

GERMAN RAILROAD NOTES OF THE 1923 HYPERINFLATION

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Germany offers many diverse collecting opportunities for coin and paper money enthusiasts. Among these, its varied paper money issues contain numerous areas of specialization for the collector. One such area comprises the banknotes of the German national railroad (the Deutsche Reichsbahn), and its regional offices the various Reichsbahndirektions. These banknotes were issued at the height of the 1923 post World War I inflation. To give perspective to the collecting possibilities brought about by the inflation, one need only note that this period saw some 5,849 places issue a total of 70,000 different notes. The Deutsche Reichsbahn in Berlin together with the regional Reichsbahndirektions account for a mere 256 of this total. For those who have a passion for trains and railroading, these notes hold a special interest.

The correct term for the financial debacle that befell Germany in 1923 is “hyperinflation”, as the devastation brought about by the Treaty of Versailles following World War I was the worst monetary collapse the world had ever seen. Since then the world has experienced other great inflations such as the disasters which befell China (1943-1949), Hungary (1945-1946) and most recently Yugoslavia (1992-1994). The latter was triggered by Milosevic’s ill-advised venture into a “Greater Serbia” with its resulting ethnic cleansing. The ensuing struggle resulted in the total collapse of the Yugoslavian economy.

If history teaches us anything, it is that governments sometimes are very poor managers of money. When a currency cannot be redeemed in gold or other tangible assets, its value depends upon the good will of the people as to whether they have confidence enough to accept it. As long as this confidence is maintained all is well; however, when an economic crisis, or war arises, governments often succumb to the temptation of printing more money to pay for it, thus starting the cycle of inflation. History often repeats itself and the lessons learned from past experience are soon lost. One need only remember how the Roman emperors repeatedly debased their coinage to pay for their many wars, the French Revolutionary government’s experiment when issuing a flood of assignats to cover the cost of the revolution, or our Continental Congress printing money until it was “not worth a continental”, to understand this.

Before proceeding further it is important to remember that the English and German systems of reckoning differ. This is necessary to fully understand the real value of the mark during the inflation in relation to other currencies. The two systems are identical until we reach calculations in millions, billions and trillions. A banknote bearing the value “10 million mark” is indeed ten million mark by our reckoning. One of “10 milliarden mark” denomination, however, is in reality 10 billion mark, while one with a value of “10 billionen mark” in reality, represents 10 trillion. Table 1. delineates these differences.

Table 1.

GERMAN NUMBERING SYSTEM WITH ENGLISH EQUIVALENTS

Units	German	English
1	ein	one
10	zehn	ten
100	hundert	hundred
1,000	tausend	thousand
1,000,000	millionen	million
1,000,000,000	milliarden	billion
1,000,000,000,000	billionen	trillion

Inflationary Chaos

Germany, in 1923, experienced the wildest inflation in history up to that time. At the beginning of World War I the Reichsbank had suspended the redemption of its notes in gold. After that there was no legal limit on how much paper money could be printed. After Germany’s defeat in World War I, the value of the German mark gradually deteriorated. During the war the amount of money in circulation increased four-fold. This did not cause alarm, as Britain, France and the United States had also experienced increases in their money supply. Germany’s runaway inflation began as a direct result of two factors: war reparations and a loss of production.

At the end of World War I, the victorious Allies met with German representatives at Versailles to discuss reparations. The idea was that Germany was to reimburse the Allies for the cost of the war. The famous “war guilt” clause



Issued in April 1910 prior to the first World War, this 1000 mark Reichsbanknote, the highest denomination circulated, was equivalent to \$250 U.S. It was affectionally known to the Germans as the “brown rag”.

inserted into the treaty by the Allies stated that the Allies affirmed and Germany accepted responsibility for all damage caused by Germany's aggression. The heavily industrialized Rhine was to be occupied to a depth of fifty kilometers by French troops for a period of fifteen years, and be permanently demilitarized, after which time the people were to decide their future nationality through a plebiscite. All the German people united to protest these terms. However, faced with an Allied ultimatum to accept them or submit to an invasion, the newly created Weimar government signed. The Allies' insistence that the new republic accept a peace agreement universally regarded in Germany as unjust and humiliating, weakened the government and ultimately paved the way for the dictatorship of Adolph Hitler.

The treaty signed at Versailles divided German territory into small pieces which were broken off and given to its neighbors. The rich coal producing and industrial area of Upper Silesia went to France. West Prussia was annexed by Poland, while other parcels were given to Denmark, Belgium and Lithuania. Danzig was made a "Free City" independent of Germany. In addition to these territorial losses, the Allies occupied the left bank of the Rhine River. Thus Germany lost thirteen percent of its territory, which included the most productive industrial and mineral rich areas. To make matters worse, the Allies demanded the German government pay over 132 billion marks in gold with additional deliveries to be made in kind. Clearly, these conditions were too severe. The burden of forced reparations, which had been levied upon Germany, proved too great to bear. With its richest coalfields, the steel and other heavy industries in the hands of the Allies, Germany's remaining productive capacity was simply not adequate to create sufficient foreign trade to sustain the economy. The net result was that Germany lost its ability to survive economically.

Regarding 132 billion gold marks as far beyond the country's ability to pay, the Weimar government objected to such severe terms and were told by the Allies that they had six days to accept or be faced with the occupation of the Ruhr industrial region. Germany could not pay and the Ruhr was occupied by French troops in January 1923. The enforced blockade by the French dislocated the entire economic life of Germany. All hopes of checking the collapse of the mark vanished after the occupation of the Ruhr.

When Germany failed to make its second war reparations payment in January 1923, the Allied powers occupied the Rhineland and Ruhr valley in order to control German heavy industry and thus ensure payment of the war debt. As a result of rigid enforcement of the Versailles Treaty, five thousand railway locomotives and

150,000 freight cars were seized as partial compensation. Railroads in these occupied areas were placed under joint Franco-Belgian management. Transport notes of the “Regie des Chemins de Fer des Territoires Occupes” were prepared and circulated in these areas in lieu of the various Reichsbahndirektion notes circulating elsewhere in Germany. The notes were used for any payment due the railway.

