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## CONTENTS



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ROYAL NUMISMATIC SOCIETY

OF NEW ZEALAND INCORPORATED

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Editor: P. P. O'SHEA, F.R.N.S.

**Vol. 12 — No. 6 (48)** **June, 1970**

# AN OUTLINE HISTORY OF MONEY AND BANKING IN NEW ZEALAND

*The following are extracts from a paper presented by Mr. H. J. Lorimer, Deputy Secretary of the Reserve Bank, at a seminar on "Aspects of New Zealand Economic History" at Victoria University of Wellington. In general it covers the period up to the establishment of the Reserve Bank in 1934. The views expressed are the author's and not necessarily those of the Reserve Bank.*

*Also presented to the 310th General Meeting of the Society on 26 August, 1968.*

The history of money and banking in New Zealand has some unique aspects, and others which were possibly paralleled only in Australia. It will be possible to take only a brief look at the subject, and for this reason the treatment is deliberately almost non-statistical.

Before considering the situation prior to formal settlement of the country, we must first define money. There are several definitions according to the purpose, but in general in this paper it is defined as coin and notes since, particularly in the early decades of European history in New Zealand, great use was not apparently made of cheques. But it is important to distinguish between trade using a medium of exchange such as coin or notes which are not desired for themselves but are used simply to facilitate exchange, and barter, in which goods which are wanted for their intrinsic use or beauty are exchanged. Barter played an extensive part in early trade and even in Government land purchases.

## Maori-Pakeha Barter

The first barter probably took place between Captain Cook and his men and the Maoris, such items as nails, trinkets, and beads being given in exchange for food. De Surville in 1769 exchanged calico and shirts for fish, but barter began seriously with the advent of the sealers and whalers from about 1790 onwards. Since the Maori had no indigenous metals, spike nails and hatchets were greatly in demand, as were muskets and blankets. Seal skins, flax, pork and kumara were mainly given in return, but greenstone artifacts soon became common items of barter. Some of the largest deals were for flax and ships' spars. Much land was also obtained by barter, Baron de Thierry, for example, trading 36 axes for 40,000 acres at Hokianga, though his claim was later reduced to 1,000 acres. Missionaries also entered into this trade, 26 of them thus acquiring 185,000 acres between 1832 and 1840. Until officially prohibited in British communities in 1832, dried tattooed Maori heads were commonly used as a trade commodity. The demand was so great apparently that we find here what was probably the first example of counterfeiting in New Zealand — some heads were tattooed after death and it was reported that "tattooing in such circumstances tended to disappear after a while and the heads became valueless".

Coins were accepted by Maoris from the earliest days of contact with the Pakeha, but they were generally kept as trinkets and not used as money. However, by 1835 the Maoris were beginning to prefer money and the beach traders and missionaries became pseudo-bankers to the Maoris.

Captain Hobson bought land for barter goods and "dollars", and because of the shortage of money many other Government land deals were still being paid for, at least in part, with goods some years after establishment of the Crown Colony.

To close this cursory look at Maori-Pakeha trade relationships tobacco must be mentioned. It has been claimed that tobacco was used as money in this period. This is not strictly true — it was a product with a definite end-use, and while on occasions some figs (blocks) may have changed hands several times before use, it can really be regarded only as an item of barter.

## Early Coin Circulating in New Zealand

From the earliest days, the Australian colonies exercised a dominant influence on the growing trading operations in New Zealand, and our early currency history must be traced through that of the one-time parent colony, New South Wales. There is doubt whether the New South Wales Coinage Proclamations of 1800 and 1825 applied to New Zealand, but there can be no doubt that the coinage position in New Zealand, since much of the small amount of coinage circulating in New Zealand up to about 1845 came from New South Wales. Some was, of course, brought in by the New Zealand Company and the early settlers.

Because of the extreme shortage of British coin in New South Wales (in 1817 the Bank of New South Wales could list only three English shillings and six Bank of England dollars in its coin-holdings, which totalled, in sterling values, almost £800), steps were taken in the Proclamations mentioned above to establish sterling values for the Portuguese, Dutch, Indian and Spanish coins which made up the bulk of the currency circulating. The shortage of British coin was world-wide, so that even though most traders, whalers, and sealers who came to New Zealand were from Australia and would thus bring mainly foreign coins, those who came from other countries also brought foreign coins which were most acceptable because of the shortage of any circulating medium. Unfortunately these coins tended to disappear, either being kept by Maoris as trinkets, or exported in payment for goods — even at this stage New Zealand had chronic balance of payments problems. The silver content of some English coins circulating made it profitable to melt them down, thus causing a further shortage of coin. This still happens — United States of America and Australia have recently experienced the same problem.

