CHAPTER XXII

Growing Pains of a Republic (1919-23)

The history of the Weimar Republic can be neatly divided into three periods: 1919–23, 1924–29, and 1930–33, which correspond fairly closely to the ages of man: adolescence, maturity, and decay and death. They are sharply divided from one another but share one theme, the effort of the republic to defend itself from its enemies at home, both on the right and on the left, but most often on the right.

The first period was one in which the new regime strove desperately to parry attacks from all directions. It was a period of dynamism, hatred, and confusion. There was ferment of all kinds—political, economic, social, and international. While many conflicting events occurred during these years, there are several which serve to bring out the principal trends of the time. They are the Kapp Putsch, which tried to establish a military dictatorship; the growth of extremist nationalism, as represented in the Free Corps movement and the murders carried out under its auspices; the efforts of the Communists to seize power; the attempts to implement the Versailles Treaty and to find for Germany a place in the new international society; and finally, the invasion of the Ruhr by the French in 1923 and the uncontrolled inflation of the German currency. After these horrors the year 1924 ushered in a new period of prosperity and apparent equilibrium.

After the promulgation of the Weimar Constitution in August 1919, there was a temporary and illusory lull in domestic affairs. The government and assembly left Weimar and settled in Berlin, but, as it developed, was sitting on the edge of a volcano. The first signs of eruption had their origins in the officer corps of the old army.

Although the army had remained intact at the time of the defeat, and Hindenburg and Groener had pledged their support to the new government, and although the troops returned to Germany peacefully and with the plaudits of the people, nevertheless the officers were on the whole bitterly opposed to the new regime. Their lives had been devoted to the
cause of the Hohenzollerns. Perhaps they were an anachronism now, but they were full of vitality and hatred; many of them were prepared to plunge recklessly into an attempt to restore the old Germany with its privileged position for the military. Hindenburg had retired from active service and was living in obscurity. Groener also had given up his command after his unpopular advice to ratify the treaty. Two men now emerged as the principal figures among the higher ranks, General Hans von Seeckt and General Baron Walther von Lüttwitz, men of very different personalities. Seeckt, who was to become one of the most influential Germans of the twenties, headed the strategic Truppenamt, the department of the war ministry which had taken over the duties of the forbidden General Staff. Although he is still a controversial character, Seeckt's approach to the problem of the army in the republic is fairly clear. His primary and almost unmixed loyalty was to the army, not to a political philosophy. Endowed with extraordinary astuteness, he believed that the principal task of the shorn army was to develop its efficiency, to keep away from direct participation in political affairs, and to constitute itself a state within the state. His amazing success in this effort and the subtlety with which he achieved it are remarkable. Lüttwitz was a much simpler character. He was simply an old-line Prussian officer, scornful of anything that did not accord with his philosophy of "king and fatherland." With the single-mindedness born of limited intelligence, he was ready for any risk. In the early months of 1920 Lüttwitz was in command of the army district around Berlin. His civilian coconspirator, whose name is remembered only for the fiasco which he led in March 1920, was Wolfgang Kapp. Kapp had had a respectable, if narrow, career in the agricultural department of the East Prussian civil service. An extreme nationalist, he had been in the group surrounding Admiral Tirpitz which had founded the Fatherland party in 1917.

Lüttwitz and Kapp tried to enlist the support of important right-wing elements for their plan to seize the government by force and install in its place a dictatorship consisting of themselves. They made contact with the Nationalist and People's party leaders, who, however, were reticent and evasive. They no doubt felt that their position was still too insecure during this revolutionary period to chance a use of force, but that, were the army leaders successful, they could rally to them without any difficulty. The responsible command in the army, Seeckt and his colleagues, were also unenthusiastic, similarly fearful for the position of the army in this time of flux and demobilization.

The insurgents found their tool ready at hand in the so-called Erhardt Brigade. Captain Hermann Erhardt was a wild, undisciplined, flamboyant fighter, reminiscent of the condottieri of the Renaissance. He
commanded a naval brigade which had taken part in quelling the Communists in Bavaria and was now in barracks at Döberitz near Berlin. Because of the demand of the treaty for the disbanding of the German army, the government had ordered the dismissal of thousands of men and officers, including the Erhardt Brigade. The Brigade had no intention of complying with this order. During the first days of March negotiations continued, and it was an open secret that there was likely to be some sort of thrust for power.