Faced with budget deficits, the German government decided to continue the practice already started, that of printing more money to meet its expenses. By February 1920 the inflation had reached a point wherein prices were five times greater than at the end of the war. Confidence in the mark was weakening. By the end of July 1922 prices had risen 700 percent. The Reichsbank continued to print more new currency but couldn't keep up with demand. On 17 July 1923 a law was passed which permitted the private printing of emergency money. The law provided that the various German states (lander), district administrations (regierungs bezirken), railroads, counties, cities, towns, banks and private companies could henceforth print their own notes. Collectively these notes are called notgeld, or necessity money. It was at this point that hyperinflation began. All confidence in the mark had vanished as prices rose faster and faster outpacing the printing presses ability to keep up. (See Table. 2). At the height of the inflation 300 paper-mills were working at top speed and 150 printing companies were operating presses day and night turning out bank notes. It has been estimated that by November 1923 two thousand different types of emergency money were circulating in Germany.

By 1923 wild inflation was raging. The average citizen found it harder and harder to accumulate enough money for necessities despite the billion and trillion mark banknotes in their hands. Once confidence had been lost in their money, people desperately tried to get rid of it. Often prices would double within a few hours. People stampeded to buy sausages, sardines, sugar, and perhaps a little butter before the prices would go up again. By October 1923 it took over 600 million marks to buy three eggs or one loaf of bread. A month later, bread was selling at 80 billion marks a loaf! Millions of thrifty, hard-working Germans found that their life's savings had been wiped out. They were penniless. The accompanying two- page illustration shows this trend dynamically. At the end of the hyperinflationary cycle in November 1923 it took 726 billion marks to equal one mark's purchasing power at the beginning of the war. When the run away inflation was finally checked on 16 November 1923 by the introduction of the new “rentenmark” unit, the exchange rate stood at 4.2 trillion marks (4,200,000,000,000) marks to the U.S. dollar!

During this period workers were paid as often as three times a day. It was common practice for a wife to meet her husband, take the money paid out, and rush to the shops to buy necessities. Soon more and more shop shelves became empty. Shopkeepers could not transact business fast enough to keep them replenished. Farmers refused to bring produce to the cities in return for worthless money. As a consequence, food riots broke out and businesses closed down as unemployment soared. Barter replaced commercial business dealings as chaos and despair took hold.

It was not unusual to see people on the street pushing baby carriages loaded with paper money, which would soon become worthless. Another antidote, as related by a former student, illustrates the point. "One day, I dropped into a café to have a cup of coffee. As I went in I noted that the price was 5,000 marks. I sat down, drank my coffee and leisurely read my paper. When finished I asked for the bill. The waiter presented me with a bill for 8,000 marks. Why 8,000 I asked? He explained that the mark had fallen in the meantime. The price of a cup of coffee had gone up sixty percent while I sat at the table! Giving the waiter all the money I had - 5,000 marks - he was gracious enough to leave it at that." In yet another instance a man with a savings bank account balance of 68,000 marks was sent a letter from his bank in which a one million mark note was enclosed. The letter explained that since the bank was unwilling to keep an account open for such a small amount and had no notes in small denominations at their disposal, "we have rounded up the sum to one million marks, which you will find enclosed".

Introduction of the Rentenmark

Hyperinflation came to a sudden and dramatic end in November 1923 when the German government resumed making reparation payments. Depreciation was halted in its tracks and businesses began to revive. The currency had been stabilized overnight.

This miracle was brought about by the actions of two men - Gustav Stresemann, the newly appointed Reichsminister, and Hjalmar Schacht, the president of the Reichsbank. The old currency was discarded and a new one, the rentenmark, was introduced on 20 November 1923 in strictly limited quantities. Each new rentenmark was valued at one trillion old marks. The new currency was backed by a mortgage on all industrial and agricultural resources, including the railroads. The actions of these two men gained international respect and support. Confidence in German currency resumed and in August 1924 a new reichsmark was introduced equal in value to the rentenmark. The inflation was over!



German hyperinflation ended abruptly with the introduction of the rentenmark. Introduced commensurate with the resumption of war reparation payments, the new currency was backed by the nation's industrial and agricultural resources. Issued in strictly limited quantities, the rentenmark helped Germany regain international confidence in its currency. One rentenmark was the equivalent of one trillion old mark.

Table 2.

COST OF A POUND LOAF OF BREAD DURING THE INFLATION

July 1914	0.13 mark
January 1919	0.26 mark
January 1920	1.20 mark
January 1921	1.35 mark
June 1922	3.50 mark
January 1923	700 mark
May 1923	1,200 mark
July 1923	100,000 mark
September 1923	2 million mark
October 1923	670 million mark
November 1923	80 billion mark
January 1924 *	0.35 rentenmark

* Introduction of the new rentenmark currency

As head of the German central bank, Dr. Schacht received the lion's share of credit for the "miracle of the rentenmark". He became immensely popular among the masses of suffering Germans who eulogized him with the following poem:

“Wer hat die Mark stabil gemacht,
Das was allein der Doktor Schacht”

“Who could make the mark stable?
Only Doctor Schacht was able.”

The German Railways

The railroad revolution in Germany began in December 1835 with the inauguration of the first train service between Nurnburg and Furth. The equipment for this line was purchased from England. The locomotive was given the name Adler (eagle) and was built by George Stephenson, the inventor of steam locomotives. A prize of L 500 had been offered for the first successful steam engine. Stephenson won the prize with his entry which he named "Rocket". It wasn't long before the various lander started building their own railway systems, eventually connecting all of Germany. The German railroads were nationalized in 1920. The Deutsche Reichsbahn was set up that year under a provision of the Weimar Constitution.

The Deutsche Reichsbahn was created on 4 January 1920 when the German railroads were nationalized. A separate state department was set up which combined the assets of the previous eleven provincial railway systems. It wasn't long before the Deutsche Reichsbahn became a candidate for reparation under the terms of the Versailles Treaty. After the treaty was signed the mighty Krupp armaments industry was forbidden to manufacture weapons. To survive the company diversified. Their new slogan became "Wir Machen Alles" (we make everything) - and indeed they did - everything from baby carriages to typewriters. Under the terms of the treaty however, Krupp was still permitted to produce and export steel, the mainstay of their heavy industry. Krupp was thus able to keep its heavy industrial capacity alive by manufacturing railroad locomotives and rolling stock. These, in large part, were given over to the Allies as war reparations. In the period 1919 to 1936 Krupp produced over 2,000 locomotives.



The first German railroad commenced service in 1835. Equipment for this line was manufactured in England by George Stephenson, the inventor of steam locomotives. The German locomotive was named "Alder" (eagle). Shown here is the reverse of a Bank of England 5 pound note depicting George Stephenson and his first locomotive, the "Rocket".



