

Committee Overview

Inaugurated in the aftermath of the First World War and the abdication of Kaiser Wilhelm II, the German Reichstag served as the primary legislative governing body of the Weimar Republic. As part of a bicameral legislative body, the Reichstag dealt with national matters while the less significant Reichsrat investigated regional conflicts.ⁱ Election by direct proportional representation- a system that awards representatives to a party based on percentage of the population that voted for that party- allowed for the mainstream political thought to be injected with contentious and radical ideologues. German politics were fractured with various parties jockeying for electoral dominance.

Though Reichpräsident Hindenberg hamstrung the Republic's authority in its later years, the Reichstag was intended to represent the nation and deal with issues such as taxes, foreign policy, and domestic policy.

Comprised of many parties varying in both size and ideology, coalitions were required to facilitate governance. However, as interpreted by period politicians, the Reichspräsident could veto any unfavorable laws and dissolve the Reichstag in a case of national emergency. The early years of the republic were marked by frequent attempted *putsches*, or coups, by both radical extremes of the political spectrum.ⁱⁱ Thus the nascent Reichstag sought to establish order in the post-war chaos beneath the specter of authoritarian powers.

I. Political Radicalization

Government Organization

The Treaty of Versailles organized the new German government similarly to that of Great Britain's, using a parliamentary system to determine the amount of power each of the multiple political parties had, which is a multi-party system of government that has delegates from a large number of parties representing smaller percentages of the populous. This system also generates alliances between parties

to create majorities sufficient for passing legislation. There were seven significant parties while the Weimar government was in power, all having essential similarities and differences that led to various alliances and rivalries.¹ The political party with the most influence was the Social Democratic Party of Germany. It never held a full majority of the vote, but it held the largest vote out of all of the other political parties, and therefore had a larger say than any other single party in the Parliament. The party focused on striking a balance between the various parties and various extremes on either end of the political spectrum.² The German Democratic Party

¹ "Weimar - Strengths and Weaknesses," GSCSE Bitesize, accessed August 26, 2014, <http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarstrengthweakrev1.shtml>.

² "The Political Parties in the Weimar Republic," Deutscher Bundestag, last modified March 2006, accessed August 21, 2014, <https://www.bundestag.de/blob/189776/01b7ea>

was very progressive, and had a platform that aligned with the people in charge of reorganizing the government, which gave them influence in that process, especially with the constitution. The party's platform included the separation of church and state and restricted government involvement, and the party was the largest advocate for democracy.³ The Centre Party represented Catholics in Parliament, and was led by Matthias Erzeberger. The party wanted to protect the Catholic Church and Catholic Germans, and had a very wide spectrum of political views. The party generally supported Catholic ideals at the time, including the preservation of religious schooling, strictly Christian marriages, and Church autonomy, but because of its wide base, its members had no single platform to unify under. Heinrich Brüning was a member of this party in 1930.⁴

[57531a60126da86e2d5c5dbb78/parties_weimar_republic-data.pdf](https://www.bundestag.de/blob/189776/01b7ea57531a60126da86e2d5c5dbb78/parties_weimar_republic-data.pdf).

³ Ibid.

⁴ Ibid.

The German People's Party represented heavy industry and the upper classes in Germany. It was not as supportive of the Weimar government, as it called for a much stronger central government, and even experienced a movement towards authoritarian radicalism in the mid-to-late 1920s.⁵ The party reached its height in 1923 with the rise of Gustav Stresemann as the chancellor of the Weimar Republic.⁶

Some of the Parties represented in Parliament actively protested their own government. The Independent Social Democratic Party of Germany, formed by Hugo Haase, falls into this category, having split off from the Social Democratic Party of Germany after a diplomatic dispute with

⁵ Ibid.

⁶ Marjorie Bloy, Dr., "Weimar Germany 1919-1933," A Web of English History, last modified November 11, 2013, accessed August 21, 2014, <http://www.historyhome.co.uk/europe/weimar.htm>.

Friedrich Ebert over ending World War I.⁷ This party became the second largest in Parliament, holding a loosely Marxist platform and supporting dissent within the Weimar government for the majority of the government's duration. The Communist Party of Germany actively advocated for the destruction or overthrow of the Weimar government. Led by Rosa Luxemburg and Karl Liebknecht, the party wanted Germany to follow Russia's footsteps and gained a lot of influence after the global depression in the 1930's.⁸ The National Socialist German Workers' Party, also called the NSDAP, became the most notorious political party from the Weimar era. It originated in 1919 as a party that represented the lower middle class in Munich, who had suffered a loss of social status due to the many economic struggles during that time period. The party grew in recognition when it began violent anti-Semitic

⁷ "The Political Parties in the Weimar," Deutscher Bundestag.

