

Morgan Philips Price on Hyperinflation and its Effects (October 18, 1923)

Abstract

From 1919 to 1923, the British journalist Morgan Philips Price was Germany correspondent for the *Daily Herald*, a British daily newspaper that supported the Labour Party. Price himself became a member of parliament for the Labor Party in 1929. In this report from October 18, 1923, Price describes to the readers of the *Daily Herald* the devastating effects of hyperinflation in Germany, which became particularly visible through the devaluation of the Reichsmark. Price describes the situation from the perspective of a British left-wing liberal who had witnessed the Russian Revolution and critically observed the consequences of the economic situation in Germany, especially for the working class.

Source

18 October

The condition of Germany now literally beggars description. That is no exaggeration but naked truth. I have lived through some very critical times during the Russian Revolution in 1917–18, but I do not remember a time quite as bad as this which has now befallen Germany. Even in the worst times in Russia one always had a feeling that the suffering was for some ideal which would make it all worthwhile. Today in Germany the economic catastrophe is worse than in Russia then, and in addition to that there is scarcely a ray of light on the horizon ... In Germany today there is a complete breakdown of the capitalist mechanism of distribution and exchange, and there is no sign yet that any of the would-be dictators are in a position to set up any state machinery which can do what the Communist Party did for Russia in 1917–18 – namely, hold the nation together by making everyone bear the same burden to achieve a common end. The government of the Reich is bankrupt. The mark has ceased to be currency and is merely a vast mass of paper packets representing so many dollars or pounds. The number of packets to the dollar varies every day ... Those who are lucky enough to have foreign currency can get along, but even then with difficulty. If anyone were to be asked how much it costs to live in Germany today he could only reply: 'It cost me at ten o'clock this morning so much, and at five o'clock this afternoon so much' ... The new currency, if it is going to be stable and backed by some material asset, will, under the present relation of classes in Germany, be dependent for its stability on the trusts. A percentage of their property will become the gold guarantee, and they have put their conditions for this 'sacrifice': the abolition of the eight-hour day. The Bavarian government, as the advanced guard of the trusts, is pressing for this. The government of the Reich and of Prussia still has Social Democrats in it who are pledged to resist the conditions of the trusts, and the trade unions will keep a watch on them. But the Franco-German industrial combine is on the march and its slogan is: "Down with the eight-hour day, no more unemployment benefits and 'open shop'." ... The volcano is smoldering; there are eruptions here and there, and it may continue for a long time yet in this state of suppressed activity.

Source: Morgan Philips Price, *Dispatches from the Weimar Republic, Versailles and German Fascism*. London, Sterling, Virginia: Pluto Press, 1999, pp. 169–70.

Recommended Citation: Morgan Philips Price on Hyperinflation and its Effects (October 18, 1923), published in: German History in Documents and Images, <<https://germanhistorydocs.org/en/weimar-germany-1918-1933/ghdi:document-4418>> [March 16, 2026].