Map showing the Railroad Management Zones and Offices throughout Germany. This map was taken from the *German Railway Handbook* of 1927.

Upon organization of the Deutsche Reichsbahn the assets of eleven provincial railway systems were incorporated into a single administration. The principal of these were the railroads of Baden, Bavaria, Hessen, Mecklenberg, Oldenburg, Prussia, Saxony and Wurttemberg. Thirty separate Reichsbahndirektions were then set up to service local areas. (See map). Over time some of these areas were modified for geo-political reasons as territorial boundaries changed due to treaty agreements. An example of this was the incorporation of the remaining German parts of the Kattowitz railroad administrative district into Reichsbahndirektion Oppeln after Eastern Silesia had been ceded to Poland.

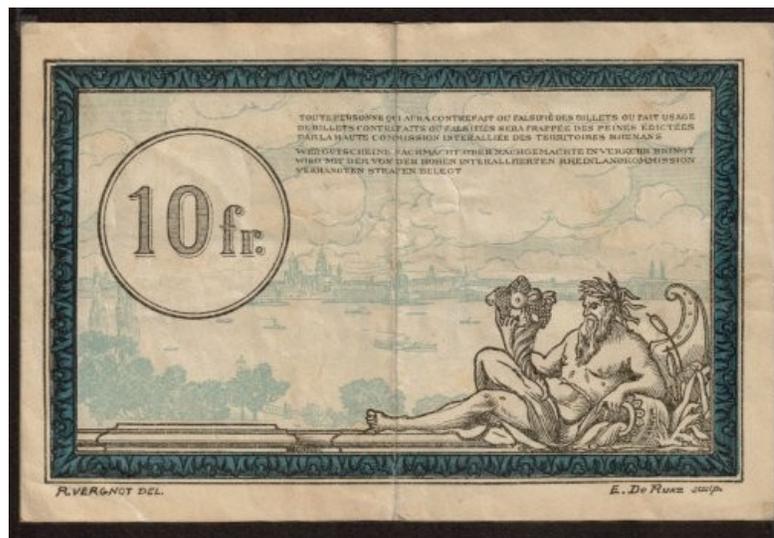
The Reichsbahn administrative districts did not necessarily follow provincial boundaries; they were designed instead to adhere to the railway operations within each geographical area. Deutsche Reichsbahn notes became one of the principal means of payment during the inflation. These notes circulated and were accepted throughout all of Germany with the exception of the Rhine and Rhur occupied territories. This was because people still had faith and confidence in their railroads. In contrast, circulation of Reichsbahndirektion notes was restricted to the area of operation.

Notes of the Franco-Belgian Railways Administration

After occupation of the Rhur in January 1923, the “Franco-Belgian Railways Administration in the Occupied Territories” was established with headquarters in Mainz on the Rhine. The administration was operated under joint French-Belgian management. On 20 October 1923 “transport notes” were issued under the heading “Regie des Chemins de Fer des Territoires Occupes”. These notes were good for all sums due the railroad as stated on the notes in French and German. The issue was without date and of uniform design. Denominations were printed for .05, .10, .25, .50, 1, 5, 10, 20, 50 and 100 francs. The later two denominations were never placed into circulation. Signatures of the comptroller and managing director of the railway appear on the notes. The printer’s imprint on the obverse is that of Paul DuPont in Paris. The principal motif is that of a steam locomotive in the top border. The border of grapes exemplifies the Rhine region. “T”’s and “O”’s are located at the four corners of the note representing the “Territories Occupes”. The background under-print contains a Rhine River scene complete with castle. Four RCFTO monograms shown in conventional and mirror images complete the obverse design. The reverse of this series depicts a Rhine River view with a reclining Neptune holding a cornucopia and water jug. The jug carries the inscription “RHINUM” in Latin, signifying that the water flowing from it was that of the Rhine. A counterfeit warning completes the reverse design. In both French

and German it states that: “All persons counterfeiting these notes will be subject to punishment by the Joint Allied High Commission of the Rhine Territories”. The names of the engraver E. de Ruaz and designer R. Vergnot appear beneath the bottom border.

The French-Belgian Railway notes were used from October 1923 to August 1924, at which time the trains returned to German administration as a result of the London Agreement, after the German mark had finally achieved stabilization.



When Germany was unable to make its war reparation payment in January 1923, the Allied Powers re-occupied the Rhine and Rhur regions. Trains in these areas were placed under joint Franco-Belgian management. Bank notes of the “*Régie des Chemins de Fer des Territoires Occupés*”, such as this 10 franc note were then issued for use in the occupied territory in lieu of the various Reichsbahndirektion notes circulating elsewhere in Germany.

Notes of the Deutches Reichsbahn

Among the German railway notes, those of the Deutsche Reichsbahn Berlin are the most frequently encountered by the collector today. This is understandable inasmuch as the Berlin Reichsbahn notes circulated throughout all of Germany while those of the various Reichsbahndirektions did not. There are a total of thirty notes in the Deutsche Reichsbahn Berlin series. Collecting all the notes in this small grouping can present a formidable challenge nonetheless. Scarcity increases with value, the higher milliarden and billionen denominations commanding a higher premium than the earlier, more plentiful, issues. The real challenge, however, occurs when seeking the gold mark notes created after Germany returned to the gold standard in November 1923. There are nine of these, none of which remained in circulation for more than a few weeks before being replaced with the new rentenmark. The large denomination 8.40gold mark=2 dollars, and the 21 gold mark=5 dollars notes demand the highest prices.

The first Reichsbahn Berlin emergency note of one million mark was dated 12 August 1923 and put into circulation several days later. This note and succeeding issues soon became devalued during the course of the inflation, so that eventually only notes of 10 milliarden mark and higher remained in circulation. The highest value Reichsbahn note was for 20 billion mark. The large denomination mark notes remained valid until 16 June 1924 when they were exchanged for rentenmark after stabilization.

Toward the end of the inflation a new type of emergency money was created - gold marks tied to the American dollar. The Reichsbahn Berlin was the only department to use this kind of money. These notes were backed by six percent interest bearing treasury bonds of the German Reich.

