

To what extent did inflation from 1921 to 1924 in the Weimar Republic lead to the rise of
Adolf Hitler?

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To what extent did inflation from 1921 to 1924 in the Weimar Republic lead to the rise of Adolf Hitler?

Section A: Plan of Investigation

From the year 1921 to 1924, the Weimar Republic was going through a period of economic distress with the deutschemark reduced to 100,000,000 times its original value. This investigation focuses on the role of hyperinflation on the rise of Adolf Hitler and the Third Reich. The impacts of hyperinflation on society, such as changes in the social classes, were linked to an increased animosity towards the government, thus setting the stage for the rise of Hitler. First, the evidence from various sources was summarized and two of the sources, A.J. Nicholls, *Weimar and the Rise of Hitler* and a Nazi propaganda poster, were analyzed based on their origins, purposes, values, and limitations. These were assessed when looking at how these sources support the investigation by analyzing different aspects of the collapsing economy. All of the summarized evidence was then analyzed and a conclusion was formulated.

Section B: Summary of Evidence

Weimar Republic

- The Republic was formed in 1919.¹
- This caused tensions between radical parties.²

¹ Buse, K. Dieter, Doerr, C. Juergen, *Modern Germany Part 1* (New York and London: Garland Publishing, 1998), 1055-1056. The National Assembly drafted Germany's republican and democratic constitution. The constitution did not change the basic ideals of German federalism, but reduced Prussia's influence in public affairs.

Ruhr Occupation of Germany

- Germany refused to pay reparations.³
- France occupied the Ruhr Valley and said they would take the fruits of the German's labor as repayment.⁴
- The German workforce went on strike by refusing to work.⁵
- The Government supported the strikes and continued to pay the workers.⁶
- This causes hyperinflation.⁷

Hyperinflation in the Weimar Republic

- Inflation started out as normal wartime inflation and escalated to hyperinflation due to poor decisions made by the German government.⁸

² Ibid. The communists wanted a dictatorship and the Nazis wanted a fascist, totalitarian state. The National Assembly decided a parliamentary democracy was the answer.

³ Williamson, D.G., "Great Britain and the Ruhr Crisis" in *British Journal of International Studies*. (Cambridge University Press, 1977), 70-91.

⁴ Roosevelt, Nicolas, "The Ruhr Occupation" in *Foreign Affairs*. (Council on Foreign Relations, 1925), 112-122.

⁵ Ibid.

⁶ Williamson, "Great Britain and the Ruhr Crisis" in *British Journal of International Studies*, 75-80.

⁷ Roosevelt, "The Ruhr Occupation" in *Foreign Affairs*, 115-120. Since there was no output and no state income, the state needed to print paper not backed by gold, causing hyperinflation.

⁸ Buse, K. Dieter, Doerr, C. Juergen, *Modern Germany Part 2* (New York and London: Garland Publishing, 1998), 513. The German government decided to finance the war by domestic loans, did not borrow abroad, developed money mechanisms that increased the liquidity of the economy, and failed to control excessive profits and high wages.

- The German government decided to finance the war by domestic loans, did not borrow abroad, developed money mechanisms that increased the liquidity of the economy, and failed to control excessive profits and high wages.⁹
- Domestic factors such as efforts to maintain social peace through work creation, high unemployment supports, price and wage increases, and other liberal ideals lead to further depreciation of the mark.¹⁰
- The German government had to print money in order to survive, causing hyperinflation and further decline of the German mark in the world markets.¹¹
- There was a serious shortage of capital in the Weimar Republic.¹²

Impact on Society

- Hyperinflation and the depression affected everyone in Germany, no matter what political party, or social status.¹³
- There was a deadlock in Germany over how the war reparations were to be paid.¹⁴
- The currency was so devalued that farmers began to stop accepting paper marks.¹⁵

⁹ Ibid.

¹⁰ R. T. Clark, "The Fall of the German Republic," in *The Economic Journal* (Royal Economic Society, 1936), 538.

¹¹ Buse et.al., *Modern Germany Part 2*, 514.

¹² David Abraham, *The Collapse of the Weimar Republic, Political Economy in Crisis Second Edition* (London: Holmes and Meier, 1986), 2-3. No nations wanted to invest in Germany due to the risk and unpromising outlook on the investment.

¹³ Nicholls, *Weimar and the Rise of Hitler*, 83.

¹⁴ Buse et al., *Modern Germany Part 2*, 513-515

- This left most of the country with the fear of starvation and caused unrest.¹⁶
- There was a shift in wealth from those who held liquid assets to those who held real goods.¹⁷
- Patriotic citizens that had invested in War Loans lost all invested money.¹⁸
- Prices always raced ahead of wages, making it very hard for the middle/working class to operate and buy goods since prices were consistently out of their price range.¹⁹
- The Working Class faced an increasingly poor standard of living.²⁰
- The cost of living had risen to about 13 times its pre-war level in 1920.²¹
- Industrialists could no longer expand and the working class now faced mass unemployment.²²
- The complete collapse of the mark increased working-class bitterness and insecurity.²³

¹⁵ Ibid. This caused a huge surplus of food; however, people still faced starvation in the middle-class.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Nicholls, *Weimar and the Rise of Hitler*, 85

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid., 84.

