

# Karl Helfferich, “The July Resolution, the Beginning of the Moral Collapse” (July 1st, 1919)

## Abstract

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Karl Helfferich (1872–1924), a lawyer, economist, and financier, held several high-ranking cabinet positions during the First World War, including as head of the Treasury and then the Interior Ministries, before being forced out of office by a left-leaning and increasingly restive Reichstag in November 1917. Helfferich continued to serve the Imperial Government in various capacities, though, including the drafting of the March 1918 Treaty of Brest-Litovsk, Germany’s peace deal with a defeated Russia.

A vehement and outspoken opponent of the new German republic, Helfferich began supporting far-right organizations in late 1918. He also dedicated his formidable voice to shaping and propagating the bogus *Dolchstoßlegende* (“stab in the back myth”), according to which prominent opposition politicians on the German home front had ostensibly undermined the country’s military during the First World War and orchestrated its humiliating surrender. Helfferich aimed particularly vitriolic attacks against the Catholic Center politician Matthias Erzberger, whose efforts to conclude the war peacefully and later to reform the German tax system had enraged Helfferich and his conservative allies.

Helfferich went on to win a seat in the Reichstag in June 1920 for the DNVP and, in 1923, to propose a plan for currency reform that formed the basis for the *Rentenmark*, which ended Germany’s traumatic period of hyperinflation. He nevertheless remains best known as an inveterate enemy of the Republic who launched relentless smear campaigns against other democratic leaders, including Walther Rathenau and Joseph Wirth, as well as Erzberger. It was after Rathenau’s assassination in June 1922, instigated in part by Helfferich’s invective, that then-Chancellor Wirth pointed directly at Helfferich in the Reichstag chamber and shouted, “The enemy is on the right!”

The following excerpts come from one of a series of infamous articles that Karl Helfferich published in summer 1919 in the monarchical-conservative newspaper *Neue Preußische (Kreuz-)zeitung*, commonly known as the *Kreuzzeitung* because of the Iron Cross on its masthead. The articles accused Erzberger in particular, and the Republic in general, of political ineptitude, lying, corruption, and treason against Germany. Helfferich compiled those articles into an 80-page booklet titled *Fort mit Erzberger* (“Do Away with Erzberger”), which he published in autumn 1919.

Helfferich’s ongoing hate campaign prompted Erzberger not only to pen articles defending himself, but also to bring a libel suit against Helfferich for defamation of character. The subsequent trial, which lasted from January 19 to March 12, 1920, resulted in only a nominal fine against Helfferich and created an environment in which he could introduce additional unsubstantiated allegations against Erzberger. Helfferich managed, with assistance from a sympathetically conservative court, to raise enough suspicions to discredit Erzberger and compel his resignation as Minister of Finance. [For additional information on the trial, see also the document, “Arnold Brecht on Matthias Erzberger’s Libel Suit against Karl Helfferich in 1920 (Retrospective Account, 1966),” on the GHI website.]

Erzberger spent the next year and a half trying to restore his reputation and rehabilitate his political career. He had partially succeeded by summer 1921, when new pre-trial hearings exonerated him of tax fraud, and he won election to the Reichstag. Two right-wing assassins, however, cut that trajectory short by gunning Erzberger down on August 26, 1921, while he was out for a morning walk. Helfferich’s smear campaign had almost certainly played a part in their motivation.

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The article from which these excerpts are taken appeared in print just a week after the National Assembly had voted to sign the Versailles Treaty. Helfferich began by decrying that vote as a disastrously misguided consequence of disinformation, manipulation, and a collapse of national morale, the responsibility for which he placed squarely on the “majority parties” (*Mehrheitsparteien*)— the moderate faction of the Social Democratic Party, the left-liberal Progressive People’s Party, and the Catholic Center Party—that controlled the Reichstag during that last two years of the war. While acknowledging the grinding toll that the war had taken on the German people over the course of four years, Helfferich nevertheless fancifully portrayed the country as poised for military victory in late summer 1918, before the majority parties stirred up the revolutionary unrest that triggered the nation’s sudden surrender just a couple of months later. In one especially malignant passage, Helfferich referred to “moles” working underground to undermine and hollow out German self-esteem. It represented a remarkably clear expression of the emerging “stab-in-the-back myth,” which alleged that traitors on the German home front had caused the country’s defeat. Helfferich’s text left no doubt as to who he thought those traitors were: Socialists, liberals, democrats, and—individually called out by name—Matthias Erzberger.

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When the German National Assembly was faced with the difficult choice on June 22 and 23 of submitting to the intolerable and disgraceful conditions of our enemies or accepting the consequences of refusal with manly determination, the decisive factor was the invocation of the moral collapse of the German people. The German people, the proponents of submission proclaimed, no longer had the moral strength necessary for resistance of any kind.

And indeed, even the courageous and resolute could not help but worry in these serious moments whether the German people, in the given state of their moral strength, were still capable of a great saving deed. We need only look around us to see the appalling devastation in the morale of the German people everywhere. Almost every day brings new signs of the dissolution of the sense of German discipline and German order, of German solidarity and German national sentiment, new signs of the wretched pusillanimity and the dull indifference to our highest goods, of the unrestrained overgrowth of the dullest and most stupid materialism, of the most narrow-minded and short-sighted egoism. This is what has become of the wonderful spirit of unity and determination in which the German people took up arms in August 1914 to protect home and hearth, German work and German nature from foreign violence!