Most Deutsche Reichsbahn Berlin notes are uniface, however, there are exceptions. Four of these notes have printed reverses. These are the 1 and 20 milliarden and 1 and 10 billionen mark denominations. The printer of these four notes chose five representative scenes from German life for each reverse. These vignettes appear in the four corners of the reverse with the fifth appearing in an overlaid oval at the center of the note. The one and 20 milliarden mark notes carry the identical presentation, while two different groupings appear on the 1 and 10 billionen issues. Vignettes appearing on the 1 and 20 milliarden mark notes contain views of Koln, Mainz, the steelworks at Rheinhausen, Hambacher's Maxburg castle and Pfalz on the river Caub. The reverse of the one billion mark note has vignettes depicting the medieval church in Wittenburg, Ulm Cathedral, Freiburg



(1)



(2)



(3)



(4)



(5)



(6)

Notes of the Deutsche Reichsbahn Berlin. Issued by the Ministry of Transport, these notes circulated beside and were augmented by those of the Deutsche Reichsbank. Denominations rapidly progressed from the 1 million mark note dated 12 August 1923; which soon lost all its value, to millions, billions (milliarden) and then to trillions (billionen) of mark. When the mark standard collapsed in November 1923 it was replaced by a goldmark-dollar system. Notes (1), (2), (3) and (6) are uniface.

Cathedral, Marienkirche Danzig and, in the medallion, Frauenkirche Munich. Views selected for the 10 billionen mark include other national monuments: the Porta Nigra in Trier (the black gate - one of four original Roman gates to the city and the only one still standing), the “Festung Ehrenbreitstein” (a fortification in Koblenz; built in 1817-1828, it was thought to be invincible at the time), the “Kaiserpfalz Goslar” (castle built by Heinrich II in 1005-1015), the city of Nurnberg and a view of “Hermannsdenkmal” in the Teutoburger woods. The latter is a mountain top monument commemorating the defeat of Varus and his Roman legions when they crossed the Rhine in an attempt to expand their empire eastwards.

All Deutsche Reichsbahn notes have somewhere on the obverse the seal of “Der Reichsverkehrsminister”. This legend surrounds a German eagle. The flugelrad, or winged wheel, takes on many forms and is often found printed on the note or as part of the underprint. A variety of steam locomotives may also be found in the underprint designs.



Another common feature found on the majority of notes is the printer’s practice of repeating the denomination of the note vertically in the left hand margin, expressed either in numerals or words. Notes of 500 millionen and lower are expressed in numbers, while those of 1 milliarde mark and higher are in words. The billionen mark notes of the Deutsche Reichsbahn series have their values expressed in both billionen and milliarden. For example, the 1 billion mark note is also assigned the value “Eintausend Milliarden”, and the 10 billionen “Zehntausend Milliarden”, etc., shown in parenthesis. The 20 billionen note has its milliarden equivalent expressed as “20,000 milliarden mark”. This practice was necessitated because the German people were unused to reckoning sums in such astronomical numbers. To avoid confusion these huge sums were expressed in a manner that most people understood. It must be remembered that a “billion” was really a “trillion”. Who among us today would not be confused if suddenly forced to think in terms of a trillion dollars?

The practice of printing dual denominations continued with the gold mark issue, but for a different reason. Inasmuch as these notes were based on the gold standard, it was necessary to state their value also in terms of dollars. Thus the value of the 0.42 gold mark note was also given as “Ein Zehntel Dollar” (One-tenth



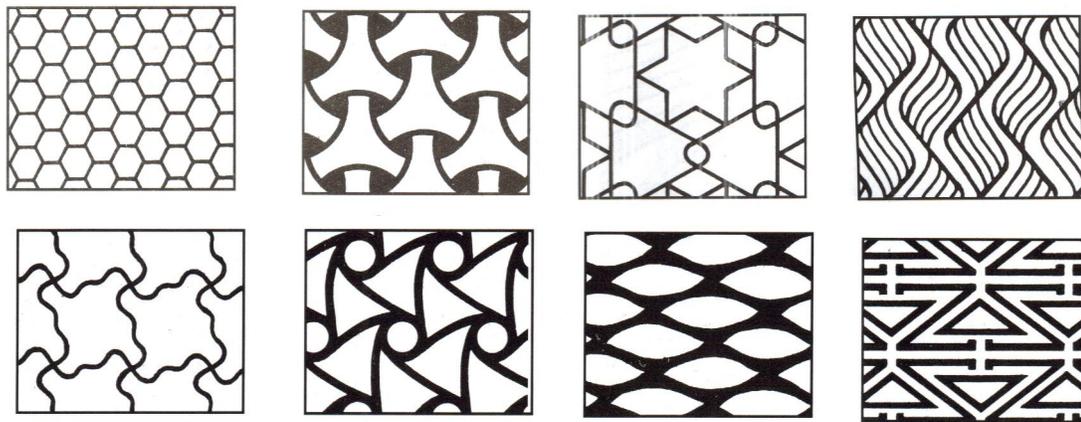
Most German Reichsbahn notes were uniface. Four denominations, however, had printed reverses. For these issues, the 1 and 20 milliarden mark and the 1 and 10 billionen mark notes, the printer chose scenes representing castles, churches and other well-known German views.

Shown here are the reverse of the 20 milliarden and 10 billionen mark notes. The motto "*Einigkeit und Recht und Freiheit*" (Unity, Right and Freedom) appears on all four notes.

of a dollar), the 1.05 gold mark as “Ein Viertel Dollar”, (One-fourth of a dollar) etc.

Two different signatures appear on this series: those of Groener and Oeser, his successor. Lieutenant General Groener was the first Reichsbahn president, being succeeded on 13 August 1923 by Dr. Rudolf Oeser. Groener’s signature appears only once, on the initial 1 million mark note. After taking over the post, Oeser’s signature appears on all remaining Deutsche Reichsbahn Berlin notes.

Several notes were printed from the same plates with only the denominations and colors changing. A good example of this is the steam locomotive pattern, which appears on the 1, 20 and 50 milliarden notes. Most notes were printed on gray-white paper stock. Due to a shortage of white bank note paper orange and pink papers were used as well.



Examples of watermarks used on Reichsbahndirektion notes. From left to right they are: (1) Rundwaben, (2) Schippen, (3) Stern-Sechseck-Muster, (4) Wellenbündel, (5) Bogenkreuzmuster, (6) Dreieckrad, (7) Flämmchen and (8) Deltamuster

Berlin Reichsbahn notes also contain watermark varieties: three appearing on the 2 million mark, four on the 5 million, and one on all the others. A variety of watermarks appear, depending on which printing firm did the work. The most commonly used watermarks include the H-S-H pattern, the six pointed star pattern, the “43” repeated pattern, waves, vertical stripes and the “quadrate” pattern of interlocking squares, which is the most frequently encountered. For the dedicated enthusiast a wider range of collecting possibilities exist if one were to consider the type and height of the serial number fonts used, whether the serial number is preceded by a “Nr.” or not, and other similar details.

