CHAPTER XXIV

Fools' Paradise of a Republic (1924-29)

The five years from 1924 to 1929 witnessed a sharp turn of affairs in Germany. Much of the gloom, turbulence, and uncertainty of the period after 1918 seemed to be dispelled. A new spirit was abroad in Europe, a spirit of prosperity, optimism, and conciliation. In international affairs there was a real desire to heal the wounds of the war and to admit Germany again to partnership. In literature and the fine arts Germany once more displayed her genius. Above all, in the economic sphere she appeared to regain the prodigious pace she had set in the days of Bismarck. The continuing political feuds and bickerings, the murky conspiracies beneath the surface, were veiled by a façade of success and progress. As in the late nineteenth century Germany appeared strong and powerful; as in the early twentieth century an international catastrophe was required to lay bare the inner decay.

The key to Germany’s economic upsurge lay in the “solution” of the problem of inflation and the gradual easing of the connected problems of the occupation of the Ruhr and of reparations. Schacht and Luther had “solved” the monetary problem in late 1923 by the introduction of the Rentenmark. It was a drastic solution which left unhealed wounds throughout the social fabric, but at least the German currency remained reasonably stable during the years to come. The reparation problem was eased gradually during 1924 and 1925 by a more conciliatory policy on the part of France, but particularly by the acceptance of the Dawes plan. In April 1924 the Dawes committee made its report which became known as the Dawes plan. The committee recommended that the Ruhr be evacuated, that a sliding scale of payments starting at one billion gold marks and in five years reaching two and one half billion gold marks per year be instituted, that an international bank be founded to handle the problem of the transfer of payments, and that a large loan be granted to Germany to finance the first year’s payments. The whole structure was to be based on bonds issued against Germany’s highly
profitable and sound railway system, an arrangement to be supervised by a foreign agent general. Reparations seemed to be put at last on a businesslike and realistic basis. The German cabinet approved the scheme rapidly. So did the Allies, although France required a new election. The real problem was to get the plan approved by the German Reichstag.

The Reichstag, elected in 1920, was nearing the end of its constitutional tenure. A date in May was set for new elections. Chancellor Marx went to the people, warmly supported by Stresemann, confident in the gains of the past months and the advance toward normality which was apparent. The Nationalists, however, entered the campaign with fire in their eyes and seized upon the Dawes plan as their major issue. They insisted that the government had sold the German economy into the hands of foreigners and was completing the havoc wrought originally by the Treaty of Versailles. They were joined in the cry by both the Communists and the Nazis (who were allied with several other racist groups). It was a bitter campaign. When the votes were counted, the main winners were the Nationalists, whose representation rose from 66 seats to 96. The Nazi group won 32 seats, and the Communists 62. The government parties all lost, especially the Social Democrats, whose delegation fell from 171 places to 100. The People’s party and the Democrats suffered similarly, while the Center as usual maintained about its earlier strength. The formation of a new government held the political stage for several weeks after the election. The question was whether the Nationalists should enter the cabinet, and if so, which other parties would be willing to work with them. It emerged that there was dissension within the Nationalist ranks between the intransigent right-wing monarchists and the more realistic conservatives. Finally Marx returned to office with the same cabinet which he had led before the election and, as so often during the republic, with the tacit support of the Social Democrats. The new Reichstag approved the Dawes plan.

The next problem to arise involved the fact that in order to put the Dawes plan into operation, some basic legislation was required. Some of it concerning the railways would in fact amend the Weimar Constitution and thus require a two-thirds vote in the Reichstag. However, the votes of a considerable number of the Nationalist members were needed for a two-thirds majority. Once again a conflict ensued. The Nationalists uttered the same outcry that they had made in the election campaign. The other parties used every persuasive device they could think of. President Ebert threatened to dissolve the Reichstag. Finally the People’s party conceived the idea of offering the Nationalists a proportionate share in the government if they would give in. Marx agreed and
furthermore promised that acceptance of the Dawes plan in no way altered Germany's fundamental attitude toward the treaty. The Nationalists relented to the extent of permitting their delegates to vote as individuals rather than by the unit rule. On August 29, 1924, a sufficient number of them voted for the amendment.

