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The Deutschnationale Volkspartei and the Dawes Plan, 1923--1924

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THE DEUTSCHNATIONALE VOLKSPARTEI AND THE DAWES PLAN

1923-1924

A Thesis

Presented to

The Faculty of the Department of History
The College of William and Mary in Virginia

In Partial Fulfillment
Of the Requirements for the Degree of
Master of Arts.

by

William P. Bradley

1978
APPROVAL SHEET

This thesis is submitted in partial fulfillment of the requirements for the degree of

Master of Arts

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ABSTRACT

This investigation was undertaken in order to determine the nature of nationalist reaction to the Dawes Plan in Germany. The representative nationalist political party in Germany, the Deutschnationale Volkspartei (DNVP), provided the vehicle by which this reaction could be measured. Thus a careful study was conducted of this party's statements both during parliamentary debate and in the press.

The results of the investigation revealed that Party unity was lacking on the critical Dawes Plan issue. While all delegates adhered to a nationalist line, thus attempting by their vote for or against to promote the future welfare of Germany, each delegate had his own perception of Germany's best interests that determined his voting behavior.

Such inability to unite on critical issues was detrimental to the future of the DNVP as a force in German politics and played a role in opening the door to nationalist extremism in the latter nineteen-twenties and early nineteen-thirties.
THE DEUTSCHNATIONALE VOLKSPARTEI AND THE DAWES PLAN
1923–1924
INTRODUCTION

World War One and its aftermath provide historians of European history with a myriad of fascinating and complex problems. Within Europe itself, for example, both victor and defeated nations found themselves faced with a situation unparalleled in their previous experiences. The emergence of Communism as a political force, the effects of a shattered world economic and financial system, and the massive reconstruction required by the devastation of technological and mechanized warfare were but a few of the problems that confronted politicians of these nations. But the most pressing problem in 1918 was the need to reintegrate the European community and to create safeguards against the recurrence of war on such a vast scale.

The Treaty of Versailles was the result of an attempt to solve this dual problem, yet in fact it created additional problems for the peacemakers. The settlement was harsh, a measure deemed necessary by the victor nations in order to preserve the peace. To justify such severe terms, it was imperative that the responsibility for the World War rest upon the shoulders of the defeated nations, primarily upon Germany. Here lay the foundation upon which Article 231, the infamous "war guilt" clause, rested.
In addition, Article 234 established the concept of reparations and provided for the creation of an Allied Reparation Commission to oversee payment and adjudicate disputes between Germany and her creditors. These measures also drew their justification from Germany's "moral responsibility" for the World War and could hardly fail to become political issues within Germany herself.

By 1922, however, post-war inflation and the demands made on the German economy by reparation payments were proving disastrous. By the end of 1923, following the French seizure of the Ruhr and the resultant policy of passive resistance, the German economy was at a standstill. The story of the Deutschnationale Volkspartei and the Dawes Plan, therefore, is the story of one German political faction's response to the economic consequences of the peace and to the provisions of the Treaty of Versailles that created such consequences. To the members of the Deutschnationale Volkspartei, the Dawes Plan was but an attempt to continue the anti-German "system of power" established at Versailles, even though their response to the Plan was not entirely negative.

No literature has been published that specifically concerns the Party's response to the Dawes Plan, although two studies, one cited in the bibliography of this paper and one a doctoral dissertation presented to a German university, deal with the Party itself on a broader scale. It is hoped therefore, that this project, which merely scratches the
surface, will open the door to future research into a problem that played a significant role in the course of German history.
On the thirtieth of November 1923, the governments of the victorious allied powers agreed to the formation of two committees of experts whose major task would be to investigate Germany's capacity to meet her reparation obligations. The precedent for such committees was that established in November of 1922 when an international committee of experts gathered in Berlin to investigate the problem of stabilizing the rapidly inflating German Mark. The problem of inflation had remained unsolved, however, bringing not only the French occupation of the Ruhr and German passive resistance in its wake, but Germany's increasing inability and unwillingness to pay reparations.

On the tenth of October, 1923, American President Calvin Coolidge had called for an international committee of financial experts to examine and find a solution to the dual problem of reparations and German economic recovery. Five days later, American Secretary of State Charles Evans Hughes had indicated to the British Government that "... competent American citizens would be willing to participate in an economic inquiry... through an advisory body appointed by
the Reparation Commission."\(^1\) Hughes' statement led on the thirtieth of November, to a Reparation Commission declaration that:

> In order to consider, in accordance with the provisions of Article 234 of the Treaty of Versailles, the resources and capacity of Germany and after giving her representatives a just opportunity to be heard, the Reparation Commission [has] decided to create two committees of experts belonging to the Allied and Associated countries.\(^2\)

In this way the Dawes Committee, named after its American Chairman, Charles G. Dawes, came into being on the fourteenth of January, 1924.

The Dawes Committee radiated technical competence. Dawes himself was Chairman of the Board of the Central Trust Company of Illinois. The Chairman of the subcommittee on currency stabilization, the American Owen D. Young, was a Director of the Federal Reserve Bank of New York, as well as a member of the Board of Directors of General Electric and the Radio Corporation of America. One of the British delegates, Sir Robert Kindersley, sat as a Director of the Bank of England while the other, Sir Josiah Stamp, was a renowned economist. Similarly qualified individuals rounded out

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\(^1\)Charles Evans Hughes, quoted in George P. Auld, *The Dawes Plan and the New Economics* (New York: Doubleday, Page, and Company, 1927), p. 69. (Hereinafter cited as *The Dawes Plan*). For a brief explanation of the Reparation Commission, see the introduction to this thesis.

\(^2\)Declaration of the Reparation Commission, November 30, 1923, quoted in *The Dawes Plan*, p. 71. The relevant articles of the Treaty of Versailles are briefly discussed in the introduction.
Young's subcommittee and constituted a second subcommittee on balancing the German budget under the direction of Stamp.3

The Dawes Committee rendered its findings in a written report addressed to the Reparation Commission on the ninth of April, 1924. It took great care to emphasize the apolitical nature of its recommendations by underscoring the motto of "business" rather than politics. Further, it sought the recovery of "debt" rather than the imposition of penalties, holding Germany's "debt" as a "necessary contribution to repairing the damage of the war."4

The technical provisions of the report, popularly known as the Dawes Plan by August, 1924, concerned the following points:

1. The burden to be assumed by industry in the financing of the reparations debt
2. The state budget, its organization, and its role as a source of reparations revenue
3. The nature and operation of the Reichsbank
4. The establishment of a private note bank
5. The nature and operation of the Reichsbahn and its potential as a source of reparations revenue

With these provisions, the Dawes Committee hoped to

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3The rest of the members were as follows: France: Monsieur Parmentier, Professor Allix; Italy: Signor Pirelli, Professor Flora; Belgium: Monsieur Franqui, Baron Houtart. (The Dawes Plan, 118-119).

4For the basis of the Committee's attitude see the German Parliamentary Debates, vol. 382, Nr. 5, vii-xiii. Germany's "necessary contribution" was morally derived and easily justified if one accepts Article 231 of the Treaty of Versailles, the "war guilt" clause.

5For a summary of the Committee's recommendations see Ibid.
establish a stable German economy that would serve as a realistic and reliable basis from which Germany might make reparation payments to the allied powers.

German industry was asked to assume industrial debentures totalling five billion Gold Marks and bearing five percent interest per annum by taking a first mortgage on industrial plant and property. In terms of 1914 dollars, the Dawes Committee, therefore, asked that Germany take a first mortgage on the nation's industrial plant amounting to 1,190,476,190 dollars. A trustee, appointed by the Reparation Commission, was to hold the debentures, handle receipts, and collect payments. The German Government would be liable for any defaulted payments.6

It was envisioned that an organizational committee would be established to oversee the recommended mortgaging of German industry. Its membership was to consist of one representative from German industry, two representatives appointed by the Reparation Commission, and a fifth neutral national agreeable to the other four members. If these four members reached no agreement on this fifth appointee, he was to be named by the Reparation Commission.7

It was further envisioned that state revenues were to serve as an additional source of reparations payments.

