

Heinrich Brüning on Germany's Reparations Payments (November 5, 1931)

Abstract

The Catholic Center Party politician Heinrich Brüning (1885-1970) was Reich Chancellor from March 1930 to May 1932. His policy of austerity and deflation earned him the nickname “Hunger Chancellor” because it only exacerbated the economic crisis that Brüning wanted to end with it. Since he could not win a parliamentary majority for this policy, he ruled with the support of Reich President Hindenburg through emergency decrees, thus de facto excluding the Reichstag from government. His most important foreign policy goal was the revision of the Allies’ reparations demands. In this speech to the National Party Committee of the Center Party on November 5, 1931, excerpts of which are reproduced here, Brüning articulates his view that the Allies would reduce their reparations demands if they recognized the desolate state of the German economy and state finances. This has led some historians to suggest that Brüning’s fiscal policy was designed to achieve precisely that. At the same time, he used the speech to urge continuity in government policy, warning that “political experiments” could make both investors and foreign governments “nervous.”

Source

[...]

Who is capable of assessing this view of the world in its entirety and in terms of its important aspects, a view of the world that has been evolving for the past year and changes like a kaleidoscope from day to day? Now, more than ever before, the German people have an interest in keeping their currency stable.

When the pound was taken off the gold standard, many people thought we would also have to chart a reckless course and decouple the mark from gold. I will fight to the end against taking inflationary measures of any kind.

(Loud applause)

And not only for reasons of fairness, not only to defend the weak, but also because I believe that despite all the bitterness, we must once again create an honest balance sheet for the Germany economy

(Bravo!)

and that every attempt and request for inflationary measures may ultimately have the goal of destroying this process of creating a clear balance sheet for the entire German economy and again conceal the mistakes of the past.

(Enthusiastic approval)

[...]

I have repeatedly stated that our work must be marked by clarity and truth, in both the public and private sectors, and that there is no way to avoid this clarity since all successes in foreign policy can be achieved more quickly if we refrain from concealment—for which there is no reason—and we honestly and clearly present the balance sheet of German finances and the German economy for everyone in the

world to see. This is the strongest and most effective weapon that the national government could have, and forging it was one of the tasks the government pursued during its first year in office.

The result has been that people around the world, without exception, judge the issue of reparations much differently than in the past.

(Very true!)

[...]

I have already said that the budgetary situation in 1932 will be extremely difficult and serious throughout the country. We must accept the fact that we will have to ask the people to make new sacrifices in order to consolidate the public budget. The second point is this: by implementing a series of coordinated measures, which must be supported by the groups enlisted in the consultations, we must and will succeed in ensuring that the process of negative growth in the economy is halted and that this termination of the process of negative growth in small and medium-sized industry and in the skilled trades is quickly achieved by having the banks adjust their policy one way or another. We must consolidate the cooperative system and quickly return to the absolutely sound principles of the prewar period in all public and private credit institutes. This is the decisive point and much more important than constantly providing state support to individual institutes or larger organizations.

[...]

Ultimately we will have to carry out these tasks only if the one development takes place that I have always emphasized as being at the center of all the problems. Without creating an atmosphere of trust at home and abroad, we will not achieve our desired goals. The biggest problem in the world today is not difficulties with this or the other bank; it is the fact that depositors and capitalists have grown extremely nervous throughout the world, although in my opinion there is no reason for this degree of nervousness. An atmosphere of trust cannot be created at home or abroad through constant political agitation or by preaching experiments. The German people must understand this, and I am convinced that we will succeed in making the German people understand it. After all, it is only possible to produce a result that is acceptable in all the foreign-policy negotiations I have mentioned if the world is certain that no political experiments will be conducted in Germany.

(Approval)

[...]

Source of original German text: Heinrich Brüning, *Reden und Aufsätze eines deutschen Staatsmanns*, edited by Wilhelm Vernekohl with the support of Rudolf Morsey. Münster: Verlag Regensburg, 1968, pp. 66–85.

Translation: Adam Blauhut

Recommended Citation: Heinrich Brüning on Germany's Reparations Payments (November 5, 1931),

published in: German History in Documents and Images,
<<https://germanhistorydocs.org/en/weimar-germany-1918-1933/ghdi:document-4646>> [March 16,
2026].