²² Ibid.

²³ Ibid., 86.

Hitler's Rise to Power

- Radical powers were on the rise, especially the right-wing conservatives.²⁴
- Some citizens also believed the Republican government could have rejected the Treaty of Versailles, but chose to not to.²⁵
- With unemployment higher than ever (close to 30 percent in July of 1932), left and right wing opposition to the Weimar Republic grew rapidly.²⁶
- Adolf Hitler supported the extermination of the Weimar Republic.²⁷
- The policies which he preached were directly aimed at the middle/working class.²⁸
- At this point, the middle/working class was in such desperate need of a reform they listened to Hitler's preaching.²⁹
- Hitler and the Nazi party became the voice of frustrated and embittered people of Germany.³⁰

²⁴ Ibid.

²⁵ Ibid. These beliefs helped taint the image of the Republic in the viewpoint of the public.

²⁶ Ibid.

²⁷ Nicholls, *Weimar and the Rise of Hitler*, 85.

²⁸ Bruno S. Frey, Hannelore Weck, *A Statistical Study of the Effect of the Great Depression on Elections: The Weimar Republic, 1930-1933* (Springer, 1983), 410.

Bytwerk, Randall. *Winterhilfswerk des Deutschen Volkes*. Nazi Propaganda Poster. Calvin College, German Propaganda Archive. <<http://www.jewishhistory.org/weimar-republic/>>, accessed Dec. 2012.

²⁹ Ibid.

³⁰ Buse et al., *Modern Germany Part 1*, 1055.

Section C: Evaluation of Sources

A.J. Nicholls, *Weimar and the Rise of Hitler Third Edition* (New York: St.

Martin's Press, 1991), 83-87, 152-153.

This text was published in 1991 by author A.J. Nicholls who has extensive background in historical studies, especially that of Germany and the Weimar Republic. The purpose of this book is to analyze the political and economic factors in Germany between the onset of the Great Depression and Hitler's appointment as chancellor of Germany in 1933, which resulted in Nazi triumph. Since the purpose of this text is to analyze how the events leading to 1933 contributed to the rise of the Hitler, the argument is very one sided. It does not show how the statistics could be used to show that the hyperinflation may not have affected the general public all that much, since it did not change the preexisting living conditions. Despite the sources limitations, it is valuable because it provides specific economic values and figures and relates them directly to the destitution of the people of the Weimar Republic, leading to their animosity towards the government. For example, it first explains that "in 1922 [the mark] was worth only one-hundredth of the old mark, and by January 1923 one pre-war mark could have purchased 2500 paper-marks"³¹ and then explains how this effected the population. "The inflation was like a plague, affecting all classes whatever their political persuasion or social status. Many saw their security and living standards destroyed."³²

³¹ Nicholls, *Weimar and the Rise of Hitler*, 85

³² Ibid, 83-85

Bytwerk, Randall. *Winterhilfswerk des Deutschen Volkes*, 1944. Nazi

Propaganda Poster. Calvin College, German Propaganda Archive.

<http://www.jewishhistory.org/weimar-republic/>, accessed Dec. 2012.

A primary source, this poster was produced by a leading German periodical in 1944. The purpose was to promote the German “Winter Relief Fund”, which was an annual drive by the National Socialist People’s Welfare Organization to help finance charitable work. This fund was created by Heinrich Brüning in 1931, although Hitler claimed sole credit. It ran from 1933 to 1945 and was designed to provide resources to the less fortunate Germans. Even though this poster was produced after 1924, it is Nazi propaganda and provides valuable insight of what the Nazi party was trying to portray themselves as. This poster shows how Hitler would try to appeal to the masses, taking advantage of the living conditions the hyperinflation has put them in. This poster depicts a Nazi’s arms reached out to a disheveled woman and child. The caption states the slogan of the fund, “No one shall go hungry! No one shall go cold!”³³ Since Hitler had claimed sole credit for this and most of Germany’s population was in poor circumstances, this fund made Hitler and the Nazi Party the savior of the German masses. It appeals to the sensitive side of all people, even those fortunate enough to be living in good conditions (relative to the time), showing the Nazi party as someone to help build Germany back up, starting at the base, or the working class. The limitation of this source is since it was published as Nazi propaganda, it gives a subjective view portraying the Nazi’s as the saviors of the less fortunate. Another limitation is it was published after the hyperinflation crisis, so the living conditions of Germany may not have been the same.

³³ Randall Bytwerk. *Winterhilfswerk des Deutschen Volkes*.