With this action the period of economic prosperity began. Banks and investment firms in the United States eagerly undertook the Dawes plan loan. This was only the first of a large number of loans, some of them involving tremendous sums, which were granted in the next few years by Wall Street and to a lesser extent by London. The loans went to the German federal government, to the Länder, to municipalities, and to private industry. A boom started in Germany which paralleled similar ones in Great Britain and the United States. A large part of the proceeds of the loans went right out again to the Allies as reparations payments, but a great deal remained in Germany. The remainder was used principally in two ways.

The first was a program of public works undertaken by every level of government. For the first time since 1914 the civilian construction industry started to work at full capacity. Town halls, stadiums, roads, schools, and all kinds of public buildings sprang up throughout Germany. This activity both helped employment and showed the world that Germany was regaining her stature. The second use of the money was even more important. This was the so-called rationalization of industry. The mid-twenties saw Germany rebuild, remodel, and retool her whole industrial plant. Obsolete and obsolescent machinery, buildings, and equipment were destroyed and replaced by shiny, new, efficient models. By 1929 German industry was an example to the world. Other nations, notably Great Britain, were later to wish that they had done the same, for this fine new plant was a welcome legacy from the Weimar Republic to Nazi Germany.

Along with the general prosperity of the period went corresponding social gains. Unemployment almost disappeared by 1928. In Prussia particularly, where the government was very stable and nearly always under the control of the Social Democrats with the able Otto Braun as minister-president, social legislation resumed where the old empire had left off. Budgets soared, but that seemed no problem since the deficit could always be absorbed by foreign loans, many of them short-term loans from the United States. An occasional Cassandra warned of the folly of thus tying the Germany economy to the vagaries of the New York Stock Exchange, but as usual such voices were little heeded.

Not only public agencies expanded their operations during this period. The same was true of private enterprise. One of the outstanding features
of the time was the advance in the process of cartelization, which had been typical of the reign of William II. The Germans have always felt that huge monopolies make for efficiency and economy; in the twenties several more were established. The two major ones are sufficient illustration. In 1925 eight of the principal chemical and dye firms merged into the famous Interessengemeinschaft Farbenindustrie, A.G. (usually known as I. G. Farben). This giant corporation monopolized the chemical business not only of Germany but of central Europe and a good part of the world as the years progressed. Much the same can be said of the great steel combine, the Vereinigte Stahlwerke ("United Steel Works"), which was composed of a number of very large iron, coal, and steel operations. The heady atmosphere of the mid-twenties gave Germans the impression that although they had serious problems still in the political and international field, they had once again achieved dominance in the economic sphere.

The Nationalist party had released its members from the obligation to vote against the Dawes legislation on the understanding that it would receive a greater voice in the government. Accordingly, during October 1924 Chancellor Marx tried to reshuffle his cabinet. He wanted a wide coalition reaching from the Nationalists on the right through the Social Democrats on the left. This proved to be impossible, mainly because of the refusal of the Social Democrats. These people were anxious for new elections in the belief that the "inflation Reichstag" (as they called it) of May 1924 represented only the remaining discontents arising from the sorrows of the year before and that an election at this time would provide very different results. They won their point. President Ebert dissolved the Reichstag, and new elections were held in December. The Social Democrats were partially correct in their analysis and gained more than thirty seats. The Nazis lost appreciably, and the Communists suffered severe losses. The middle parties made small gains, but the Nationalists not only held their ground but increased their representation to 103, a forimidable large number. The result was a new cabinet with a new chancellor, Hans Luther, the conservative, former finance minister. This was a right-wing bourgeois cabinet with the members ranging from Centrist to Nationalist. The Social Democrats took a firm stand of opposition, except for their support of Stresemann's foreign policy.

On February 28, 1925, just a few weeks after the Luther government took office, President Friedrich Ebert died after a short illness and an operation. A steady, untheatrical figure, Ebert had done his best to govern constitutionally and to maintain a balance among the conflicting groups. Now there had to be a presidential election, an event which opened the way for all sorts of political combinations. At first the bour-
geois parties tried but failed to agree on a common candidate. Therefore each party named its own, except for the Nationalists and the People’s party which united on Karl Jarres, mayor of Duisburg, who had earned an outstanding reputation during the Ruhr struggle. The other principal candidates were Otto Braun, the efficient Social Democratic minister-president of Prussia, and Wilhelm Marx, the Centrist former chancellor. Others were named by smaller groups. The election was held on March 29. Jarres received the most votes, about ten and one half million; Braun was second with almost eight million, and Marx third with close to four million. Since no one received a majority, there had to be a second election in which a plurality would suffice.