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7Ibid.
Toward this end, the Dawes Committee sought to balance the German federal budget so as to generate a surplus that could be used for the liquidation of Germany's reparation obligations. It was hoped that a one-year moratorium on reparation charges would bring about fiscal conditions necessary for a balanced budget. Thereafter, the Dawes Committee called for the application of the commensurate taxation principle to insure future capital for reparations.8

The Dawes Committee also recommended a fundamental reconstruction of the Reichsbank, a recommendation which reflected the general apprehension raised abroad by the catastrophic German fiscal collapse of 1923. It envisioned that the new bank would be a private corporation with a charter to last for fifty years. After the sale of a specified initial number of shares, remaining shares would be allowed to float on the international market.9

The activities of the proposed Reichsbank, however, were to be strictly limited (both as a credit institution and as a bank of issue). Proposals governing the relationship between the Reichsbank and the state were especially stringent. For one thing, the bank was to retain complete

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8See Report, G.P.D. Commensurate taxation involved two principles. The Dawes Committee considered Germany's internal debt liquidated by the inflation of 1923, thus rendering the German Government free from internal obligations. Therefore, new debt charges should be raised commensurate with those levied against the French, English, Italian, and Belgian taxpayers.

9Ibid.
independence from the state. For another, the bank would be requested to limit its advances to the German federal government in order to avoid a repetition of the disastrous fiscal collapse of 1923-24. For example, issues to the Reich would amount to no more than 100 million Marks, or any portion of all previous issues falling short of that figure. Such issues would be limited to a maturation period of three months; all government debts held by the bank must be cleared prior to the end of the fiscal year.

The proposed Reichsbank was to have the sole authority to issue notes. One form of existing tender, the Rentenmark, would be withdrawn from circulation altogether. The old Reichsmarks would be redeemable at an exchange rate of one billion to every new Gold Mark. Naturally, the new issue was to rest on the gold standard.

Finally, the Dawes Committee proposed that this Reichsbank be capitalized by a foreign loan amounting to 400 million Gold Marks. It was also envisioned that the Reichsbank would act as a depository for reparation payments.

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11Ibid.
12Ibid.
13Ibid. The State Banks of Baden, Bavaria, Saxony and Wurtemberg also retained this authority.
14Ibid.
15Ibid.
The Dawes Committee proposed that a General Board should supervise the activities of the Reichsbank through a Managing Executive Board and President. The General Board was to include seven German and seven non-German members, of which one, designated as the "Commissioner," would have supervisory responsibility for paper issue and the maintenance of the reserve. All members of the General Board would serve independent of their respective governments.16

Proposals concerning the nature and operation of the Reichsbahn (German National Railway), however, formed the core of the Dawes Report because these, unlike the others, required a change in the German Constitution.17

The Dawes Committee based its findings on a report submitted to it by two allied railway experts (British and French, respectively), Sir William Acworth and Monsieur Leverve.18 Acworth and Leverve had been concerned with the revenue-producing capability of the Reichsbahn and with its utility as a source for reparations revenue. They had concluded that the railroad could be "most easily utilized"

16See Report, G.P.D., summary and 85-88. The non-German nationals on the General Board represented the countries of Belgium, France, England, America, Italy, Holland, and Switzerland. Decisions required, in most cases, a majority of ten.

17See Chapter Two. Constitutional changes required a two-thirds majority in the German Parliament; thus the Reichsbahn proposals represented the fulcrum upon which the entire Dawes Plan rested.

18See Report, G.P.D., 101-123.
for reparation payments. Their report indicated an expected net annual revenue of one billion Gold Marks.

To achieve its projected income, however, the Reichsbahn would have to be operated more efficiently. Currently, the report declared, gross receipts did not cover expenditures, "... operating expenses were unduly high, staff unnecessarily large, and magnificent stations and enormous shunting yards were being worked at great expense." Acworth and Leverve recommended staff reductions, higher tariffs, and a more efficient operation to increase economy and curtail expenditure. More importantly, however, they concluded that foreign controls were necessary in order to insure the implementation of their recommendations:

It is therefore indispensable to make a radical change in the policy followed by the railways hitherto. But we do not believe that any German management will have the strength necessary to fight successfully against the traditional mental attitude, unless there is behind it the constant pressure of an expert control, established and maintained in the interests of the Allies, to supervise the management in the matter both of tariffs and expenditure ... We think that a commercially managed railway company ought to treat the attainment of an adequate net revenue as of primary importance ... 

Acworth's and Leverve's views served as a rationale for the Dawes Committee to disregard the paternalistic services

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20Ibid., 102-104.
21Ibid., 104.
22Ibid., 105-107.
23Ibid., 109.
traditionally provided by the Reichsbahn under government sponsorship. It recommended, therefore, that the German railway system be transformed into a profit-oriented commercial concern so as to yield the necessary surplus revenue for reparation payments. Agreeing with Acworth and Leverve that the Reichsbahn represented the best potential source of reparation revenues, the Dawes Committee suggested a total capitalization of 26 billion Gold Marks, of which two billion would be in the form of preference shares, 11 billion in the form of first mortgage bonds, and 13 billion in the form of common shares held by the German government. In so recommending, the Committee sought an initial capitalization figure that would insure the net annual revenue figure projected by Acworth and Leverve.

As in the case with the system of industrial debentures, an organization committee was to be formed that would oversee the execution of the Committee's proposals concerning the Reichsbahn. Its expenses charged to the Reichsbahn, the organization committee would consist of two delegates appointed by the German Minister of Railways, Acworth and Leverve or their nominees, and a fifth member of neutral nationality, chosen by the other four or, in the event of deadlock, appointed by the Reparation Commission. Its task would be completed upon the execution of the proposals,

25Ibid., Annex IV.
the establishment of an independent railway company, and the appointment of its Commissioner. Appointed by a majority vote of the foreign members of the Board of Directors, the Railway Commissioner would exercise extensive powers of inspection and supervision in view of his function as protector of allied interests in the revenue generated by the transformed railway operations. For example:

If any measure in connection with construction, operation, or tariffs tends substantially to menace the rights or interests of the bondholders or of the Reparation Commission . . . and in particular the payment due dates [of reparation contributions] . . . . he shall discuss the question with the General Manager. If he cannot persuade the latter to change his line of conduct, he must lay the question before the managing board.26

If, however, the Reichsbahn should actually fail to produce sufficient revenue to cover its reparation obligations, the Railway Commissioner would then be empowered to dispose of property, "operate, lease, or otherwise dispose of in agreement with the Trustee for bonds, all capital subject to bond charges."27 The Commissioner and his staff would be paid from Reichsbahn proceeds.28

Detailed proposals were also offered concerning the administration and management of the transformed Reichsbahn itself. The Board of Directors would consist of at least eighteen men, all well known for their experience and

26Report, G.P.D., 128.
27Ibid., 129
28Ibid.
expertise in railroad operations. The German government would appoint nine directors, while the other nine would be appointed by a trustee, appointed in turn by the Reparation Commission. Of the nine directors appointed by the German government, four would be subject to subsequent election by the preference shareholders. These elected directors then would form a pool of candidates for the Board chairmanship. A general manager, responsible to the Railway Commissioner, would be of German nationality.29

Thus the transformed Reichsbahn, the revised federal budget, and the industrial debentures were seen as primary sources of reparation revenues. The Committee report, therefore, included recommendations concerning the transfer and scheduling of reparation payments, recommendations that brought the three sources together at the focal point of the Reichsbank for the collection and transfer of such payments.

It was further envisioned that an additional allied control would serve to insure the collection and availability of reparation revenues. This control, a Transfer Committee made up of non-German foreign exchange experts, would be responsible for the conversion of German Marks into the foreign currency necessary for reparation transfers.30 An Agent for Reparation Payments would chair the Transfer Committee meetings. A reparations account in the Reichsbank


30For a discussion of the role and responsibilities of the Transfer Committee, see Report, G.P.D.
in his name would act as a repository for accumulated reparation revenues. The Committee's tasks would involve:

1. The application of payments from the reparations account in the Reichsbank for scheduled deliveries in kind under the Reparations Recovery Act as directed by the Reparation Commission
2. The periodic conversion of balances in the reparations account into foreign currency, followed by remittance in accordance with the Reparation Commission
3. The investment of funds from the reparations account in German bonds or other loans for the purpose of generating additional revenue.

The Transfer Committee would also be able to purchase, if necessary, German property in order to defeat attempts by the German government or by German industry to prevent transfers.

Finally, the Dawes Committee devised a schedule for the payment of reparations involving a yearly analysis of the amounts to be contributed from the federal budget and the amounts to be drawn from industrial debentures and Reichsbahn revenues. The federal budget would remain free from reparation payments until 1926. During 1924-1925, part of a proposed foreign loan totalling 800 million Gold Marks and interest on railway bonds would provide reparation revenues, while during 1925-1926, part interest on railway bonds, industrial debentures, and the sale of 500 million Gold Marks worth of railway shares would serve this purpose. The

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31 For a discussion of the role and responsibilities of the Transfer Committee, see Report, G.P.D.