Table 3.

REGIONAL REICHSBAHN ISSUES OF THE 1923 HYPERINFLATION

Deutsche Reichsbahn Berlin	German Railways, Berlin
Reichsverkehrsministerium Bayern	Ministry of Transport, Bavaria
Reichsbahndirektion Altona	Regional Railroad Office, Altona
Reichsbahndirektion Breslau	Regional Railroad Office, Breslau
Reichsbahndirektion Cassel	Regional Railroad Office, Cassel
Reichsbahndirektion Dresden	Regional Railroad Office, Dresden
Reichsbahndirektion Elberfeld	Regional Railroad Office, Elberfeld
Reichsbahndirektion Erfurt	Regional Railroad Office, Erfurt
Reichsbahndirektion Frankfurt am Main	Regional RR Office, Frankfurt am Main
Reichsbahndirektion Osten in Frankfurt a.d. Oder	Regional Railroad Office in the East at Frankfurt a.d. Oder
Reichsbahn Direktion Halle	Regional Railroad Office, Halle
Reichsbahndirektion Hanover	Regional Railroad Office, Hanover
Reichsbahndirektion Karlsruhe	Regional Railroad Office, Karlsruhe
Reichsbahndirektion Köln	Regional Railroad Office, Köln
Reichsbahndirektion Königsberg	Regional Railroad Office, Königsburg
Reichsbahndirektion Magdeberg	Regional Railroad Office, Magdeberg
Reichsbahndirektion Münster	Regional Railroad Office, Münster
Reichsbahndirektion Oppeln	Regional Railroad Office, Oppeln
Reichsbahndirektion Stettin	Regional Railroad Office, Stettin
Reichsbahndirektion Stuttgart	Regional Railroad Office, Stuttgart

Notes of the Reichsbahndirektions

Initially Deutsche Reichsbahn notes were used to pay all railroad operating expenses, maintenance and employee's salaries. When it became apparent that the notes of the Deutsche Reichsbahn, Berlin (DRB) alone would be insufficient to meet the demands of the district railroads offices, these local railroad administrations were authorized to print and issue their own money as well. The Reichsbahndirektions, which exercised this right are enumerated in Table 3.

This group of over two hundred banknotes can present a formidable challenge to the collector. They are both varied and interesting. As with the DRB notes, scarcity increases with denomination. Even the highest denomination notes, however, are easily within reach of the average collector today. The lower and middle denominations of most Reichsbahndirektions are attainable with some effort. Among the most commonly accessible notes are those of Altona, Dresden, Frankfurt am Main, Karlsruhe, Koln and Stuttgart. The most difficult to find are the regional railway offices of Cassel, Elberfeld, Konigsburg, Oppeln, Osten and Stettin.

As with the DRB notes, local railroad office notes often used the flugelrad in their design. Another common feature were the seals of the local railway office. Seals of this series display a variety of different eagles surrounded by the legend "Reichsbahndirektion Breslau", "Reichsbahndirektion Frankfort (Main)", etc. Most seals are printed on the note; however, some local railway office notes contain dry seals placed within a circle left in the design for that purpose. The notes of Stuttgart, Cassel, Koln, Karlsruhe and Hannover all contain dry seals in lieu of printed ones. All dry seals are plain with the exception of Koln's, which are colored - a different color for each denomination. The Koln seal also carries the designation "15", in lieu of the place of issue. This was probably the number assigned the Koln railway office by the Reichsverkehrsminister in Berlin.

When one considers the roaring inflation of this period, it is understandable that the many printers of these notes would find the most cost effective way to produce them. One of these cost-cutting techniques was to print the notes only on one side. It is therefore surprising that so many notes were produced with well-executed reverse designs. Exceptions to the uniface rule are the notes of Breslau, Dresden, Karlsruhe, Koln and Stuttgart.

Many other differences appear in this series to tantalize the collector. These include a lack of size uniformity, color varieties, watermark varieties, overprints, errors, imprints and errors.

The largest local railway notes were issued by Frankfurt-am-Main, measuring an impressive 75 x 210mm. The smallest notes in this series are those of Magdeburg. Watermark varieties of the same note may be found on issues of Halle, Koln, Altona, Magdeburg, and Frankfurt am Main. The Altona 20 milliarden mark note was issued with and without watermark.

Color varieties are found on the 20, 50 milliarden mark and 1 billion mark notes of Halle. Here two different colors were used on the same denomination when applying the underprint on these notes. This was undoubtedly due to the printer having run out of the original color ink and the necessity for speed in production.

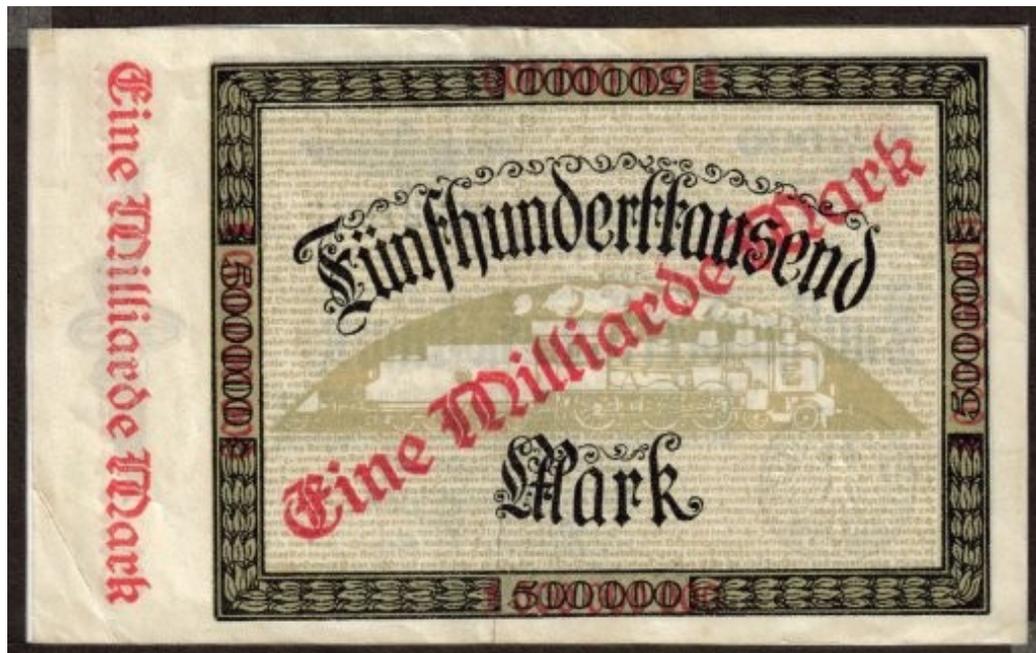
Three Reichsbahndirektion issues were overprinted on smaller denominations, which had become worthless but were still in stock. It was cheaper to overprint these notes and place them back into circulation than to prepare new plates. Overprinted specimens may be found among the issues of Breslau, Koln and Konigsburg. The 500,000 thousand mark note of Koln was never released since it had become worthless even before it could be issued. This stock was overprinted "Eine Milliarde Mark" and saw extensive circulation in the Koln area. The 500,000 mark of Koln without overprint is excessively rare today.