It is interesting to speculate whether any Australian or English bank-notes circulated in New Zealand in this early period. Some whalers issued their own notes, as did some Australian traders (mainly in small denominations) until forbidden in 1848, and it seems that these circulated in New Zealand; it is probable, therefore, that notes of Australian and other banks were also in use here at the same time.

**The Crown Colony Period, 1840 Onwards**

Some evidence of the types and values of coins circulating in New Zealand from 1840 to 1850 is found in the "Blue Book Returns Relating to New Zealand", which were statistical returns from the Governor to the Secretary of State for the Colonies. From these it can be seen that it was not until 1850 that these foreign coins, or "coins of necessity" as they are sometimes called, finally disappeared from circulation, and were replaced by English coin. Although the Hobson Proclamation of 1840 extended to New Zealand the laws of New South Wales and England as far as they were applicable to the circumstances of the Colony, there is considerable obscurity as to how far these laws *did* apply. The fact that non-British coins circulated in this country (at values related to sterling as shown in the "Blue Books") for a decade after the Proclamation, suggests that successive Governors could not apply the blanket provisions of the English law to coinage, because of the shortage of British coins. The shortage apparently persisted until 1881 when, for the first time, in regulations issued in London for the "Supply of British Silver and Bronze Coinage to the Colonies" an indication was given that ample supplies of British coins were available.

New Zealand's first banks opened in 1840. The Union Bank of Australia opened at Britannia (now Petone) early in 1840 in conjunction with the New Zealand Company, and a purely local bank, the New Zealand Banking Company, opened at Kororareka six months later. This latter bank subsequently received capital from Australia and Scotland. Thus the two banks were at opposite ends of the North Island, and communication between them was usually by way of Sydney. The Union Bank continued in New Zealand until 1951 when it merged with the Bank of Australasia to form the Australia and New Zealand Bank Limited, but the New Zealand Banking Company closed in 1845. While these two banks undoubtedly helped to ease the shortage of money, the banking and currency arrangements they provided were quite inadequate to meet the full needs of the Colonists, doing little to counter the drain of coin and notes in payment for imports.

The first Governors of New Zealand from 1840 to 1852, i.e. the Crown Colony period, were administrative Governors charged with the establishment of British institutions in a virtually virgin country, inhabited in 1840, except for a few traders and whalers and sealers, mainly by Maoris. These Governors were instructed to rely on the proceeds of land sales, customs duties and other local revenues for funds; the only continuing grants made were for a few official salaries. Uncertainty as to land titles restricted the inflow of capital, and the balance of payments deficit (imports in 1841 and 1842 were valued at eight times as much as exports of wood, flax, potatoes, whole oil, etc.) drained the country of cash, making it difficult for the Governor to collect revenue. In 1842 Hobson wrote to the Secretary of State for the Colonies indicating the shortage of money, and saying that he proposed to use reserves in the land fund for civil establishments and other purposes, and that he proposed to draw bills on the British Treasury. He then drew five bills of £5,000 each. In reply the Secretary of State warned that New Zealand must live within its income, and that he had honoured the bills only because of the difficulties attendant upon dishonouring them. Lieut. Shortland, who assumed office as Administrator on Hobson's death, faced similar problems, and after some of his bills had not been accepted in Sydney even at a discount of 15 percent, he found that the British Government dishonoured bills drawn on it.

## Fitzroy Debentures

When Fitzroy became Governor in March 1843, he was placed in a hopeless situation, with total assets of £2,800, and a deficiency (including bills drawn on Sydney) of £24,000. He could not pay salaries, and with the advice of the Executive Council drew bills in anticipation of the following year's grant of about £13,000. However, he could not negotiate them in Auckland at a satisfactory rate, the New Zealand Banking Company being prepared to lend on them only £2,000 at 12½ to 15 percent. In the circumstances he withdrew them and issued promissory notes or debentures.

In April 1843, the British Government had authorised the issue of debentures to the value of £15,000 to replace the bills acceptance of which had been refused, but Fitzroy chose to regard this as a blanket authority, and began to pay Government debts by the issue of debentures. This action was regarded with considerable public misgiving, but the Governor's plight was well-nigh desperate and he continued to issue debentures, called "Government rags" at the time. They soon went to a discount and caused a financial panic which resulted in a run on the New Zealand Banking Company's Office in Auckland, where holders of its notes demanded coin for them. The situation was acute, and in May 1844, a proclamation declaring the debentures legal tender was issued. This action alleviated the pressure on the Bank, but did not prevent the disappearance from circulation of most gold coins, nor did it make the debentures more aceptable to merchants.

Having embarked on this course of issuing inconvertible notes, the Governor found it difficult to stop, and issued them for 10/- and 5/-, and possibly for 2/-, though this is not proved since no examples are known to exist. Dr. Bedford claims that they were issued, but it is significant that the list of debentures shown as outstanding in the Debentures Security Ordinance 1847, does not include any debentures for a value of less than 5/-. A debenture for 5/- is held in the Auckland Museum, and the extraordinary thing is that it was signed by the Governor, the Colonial Secretary and the Colonial Treasurer — this conjures up a picture of these three worthy gentlemen solemnly sitting down for a good period each day to sign debentures!

