\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Effects of the Treaty of Versailles on Germany\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SDP Spartacists Anarchists Liberal Democracy

Freikorps Civil Service Libel Putsch

Bavaria Weimar Republic Implacable Ruhr

Libel Diktat Plebiscite Centrist

Complicit Nationalist Clandestine Intransigent

Centrist Kook Gold Mark Devalued

Capital Investment Passive Resistance General Strike Hyperinflation

Nationalisation Militia Commission

Somebody who vigorously supports Germany and usually identifies with the military culture present before the war.

The term given to the German government from 1919-1933.

An industrial centre of Germany on the French border.

When prices are increasing at an uncontrollable rate.

Unwilling to change your views or come to an agreement

A person with very eccentric ideas out of step with those of the majority of society.

A violent attempt to overthrow the government

A person or party that has moderate political views.

A civilian military group used to supplement the army or, at times, oppose it.

A supporter of the Weimar Government and moderate policies

Involved with others in wrongdoing

A political ideology that has the rights of the individual as its basis.

The purchase of large-scale items to increase productivity

A person with very hostile views that cannot be changed

Something that is done in secret and is usually illegal

Those who work in government administration

Non-compliance against a perceived unjust policy or law without using violence

A right-wing paramilitary organisation comprised of veterans of the First World War

A strike of workers in all or most industries

An order or decree without consultation or consent

A group designed to carry out an official investigation

When all industry comes under the government’s control

The basis of the economy until 1914, when it was replaced with a paper mark.

A false statement that damages someone’s reputation

The second largest area of Germany, in the South-West

Social Democratic Party – A moderate left-wing party, the largest in Germany in 1919.

A communist movement in Germany

A group that does not believe in government authority

A vote by all on an important question

An official policy to reduce the worth of the currency

Events in Germany: November 1918- January 1919

On 11 November 1918, Max Von Baden handed over the Reichstag power to the SPD party leader, Frederick Ebert, who established a new democratic republic. Concurrently, Karl Liebknecht proclaimed Germany to be a socialist republic. Ebert was pressured by the USDP (which had refused to support the war and broke from the SDP) to implement a radical social programme, including the nationalisation of industry, the break-up of the landed estates and the radical democratisation of the army, civil service and judiciary. To block the USDP goals, he needed the army’s support, so he entered into an agreement with the new army head, General Groener, that the military would support the new government if they maintained independence, and the SDP agreed to fight communism.

Ebert saw the only way to gain full power was to have new elections for a new Reichstag to draw up a constitution. Most business owners and members of the middle class, as well as the army, supported him. Not all the SPD were happy with Ebert’s close relationship with Groener and favoured accommodation with the Marxists rather than linking themselves to the military before concluding the peace treaty. Throughout December and January, violent street clashes occurred between the Spartacists and those loyal to the new regime. Although most Trade Unions sided with Ebert that there should be no nationalisation of industry, they still extracted an eight-hour working day in exchange for their support.

On 5 January, a full-scale revolt was crushed by the army, with the help of Freikorps, hastily recruited volunteers organised by individual army commanders. The force was excessive, with artillery, machine guns and flamethrowers used on the Spartacists. With the situation under control, the Freikorps took the opportunity to murder Liebknecht and Rosa Luxembourg (who was clubbed to death). Their homicides outraged the Communists and saw a never resolved implacable hostility between the SDP and the Communists. Large numbers of the working class who would have favoured constitutionalism never supported the Weimar Republic. Using hindsight, we can now see that the SDP moved too far to the right to crush the Spartacists, which undercut their credibility in poorer areas. Only now can we see that the Spartacists did not have the organisation of Lenin’s Bolsheviks in Russia, which would have enabled a successful revolution.