32 Ibid.
Dawes Committee calculated the total transferable sum for the period 1924-1926 at 2,220 million Gold Marks.

The next two years were designated as transition years. During the period 1926-1927, interest on railway bonds and industrial debentures would constitute part of the payment. In addition, for the first time, the railway transport tax and the federal budget would provide revenue for reparations. The Dawes Committee calculated the total transferable sum for this period at 1,200 million Gold Marks. The sources for the period 1927-1928 would remain the same as for the previous period. The total transferable sum for this period was calculated at 1,750 million Gold Marks.

The years 1928-1929 were designated as "standard years." At this point, it was projected that revenues drawn from the sources utilized during the two transitional years would provide reparation payments totalling 2,500 Gold Marks per annum. In addition, the Reich obligation would include a supplementary payment based upon a sliding "index of prosperity," for the Dawes Committee members believed that Germany's creditors "must share in the improvement of Germany's prosperity" and felt that a sliding "index" would provide the means for accomplishing this.33

The statistical computation of the "index" would be based on several factors:

1. The total of German imports and exports

33See Report, G.P.D., summary.
2. The total of federal budget receipts and expenditures, excluding Treaty payment expenditures, but including the state budgets of Prussia, Bavaria, and Saxony
3. The total weight carried by railway traffic
4. The cash value, computed by consumer price, of beer, sugar, tobacco, and alcohol within Germany
5. Germany's population figure, computed from the most recent census, emigration records, and vital statistics
6. A per capita figure for coal consumption, based on a total figure for coal and lignite consumption.34

The "index" computation would also require a base figure upon which to calculate prosperity increases. The three years 1927, 1928, and 1929 would serve as a base for federal budget statistics, population, and coal consumption per capita. An average of six years, that is, the years 1912, 1913, 1926, 1927, 1928, and 1929 would serve as a base for the other factors.

In order to arrive at the actual prosperity increase, each factor would be separately compared to its base, the increase in prosperity for that factor computed, and an "arithmetic average" taken as the "index of prosperity" for any given fiscal year. Such "index figures" would then be applied to the fiscal years 1929-1930 and to all subsequent years in which reparations were due. An application of the index percentage to the reparations amount would yield the supplementary payment for any given fiscal year. The Dawes Committee recommended that the computations for the period 1929-1930 through 1933-1934 be made against one-half of the total reparations payment due, that is, against 1,250

34See Report, G.P.D., 98.
million Gold Marks. Subsequently, the full amount of 2,500 million Gold Marks would be utilized. It also advised the referral of any difficulties concerning the index to the finance section of the League of Nations.35

The recommendations of the Dawes Committee, which came to be known as the Dawes Plan, envisaged a program that it thought would set Germany back on her economic feet and thereby expedite the payment of reparations to allied creditors. Yet, the final sum of Germany's reparation payments under the Dawes Plan would amount to approximately 37 billion Gold Marks! Germany would make the final payment in 1949. Industrial debentures and railway bonds would be liquidated in 1964. Germany faced forty years of payments according to the calculations of the financiers and economists of the Dawes Committee.

The Dawes Plan justified itself on the basis of what the Committee members described as Germany's "moral obligation" to pay. Reducing the problem of reparations to the dual question of economics and obligations, the Committee members concluded that Germany, who had suffered virtually no material damage as a result of the World War, was obligated to those allied states who had suffered materially.

Such "moral" justification for the Dawes Plan could not fail to antagonize the parliamentary delegates of the German nationalist party, the Deutschnationale Vokspartei (German

National People's Party). In addition, these delegates opposed the Plan's recommended physical controls which contradicted its promise of economic sovereignty. As noted above, the Reichsbank's administration was potentially in the control of foreigners. The Railway Commissioner enjoyed far-reaching controls over the administration and operation of the Reichsbahn. German industrial debentures were held and administered by foreigners. Nationalist delegates, pledged to uphold the national, political, and economic sovereignty of the Reich, could not tolerate what appeared to them to be an "enslavement" of Germany at least as severe as the Treaty of Versailles.
CHAPTER II

THE DEUTSCHNATIONALE VOLKSPARTEI AND THE DAWES PLAN:
THE DEBATE

During the spring and summer of 1924, the German parliament concerned itself with the Dawes proposals and the legislation necessary for their implementation. During the debates, the Deutschnationale Volkspartei (DNVP) parliamentary delegation, supported by the Party press, represented Party attitudes toward the Dawes Plan. These attitudes were the result of several factors. To begin with, the DNVP delegates argued that the French occupation of the Ruhr was an intolerable and coercive situation which must be eliminated prior to Germany's acceptance of the Dawes Committee proposals. In the second place, the Dawes Plan's proposed economic controls were felt to be incompatible with German sovereignty. Finally, the DNVP perceived a direct link between the proposed justification for the Dawes Plan and the detested "war guilt" clause, Article 231 of the Versailles Treaty.

Indeed, the Party's position on the fundamental issue of reparations most influenced the attitude of the DNVP toward the Dawes Proposals. Hence an understanding of the DNVP response to the Dawes Plan requires more than an examination of the debates following the introduction of the
Dawes Committee proposals into parliament. It also requires an examination of debates that had taken place during the late summer and fall of 1923, concerning the general issue of reparations and that of the French occupation of the Ruhr. Only then is it possible to bring perspective to the DNVP's attitude toward the Dawes Plan.

Even as early as the ninth of August, 1923, the DNVP delegation leader, former Prussian Royal Finance Minister Oskar Hergt, heatedly attacked Chancellor Wilhelm Cuno's policy of passive resistance to the French occupation of the Ruhr.37 Hergt saw the French action in terms that went far beyond legal and economic arguments. "France tramples justice underfoot, France acts contrary to every Christian moral."38 Thus the French action and its economic results, Hergt argued, justified German retaliatory measures that should go beyond the present government policy of passive resistance. "What would be more to the point than that Germany, in her difficult material position, ceased all reparations payments as well . . . ."39 Well prior to the unveiling of the Dawes Plan, the DNVP delegation had already adopted a point of view that found no acceptable

37German Parliamentary Debates (Hereinafter cited as G.P.D.), vol. 361, 11780-11785.
38Ibid., 11781. Italics in text. All translations are mine.
39Ibid., 11780.
justification for the payment of reparations as long as the French occupation force remained in the Ruhr.

On the twelfth of August, the failure of passive resistance caused the Cuno Government to resign. Policy-making now fell into the hands of a cabinet headed by Gustav Stresemann. Stresemann, an experienced politician and leader of the German People's Party, was ready to pursue a pragmatic approach to reparations that reflected his evaluation of the realities of the situation. The new Chancellor, for example, accepted the fact that Germany was physically incapable of ejecting the French from the Ruhr. He also knew that the Reich could not oppose in toto reparations; he understood, however, that Germans must perceive that their honor was upheld if a solution was to be found. By his remarks in parliament, Streseman indicated his hopes to find a compromise between the extremes of hopeless defiance and total surrender. The Chancellor expressed his conviction that:

If a free and independent jurisdiction over the German Ruhr is again guaranteed to us, if the Rhineland finds itself in conditions established by treaty and internationally guaranteed, . . . then we will . . . be able to raise the question of methods for regulating the reparations problem.40

Germany's critical economic situation, however, forced Stresemann to end passive resistance even before assuaging German honor by receiving a guarantee of French evacuation. On the twenty-eighth of September, 1923, a parliamentary

spokesman for the Center Party had introduced a resolution calling for the revival of industrial and manufacturing activity in the Rhine and Ruhr (die Wiedererlebung der industriellen und gewerblichen Tätigkeit in Rhein- und Ruhrgebiete). The DNVP hotly picked up the guantlet thus thrown down by the Center and took to the offensive. DNVP delegate Karl Neuhaus, a manufacturer from Dusseldorf, soon removed the issue of passive resistance from the sphere of practical policy by hinting at larger more explosive issues. A fellow delegate subsequently revealed Neuhaus' "larger issue" to be Stresemann's apparent "full capitulation" to the French.

By October, the DNVP delegates were in concerted attack against the Stresemann policy regarding the French occupation. On the eighth, for example, Count von Westrap, a well-known Conservative and prominent member of the DNVP delegation, condemned the administration for the abandonment of passive resistance:

If it is a question of in what ways foreign policy can affect the recovery of our finances the answer is, that only can this happen through a policy which comes nearer to liberating us from the bondage of the Versailles Treaty and from the insanity of reparations (Reparationswahnsinn), not through measures such as the laying down of our weapons, measures which produce the opposite result.