On the night of March 12, 1920, Erhardt sent an ultimatum to Minister Noske insisting on certain stipulations that complied with the Nationalist program, and gave the government until seven in the morning to reply. The cabinet immediately sent for the army leaders to determine if it could count on their support. There were differences of opinion, but Seeckt spoke for the majority when he said that German soldiers must not fire on one another. (It was apparently all right for German soldiers to fire on other Germans who were not soldiers.) Thus in this event the regular army simply stood aside and decided to let others settle the crisis. Faced with this attitude, the government saw no course open except flight. Accordingly Ebert, Bauer, and the ministers left Berlin and fled to Dresden and then to Stuttgart. Before they left, however, they issued an important document, an appeal in the name of the Social Democratic party to the German people to stage a general strike to defeat the ambitions of the rebels.

The next morning the Erhardt Brigade arrived in Berlin, joined by Lüttwitz, Kapp, and even Ludendorff, who happened to be taking a walk thus early on a March morning. It was greeted by cheers of the police and no resistance from the regular army. Nothing prevented the rebels from taking possession of the government buildings. They proclaimed a new government with Kapp as chancellor and Lüttwitz as minister of war. However, they had seized empty buildings. Kapp proved to be utterly incompetent, the bureaucracy did not know what position to take, the banks would not co-operate, and even the right-wing parties remained aloof. On March 17 Kapp turned over his office to Lüttwitz, but it was not clear what office there was to forego.

The general strike was a great success. The workers left en masse. Life in Germany came to a sudden stop. Even the Independents supported the strike, though the Communists refused to; the government retained the support also of the Democrats and the Center. Within a few days this comic opera Putsch was over. Lüttwitz resigned soon after Kapp, and by March 20 the government returned to Berlin.

It was one thing to call the workers out on strike; it was another to persuade them to go back to work. Several days of negotiations were
required to achieve this, and had not the Independents backed down, they might have obtained some major concessions from the government. As it was some changes were made. Noske had become very unpopular with the left for his support of the army. He resigned and was replaced by the Democrat, Otto Gessler, who was to remain minister of war for almost eight years and to work hand in hand with Seeckt in building the efficiency of the Reichswehr, as the republican army was called. The resignation of Noske led to a general reshaping of the cabinet. Bauer resigned as chancellor and was replaced by Hermann Müller, the former foreign minister. The three parties of the Weimar Coalition supported the new government.

The fighting was not yet over. In the Ruhr industrial district the general strike developed into a Communist-led rebellion. It assumed very serious proportions and captured control of several important cities. The Reichswehr, which had no qualms about firing on these Germans, put down the revolt in a bloody fashion. To do this it had to enter the demilitarized zone on the right bank of the Rhine. In retaliation French troops crossed the Rhine to Frankfurt claiming their treaty right to oppose resurgent militarism in Germany. This action led to great bitterness between France and Germany. It was also a wedge in the relationship between the French and the British, who disapproved of the action. The French withdrew in May.

Soon thereafter, on June 6, 1920, elections were held for the first regular Reichstag of the republic. The Nationalists had been pushing for elections for some time. They felt that their own strength had increased, and the radical left had grown more powerful to the discomfort of the Social Democrats, and that the Weimar Coalition had lost much public support as a result of the Treaty of Versailles and subsequent troubles. In all of these appreciations they were correct. The election was an important one and prefigured the course of German political life for some years to come. The Nationalists gained just under a million votes (42 to 66 seats). The People's party did even better, bringing its leader, Gustav Stresemann, into the political limelight. It more than doubled its vote and increased its delegation from 22 to 62. The Center remained relatively stable, except that its Bavarian wing decided to act separately as the Bavarian People's party and was not always dependable in support of the mother party. The greatest casualty occurred in the Democratic party, which lost well over half of its votes and was reduced from 74 to 45 seats. The Social Democrats also lost over half of their votes and 51 seats, while the Independents doubled their following and jumped from 22 to 81 votes in the Reichstag. The Communists withdrew their boycott on voting but did poorly and received
only two seats. The center of political gravity had moved to the right, but more important, a polarization of political opinion became evident in Germany which was typical of, and fateful for, continental Europe in general in the interwar years. The extremes were gaining at the expense of the middle. This presaged the development a decade later of the two great parties of Germany: the Communists on the far left, and the Nazis on the far right.

