

## Betty Scholem on Inflation (October 1923)

### Abstract

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While foreign investments, especially from the U.S., had sustained Germany until the mid-1920s, the shocking assassination of Walther Rathenau led to a massive loss of confidence and the subsequent drawback of foreign capital. The Reichsbank sought to close the financial gap by granting credits more generously, which accelerated currency devaluation into a hyperinflation beginning in June/July 1922. The government's financial backing of resistance against the Ruhr region's occupation by French and Belgian troops by printing increasing amounts of banknotes further exacerbated inflation. Since the Government Printing Office was unable to meet the immense demand for banknotes on its own, more than 130 private printing businesses were tasked with printing money in the fall of 1923. These two excerpts from letters written by Betty Scholem to her son Gershom provide an insight into the absurd reality of life during inflation as well as the charged political atmosphere in which rumors about an imminent revolution abounded. The Scholems were a largely assimilated Jewish family based in Berlin who had been running a printing business for several generations. The correspondence between Betty and her son Gershom (Gerhard) Scholem unfolded after the latter, a supporter of political Zionism, had emigrated from Germany to Palestine in September 1923. He later became an eminent scholar of religious history.

### Source

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Berlin, October 15, 1923

Dear child,

We have not yet received your second letter. Hopefully, it'll arrive this week. Conditions have taken a catastrophic turn here. Notice that this letter cost 15 million cash; it will be 30 million beginning the day after tomorrow—and this price will most likely last a mere two days at most. Now you can get things done only with billions. To ensure that next week's payroll will keep its value, the boys bought dollars on Friday at the (ridiculous!!) exchange rate of 1.5 billion to 1, and they'll re-sell them on Thursday in order to pay people. For the time being, this week's pay will be 8 billion, though we've had negotiations today because the workers are demanding twice that much. The bread ration card has been done away with, and a normal loaf of bread now costs 540 million; tomorrow, surely twice as much. The streetcar fare is 20 million (tomorrow it'll be 50!). My God, you probably don't have faintest notion of this million-fold witches' Sabbath. You must know that we send women's magazines to Frau Jacques Meyer. A few days ago her husband sent us a bank check for over 5 million. When we went to the bank here in Berlin to pick it up, it cost 40 million in transfer fees! I ask myself if the neighboring Swiss are indeed so ignorant of our circumstances, or if they just *act* that way! This small anecdote can illuminate everything. If throughout the world there is such little understanding of our plight, how can we expect that anyone will come to our aid? It seems inevitable that we will lose the Rhine and the Ruhr, that Bavaria will break away, and that Germany will once again fall apart into minuscule petty states. [...]

The Communists made their weekly visit to Erich's. Little Edith was delightful and charming.

She explained to everyone how she went to the hairdresser on Monday to have her hair washed and her bobbed hair set. Werner said that she would take dance lessons and attend a charm school and that he would look for a better apartment, but that he first wanted to wait for the revolution (planned for November 10!). They and his friends had to go to lunch. They ate a rabbit for 1.75 billion. Erich mentioned

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to me how extremely amusing, but also quite pathetic, it was to hear those politicians speak.

Kisses, Mum

Berlin, October 23, 1923

My dear child,

Your letter from the ninth brought enormous joy. We no longer have to worry, now that you've set yourself up by obtaining a position and a certain degree of satisfaction. It's an incomparable stroke of luck to earn a living by doing what is also the substance and aim of your life. Thus, our warmest congratulations! Anyway, dealing with books is far preferable to dealing with other people: books—unlike humans—mostly give reasonable answers when queried. [...]

It's lucky we're in the business of printing money. Once again, we have 130 workers. With the exception of the money presses, the few customers able to pay such fantastic prices do not require much effort. By contrast, the boys are busy day and night with the money transactions. They are now more bankers than book publishers. They have to watch like a hawk in order to plan properly and to prevent the billions of paper marks, which are now their business, from disappearing into thin air. You can't imagine how things have become! In three days the dollar has gone from 10 billion, to 18.5 billion, to 40. Bread: 900 million, 2.5 billion, 5.5 billion. The collapse has been total. Here and there plundering has flared up, but not much. The despairing women are far too weary; they put up with everything. *Until now* there has been no unrest, though for weeks we've expected it to break out at any time. [...]

Kisses, Mum

Source: Gershom Scholem, *A Life in Letters, 1914–1982*. Ed. and trans. Anthony David Skinner. Cambridge: Harvard University Press, 2002, pp. 125–27.

Source of original German text: Betty Scholem and Gershom Scholem, *Mutter und Sohn im Briefwechsel 1917–1946*. Edited by Itta Shedletzky with Thomas Sparr. Munich: Verlag C.H. Beck, 1989, pp. 84–89.

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