THE VERSAILLES TREATY AND THE GERMAN REACTION

The Versailles Treaty was to become the most hated object among the Germans and the most used among the antidemocrats.

- The Germans were outraged to discover that the Victors intended to carry out a very harsh settlement (guilt and revenge).
- Even people who had expected the terms to be severe were shocked by what appeared to them to be the Entente's flagrant violation of their own declarations (for example, in their plundering of Germany's colonial Empire), of the facts of history (war guilt clause), and of the rules of economic reason (the reparations that the war guilt clause was intended to justify).
- The Germans were also shocked by what they saw as the Allied countries apparent lack of interest in the question whether Germany was to become a viable (livskraftig) democracy or not.

...It would be too simple to say that the Versailles Treaty made the downfall of the Weimar Republic inevitable, but certainly the Treaty was directly responsible for two crises in 1919 and 1920 that seriously shook the authority of the new republican government.

1) The first of this came when the German government received the Terms of the Treaty on 7 May.

The initial reaction of the Scheidemann cabinet was unanimously (enhälligt) negative. The Chancellor declared that acceptance of the treaty would be incompatible (oförenligt) with German honour. When the Allies rejected German proposals for extensive amendment the unity of the cabinet dissolved. Chancellor Scheidemann therefore submitted the resignation of his cabinet to Ebert.
This first cabinet crisis in the Republic's history was complicated by what promised to become a soldiers' revolt. The military had special reasons for repudiating (förkasta) the Treaty. It stipulated that;

- the army was to be reduced to 100,000 officers and men, without aircraft, armour, or offensive weapons, and
- that its General Staff, war academy, and cadet schools were to be dissolved.
- The Rhineland, which was to be permanently demilitarized, would be occupied by Entente troops.
- The Fleet was to become a token (symbol) force with no larger vessels and no submarines.
- Finally, the Emperor and other war leaders were to be surrendered for trial on charges of violating the laws of war. The German generals discussed the possibility of rejecting the Treaty even at the cost of renewed military action.

The soldiers immediately prepared for action. On 23 June, as the time limit set by the Entente ran out, President Ebert telephoned Wilhelm Groener (head of the Supreme Command) and told him that he would throw his considerable weight on the side of rejection (of the Allied demands), if the Supreme Command thought that there was the slightest chance of resistance being successful. Both Groener (and Hindenburg) told Ebert that Germany's position would be hopeless, as all but the most romantic soldiers realized. THERE WAS NO ALTERNATIVE TO ACCEPTANCE. Ebert followed Groener's advice and told the cabinet to do their unhappy duty.
“Under the Kaiser everything was better” – sentimentality

ORIGINS OF THE INFLATION

a) FISCAL POLICY;
To finance the war by loans. The amount of money quintupled 1914-18. The decline of the mark on the international market. After the war the truth was out – slump.

b) The inexperience of the first post-war governments and the distraction of their energies to the tasks of maintaining civil order prevented them from fighting the growing inflation.

a) (main reason) The magnitude of the financial and economic burdens imposed upon Germany.

b) Allied sanctions 1921 (march); occupation of Düsseldorf, Duisburg and Ruhrort (impounded the customs receipts)

c) The Reparations commission informed the German government their demands 5.5.21. The note included an ultimatum; unconditional acceptance of the total obligation and one billion Gold Marks to be paid in 21 days. The sum was paid. Depreciation was accelerated and the inflation was to increase remorselessly.
Allied debts to US resulted in an uncompromising attitude with respect to the German obligation.

RAPALLO TREATY (Germany-Sovietrussia, april 1922) was interpreted as an provocative act by the allies. Rathenau (f.m.) was murdered by right-wing nationalists. The Wirth cabinet resigned in nov. 1922. The new cabinet (chancellor W. Cuno) was weak and easy to manipulate. 11.1.1923 – French and Belgian troops occupied Ruhr. Pressure on the German government to fulfil their reparation payments. German passive resistance. The government committed itself to a policy which was difficult to abandon and impossible to support. The costs were staggering (supporting the victims of Ruhr).
- deprived Germany of vital raw materials
- disrupted production
- increased unemployment

Extra origin of the inflation;
- Great deficiency of the Cuno government’s tax policy. Didn’t produce enough revenue to meet its obligations. The deficits were covered by ‘floating debts’ (printing press)

RESULTS; Catastrophic inflation (july-nov. 1923). Some profited but the vast majority lost.
The blame on the Weimar constitution and the government. The population lost its confidence in the state.
Further results:
- unemployment (by the end of 1923 only 29% fully employed)
- working unions lost their power (10h day-normal). The spirit fighting of the Kapp-putsch was lost)
- sick and young ones most vulnerable (malnutrition, reappereance of diseases, rising death rates)

ACCUSATIONS AGAINST THE GOVERNMENT:
Flagrant violation of the constitution (§164) – The government’s responsibility to protect and promote economic freedom by maintaining an independent middle class in agriculture, trade and commerce.

REACTIONS: Between June-August a wave of strikes swept across the country. Agitations and riots. Danger of General Strike. Cuno was replaced (11.8.23) by G. Stresemann.

POLITICAL PROGRAM;
1) The adaption of the best features of the old order to the new conditions.
2) Economic recovery.
3) Rehabilitation as a strong and respected Germany in Europe.


Political upheavals; Germany was alive with rumours of impending coups. The 13.10 the Reichstag passed an enabling act which gave the government freedom to operate by decree.
PUTSCHES;
a) Major B. Buchrucker and the ‘Black Reichswehr’
b) The German Communist Party (subordinated to control from Moscow). In Thuringen and Saxony a communist revolt attempting to set up a dictatorship of the proletariat.
c) ‘The Beer Hall Putsch’
Started in mid 1922 and raged till November 1923
Failure of purchasing mark in the foreign exchange
market. Ended up buying worthless marks in exchange
for valuable gold and foreign exchange.
Late 1923 - 300 paper mills and 150 printing companies
had 2000 presses working day and night printing
currency.