

By Albert Pick

The Last Issues of Paper Money Circulated by German Commercial Banks in 1924/25

Translated by Werner Bodenheimer

When the German Reich had been established in 1871 as a political entity and a uniform currency in the form of the Mark had been introduced, the paper money of the old German principalities, issued in terms of Gulden and Thaler, was withdrawn and replaced by the Reichskassenscheine or treasury notes of the German Empire. While the various note-issuing banks were allowed to hold their issuing licenses, their activities were strongly confined by new laws that were passed in the wake of the foundation of the Reichsbank in 1876. Giving way to the pressure, which the Reichsbank brought to bear upon the note-issuing commercial banks, the latter eventually waived their privileges, and by 1906 there remained merely four large commercial banks that continued to issue their own notes. These were, in alphabetical order, the Badische Bank, the Bayerische Notenbank, the Sächsische Bank and the Württembergische Notenbank.

Constantly extending its branch system, the Reichsbank continued to fight these four remaining issuing banks until the beginning of World War I. The vast number of different notgeld issues that were circulated during the war and the subsequent period of money inflation (1922-1923) spelled a heavy setback to the Reichsbank's efforts directed towards unified issues of paper money.

While it was possible to stabilize the currency by establishing the Rentenbank, it was not before the Banks Act was passed on August 30, 1924, that the legal position of the Reichsbank was settled again. It was not possible, though, to simply ignore the vested rights of these four note-issuing banks, but their combined total issues of paper money were limited to a maximum quota of 194 million marks upon the ratification of their rights. Further relevant regulations were included in the Note Issuing Commercial Banks Act, dated August 30, 1924.

As may be seen from the report of the first committee of experts, the Reichsbank was originally intended to be granted the sole and unique privilege of issuing bank notes. Dr. Hjalmar Schacht, though, then president of the Reichsbank, suspected that this committee of experts was not even aware of the existence of these four note-issuing banks. Their survival was granted by article 2 of the Banks Act of August 30, 1924, which was provided only upon Dr. Schacht's argument that it was good domestic policy to have these banks carrying on their business. The Reich government, however, was granted the prerogative to revoke the authority of the commercial banks to issue paper money effective of January 1, 1935, serving a one year's notice, provided it obtained the assent of the Reichsrat (roughly corresponding to the U.S. Senate).

In article 3 of the Act the maximum issue of notes was limited to 70 million Reichsmarks with respect to the Bayerische Notenbank and the Sächsische Bank, and to 27 million Reichsmarks regarding the Württembergische Notenbank and the Badische Bank. However, these banks were not permitted to issue more than eight percent of the aforementioned sums total until the completed winding-up of the Deutsche Rentenbank.

Article 4 stipulated the denominations of the notes. Such denominations were permitted only in the order of RM 50, RM 100 or any multiple of the latter. All obsolete notes were to be withdrawn and exchanged against Reichsmark denominations, the exchange rate being 1 RM to 1 billion* marks.

Article 5 ran as follows: Any notes issued by commercial banks shall not be considered legal tender nor shall they be proclaimed legal tender by state legislation (of any of the individual German states or Länder). There further shall be no foundation in law for the compulsory acceptance by any public pay-office. All such notes shall be accepted in payment at any time at par by the issuing banks and all of their branches.

The regulations concerning the bullion security of the Reichsbank's notes did apply in full also to the notes issued by the commercial banks.

Pursuant to article 6, both the Reichsbank and the note-issuing commercial banks were bound to accept at par the notes of each of the other banks at their headquarters or, in the event of branches, in cities having at least 100,000 residents; this regulation would apply only until such time as the commercial banks would redeem their own notes.

* One trillion marks according to the American way of counting.

The following notes were issued by the regional commercial banks:

BADISCHE BANK:

50 Reichsmark, 11. Oktober 1924 (Pick Cat. No. R15), brown and green, SN brown.
Obverse: Portrait of Johann Peter Hebel (1760-1826) an eminent German poet, at right.
Reverse: Coat of arms at right.
Paper: Laid, right marginal strip with red dyed fibers.
Watermark: Oak leaves at right.

BAYERISCHE NOTENBANK:

50 Reichsmark, 11. Oktober 1924 (Pick Cat. R35), light and dark green, SN red.
Obverse: At top: Bavarian lozenge on escutcheon flanked by two lions rampant.
Reverse: Bavarian coat of arms.
Watermark: "Bayerische Notenbank"
Design: Otto Hupp



Badische Bank—50 RM, 1924



Bayerische Notenbank—50 RM, 1925



Bayerische Notenbank—50 RM, 1924



Bayerische Notenbank—essay, 50 RM, 1924



Bayerische Notenbank—100 RM, 1924

100 Reichsmark, 11. Oktober 1924 (Pick Cat. R36).
 Obverse blue on multi-color background. Reverse blue and brown, SN blue.
 Obverse: Lettering and ornamentation.
 Reverse: Bavarian coat of arms surrounded by a gear-wheel and flanked by two lions rampant with a plow-share beneath.
 Paper: Ornamental embossing at right with small silk paper strips embedded bearing the printed name "Bayerische Notenbank."
 Watermark: Swastikas
 Design: Obverse: Otto Hupp.

