The Fraktur

Vol. XIII Nr. 5 **MAY 2000**

THE MONETARY REFORM OF A.V. KOLCHAK IN SIBERIA 1918-1920

By I.S.Shiknova
State Historical Museum, Moscow

This feature deals with the measures taken by the Government of Admiral Kolchak, November 1918 -- January 1920, to put paper money into circulation.

The present work is based on a study of the collection of Siberian paper currency of the Civil War period, now in the Numismatic Department of the State Historical Museum, and on documents of the Kolchak government from the Archives of the Foreign Policy of Russia. It comes from the report of the agent of the Ministry of Finance attached to the Russian Embassy in Washington from the State Achives of the Russian Federation and on contemporary newspaper reports.

In November 1918 power in Siberia was seized by Admiral Alexander V. Kolchak, who was declared "the Supreme Ruler of Russia."

His capital was established at Omsk and the Siberian region thus became a center of politcal struggle in Russia. When Kolchak established his government, he found great disorder among the currencies used in the marketplace.

On the one hand there was a great need for small change notes but at the same time there was a great variety in existence, issued by different political entities.

+

Monthly Notgeld Quote. . .



Iserlohn
1 Mark, 1 July 1921
L-629

Boys, what a pleasure it would be.
Would those old times return once more.



Dated May 1, 1919, were five percent interest-bearing bonds, redeemable for circulating "kerenkas" of a former government body. S-856

So in addition to "Romanovs" (Credit Notes issued by the Imperial Government), "Kerenkas" (issued by the Provisional Government, February to October 1917), substitutes used as Obligations of Freedom Loan, Interest-bearing Government bonds (being in circulation as token currency), money of local issue, there were also in circulation bank checks, credit notes issued by the Bolshevik government in Siberia (whose local money was called "bad" substitutes) and so on.

The fact that the amount of money in the hands of the public could not be determined by the authorities made the situation even worse. This is why the Finance Ministry of the Omsk Government worked out the measures that would reform and regularize the monetary circulation in Siberia. In connection with those measures, it became necessary to

a) end the acute shortage of money and withdraw the Bolshevik issues, substituting for this currency better-printed notes which were easier to keep track of. It was decided to issue small value notes in the form of either short term obligations of the State Treasury (higher denominations) and minor Treasury notes;

b) ask for credit notes printed for Russia in the USA that had been ordered by the Provisional Government;

c) begin the exchange of money in the following way:

1) to exchange short term obligations of the Omsk StateTreasury for credit notes printed in the USA at par, ruble for ruble;

2) to exchange "bad" substitutes for first class ones (obligations, coupons of interest bearing bonds) or for "kerenkas," taking into account the exchange premium among the currencies;

3) to exchange "kerenkas" and interest-bearing bonds circulating as money for the credit notes of the Imperial Government ("Romanovs"), the latter being quoted at the world gold price according to their metallic backing;

Our thanks to Robert Julian, Logansport, Ind., for permission to use the Kolchak feature, which appeared in the *Journal of the Russian Numismatic Society,* Winter 2000 issue.

Editor Julian is a retired high school mathematics teacher. He has researched extensively in the U.S. Mint records of coin issues of the first 100 years of the mint, and is equally at home in The Hermitage, St. Petersburg, Russia, home of the Russian national collection.

Classified Advertising

GERMAN-FRENCH, WORLD PAPER NOTGELD. Over 10,000 pieces in stock! Large free lists. Ian A.Marshall, Parkway Mall, Box 62509, 85 Ellesmere Road, Scarborough Ontario, CANADA. MIR 5G8.



Paper poltinniks, 50-Kopeck notes, were printed by the American Bank Note Company and placed into circulation by the Kolchak regime, part of an order that cost !,192,000. S-828

4) to exchange credit notes of the Imperial Government for the money of a new type (i.e. the credit notes printed in the USA) according to the exchange rate established on the world monetary markets.

In carrying out the above plans the Kolchak regime used its right of emission and put a great amount of paper currency in the hands of the public. Thus the total amount of short term obligations of the State Treasury and of treasury notes issued by the Omsk Government -- together with the previous Provisional Siberian Government -- amounted to 13,369,803,178 rubles.

The emission policy of the Kolchak Government resulted in the depreciation of the ruble. The more the paper money was forced on the population the less the purchasing power of the ruble was and because of this public trust in the new Government money was very low.