The parties between the People’s party and the Communists decided to support Marx. It was easier for the Social Democrats with their high degree of party obedience to get their people to vote for a Centrist than for the Center to ask its members to vote for a Social Democrat. The Communists refused to join the bloc and put up their own leader, Ernst Thälmann. The right-wing parties had a hard time making a decision. Some of the leaders reasoned that Jarres had already received as many votes as he was likely to, and that if all the former supporters of Braun and Marx now voted for Marx, he would be elected. They felt that they needed someone of overwhelming national stature. Much against Stresemann’s advice, because he feared the foreign repercussions, the Nationalists and People’s party picked as their candidate Paul von Hindenburg, the heroic field marshal who was now almost eighty years old. The Hindenburg myth, so potent ten years before, still carried its magic but only by a bare margin. At the election on April 26 Hindenburg beat Marx by only about a million votes, fewer than Thälmann received. If the Communists had supported Marx, he would have won. A campaign based on German “honor” was victorious over a campaign based on German “democracy.”

Monarchists were jubilant, for it seemed as if Hindenburg would serve only to keep the throne warm for a Hohenzollern restoration. Certainly the old soldier was a monarchist at heart. However, he surprised the world. Once he had taken his oath to the Weimar Constitution, he remained loyal to it. For the first five years of his presidency he always acted constitutionally, except perhaps in relation to the army where he felt himself to be still in command. His myth and popularity continued to increase.

The main interest in German history during the middle twenties centers around foreign affairs, which were directed for six years by Gustav Stresemann. The last word has not been written about Stresemann. He was without doubt the foremost statesman of the Weimar Republic, but
his reputation has suffered from his adorers, who are more interested in him as a great internationalist or a "good European" than as a first-rate German foreign minister. None, however, questions his dexterity and astuteness. Like all Germans, Stresemann wanted to release Germany from what he felt were the unwarranted and inexcusable shackles of the Treaty of Versailles. His career can be viewed as a very considerable achievement of part of this aim. Stresemann differed in his tactics from many other leading Germans and was extremely unpopular in a number of influential quarters, especially among the Nationalists. The extreme Nationalists, especially that wing of the party led by the newspaper, radio, and motion picture tycoon, Alfred Hugenberg, were completely intransigent regarding the treaty. For them even the appearance of compromise or acceptance was treason. Their technique was that of the verbal bludgeon. Another approach, represented most ably by General von Seeckt, who disliked Stresemann, was simply to build Germany's might with the eventual aim of winning the nation its proper place by force. Stresemann, however, realized that Germany was hopelessly inferior to the Allies in military power and could not think of fighting for a long time to come. He reasoned that the only way to improve her position was to undermine the treaty in detail rather than to attempt to topple it as a whole. He worked patiently but relentlessly to improve the attitude of other nations toward Germany, to make friends wherever possible, and to bring up for discussion with a view toward compromise such matters as disarmament, reparations, and in particular the eastern frontier.

During the negotiations on the evacuation of the Ruhr the question arose of the admission of Germany to the League of Nations. The idea had merit from the French point of view. By becoming a member of the League, Germany would place herself under the authority of that institution, which was so heavily influenced by France. It would also be a recognition of the treaty, of which the Covenant of the League was an integral part. The idea appealed also to Stresemann, who saw in the League a forum where Germany, accepted as an equal, could bring her grievances to the eyes of the world. There remained the difficulties of the war-guilt clause of the treaty and also the fact that under Article 16 disarmed Germany might be called upon to attack an offender (especially the Soviet Union in defense of hated Poland). In spite of this, in September 1924 the German government consented to the idea that Germany should join the League, but with reservations on Article 16. The League agreed to study the matter, but the French attitude toward German reservations was very cold.

The possibility of a regional pact guaranteeing the western border of
Germany against all future hostilities was also not a new one. As far back as 1922 it had been suggested by the Cuno government. Since French foreign policy was haunted by the dream of security, the Germans reasoned that if they recognized the loss of Alsace-Lorraine and guaranteed the Rhine frontier, the French would become less adamant. Such an agreement might also lead to important economic co-operation between France and Germany in a territory which demands it.