From the debate in the Legislative Council on the Ordinance authorising the issue of debentures and making them legal tender, it is clear that the Colony was in immediate need of a circulating medium of an undoubted character. The notes issued by the Union Bank and the New Zealand Banking Company were quite inadequate for the commercial needs of the Colony. Although the real reason for turning Government debentures into money was the embarrassment of the Government, the need for an increased circulating medium could hardly be denied. Incidentally, landscrip which was issued by all the Governors from 1840 to 1850 for the purchase of land from the Maoris also circulated at this time as currency. As late as 1856 £100,000 of this scrip was still afloat.

Unfortunately the Ordinance making debentures legal tender was disallowed by the Imperial Government. In authorising the issue of debentures to postpone the payment of known debt of £15,000 it never entered the mind of the British Colonial Secretary to sanction a policy of creating debentures as a medium of exchange. Fitzroy was instructed to withdraw the debentures circulating and replace them with new ones for £50, but he issued the new debentures without recalling the existing issues, much to the alarm of commercial sales. According to the *New Zealand Spectator* the debentures had driven coin and bank notes practically out of circulation, and the currency of Auckland consisted entirely of debentures. By the end of 1845 the debentures had fallen to a discount of 20 percent.

At this time there was an almost unanimous demand for Fitzroy's recall, not only because of his monetary expedients, but also because of his maladministration in other aspects of Government. In particular, he had fallen foul of the New Zealand Company through disallowing their claims for certain lands, and it appears that the Company was at least partly responsible for his recall and replacement by Governor Grey.

Something can, however, be said in Fitzroy's favour. His appointment was most unfortunate in that he was quite unfitted for the task imposed on him, and it is hard to see a legitimate course open to him to solve his monetary problems. The repudiation by the Imperial Government of the legal tender debentures greatly accentuated their depreciation, and while it could well have been calamatous to have allowed a continuation of their issue, activities of the Government would certainly have come to a standstill if they had not been available.

In retrospect, it appears that New Zealand was too early separated from New South Wales where the administrators at least understood the problems of the New Zealand colonists better than the London officials 12,000 miles away. The latter showed a complete unawareness of the needs of the new colony, and must take at least some of the blame for the state of affairs under Fitzroy because of their refusal to supply sufficient funds. In a despatch acompanying his debenture ordinance to England Fitzroy said, "I ought to add that the issue of debentures as a paper currency (however contrary to my instructions) and making them legal tender, has saved the Colony generally much misery" — he was thus aware of the illegality of his actions, but who could blame him for taking them in the circumstances?

**Traders' Currency**

The shortage of coin at the time of the issue of Fitzroy debentures caused the issue of Traders' Currency Notes. These were in small denominations from 1d. to 2/6, but generally for amounts of 6d. and 1/-. They were redeemable in Fitzroy debentures or cash, or in exchange for the issuer's products. Two interesting ones read as follows:

> "On presentation of twenty of these notes, I promise to pay the bearer the sum of five shillings in Government debentures, or take them out in exchange for mangling done here most perfectly. C. H. Squibb."

> "On presentation of ten of these notes, I promise to pay the bearer the sum of five shillings in Government debentures, or the worth in my celebrated Antipodean Ginger Beer, well up, but like Governor Fitzroy's head, rather weak."

Issuers in Wellington in addition to the two already mentioned were Barrett's Tap Hotel, and the Wellington Debenture Association. Issues seem to have ceased in 1845, probably because the need for them had passed, and under the Paper Currency Ordinance 1847 they became illegal.

These notes, and apparently the Fitzroy debentures, were sometimes referred to as "shinplasters", a term received from America via Australia. It is thought to have derived from the custom of American post-boys and outriders of keeping paper money in the tops of their boots against the shin, to pay toll fees.

## Governor Grey

Before coming to New Zealand in 1845 Governor Grey had been Governor of South Australia, where he had restored the unsound finances. He brought with him £6,000 borrowed from South Australia, and as a result of cumulative complaints from New Zealand Company settlers in the South and from newcomers in Auckland about the shortage of money, a grant of £15,000 was made from England. Two further shipments of coin also arrived as a result of earlier appeals by Fitzroy, and all this made Grey's task rather easier. There were Maori uprisings at this time, but an appropriation of £200,000 from England for military purposes (compared with £20,000 in Fitzroy's time), helped to inject some buoyancy into the economy. In the Debentures Security Ordinance 1847, provision was made for the repayment of the £30,371 of Fitzroy debentures still outstanding at that date. Payment was to be made out of the general revenue of the Colony, or by conversion to longer-term debentures, and this action indicates how much the Government's finances had improved as a result of the grants which Grey had insisted be made by the Imperial Government.

