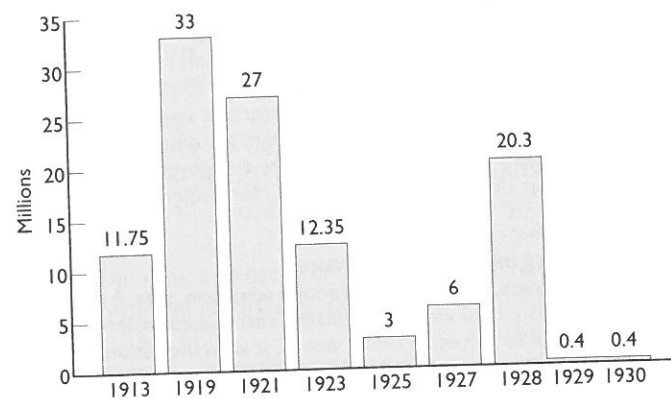


Industry did make some advances, but the picture in agriculture was far worse. There was a world surplus of grain and prices fell dramatically, affecting both large estates and smaller farms. Indebtedness and bankruptcies grew and there were outbreaks of peasant violence against evictions. In 1928, in what has been called 'the farmers' revenge', many farmers voted for the Nazi Party. Other groups who did not benefit from the so-called prosperity were state employees, savers and tradesmen, the urban MITTELSTAND, who now saw organised workers making gains, diminishing the crucial gap between the middle class and the proletariat. They too were soon to express their resentment politically.

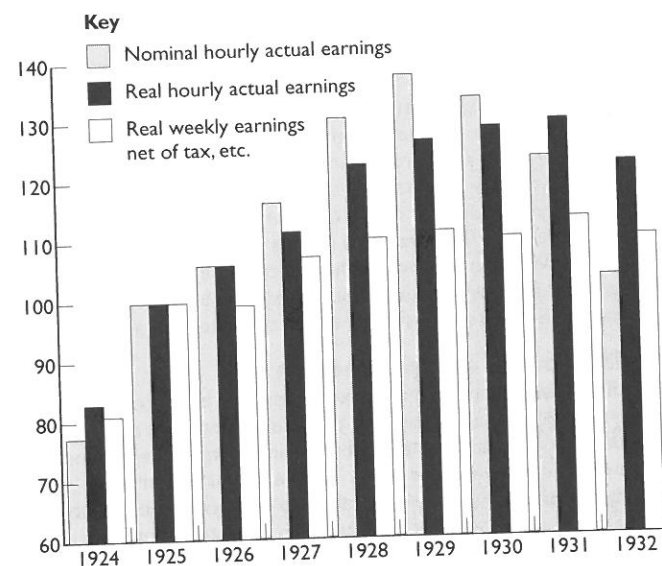
Overall, Germany's economic performance during this period was mixed. Prosperity and confidence returned for many but others harboured resentments at their loss of savings and felt insecure. Most crucially, economic recovery was fuelled by foreign, short-term loans and, when these were withdrawn, the economy was to plunge into crisis. As Kolb argues, in *Weimar Republic* (p. 165), 'It is generally accepted that the economic situation in Germany was highly

3D Comparative statistics for the Weimar economy

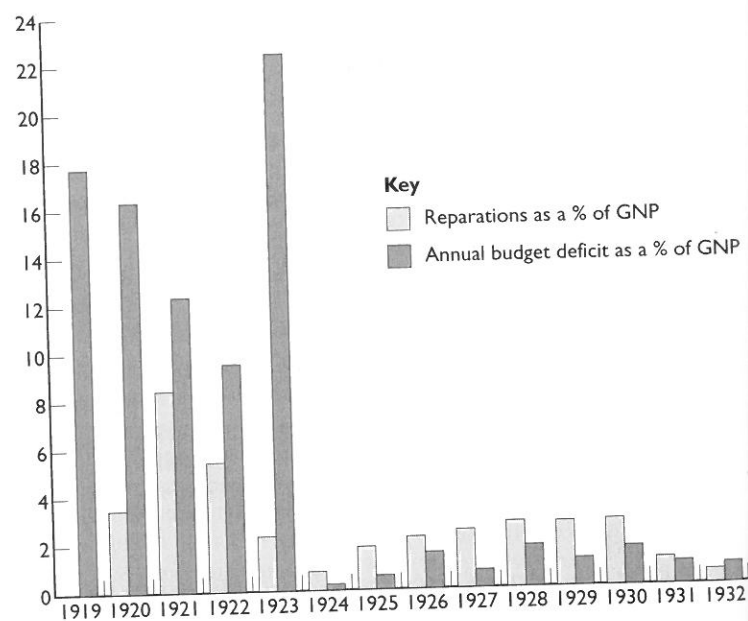
SOURCE 3.14 Working days lost in strikes. (Working days lost = the number of people involved multiplied by the number of days they were on strike)