Faced with the fact that the Weimar Coalition no longer commanded a Reichstag majority, Hermann Müller resigned as chancellor. Efforts were made to bring the Independents into the coalition but they refused; the Social Democrats on their part would not coalesce with the People's party. In due course a government was formed, supported by the People's party, the Center, and the Democrats. Konstantin Fehrenbach, the new head of the Center party, became chancellor, and there was a tacit agreement of the Social Democrats to try to support the government at least on major issues. This also became a pattern for the future: a government of the right center with quiet backing from the socialists. Social Democracy, which had been the mainspring and spearhead of the revolution of 1918 and of the reorganization of the following months, lost much of its influence from this time on. With one exception no Social Democrat ever again became chancellor. Germany was a bourgeois republic, bitterly attacked from both extremes.

The Kapp Putsch was a fiasco, but the attitudes behind it were by no means eliminated. Irreconcilable German nationalism remained an important force throughout the years of the republic and finally gained ascendancy with Hitler and the Nazis. It was a direction of mind which existed at various levels, some open and honest, others subterranean, murky, and devious. The old officer corps, the Prussian aristocracy, and the monarchists in business and industry made no secret of their views. The Nationalist party and, to a somewhat lesser extent, the People's party were clear in their opposition to the Weimar spirit of 1919. They openly espoused the old Hohenzollern colors: black, white, and red; they openly voted against the government; they openly made speeches and penned pamphlets condemning the government, the constitution, and the treaty. Their support increased markedly in the election of 1920. Many of these men bore great names, were cultivated people, and had filled important posts in the old empire. They were of course a source of weakness and opposition to the government, but at least they could be depended upon to have no hesitation in airing their views.

Much more sinister were the subterranean nationalists who organized a reign of terror in the early years of the republic and became the precursors of National Socialism. These people are variously known; their
several organizations, because surreptitious, are hard to disentangle. Although they became heroes in the thirties and a good deal of hagiography was committed about them, there is still some mystery connected with their activities. It is safest to lump them together under the label Free Corps.

The Free Corps had their origin in the turbulent days immediately after the armistice when the armed forces were being demobilized on a rapid scale and law-abiding Germans were paralyzed with fear of encroaching Bolshevism. Many of the demobilized soldiers remained under arms. They knew no other trade; they had been trained intensively to concepts of German victory, German glory, German honor. Now quickly the hero of yesterday became the down-and-outer of today. His Germany was gone; obviously, he thought, it had been betrayed. But by whom? Just as obviously, he concluded, by those groups who were oppositionist in the old empire and who had stayed at home while the patriots fought: the socialists, the Jews, the pacifists, the mealymouthed and obsequious. The true German virtues must win and obliterate such elements. Physical strength, virile prowess, and muscular morality: these were the qualities of the real German. In view of these ideas Free Corps psychology patterned itself. It soon became apparent, however, that a rot was setting in; these clean young heroes were becoming brutal bullies, bloodthirsty murderers, and sweaty gangsters. The teachings of Wagner and Nietzsche, in a perverted form, now began to have their triumph. Siegfried was replacing Hans Sachs.

At first the Free Corps and their spirit were welcome even to the republican government. Some of them were of great and desirable value in subduing the Spartacists. They even looked like guardians of law and order. Between the end of the war and 1921 many of the Corps made their way to the Baltic area where Communists and Poles (both equally detested) were fighting the old German colonial culture of the Teutonic Knights. Here on the misty and mournful stretches of the east they could march arm in arm, singing their lusty songs and imagining themselves in the heroic fourteenth century. The government and even the Allies winked at much of that activity, for these people were useful in preventing the spread of Russian Bolshevism. However, in time the Baltic area became pacified and settled, and there was no more fighting for the German heroes. The epilogue to 1918 was ending. They were thus forced back into shorn Germany, where they became instruments of violence in the hands of nationalism.