## Colonial Bank of Issue

Between 1845 when the New Zealand Banking Company closed and 1848 when the Auckland Savings Bank was formed and the Union Bank opened a branch there, there do not appear to have been any banking facilities in Auckland, the seat of Government, but the Union Bakn continued to operate in Wellington and in Nelson until 1848, with little impact on other communities. Against this background Grey took a major step in the banking field. Following a series of despatches between the Secretary of State for the Colonies (Lord Grey) and Governor Grey, an "Ordinance to authorise the establishment of a Colonial Bank of Issue by the Government of New Zealand, to make an issue of paper currency, and to prohibit the making and issuing of paper money by private individuals", was introduced.

This was known briefly as the *Paper Currency Ordinance 1847,* and has considerable significance in the history of banking. Apart from its obvious purposes, it for the first time in New Zealand defined a bank-note. It has been claimed that the *Union Bank of Australia Ordinance 1844* did this* when it said that ". . . all promissory notes issued by the said Company payable to the bearer *at sight or on demand,* shall bear date at the place at which they are issued, and shall be paid and payable there in sterling or other legal tender of the Colony". This certainly meant that the Union Bank was to pay its notes at the place of issue (the first Union Bank New Zealand notes had been payable at Sydney, Hobart Town, Launceston or London), but the Union Bank Ordinance did not specify that they were to be payable only on demand — "at sight" means so many days, weeks, etc., as specified, *after* sight. The Paper Currency Ordinance said "it shall not be lawful for any banker . . . to draw, accept, make,

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* See the paper by E. C. Price in the bibliography.

or issue in New Zealand any bill, or note or engagement, for the payment of money *on demand*", which is still the distinguishing feature of a bank-note. The aim was to prevent the issue of bank notes other than by the Colonial Bank of Issue. The definition of a banker in the Paper Currency Ordinance was very wide and included anybody who issued notes; it thus covered the issues of traders' small denomination paper currency mentioned earlier, but it did not prevent the issue later of larger denomination notes by traders, which were not on demand.

At Lord Grey's insistence, and Governor Grey's inclination, the Colonial Bank of Issue's functions were based on the English Bank Charter Act 1844, which followed the "currency" principle. According to this principle, paper money should not be used to enlarge the currency, but only as a substitute for coin. The "banking" principle on the other hand, said that the volume of the note issue was not as important as the volume of bank deposits. The currency principle is still paid lip service to in England where the Bank of England must have Treasury authority to increase the fiduciary issue—i.e. the amount of note issue beyond the value of its gold holdings — and the first Reserve Bank of New Zealand Act (1933) required that certain overseas reserves were to be held against the note issue.

There is no doubt that there was a need for an adequate issue of acceptable bank notes. The Union Bank was the only bank in the Colony, and in spite of the Union Bank Ordinance 1844 it consistently refused to give specie for its notes, and transferred money only for a price. In addition, it was unpopular because it was accused of exploiting the colonists to make a profit for its shareholders overseas, and because its charges were excessive. No doubt at least some of the accusations were true, and it is certain that its note issue was insufficient, particularly considering the shortage of coin at the time, and by this time it was limiting its activities largely to foreign exchange transactions.

The Colonial Bank of Issue was a State Bank, limited in its activities to issuing bank notes in denominations of £1 or multiples of a pound, which were issued only in exchange for coin, and were redeemable in coin on demand. In these circumstances its sole function was to replace heavy coin with a more portable form of currency; it could not increase the money supply. It did not lend money; a quarter, and later a third, of the coin received for its notes was to be kept as a cash reserve, and the balance placed in investments realisable on three months' notice. In fact, all such funds were invested in English Consols. The Union Bank was allowed to continue its note issue until October 1852, but all other note issues were forbidden, since Lord Grey considered that the two banking functions of issuing notes on the one hand, and the taking of deposits and making loans on the other, were quite separate functions. Today this view is acceptable, but it was not in the middle of the 19th Century. The cheque system hardly existed here and there was a shortage of coin, so virtually the only things a bank could lend were its notes. The Union Bank kept going, but it was touch and go whether it closed or not. To encourage banks to open, the

Government passed in 1851 "An Ordinance to Authorise the Governor in Chief to Grant Charters of Incorporation to Banking Companies", but since there were no provisions for note issues, it is not surprising that none were formed. Efforts were made to establish the Otago Banking Company in 1851, and notes were even printed, but when the right of note issue was refused, the proposal was not proceeded with.

