

SOME PREVIOUSLY UNLISTED BANK NOTES OF THE GERMAN INDEPENDENT STATES

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During the past several months, I have been engaged in the task of upgrading the data bank pertaining to my collection of world bank notes. This information, formerly held on countless kardex cards, is now safely stowed in my computer. The task, while somewhat tedious, was nevertheless a very rewarding one as it afforded me the opportunity to review my entire collection. While transcribing the detail concerning each note my mind would often flash back to the particular circumstances surrounding its acquisition.

When entering this information I saved "Germany" until last, as this area of collecting is rather comprehensive and sometimes confusing. To illustrate the point, we must break "Germany" down into its component parts to make meaningful sense of it. Therefore, one must consider the German empire before unification (1871), and after unification, the independent German states, the German Republic, the Third Reich, German military issues, West Germany, East Germany and so on. All of these entities, and more, issued paper money. Most of the notes of the German kingdoms, duchies, grand duchies, principalities, electorates and free cities are extremely rare and difficult, if not impossible to locate today. This is due to two basic reasons. At the time of their issue (1800-1870), a gulden or thaler paper note represented an enormous sum of money. Consequently very few were likely to survive their intended use. Secondly, so many magnificent collections held in museums throughout Germany did not survive the bombing of World War II. I can still hear Dr. Arnold Keller, the dean of German (and indeed world) paper money collectors lament this fact when I first asked him why they were so scarce!

Collectors must therefore generally confine their collecting efforts to Germany after unification and beyond. Starting with the German Empire issues of 1874 and later it is still possible to assemble a respectable collection. As time progresses the availability of notes increases - to the point where notes issued during World War I and in the inflationary period of the follow-on Weimar Republic are downright plentiful. There are exceptions to this rule of thumb, however; and that brings us to the subject at hand.

One of the aforementioned categories into which German note collecting falls is that of the independent German states. One might reasonably ask: What is an independent German state and why did they exist? When unification took place, the new German Empire consisted of four kingdoms (Bavaria, Prussia Saxony and Württemberg), six grand duchies, five duchies, seven principalities and three free cities. Formerly each state controlled its own internal affairs including their own finances which, of course, involved the issue of coins and paper money. When Wilhelm I of Prussia was declared the first German emperor by the Reichstag on 18 January 1871 not everyone was wildly enthusiastic. Among these dissidents were the southern kingdoms of Bavaria and Wurttemberg and the Grand Duchy of Baden. There were many reasons for this, chief among which was the fact that the south of Germany was predominantly Roman Catholic. As an accommodation to their reluctance to join the northern sponsored confederation, the Reichstag granted concessions to these states, including the continued control over their own internal affairs. These constitutionally delegated powers included the right to tax, to maintain their own diplomatic corps, to control their own financial and postal institutions, the railroads, telegraphs and so on. Bavaria received the largest share of sovereign independence of any of the constituent states.



Bayerische Staatsbank note of 2 mark. This specimen is perforated “UNGULTIG”.

The bank notes of the principal note-issuing institutions of Bavaria, Baden, Saxony and Württemberg during the post unification period (including the inflation of 1922-1924) are amply described in Pick's *World Paper Money, Specialized*

Issues under the category "Regional Banks". Many other banks, which issued notes in these kingdoms during this period are not included. Nor have I seen them reported or referenced in any numismatic publication. This oversight has always been a mystery to me as these notes belong to the same period and are equally interesting and accessible enough to collectors.



Twenty mark note of the Bayerische Staatsbank, issued in Nurnberg on 15 November 1918.

Chief among these "missing" banks is the Bayerische Staatsbank. This bank issued notes for Bavaria on at least two different occasions. The first of these was an issue dated 15 November 1918. The place of issue was Nurnberg. This issue consisted of notes denominated 1/2, 1, 2, 5, 10, and 20 mark. They all bear the inscription: "This note is good only until 1 April 1919". Some of the notes in my collection bear serial numbers, while others are punch cancelled "UNGULTIG" (not valid) leaving one to wonder about the ultimate fate of this issue. The second of this bank's issues occurred during the troubled times of the post World War I German hyperinflation.

The inflation which occurred in Germany following World War I is an interesting story in itself. Suffice it to say here that the principal reasons for this were the severe deflation which occurred in the early 1920s and the depression

which followed. Germany's productive capacity had been largely destroyed during World War I. This coupled with huge outlays for repatriations to the Allies together with the great need to rebuild the infrastructure of the country proved beyond Germany's capacity, leaving the government by late 1922 to resort to the printing press. Thus was born the greatest runaway inflation to have occurred up to that time.

During the immediate postwar years the German mark steadily depreciated. Faced with an adverse balance of payments due to the failure to revive foreign trade, and increased budget deficits, the government simply followed a practice started during the war - that of authorizing more money to meet its expenses. At the beginning of 1922 the mark traded at 4.2 mark to the U.S. dollar. By year's end the ratio was 7000 mark to the dollar. When the French occupied Germany's Rhur valley in an effort to exact war reparations, Germany resisted, whereupon the occupying forces enforced an economic blockade of the entire Rhineland. This was a serious blow to Germany, dislocating her entire economy - one which was largely dependent upon this industrial area. As a consequence the mark fell to 160,000 to the dollar on 1 July 1923; to 242,000,000:1 by 1 October, 1923 and finally to 4,200,000,000,000:1 (four trillion, 200 billion to one!) on 20 November 1923. By this time it literally took a wheelbarrow of currency to buy a loaf of



Bayerische Staatsbank 5 million mark note issued in Munich on 1 August 1923 at the beginning of the hyperinflation period.

bread and 100 billion mark in postage to send an ordinary local letter.