It is this collapse, unprecedented in the history of nations, which destroyed our fighting power and ability to resist in the decisive hour of the war, which brought us the disarmament falsely called “armistice,” which finally led us into the misery and disgrace of the Versailles “peace.”

The painful question is on many thousands of lips today: How was it possible that our nation collapsed so miserably after more than four years of unparalleled heroic struggle? How was it possible that the highest strain of all patriotic virtues could be followed by the mad orgy of national self-denial, the denial and defilement of everything that was sacred to our people and made it great?

I do not want to underestimate the grueling effects of the war itself. The overstraining of all forces with inadequate nutrition brought down the physical condition of the German people in such a way that their moral resilience could not remain unaffected. The mental suffering, from which no one was spared, did the rest. The abrupt fall from the heights of our military successes in July and August 1918 caught the German people unprepared and shook their faith in themselves and their hitherto unconditional trust in their military leaders, who had become the solid rock of faith in our victory in the course of the war. All this explains the moral depression that we have also observed at times among the peoples of our

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enemies. But if moral depression has become a moral catastrophe in our country, the blame for this lies with the moles who have undermined and eroded the soil of our national self-assertion through long underground work. We have been led to our doom by the delusional ideas that have been inculcated into our people in an almost criminal manner; the delusional ideas that have finally condensed in many millions of minds into the conviction that the defensive war was a lie: that German imperialism was guilty or at least complicit in the war: we could long ago have had a tolerable and honorable peace of understanding if the lust for conquest of our rulers did not prevent it; the Kaiser, our monarchical form of government and our "militarism" were obstacles to peace which stood in the way of understanding with the peoples of our enemies: if these obstacles were removed, if we chase away the emperor, if we make a republic, if we lay down our arms, then peace would arrive; and should an enemy government refuse to grant us an honorable peace, it would be swept away by the storm of the proletariat feeling solidarity!

These delusional ideas were given decisive impetus in the parliamentary events of July 1917, which led to the much-vaunted peace resolution of the Reichstag. Starting from the negotiations of the Reichstag's main committee, for the first time a violent shock shook German confidence in the possibility of perseverance and spread the disastrous belief that our enemies were open to an amicable understanding, but that our domestic powers would first have to be forced to reach such an understanding by pressure from the people and the "majority parties" of the Reichstag. Everything else followed on from the peace resolution, both the defeatist-pacifist agitation and the revolutionary propaganda at home and in the army.

It was the then Member of Parliament and current Reich Finance Minister Erzberger who led the first coup. At the meeting of the Main Committee on July 6, 1917, he made the move that caused the greatest sensation at home and abroad, which was then concluded with the resolution of the Reichstag on July 19.

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Internally, however, the unfortunate peace resolution initially caused and spread the first strong shake-up of faith in our cause and the will to persevere; then the fundamentally wrong opinion that some fantastic war aims of the military, the government or the emperor were the real obstacle to peace. It directed the struggle for peace against the top echelons of the army and the political leadership, instead of against the enemy, whose war aims could only be realized after a complete defeat of Germany. The bitterness, anger and rage aroused in the German people by the endless war were diverted by our enemies onto the "All-Germans," the "annexationists" and the "military party." Then came the days of the deification of Wilson as the herald of a new era of justice and humanity between peoples. Then came Mr. Erzberger's assurance that, if only he were allowed to negotiate with Lloyd George, he would bring about peace in a few hours. Then came the revolutionary propaganda in the army and navy with the slogan: "revolution is peace." Yes, there was the noisy interpellation of the revolutionary agitators because of the all-German agitation in the army allegedly promoted by the government and army command, and this hypocritical and criminal activity was accompanied by the demonstrative applause of the "majority parties," which attested to the gravediggers of order in the army and state their innocence and their "right to exist!" And finally, the seeds of July 1917 sprouted terribly in November 1918.

Today it is necessary to draw the attention of the German people to these events and their context. The peace of shame and bondage that our enemies have imposed on our people after they, bewitched by nonsensical and disastrous delusions, have rendered themselves defenseless and placed themselves in the hands of their tormentors and oppressors – this peace casts a cruel light backwards on the events that the German people have experienced, which they have helped to shape in a blind urge and which they have not yet understood in their great masses to this day; but which it must understand and see through to the last detail if it wants to recover and rise up again. The German people must recognize by

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whom, by what means and in what ways they have been led astray, into misery and disgrace. Only then will it find itself again.

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Source of the original German text: Karl Helfferich, excerpts from his article “Die Juli-Resolution, der Anfang des moralischen Zusammenbruchs,” *Kreuz-Zeitung*, Nr. 300, July 1, 1919, reprinted in *Fort mit Erzberger!*, Flugschriften des *Tag*, Nr. 8. Berlin: August Scherl, 1919, pp. 5-12.

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