In the early months of 1925 Stresemann sent notes to both London and Paris suggesting a regional guarantee of the western frontier. The French were attracted by the idea but felt strongly that it should be matched by a similar project in the east, namely a guarantee of Germany's frontiers with France's allies, Poland and Czechoslovakia. Germany was unmistakably firm in her refusal to consider such a suggestion. The French official reply insisted that German membership in the League with all its responsibilities should be a condition of the regional pact and that Belgium should be included in it. Negotiations continued for several months with Stresemann patiently trying to win a few concessions from the west. During this time he was beset by violent criticism from the Nationalists. The idea of consecrating the loss of Alsace-Lorraine was untenable to them; it was treason to the soldiers of 1870. They much preferred the old Prussian idea of friendship with Russia; Stresemann hastened to assure them that he did not plan to break with the Soviets, but he earned no good will.

Finally a conference met at Locarno on the Swiss shore of Lake Maggiore. It was attended by Great Britain, Germany, France, Italy, Belgium, Poland, and Czechoslovakia. The major figures were the foreign ministers of Britain, France, and Germany: lanky, be monocled Sir Austen Chamberlain; swarthy, shaggy Aristide Briand; and fat, bald, volatile Stresemann. The treaties were signed on October 16. In them the five Western powers guaranteed the borders between France and Germany and between Belgium and Germany as drawn by the Treaty of Versailles. In addition, Germany signed with Poland and Czechoslovakia agreements calling for arbitration of any future dispute.

In retrospect the "spirit of Locarno" seems more important than the actual terms of the treaties. Chamberlain, Briand, and Stresemann formed a personal relationship at Locarno which was to be fruitful in leading toward further conciliation. For the first time since the war a spirit of warmth rather than acrimony pervaded international affairs. In spite of this, on his return to Berlin Stresemann was greeted with fury by many elements of the German people. The Nationalists unleashed their anger and withdrew their members from the government. Stresemann pointed out that now Britain was guaranteeing the German border, that a
formula had been agreed on to circumvent Article 16 of the Covenant, and that Germany had been treated as an equal. The Allies continued to help him in his effort to get the Locarno agreements through the Reichstag. The Treaty of Versailles provided that the first zone of the occupied Rhineland (around Cologne) might be evacuated by 1925; the Allies had so far not withdrawn because they insisted that the Germans had not observed faithfully the disarmament clauses of the treaty. Now, however, they consented to evacuate the zone by the first weeks of 1926. The government parties with the decisive addition of the Social Democrats agreed to Locarno, and Stresemann won an important battle.

To cap the edifice of Locarno, in January 1926 Germany applied officially for membership in the League of Nations, with the understanding that she would be awarded a permanent seat on the Council. Unexpected complications arose; several of the second-rate powers—of whom the most annoying were Poland, Spain, and Brazil—announced that if Germany were to receive a permanent seat, they should too. Since both Spain and Brazil at that moment held nonpermanent seats, and since the election had to be unanimous, a real problem arose. This was particularly irritating to Stresemann since he realized that the delay played into the hands of his opponents, who in fact left nothing undone to increase his difficulties. The confusion endured for almost a year. At last in September a compromise was arranged by which Germany received her permanent seat while three more nonpermanent seats were established for the malcontents. All accepted the solution except Brazil, which resigned from the League. On September 10 Stresemann gave his maiden address before the League, the first of a series of inspiring speeches which were to make him internationally famous and to win him his reputation as a "good European."

The Soviet Union was very much alarmed by the Western orientation of German policy symbolized by Locarno. The Russians feared that Germany was entering the camp of their potential enemies in the West, and that she was turning her back on the policy of Rapallo. In fact, Stresemann was more interested in the West than in the East, but he had no desire to lose friends anywhere and he sympathized with the army's insistence on maintaining the valuable tie with the Soviets. Accordingly he did all he could to soothe them and was successful. On April 24, 1926, a Russo-German treaty was signed at Berlin which continued and broadened the Rapallo agreement of 1922. Each state was to remain neutral if the other were attacked by a third power, and both were to refuse to take part in any economic boycott against the other. They also promised a continuing, warm political and economic relationship. This treaty remained in effect until 1934, even after Hitler had been in
control for more than a year. Unlike the Locarno agreements, the Russian treaty was welcomed by all parties in the Reichstag and ratified almost unanimously. It was less warmly accepted abroad, but Stresemann was resigned to that. The states between Germany and Russia became very alarmed and drew closer together; France and Romania signed an alliance. However, in time the clamor died down.

