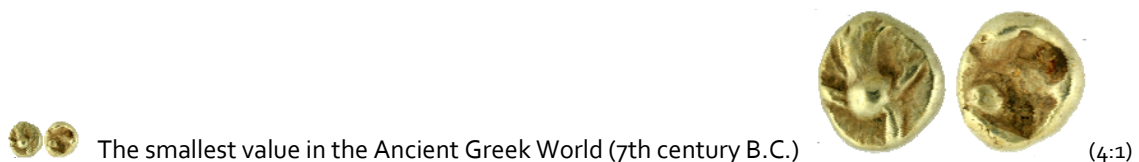


Special exhibit

The big problem with small change

Ever since coins were “invented” in the mid-7th century B.C., the production, handling or even a lack of small coins has been a recurrent problem for those taking an active part in economic life. Compared with high denominations, the production of small coins was (and still is) relatively expensive, handling them in day-to-day payments can cause problems owing to their small size, and a lack of small change can make everyday business transactions much more difficult, making it necessary to find alternative solutions.

The earliest coins were basically nothing more than small precious metal ingots, each of which had a specific weight. The precious metal content was a key criterion in determining the purchasing power of each coin. Since even small quantities of gold and silver had a high value, small denominations had to be very small, which made them impractical in use. It was only later that this problem was solved by the introduction of small denominations in bronze.



In the Middle Ages, monetary transactions were concentrated on the towns and cities. Those living in the countryside are unlikely to have ever handled coins, or did so only rarely. This meant that there was virtually no need for small change. If a value lower than a Pfennig was needed, however, the coin was halved or cut into quarters. This was very easy to do with the very thin “bracteates” which came into use in the German-speaking areas of Europe in the 12th century, where small copper coins were not minted until the 16th century.



For various reasons, occasional shortages in the supply of small coins occurred well into the 20th century. An American travelling in Italy in the 19th century noted, for example, that “The smallest note is for 5f. [equivalent to roughly 3½ Marks in the German currency of the time] and very few small dealers can change it. When they do, the change is made up of pence rolled up in pieces of paper containing a franc’s worth, a few postage stamps, and perhaps a box of matches.” (The New York Times, 15 October 1893).



Substitutes for small change in 19th century Italy

This problem resurfaced in the 1970s and the solution was much the same as it had been in the previous century: small sweets, postage stamps, telephone tokens (*gettone telefonico*) and “mini-cheques” from private banks were used as substitutes for small values of the official currency.



(¾ original size)

... and in the 20th century

In Germany, following the 1948 Currency Reform, coins were to be minted by the *Bank Deutscher Länder* (the precursor of the Deutsche Bundesbank). However, the technological resources for this were not available at the time. As an emergency measure, the bank had substitute 5 und 10 pfennig notes produced by private printing works. By 1950, a sufficient number of coins was in circulation and the small-value notes were withdrawn from circulation in that year.



5 and 10 pfennig notes of the Bank Deutscher Länder (1948)