In Germany the Free Corps went underground to avoid the Allies, who were insisting that all irregular armed bands be eradicated in accordance with the disarmament clauses of the treaty. Here the story be-
comes obscure because otherwise respectable people in the army and the government saw in these men a means of evading some of the worst provisions of Versailles. There seems little doubt that the government sometimes covertly aided them, even less that the army did. There is no doubt that large landowners, especially in the east, protected and maintained them while they concealed their weapons in innocent hayricks and barns.

Not only did the east provide a haven for the Corps. An even happier hunting ground was found in Bavaria, which was undergoing a unique evolution. Always particularist and anti-Prussian, Bavaria had even less love for the socialist republic than for the Hohenzollern monarchy, which had at least preserved order. The events of the spring of 1919 in Bavaria had increased latent conservatism and separatism. Munich was a hotbed of rightist and nationalist sentiment and oratory. The Kapp Putsch had repercussions in Bavaria, where the socialist government was thrust out of office and the conservative Gustav von Kahr made prime minister. Many leading Free Corpsmen, including Erhardt, made their way there and received welcome. A demand by the national government at the insistence of the Allies that all Free Corps groups be disbanded by May 31, 1920, was more or less openly flouted, by the Bavarian government, as were other decrees from Berlin. The Corps had to go underground, but they did not lack supplies. It was in this culture that the germs of National Socialism received warmth and nourishment.

There is no reason here to list and describe the various Free Corps organizations which flourished in this period. Some of them were ephemeral, others unimportant. One of the more interesting was Organization C (or Consul) led by Erhardt and by Manfred von Killinger, who was in the Kapp Putsch and who lived to become in the thirties Nazi consul-general in San Francisco and later ambassador to Romania. The specialty of this group was murder. It arrogated to itself the right to judge and condemn in secret meetings (called Vehmic tribunals after a medieval prototype) people who it considered to be enemies of the state. Many were thus murdered, some of them very prominent men. The first man of real importance to receive this macabre distinction was Matthias Erzberger.

Erzberger was already in eclipse. In the fall of 1919, while he was minister of finance in the Bauer cabinet, he had been accused of shady financial dealings by Karl Helfferich, a leading Nationalist. Erzberger retaliated with a libel suit, which he won on a technical ground of slander, although some of Helfferich’s accusations were true. Erzberger’s political career was over, and he retired to his home in southwest Germany. Organization C was not satisfied with this punishment, and decided that
the man who signed the armistice and advised the acceptance of the treaty must die. He was shot on August 26, 1921, while walking in the woods near his home. The murder caused a great stir. Laws were passed and resolutions made, but the Bavarian government took no definitive action. However, Kahr was forced to resign and was replaced by Count Hugo Lerchenfeld, who promised a democratic administration in harmony with the government in Berlin.

The timing of Erzberger’s murder was no doubt influenced by a new crisis in the relations between Germany and her former enemies. The Inter-Allied Reparations Commission made its final report a few days before the deadline. It announced Germany’s total bill to be the staggering sum of 132 billion gold marks (about 35 billion dollars at that time), payable in forty-two years. All Germany was thunderstruck at what seemed to be an exorbitant and impossible demand. Immediately the Fehrenbach cabinet fell, and while there was no government, the Allies gave Germany six days to accept the Reparation Commission’s report at the peril of an occupation of the Ruhr district. Great confusion reigned in Reichstag circles. As usual, it was the Weimar Coalition which finally realized that there was no alternative and took the responsibility of further acquiescence to Allied demands. Dr. Josef Wirth, a member of the progressive wing of the Center party, received the chancellorship; with the aid of the votes of the Independents, he accepted the Allied ultimatum. The rage of the Nationalists knew no bounds, and the clamor culminated in the murder of Erzberger. Much of the right-wing rancor was directed at the man whom Wirth picked to be minister of reconstruction and later foreign minister. This was Walther Rathenau, son and heir of the electrical magnate Emil Rathenau, a Jew. Rathenau had been very efficient during the war as the official in charge of collecting and stock-piling strategic and scarce raw materials. A brilliant, cultured dilettante of the arts, enormously wealthy, Rathenau knew western Europe well and made the decision to orient German policy toward Britain and France. He and Wirth developed the policy of fulfillment, the rationale of which was simple. Rathenau believed that the treaty and in particular the reparations provisions were unfulfillable, but he felt that the only way to prove this to the British and the French was to give evidence in good faith of trying to fulfill the demands. When the inevitable failure developed, the Allies would realize that they had asked the impossible and back down. This policy earned for the government the hatred and vilification of Nationalists, who poured scorn and abuse on Rathenau because he was a Jew and therefore no “real German.”