During the years after Stresemann's first appearance at the League he went there often and conducted much of his business in informal conversations with leaders of the other countries. In particular, he formed a warm personal and useful friendship with Aristide Briand. He achieved complete success in only one matter. In January 1927 the Military Control Commission, which inspected and supervised Germany's disarmament, was withdrawn; the task was turned over to the more pliable League Council. Constantly, in an atmosphere of informal cordiality and at a moment of warmth toward Germany, Stresemann brought up in season and out Germany's grievances: evacuation of the Rhineland, reparations, the eastern frontier, disarmament (wherein he stressed the idea that Germany's disarmament was only a prelude to world disarmament), and the union with Austria. It was like water wearing down a stone. If Stresemann's health had not become so precarious and if the world depression had not been so imminent, his policy might in time have solved Germany's problems with a minimum of friction. This is, of course, only speculation.

On August 27, 1928, Stresemann crowned his triumphs when he appeared in Paris to register Germany's adherence to the Pact of Paris, often described as the Kellogg-Briand Peace Pact. This pact grew out of conversations between France and the United States in which the two were to agree never to wage war against each other. Secretary of State Frank B. Kellogg suggested that the plan be broadened to become a statement by the whole world "outlawing war as an instrument of national policy." Briand approved and suggested an international meeting in Paris to sign the declaration. Germany was to be invited; Stresemann in fact seemed to be the honored guest. A German foreign minister was welcomed with enthusiasm in the French capital. The Paris pact is today often mentioned with scorn and cynicism. However, it marked a serious landmark in idealism and optimism for the future of the world. Certainly Stresemann was one of the principal architects of this attitude.

Internal affairs in Germany during the years 1926 through 1929 have none of the world interest of Stresemann's intricate diplomatic game. They revolved about issues which were intrinsically unimportant but which continued to betray the class cleavages which made any unified organization so difficult. One of these, which actually caused the fall of
a government, was the dispute over the flag. On May 5, 1926, Chancellor Luther issued an ordinance providing that German offices abroad might fly the red, white, and black colors of the old Germany alongside the black, red, and gold of the republic. This decree aroused such fury on the left side of the Reichstag that a vote of no confidence passed and Luther had to resign. Hindenburg appointed Wilhelm Marx as chancellor again, with exactly the same cabinet as Luther’s.

At the same time another seemingly trivial affair rocked German politics. This time it was the question of whether the deposed ruling families should be compensated for their confiscated properties. The Communists insisted on no compensation; the Social Democrats were ready to compromise but were maneuvered into demanding a referendum on the question. Although more than fourteen million people voted for no compensation, that figure was less than the required percentage in a referendum and the old families were secured in their incomes.

Still another crisis developed about the Hohenzollerns and provided the left with an opportunity of settling its score with General von Seeckt, who was widely considered to have run the army higgledy-piggledy and without proper consideration for the Reichstag in such matters as appropriations. Seeckt invited the eldest son of the former crown prince to take part in maneuvers as a temporary officer. When this became known, the outcry left the highly competent but arrogant Seeckt friendless. Gessler, the minister of defense, would not defend him. Hindenburg, who wanted more direct control of the army than Seeckt would grant him, was glad of the mischance. In October 1926 Seeckt was dismissed and replaced by General Heye, who was content to remain a mouthpiece for the field marshal. A few months later Gessler, who had been minister of defense since 1920, also fell into disgrace over some shady dealings with army money. He was forced out of office and replaced by Hindenburg’s old colleague from the days of defeat, General Groener.

During 1927 two events occurred which were to lead to important results in the years of depression just ahead. One of these was the passage of a major piece of legislation, strangely enough by a cabinet containing more conservatives than at any time since the war. This new law set up machinery for a complete system of unemployment insurance which would protect a man for six months after losing his job out of funds amassed both by him and his employer. At the same time an elaborate system of labor boards provided for state mediation in labor disputes.

The other event concerned Hindenburg personally. A group of eastern landowners and industrialists conceived the idea of buying by popular subscription the estate of Neudeck, ancestral home of the Hindenburgs, and presenting it to the old soldier as a public testimonial on his
eightieth birthday. This was done amid great ceremony. The result was to equate Hindenburg's personal interests with those of the agrarian class, which was constantly in need of subsidies to maintain its uneconomic holdings in the east. In 1932 this act was to have serious repercussions and to vindicate the foresight of the donors.