Most notes bear a printers imprint, such as "Weber und Wedemeyer" on Cassel notes; "A. Stenger", Erfurt and " J. Maubach & Co. G.m.b.H." which appears on the notes of Frankfurt am Main. The 50 milliarden mark note of Altona comes in two varieties: one with the printers imprint, the other with the printer's monogram.

Another abnormality occurs in the Karlsruhe series of notes. The 100 milliarden note comes in two varieties, one with the value expressed as "Hundert Milliarden" and another otherwise identical note which reads "Einhundert Milliarden". Three values of Karlsruhe notes - the 100, 200 and 500 milliarden mark show a train crossing the railroad bridge at Murgial. (See illustration).

Some offices placed time limitations on note redemption. Such was the case with Cassel. The millionen denomination bears the inscription "Einszulosen bei samtlichen Eisenbahnkassen des Reichsbahn- direktionbezirks Cassel bis zum 1

October 1923". In this case, the owner had to cash the note at a railway station within the Cassel district before 1 October. Other Cassel notes dated 10 August



As the 1923 hyperinflation progressed money rapidly became worthless. Useless notes, not worth the paper they were printed on, then sitting in the vaults of the railway offices, were removed and sent back to the printer. They were then overprinted to increase their value, often by one million times! Shown here is the Deutsche Reichsbahndirektion Köln 1 milliarde mark printed on an earlier 500,000 mark note which had become worthless even before it could be used!



The Reichsbahndirektion Karlsruhe issued two distinct types of 100 millarden mark notes: one with the value stated as “HUNDERT MILLIARDEN MARK”, the other, with greater clarification, reading “EINHUNDERT MILLIARDEN MARK”.



The highest Karlsruhe denomination was the 10 billionen mark (10 trillion mark) note released to circulation on 15 October 1923.



This is an example of the handwritten style of printing used on certain notes of Elberfeld and Stettin. Shown here is the 1 million mark of Elberfeld.

1923 had varying texts dependent upon which Eisenbahnkassen was authorized to exchange the notes. An admonition on Osten notes stated: "Dieser Schein verliert seine Gultigkeit mit Ablauf des 15 Dezember 1923" which meant that after 15 December the note would no longer be honored. The phrase "Dieser Schein verliert seine Gultigkeit vier Wochen und Aufruf" found on the notes of Halle indicated that the note could only be cashed up to four weeks after notification in the local newspaper.

In addition to the text variation, Cassel notes are easily identified by the prefix letters used in the serial numbers:

Eisnebahnkassen in Cassel	C prefix
Eisnebahnkassen in Gottingen	G prefix
Eisenbahnkassen in Nordhausen und Sangerhausen	N prefix
Eisenbahnkassen in Paderborn	P prefix
Eisenbahnkassen des Reichsbahndirektionsbezirks Cassel	U prefix

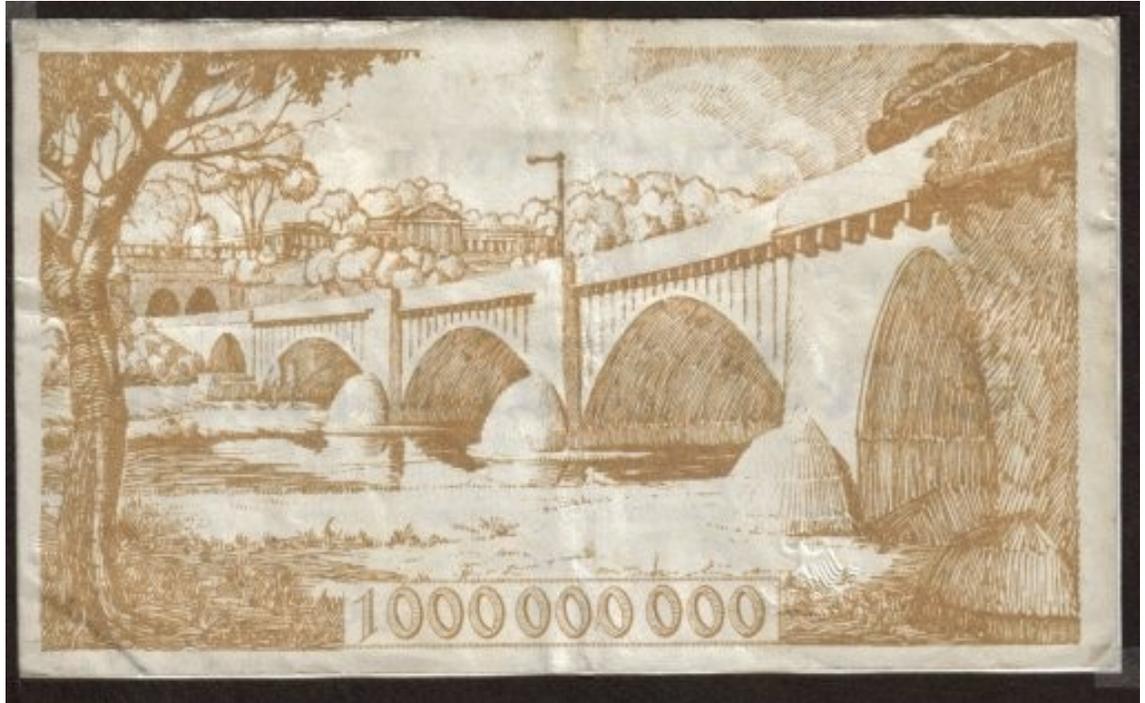
While all other Reichsbahndirektion notes were printed using conventional type, certain notes of Elberfeld and Stettin used the handwritten style of printing. This adds yet another interesting dimension to the series. Yet another inconsistency was the issue by the Dresden office of a 3 milliarden mark denomination, a denomination not issued elsewhere. As a matter of fact, there are two such notes of differing size one dated 16 August 1923, the other 20 August - three days later.