In conclusion, Westarp cried out his scathing condemnation of the government policy: "We reject," he said,
". . . all those activities which represent yielding to the will of the enemy."43

By the time that the Dawes Committee came into being, therefore, the DNVP delegation had already staked out its opposition to the French occupation and to reparations. The delegates, believing the French occupation to be contrary to the principles of justice and morality, were not prepared to yield before attempts to resolve the reparations issue without first receiving guarantees that the Ruhr situation would be rectified.

On the thirteenth of March, 1924, parliament was dissolved pending new elections on the fourth of May. The DNVP, whose campaign platform called for a rejection of the Dawes Plan, returned to parliament following these elections with a delegation of 106 members, indicating that this platform enjoyed the support of a significant segment of the German population. Indeed, the DNVP delegation now held the deciding vote in constitutional matters requiring a two-thirds majority. Inasmuch as the Reichsbahn legislation, an integral part of the Dawes Plan, required a constitutional change, the attitudes of the DNVP delegation assumed a crucial role in the subsequent debates.

On the fifth of June, 1924, a representative of the government coalition of Center, Democratic, and People's Parties advised that parliament quickly accept the Dawes

Committee report. He based his request on Germany's distressed economic condition, the situation in the occupied areas, the need to rapidly settle the reparations issue, and the need to obtain the foreign economic credit and confidence necessary for economic recovery.\footnote{See the G.P.D., session of June 5, 1924.}

The government coalition's timing in introducing the Dawes Committee report made its acceptance an issue of confidence. Count von Westarp, answering on behalf of the DNVP, began the Party's attack by pointing out the implications of the government's request. Accepting the Dawes Committee report involved bringing German honor into question and implied accepting the detested "war guilt" clause contained in the Treaty of Versailles as well. In Westarp's opinion, all of the proposals and suggestions contained within the Dawes Committee report rested on this "inequity" and German honor demanded its rejection.

While not opposed to the idea of reparations \textit{per se}, Westarp questioned Germany's "moral" obligation to pay. After all, Germany too had suffered from war damage. To support his argument, he listed several examples of the material and physical damage suffered by Germany during the course of the War:

\begin{itemize}
\item[1.] The destruction of East Prussia as a result of the Russian invasion, rebuilt during the War at a cost of 50 billion Marks
\item[2.] The loss of important life-supporting (lebenswichtige) territories as a result of the peace settlement
\end{itemize}
3. The loss of Germany's merchant fleet and foreign possessions as a result of the peace settlement
4. The privation of women and children caused by the British blockade during the War

These facts required that every German and every foreign representative of German interests must oppose the principle that Germany pay because she had suffered least!

Westarp then maintained that the French occupation of the Ruhr represented an outrage against justice and morality and stated several conditions upon which the DNVP delegation's willingness to discuss the Dawes Plan would be contingent. He demanded the political, military, and economic liberation of the Ruhr, as well as a return to Treaty conditions in the occupied Rhineland. He called for the release of political prisoners in the occupied areas and the return of those Germans expelled by the occupation authorities. He also demanded guarantees of freedom from future encroachments by the "French security firm."

However, Westarp concluded, even if his conditions were met, the government's acceptance of the Dawes Committee report in its present form was out of the question. He emphasized that the report could do no more than form a basis for discussion. In no case could it be considered a finished product to be agreed upon. Only after discussion, revisions, amendments, and the formulation of legislation should the government consider accepting the Dawes Plan as a
basis for further discussion on questions of economic recovery and reparations.\textsuperscript{45}

Delegate Hans Schlange from Pomerania also spoke out against the Dawes Committee report on the ninth of June. He, too, linked, as Westarp had done, the report to the "war guilt" clause. "I repeat the statement, that we demand the joint consideration and discussion of the war guilt question and the Committee proposals. During the course of such discussions, Germany's innocence concerning the responsibility for the War must be reiterated again and again."\textsuperscript{46}

Schlange continued to insist, however, that the DNVP delegation did not seek a complete rejection of the Dawes proposals. Adhering to Westarp's position, he repeated the delegation's conditional demand. "If we have assurances that the Rhine and Ruhr will be liberated, a certain economic price can be paid."\textsuperscript{47} In addition, Schlange advanced concrete reasons for this position. He stated his belief that the government's unconditional acceptance of the Dawes Committee proposals would only create a situation in which France would look for further violations in the occupied areas in order to maintain her position there.

In conclusion, Schlange demanded a more aggressive policy than had been pursued previously. He spoke of

\textsuperscript{45}For Westarp's speech, see the G.P.D., vol. 381, 108-117.

\textsuperscript{46}G.P.D., vol. 381, 178.

\textsuperscript{47}Ibid., 180.
warning the "enemy" not to go too far (Treibt es nicht zu weit . . .) and noted that a country of 60 million people could not be forced to sign its own death warrant (Todesurteil).48

While the Dawes Plan controversy raged in parliament, DNVP delegates and their sympathizers were also busy presenting the Party point of view to the general public through the Party press. Such publications as the Neue Preussische Kreuz-Zeitung and the Deutschnationale Flugschriften abounded with articles which attempted to support the delegation's position during the Dawes Plan debates.

The Party press contained articles dealing with all aspects of the Dawes Plan. For example, the Dawes Committee had stated that their proposals represented a business, "apolitical" solution to Germany's economic problems. Doctor Karl Helfferich, noted German economist and one of the Party's more outspoken members, argued forcefully against such a contention in his pamphlet "The Second Versailles," part of a series of pamphlets entitled the Deutschnationale Flugschriften.49

Helfferich pointed out the fantasy of believing that the Dawes Committee report avoided political questions and, more significantly, expressed his fear of French machinations behind the scenes.


49Deutschnationale Flugschriften were published by the DNVP publication office in Berlin throughout the Weimar Republic years and will hereinafter be referred to as the D.F.
Poincare has already clearly declared that he will uphold the occupation of the Ruhr, even if the [Dawes Committee] experts' proposals are accepted, until Germany has paid the full amount [of reparations], therefore until eternity, or until the time when France is forced to evacuate. Naturally, this decision signifies as well a decision to uphold the occupation of the Rhineland beyond the time period envisaged in the Versailles Diktat.50

Doctor Wilhelm Reichert, DNVP delegate and co-author of "The Second Versailles," expressed the same sentiments in a much more bitter tone: "Actually Poincare is the string-puller, who permits the expert puppets to dance according to his policy."51

Further evidence of this attitude is found in the pages of the Neue Preussische Kreuz-Zeitung, the national Conservative newspaper affiliated with the DNVP. On the twenty-sixth of June, 1924, for example, an editorial appeared that supported this line of argument. The editor emphasized that the evacuation of the Ruhr was a determinate factor in Germany's decision to accept or reject the Dawes Committee proposals. "What Germany demands is little. It is the re-establishment of its rights according to the Treaty [of Versailles]."52

Such arguments linked the Dawes Committee proposals directly to the political issue of the French occupation. Thus the delegates argued that a solution to this issue was

50D.F., Number 175, p. 9.
51Ibid., 18.
52Neue Preussische Kreuz-Zeitung, 26 June, 1924, (hereinafter referred to as the K.Z.).
a prerequisite for accepting the subsequent Dawes Plan legislation. Such a solution would indeed serve as a first step in "de politicizing" the Dawes Plan itself.

During the latter part of July, the members of parliament waited expectantly for news from London, where an international conference was transforming the Dawes Committee report into its final form. As the tension mounted, the DNVP delegation tended to raise the question of the Dawes Committee proposals more often. This question even found its way into parliamentary discussions concerning unrelated topics.

On the twenty-fourth of July, delegate Gustav Hartz, referring to parliamentary committee reports concerning social insurance and injury compensation, noted that the obligations contained within the Dawes Committee report represented a terrible burden on the German worker. On the following day, delegate Reinhard Mumm, speaking on unemployment compensation, stated that "it must be emphasized again and again that the Versailles Diktat and soon perhaps the Dawes Plan as well represent a most difficult burden on our social policy: in fact, such a burden requires a struggle for existence (Existenzkampf)."53

Delegate Emil Berndt, however, soon returned to the earlier line of argument. After admonishing the government for failing to clarify its position in London, he quickly...
lapsed into a discussion of the "war guilt" question.\textsuperscript{54} He emphasized the above-party nature of the struggle against the "war guilt lie" and stressed the significance of such a struggle for Germans. "Ladies and gentlemen, if we condone with our signature that part of the Dawes Plan [which states Germany's moral obligation to pay reparations], we will for the second time, and this time voluntarily, be condoning the German 'war guilt' lie."\textsuperscript{55}

Professor of history and distinguished DNVP delegate Doctor Otto Hoetzsch delivered, on the twenty-sixth of July, the final delegation positional statement prior to the presentation of the draft legislation. His remarks were consistent with the Party line as it had been presented previously during the debate. Referring to the Dawes proposals as a "second Versailles," Hoetzsch advised against an unconditional acceptance but did not preclude the possibility of further discussions based upon them. He attached, as Westarp had done on the fifth of June, conditions to DNVP acquiescence in future negotiations and noted that the Dawes Plan represented "not a binding agreement but only technical preliminary work . . . ."\textsuperscript{56}

Hoetzsch's conditions were almost identical to those described earlier by Westarp. He demanded amnesty for political prisoners in the Rhine and Ruhr and the military

\textsuperscript{55}G.P.D., vol. 381, 665.