Despite Communists boycotting the elections of January 1919, 83% of those eligible turned out to vote. The election appeared to be a victory for the moderates, with the SPD gaining 38% of the vote and monarchist or nationalist parties attracting 15%. It seemed that progressive democracy would be secure in Germany. However, the extreme left, still aggrieved by the suppression in Berlin, mounted another challenge to the republic. They began a general strike in the Ruhr, which was then supported in Berlin. On 3 March, 15,000 were killed, and 12,000 were injured in savage street fighting. In Bavaria, anarchists seized power, declared independence and illogically declared war on Switzerland. The chaos saw the Bavarian Communist Party assemble a force of 8,000 and take control of the government. On 27 April, 30,000 Freikorps marched south from Berlin almost unopposed and began the roundup and murder of 10,000 suspected Communists.

How serious a threat was the extreme Left in 1919?

Did Ebert undercut his legitimacy in his dealings with the army?

Should these disturbances be blamed on the Allied Powers?

Germany and Versailles

The leader of the new German government was Count Brockdorff-Rantzau, a member of the liberal wing of the old aristocracy, who had gained legitimacy with the Social Democrat Party through long advocating for a negotiated settlement with the allies. He still believed:

* Germany was still a great world power, and America and Britain would need an economically viable Germany.
* The threat of Bolshevism would make German cooperation indispensable.
* He felt that the Wilsonian principles of national self-determination would be applied. Alsace and Lorraine and parts of Prussia would be lost, but this would be made up by absorbing the German areas of Austro-Hungary.
* He felt that in return for a ‘just peace’, Germany would work with its former enemies to overthrow the Bolshevik regime in Russia.

It had been envisaged that once Germany’s enemies had negotiated a preliminary peace settlement amongst themselves, the Germans would be admitted to the conference and invited to participate in a second stage. However, by the time the entire Treaty had been put together, its authors were terrified that any attempt to renegotiate individual articles, particularly in the presence of German delegates, would cause the whole settlement to unravel. When they were presented with the terms on 7 May, the delegates and the German press felt they had been given a ‘diktat’. In the National Assembly on 12 May, the SPD denounced the Treaty and ordered experts to attack specific provisions, which Brockdorff-Rantzau released to the press.

The Germans had three weeks to lodge their objections, but this resulted in two minor changes:

* The Saar was to have a plebiscite in 15 years, whether it would return to Germany.
* There would be a plebiscite on the territorial boundaries.

The question is now over whether Germany should sign the Treaty. Prime Minister Scheidemann resigned, and President Ebert needed a lot of persuasion to stay. Brockdorff-Rantzau was hoping to appeal to left-wing parties in Britain and France to have the Treaty revised in the future, and expected by signing, this could occur. Many army commanders wanted armed resistance rather than signing the Treaty. Initially, the Reichstag only voted to sign the Treaty if the War Guilt clause and the extradition of the Kaiser and other Generals to face trial for war crimes were removed. But most of the SPD and the Catholic Centre party eventually voted to sign, as moderate army leaders believed the country could not resist an allied invasion. They publicly acknowledged that they were doing so for honourable and patriotic motives, but this was not accepted by vast chunks of the population and saw an upsurge in a belief in the ‘Stabbed in the Back’ myth. The other problem was that because the government strenuously argued the War Guilt clause and employed historians to contest it, this ended up rehabilitating the reputation of the militarists of 1914, who had acted aggressively and recklessly.

Despite the debates around whether the Treaty was unduly harsh, Germany had opportunities. It had been left largely intact, and the fragmentation of Eastern Europe gave it the potential for economic domination. Having to accept the reality of defeat and a treaty that relegated Germany to the perceived status of a second-class power was far too painful for most. In the new democratic political structure, parties vied to attack the settlement and blame all of Germany’s political and economic problems on ‘the shameful peace.’ When extremists had a ready audience, the centrist parties needed a united front; to abide by the terms and increase prosperity to protect the new Weimar constitution.

Germany never intended to fulfil the terms of the Treaty of Versailles. Large numbers of Freikorps units were absorbed into the military police or passed off as members of the Home Guards of the different German states. Meanwhile, the new German army, a small but select body of hand-picked recruits serving on a long-term basis under its commander, von Seeckt, began a programme of intensive modernisation. From 1919-1920, the Germans sent weapons forbidden under Versailles to the Bolsheviks in Russia to test and use against the Poles. Throughout the 1920s, the German military authorities put the Bolshevik connection to good use, testing out aeroplanes, different types of poison gases and a range of armaments in Russia for providing military advice and training. The eventual 1922 Treaty of Rapallo between the nations hardened French resolve against the Germans.

