1931 – Crisis or Crises?

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Three modes of contagion of endogenous crisis

1. Contagion through Fear
2. Contagion through effect of financial flows on portfolios
3. Contagion through short-term capital movements
Cross Deposits from Austria in 1931

- 1929: $15,000,000 ANB credit for CA’s take-over of BCA (Weber, p. 479)

- 1931: UK: $6,000,000 to London (3 NMR, 2 Japheth, 1 Anglo-Int. [formerly Anglo-Austrian])

- 1931: US: $1,000,000 New York

BoE OV28/75
PRO FO 371 / 15155 / C 9468
Two Loans

- League of Nations Loan: guaranteed by UK, F, I etc.
- Gold Loan: guaranteed by Austrian government
Three Separate Crises?

- Germany: Currency Crisis – Public Debt
- UK: Currency Crisis – Trade
- US: Banking Crisis
• Loss of Credibility to defend Gold Standard

• Continuity of trends does not mean lack of impact

• Qualitative analysis and qualitative analysis need to complement each other