\textsuperscript{56}Ibid., 740.
evacuation of those areas. He stressed the need to end economic sanctions in the occupied zones, to reestablish German economic sovereignty there, and to insure guarantees against future aggression. He demanded the evacuation of French and Belgian railway officials and the return of railway operations to German control. Hoetzsch emphasized that "for us these conditions are . . . conditio sine qua non." Hoetzsch also returned to the relationship between the principles behind the Dawes proposals and the question of "war guilt." "It is obvious that any new obligations, any new regulation of the reparations question, cannot be carried out with a repetition of the defamation associated with Article 231 of the Versailles Treaty." He demanded the immediate revocation of the "war guilt" clause.

While admitting that the Party was willing to make economic sacrifices, Hoetzsch repeated his demand that the sine qua non conditions must be met. He emphasized that the delegation would remain firm in this attitude and would be willing to use its decisive votes in order to defeat attempts to the contrary. There was a limit beyond which German sacrifices could not be extended; above all, Germany must not sacrifice her national honor or sovereignty. He appealed to the government to "accept nothing [at the London

57See the G.P.D., vol. 381, 738-739.
58Ibid., 742. Italics in text.
59Ibid., 741.
Conference] that would be economically unbearable or contrary to the honor of the German Reich."60

Given the DNVP delegation's stated conditions upon which further discussion of the Dawes Committee's proposals should rest, the outcome of the London Conference represented a dismal failure. The French were to remain in the occupied zones, and the Dawes Plan was to be presented to parliament virtually unchanged from its original form. The Party press quickly took up the attack. On the seventeenth of August, for example, the Kreuz-Zeitung editorial column headline noted that Germany had, with the conclusion of the London Conference, undergone a "new capitulation." The political implications of the continuing French occupation of the Ruhr did not escape notice.

... Germany subjugated herself almost unconditionally to the Diktat of the opposite side. The fragile 'solution' did not provide for the chief goal of our efforts, the immediate liberation of the Ruhr from foreign pressure. The Ruhr remains under military occupation for another year ... 61

The editor went on to say that he expected "sharp opposition" in parliament to the Dawes Plan from the Volkischer parties. Considering Westarp's seven points discussed above, such opposition was easily predicted.

The evening edition on the twentieth of August presented a similar editorial argument. Anti-French and political sentiments emerged in this editorial that revealed the

60G.P.D., vol. 381, 742.
61K.Z., 17 August, 1924.
depth of nationalist disappointment with the results of the London Conference. The editor deplored the fact that the German delegation in London had failed to extract actual guarantees for the evacuation of the Rhine and Ruhr. He vehemently noted that France had forced the allied nations to acquiesce in the proposed extension of the period of occupation. France, he wrote, was the key to the failure to achieve acceptable results in London. "The French desire a postponed evacuation period . . . while then the politico-economic [handelspolitische] question following ratification [of the Dawes Plan] could be discussed with Germany -- under the pressure of French bayonets, which would then still remain in the Ruhr!" 62

Thus indignant editors, sympathetic to the DNVP position, returned again and again to the basis of nationalist hostility toward the Dawes Committee proposals: the nationalists considered the continuing French occupation of German territory to be an affront to German sovereignty and a lever with which to force economic concessions from Germany that she could ill afford to make. Given this perception, it was but a short step to the perception that the Dawes Plan represented as well a threat to the economic sovereignty of Germany as a whole.

Doctor Karl Helfferich clearly expressed DNVP sentiments regarding the Dawes Plan's effect on German economic sovereignty:

\[62\text{K.Z., 20 August, 1924.}\]
The system proposed by the [Dawes] experts, whose point is declared to be the saving of the German currency, is . . . the transference of the German economy into the hands of the reparations creditors, the organization of the infiltration of foreigners into the German economy from the inside out. 63

While national feelings played a role in determining Helfferich's attitude, the multitude of commissioners, trustees, and agents proposed by Dawes and his committee led invariably to such a conclusion. How, in fact, could the German economy operate in the best interests of the Volk when it was controlled by foreigners?

Helfferich was not alone in these sentiments. Time and again, DNVP delegates and Party press editors followed the lead of this prestigious Party member. For example, Doctor Reinhold G. Quaatz, Party delegate, complained that the economy, the Reichsbank, and the Reichsbahn had been "internationalized," and that these "... instruments of economy and politics [had] been given into foreign hands." 64

The DNVP perception that Germany, by accepting the results of the London Conference and the Dawes Plan, would be "selling out" her sovereign rights to "internationalism" lay behind the condemnations of government policy found in the pages of the Party press. On the twenty-first of August, the morning edition of the Kreuz-Zeitung contained a

63 D.F., Number 175, p. 9.
64 D.F., Number 225, p. 14.
scathing editorial relating directly to the German delega-
tion's actions in London. Doctor Friedrich Everling, DNVP
parliamentary delegate and author of the article, ominously
pointed to the moral responsibility of the government for
the "defeat" suffered at the London Conference. Pointing
to the present government's responsibility to the Volk,
Everling proceeded to pass judgment upon the London
delegation:

The moral responsibility remains on those who
brought home to the people defeat from London and
still sought to call it a success. The historical
responsibility will not permit itself to be shifted
and in the history books one will read the judgment
of those to whom we owe the 'Second Versailles'!65

The DNVP delegation's arguments, both in parliament and
in the Party press, clearly reveal the delegates' attitudes
toward both the Dawes Committee report and the subsequent
Dawes Plan legislation. It is surprising to note that the
delegation, made up primarily of conservatives and nation-
alists, was not opposed to the idea of having to pay repara-
tions. Their objections centered not on the fact of payment
itself, but on the justification for such payment contained
within the Dawes Committee report. While they accepted the
fact that losing the war made Germany liable for economic
concessions, they found no basis for obligations resting on
moral responsibility and "war guilt." This underlying atti-
dude gave subjective overtones to many of their arguments
during June and July. The delegates who spoke exhibited a

65K.Z., 21 August, 1924.
great concern for German honor rather than opposing concrete objections to the mechanics of the Dawes proposals.

In addition, the memory of Versailles was evident in their arguments. The DNVP delegates felt that the Dawes proposals might be imposed upon Germany unconditionally. Thus they argued against unqualified acceptance, although they were willing to utilize the Dawes report as a basis for further discussion. They believed that Germany must be given the chance to participate in the determination of her economic and financial future as an equal. Hoetzsch's reference to the Dawes proposals as a "second Versailles," however, indicated that the delegates expected the opposite to occur.

Another element in the DNVP delegation's attitude toward the Dawes proposals involved their perceptions of Franco-German relations. Especially evident in the Party press, these perceptions were in part subjective and in part practical. The delegates had argued throughout the passive resistance debate that the French occupation represented an outrage against German sovereignty. They feared that France, in order to end the German threat on her eastern frontier, was seeking to destroy Germany's economic potential and territorial unity. During the Dawes proposals debate, therefore, the DNVP delegates sought to establish conditions that would remove the French threat and insure against its recurrence. Hoetzsch's sine qua non conditions were based upon a belief in the French threat, as was the
Thus on the eve of the coming parliamentary decision on the Dawes Plan, the DNVP delegation's position seemed to be intransigent. The delegation, as we have seen, held the balance in the voting and the Kreuz-Zeitung repeatedly pointed out that an outraged German sense of justice would prevail. But the delegates' attitudes were not as clear-cut as they appeared to be. In fact, the DNVP delegation's united stand against the Dawes Plan was soon to be shattered from within.
CHAPTER III

THE DEUTSCHNATIONALE VOLKSPARTEI AND THE DAWES PLAN:
THE VOTE

The final division on all Dawes legislation took place on the twenty-ninth of August, 1924. Forty-eight members of the DNVP delegation voted in favor of the Reichsbahn draft, giving it the required two-thirds majority and signalling acceptance of the Dawes Plan. Before discussing the delegation's voting behavior, however, it is necessary to review briefly the circumstances surrounding the Party's formation in 1918.

