

CHAPTER
31

PRIMARY SOURCE **German Inflation**
by Ernest Hemingway

Section 2

In the years following World War I, Germany faced an economic crisis. As a result of reparations payments and other economic problems, the value of the German mark plummeted. In 1922, for example, the exchange rate fell from 162 marks to the U.S. dollar to 7,000. In this excerpt, American author Ernest Hemingway describes economic conditions he observed in September 1922 while he was in Kehl, Germany, near the French border. According to Hemingway, what hardships did inflation cause for German people?

‘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 non-profitier 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 18¼ cents! Beer was 10 marks a stein or 1¼ cents.

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.

Ernest Hemingway in William White, ed., *By-Line: Ernest Hemingway* (New York: Collins, 1967). Reprinted in John Carey, ed., *Eyewitness to History* (New York: Avon, 1987), 499–501.

Research Options

Analyzing Information

1. Use the Internet, a newspaper, or a local bank to find the current exchange rate of the euro (the currency used in Germany today) to the U.S. dollar. If Hemingway saw the same prices for goods in German shop windows today, how much would they cost in U.S. dollars and cents?
2. Use research tools to find out more about inflation. What countries have faced rapid inflation in recent years? What causes inflation? Why is inflation a problem? What can a government do to slow inflation? Share your information with classmates.