Although the Paper Currency Ordinance was passed in 1847 (and received the Royal Assent in 1848) the Colonial Bank of Issue did not open until 1850, when its only offices were established in Wellington and Auckland. It was never a popular institution — following Fitzroy's debentures the people had doubts about Government notes; it prevented the formation of other banks; it was based on an economic theory rather than a recognition of the practical monetary problems of the Colony; and above all, by its very nature it could not increase the money supply.

Agitation for its abolition began seriously in 1852 when New Zealand obtained representative Government, and in 1854 a Committee of the first Parliament inquired into its operations and found that it had not attained is objectives. As a result of this finding, and public dissatisfaction, the Bank was wound up in July 1856, by the *Colonial Bank of Issue Winding-up Act,* thus closing a most interesting episode in New Zealand's economic history. The *Bank Paper Currency Act 1856,* which was passed at the same time, authorised the issue of notes by banks incorporated by Royal Charter, and by the Union Bank. The Colonial Bank of Issue notes were called in.

To summarise briefly on the Colonial Bank of Issue:

1. It was rightly introduced at a time when the only trading bank had fallen down on the job by restricting instead of expanding its note issue.

2. It was founded on a wrong philosophy for the needs of the times; the growth of money was restricted because of the refusal to recognise any form of wealth or security other than coin.

3. It was unpopular with the public on two further grounds. Firstly it invested its surplus funds in England (Governor Grey had wanted to invest them in New Zealand, but Lord Grey insisted that they be put in English Consols) at 3 percent while the Colony was borrowing at up to 10 percent; and secondly it effectively prevented the expansion of other banking facilities such as loans, deposit-taking, dealings in foreign exchange, etc., throughout the country.

**Traders' Notes**

The steady and increasing shortage of money relative to the Colony's needs in the days of the Colonial Bank of Issue was overcome to a certain extent by several trading companies which issued their own notes for £1, £5 and £10. These looked like trading bank notes and in fact circulated as such for varying periods between 1848 and generally 1857, but in at least one case to 1862. The companies concerned were Morrison and Sclanders, Nelson (from the date of closing of the Nelson Branch of the Union Bank); James Macandrew and Company, Dunedin; John Jones, Dunedin and Waikouaiti (a whaler and merchant); Dalgety Rattray and Company, Oamaru, and Captain G. E. Read, Gisborne. It will be noted that all these companies were in areas not served adequately by the Colonial Bank of Issue, and in the case of Dalgety, Rattray and Company of Oamaru, which issued notes between 1860 and 1862, in an area where no trading bank had opened a branch. Much time could be spent discussing these notes, but they have been well covered in the papers by Eric Price and R. P. Hargreaves listed in the Bibliography. Only two points need to be made here:

1. The notes were the product of the inadequacy of the Colonial Bank of Issue, and issues quickly stopped when trading banks were again able to issue notes. While issued, they enabled the commerce of the country to develop.

2. The legal position. All these notes were issued at sight, i.e. three days or more after the date of issue, and not on demand. They were therefore technically not bank notes as defined in the Paper Currency Ordinance — the Union Bank Ordinance had no application here. There were English laws which might have applied, but as in the case of coinage laws of England, their application was at least in doubt, and the ability or desire of the Government to enforce them even more so. To have forbidden these issues would have hampered commerce already labouring under great difficulties.

**New Trading Banks**

The Bank Charters Ordinance 1851 (see above) did not give the Governor power to grant rights of note issue to trading banks, so before any further banks could be established, it had to be repealed or amended, or each Bank provided with a separate Act. This latter course was followed, and all the banks which opened subsequently had their own Acts. (The Union Bank operated under the authority of the 1844 Ordinance until 1882, when it was replaced by the Union Bank of Australia (Limited) Act). These Acts were almost identical in wording, and closely followed, apart from the note issue provisions, the Bank Charters Ordinance. The currency principle was still dominant, with restrictions on the note issue, but unfortunately, as subsequently became clear, no limits to the banks' powers to make loans.

The following are the banks which opened after the abolition of the Colonial Bank of Issue. The Union Bank continued its operations, and resumed the issuing of notes.

*Oriental Bank Corporation, 1857-1861*

When it ceased operations in New Zealand its assets were taken over by the Bank of New South Wales. This bank, which began operations in 1851, failed in 1884, and was replaced by the New Oriental Bank Corporation which took over its assets, and which in turn was liquidated in 1893. Branches were opened during its history in Australia, Africa, India, Ceylon, Hong Kong, Mauritius and the Malay Peninsula, as well as New Zealand.

*Bank of Aotearoa, about 1860*

This bank was formed by the Maori King Tawhiao, whose portrait appeared on the Uniform Issue of notes of the Bank of New Zealand, the first issue of Reserve Bank of New Zealand notes, and as the watermark in the second issue. Its history is clouded in mystery.

*Bank of New South Wales*

Incorporated in New South Wales in 1817 and began business in New Zealand in 1861.

