

# *Inflation Ruins Germany's Economy*

Ernest Hemingway



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## **OVERVIEW**

The harsh terms of the Versailles Treaty, the peace settlement of World War I, forced Germany to pay so much in war reparations that its economy fell into a shambles. Hyperinflation in the early 1920s sent the value of the German mark plummeting in relation to other currencies—at one point in 1923, just 1 U.S. dollar was worth 4 trillion marks. In the following account, writer Ernest Hemingway tells of a trip he made to Kehl, Germany, as the inflation crisis was beginning to worsen in 1922.

**GUIDED READING** As you read, consider the following questions:

- How did the population of Strasburg benefit from Germany's mounting inflation?
  - How was the average German household affected by the inflation?
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**K**ehl, Germany: The boy in a Strasburg motor agency where we went to make some inquiries about crossing the frontier, said, 'Oh yes. It is easy to get over into Germany. All you have to do is go across the bridge.'

'Don't you need a visa?' I said.

'No. Just a permit stamp to go from the French.' He took his passport out of his pocket and showed the back covered with rubber stamps. 'See? I live there now because it is so much cheaper. It's the way to make money.'

It is all right.

It is a three-mile streetcar ride from the centre of Strasburg out to the Rhine and when you get to the end of the line the car stops and everyone piles out to herd into a long picket-fenced pen that leads to the bridge. A French soldier with a fixed bayonet loafs back and forth across the road and watches the girls in the passport pen from under his steel-blue helmet. There is an ugly brick custom house at the left of the bridge and a wooden shed at the right where the French official sits behind a counter and stamps passports.

The Rhine is swift, yellow and muddy, runs between low, green banks, and swirls and sucks at the concrete abutments of the long, iron bridge. At the other end of the bridge you see the ugly little town of Kehl looking like some dreary section of Dundas [Toronto].

If you are a French citizen with a French passport the man back of the counter simply stamps your passport 'sortie Pont de Kehl' and you go across the bridge into occupied Germany. If you are a citizen of some other of the allied countries the official looks at you suspiciously, asks you where you are from, what you are going to Kehl for, how long you are going to stay, and then stamps your passport with the same sortie. If you should happen to be a

citizen of Kehl who has been in Strasburg on business and is returning to dinner—and as Kehl's interests are bound up in Strasburg's as all suburbs are to the city they are attached to, you would be bound to have to go to Strasburg on business if you had any kind of business at all—you are held in line for fifteen to twenty minutes, your name is looked up in a card index to see if you have ever spoken against the French regime, your pedigree taken, questions put to you and finally you too are given the same old sortie. Everyone can cross the bridge but the French make it very nasty for the Germans.

Once across the muddy Rhine you are in Germany, and the German end of the bridge is guarded by a couple of the meekest and most discouraged-looking German soldiers you have ever seen. Two French soldiers with fixed bayonets walk up and down and the two German soldiers, unarmed, lean against a wall and look on. The French soldiers are in full equipment and steel helmets, but the Germans wear the old loose tunics and high peaked, peacetime caps.

I asked a Frenchman the functions and duties of the German guard.

'They stand there,' he answered.

There were no marks to be had in Strasburg, the mounting exchange had cleaned the bankers out days ago, so we changed some French money in the railway station at Kehl. For 10 francs I received 670 marks. Ten francs amounted to about 90 cents in Canadian money. That 90 cents lasted Mrs Hemingway and me for a day of heavy spending and at the end of the day we had 120 marks left!

Our first purchase was from a fruit stand beside the main street of Kehl where an old woman was selling apples, peaches and plums. We picked out five very good-looking apples and gave the old woman a 50 mark note. She gave us back 38 marks in change. A very nice-looking, white-bearded old gentleman saw us buy the apples and raised his hat.

'Pardon me, sir,' he said, rather timidly, in German, 'how much were the apples?'

I counted the change and told him 12 marks.

He smiled and shook his head. 'I can't pay it. It is too much.'

He went up the street walking very much as white-bearded old gentlemen of the old regime walk in all countries, but he had looked very longingly at the apples. I wish I had offered him some. Twelve marks, on that day, amounted to a little under 2 cents. The old man, whose life's savings were probably, as most of the nonprofiteer classes are, invested in German pre-war and war bonds, could not afford a 12 mark expenditure. He is a type of the people whose incomes do not increase with the falling purchasing value of the mark and the krone.

With marks at 800 to the dollar, or 8 to a cent, we priced articles in the windows of the different Kehl shops. Peas were 18 marks a pound, beans 16 marks; a pound of Kaiser coffee, there are still many 'Kaiser' brands in the

German republic, could be had for 34 marks. Gersten coffee, which is not coffee at all but roasted grain, sold for 14 marks a pound. Flypaper was 150 marks a package. A scythe blade cost 150 marks, too, or 18 3/4 cents! Beer was 10 marks a stein or 1 1/4 cents.

Kehl's best hotel, which is a very well turned-out place, served a five-course table d'hôte meal for 120 marks, which amounts to 15 cents in our money. The same meal could not be duplicated in Strasburg, three miles away, for a dollar.

Because of the customs regulations, which are very strict on persons returning from Germany, the French cannot come over to Kehl and buy up all the cheap goods they would like to. But they can come over and eat. It is a sight every afternoon to see the mob that storms the German pastry shops and tea places. The Germans make very good pastries, wonderful pastries, in fact, that, at the present tumbling mark rate, the French of Strasburg can buy for a less amount apiece than the smallest French coin, the one sou piece. This miracle of exchange makes a swinish spectacle where the youth of the town of Strasburg crowd into the German pastry shop to eat themselves sick and gorge on fluffy, cream-filled slices of German cake at 5 marks the slice. The contents of a pastry shop are swept clear in half an hour.

In a pastry shop we visited, a man in an apron, wearing blue glasses, appeared to be the proprietor. He was assisted by a typical 'boche'-looking German with close-cropped head. The place was jammed with French people of all ages and descriptions, all gorging cakes, while a young girl in a pink dress, silk stockings, with a pretty, weak face and pearl ear-rings in her ears took as many of their orders for fruit and vanilla ices as she could fill.

She didn't seem to care very much whether she filled the orders or not. There were soldiers in town and she kept going over to look out of the window.

The proprietor and his helper were surly and didn't seem particularly happy when all the cakes were sold. The mark was falling faster than they could bake.

Meanwhile out in the street a funny little train jolted by, carrying the workmen with their dinner-pails home to the outskirts of the town, profiteers' motor cars tore by raising a cloud of dust that settled over the trees and the fronts of all the buildings, and inside the pastry shop young French hoodlums swallowed their last cakes and French mothers wiped the sticky mouths of their children. It gave you a new aspect on exchange.

As the last of the afternoon tea-ers and pastry-eaters went Strasburg-wards across the bridge the first of the exchange pirates coming over to raid Kehl for cheap dinners began to arrive. The two streams passed each other on the bridge and the two disconsolate-looking German soldiers looked on. As the boy in the motor agency said, 'It's the way to make money.'