The second issue of the Bayerische Staatsbank is illustrative of this inflation. The notes were issued in Munich commencing 1 August 1923. I will list below those notes which I have seen, although other denominations, particularly those occurring at the end of the inflationary spiral undoubtedly exist. As a concession to the urgent requirement to place these notes into circulation, two of them (10 and 100 billion mark) were uniface, i.e., printed only on one side, which hastened the printing process as well as reducing the cost of production.



Bayerische Staatsbank 5 milliarden (U.S. Billion) mark note dated 20 October 1923 which has been overprinted “100 Milliarden Mark” to meet the need for even higher denominations caused by the soaring inflation of post World War I Germany.

Bayerische Staatsbank hyperinflation notes seen by the author:

500,000 mark	1 August, 1923	
1 million mark	1 August, 1923	
5 millionen mark	1 August, 1923	w/o underprint reverse
5 millionen mark	1 August 1923	green/brown underprint
10 millionen mark	1 August 1923	
20 millionen mark	1 August 1923	
50 millionen mark	1 August 1923	
100 millionen mark	20 September 1923	
10 milliarden mark	20 October 1923	note (1)

20 milliarden mark	20 September 1923	note (2)
50 milliarden mark	20 September 1923	note (3)
100 milliarden mark	20 October 1923	note (4)
100 milliarden mark	20 October 1923	
500 milliarden mark	20 October 1923	

The "missing" bank issues of the independent German states are not limited to Bavaria, however. It would appear that Saxony and Württemberg also had Staatsbanks which issued currency during this period also. From Saxony I have seen a Sächsische Staatsbank issue for 50 millionen mark dated 11 August 1923 and from Württemberg a note of 100 milliarden (billion) mark dated 31 October 1923. Many others must exist.



This 500 milliarden note is the highest denomination Bayerische Staatsbank note the author has seen.

Independence from Germany is also manifested on the notes issued by the Bavarian Ministry of Transport during this period. These railroad emergency issues bear little resemblance to their German Reichsbahndirection counterparts, not coming under the federal railroad system. Notes issued range from the lowly one million mark to an issue of one trillion mark (German billion) on 14 November 1923.

One final triviality may be of interest to the reader, concerning how these notes were acquired by me. They came from two sources. The first was a shop I only frequented once in Munich. It was the Summer of 1959 and I was returning to Italy from a vacation in Garmische-Partenkirchen when I stumbled upon a coin shop on the outskirts of town. I was looking at German coins when, having recently acquired an interest in paper money, I asked as an afterthought whether the dealer had any paper notes? Without hesitation he replied "nein" rather emphatically. As I was leaving the shop he called to me to wait a minute. It seems he had just remembered a cardboard box of inflation notes he had had on the shelf in the back of his shop for years. He handed them to me with a quizzical look, which said: Why would anyone be interested in that stuff? This little hoard provided many an hour of entertainment and instruction. Included therein were a good number of German East African notes as well as several Confederate and early American notes as I recall.



Other independent states, such as Saxony, produced bank notes as well, as shown in this example. The Sächsische Staatsbank, located in Dresden, released this 50 millionen mark note in August 1923.

The second source was a shop in Vienna just off St Stephen's square. It was run by a Herr Berger and well frequented by the locals. It was a colorful place and always full of activity. Herr Berger had the practice of throwing bank notes into

his front window until they piled up two or three feet deep against the glass. Everyone knew they were worthless so there was no danger, I guess. Nevertheless this display attracted quite a crowd at most times. The routine was to tell the proprietor how much you had to spend and he would scoop up armfuls of notes at



Württemberg in Germany's Black Forest issued this 100 milliarden mark (100 billion U.S.) captioned "Kassenschein des Württemberischen Staats" (Bank Note of the Württemberg State).

random and stuff them into a paper sack accordingly. You had no idea of what you had bought until you got the lot home and had the leisure time to examine your hoard. I was always thrilled with the result. It was not uncommon to receive among the haul entire bundles of Russian revolution and German inflation notes, sometimes with their original bank bands attached. Also very plentiful were the World War II notes of Hungary, Bohemia-Moravia and Slovakia.

Herr Berger also had his serious advanced collector clientele, one of whom was a Dr. Karl Jachs, a Viennese dentist who on one occasion invited me to his home to do some "trading". Dr. Jachs was very kind, and generous in sharing his extensive knowledge of Austrian paper money with me. As I remember, the trading we conducted very much benefited this beginning collector! Such was the fun and excitement of collecting bank notes in those early days.

Notes:

Note (1): Bank notes are listed using their German names. For United States valuation use the comparison table below.

<u>German Usage</u>	<u>United States Usage</u>
tausand	thousand
millionen	million
milliarden	billion
billionen	trillion

Notes (2), (3) and (4):

These bank notes when received from the printer had become virtually worthless overnight, so they were sent back to be overprinted with their new denominations. Original denominations of the notes were: (2) five hundred millionen mark, (3) one milliarde mark, and (4) five milliarden mark.