*Bank of New Zealand, 1861*

*New Zealand Banking Corporation*

See Comercial Bank of New Zealand Limited.

*Commercial Bank of New Zealand Limited, 1864-66*

The early history of this bank is unclear in that several writers have claimed that a company called the New Zealand Banking Corporation was formed in 1863 and was refused the right of note issue. However, the Commercial Bank of New Zealand Act 1864 shows that the New Zealand Banking Corporation (Limited) was established in London in 1864, and to enable it to carry on business in New Zealand and to issue notes, it was incorporated in New Zealand as "The Commercial Bank of New Zealand (Limited)". Its principal banking establishment was at Dunedin, and an example of its £1 notes is held in the Early Settlers Museum in Dunedin.

*Bank of Otago, 1863-74*

This bank was taken over by the National Bank of New Zealand.

*Bank of Auckland, 1864-67*

Not much is known about this bank, but in its short career it did have two separate note issues, the first lithographed in New Zealand, and the other printed overseas.

*Bank of Australasia*

Established in London under Royal Charter, this bank opened for business in Australia in 1835. It began operations in New Zealand in 1864. Subsequently it amalgamated with the Union Bank to form the Australia and New Zealand Bank Limited.

*National Bank of New Zealand Limited*

This bank was incorporated in London in 1872 and it opened for business in New Zealand in 1873.

There were proposals about 1893 for an amalgamation with the Bank of New Zealand, but the merger did not eventuate.

*Colonial Bank of New Zealand, 1874-95*

Absorbed by the Bank of New Zealand.

*Commercial Bank of Australia Limited*

Incorported in Australia in 1866, and began operations in New Zealand in 1912.

*Australia and New Zealand Bank Limited*

Formed by the merger of the Bank of Australasia and the Union Bank of Australia Limited in 1951.

**Tradesmen's Tokens**

In 1857 the shortage of coin still persisted, particularly of copper coin. To save having to give change in matches or other low priced items, tradesmen, mainly retailers, following the example of Australian merchants, issued copper or bronze pennies and half-pennies. They became readily acceptable, partly because they resembled standard coins and because of the shortage of such coins. Between 1857 and 1881 forty-eight traders issued tokens in about 150 varieties, and in places as widely separated as Auckland and Invercargill. Apart from their convenience, traders found that they were profitable because of the seignorage — the difference between minting costs and face value — and because of their advertising value. They were not legal, but the authorities made no attempt to prevent their issue since they were supplying a real need. Some were beautiful coins with scenes of New Zealand, Maori heads, etc., while others simply carried their issuers' names and products. Some are now quite valuable.

In 1879 the Royal Mint struck about 20 examples of the New Zealand Pattern Penny, but this coin was never issued, and they are now worth about $2,000 each.

Issues of tokens ceased about 1881 when more adequate supplies of official coin became available, but they were not officially decried until 1897 when the Imperial Coinage Act 1870 became effective in New Zealand. Companies which are still trading and which issued tokens are Kirkcaldie and Stains, Wellington, and Beath and Company, Mason Struthers and Company and E. Reece and Company, all of Christchurch.

From this period until 1933 when the first purely New Zealand coins were issued, the matter of coinage ceases to hold much interest to the economic historian.

## Savings Banks

The Post Office Savings Bank was not opened until 1867, but before this the trustee savings bank movement had spread throughout the country. The first bank opened in Wellington in 1846, followed by Auckland in 1848. By 1870 nine trustee savings banks were in existence. By the turn of the century, however, four (in Lyttelton, Wellington, Napier and Nelson) had closed, leaving banks in Auckland, New Plymouth, Dunedin, Invercargill and Hokitika. These remained the only trustee banks until 1957 when the Trustee Savings Bank Act was amended to allow the formation of new banks by Order in Council. By 1964 all areas of the country had access to trustee banks.

## Trading Banks, 1857-1890

The great increase in the number of banks in New Zealand in the 1860's was occasioned very largely by the gold discoveries in Otago and the West Coast of the South Island. Banks were the sole buyers of gold and this had an immediate expansionary effect on their operations. Much gold was sent to Australia for minting into sovereigns and half sovereigns, which were put into circulation in New Zealand. Further, the holding of unminted gold in their vaults enabled the banks to extend their note issues legally, with an immediate impact on commercial activity. In fact, throughout the 1860's the banks' major activity seems to have been the buying and selling of gold, though their other activities also expanded to meet the needs of the growing population.

