

Hermann Dietrich. *Bürgertum und Liberalismus in der Weimarer Republik*

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Hermann Dietrich (1879–1954) was one of the most influential liberal politicians of the Weimar Republic and played a key role as finance minister in the crisis years 1930–1932. Adelheid von Saldern published a succinct biography in 1966 (*Hermann Dietrich. Ein Staatsmann der Weimarer Republik*), but Desiderius Meier has now written a far more illuminating study, based on a greatly expanded base of primary sources. Meier seeks to provide a multi-dimensional analysis of “Dietrich as a whole person” (1–2) and therefore investigates his private investment decisions and two marriages as well as his political activities.

Dietrich was the son of a humble village pastor in the Black Forest but rose through hard work to make a successful career in municipal administration, climaxing with his election as mayor of Konstanz in early 1914. Like Gustav Stresemann, Dietrich became a leader of the “young liberal” wing of the National Liberal Party in Wilhelmine Germany, which advocated a progressive social policy to facilitate cooperation with moderate social democrats. Dietrich sought in particular to show workers that municipal government could provide them good housing and access to clean water, electricity, and public recreational facilities. In November 1918, he joined the SPD-led provisional government of Baden and became the leader in that state of the staunchly republican German Democratic Party, or DDP. Dietrich devoted himself to national politics in Berlin after his election to the Reichstag in 1920 and soon became the DDP’s leading representative on the powerful Reichstag budget committee. Dietrich expressed some disappointment with the Weimar Republic in the early 1920s but felt that it proved itself by mastering the crisis of hyperinflation in 1923–1924, and he defended it wholeheartedly thereafter. He demanded more government support for family farmers and small business, campaigning for the strict regulation or dissolution of Germany’s cartels, syndicates, and trusts. His attacks on the excessive political influence of big business endeared him to the SPD.

Meier’s analysis of Dietrich’s investment decisions makes for dry reading but yields at least one important conclusion. When he inherited his first wife’s large fortune in 1921, Dietrich quickly grasped the imperative during inflationary times of converting liquid into real assets. His wife had suffered heavy losses in the early phase of inflation, but Dietrich halted this decline through complex maneuvers to acquire agricultural properties, apartment houses, and ownership shares in industrial corporations. Carl-Ludwig Holtfrerich has argued in an influential work (*Die Deutsche Inflation 1914–1923* [1980]) that the hyperinflation had its most devastating impact on the largest fortunes and promoted an egalitarian redistribution of wealth. Holtfrerich reached this conclusion by comparing nation-wide tax assessments of family fortunes in 1913 and in December 1923, which indicate that Dietrich’s fortune had lost at least two-thirds of its value. Meier demonstrates that the actual loss in this case was no more than one-third, however; accounting rules and tax exemptions had changed so much that these tax rolls are “worthless for providing data to support a thesis as bold as Holtfrerich’s” (178). Historians should reconsider the whole question of whether the hyperinflation inflicted the most damage on large fortunes or small.

Dietrich concluded, when he became finance minister in June 1930, that the Reichstag was paralyzed, and he delivered his most famous speech on July 18 to defend Chancellor Heinrich Brüning’s decision to impose by presidential emergency decree a balanced budget that

parliament had just rejected. “The question boils down to this,” Dietrich thundered, “whether we Germans are a mere heap of special interests or a people capable of sustaining a state” (341). Meier follows the argument of Albert Ritschl (*Deutschlands Krise und Konjunktur 1924–1934* [2002]) that the Brüning cabinet had no viable alternative to its policy of deflation and fiscal austerity in the Great Depression because of Germany’s huge load of foreign debt, war reparations, fragile banking system, and the collapse of government credit. Readers may disagree with Ritschl, but Meier certainly demonstrates that Dietrich believed this to be true. Dietrich and Brüning understood the vital political importance of public works to alleviate mass unemployment and sought repeatedly to finance them, but they encountered frustration time and again. In early 1932, the finance ministry did formulate a cautious plan for public works, but Dietrich believed that it could not be implemented until the formal abolition of reparations, which only took place after President Hindenburg dismissed the Brüning cabinet in May 1932.

Meier struggles to explain apparent contradictions between Dietrich’s courageous defense of democracy and international reconciliation and his occasional displays of ethnocentric nationalism, antisemitism, and authoritarian reverence for the unity of the state. Dietrich played a leading role in the Weimar Republic’s covert operations to subsidize German-language publications and German cultural societies throughout eastern Europe. Dietrich certainly exhibited antisemitism during the Great War, but Meier argues that he outgrew this prejudice in the 1920s as he worked with DDP colleagues who combined Judaism with German patriotism. Brüning’s top aide noted in July 1931, however, that Dietrich “often says things against the Jews” in his private meetings with the chancellor (335). Meier also argues that Dietrich never advocated substantial alteration of the Weimar Constitution, but the author oversimplifies by labeling the Weimar Republic a “parliamentary democracy” (111, 202). The DDP fought to create a mixed form of parliamentary/presidential government in the Weimar Constitution, and Meier ignores some evidence that Dietrich favored an even stronger presidency during the Great Depression. This book concludes that Dietrich was above all a man of action, not a systematic thinker; his “thoughts and deeds exhibit fluctuations and contradictions that can hardly be reconciled” (474).

As a person, Dietrich was a cold fish, lacking in sentiment or cultivation. He did not even pretend to be in love with his first wife, the wealthy heiress Elisabeth Trick, but he did at least form a genuine friendship with her as the mayor of Kehl-on-the-Rhine (1908–1914), where she helped to design and finance his ambitious projects for civic improvement. Dietrich led an active social life in Berlin but never visited art exhibits, concerts, or the theater. He even published an essay in 1925 to argue that poetry, drama, and philosophy had become passé because Germans now lived in a “technical age” and should take pride in their new inventions (229). In 1927, Dietrich married a woman with whom he was barely acquainted, Marta Troeltsch, simply because he needed a cultivated hostess for his dinner parties. Dietrich worked tirelessly nevertheless and spent large sums to assist constituents and less fortunate relatives; he remained acutely aware even in Weimar’s most prosperous years of how many Germans struggled in their daily lives and felt anxious about the future. Meier argues persuasively that Dietrich felt a true sense of mission to improve the German people’s welfare and lay the foundation for stable economic growth. Dietrich should be regarded as the most formidable defender of Weimar democracy in the liberal camp following the death of Stresemann. In a brief postscript, Meier notes that Dietrich despaired utterly of the political future when Franz von Papen became chancellor, and he devoted himself to a private law practice. Most of his clients were Jewish after 1933, because the Third Reich villified him for financial corruption, although he was never arrested. The U.S. Military Government invited Dietrich to play a leading role in food administration, but bad health compelled him to withdraw from public life in 1947.