How was the entire German approach to negotiating the Treaty irrational?

Why might we criticize both the Army and Nationalists for their extreme opposition to the Treaty?

Why did the Government’s decision to partially comply with the Treaty discredit them with their own population and the Allies?

The Growth of the Right

Throughout 1919 the Freikorps became more organised and numbered around 400,000. They had been fighting in the Baltic regions against Communists, Silesia against the Poles and Germany against the Spartacists. They were supported by a growing network of neighbourhood civilian militia organisations, student fraternities, patriotic clubs, and societies, all denouncing the peace treaty and vowing to defy its terms. When the terms of the Treaty were announced, many former soldiers took refuge in the estates of large landowners (especially in the East), which was tacitly supported by the army, who did not enforce the term that required the Freikorps to hand over their weapons.

The ability of the new government to deal with these armed nationalist groups was hampered by their actions. Not only had they used them in the illegal suppression of the Spartacists in January, but they were also in active adulation of the army, which bolstered its legitimacy. In December 1918, Ebert welcomed the defeated German troops back to Berlin as valiant soldiers who “return unvanquished from the field of battle.” Conferring this honour confirmed the idea that Germany had not lost the war, which was seized upon by others.

In November 1919, Hindenburg was to give evidence to a commission investigating the causes of the German defeat. He was greeted by massive crowds and addressed them:

Our repeated requests for strict discipline and strict laws were never met. Thus our operations were bound to fail and the collapse had to come…. An English general rightly said “The German army was stabbed in the back”. The sound heart of the army is without blame…. Where the guilt lies is clearly proven. If further proof were necessary, it lies in the quoted remark of the English general and in the boundless astonishment of our enemies at their victory.

Hindenburg had hijacked the commission and misquoted what General Malcolm had said, which is why Hindenburg did not explicitly use his name.

The National People’s Party leader, Helfferich, publicly attacked the Catholic Centre leader, Erzberger, for colluding with the allies during the war. Erzberger sued him libel and won. But it turned out to be a victory for Helfferich as his accusations now found a wider audience, and even though they were false, he only had to pay a small fine as the judge ruled that his motives were patriotic. A student severely wounded Erzberger on his way to court. He received an eighteen-month sentence and was released before serving his complete term. Once again, the bitter accusations of the nationalist right had more appeal to the German public than the denials of the centre and left.

Erzberger undertook a badly needed modernisation of the tax system, which had failed during the war. Although primarily to bring inflation under control and restore Germany’s finances, the reforms were viewed by property owners, industrialists and farmers as a means of taking their wealth to meet reparation payments. A year later, while on holiday in August 1921, Erzberberger was murdered by two ex-army officers who were members of a clandestine nationalist organisation. They were helped to escape to Hungary via Munich and remained there until 1933, when they returned to Germany. Only some of those implicated in the crime were brought to trial, and they were acquitted. Less than a year later, the Foreign Minister, Rathenau, one of Germany’s leading industrialists and a Jew, was assassinated by two young ex-officers from the same organisation.

Between 1918 and 1922, organisations on the right were responsible for 354 politically motivated murders. Only one of the perpetrators was punished, and then not with the death penalty. In the same period, the left mounted twenty-two assassination attempts. Seventeen of these were punished, ten with the death penalty. A study has shown that while the average sentence for left-wingers convicted of attempted murder was fifteen years, it was four months for those on the right. The courts saw the latter as motivated by patriotic sentiment and entitled to a reduced sentence. A communist was imprisoned for four weeks for denouncing Weimar as “a robber’s republic.” However, when a right-wing nationalist called it a “Jew’s republic,” he was merely fined 70 marks. Centrist politicians were trapped between the militant socialist demands of the extreme left and the intransigent nationalism and conservatism of the right. Industrial and commercial leaders, army officers and farmers could attack ministers for being unpatriotic and harbouring Marxist sympathies.