In the 1870's there was a dramatic change — the most difficult period in New Zealand's banking history begins in this year, and ends with the banking crisis of 1893-96. As Professor Bedford said of this period: "The banks greatly extended their credit beyond their immediately available resources. Their management betrayed many cases of utter recklessness. The commonly acknowledged checks were disregarded. The banks became largely land mortgage companies, advancing with the utmost liberality on fixed securities as though the need for liquid assets in banking had passed away." When the Oriental Bank Corporation opened, it introduced from Scotland the overdraft system of lending, and the Union Bank had perforce to follow suit. The effect was to increase greatly the use of cheques instead of notes and coin, thus making the banks' note issues considerably less important in trade than in earlier years. The one legislative check on their activities therefore almost ceased to function, and the banks' reluctance to issue notes was increased by the introduction in 1882 of a tax of 2 percent on notes in circulation. This was increased to 3 percent in 1903 and to 4½ percent in 1930. Until the 1870's the banks had been often accused of niggardliness in their lending policies, particularly to the farming sector.

The boom which caused the upsurge in demand for bank advances started with the public works and immigration policies initiated by Sir Julius Vogel in 1870. Prices were stimulated and producers were prepared to pay inflated prices for land, and high rates of interest. The banks were tempted by the prospect of easy profits, ignoring the fact that if prices fell the value of the land taken as security could collapse — as it did subsequently. A further factor influencing the banks was competition from the extensive operations of the loan companies, or as they are now known, stock and station agents. The functions of these companies and the banks should have been complementary, the banks making short-term loans for which they are best suited, and the loan companies making longer-term loans. But the banks which up until this period had been almost the only source of loan finance in the country, regarded the loan companies as competitors, and ventured into fields in which they were inexperienced. Conversely the loan companies entered into the field of taking deposits. A bank takes deposits on demand, and a good proportion of its assets should be liquid or easily converted into cash. With the competition from the loan companies for deposits, the banks started paying higher interest rates to attract deposits, and they had then to find a profitable use for these deposits, and the obvious place was in loans on the security of land because of the high interest rates to be earned on them. The banks then had mainly short-term liabilities with a very high proportion of long-term assets.

In the depression of the 1880's, the banks had great difficulty in reducing their commitments; not only was this impossible in the case of many of their own loans to farmers whose incomes had fallen drastically (many could not even pay interest), but they also had to prop up the loan companies, which eventually led to their having to take over some of the assets of the companies. Profits also fell markedly and losses occurred in some cases. The banks' ability to supply funds to new or existing borrowers was therefore strictly limited, though advances continued to rise for some years. Sinclair and Mandle described the situation thus:

"Throughout these mixed years [the banks] had endeavoured to support the New Zealand economy. Faced with chronically low prices, and a steady spreading of depression, they were forced, often in their own interests, to support customers who had fallen on hard times. When 'nursing' failed, securities (whether land, mills or town properties) had frequently to be taken over to be run by managers or rented to tenants. The burden of this support, mainly of pastoralists, increased advance figures well above the level of the seventies, but . . . the money was being used for a stabilising, not a dynamic purpose . . . Not until 1888 was there a direct cut in advances . . . The banks' credit policy in the first half of the 1880's has been criticised but the criticism centres on the quantity of credit, which does not seem justified. They . . . can be criticised for charging interest rates that were clearly too high [but] the difficulty was that, burdened with failing or struggling customers, the banks could not afford to undertake risky lending, or ask anything other than the highest returns on the money they lent."

Such a development had not been foreseen, and was beyond the banks' control, but it is evident, in hindsight, that it inevitably resulted from the banks' faulty lending policies in the 1870's emphasised by the depression which followed. By 1893 when there was a banking crisis in Australia and a lack of confidence, in Britain, in the future of Australia and New Zealand, the New Zealand banks were denuded of cash — the Australian banks had to send all spare cash to Australia to support their head offices there, while the Bank of New Zealand and the Australian banks had large withdrawals by British depositors. Thus the banks in New Zealand lost liquid resources from two quarters at the same time. Much criticism was aimed at the Australian banks for transferring cash to Australia at a time when it was greatly needed in New Zealand, but the alternative might have been the failure of the Union Bank, the Bank of Australasia and the Bank of New South Wales, which could well have proved disastrous for New Zealand as well as Australia.

The Banking Crisis of 1893-96 affected particularly the Bank of New Zealand. Its failure could have caused a financial crisis because of its size, and it was saved with Government assistance, which involved the Government in becoming a shareholder. In 1895 the Colonial Bank of New Zealand, which was also in trouble, was taken over, but it appears that this was at least as much in the interest of the Bank of New Zealand as to the benefit of the Colonial Bank shareholders. The troubles of the Bank of New Zealand, its rehabilitation, and its purchase of the Colonial Bank of New Zealand, are well covered in the Reports of the Banking Committees of the House of Representatives and the Legislative Council 1896 (Appendix 16 and L.C. Paper No. 2).

