic demand (a)	97	91	87	74	80	90
Consumer goods, inelastic demand (b)	101	101	95	85	88	98
Employed	99	92	80	71	74	85
Prices and Wages						
Capital goods	102	101	96	86	83	83
Consumer goods	98	91	80	67	64	67
Cost of living	102	98	90	80	78	67
Real wages	101	97	93	87	91	95

(a) Where income fluctuation has a disproportionate impact on demand (luxury goods).

(b) Where income fluctuation has a disproportionate impact on demand (everyday goods).

Source: *Sozialgeschichtliches Arbeitsbuch*, Volume III, *Materialien zur Statistik des Deutschen Reiches 1914–1945*, ed. Dietmar Petzina, Werner Abelshäuser, and Anselm Faust. Munich: Verlag C.H. Beck, 1978, p. 84.

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