How serious a threat to the Weimar Republic were the Right-Wing groups?

How did the army add to the validity of these groups?

Why is the government unable to undertake reforms?

What role is the Treaty playing in this instability

The Kapp Putsch

In March 1920, the government attempted to disarm some Freikorps units around Berlin. The leaders of the Freikorps saw this action as demonstrating a lack of gratitude for them securing the republic from the extreme left. Many volunteers had joined up because their prospects in civilian life were limited, and now once again, demobilisation brought the possibility of unemployment and social isolation. The leader of the Fatherland Party, Wolfgang Kapp, marched on Berlin with 12,000 Freikorps on 13 March. The senior military commander, Von Seeckt, told the government that the army would not fire on the Freikorps and would thus remain a bystander in the attempted coup. The government fled to Stuttgart, telling the workers in Berlin that they should organise a general strike to prevent the military dictatorship.

The coup collapsed ignominiously. Kapp was an extremist and somewhat of a kook, not even liked by conservatives and army officers. The conspirators were disunited and unable to form a viable government. As the general strike began to bite and the Reichsbank refused to issue currency, the new government could not function. After six days, Kapp fled to Sweden.

Results:

* It could be viewed as a success as it showed that the government at least had the support of the majority of the population.
* Despite the complete lack of loyalty, the army had shown, their power was undiminished. Von Seeckt was so powerful that he was promoted and demanded complete military independence from the government.
* Government officials had not acted disloyally nor shown much enthusiasm for the new republic.
* Of the 705 who stood trial for their role in the putsch, only one was found guilty. Clearly, the judges were biased and did not stand with the Weimar Republic.
* Those that had taken part in the General Strike felt they should be rewarded with improved workers’ rights and the socialisation of key industries. In the Ruhr, there was a socialist uprising of around 50,000 workers. The rebellion could only be crushed by employing the Freikorps, who had been disloyal during the Kapp Putsch. The death of 1000 workers saw the Communists utterly committed to ending the Weimar Republic.
* Despite the putsch’s pitiful nature, support for right-wing parties increased.
* In the 1920 election, the percentage of centrist parties supporting the Weimar Government dropped from 76.1% to 43.6%. The extreme parties on the left and the right were now a majority. Henceforth, Germany would be ruled by a series of weak coalition governments, destabilised by every crisis and unable to offer strong leadership. Parties were reluctant to work together in case they lost their supporters. Germany was too divided a society to risk losing supporters by parties attempting to expand their support base.

What role did the Treaty of Versailles play in the Kapp Putsch

How could the failure of the Kapp Putsch be a success for the Weimar Government?

What weaknesses does the Kapp Putsch reveal?

The Occupation of the Ruhr

Germany had not raised taxes during the war. Until 1916 they relied on war bonds until the population lost confidence in their chances of winning. Income shortages saw Germany began not only to sell its debts but also its gold bullion reserves. Under German law, the printed money to gold bullion should have been 3-1. This ratio could not now be enforced.

As you will remember, the actual reparations figure was not decided at Versailles. In the interim, while the Reparations commission debated, the Germans continued to print more money to keep their economy weak. At the beginning of 1920, the mark stood at one-tenth of its prewar value. By the summer of 1922, it had plummeted to one-hundredth. By the beginning of 1923, one old gold mark was equivalent in value to 2,500 new paper ones. With so much of the economy devoted to war production, the price of consumer goods was increasing. Germany also had the problem of paying the pensions of 800,000 former soldiers, 530,000 war widows, and 1.2 million orphans. Essentially the option was to raise taxes or cut spending, but in the volatile political climate, they opted to do neither.

There is an argument that printing money sheltered the population from the worst of their economic problems. With little international travel, most Germans were unaware of their poverty. More money in circulation enabled the Germans to meet the obligations of paying government employees and pensions without steep tax increases. Those people on fixed incomes or with savings suffered. But the majority of people held some debt and inflation benefited them. As Germany had raised most of the cost of the war through war bonds, it made sense to print more money to repay these, even if it left those people who had purchased them in good faith worse off than they had been before the war. By borrowing, Germany hoped to keep the population employed through government jobs and infrastructure construction, even if the wages were low.