The DNVP had grown up amid the ruins of the Second Reich during the catastrophic days of November, 1918, as a refuge for discredited Imperial right-wing parties and organizations; this association was a necessary expedient for political survival in the new Weimar Republic. The groups within the DNVP framework, however, maintained only a federated relationship; the individual elements retained their distinctive political views. They never desired to solidify into a unified party, and the result was only an amalgamation of Conservatives, Free Conservatives, Christian Socialists, Agrarians, and Pan-Germans.66

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66These groups overlapped in some cases.
While the delegation membership reflected these different groups, the broader implications of the Dawes Plan temporarily transcended in importance individual group priorities. Thus the DNVP delegation as a whole was reacting to an economic plan unacceptable because of its moral implications, the threat that it posed to German economic and political sovereignty, and its implications for the traditional socio-economic structure of the German State. A new attitude, however, emerged within a portion of the delegation between the twenty-seventh and the twenty-ninth of August, causing the affirmative vote during the final Dawes Plan division. The delegates' parliamentary arguments, presented above, reveal the basis for their negative reaction to the Dawes Plan; articles printed in selected Party publications reinforce this reaction but reveal as well the priorities that ultimately shattered the delegation's united front.

The first hint of the possibility of a split vote is perceptible, however, when one considers the fundamental shift in the delegation's arguments during the final stages of the Dawes Plan debate. As the final division approached, the DNVP delegates advanced concrete economic arguments and demonstrated a concern for the social implications of the Dawes Plan rather than continuing to argue from the moral and legal base that they had utilized earlier.

On the twenty-sixth of August, for example, DNVP delegate Doctor Paul Lejune-Jung spoke concerning the burden on
industry proposed by the Dawes Plan. He not only found the imposition unrealistic, but the obligation of the "trustee" to mortgage or sell German industrial bonds on the international market would subvert German industry to "international capital" by passing the control of German enterprises into the hands of foreign investors. Finally, Lejune-Jung noted that the heavy burdens on industry would hurt the German worker. He called for an unqualified rejection (Ablehnung) of the Dawes Plan legislation.67

In addition, on the twenty-eighth, delegate Doctor Reinhold Georg Quaatz introduced new reasons for rejecting the proposed legislation:

1. The proposed taxation system would force the government to exploit the population in order to meet reparation obligations
2. Acceptance of the Dawes Plan would demonstrate national weakness (der Ausschaltung des nationalen Gedankens)
3. The railroad would pass into the hands of a foreign trustee68

Finally, Stettin's DNVP delegate Otto Schmidt presented the delegation's objections to the proposed changes in the German railroad. He especially emphasized the need to protect the rights of German civil servants employed by the railroad. For this reason, he argued, section 24 of the draft, concerning proposed personnel cutbacks, must be eliminated or at least amended in order to control its use.

68Ibid., 1003-1007.
Thus the delegates perceived the Dawes legislation as a threat to Germany's economic sovereignty. The multitude of directors, commissioners, and trustees envisaged by the legislation did nothing to temper this perception, for, as noted in Chapter One, the Dawes Committee report clearly stated that foreign controls were necessary in order to overcome the "traditional" attitudes of the German business community. The final legislative drafts, virtually unchanged from the original report, preserved intact these foreign controls.

The DNVP delegates' perceptions of the social implications of the Dawes Plan, however, are more complex. If one escapes for a moment from the traditional political scale, it is evident that the DNVP delegation was in fact somewhat socialist in temper. Government social action in Germany dated back to Bismarck's time; the DNVP delegates felt that the forces of Capitalism, freed from government control, would threaten the unity, well-being, and survival of the German Gemeinschaft. Foreign commissioners and investors, profit-oriented and influenced only by the laws of a free market, could have no concern for the welfare of the Volk, who must inevitably suffer economically and psychologically from an individualistic and material socio-economic system; thus Lejune-Jung could argue on behalf of the German worker, and Quaatz on behalf of the threatened civil servant employed by the railroad. Quaatz himself clearly revealed these perceptions when he bitterly noted during the course of the
debate: "Never since the time of the fallen Roman Empire has a proud folk taken upon itself such a capitalistic system of exploitation, especially of the lower classes of the people."\textsuperscript{69}

On Sunday, the thirtieth of August, 1924, the \textit{Kreuz-Zeitung} morning edition screamed the following headline throughout Germany: "Final Acceptance of All Aspects of the Dawes Plan!" The feature article speculated about the reasons for the DNVP delegation's split vote and was obviously hostile to those delegates who had voted "yes." It blamed the split vote on the government's offer to introduce DNVP delegates into the cabinet. "The turning-off of a part of the [DNVP] delegation to the 'Ja-Sagers' was initiated by the DVP's offer of negotiations and finally accomplished by assurances of a 'Burgerblock' [government]."\textsuperscript{70}

The \textit{Kreuz-Zeitung}, however, was not averse to printing as well the "Ja-Sagers" justifications for their decision. The "Ja-Sagers" based their reasoning primarily on two fundamental presuppositions. They believed that opposing the...
Dawes Plan would have proven fruitless, for the government would have signed it anyway, dissolving parliament and holding new elections in order to achieve the necessary majority. They also felt that by accepting the DVP offer of government participation, the DNVP could place itself in a position to moderate the Dawes Plan provisions following their implementation.

On the third of September, 1924, Otto Hoetzsch also described the position taken by the "Ja-Sagers." In a well-reasoned editorial, he reiterated the justifications discussed above and added a few of his own.

1. The Dawes Plan would bring the United States into European affairs, a vital ingredient for recovery and stability
2. The occupied areas would suffer further following a rejection of the Dawes Plan
3. Rejecting the Dawes Plan would lead to a probable parliamentary dissolution, in which the DNVP representation might be weakened and that of the Left strengthened
4. The German economy would suffer far greater burdens than previously

A more accurate picture of the split vote, however, is gained by examining the official DNVP communication to the German people and the attitudes of DNVP "Nein-Sagers" toward DNVP "Ja-Sagers" rather than articles attempting to justify the voting behavior of each individual faction. The official DNVP communication, for example, sought to assure the nation that a fatal split had not occurred within the ranks of the Party.

This communication, found within the pages of the Kreuz-Zeitung, consisted of four basic points:

1. The Party denied that a fundamental disagreement in principles existed between the "Ja-Sagers" and the "Nein-Sagers"
2. The communication asserted that the split vote was solely [lediglich] a function of different evaluations of the situation by the two factions
3. All DNVP delegates were agreed that the Dawes Plan needed improvement and threatened to initiate a leftward course in German politics
4. Thus the "Nein-Sagers" based their decision on the unbearable nature of the Dawes Plan's economic provisions and its overall unacceptability, while the "Ja-Sagers" felt that their participation in the government could moderate the Dawes Plan's consequences.

Count Westarp's article in the evening edition of the Kreuz-Zeitung on the thirtieth of August, 1924, typifies the reasoning expressed in the official Party communication. In this article, he not only reiterated the Party position, but clarified his own attitude as well. He considered the "enslaving demands" of the Dawes Plan to outweigh the severe economic and political consequences of its rejection. Thus he was able to write that he, as an individual, had sought a unified negative vote from the DNVP delegation. In addition, however, he repeated the "Ja-Sagers" justifications for a positive vote and demonstrated his lack of hostility toward them. "I understand these goals, even if I did not follow that course. Now, however, it depends on all forces of the Party to come together for the common goal."

72K.Z., 30 August, 1924.
73Ibid.
Thus the Party press revealed that the split vote was a function of differing evaluations of the future welfare of Germany rather than differing perceptions of the Dawes Plan itself. While all the DNVP delegates believed the Dawes Plan to be contrary to the principles of justice and an unacceptable solution to Germany's economic problems, some acted on the basis of this belief while others felt that Germany's burdens, moderated by DNVP government participation, would be lighter under the Dawes Plan than those that would follow its rejection.

Further evidence of this evaluational dichotomy is found in the pages of publications written by the DNVP delegates themselves. Members of both the "Ja-Sager" and "Nein-Sager" factions of the Party authored books that touched upon the subject of the Dawes Plan and revealed their own particular evaluations of both the Plan and its implications for Germany's future.