During his tenure of office one of the most perplexing problems with which Rathenau had to deal was the relationship of the new German
republic with the new Soviet state. Although his background and training made him suspicious and fearful of Communism, Rathenau realized some of the wisdom implicit in a Russo-German rapprochement. Powerful voices in Berlin demanded closer relations with the Soviets. Oddly enough at first blush, these voices came not from the left but from the right. A closer examination shows that this line of policy was really a continuation of Bismarck’s. The leaders of the “Russian” party in Berlin were to be found among the old-line diplomats in the foreign office and also very notably in Seeckt, new commander in chief of the Reichswehr. These men were not overly concerned with the philosophy that dominated the Russian government. They were interested in geography (convincing that Germany and Russia must never again fight each other), economics (impressed by the virginal potentialities of the great Russian land), and military developments (hopeful that Germany might work out with Russia ways of evading the treaty restrictions). Rathenau was not unimpressed by this line of argument.

The opportunity to do something about it occurred in April 1922. The British prime minister, Lloyd George, had proposed a general European conference to deal with the economic dislocation caused by the war. The French premier, Raymond Poincaré, bitterly nationalist and anti-German, had no faith in the idea but knew of no graceful way to prevent the meeting. Thus the Genoa Conference took place, the most striking feature of which was that the two pariah nations, Germany and Soviet Russia, were invited. Wirth and Rathenau both attended, and the Soviet delegation was headed by the people’s commissar for foreign affairs, George Chicherin. The conference itself accomplished nothing. French intransigence caused it to fail. However, on April 16 the German and Soviet representatives left Genoa quietly, drove to the beautiful Riviera town of Rapallo, and signed a treaty.

There was nothing very spectacular about the terms of the treaty. Germany and Soviet Russia mutually agreed that they would establish diplomatic relations, that neither would ask for any reparations from the other, and that the way was now open for closer economic relations. The treaty, composed right under the noses of the Allies, fell like a bombshell throughout Europe. The two hated and feared nations were drawing close. In particular the French were affronted, and it seems clear that the increasingly tough line taken by France toward Germany in the next few months was a result of events at Rapallo. In Germany most elements greeted the treaty with great pleasure. If nothing else, it proved that for the first time since 1918 Germany was capable of an independent foreign policy.

Soon afterwards German and Soviet military authorities joined in a
number of extremely secret meetings to discuss military collaboration. So secret were these meetings that it was not until after World War II that the world knew much about them. It has even been suggested that the German government itself did not know about them, although this has been disproved. The result was an agreement to exchange information and training. Some Russians were sent to Germany for training, while the Soviet government furnished secret locations and equipment for German officers and scientists to do research and development on types of weapons forbidden to Germany by Versailles. This collaboration grew closer through the years and did not end even when Hitler, the great anti-Communist, headed Germany.

Not even the triumph of Rapallo was enough to win personal popularity for Rathenau. He still had to face constant attacks from the right because of his policy of fulfillment and his alleged subservience to the Allies. The attacks were heightened by the conflict which had erupted in Upper Silesia. The plebiscite held there in 1921 had resulted in an almost two-to-one victory for Germany. However, the Allies decided to partition the area and allotted some of the most valuable industrial districts to Poland. The result was armed conflict in which both sides committed the usual brutal atrocities. The Nationalist reaction to this was intense and was directed largely against the Jewish “friend of the Allies,” Rathenau. As in the case of Erzberger, Helfferich led the charge and on June 23 delivered a virulent speech directed against the foreign minister. The next day, as Rathenau was driving through the Tiergarten in his open car from his home to his office, a car drew close containing several young, armed men. They fired, and Rathenau was killed.

That afternoon Dr. Wirth entered the Reichstag chamber, which was in tumult, to adjourn the session in honor of Rathenau. On this occasion he made his most memorable statement. In a world worried about Bolshevik and Communist dangers, Wirth pointed toward the conservatives and cried, “The enemy is on the right.”