The Allied leaders felt the Germans were weakening their economy to create an impression that any reparations would be made to a country unable to afford them. They suspected Germany would attempt to pay the reparations in devalued marks. Indeed, no German political leader would risk stabilising the economy to make the reparation payments. The German inflation also gave them a competitive advantage over their rivals, allowing business owners to make capital investments and hire staff. In Germany in 1921, the unemployment rate was 1.8%, whereas, in Britain, it was 17% - but this inflationary spending could only continue for so long.

When the reparations were announced in March 1921, Germany found itself in a perilous position. The government collapsed, and the new coalition decided to meet its annual obligations of 2,000 million gold marks (not the paper marks that Germany was hoping for) and 26% of its exports. At the same time, the Germans protested to the allied powers that this was unsustainable. Effectively, the Germans had gambled that the reparations would not have been as harsh as they were. Whether or not the reparations were too extreme is debatable. Still, with the USA repudiating the Treaty of Versailles and not participating in the Reparations Commission, it is hard to see why the Germans would be optimistic about a low figure for their payments. By miscalculating the scale of the reparations, they lost the opportunity to stabilise their currency, as they did not have enough gold to make payments and bring the value of their paper currency into line with their gold reserves. After the Finance Minister, Rathenau, was assassinated, no political leader would risk their life by following allied demands for currency stabilisation or prompter payments. The allies wanted currency stabilisation because the Germans were effectively making their exports far cheaper than they should be, giving them an unfair competitive advantage against their products and making the reparations not reflect the actual cost of production.

In July 1922, Britain could no longer service its debts to the USA and called in its loans from France. In November 1922, the Germans requested a three-four year suspension of their payments as their currency spiralled out of control. In July 1922, a US Dollar was worth 439 marks. By December, it was 7,589; prices in Germany were now 1,475 times higher than they had been during the war. The French Prime Minister, Poincare, believed that the German printing of paper marks was a ploy designed to allow the Germans to make reparation payments in worthless marks. France wished to test Germany to see if it could make payments if pressured. In January 1923, Germany failed to make its required coal or timber deliveries. The Reparations Commission then authorised the French and Belgian occupation of the Ruhr to ensure compliance with the Treaty's terms (Britain abstained from this vote).

The government’s first response to the occupation was to declare a policy of passive resistance. Industrialists and civil servants were ordered not to hand over coal stocks or obey French instructions. A general strike was declared in the Ruhr area and was underwritten by the government, which continued to pay the wages and salaries of workers and public employees by printing yet more money. Credit was extended to industrialists to keep their factories and mines solvent as production ceased. But the loss of tax revenues and export earnings added to the already enormous pressures on the government’s finances. Within six months, the German currency had collapsed completely. In August, a dollar cost 4.6 million marks. Three months later, in the worst of the hyperinflation, it cost an almost unimaginable 4,000 billion marks. Germany's entire internal war debt, 154 billion marks, was now worth a mere .15 of a mark.

Some benefitted from having their debts completely wiped out. Those on fixed incomes suffered, and the unions could not negotiate wage increases quick enough. Those in traditional professions suffered, and it began at an age where wealth and power, not education and culture, were valued. Law and order broke down in all sections of society, and the German prison population rose on average by 1,000 per day. There was a general post-war rise in criminality, but the statistics show a marked increase in trials and convictions during 1923.

To enable wages to continue to be paid and commodities to be purchased, 133 printing offices and 1,783 machines were, by this stage, churning out paper notes for the Reichsbank. Over thirty paper factories were at capacity. Everyday food items, such as loaves of bread, joints of meat and vegetables, were costing millions of marks or enormous piles of paper notes. While people with mortgages, debts, or who had access to foreign currency benefited enormously from the crisis, for the great majority of the population, it was a traumatic experience. One German summed up the summer of 1923 as “madness, nightmare, desperation and chaos.” By the time passive resistance was called off in the autumn, and the currency was stabilised through taking out a mortgage on government land, public confidence in the republic and its leaders were at rock bottom. Germany had turned into a country of high prices and low wages, working conditions had been eroded, and agricultural prices were poor. How far this was the result of the Treaty was debatable, but it certainly did not help.