One such publication, authored by delegation members Doctor Reinhold G. Quaatz and Doctor Martin Spahn, repeated the arguments that have appeared throughout this study time and again. Quaatz and Spahn, describing the Dawes Plan as "a new dress for the old system of power," turned their attention to the Dawes Committee's assertion that Germany, having suffered no "noteworthy devastation" during the World

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War, had a moral obligation to those who had "suffered so severely." 75

Their reply to this contention revealed the same basic perceptions that had emerged during the parliamentary debates. They found complete continuity between the system established by the Treaty of Versailles and the system established by the Dawes Plan. This continuity rested upon the "war guilt lie." "The Dawes Plan therefore rests, exactly like the Treaty of Versailles, upon the assertion of German war guilt. This is its foundation." 76 Because Quaatz and Spahn did not accept Germany's sole responsibility for the World War, they could not accept her moral obligation to pay. In addition, the DNVP delegation had asserted during the parliamentary debates that Germany had suffered material damage as a result of the War. Quaatz and Spahn could not fail to draw the conclusion that the Dawes Committee's basic presupposition mentioned above was false.

These authors also raised the issue, again following the arguments raised both during the parliamentary debates and in the Party press, of the French occupation. They found such occupation contrary to the Dawes Plan's promise to restore German economic and political sovereignty in the Rhine and Ruhr areas, as well as being detrimental to the future welfare of Germany as a whole. Quoting the chairmen

76Ibid., p. 81.
of the German Chamber of Industry and Trade, the Reich Union of German Industry, and the Economic Committee for the Occupied Areas, Quaatz and Spahn sought to drive these points home. "Especially the prerequisite of the re-establishment of Germany's economic and financial sovereignty remains unfulfilled. . . . We raise the sharpest opposition against the taking up of politico-economic discussions under the pressure of the occupation."77

Freiherrn von Freytagh-Loringhoven, a prominent member of the DNVP delegation, also broached the subject of the Dawes Plan in his work German National People's Party.78 His discussion revealed his evaluation of the Dawes Plan controversy and his unique reason for adhering to the "Nein-Sagers" during the parliamentary vote.

Freytagh-Loringhoven concerned himself primarily with the reasons for the split vote. He began by attempting to explain the forces at work behind the development of a "Ja-Sager" attitude within the ranks of the Party. In addition to the argument, discussed above, that the so-called "middle parties" had held out the prize of participation in the government to the DNVP, he offered a further explanation:

77Chairmen of the German Chamber of Industry and Trade, the Reich Union of German Industry, and the Economic Committee for the Occupied Areas, quoted in G.u.M.F.a.E.C., pp. 83-84.

78Freiherrn von Freytagh-Loringhoven, German National People's Party (Berlin: Pan-Verlagsgesellschaft M.B.H., 1931). Hereinafter referred to as D.N.V.P.
the economic circles, in spite of the severity of the burdens imposed upon us by the Dawes Plan, expected economic advantages from its implementation. They hoped that the Dawes Plan would revive the economy and feared that rejection would generate a scarcity of credit.\textsuperscript{79}

These economic circles obviously enjoyed influence with the DNVP delegation, and Freytagh-Loringhoven evidently believed that they had been instrumental in creating the necessary block of DNVP affirmative votes for the Dawes Plan.

Freytagh-Loringhoven included the "Nein-Sagers" in his discussion as well. However, rather than emphasizing their belief in the unacceptability of the Dawes Plan and its moral injustices, he advanced another reason for their decision to reject it:

They represented the view that the national Right could not permit itself to become guilty of the voluntary enslavement of Germany, and that the trust of the voters, who had given the Party its voice [during the May elections] on the basis of a campaign slogan of rejection could not be permitted to be deceived.\textsuperscript{80}

Loyalty to the voting public was an argument seldom advanced on behalf of the "Nein-Sagers." It seems probable in this case that although Freytagh-Loringhoven's basic attitudes toward the Dawes Plan did not differ substantially from those of his fellow delegates, his priorities ran along the traditional line of honoring a pledge made to the voters

\textsuperscript{79}D.N.V.P., p. 24. Freytagh-Loringhoven's economic circles, while remaining anonymous, cannot have been those organizations quoted by Quaatz and Spahn above. This demonstrates clearly that different evaluations of Germany's future welfare existed outside the political sphere as well.

\textsuperscript{80}Ibid., p. 25.
during the election campaign the previous May. In addition, Freytagh-Loringhoven could hardly have failed to equate the future well-being of Germany with a strong nationalist and Conservative representation in parliament. A loss of confidence in the DNVP among its public supporters, triggered by the failure to adhere to a campaign promise, could seriously weaken the DNVP position at the polls.

Doctor Otto Hoetzsch also provided testimony regarding the DNVP and the Dawes Plan. In his work *The World Political Division of Power*, Doctor Hoetzsch touched briefly upon the subject of the Dawes Plan within the greater context of the Treaty of Versailles.  

Hoetzsch, of course, dismissed the Treaty of Versailles as an unworkable solution to Europe's problems following the World War. Continuing on to the Dawes Plan, however, he discussed it from the point of view of an academician rather than that of a German nationalist. This detachment led him to state, in seeming contradiction to his parliamentary remarks prior to the Dawes Plan vote, that the Plan "released" the question of reparations from political motives:

> It placed [the Dawes Plan] upon a rational foundation of pure economic and financial estimations and obligations . . . . With it Germany submitted, in a financial sense, voluntarily in the new system

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82 See *W.P.K.V.*, pp. 32-33.
of power in the West, as it had been conceived in 1919, in order to save itself before it totally collapsed and to find, in cooperation with North America, the road to economic reconstruction.  

He was, however, quick to contrast the results of the Dawes Plan's implementation with its idealistic aims. "The [Dawes] Plan is not a complete liquidation of the financial results of the War." It is interesting to note here that Hoetzsch did not restrict his evaluation of the results of the Dawes Plan to Germany alone, as had so many other DNVP delegates. Instead, he led his discussion along general European lines, giving the Dawes Plan credit for being an honest, albeit only partially successful, attempt at solving a difficult financial problem.

Given Hoetzsch's expanded view as a historian, this approach is easily understood, especially when one considers that he was writing with the detached reason of a historian and also after the event had occurred. Thus the contradiction between his fiery remarks in parliament and his cool detachment three years later is resolved, especially when one remembers that even prior to the Dawes Plan vote, as noted in Chapter Two above, Hoetzsch had not completely dismissed the Dawes proposals as unworkable.

A member of the "Ja-Sager" faction of the DNVP, Hoetzsch evidently found Germany's future well-being to lie within an economically and politically stable greater Europe.

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83 See W.P.K.V., pp. 32-33.
84 Ibid., p. 33.
Accepting the Dawes Plan represented, in his opinion, the first step toward achieving this condition.

One final DNVP delegate deserves mention during this discussion of Party publications dealing with the Dawes Plan. Alfred Hugenberg, a noted press magnate, was not present during the final vote on the twenty-ninth of August, due to illness, but his letter to delegation leader Hergt on the eve of the vote reveals yet another evaluation of the stance which Germany would have to assume in order to assure her future well-being.

Hugenberg's letter to Hergt advanced two reasons for rejecting the Dawes Plan. In the first place, Hugenberg warned Hergt that only by rejecting the Dawes Plan in its current form could the foundation be laid for negotiating more favorable conditions later. "...[T]he only path toward improving the fundamental basis of negotiations [Verhandlungsgrundlagen] today, that is, after the failure of the present administration [in London], exists in the rejection of the London Agreement."^85

In the second place, he indicated as well that he based his demand for rejecting the Dawes Plan on his feelings as a German and his refusal to accept the moral degradation and enslavement of his Germany and her future that voting "yes" on the Dawes Plan legislation implied:

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^85 Alfred Hugenberg, Highlights From the Past and Present (Berlin: A. Scherl, 1927), p. 97.
The second reason consists of the fact that in the future, the pernicious idea must not become standard among the foreign parties concerned [with the Dawes Plan] that more than two-thirds of the German people, including as well those circles supporting the DNVP, are inwardly prepared to permit the sale of their nation's freedom, honor and future in the hope of a few pieces of silver. 86

The reference to the Biblical story of Judas is clear. Hugenberg believed that accepting the Dawes Plan represented his nation's willingness to deliver their Germany into the hands of the enemy in return for financial concessions. In his opinion, such an act would auger ill for the future well-being of the German State.