⁸ Ibid.

and nationalistic protests in 1921, which was the same year that Adolf Hitler became a leader in the party. The party caused so much turmoil that it was temporarily banned and Hitler incarcerated after an uprising in a Munich Beer Hall in 1923.⁹ These events all led up a powerful and growing dissent within Germany, with a lot of the outcry over unfair treatment after World War I being redirected at social minorities as well as the Weimar government.

Growing Dissent

With the acceptance of the Treaty of Versailles by German leadership after World War One came significant unrest within Germany over the treaty's unfair terms to the German people. This included a war guilt clause, limits to navy and army size, and other

⁹ "Nazi Party," History.com, last modified 2009, accessed August 26, 2014, <http://www.history.com/topics/world-war-ii/nazi-party>.

terms designed to weaken Germany.¹⁰ After these restrictions, and the subsequent public outcry against the "November Criminals," the government was considered an illegitimate across most demographics, and many people refused to abide by its decisions, especially the acceptance of the Treaty of Versailles.¹¹ The consequences of this dissent first materialized in 1919, with Communist uprisings in Berlin and Bavaria.¹² Communism was considered to be a hopeful alternative for the Germans that had been suffering from economic inequality and instability. In 1920, a nationalist politician named Wolfgang Kapp created more unrest when he led a group of soldiers into Berlin to attack the new

¹⁰ "Weimar - Problems 1919-1923," BBC Bitesize, accessed August 21, 2014, <http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarproblemsrev1.shtml>.

¹¹ Bloy, "Weimar Germany 1919-1933," A Web of English History.

¹² "Weimar - Problems 1919-1923," BBC Bitesize.

government, known as the Kapp Putsch.¹³ The regular army principally refused to put down the rebellion, not only showing the weakness of the new government, but also forcing the government officials to flee the city. The government eventually regained control, but relocated to Weimar, Germany, which is the reason for the name, Weimar Republic.¹⁴

Between protests against specific political leaders, Communist rebellions, and growing anti-Semitism, the numerous issues facing the Weimar government made it a challenge for them to maintain control from growing radical groups for a long period of time, especially with the organization of its government. France also involved itself in the conflict after Germany failed to pay its reparations from World War I. The French government punished the default by militarily

¹³ Bloy, "Weimar Germany 1919-1933," A Web of English History.

¹⁴ Ibid.

occupying the industrial region known as the Ruhr in 1921.¹⁵ This led to government supported strikes and protests in the region, and further increased the turmoil in the nation as a whole.

Conclusion

The many problems that faced the Weimar Republic has created a perfect environment for political unrest and extremism. This combination of governmental weakness and strength of new ideologies helped to create a perfect storm for political extremism and upheaval. It is necessary to look at Germany's political turmoil to come up with the solutions that could have kept Germany from continuing on such a dangerous path. The German population had to be brought back under control, and the different radical groups had to be quieted. The true challenge to this situation comes from having to balance all of the different conflicts and issues that

¹⁵ Ibid.

Germany faced with limited resources and limited time. As members of the Weimar government, you are responsible for responding to the needs of the German nation with decisive, thorough actions to help Germany stabilize and recover from the war and recent years of chaos.

Questions to Consider

1. Do the freedoms granted by the current Weimar Government make it impossible to suppress dissent and have a functioning government?
2. Should the government allow leaders like Hitler take control of the government or should they resist the will of the people?
3. Is it the place of the government to resist change in public opinion in the face of extremism?
4. Will you consider oppression of political dissent over trying to solve the economic problems at hand?

5. Which groups require the greatest numbers of resources to be dealt with? How do you determine proper resource allocation?
6. Are some of the groups correct in their complaints about the current government? Should their protests lead to substantial change?

Works Cited

- A+E Networks. "Nazi Party." History.com. Last modified 2009. Accessed August 26, 2014.
<http://www.history.com/topics/world-war-ii/nazi-party>.
- BBC. "Weimar - Problems 1919-1923." BBC Bitesize. Accessed August 21, 2014.
<http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarproblemsrev1.shtml>.
- Bloy, Marjorie, Dr. "Weimar Germany 1919-1933." A Web of English History.

