

## Special exhibit

### Bad money

*"The conclusion is that alteration of coinage must never be permitted, except in cases of dire need or for the good of all money holders. This is also taught by Aristotle in his fifth book of Ethics, in which he discusses coins: Coins should be extremely stable".*

... these were the words of Nicole Oresme in the 14th century in his *De mutatione monetarium: tractatus* (On the Debasement of the Coinage: A Treatise).

Yet reality was often a different, and sobering, story. Since its invention, this new financial instrument, the coin, was manipulated and counterfeited to the benefit of individuals and to the alleged well-being of the State. As long as the metal was the main factor in determining the market value of a coin, people stood to profit handsomely from altering its fineness and weight. One particularly cost-effective method was to produce "bullion coins", which were primarily made up of base metals and merely coated with a thin layer of gold or silver. If this coating happened to crack (see arrow below) or gradually wear away, the true nature of the coin was revealed.



Antique coins primarily made up of copper and coated with precious metal

A particularly popular method of replenishing the government's coffers was to reduce the fineness of the coins, sometimes quite drastically. It goes without saying that this modification was supposed to go unnoticed - well, not at first anyway. The outer appearance of a low-quality value silver/copper alloy could be chemically enhanced, for example; and, for a short while, this could fool the holder into believing that he was in



Ueberrumpelung einer Falschmünzer-Werkstatt in New-York durch Beamte der geheimen Polizei. (S. 319.)

possession of a good quality silver coin. However, the silver coating the surface of the coins tended to wear away very quickly from day-to-day use.



A silver coin and a coin still bearing what is left of the silver coating on the surface

A coin with the silver coating still intact on the surface and coins where the silver coating has worn away

Rulers and cities gladly looked beyond the borders of their territories and kept a firm eye on popular coins in circulation that were minted from precious metals. Then, replicas of those coins began to be struck – usually to a very poor standard of course – in the hope that they could be funnelled into circulation and lucratively passed off as good-quality specimens.



Mediaeval Cologne denarius and replicas from Osnabrück and from east of the Elbe River

Yet, the physical properties of this gold coin made it difficult to cover up attempts to manipulate its value. The reduction of the consistently high-quality Saxon original, which made it very popular, could not be successfully reproduced by the Prussians from 6 to 2 grams of gold: it was simply impossible to conceal the large amount of red copper with the scant amount of gold.



A Prussian replica of the Saxon August d'or alongside a genuine Saxon gold coin (right)

To revisit Nicole Oresme: *“Such alterations greatly undermine the authority of, and reverence for, the law ...”*

*Illustrations of 19th century counterfeit workshops*



*Offen der Werkstatt durch die Berliner Kriminalpolizei. Nach einer Skizze von G. Holzang gezeichnet von Adolf Wald. (Zur Erzählung „Schloßhaupt“.)*



*Ueberrichte Goldmünzwerkende. Originalzeichnung von Adolf Wald. (Zur Erzählung „Schloßhaupt“.)*