Excessive issuance of token currency and also a progressive shortage of consumer goods led to the steady growth of inflation. In addition an exchange premium (agio) was created for those wishing to exchange old currencies for the new Omsk currency. Thus the premium on the "Romanov" rubles reached 60 percent and on the "kerenkas" it was sometimes as high as 30 percent.

The quality of the paper currency also had a marked influence on the exchange rate, well-printed notes on good paper being worth more. Short term obligations of the State Treasury were



A three-ruble note issued by Kolchak in 1919 shows the double-headed eagle on each side of the face. S-827



A Russian worker ponders life on a 25 Ruble note dated 1918 but never placed into circulation. It was printed by the American Bank Note Co., New York City.

printed on paper of bad quality, were uniface, had different sizes and colors and thus could not compete with the high quality "Romanov" rubles.

They were quickly amortized and the population did not want to incur losses for their damages. The way that the Omsk currency was manufactured was so simple that a great amount of forged money came into circulation.

In short, one can state that the implementation of the monetary reform by the Omsk Government led to inflation and a fall in value of the Omsk ruble in relation to other currencies, such as the "Romanov" rubles.

The Ministry of Finance was not able to control the spontaneity of monetary circulation, nor the increased issuance of forged money. During the first stage of the monetary reform the emissions of paper money did not serve the public's need for a stable currency.

In addition, the Ministry of Finance intended to put into circulation credit notes ordered by the Provision Government of Lvov and Kerensky.

In due course details of the paper currency being printed in America reached the ears of the Kolchak Government. Those credit notes were of high quality and intended to enhance confidence in the Omsk regime. All the money in circulation at that time was to be replaced by the new paper currency on the territories liberated from Bolsheviks. Credit notes of American production were to be used as the foundations of the future unified national monetary system of Russia.

German Notgeld Paper, Coins & Tokens

Notgeld Paper Money (1914-1923)

- Including WWI POW stamp-size money and 1920's seal stamps
- Prices based on various catalogs (converted US$)
- Includes notes issued by federal, state and local authorities as well as industry-issued
- Condition: VG - UNC (mostly Ave Circ)

Notgeld Coins/Tokens (1914-1923)

- Approx. 30,000 coins & 20,000 tokens issued by local governments and industry
- Coins range from 1 Pfg to DM 3 million (VF - AU)
- Tokens include various beer, industry-related, numbered sets by Trumpf, health care, Bethel, automat & entertainment (VF/VF+)

PLEASE CALL FOR OUR PRICE LIST

P.O. Box 400
Lockport, NY 14095-0400

KAPAAN'S
Specializing in German Numismatics

PH: (716) 439-1227
PH/FAX: (716) 439-0583
E-MAIL: DUTCHTCK@AOL.COM



Face and back of Treasury Token Currency of Kolchak, issued in 1918 by the second Provisional Siberian administration, 300 Rubles, S-826. S numbers refer to the Seventh edition. Vol. One, of *Standard Catalog of World Paper Money, Specialized Issues,* Krause Publications, 1995.

The Omsk Government made every effort to get the new currency into circulation as soon as possible. In answer to the telegrams sent by the Ministry of Finance to Washington the government was informed that in principle the American government had agreed to send the printed money to Vladivostok.

ALEKSANDR VASILIEVICH KOLCHAK

Kolchak was born in St. Petersburg in 1873, graduated from the Naval academy in 1894, and at the beginning of World War I was flag captain of the Baltic fleet.

In August 1916 he was commander of the fleet in the Black Sea, a rear admiral. He resigned his post in June 1917, following the March revolution, and went to the U.S.

He attempted to coordinate "white" forces in Siberia, and traveled to Omsk in October 1918, where he was war minister of the legally established government of Russia, opposing the Bolsheviks, the "reds," the revolutionaries.

He came into absolute power on Nov. 18, 1918, and became a ruthless dictator. Repressive measures against his enemies cost him his favor with his allies. The Czech Legion in Siberia turned on him, his armies were defeated, he retreated to Irkutsk, and he resigned on Jan. 4, 1920.

He was handed over to the Czechs in Irkutsk, who were overpowered by Bolshevik forces. On Feb. 7, 1920, he was executed and given a watery grave in the Angara river.