Section D: Analysis

In the years leading up to the rise of Adolf Hitler and the Third Reich, the Weimar Republic went through an economic downfall. Along with the economy, the social aspects of the Republic were also in disarray. These social problems, directly caused by the economic, set the stage for Hitler to take advantage of the people's animosity towards their government. Through propaganda and superlative public speaking skills, Hitler would reach out to them, making empty promises of better times. If not for the difficulties that the economy had caused, it is arguable that the public would have not listened to Hitler. However, it can also be argued that the economic problems were not bad enough to radicalize the German people.

The Rhor Valley occupation led to passive resistance from the German people and government. Because there was no income and the government continued to pay the workers, the government had to begin printing paper money not backed by gold, effectively causing hyperinflation.³⁴ Now that the Deutschmark was practically worthless, not only did all of the citizens that invested in war loans not get their money back, there was a major food shortage that affected the whole middle class.³⁵ This was because the farmers stopped accepting the worthless paper marks.³⁶ The famine ravaged the middle class, who now were living in destitute conditions. Even though the middle class was greatly affected, the inflation affected all classes of people.³⁷ Prices constantly

³⁴ Roosevelt, "The Ruhr Occupation" in *Foreign Affairs*, 115-120.

³⁵ Nicholls, *Weimar and the Rise of Hitler*, 85

³⁶ Buse et al., *Modern Germany Part 2*, 513-515

³⁷ Nicholls, *Weimar and the Rise of Hitler*, 83.

raced ahead of wages, making affording the simplest of necessities near impossible.³⁸ At this point, most people blamed the government because there was no one else to blame. The abhorrence towards the government was overwhelming, opening the door for someone like Hitler to step through. Hitler sympathized with the middle class, making the Nazi party the voice of the frustrated and embittered people.³⁹ This can be seen in propaganda images such as the image evaluated in section C.⁴⁰ Even though this source is limited in the sense that it was created after Hitler rose to power, it is very valuable because it shows an example of the kinds of image of the Nazi party he would use to win over the support of the general public. Further, all of Hitler's efforts were focused on radicalizing the public. Since close to 30 percent of the public was unemployed, these people had plenty of time to listen to Hitler preach his new policies and plans to eliminate Weimar and bring back the German Empire.⁴¹ All of these policies were aimed at the middle class and gained their support, successfully radicalizing the public without them even realizing, giving Hitler the necessary support to essentially take over Germany.⁴²

A differing perspective on the argument is that the hyperinflation did not cause the radicalization of the people, opening the door for someone like Hitler to step through. Instead, the hyperinflation was just a short period of time which the public of Weimar suffered through; however, it did not have a huge impact on the people. At the end of

³⁸ Ibid.

³⁹ Buse et al., *Modern Germany Part 1*, 1055.

⁴⁰ Bytwerk. *Winterhilfswerk des Deutschen Volkes*.

⁴¹ Ibid.

⁴² Bruno et al., *A Statistical Study of the Effect of the Great Depression on Elections: The Weimar Republic, 1930-1933*, 410.

hyperinflation, 70 percent of the population was employed and there was even a surplus of grain.⁴³ The public, although fed up with the government, wasn't that concerned with the economic problems. After all, World War One had just ended, in which the German people were forced to live on small rations of food and supplies and at times had no food due to the British Blockades. The problems caused by the hyperinflation were practically preexisting.⁴⁴ Germany was in shambles after WWI. Although her landscape wasn't as bad as some nations, the German population was in some of the worst conditions. They were still on food rations, many women and children were left widowed and orphaned, and protests and riots lined the streets.⁴⁵ These conditions did not change from 1918 to 1921, and although they took away all hope of a quick recovery from WWI, the hyperinflation crisis really did not change much of anything.

The first argument holds more value than the second. Although hyperinflation only lasted a short time, it still had some devastating effects on the living conditions of the people and directly affected their everyday lives as a reminder of why they disapproved of the government. Therefore, the hyperinflation cannot be disregarded when assessing the rise of Hitler and the Third Reich.

Section E: Conclusion

Based upon the analysis of evidence gathered on the topic, it could be concluded that the hyperinflation of the German mark in the years 1921 through 1924 made it

⁴³ Buse et al., *Modern Germany Part I*, 1055-1056.

⁴⁴ Ibid.

⁴⁵ Ibid.

possible for Hitler and the Third Reich to radicalize the people of Germany and seize power. Although it cannot be concluded that the hyperinflation was the only factor in Hitler's rise, it is a major contributor. The hyperinflation caused the living conditions of the public in Germany to regress back to war conditions and it caused an increased hatred from the people towards the government. It affected all social classes with equal devastation. It left the people wanting change, no matter how radical. This allowed Hitler to spread his beliefs, using the poor condition of Weimar to his advantage. Hitler preached that he could bring back the pre-war German Empire, a power to be feared, the polar opposite of the laughable Weimar Republic. This may not have been exactly what the German people were looking for, but it sounded a lot better than what they had, which most definitely gave Hitler the advantage he needed.

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Appendix

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