Some of the men involved in the murder killed themselves; others were given light prison sentences. One of them, Ernst von Salomon, lived long enough to write, after World War II, his fascinating and sinister autobiography, Fragebogen; after all that had happened in the interval, he still defended his political philosophy and his actions.

The murder of Rathenau caused a number of political repercussions within the nation. The first was the passage of a law for the “defense of the republic,” providing for heavy punishment for terrorists. This law led to a crisis with Bavaria which was smoothed over temporarily after a good deal of negotiation. The parties changed their alignment
with the People’s party moving closer to the middle group and away from the Nationalists, who became more extreme than ever. The most important development, however, was the healing of the breach in the ranks of the socialists. In the early autumn of 1922 the Social Democrats and the Independents drew nearer to each other, and within a few weeks the Independent party ceased to exist. A few extremists joined the Communists, but the great majority of the Independents returned to the parent party.

A cabinet crisis developed in late 1922. Wirth wanted to reorganize his cabinet to include within it members of the People’s party. The newly reorganized Social Democratic party refused to participate on the ground that the People’s party represented big business and would endanger the gains which labor had made in such matters as wages and hours. The result was that Wirth was unable to form a new cabinet and had to resign. President Ebert reached far afield for his next chancellor. He invited Wilhelm Cuno, general chairman of the Hamburg-America steamship line, to form a cabinet. Cuno, a nonparty man since his withdrawal from the People’s party in 1920, had succeeded Albert Ballin, William II’s Jewish friend, as head of the great shipping firm after Ballin killed himself at the time of Germany’s military defeat. The choice of Cuno symbolizes a typical attitude (found not only in Germany) of the twenties: that the businessman was the magician who could cure all ills. Cuno was a very competent and shrewd executive who was called into the government at a moment of terrible economic emergency.

It was certainly true that economic rather than political problems were to predominate in Germany for the next year. The main problem concerned Germany’s monetary system. Ever since the war the mark, formerly so sound a currency, had been weakening at an increasing rate. Starting with the transfers required by the armistice, Germany had been depleting her gold reserves to a dangerous degree. She had financed the war not by taxes but by loans. The accumulating service charges on these loans in addition to the transfer of gold required for reparations payments endangered German financial stability more and more. If to this is added the depressed condition of German industry because of the ending of war production, and also the fact that Germany looked like a very bad credit risk for international loans, it is clear that she was heading for economic collapse. The symptom of the collapse was the ever-decreasing value of the mark with the consequent inflation of prices. In 1922 this process became more rapid and more serious. In 1923 it became catastrophic.

The German government took the line that Germany’s ills were caused completely by the reparations payments, which were draining her dry.
So on several occasions, starting in 1921, the chancellors asked for mitigation of the payments or at least for a moratorium. Very little was gained by these efforts except that a further wedge was driven into the common front of Great Britain and France. The British took a serious view of the impending financial collapse in Germany and time and again proposed solutions which might be helpful to Germany. France, however, under the direction of Poincaré, assumed a tough position and maintained that the German difficulties were illusory and simply a conspiracy to evade the obligation of reparation. It is easy to oversimplify Poincaré's position and make him appear an unqualified villain. Although France appeared to be the premier power in Europe and to have made enormous gains from the Allied victory, she was by no means sure that she had achieved security from another German attack. At Versailles she had not succeeded in separating any of the Rhineland from Germany. She had been forced to rely on a mutual assistance treaty with the United States and Britain in case of German invasion, but this treaty became inoperative when the American Senate refused to consent to its ratification. The League of Nations was still a fragile bulwark. The French reasoned that they had to control more of Germany's industrial capability to make themselves secure. By late 1922 they had determined to force this by an occupation of the rich Ruhr area without the co-operation of the British, who, regardless of party, were opposed to the action. France decided to act alone.

It was necessary now to find a pretext for the occupation. Two were at hand. On December 26 the Reparations Commission declared Germany in default on the delivery of timber (telegraph poles); two weeks later it declared Germany in default on coal deliveries. France wasted no time. With the full support of Belgium and the token support of Italy on January 11, 1923, she sent French troops into the Ruhr to protect a group of technicians who were to run the German mines and plants for the benefit of France and Belgium.

