



THE ERA OF CRISES

# GERMANY 1919-33

# Germany 1918-19

- Reparations burden; strictures of Versailles
- Defeated, but not crushed
- Economy exhausted, dislocated
- Social problems: Demobilisation; reconversion
- Socialist ascendancy; right-wing back-lash
- Law and order restored: SPD-Reichswehr combination

# The Weimar Constitution

- Establishment of legislative supremacy: Chancellor as HoG;
- Proportional Representation to avoid single-party domination; impossible to obtain functional working majority
- President repository of emergency powers in case of *staatsstreich* (paralysis);
- Major powers remained with the provinces

# Weimar Politics

- Weimar Republic founded in moment of crisis
- Reichswehr and the Dolchstoss legend
- Versailles popularly construed as a betrayal
- All parties while outside the government denounced Versailles; in power, all but the Nazis conformed to it
- Deep suspicion of politics of left, aggravated by botched leftist uprising in Bavaria



# Weimar Politics - ii

- Weakened foundations of democracy; SPD single-largest party consigned to opposition
- Burden of reparations undermined finances of successive Weimar governments
- Germany resorted to 'fulfilment,' printing currency, devaluing Mark → hyperinflation
- Further undermined democracy, since no govt could salvage situation



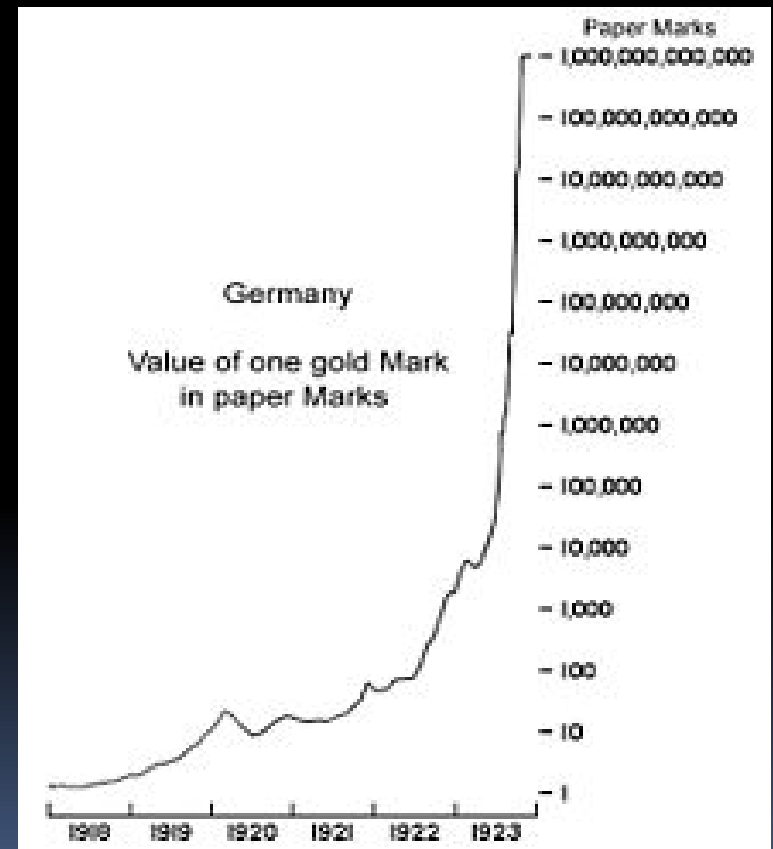
# Weimar Economy – Crisis of Confidence

- Germany fought war on loans from the market plus printing money → inflationary pressure
- Reparations sequestered resources, prevented economic recovery
- Demobilisation + reconversion → massive unemployment, disguised unemployment, wages pushed down for middle and lower middle class
- Working class militancy, trade unionism goes communist, hurts small entrepreneurs of middle and lower-middle class origins (small industrialists, artisans, farmers)
- Persistent Inflation weakened middle class; hyper-inflation killed them

# Weimar Economy – Hyper-inflation

Date:                      German Marks needed  
to buy one ounce of gold

Jan 1919.....	170.00
Sept 1919.....	499.00
Jan 1920.....	1,340.00
Sept 1920.....	1,201.00
Jan 1921.....	1,349.00
Sept 1921.....	2,175.00
Jan 1922.....	3,976.00
Sept 1922.....	30,381.00
Jan 1923.....	372,477.00
Sept 1923.....	269,439,000.00
Oct 2, 1923.....	6,631,749,000.00
Oct 9, 1923.....	24,868,950,000.00
Oct 16, 1923.....	84,969,072,000.00
Oct 23, 1923.....	1,160,552,882,000.00
Oct 30, 1923.....	1,347,070,000,000.00
Nov 5, 1923.....	8,700,000,000,000.00
Nov 30, 1923.....	87,000,000,000,000.00



# Weimar Economy – Hyper-inflation of 1922-23- ii



- Wiped off bank loans of rich capitalists
- Consolidated big business, wrecked small enterprise
- Increased labour militancy
- Wiped off middle class savings altogether



# Weimar Economy: Recovery 1925-29

- Dawes Plan restructured Reparations burden
- Pumped US capital behind new currency Rentenmark,
- Stresseman's charm offensive – Locarno
- Honeymoon ends in 1929



# Weimar Society: Anatomy of a Crisis

- Middle class = Mittelalter + Mittelstand
- Mittelstand hit hardest by inflation and then hyperinflation
- Small-town middle class worst of all
- Threatened by the rise of social democracy in the 1890s, sought release in nationalism and then the war
- Experience of the war pronounced nationalist positions;



# Weimar Society: Anatomy of a Crisis

- Economic hardship pronounced apprehensions of socialist ascendancy alongside downward mobility of the middle class – status anxiety
- Demanded regulation of the economy in defence of private property (i.e. neither socialist nor capitalist)
- Slump of farm prices of 1926-28 pushed conservative agrarian middling farmers into common cause with small town urban middle class
- → Ascendancy of the right wing as the political centre collapsed; Nazis make hay
- 4 seats in 1924; second largest party in 1929 and largest party by 1932
- Parliamentary deadlock, President assumes emergency powers during 1930-32, but relents in 1933, appointing Hitler