The workmanship on all Reichsbahn notes is modest at best, although some issues show greater artistic execution. Principal among these are the notes of the Reichsbahndirektions Karlsruhe and Stuttgart. Reverses of most Stuttgart notes show scenes, which relate to the rail area served. Among these are depictions of the Federal Railroad building in Stuttgart, interior and exterior views of the Stuttgart railway station, railroad bridges and viaducts and the Bodensee (Lake Constance) steamer *Friedrichshafen*.

Some might wonder, "What is the picture of a steamship doing on the reverse of a railroad note"? Fleets of excursion ships and ferries from three nations - Austria, Germany and Switzerland - operated on the Bodensee in 1923. The three German lander of Baden, Bavaria and Wurttemberg all bordered on this lake. Prior to 1920 all three states had their own railroad systems, and all operated steamers on the lake. After 1920 these services were federalized and henceforth operated by the Deutsches Reichsbahn. Thus the *Friedrichshafen* and steamers like her became part of the German Federal Railroad.



Additional examples of Reichsbahndirektion issues include the 3 millionen note of Dresden (an unusual denomination) and the Halle 500,000 mark. Note the low serial number of the Halle issue.





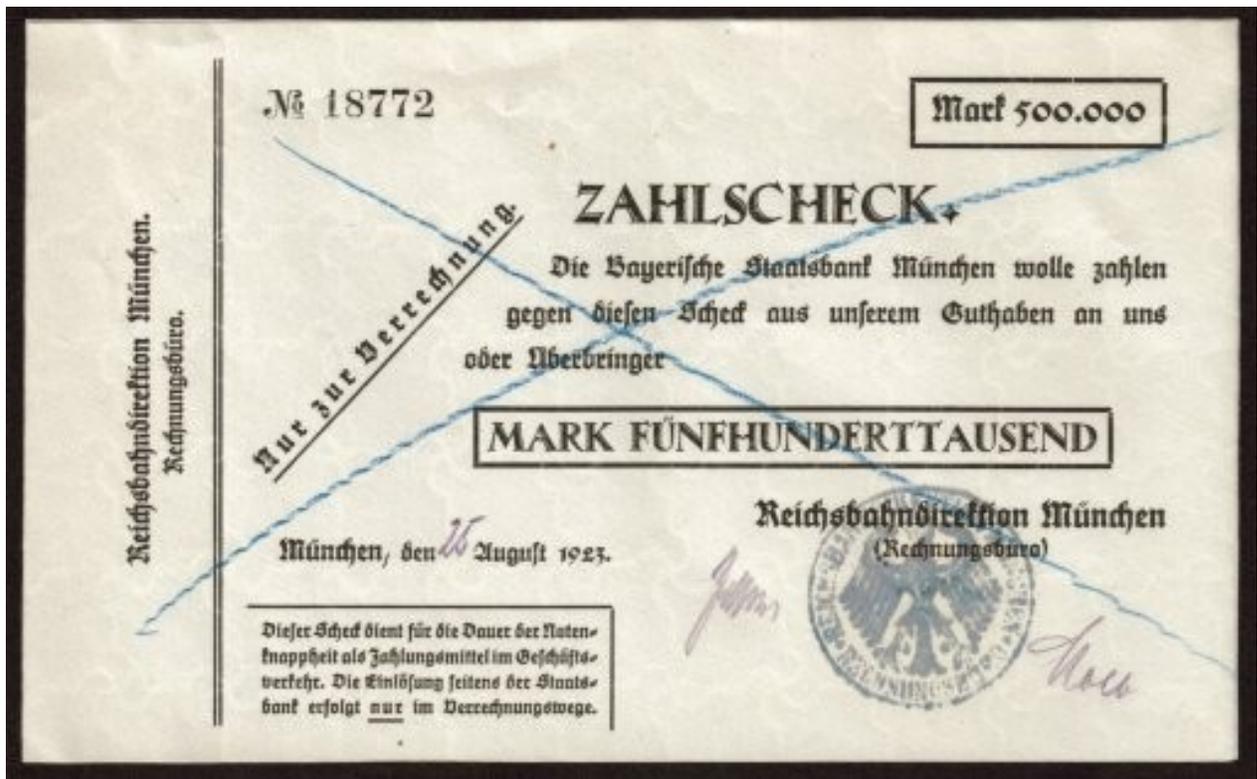
Reichsbahndirektion Stuttgart (Federal Railway Office in Stuttgart) notes were better designed than most. Their reverses show such familiar scenes as the Deutsche Reichsbahn building in Stuttgart (1 million mark), the railway bridge over the Neckar River at Cannstadt (1 milliarde mark), a railway viaduct (5 billionen mark), and the Bodensee steamer "*Friedrichshafen*" (500 *milliarden* mark).

Notes of the Bavarian State Railways

The Bavarian railways were not completely absorbed into the Deutsche Reichsbahn until 1933. Therefore, Bavaria was still operating its own system at the time of the 1923 inflation. Local Bavarian railroads were also administered by Reichsbahndirektions. These offices were located in Augsburg, Ludwigshafen, Munich, Nurnberg, Regensburg and Wurzburg. They did not, however, issue their own bank notes, as did their German counterparts. All Bavarian railway notes were issued collectively by the Reichs Works Minister in Bavaria. The lower mark denominations are of uniform design, showing two cherubs representing Agriculture and Industry filling Mercury's helmet with postal letters. All carry the value and a vignette of a train crossing a bridge with the Bavarian arms above, on the reverse. Values above 10 millarde mark are of more conventional design, the highest denomination issued being a note of 1 billion mark. The higher values are very difficult to find today.



The Bavarian State Railway, not then being a part of the German Federal railroad system, issued its own notes. Designs on the lower denominations depict two cherubs representing Agriculture and Industry.