Alexander Vasilievich Kolchak
1873–1920

(TO BE CONTINUED)

Classified Advertising

ODD & CURIOUS wanted: Aluminum, leather, felt and other varieties of odd and curious Notgeld. Ken Hallenbeck, 711 N. Nevada Ave., Colorado Springs, Colo.

NOTGELD EXPERIENCES

Back in 1965 my collecting habits had begun to gather momentum.

This being so, a work colleague of mine who knew of my new-found hobby of numismatics, mentioned that he had something in which I might be interested. Within a few days this colleague brought in to show me an album which his father had created.

It was a nice leather-bound item but the contents of this album first alerted me to a collecting area about which, at that time, I knew asbsolutely nothing. Inside this album was a collection of about 80 or so German Notgeld.

Naturally I had never heard of Notgeld and had no idea what these little colorful notes were, but was assured by my workmate that the items were a type of money. This was my first exposure to the collecting hobby of Notgeld.

Unfortunately, the notes in this album, which my workmate informed me his father had brought back from World War II, were glued into the album pages thereby destroying any value which they might otherwise have had.

A few months after this event I saw three Notgeld notes for sale on a dealer's table. These notes, all from the town of Bamberg, became the first items in my Notgeld collection. These same notes are not particularly distinctive in design but by comparison to subsequent notes which I have obtained, they are without doubt, the largest of all my *Gutschein* items.

They are 5 Mark (Bamberg, im Kriegsjahr 1918, pale yellow in color obverse, brown reverse); 500 Mark (Oktober 1922 blue, yellow and grey color); and 1,000 Mark (Oktober 1922 brown, buff and green color).

These notes are still in my collection.

Colin G.F. Thomas
Australia

NOTICE TO READERS:

Effective January 2001, we will be doing business in a new way.

THE FRAKTUR will cease publication.

Under present plan, the pricelist will continue to serve collectors who have made purchases in the last three months of the year. If for some reason nonbuyers wish to receive the pricelist, some arrangements will have to be made to cover cost of printing and postage.

Several options face us from those points.

*Sale of my collection and notes in the inventory, library and books for sale; the name and names of readers of THE FRAKTUR and surplus back issues..

*The next step down would be books in the inventory (not my library) for sale and duplicate notes in the inventory.

*Normally dues notices would go to about half the readership with the June 2000 issue for the ensuing year. THE FRAKTUR through December 2000 will be sent those subscribers complimentarily.

The other half of the subscribers are paid to December 2000 and present plans are for them to receive the publication through this year.

We are not planning a long cruise, retiring (already have) nor are there immenent health problems. We have ideas for at least three special issues of THE FRAKTUR which we hope will be useful.

