

Hyper Inflation in Germany

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German postage stamps, 1921-1923. Each stamp is worth ten times the value of the stamp to its left.

When & Why?

- World War I: 1914 – 1918
- High public debt in 1919
- Inflation became noticeable in 1922
- Hyper inflation: summer until November 1923

When & Why?

- War costs
- Reconstruction
- Reparations
- Invalidity pensions

Dimension of Hyper Inflation

Date	Price for a newspaper	Rate of price increase
January 1922	0,40 Mark	
January 1923	30 Mark	7,400 %
April 1923	200 Mark	566.67 %
July 1923	700 Mark	250 %
September 1923	150,000 Mark	21,328.57 %
October 1923	10,000,000 Mark	6,566.67 %
November 1923	100,000,000,000 Mark	999,900 %

Dimension of Hyper Inflation

- 1 kg bread:
428 billion Mark
- 1 USD = 4.2 trillion Mark



Dimension of Hyper Inflation



Dimension of Hyper Inflation



Consequences

- Copper and nickel ran short
- Transport of money
- Exchange rates
- Emergency currencies
- Savings were lost

Reaction of the Government

- Gustav Stresemann
- New currency: "Rentenmark"
 - 1 trillion Mark = 1 Rentenmark
- Inflation was stopped
- No unlimited credits for state anymore
- August 1924: new currency "Reichsmark"

Sources

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