

# Tools of Power and Propaganda

During the First World War, Germany used coins and paper money to curry favor and secure control of Poland.

by Paul D. van Wie  
ANA 159347



**A comparison of 1917 German 10-pfennig (top) and Polish 10-fenigow pieces reveals striking similarities in design.**

POLAND EXPERIENCED TREMENDOUS economic and political change during the World War I era. Strategically situated between Germany and Russia, it was occupied for much of the war by German and Austro-Hungarian forces. Because of Poland's key location and resources, German civil and military authorities evidenced a profound interest in the country's political and economic future. In 1917, in fact, the Germans introduced a completely new system of coinage and currency for use in occupied Poland. These monetary issues provide fresh insight into both German aspirations during World War I and the complexity of the German-Polish relationship.

For more than a century prior to World War I, there was no independent Polish state. The nation was divided between the German, Austrian and Russian Empires, with Russian Poland constituting by far the largest portion. In terms of coinage, Poland did not exist as a distinct entity. In the decades before World War I, Russian rubles, Austrian kronen and German marks circulated within their respective zones. When World War I began in 1914, Poland became a battleground between the Central Powers (chiefly Germany and Austria-Hungary) and Russia. By 1915 the Central Powers had occupied most of Russian Poland. As the dominant member of the Central Powers, Germany seemingly was in a position to decide the future of the area.

During World War I, German leaders formulated war aims designed to secure their country's dominance in Europe. Most envisioned a *Mitteleuropa* (Central Europe) controlled by Germany both militarily and economically. Countries such as Poland and Belgium, because of their proximity to Germany, figured prominently in these plans. While control of the former Russian Poland became a primary German goal in





Actual Size: 70 x 109mm

**Currency can be a powerful tool of propaganda. Note the crowned Polish eagle as well as the absence of any German inscriptions on this Polish mark bank note authorized in 1916 and circulated in 1917. The obvious intent was to harness Polish nationalism for Germany's benefit.**

World War I, the status of this territory was a delicate one. Because of the vigorous nationalism of the Polish people, it would have been extremely problematic for Germany to simply annex all of Poland outright.

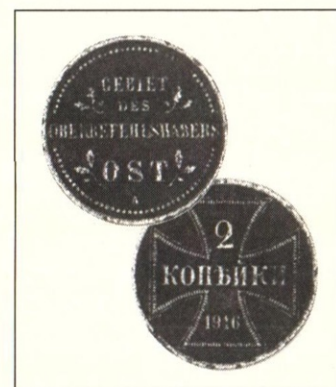
The German government, therefore, decided to resurrect an "independent" Polish state, while in actuality retaining control of the country. Not coincidentally, Germany hoped the grateful Poles would assist the German cause with men and resources in the increasingly desperate world war. As a result, in November 1916 the German and Austrian emperors proclaimed the establishment of a Polish kingdom.

In December 1916, German authorities chartered the Polish State Loan Bank. Headquartered in Warsaw, the bank was authorized to issue currency within the territory of former Russian Poland. In 1917 the Germans decided to retire the Russian ruble that previously circulated in the territory and replace it with a Polish mark (*marka polska*) of 100 fenigow, exactly equal in value to the German mark. The new currency made its debut in April 1917. With its proclamation of a Polish kingdom and use of only Polish legends, it obviously was an attempt to win the goodwill of Polish nationalists.

In February 1917, German authorities in Poland were empowered to issue coins to complement the forthcoming Polish Loan Bank currency. Twenty-million marks' worth of small change was authorized to be minted in the prevailing, wartime iron compositions. Struck at the Royal Württemberg Mint in Stuttgart, Germany, the pieces closely mirrored the German wartime coinage. For example, the iron Polish 5-fenigow piece of 1917 had a weight of 25 grams and a diameter of 18 millimeters, exactly that of the German 5-pfennig coin of the same year.

A side-by-side comparison of the German and Polish coinage reveals further similarities. From 1873 to 1918, German minor coinage usually

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**The Oberost coinage of 1916 used traditional Russian denominations. This 2-kopeck piece featured the value in Russian superimposed on an iron-cross design. Such pieces clearly were provisional, as opposed to the more permanent Polish mark system introduced in 1917.**



## Tools of Power

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displayed the face value, DEUTSCHES REICH ("German Empire") and the year on the obverse. The entire reverse was taken up by the "Reichsadler," or imperial eagle. Polish coinage of 1917-18 followed this pattern exactly. The obverse of each piece displayed the value, surrounded by KROLESTWO POLSKIE ("Polish Kingdom") and the year of mintage. The effect is that of a contemporary German coin translated into Polish. The reverse of the coins represent a translation in another sense: a crowned Polish eagle occupied the entire field, much as the Reichsadler did on German pieces.

In planning the new Polish coinage, German authorities seemed to

be designing a permanent monetary system. The coins themselves, minted from Siemens-Martin iron and coated with zinc dust and quartz sand to retard rust, were similar in quality to their German counterparts. Moreover, more than 50 million coins were minted in 1917 alone, with another 108 million pieces struck in 1918. Clearly this was not a temporary or provisional system.

A good contrast can be drawn between these issues and the German military issues of 1916 struck for circulation in occupied Russia, Poland and the Baltic countries (the so-called "Oberost Coinage"). These pieces carried inscriptions stating they were minted for the area of occupation in the east (GEBIET DES OBERBEFEHLSHABERS OST), while the Polish coins were minted for a

specific national identity, albeit under German tutelage. The Oberost coins, moreover, were denominated in Russian kopecks, emphasizing their provisional nature. The Polish pieces carried a newly created denomination that looked ahead to more permanent standards.

In view of the striking similarities between 1917-18 German and Polish coinage, it is highly likely the Germans planned such issues as the forerunners of a common currency for Central Europe. The Baltic countries also were occupied by Germany in World War I, and, like Poland, were to remain closely aligned in the event of a German victory. In 1918 the Germans set up a bank similar to the Polish State Loan Bank for the Baltic countries. Headquartered in Kaunas, Lithua-



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nia, this bank began to issue mark currency in April 1918. Thus not only Poland, but the whole Baltic region was to be brought into the German currency bloc, again in accord with German war aims.

After World War I ended in 1918, Germany was forced to abandon its newly won domination of Russian Poland and the Baltic countries. In 1919 a truly independent Poland was re-created from the Russian, Austrian and German sectors. The Polish coinage system set up under German occupation, however, remained intact initially. The coins minted in 1917-18 continued to circulate during the first years of the new Polish republic, while the marka remained the unit of account. Like Germany, Poland suffered from rampant inflation in the postwar years. By 1922

rising prices had rendered the coins minted in 1917-18 practically worthless. In 1923 the Polish coinage system was reorganized once again, with a zloty (equal to 100 groszy) as the unit of account.

Money is one of the most valuable tools in the exercise of power. In World War I, Germany was fully aware of this fact. While paying lip service to Polish independence, Germany went forward with plans to secure control of Poland's future. While Germany's defeat in World War I destroyed these elaborate political and economic designs, the coins survive in mute testimony to Germany's dream of *Mitteleuropa*. •

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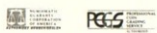
*Paul van Wie received his Ph.D. from the City University of New York in 1989. In addition to teaching at The Wheatley School in Old Westbury, New York, he is a member of the political science department at Hofstra University. A former New York State "Teacher of the Year," Dr. van Wie is interested in political iconography, especially the symbolism and historical context of modern European coinage.*

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