By the beginning of 1928 Stresemann was ready to launch a new diplomatic offensive against the Allies, this time to improve the German position on reparations and, if possible, to secure the evacuation of the Rhineland earlier than was stipulated in the Treaty of Versailles. Hoping to avoid some of the opposition at home which had greeted Locarno, he wanted to broaden his support in the Reichstag and called new elections. These were held on May 20 at the moment of the greatest prosperity of the Weimar Republic when the German people were grateful to the regime for the well-being it had provided. Accordingly the Social Democrats, the party most closely identified with the Weimar system, received a very large vote, increasing their seats in the house from 131 to 152. The triumph of the left was completed by a jump in Communist seats from 45 to 54. Most of these gains were at the expense of the Nationalists, who decreased from 103 to 78 seats. The other nonsocialist parties each lost some votes, except for the new Economic party (Wirtschaftspartei), a lower middle class, free-enterprise group, which won 17 seats. The Nazis were almost eliminated.

The elections led to a change of government. For the first time since 1920 a Social Democrat became chancellor. Once again it was the colorless old party wheel horse, Hermann Müller, who promised a program of stable and gradual social advances. The only crisis of the year occurred when the Social Democrats, traditionally pacifist, tried unsuccessfully to defer the construction of the first of several ten-thousand-ton "pocket" battleships, a type permitted by the treaty. They did not, however, lose control of the government on this issue.

During the years of prosperity Hitler and the Nazis had not been idle, although their lack of success in the elections suggests that they had still not accomplished very much. Immediately after his release from prison in December 1924 Hitler decided to reform the party and in particular to assure for himself the absolute leadership. Several tendencies had developed during 1924 which Hitler considered deviationist. One of these was identified with Ernst Roehm and the S.A. Roehm, the fighter, had not given up the idea of conquest of power by force. Furthermore, he was willing to ally himself with other groups, which were superficially in agreement with the Nazis but which in Hitler's opinion were a source of weakness. To Hitler the S.A. was to be used for purposes
of propaganda and protection, not as a substitute for the army. He took prompt action against Roehm, who in early 1925 resigned as head of the S.A.; this remained a source of friction for some years. Eventually Hitler found the solution in the creation of the S.S. (Schutz Staffel), an elite corps founded at first for the personal protection of the leader and composed of men chosen with the greatest care for their racial background and qualities of obedience and vowed by oath to Hitler and to him alone. The S.S. did not come into full power until 1929, when Heinrich Himmler became its national leader (Reichsführer). Himmler, the most bestial of the Nazis, is an almost impossible man to understand. He was born in Bavaria in 1900 the son of a schoolteacher, was reared in modest respectability, and served as a youth in the army. After the war he took a course in agriculture and settled near Munich as a poultry farmer. With his little rimless pince-nez glasses and his neat clothes Himmler looked like a rather spinsterish schoolmaster. Yet this is the man who, with a few strokes of his pen, was later to order tortures and murders on a scale unprecedented in human history. He seemed the acme of mediocrity, but he had unquestionable talents for organization and administration and, at least until his last months, an unqualified devotion to his master.

The other deviation with which Hitler had to deal was of a more doctrinal nature. This was the "radical" line of thinking brought into the party by Gregor Strasser and Josef Goebbels. Strasser was a Bavarian druggist who joined the party in 1920; while Hitler was in prison, he used his abilities in public speaking to keep the party alive. He was not noted for his willing subordination to Hitler. In 1925 Hitler sent Strasser to north Germany to build the party there, a task which he undertook with gusto. He founded several periodicals and appointed as editor of one of them a young, unsuccessful author from the Rhineland named Paul Josef Goebbels. Goebbels, born in 1897, had received a good education under Jesuit auspices. In fact he was the only highly educated Nazi leader, a man who could really write the German language. He wrote a number of unsuccessful works, wandered about Germany after the war, heard Hitler, and joined the party. During 1925 his close affiliation with Strasser led him into the group of those who took seriously the word socialism in national socialism. An anticapitalist, left-wing movement grew within the party. Hitler decided to crush it and did so at a party meeting in early 1926. At this meeting Goebbels became a convert to Hitler's way of thinking and remained a devoted follower of the leader to the day of his suicide. A dwarfish little man with a club foot, he had a striking large head with piercing eyes. His almost
uncanny ability to manipulate human weaknesses made him invaluable to Hitler as an expert on propaganda. Strasser remained in the party but was regarded by Hitler with continuing suspicion.