Last modified November 11, 2013.
Accessed August 21, 2014.
<http://www.historyhome.co.uk/europe/weimar.htm>.

Deutscher Bundestag. "The Political Parties in the Weimar Republic." Deutscher Bundestag. Last modified March 2006. Accessed August 21, 2014.
https://www.bundestag.de/blob/189776/01b7ea57531a60126da86e2d5c5dbb78/parties_weimar_republic-data.pdf.

Shirer, William L. *The Rise and Fall of the Third Reich*. New York, NY: Simon and Schuster, 2011.

"The Weimar Republic (1918 - 1933)." Deutscher Bundestag.
Accessed August 22, 2014.
https://www.bundestag.de/htdocs_e/artandhistory/history/parliamentarism/weimar.

"Weimar Republic and the Great Depression." History Learning Site.
Last modified 2005. Accessed August 26, 2014.
http://www.historylearningsite.co.uk/weimar_depression_1929.htm.

"Weimar - Strengths and Weaknesses." GCSE Bitesize.
Accessed August 26, 2014.
<http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarstrengthweakrev1.shtml>.

Recommended Sources

German Bundestag- Political Parties in the Weimar Government
BBC Bitesize- Problems Facing the Weimar Republic
European History- Weimar Republic (1919-1930)
The Rise and Fall of the Third Reich

II. Economic Troubles

Background

Emerging from the mustard-gassed ashes of World War I, the Weimar Republic immediately found itself saddled with crippling national debt and an inflation rate soaring out of control. The German economy teetered on the brink of collapse while poverty and unemployment sharply rose. Germany needed a scapegoat to allay the national shame felt by its fall from grace as an international powerhouse. Some radical nationalists branded the government as November Criminals, referring to the date of the source of the nation's economic maladies: the Treaty of Versailles.ⁱⁱⁱ

Drafting the treaty following the Armistice signed in 1918, the Allied Nations unilaterally dictated the terms of Germany's surrender. Delegates from various countries involved in the Allied war effort arrived in Versailles to deliberate the eventual treaty, with the leaders of Great Britain, France, and

the United States at the helm. Revenge dominated the mindset of the French, as it had sustained heavy casualties and infrastructural damage during the war.

Though privately Lloyd George of the British preferred more lenient terms for Germany in the interest of staunching the flow of Communism, publicly he too pressed for punitive measures.^{iv} Woodrow Wilson, in failing health and waning public support, acquiesced.

The terms of the treaty staggered the Weimar diplomats upon viewing it for the first time. Under the Treaty of Versailles, Germany accepted responsibility for starting WWI and began to pay exorbitant reparations to the Allied Powers. France and Belgium received the largest fractions, as most of the fighting occurred inside their country. Furthermore, Germany lost all overseas colonies as well as select mainland territories.^v France received the disputed Alsace-Lorraine territory on the west edge of Germany and extended a demilitarized zone deep into the

Rhineland. To add insult to injury, the treaty required Germany to accept the guilt for starting the war. This aspect brought enormous national shame to a proud nation. Lastly, Germany's military was shacked and reduced to such a level that left the state at the mercy of its neighbors. Such were the terms of the Treaty of Versailles, and Germany was in no position to refuse.

Reparations

The payment of reparations imposed enormous amounts of stress on the Weimar Republic and threatened the nation's stability both domestically and abroad. Internally, many Germans detested the imposed fines of the treaty and grew agitated towards their government that paid them. The final sum of reparations measured 132 billion gold-backed Marks.^{vi} Notably, however, this amount was strictly nominal, and divided into three categories of bonds. Germany was only mandated to pay 'A' and 'B' bonds, which

totaled 50 billion Marks.^{vii} This sum was largely punitive and intently calculated to capsize Germany's industrial might. Payment could be made in money or in materials but many economists speculated this was beyond the means of the weakened Germany. The first payment was to be made in 1921 to the tune of 500 million Marks. Germany supplemented their inability to pay exclusively with cash with coal and building materials from their industrial heartland: the Ruhr region.