Thus, in print, the DNVP delegates and their sympathizers revealed the same basic attitudes that had motivated their arguments during the debates prior to the final vote. The differing evaluations concerning the best path to Germany's future well-being, however, that led to the split vote, become clear in the various Party publications that we have examined here. While the basic attitudes of all delegation members were similar, some felt that future German well-being lay in accepting the Dawes Plan as a negotiable first step toward vitally necessary economic recovery. Others felt that Germany must uphold her national honor before the community of nations if her future well-being were to be assured. In the final analysis, it rested with

86 Alfred Hugenberg, Highlights from the Past and Present (Berlin: A. Scherl, 1927), p. 97.
each delegate to select the evaluation, for whatever reason, that must dictate his decision on the twenty-ninth of August.
CHAPTER IV
CONCLUSION

Once the historian has ascertained, assembled, and reported the facts, his second and more difficult task is at hand. He must study, analyze, and draw conclusions from them that validate the entire research project. In the case of the DNVP and the Dawes Plan, drawing such conclusions represents a serious challenge. The course of the parliamentary debate and the subsequent split vote on the twenty-ninth of August refute the seemingly obvious prediction that the DNVP delegation would express a uniform negative reaction to the Dawes Plan. Thus what should have been an easily predicted negative response turns out to be a complex reaction superimposed upon a uniform set of basic presuppositions. Even though their final responses to the Dawes Plan varied, the DNVP delegates were motivated by a common attitude based on these presuppositions.

The DNVP delegation's belief that Article 231 of the Treaty of Versailles, the "war guilt" clause, formed the political justification for the Dawes Plan emerges again and again, both in the parliamentary debates and in the published literature that we have examined in the previous chapter. As long as the Dawes experts justified their proposals on
basis of Germany's moral responsibility to pay, that is, on Germany's "war guilt," they could be assured of the enmity of the DNVP delegation as a whole. Such hostile feelings easily overrode any immediate favorable response based on the economic advantages of the Dawes Plan. The DNVP delegation perceived in the Dawes Plan a continued imposition of the system of humiliation and subjection established at Versailles and founded on a lie, a heightening of the Versklavung of the Diktat. This basic presupposition remained common to all members of the DNVP delegation both during the course of the debate and during and after the split vote.

In addition, the DNVP delegation members shared a common perception of the role of the French in the forging of the Dawes Plan. They believed the French to be a harsh and manipulative enemy behind the scenes, seeking to prolong the Versailles system and to destroy Germany as a force in Europe. This perception had long historical roots and was to be expected from German politicians schooled in the days of the Empire and the World War. Thus the DNVP delegation perceived France as a hostile force and, by logical extension, the Dawes Plan, especially when they considered the continuing presence of "French bayonets" in the Rhine and Ruhr, as an instrument of French policy.

One final perception shared by the DNVP delegates also warrants our consideration, for it explains in part the split vote on the twenty-ninth of August. Both the
delegates' explanations for the split vote and their arguments during the course of the parliamentary debates indicate that they shared a common concern for the future well-being of Germany. Thus the DNVP "Nein-Sagers" and "Ja-Sagers" based their respective decisions on the Dawes Plan on their own evaluations of the best way to insure Germany's future.

The "Nein-Sagers" believed that Germany's future well-being depended upon her ability to stand fast in the face of a wrongly imposed international injustice and to preserve the moral integrity of the German nation. Only then could she obtain her rightful position in the world community of nations. Thus the "Nein-Sagers" could not accept the Dawes Plan either in principle or in practice. The "Ja-Sagers," on the other hand, while rejecting the Dawes Plan in principle, saw it as a basis for German economic recovery, essential to Germany's future well-being, and as a vehicle for their entrance into the government, where they could exert influence over Germany's future course. They believed that rejecting the Dawes Plan would destroy Germany's chances for obtaining a stable and leading position in the international community of nations. Thus, while the "Ja-Sagers" rejected the Dawes Plan in principle, they found the key to Germany's future well-being in accepting it in practice.

A shared Party goal, therefore, contributed to the split vote on the Dawes Plan. The reason for the DNVP delegation's response on the twenty-ninth of August, however,
was not limited to the delegates' concern for Germany's future welfare. The nature of the Party itself contributed as well to the DNVP delegation's inability to take a united stand.

The DNVP was formed as a matter of expediency and political survival in an atmosphere of turmoil and drew together disparate elements from the various discredited parties of the vanquished Second Reich. It is possible to generalize about its political persuasion, to say that it was a "conservative, right-wing, and nationalist" Party, but to utilize such terms of convenience ignores the essential fact of its internal divisions. These internal divisions also explain in part the split vote on the Dawes Plan. Factional priorities, whether social, political, or economic, influenced the outcome of the DNVP vote. Thus one must see the DNVP delegates both as Party members and as members of the individual factions within the Party. Only then does the delegation's response to the Dawes Plan on the twenty-ninth of August become truly understandable.

Thus the DNVP delegates perceived, each in his own way, that their decision to accept or reject the Dawes Plan was in keeping with the best interests of Germany. The history, however, of the remaining years of the Weimar Republic clearly demonstrates the serious situation that developed as a result of the split in Germany's strongest conservative party.
The implementation of the Dawes Plan and the subsequent signing of the Locarno Treaty in 1925 ushered in what has subsequently become known as the "era of good feeling." Within Germany, however, ominous signs indicated that the "era of good feeling" was superficial at best, if not nonexistent. Given the nature of the Dawes Plan, its implications of "war guilt" and distrust, and the continuing growth of Socialist and Communist strength at the polls, a nationalist political reaction was inevitable. Nationalist Paul von Hindenburg's election as President of the Weimar Republic in 1925 and the growth of Nazism as a political force in the late nineteen-twenties were both strong indicators of this reaction. Increasing German hostility and chauvinism contradicted the goals of European stability and peace implied by the "era of good feeling." Even the DNVP fell under the nationalist spell; with the emergence of press magnate Alfred Hugenberg as Party leader in the last part of the decade, the Party moved closer to the extremist camp.

Perhaps a strong conservative party could have averted the rise of Nazism as the dominant political force in Germany. The DNVP, however, unable to unite on the Dawes Plan issue, revealed its inability to maintain a moderate nationalist course in German government, a course which might have satisfied German honor and integrated with rather than collided with the course of the Western European community. Such a course might have provided the strong national leadership necessary in a time of uncertainty and
enabled Germany to find a compromise solution to her post-war problems. The split vote on the twenty-ninth of August, however, revealed the DNVP's inability to unite on critical issues, costing them the confidence of the voting public as well as the chance to make this fundamental contribution to Germany's future welfare. Ironically, as we have seen, the desire to make such a contribution had been one of the basic reasons for the split vote.

The DNVP delegation's response to the Dawes Plan is also indicative of the role of perceptions in the shaping of history. The Dawes Committee perceived their task as involving two aspects: not only did they have to find a solution palatable to the Germans, but they also had to satisfy the "victor nations," and, as we know, France was particularly intransigent in its attitude toward the reparations issue. In addition, it is difficult to see how the Dawes Committee itself could have remained unaffected by the "Versailles mentality" that marked the Allied governments following the conclusion of the World War. The moral justification contained in the committee report, the measures for economic controls, perhaps inspired by a basic distrust of Germany's willingness to pay reparations, and the failure to alleviate the situation in the Rhine and Ruhr all indicate that the Dawes Plan was in part shaped by a deep-seated feeling of hostility toward Germany, a belief in her responsibility for the World War.
Thus, unfortunately, the DNVP delegation and the Dawes Committee members were working at cross-purposes. The DNVP delegates perceived the French as a hostile and intractable power, while the Dawes Committee perceived them as a necessary partner to be satisfied if the Dawes Plan was to have any chance of success. The DNVP delegates perceived the economic controls of the Dawes Plan as an infringement on German sovereignty, while the Dawes Committee perceived them to be a necessary part of the machinery to insure reparations payments. The DNVP delegates rejected Germany's moral responsibility to pay, while the Dawes Committee, deliberating in the post-Versailles atmosphere, considered this a logical justification for Germany's reparations obligations. It is therefore difficult to see how any lasting solution to Europe's problem of instability could have been achieved.

As history has proven, the respite from war was short-lived. One wonders if any human being would have been capable of satisfying all the conflicting perceptions discussed above in the atmosphere of post-war Europe. In any event, one must agree with the DNVP delegation's evaluation: the Dawes Plan represented a basis, and a basis only, for progressing toward a workable solution to Germany's, and, in the long run, Europe's problems. But does the historian, blessed with the advantage of hindsight, have the right to conclude that men, trapped within the limitation of the moment, are capable of escaping their perceptions of the moment? I think not, and the results of the Dawes Plan,
coupled with the subsequent course of German history, seems to support this conclusion.
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