The German reaction was immediate and furious. It was of course impossible to respond with force, so Germany adopted a policy of passive resistance. With the full support of their government German workers in the invaded area refused to go into the mines and factories to produce for France. Unemployment and patriotism went hand in hand. A sullen quiet fell over the most productive industrial district on the continent. France found herself in an increasingly embarrassing position. She had gone too far to retreat; opposed by Britain and by American public opinion, she had to follow force with more force. The French sent more troops into the area; they took over the operation of factories and railroads; they imported French workers into Germany to operate
them, but the French workers often did not understand German machinery and railroad devices. Accidents increased until the Ruhr became a scene of chaos. German patriots further complicated the issue by attacks on the French soldiers and workers and by sabotage of machinery. The French retaliated with police action and the arrest and execution of the ringleaders. The best known was Albert Leo Schlageter, who became a posthumous Nazi martyr and for whom a monument was erected in Düsseldorf. The French also tried to achieve their objective of detaching portions of the Rhineland, and supported several abortive separatist movements led by a few Germans sympathetic to the French aspirations. Nothing came of these efforts; in fact, the whole occupation of the Ruhr was a failure and reacted seriously on the French economy, but France felt committed to her policy.

The effect on the German economy was far worse. Not only was her most productive area removed from productivity, but the German government had to face the enormous expense of subsidizing the idle population. This obligation finally smashed the precarious German economy, and 1923 saw the inflation of the mark pass all bounds and lead to catastrophe. By the autumn of that year it was literally true that a paper mark was not worth the paper it was printed on. The printing presses were busy constantly; postage stamps and bank notes were simply surcharged with the value of the day they were issued. It cost more than a billion marks to send a letter from Germany to the United States. Workers needed wheelbarrows to transport their weekly pay. By the end of the year thirteen figures were required to represent the number of marks that equaled one American dollar.

The social effects of the inflation were most serious and left a scar on the German population which lasted for years and provided much of the causation of the eventual Nazi victory. As usual in an inflation it was the people who lived on fixed incomes who suffered most. They represented a large class in Germany at that time on account of the number who subsisted on government pensions arising from war casualties. Widows and orphans, elderly retired couples, civil servants, teachers, army officers: these were the groups which saw their monthly stipends diminish in value or their lifetime savings disappear. In addition to the distresses of the moment there was a long-term effect. The sharp stratification of German society was such that these classes clung desperately to their white-collar status so as not to sink into the despised proletariat. Yet they seemed to be faced with that prospect. This social group later found in Adolf Hitler its messias, the symbol of the petite bourgeoisie. At the other end of the scale, the inflation year saw many profiteers and speculators derive great advantages. Debtors were able to clear their
slates for almost nothing. Those with capital could purchase land and other assets which were bound to become valuable again. The hatred generated against such profiteers remained close beneath the surface and was later well exploited.

The disturbances in the Ruhr and the economic collapse provided fertile ground for revolutionary activity. In fact in 1923 the chances of violent revolution were greater than in 1918. From both ends of the political spectrum the Weimar Republic was assailed. The Communists were most active in Saxony where the government was lenient toward them. Disorders occurred, and the movement spread westward into Thuringia and Brunswick. There was even talk of separatism in these three states with the thought of founding a Communist state in the center of Germany. In Bavaria, naturally, the opposite happened. Here too there was talk of separatism, but in this case it was motivated from the right. Many of the old nobility and officer class, backed by the conservative peasantry and the Free Corps, supported a restoration of the monarchy in the person of Crown Prince Rupprecht, son of the last king of Bavaria. In Bavaria too for the first time the name of Adolf Hitler became well known. Hitler was not a separatist but a strong nationalist. He envisioned, with the sympathetic approval of General Ludendorff, a national revolution of the right aimed at a dictatorship, headed by himself, which would purge Germany of the forces of liberalism, democracy, socialism, and "Jewish" capitalism. Hitler's agitation culminated in a thrust for power in Munich in November 1923. It looked as if Germany were falling apart.