Germany maintained scheduled payment of reparations until January 1923, when, at the height of the hyperinflation pandemic, they simply did not have the capital to make the payment. France and its economy relied heavily on these reparations, and in an attempt to forcibly extract them the French invaded the Ruhr.^{viii} Occupying the industrial district, the French believed they could coerce Germans into continuing manufacturing. However, soon Germany became united in mind and spirit against the invasion of the

Ruhr. Labor workers refused to cooperate with their Merovingian occupiers, and began passive resistance. Production in Germany ground to a halt, and soon many laborers found themselves without a functioning job. The Weimar Republic feared unemployment more than the invasion as the Communist Revolution in 1918 relied on the pent up tensions of the working class to instigate their rebellion.^{ix} To prevent such a reoccurrence, the government quickly signed for the prolonged payment of benefits to keep workers and their families sustained. To pay for this, more Marks were printed out en masse by the Reichsbank, resulting in critical spike in national inflation.

Recognizing the debilitating burden of the reparations, and realizing realistically that the Allies would be unable to repay their debts without the influx of Weimar reparations, Charles Dawes of the United States intervened on the behalf of Germany.^x Establishing a plan between Germany and the Allies, eponymously known as the Dawes

Plan, Dawes introduced a system in which the U.S. lent Germany money to energize their economy, generating more income to pay its creditors who would in turn reimburse the U.S. for loans made during wartime. For a time, this system alleviated the pressure on Germany to pay its fines, and the Allies lowered the magnitude of the reparations over the subsequent years. Germany, through the Dawes Plan, bonded itself with the US and entered into a period of economic prosperity known as the Goldene Zwanziger, or the Golden Twenties. Consequently, however, the Weimar Republic grew inextricably tied to the U.S. economy. When the effects of the Great Depression reached Europe, Germany's reliance on American money proved disastrous for both the people and government.

Hyperinflation

Following the Armistice in 1918 and peaking in 1923, the German Mark, the national currency, sharply fell in value as the

economy experienced unsustainable inflation. The Allies mandated that Germany pay their reparations in the form of gold-backed Marks and goods, a condition that exacerbated the tensions on the fragile Weimar Republic.

These problems stemmed from 1914 where, anticipating a short war in favor of Germany, Kaiser Wilhelm decreed that, instead of instituting new taxes to pay for the war, the Mark would be severed from its gold-backing and the war would be entirely financed by borrowing money.^{xi} Therefore, since the German Mark had lost value compared to other European currencies based off the gold standard, the amount nominally owed was effectively increased in converting to a gold-backed currency.

To deal with this predicament the Reichsbank, helmed by Dr. Rudolf Havelstein, simply printed more Marks.^{xii} The prevailing wisdom of the time saw no issue with the increased circulation, and in the beginning the inflation was manageable. As some economists reasoned, a devalued Mark

would increase Germany's competitiveness against other nations. Germany would regain her former industrial prowess and begin rebuilding herself as a regional superpower.

In 1921, Germany delivered their first payment of Marks and coal to its various Allied creditors. Immediately following the payment the Mark declined in value, and confidence in the economy's stability was shaken. In order to maintain savings many Germans began transferring their assets from paper notes to tangible goods such as pianos, jewels, art, and furniture.^{xiii} As payments continued, the government lost money and the Mark lost value, and soon Germany fell behind on material production. Ultimately, it no longer possessed the capital to continue settling the reparations. The invasion of the Ruhr in early 1923 stalled the economy and brought the Mark to its lowest point, at a ratio of around 1 trillion Marks to a single prewar Mark. Inflation and reparations worked in tandem to incapacitate the Germany ability to

work and produce goods. Money became essentially useless.

Amidst the ruinous straits of the economy, Hjalmar Schacht, Director of the Darmstadt & National Bank, offered a radical solution in the form of the Rentenmark. Turning economic theory on its head, Schacht suggested a monetary reset: replacing the worthless Mark with a currency linked to the prewar gold standard.^{xiv} Despite not having the gold to back it up, and being rooted in mortgages and bonds, the Rentenmark proved to be a 'miracle cure'. Twelve zeros were cut from the currency, and the economy began moving again.^{xv} The population accepted and embraced the new currency, with seemingly no detriment to the economy. American investment as part of the Dawes Plan strengthened the budding currency, and the Rentenmark was replaced by the long-term Reichsmark, which was similarly linked to gold. For a time, the Republic stabilized and entered into half a decade of prosperity.

Conclusion

When considering reparations and hyperinflation, one is tempted to think of them as independent issues occurring at separate times during the Weimar Republic. In reality, the issues happened concurrently and often found themselves interwoven through the time period. Reflect on the political roadblocks and limitations faced by politicians and investigate, if unfettered, what actions could have been taken. Understanding the nuances of these events will prepare for an uncertain future.