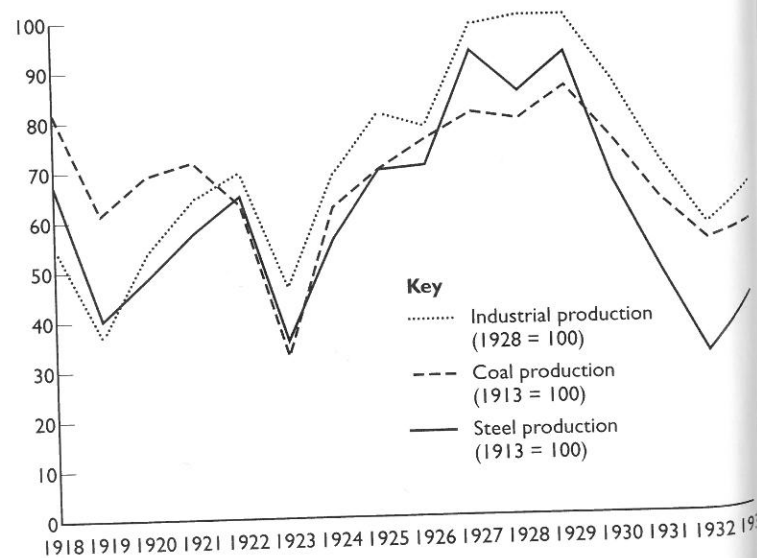
SOURCE 3.15 Wages 1924-32 (1925 = 100)



SOURCE 3.16 The burden of reparations and annual budget deficits as a percentage of GNP (Gross National Product)



SOURCE 3.17 Industrial production



ACTIVITY

- 1 Do the statistics (especially Source 3.15) support the view that the Weimar Republic favoured the working class at the expense of the elite?
- 2 Study Chart 3D and identify optimistic and pessimistic trends.

precarious even before the world depression.' Even Stresemann admitted in 1928: 'Germany is dancing on a volcano. If the short-term credits are called in, a large section of our economy would collapse.'

Who was responsible for the problems in the Weimar economy?

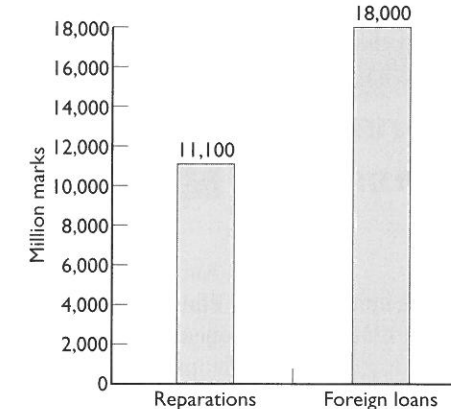
A conservative view

The German economic historian Borchardt is critical of Weimar Germany's economic performance in the 1920s. He argues that the state was living beyond its means, with both subsidies and the redistribution of wealth harmful to economic growth. He argues wages increased unrelated to productivity, due to the strength of trade unions and state arbitration. Profits and thus investment income were therefore squeezed which led to low internal investment, with growth lower than might be expected. He stresses the persistence of high unemployment (over 1 million). Recession began at different times, in different

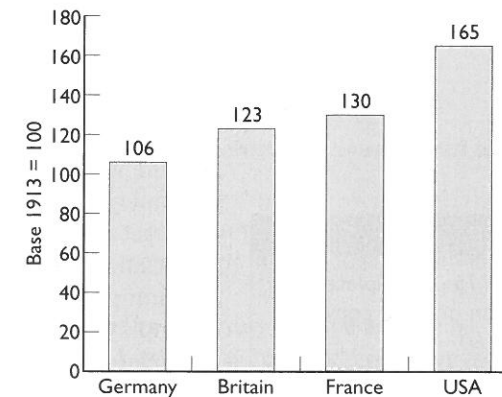
SOURCE 3.18 Unemployment 1921-33



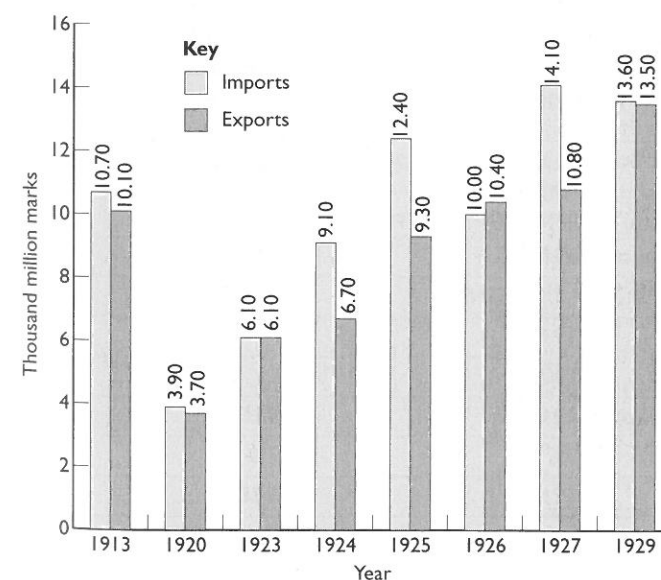
SOURCE 3.20 Flow of money into and out of Germany 1924-31



SOURCE 3.21 Economic growth 1913-29



SOURCE 3.19 Balance of trade 1913-29



SOURCE 3.22 Agricultural prices 1927-30