Negotiations with France to end the occupation resulted in a deadlock. The Germans insisted on evacuation of the area before the reparations problem could be discussed; the French insisted on the end of passive resistance before evacuation could be considered. As the months passed by, no solution appeared in sight and Germany sank more and more into an economic morass. Finally in August 1923 the Social Democrats decided on action and announced that they were about to withdraw their support from the government, and that they were determined that Germany should have strong leadership to protect the very existence of the republic. Faced with insufficient support in the Reichstag, Chancellor Cuno resigned on August 12. Ebert named as his successor Gustav Stresemann, leader of the People's party and without question the most important statesman of the Weimar Republic.

Stresemann came from the ranks of small business in Berlin. However, his essential shrewdness and ability made him successful in the business world in the decade before the war. He entered the Reichstag as a member of the National Liberal party and during the war was an outspoken
annexationist and monarchist. After the revolution he was the main organizer of the new People’s party and was generally regarded as a spokesman for big business. Stresemann’s chancellorship lasted only a hundred days, but during it a number of important steps were taken.

The first was the decision to abandon the policy of passive resistance, which was costing the government millions of marks a day and increasing the economic chaos. Furthermore, the French were not prepared to negotiate as long as resistance continued. Courageous common sense dictated abandonment. Accordingly, Stresemann proposed it to the Reichstag and despite bitter opposition from the Nationalists and the Communists, who were posing as patriots, received a vote of confidence on September 26, 1923. The Ruhr workers were ordered back to work and reparations deliveries were resumed to France and Belgium.

The next step was to do something about the revolutionary disturbances which were threatening the existence of the republic. To this end and to the end of righting the financial chaos, Stresemann obtained from the Reichstag an enabling act giving the government the right to rule in most spheres by decree and even to abrogate temporarily the civil rights guaranteed by the constitution. The first and most violent action was taken against the Communists, who had made great headway in Saxony and Hamburg and threatened serious civil war. The federal government, acting extra-legally, removed the Communists from the Saxon government and appointed a commissioner to rule that Land. In protest against this highhanded action, the Social Democrats withdrew their support of Stresemann.

The situation in Bavaria came to a head in early November with the forceful effort of Hitler and Ludendorff to capture the Bavarian government as an initial step toward all of Germany. The Putsch was a miserable failure, and Hitler was put in prison. Nevertheless, separatism and monarchism persisted in Bavaria, where the federal government, always lenient to the right, was not willing to take drastic action as it had in Saxony.

The last important action of Stresemann’s chancellorship was the solution of the inflation. It was a surgical solution engineered by two men, Dr. Hans Luther, a conservative, nonparty figure who was later to be chancellor and also ambassador to the United States, and Dr. Hjalmar Schacht, financial “wizard” of both the Weimar and Nazi periods. Schacht, as Reichsbank president, was to control German finances for most of the next fifteen years and to give them at least an appearance of stability. The device he used in 1923 was to set up the so-called Rentenbank, based supposedly on a mortgage of all German land and industry. This bank issued the new temporary currency, the
Rentenmark, theoretically equal to the old gold mark and to about three trillion of the inflated paper marks. The government undertook a strict policy of retrenchment, discharging many civil servants and taking all possible deflationary economies. These actions restored stability but at a great price, the price of practically wiping out the public and private debt and with it the accumulated savings of a whole people.

The Social Democrats now treated Stresemann as they had Cuno a few months before. They were opposed to the intervention in Saxony, felt that Bavaria was being treated too leniently, and feared the wave of conservative economic policy which was apparent in the deflationary attitude of the government. Thus they joined, but for opposite reasons, their opponents, the Nationalists; together they forced the chancellor out of office, though he remained foreign minister for the rest of his life. The new government was headed by a member of the Center party, Wilhelm Marx, a former judge.

Germany weathered the year 1923, but just barely. During that year all sorts of wounds—political, economic, and social—were inflicted on her which were glossed over by a veneer of prosperity in the next few years, but were never healed and always ready to burst open. By the end of 1923, however, the immediate problems seemed to be on the road to solution. Even the struggle with France appeared to be ending. An international commission under the chairmanship of the Chicago banker, Charles G. Dawes, was named to re-examine the problem of reparations. Furthermore, in the French election of 1924 Poincaré was defeated and succeeded by the moderate and conciliatory Edouard Herriot. The next few years were to be ones of apparent success for the German republic. Prosperity and international amity were their keynotes. Nevertheless, the wounds remained and were to rupture even more violently under the impact of the next great international crisis, the world depression of 1929.