

Hyperinflation in Germany after the First World War

Germany became a **republic** after the war. It was in a bad state. People were short of food and jobs. There were riots in the street as different political groups fought for power. In 1921, the **allies** decided that Germany must pay them £6600 million in damages, known as **reparations**. It was the last straw.

In 1923, French troops moved into the **Ruhr**, a German industrial area, to claim their reparations. The workers went on strike. The German economy went into a nosedive.

This was known as **inflation**. The German government did not have enough money to cope, so it began to print money that it didn't actually have. When this happens, the value of money goes down and the prices go up!

Activity One.

Match these descriptions to the key words (in bold) in the text you have just read.

1. A situation where prices rise and the value of money decreases.
2. A country without a king or a queen.
3. An industrial area of Germany.
4. The money that Germany had to pay for damages.
5. The collective name of the countries that had fought Germany in the war.

Source 1.



The rising price of bread in post-war Germany.

1918	1922	Jan 1923	July 1923	Sept 1923	Nov 1923
0.63	163.15	250	3,456	1,512,000	201,000,000,000

Source 2.



The rising price of **one** egg in post war Germany.

1914	1921	1922	July 1923	Sept 1923	Nov 1923
0.90	1.60	7	5,000	4,000,000	320,000,000,000

[All numbers are in German marks (currency)]

Activity 2.

1. How much did the price of a loaf of bread increase by between January and July 1923?
2. How much did the price of an egg increase by between September and November 1923?
3. In which month did the prices begin to spiral out of control for both items?
4. How would people have been able to afford to buy these items? (Use **your own** ideas!)
5. Was the **value** of an egg still the same? Why?

Source 3.

A German writer remembers how inflation affected his father.

My father had sold his business during the war and retired. He was quite wealthy for a middle class man. He intended to live on the income from his investments. After the war, all of his investments were quickly worth nothing, and he had to return to work after all, just to survive.

Source 4.

The memories of a German writer.

I went into a café for a coffee. I noticed that the price was 5000 marks, which is roughly what I had in my pocket. I drank my coffee and read the paper. When I asked for the bill, it was 8000 marks. The value of the mark had fallen in the space of one hour!

Source 5.

Memories of a German writer.

Two women were carrying a laundry basket full of banknotes. They put the basket on the ground while they tried to buy something from a shop. When they got back, the money was still there, but the basket had been taken.

Activity 3.

1. Why were the father's investments worthless? (Source 3)
2. How quickly could the state of the economy change? (Source 4)
3. Why was the basket stolen and not the money? (Source 5)
4. Write a paragraph explaining how inflation affected the lives of ordinary Germans, based on all three sources.
5. Who do you think these people would blame for the inflation?

EXTENSION.

Using the information above, think how an old woman, living alone on a fixed pension, may have been affected by inflation. Write a letter, from this woman, to her relatives in Britain, explaining the situation, and her reaction to the current problems in Germany.