Merseburg May 1, 1921 5, 10, 20, 25, 50 (6) Pf L-860 Mehl 884 $6.50*
Mindelheim April 1920 5, 10 Pf P-S 1382e $2.35
Mirow M-S ND 10 Pf L-865 Mehl 889.1 Reutergeld $.75*
Moelln ND 50 Pf L-870 Mehl 894 Tyll Eulenspiegel $2*
Moenchen-Gladbach May 1, 1917 20, 50 Pf P-S 1825 map $1.50
Moenchen-Gladbach March 26, 1923 20,000 Mark Mueller 1922 - 3045/2 $3.50
Moenchen-Gladbach July 3, 1923 50,000 Mark K1923-3681a $2.25
Moenchen-Gladbach July 3, 1923 100,000 Mark K1923-3681 $3.25
Moers Feb. 15, 1923 5,000 Mark Mueller 2980/4 $2.50
Moers Aug. 1, 1923 5 Millionen Mark K1923-3593 $3.50
Monschau (Kreis) July 1, 1921 50 (3) Pf L-872 Mehl 896 map $2.25*
Monschau (Stadt) July 1, 1921 50 (2), 75 Pf L-873 Mehl 897 $2.25*
Montabaur Dec. 1, 1920 10, 25, 50 L-874 Mehl 898 $2.25*
Mosbach Nov. 15, 1918 5, 10 Mark Geiger 363 $7.50*
Muehldorf/Inn Bayern ND 1, 2, 3 Pfennig P-S 1415 $2.50*
Muehldorf ND 30 Pf L-880 Mehl 904 $2
Muehlhausen/Thuer. Oct. 31, 1918 5, 10 Mark Geiger 364 $5
Muehlhausen/Thuer. April 1, 1921 50 (5) Pf Mehl $3.25*
Muellheim/Baden ND 25 Pf P-S 1418 $1.25*
Muelsen-St.Jakob 50 (8) Pf L-882 $6.50*
Muenchen Oct. 1, 1922 1,000 Mark Bay. Notenbank Mueller 3020/2 $2.25
Muenchen Aug. 24, 1923 100,000 Mark Bay. Bauindustrie K1923-3654a $42.75*
Muenchen (Stadt) Aug. 14, 1923 1 Million Mark K1923-3650a $3
Muenchen (Bay. Notenbank) Jan. 1, 1900 100 Mark $2
Muenchen (Bay. Notenbank) Jan. 1, 1922 Mueller 3020/1 100 Mark $2
Muenchen (Bay. Notenbank) Oct. 1, 1922 Mueller 3020/2 1,000 Mark $2.50
Muenchen (Bay. Notenbank) Dec. 1, 1922 Mueller 3020/3 5,000 Mark $2.50
Muenchen (Bay. Notenbank) March 1, 1923 20,000 Mark K-1923-3656a $3
Muenchen (Bay. Notenbank) March 15, 1923 50.000 Mark K1923-3656b $3
Muenchen (Bay. Notenbank) June 15, 1923 100,000 Mark K1923-3656c $3
Muenchen (Bay. Notenbank) Aug. 1, 1923 5 Millionen Mark K1923-3656d $2.50
Muenchen (Bay. Notenbank) Aug. 20, 1923 5 Millionen Mark K1923-g $2.50
Muenchen (Bay. Notenbank) Aug. 20. 1923 25 Millionen Mark K1923-3656h $3*
Muenchen (Bay. Notenbank) Sept. 1, 1923 10 Millionen Mark K1923-3656h $3
Muenchenbernsdorf Aug. 1, 1921 50 (4) Pf Aug. 1, 1921 L-886a $7.50*
Muenchenbernsdorf Sept. 1, 1921 10, 25, 50 Pf L-886b Mehl 911 $2.25*
Muennerstadt Jan. 1, 1921 50 Pf L-887c $2.50*
Munster/W ND 50 Pf L-889 Mehl 914 (hold up to light $5*
Muenster Aug. 1, 1921 50 (5) Pf (grey) L-891 Mehl 916 $3*
Muenster Aug. 1, 1921 2 Mark (5) (red) L-891 Mehl 916 $3*
Muenster ND 1 Mark Campbell 3302 POW $6*
Muensterberg (Ohlalu, Olawa) Schlesien April 19, 1921 10, 25, 50 Pf L-893 Mehl 918 $27.50
Murrhardt Sept. 14, 1923 5 Millionen Mark K1923-3701b $2.50
Mylau/V ND 50 Pf P-S 1828b $1.35
Nachterstet June 1, 1921 5, 10, 25 Pf L-897 Mehl 922 $2.25*
Namslau Dec. 17, 1920 10 Pf P-S 1841 $1.25*
Namslau Oct. 1, 1921 10, 25 Pf P-S 1842d $3*
Naugard/Pommern ND 25, 75 Pf, 1 Mark L-898 Mehl 923 Schecks $2.25*
Naumburg/Saale 1917 50 Pf P-S 1844b fold $1 (For details on Naumburg notes, see
Naumburg/Saale 1920 25 Pf L-901a Mehl 926 $.75* The Fraktur, July 1994) and
Naumburg/Saale 1920 50 (6) Pf L-901b Mehl 926 $4.50* Lindman 1989 ed)

