

Germany Inland Postal Rates

July 1, 1923 to December 31, 1923

Inflation - Hyperinflation - Stabilisation

This exhibit chronicles the **14 different postal rate periods** in the 6-month period from July 1, 1923 through the new and stable currency in December 1923. During this 6 months, the basic inland letter rate increased over **3-million fold** from **300 Mk** to **100,000,000,000 Mk**. The materials used to demonstrate the postal rate charges are mainly printed matter, local and inland postcards, local and inland letters, registered letters with some express delivery, airmail, insured mail, business papers, legal documents and Cash on Delivery. Packet are excluded. Large items have been kept to a minimum.

The exhibits is arranged chronologically with boxed descriptive text where the mail type is introduced

More detail is provided for the important philatelic aspects:

The dramatic 20-fold increase in rates 24 August;

The "4-Fold" period 26-31 November;

The "December-Mail" use of inflation stamps.

Mail items of **exceptional** importance have a **red border**.

Mail items of **special** importance have a **blue border**.

Expertised items have an expert mark on reverse *



Inflation of postal rates can be traced back to 1916 when some rates were increased but by 1920 the effects of the War were beginning to be felt and rates steadily began to rise from 10 pfennig to 300 Mark at the beginning of July 1923. The period from August 24, 1923 is considered the **hyperinflation** period.

The effects of the 1914-19 War, unstable political situation, ruined economy and high war reparation demands allied with reliance on the printing press for money as the monetary policy were the factors in the inflationary pressures. The occupation of the industrial Ruhr and the German response triggered hyperinflation which spiralled out of control. Postage stamps were printed in huge numbers with increasing denominations with overprinting being extensively used.

The first attempt at monetary stabilisation was made during February - March 1923 but was only temporarily successful. The second stabilisation required emergency legislation and a new currency in December 1923 and had an immediate effect with the currency and postal rates being stabilised.

There was some degree of consideration given by the postal administration to both postal clerks and the general public when the rates were being adjusted to assist understanding. For inland mail, the printed matter rate was the same as local postcard with local letter rate and inland postcard being 2x; inland letter and registration being 5x and express rate being 2x registration. Thought was also given to the postage stamp availability and use.

For example consider the following:

Rate from	Stamp value	Usage
October 1st	2 million Mk	Inland letter
October 10th	2 million Mk	Local Letter, Inland postcard
October 20th	2 million Mk	Local postcard
November 1st	2 million Mk	Printed matter

The inflation and hyperinflation made the postal rates look terrible but in fact the rates were extremely cheap in international terms. From the table above it can be seen that during 11 of the 14 periods, the inland letter rate was less than 1c US and in 5 rate periods the letter rate was less than 1/10th of US cent.

Data as at First Day of the Postal rate				
Rate start	Exchange Mk/US\$1	Inland-Letter Rate Mk	letters/\$1	Cost US cents
1/07/1923	160,000	300	53	1.89
1/08/1923	1,100,000	1000	1100	0.09
24/08/1923	4,700,000	20,000	2350	0.04
1/09/1923	10,300,000	75,000	137	0.68
20/09/1923	182,000,000	250,000	728	0.14
1/10/1923	242,000,000	2,000,000	121	0.83
10/10/1923	2,975,000,000	5,000,000	595	0.17
20/10/1923	12,000,000,000	10,000,000	1200	0.08
1/11/1923	130,000,000,000	100,000,000	1300	0.07
5/11/1923	420,000,000,000	1,000,000,000	420	0.24
12/11/1923	840,000,000,000	10,000,000,000	84	1.19
20/11/1923	4,200,000,000,000	20,000,000,000	210	0.48
26/11/1923	4,200,000,000,000	80,000,000,000	105	0.95
1/12/1923	4,200,000,000,000	100,000,000,000	42	2.38

References:

- Hyper-Inflation in Germany 1923 Postal History and List of Rates from 1906-1923. Gerhard Binder 2003
- Stopping Hyperinflations Past and Present. Rudiger Dornbusch & Stanley Fischer. Second Congress European Economic Association, Copenhagen, 1987.



Printed Matter Postal Stationery for internal airmail use **20Mk + 25Mk** - Printed matter rate [1/3-23 - 30/6/23] **20Mk**. Airmail Fee for Postcard **25Mk** [Printed matter fee was 50mk] **Berlin-Hamburg** airmail. Berlin Flugpost **30.6.23 3-4pm** Last day of Rate. Held at Berlin, new rate introduced **Sunday July 1st** and forwarded **2.7.23 9-10am** - First Day of business