One of the problems with which Hitler had to deal was that he was forbidden to speak publicly in most of the German states. By 1927, however, this ban was removed in Bavaria, and in August of that year the first of the annual Party Congresses was held in Nuremberg. This occasion was a landmark in Nazi history because it demonstrated to anyone interested that the party was again a going concern. The election results seemed to show that not many people were much interested, but Hitler was willing to bide his time until some catastrophe should occur which would boost him into prominence. He did not have to wait very long.

Much of the year 1928 was used by Stresemann in an effort to have the reparations problem once more re-examined. While the Dawes plan had accomplished much for Germany, and while she had paid her debts punctually thanks to foreign loans, the Germans felt that a new total of payments should be established and foreign supervision removed. In August Stresemann raised that question with Briand and Poincaré, and also the question of evacuation of the Rhineland. Briand was not unwilling to discuss the matter, but Poincaré, the premier, as usual was less friendly. He insisted that German reparations were tied up with Allied war debts to the United States, a position which the American government had never been willing to accept. At the League of Nations a short time later Müller, representing Germany instead of the ill Stresemann, was not very diplomatic and received a stinging rebuff from Briand. However, negotiations began on the appointment of a committee of experts with unofficial American participation. In December agreement was reached, and on February 9, 1929, the committee met under the chairmanship of the well-known American businessman, Owen D. Young. Hjalmar Schacht represented Germany.

The meetings were long and difficult. For a time it looked as if the Allies and the Germans could never be brought together, but on June 7, 1929, the report was signed. By it Germany was obligated to make payments for fifty-nine years. The payments were to start at 1700 million marks the first year, reach a peak of 2428 million in 1966, and then diminish to 1700 million. The plan provided for a Bank of International Settlements to handle the problem of transfer; the bank was to be controlled by all the nations involved, including Germany. All foreign controls in Germany were to be abolished.

The government of Hermann Müller promptly accepted the Young plan as the basis for a general discussion of reparations, which was to be held at the political level following the purely economic discussions
of the committee of experts. Immediately the Nationalists launched a campaign of opposition even more bitter than those they had launched against the Dawes plan and Locarno. Led by Alfred Hugenberg, now the official leader of the Nationalists, they neglected nothing in their excoriation of Stresemann and the parties supporting him. However, mainly thanks to the Social Democrats, Stresemann was able to control a majority in the Reichstag.

The conference on reparations met at The Hague during most of August 1929. After much conflict, with the new British Labor government proving its main foe, the Young plan was accepted. Furthermore, in spite of some French opposition Stresemann won his plea for the evacuation of the Rhineland. The Allies agreed to start the evacuation in September and to complete it by June 30, 1930.

Stresemann had won his last victory. He was not destined to lead the fight to get the agreements ratified in the Reichstag. Although he had been ill for a long time, he refused to relent in his strenuous work. He died on October 3, 1929, almost literally of overwork. One can be glad that he did not live a few weeks longer to see the beginning of the catastrophe that was to lead to the wreckage of his work, the Great Depression of 1929.

The campaign against the Hague agreements was almost unprecedented in its ferocity. The principal device used by the opposition was a draft law called “A Law against the Enslavement of the German People.” It was drawn up by a committee including Hugenberg and Hitler. The draft attacked the war-guilt clause, provided that no more reparation agreements should be negotiated, and declared that members of the government could be tried for treason if they undertook any further financial commitments. This preposterous project shows the distance the opposition was prepared to go. The so-called “freedom law” caused dissension even within the Nationalist party and led to a secession from it headed by Captain Trevisanus. Nevertheless, it was introduced into the Reichstag by initiative action and after its defeat was placed before the people in a referendum where it received less than six million votes. The Nationalists were losing ground but were still ready to take advantage of any calamity which might occur.

In March 1930 the Reichstag passed the legislation necessary to implement the Young plan. By midsummer the Rhineland was evacuated by the Allies. However, an era was over. Already in the preceding autumn the crash of the New York stock market ushered in a new period marked by economic catastrophe and then political collapse.