Naumburg/Saale 1920 50 (12) Pf L-901c Mehl 926 $8.50*
Naumburg/Saale 1921 25 (3), 75 (3) Pf L-901d Mehl $4.25*
Neckargemuend Oct. 1, 1917 50 Pf P-S 1847a $1.50*
Neidenburg/Ostpreussen 1921 25, 50, 75 Pf 1 Mark L-905 Mehl 932 $2.75*
Nesselwang July 1, 1917 20 Pf P-S 1852a $10*
Neinstedt July 1, 1921 10, 25, 50, 75 Pf L-906 Mehl 933 $2.75*
Netzschkau ND 10 Pf P-S 1854a $2*
Netzschkau ND 5 Pf P-S 1854f Karton $1.25*
Neubrandenburg July 2, 1921 25 (3), 50 (3), 75 (3) Pf L-908 Mehl 935 $4.25*
Neubukow ND 10 Pfennig L-909 Mehl Reutergeld $.75*
Neuburg/D 1917 5 Pf P-S 1858 round $2*
Neugraben-Hausbruch Aug. 15, 1921 40, 60, 100 Pf L-912 939 $2.25*
Neuhaus/Rennweg March 1, 1921 10 Pf L-910b Mehl 948 $.75*
Neuhaus/Elbe April 1, 1921 10, 25, 50 Pf L-919 Mehl 946 $.2.25*
Neuhaus/Oste April 1, 1921 25, 50 Pf L-920 Mehl 947 $3.75*
Neukalen ND 25 Pf L-922 Mehl 949 Reutergeld $.75
Neukirch ND 3 Mark L-923a Schwindler issue $3.25*
Neukloster M-S ND 25 Pf L-924 Mehl 951 Reutergeld $.75*
Neumarkt/Oberpfalz Sept. 1, 1923 10 Millionen Mark K-1923-3813 $1.75
Neumarkt/Schlesien Oct. 15, 1919 50 Pf P-S 1869c $2*
Neumarkt/Schlesien Oct. 11,1920 50 Pf P-S 1869d $2*
Neumuehlen-Dietrichsdorf ND 5 Pf L-926a II $3*
Neumuehlen-Dietrichsdorf ND 25 PF L-926b $.65*
Neumuenster April 20, 1920 50 Pf P-S 1870b $1*
Neundorf Sept. 1, 1921 25, 50 Pf, 1 Mark L-928 Mehl 955 $2.25*
Neunkirchen/Saar March 1920 10 Pf P-S 1873a $2.50*
Neuoetting/Inn Bayern ND 50 Pf P-S 1874 $1.50*
Neurode 1921 50 Pf L-941 Mehl 957 $2*
Neuruppin July 1921 50 Pf L-932a Mehl 959.1 $1.35
Neuruppin August 1921 50 Pf L-932c Mehl 959 $1.25*
Neusalz/Oder ND 50 Pf L-933 Mehl 960 $l.35*
Neuss May 1, 1919 10, 25, 50 Pf P-S 1881e $5*
Neuss Sept. 15, 1919 10, 50 Pf P-S 1881f $3.50
Neustadt/Coburg 1920 25, 50 Pf P-S 1882e Heinz Schiestl $4*
Neustadt/Holstein ND 20 Pf P-S 1884b $2*
Neustadt/Holstein ND (1920) 50 Pf P-S 1884c $3.50*
Neustadt/Mecklenburg April 1922 50 (2), 75 (2) Pf Ser. I, Ser. lII L-934 Mehl l962 $7.50*
Neustadt/Orla July 1, 1921 10 Pf L-938a Mehl 964 $.75
Neustadt/Orla Sept. 1, 1921 50 Pf L-938b Mehl 964 $.75*
Neustadt/Ruebenberg Aug. 20, 1921 50 (8) L-939 Mehl 966 $6*
Neustadt/Ruebenberg May 1, 1921 50 Pf L-940 Mehl 966 $.70*
Neustadt/Saale 1918 50 Pf P-S 1891a $1.25*
Neustadt/Saale 1919 50 Pf P-S 1891b $3*
Neustadt/Saale Sept. 1, 1920 50 Pf P-S 1891c $2*

NEW NOTGELD BOOK: *Les billets des Chambres de Commerce,* by Jean Pirot, 1989, 194 pages, $42.50 postpaid, all in French. (Cheaper than it retails in Paris)

*Uncirculated
K-Keller catalogs; L-Lindman *Serienscheine*; P-S Pick-Siemsen Circulated issues
G-Gieger *Das deutsche Grossnotgeld* 1918-1922. Mehl: *Deutsche Serienscheine von 1918-1922*
M-Mueller, *Das Notgeldscheine der deutschen Inflation, 1922.*

THE FRAKTUR , P.O. Box 334, Iola, Wis. 54945
The Notgeld Hotline: 1 800 547 1067