The fundamental cause of German inflation was the mismanagement of Germany’s finances from 1914 onwards. Indeed, the inflationary spiral did not increase at an even rate, and there were short periods when it slackened. However, at no time were the various German governments willing to bring spending and borrowing back within reasonable limits. Until the end of 1918, the cost of waging war was the excuse, but the high debt levels were allowed to continue. The payment of reparations from 1921 simply added to an already desperate situation. The government found it more convenient to print money than to tackle the economy's fundamental problems. By the end of 1922, hyperinflation had set in, and it could be said that Prime Minister Cuno deliberately exacerbated the economic crisis and played on the nationalist fervour brought by the popular decision to encourage passive resistance against the French occupation. It was only in August 1923, when the German economy was on the verge of complete collapse, that a new coalition government was formed under Gustav Stresemann. He found the will to introduce an economic policy to control the amount of money in circulation.

How much should the desperate financial situation by the end of 1923 be blamed on the government policies and how much should be blamed on the Treaty of Versailles?

The Beer Hall Putsch

In November 1922, Mussolini’s fascists seized power in Italy. The crisis in the Ruhr convinced Hitler that the time was right to replicate this in Germany. The Nazis, however, did not have the support to do this independently. After the purge of the Communists in 1919, Bavaria and Munich had become the centre of far-right activity in Germany. Hitler attempted to ally with ultra-conservative Gustav von Kahr, the governor of Bavaria, and General von Lossow, the local army commander. In October 1923, von Lossow began to ignore commands from Berlin, and all three plotted a ‘March on Berlin.’ By November, though, von Lossow and von Kahr wanted to back out, fearing the coup would fail. Hitler feared that this was his opportunity to take power and progressed anyway. On 8 November, Hitler and his Nazi supporters stormed into and took control of a large von Kahr rally in one of Munich’s beer halls and declared a ‘national revolution’. Under pressure, Kahr and Lossow cooperated and agreed to proceed with the uprising. In reality, they had lost their nerve when Seeckt used his powers to command the armed forces to resist the putsch. On the next day, the Nazis attempted to take Munich. They had insufficient support from the public, and the Bavarian police crushed the putsch. Crucially, Hitler had not planned to storm the radio, newspapers, or government offices, so most were unaware that it was happening. Fourteen Nazis were killed, and Hitler was arrested on a charge of treason as he tried to flee the scene.

Consequences:

In many respects, the putsch was a farce. Hitler and the putschists were arrested and charged with treason, and the Nazi Party was banned. However, Hitler gained significant political advantages from the episode:

* He turned his trial into a propaganda success for himself and the Nazi cause. He played on all his rhetorical skills and evoked admiration for his patriotism. For the first time, he made himself a national figure.
* He won the respect of many other right-wing nationalists for having dared to act.
* The leniency of his sentence – five years, the minimum stipulated by the Weimar Constitution and reduced to 10 months – seemed like an act of encouragement on the part of the judiciary.
* He used his months in prison to write Mein Kampf and reassess his political strategy.
* Ludendorff was acquitted on the grounds that although he had been present at the time of the putsch, he was there by accident.
* The Beer Hall Putsch proved the high-water mark for political turmoil in the republic. Thereafter, as the currency stabilised and foreign investment stimulated the moribund economy, the democratic state settled down into a period of relative stabilisation. Yet the difficult circumstances of its birth left the republic with a bitter political legacy that would continue to dog it throughout its lifetime and made it more difficult to reconcile both the extreme left and the radical right to the republican system. That is not to say that the rise of the Nazi party was likely. Although support was lacking, the opposition was not organised, and time could have meant that, eventually, the opposition became reconciled to the republic. Whether it was the perceived complicity of the Weimar government in accepting the Treaty of Versailles is a matter of debate.

What does the Beer Hall Putsch have to do with the Treaty of Versailles?

Does this represent a success or failure of the Weimar government in stopping it?