

The effect of Hyperinflation in Germany in 1923



ITEM	PRICES	IN	MARKS
	1913	SUMMER 1923	NOVEMBER 1923
1KG BREAD	0.29	1,200	428 BILLION
1 EGG	0.08	5,000	80 BILLION
1KG BUTTER	2.70	26,000	6,000 BILLION
1 KG BEEF	1.75	18,800	5,600 BILLION
1 PAIR OF SHOES	12	1 MILLION	32,000 BILLION

- 1) Study the table above. By how many times had the price of an egg gone up between the summer of 1923 and November 1923?
- 2) Study the table above. By how many times had the price of a pair of shoes gone up between the summer of 1923 and November 1923?
- 3) Why would a pensioner on a fixed pension be worse off than a worker who was paid every day?
- 4) Why do you think people with savings were so badly affected by Hyperinflation.

You very often bought things you did not need. But with those things you could start to barter (swap). You went round and exchanged a pair of shoes for a shirt, or a pair of socks for a sack of potatoes ... and this process was repeated until you eventually ended up with the thing that you actually wanted.

- 5) Read the source above. Explain using examples how people got around the problems caused by Hyperinflation.
- 6) Write a letter to a friend in England explaining how bad the situation in Germany has become as a result of Hyperinflation.