Questions to Consider

1. How did nationalistic feelings reflect themselves in dealing with reparations?
2. Could Germany have realistically paid reparations? What if they had cooperated with the French during the invasion of the Ruhr?
3. How did interaction with the Soviets impact the German economy?

4. Why did Germany continue to print new money instead of curtailing inflation?
5. Should Germany have imposed new taxes to increase revenue?
6. In what ways did political instability contribute to the economic woes of the Weimar Republic?
7. What other proposed solutions were there for reducing the hyperinflation, and could aspects of these plans have been effective?

http://en.wikipedia.org/wiki/World_War_I_reparations

4. Hyperinflation in Weimar Republic, and some solutions:

http://www.pbs.org/wgbh/commandingheights/shared/minitext/ess_germanhyperinflation.html

Works Cited

BBC. "Weimar Problems." Bitesize History. Last modified October 2007. Accessed November 22, 2014. <http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarproblemsrev1.shtml>.

Recommended Sources

1. Analysis of the Treaty of Versailles, and its effects on the German nation: <https://www.youtube.com/watch?v=6YJfOZkriyk>
2. Explanation of the Rentenmark: <http://www.forbes.com/2011/06/09/germany-gold-standard.html>
3. General Overview of Reparations after WWI:

Goodman, George J.W. "German Hyperinflation, 1923." In *Paper Money*. N.p.: n.p., 1981. Accessed November 22, 2014. http://www.pbs.org/wgbh/commandingheights/shared/minitext/ess_germanhyperinflation.html.

Lewis, Nathan. "In Hyperinflation's Aftermath, How Germany Went Back to Gold." *Forbes*. Last modified June 9, 2011. Accessed November 22, 2014. <http://www.forbes.com/2011/06/09/germany-gold-standard.html>.

Rapten, Perma Dechen. "Political Disorder."
The Interwar Period and its Effects
on the World.
<https://www.mtholyoke.edu/~rapte22p/classweb/interwarperiod/politicaldisorder.html>.

Ritschl, Albert. "Reparations, Deficits, and
Debt Default: The Great Depression
in Germany." Working paper, London
School of Economics, June 2012.

Suddath, Claire. "Why did World War I Just
End?" Time. Last modified October 4,
2010. Accessed November 22, 2014.
<http://content.time.com/time/world/article/0,8599,2023140,00.html>.

"Weimar Republics Constitution." History
Learning Site.
http://www.historylearningsite.co.uk/weimar_republic_constitution.htm.

ⁱ "Weimar Republics Constitution," History Learning Site,
http://www.historylearningsite.co.uk/weimar_public_constitution.htm.

ⁱⁱ "Weimar Problems," Bitesize History, last modified October 2007, accessed November 22, 2014,
<http://www.bbc.co.uk/schools/gcsebitesize/history/mwh/germany/weimarproblemsrev1.shtml>.

ⁱⁱⁱ *Ibid.*

^{iv} Perma Dechen Rapten, "Political Disorder," The Interwar Period and its Effects on the World,
<https://www.mtholyoke.edu/~rapte22p/classweb/interwarperiod/politicaldisorder.html>.

^v *Ibid.*

^{vi} Albert Ritschl, "Reparations, Deficits, and Debt Default: The Great Depression in

Germany" (working paper, London School of Economics, June 2012), [Page 6].

^{vii} *Ibid*

^{viii} Claire Suddath, "Why did World War I Just End?," Time, last modified October 4, 2010, accessed November 22, 2014,
<http://content.time.com/time/world/article/0,8599,2023140,00.html>.

^{ix} George J.W. Goodman, "German Hyperinflation, 1923," in *Paper Money* (n.p.: n.p., 1981), accessed November 22, 2014,
http://www.pbs.org/wgbh/commandingheights/hared/minitext/ess_germanhyperinflation.html.

^x Suddath, "Why did World War I Just," Time.

^{xi} Goodman, "German Hyperinflation, 1923," in *Paper Money*.

^{xii} *Ibid.*

^{xiii} *Ibid.*

^{xiv} Nathan Lewis, "In Hyperinflation's Aftermath, How Germany Went Back to Gold," Forbes, last modified June 9, 2011, accessed November 22, 2014,

<http://www.forbes.com/2011/06/09/germany-gold-standard.html>.

^{xv} Ibid.