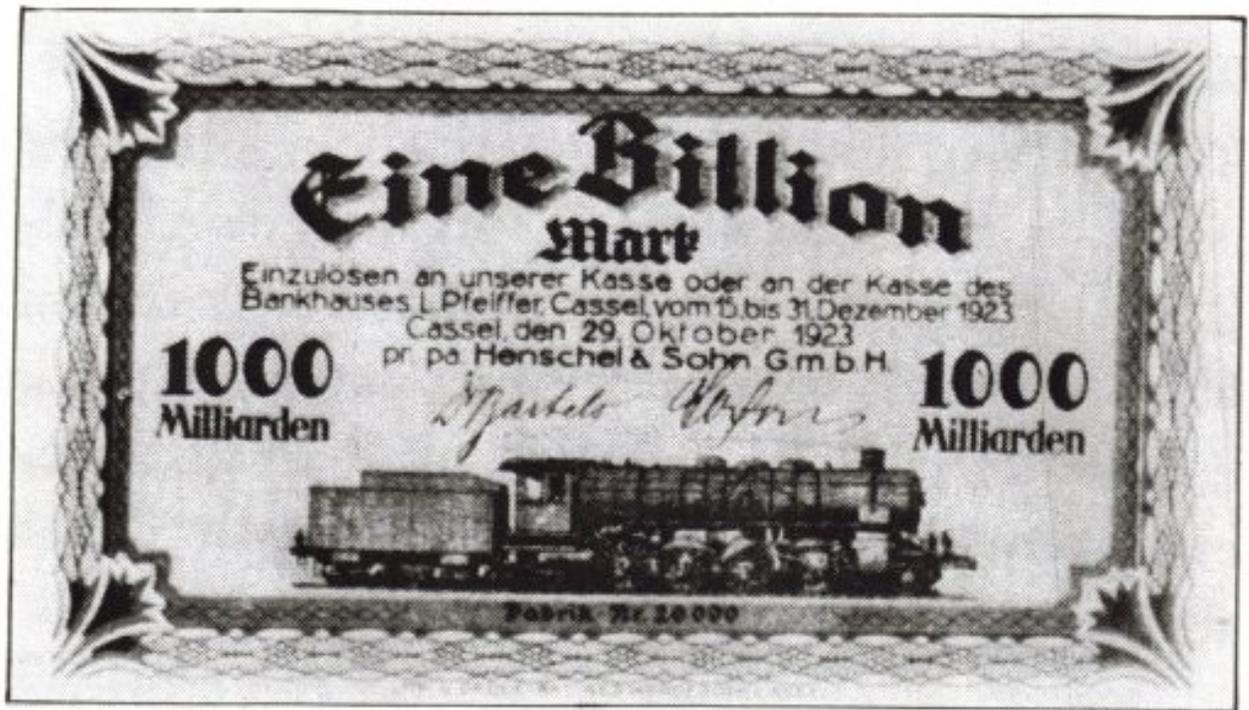
Accounting notes (Rechnungsbüro) captioned “Zahlscheck” were issued by Munich and Nürnberg. These notes were not intended for circulation. They were used as pay vouchers to pay railroad employees. All were hand-signed, sealed and dated. This practice soon ended as worsening inflation made them redundant.

Two of the Bavarian Reichsbahndirektions, Munich and Nurnberg, issued a type of note called a “Rechnungsburo”. These were not notes meant for circulation but rather notes issued by the accounting office as paychecks (Zahlscheck) to railroad employees. They were hand-signed, dated and hand-stamped with the Rechnungsburo seal at time of issue. These issues did not last long as inflation soon put a stop to the practice.

Of passing interest to stamp collectors are the stamps issued by the Royal Bavarian State Railway to accompany parcels shipped over its lines. These stamps of small denominations all have the flugelrad in their design. They are most often found on the paperwork, which accompanied these shipments.

Other Related Issues

In conclusion, two additional note issues are worthy of mention. These are the private note issues of Henschel and Sohn and the railroad workshop notes of Witten. As previously mentioned, the law of 17 July 1923 authorized private firms to issue their own paper money to meet the inflationary crisis. Many manufacturing companies created their own money. Such a firm was Henschel and Sohn, G.m.b.H, a manufacturer of steam locomotives. The author has seen two notes issued by this company. One is valued at 5 million mark and is dated August 1923. The second note has a value of 1 billion mark and is dated 29 October 1923. This particular note is interesting as it portrays a Henschel steam locomotive and tender as its principal vignette. The note states that it may be changed at the banking house of L. Pfeiffer in Cassel until 31 December 1923. The note has a dual value, the denomination being given as 1 billion or 1000 milliarden. Additional denominations undoubtedly exist.



Notgeld of the firm Henschel und Sohn, a major manufacturer of steam locomotives.



The T-20 tank locomotive had a wheel configuration of 0-8-0 + 0-8-0. Fifteen T-20s were built between 1913-1923 for the German railroads and the Bavarian State Railway, where they were used on steep mountain grades. A tank locomotive carried its own built-in water supply, thereby obviating the necessity to stop along the route for feedwater. This powerful engine could pull a passenger train up a 2 ½ percent grade at 32 kilometers per hour. After World War I three of these locomotives were given to Belgium as war reparations. The last T-20 was retired from service in 1954.

Another most unusual note was issued by the principal Deutsche Reichsbahn workshop in Witten. Here both locomotives and goods cars (freight cars) underwent repair. To meet the emergency created by the shortage of ready cash, the head DRB workshop at Witten overprinted railroad passenger tickets to pay their workers. To do this the words “fahrchein” (ticket) and “klasse” (class) were blocked out and the value in numerals printed on the line reserved for “destination” and on the “point of origin” line in words. The reverse of the note states that the note may be exchanged, if presented within fourteen days, at the Reichsbahn-Hauptwerke in Witten. The note is watermarked with a pattern of multiple flugelrads. The obverse carries the dry seal of Deutsches Reichsbahn office number 15. Five and 10 million mark denominations have been reported.

I hope you will agree that this series of notes is as much fun to collect as it is rich in economic and political history. Let us hope that we are smart enough to profit from the lessons learned from this tragic period in German history.



This unusual specimen was issued by the head Deutsches Reichsbahn railroad shop in Witten. The note, printed on a blank railway ticket, was valued at 10,000,000 mark. The words “fahrchein” (ticket) and “klasse” have been obliterated.

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