50 Reichsmark, 1. September 1925 (Pick Cat. R37).
 Obverse brown on green and red. Reverse blue on green and brown. SN red.
 Obverse: Portrait of Hieronymus Holzschuher (patrician and alderman of Nürnberg) after a painting by Albrecht Dürer, (1526), at right.
 Reverse: Bavarian coat of arms in center.
 Paper: Bluish, ornamental embossing at left with small silk paper strips embedded bearing the printed name "Bayerische Notenbank."
 Watermark: "Bayern" at right.
 Design: Walter Tiemann.

(There has survived the proof of another design for the RM 50 denomination:)

50 Reichsmark, 30. August 1924, brown on multi-color background.

Obverse: Venetian girl, at right, after a painting by Albrecht Dürer. (The same picture—in a slightly different cropping—appears on the current DM 5 note of the German Federal Republic.)

Reverse: Bavarian coat of arms at center.

Paper: Small silk paper strip at right embedded into the paper bearing the printed name: "Bayerische Notenbank."

SACHSISCHE BANK:

50 Reichsmark, 11. Oktober 1924 (Pick Cat. R96).

Obverse brown on brown and dark green. Reverse dark green on brown. SN red.

Obverse: Portrait of Ludwig Richter (1803-1884), painter, at left.

Reverse: Lettering and ornamentation.

Paper: Ornamental embossing at right with small silk paper strips embedded bearing the printed name: "Sächsische Bank."

Watermark: Swastikas.

Design: Professor Belwe.



Sächsische Bank—50 RM 1924



Sächsische Bank—100 RM, 1924

100 Reichsmark, 11. Oktober 1924 (Pick Cat. R97), blue-gray on blue-green and brown. SN blue.

Obverse: Portrait of Gotthold Ephraim Lessing (1729-1781), poet, playwright and critic, at left.

Reverse: Lettering and ornamentation.

Paper: Ornamental embossing at left with small silk paper strips embedded bearing the printed name: "Sächsische Bank."

Watermark: Swastikas.

Design: Walter Tiemann.

WÜRTTEMBERGISCHE NOTENBANK:

50 Reichsmark, 11. Oktober 1924 (Pick Cat. R117). Green and brown. SN black.

Obverse: Portrait of a bearded gentleman with stand-up collar at left.

Reverse: Ground-tinted Württemberg coat of arms at left, flanked by two stags.

Paper: Laid, right marginal strip with green dyed fibers.

Watermark: Oak leaves at right.

100 Reichsmark, 11. Oktober 1924 (Pick Cat. R118), black and blue on brown and green. SN brown.

Obverse: Portrait of a gentleman with headgear, at right.

Reverse: Ground-tinted Württemberg coat of arms at center, flanked by two stags.

Paper: Laid, right marginal strip with blue dyed fibers.

Watermark: Oak leaves at right.

50 Reichsmark, 1. August 1925 (Pick Cat. R119), green, brown and red. SN red.

Obverse: Portrait of Christian Friedrich Daniel Schubart (1739-1791), Swabian poet and composer. Hated tyrants and was imprisoned in the Hohenasperg fortress for libel, as he had insulted the duke Carl Eugen of Württemberg.)

Ground-tinted Württemberg coat of arms at center.

Reverse: Lettering and ornamentation.

Paper: Laid, right-hand marginal strip with violet dyed fibers.

Watermark: Oak leaves at right.



Württembergische Notenbank—50 RM, 1924



Württembergische Notenbank—50 RM, 1925



Württembergische Notenbank—100 RM, 1924

The following types of paper made specifically for the purpose were employed for all notes:

1. Security paper of the Reichsbank having at the right-hand side a marginal strip with dyed fibers and a watermark showing oak leaves.
2. Security paper of the printers Giesecke & Devrient having small printed strips of silk paper imbedded into the bank note paper pulp.

There were issued only small quantities of all these notes which had very little importance to the payments system. Moreover, as the public hardly became familiar with these notes and difficulties arose on payments, the banks decided to withdraw them entirely from circulation. As early as 1925 the circulation of these notes had almost come to a standstill. The act of rescinding the privilege to issue bank notes, effective of January 1, 1935, was then a purely formal matter.

All these notes are very scarce, and complete sets have been located in two or three collections only.

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