**Bank Note Issue Act 1893**

One of the legislative measures introduced at the time of the banking crisis was the Bank Note Issue Act 1893. While aimed specifically at the Bank of New Zealand, it nevertheless applied to the other banks, which were all to some extent facing problems of liquidity — all had been borrowing short and lending long, counter to all the accepted tenets of banking. The first part of the Act made each bank's notes a first charge on its assets and the second, temporary, part gave the Governor power to declare the notes of any or all of the banks legel tender for a period of up to twelve months. This meant that the notes had to be accepted in payment of debts and apparently relieved the banks from paying out gold or other coin in exchange for their notes. The power was not used in 1893 and the Act was extended in 1894 and 1895. In August 1895, the notes of the Bank of New Zealand were proclaimed legal tender for a year, and since the proclamation was not renewed, the second part of the Act and the Proclamation both lapsed. To carry this aspect through, in 1914 the Banking Amendment Act again gave power to make similar proclamations, and banned the export of gold. No period was fixed for proclamations. In August 1914, the first proclamation was made, declaring notes of all banks legal tender for one month. This was periodically renewed, first for one month at a time, then three months, six months, one year, and five years, the last one to end in January 1935. However, since the Reserve Bank Act 1933 provided for the Reserve Bank to be the sole note issuing authority as from 1st August 1934, the Banks lost the right of note issue. The relevant Sections of their Acts were repealed by the Banking Amendment Act 1935. The 1933 Act also declared, without the need for proclamations, that Reserve Bank notes were to be legal tender.

After the Banking Crisis there was relative stability, and as Simkin said "the banks behaved much more sensibly after 1895, but their over-emphatic reduction in credit had more to do with the recession of 1908-10 than the fall in exports which had provoked it". There were no major movements during the First World War. Bank advances and the note issue rose slowly, but not as fast as deposits. In 1916 the Banks were authorised to issue notes for 10/- for the first time, and the Bank of Australasia, the Bank of New Zealand and the National Bank of New Zealand had notes for 5/- printed in 1919 or 1920, but since there was no authority for their issue, they were never placed in circulation; and in any case, the shortage of silver coin they were intended to relieve was overcome before the notes were ready. In the 1920's the Banks continued to expand steadily and attempts were made to found new ones. For example, an act to establish the London and New Zealand Bank was passed in 1928, but apparently the requisite capital could not be raised and the proposal lapsed. The 1920's have been described by Chappell as the golden era for banking. From 1919 to 1921 there was a boom followed by a downturn and a recovery in 1925. From 1926 to 1928 prices fell a little again but in 1929 a minor boom took place again, to be followed by the great Depression. In some ways this period was similar to the 1870's. The demand for land was high as a result of efforts to establish returned soldiers on the land, and there was great competition for deposits from the Stock and Station Agencies and the Post Office Savings Bank. To maintain fixed deposits the banks had to pay high rates, and this was in return reflected in overdraft rates being higher than was thought reasonable. The demand for credit generally remained high, but the banks, no doubt having learnt their lesson in the 1870's resisted the temptation to lend on the security of land, particularly at the inflated prices ruling. As a result the advance position did not get out of control, and did not accentuate the effects of the depression soon to follow.

The Banks have been prime targets for criticism throughout the history of New Zealand. In the early days they were too niggardly, and in the 1870's they fed an already strong boom. In respect of the depression from 1929 to 1934 it is commonly claimed that they "demanded the return of their umbrellas when it started to rain", but this is not shown in the statistics of banking. In 1929 advances totalled £49 million; they rose to £54 million in 1930 and then fell steadily to reach £41 million in 1934. On the face of it this is a large reduction, but if we look at the other side of the picture we find that deposits started at £65 million in 1929, fell to £61 million in 1932 and then rose to £69 million in 1934. What happened was that as prices recovered, debt to the banks was paid off (the trade surplus which was only £4 million in 1930 rose to £19 million in 1934), thus reducing advances, and there was insufficient demand to increase them — the banks were highly liquid and were actually looking to lend more, but lack of confidence in the business community prevented customers from borrowing for development purposes. H. Belshaw and F. B. Stephens, writing in the *Economic Record* for May 1932, stated that the facilities offered to farmers by banks and stock and station agents were adequate for their needs. There were some would-be borrowers who were turned down by the Banks as uncreditworthy in the circumstances, but on the other hand the banks carried many borrowers until times improved.

From 1929 the banks gradually altered the exchange rate with Britain until in January 1931 it reached NZ£110 per £100 sterling. In January 1933 the Government persuaded the Banks, apparently against their better judgment, to raise the rate to £125, at which level it remained until 1948. The Banks were given protection by the Banks Indemnity (Exchange) Act 1933, which guaranteed them against losses due to changes in the exchange rate. Their judgment in resisting the change appears to have been faulty, but apart from that, the conclusion is that the banks did all that could reasonably have been expected from them in the depression.

## New Zealand Coinage 1933

When the exchange rate first moved against New Zealand, regulations were introduced controlling the export of Imperial coin, which had become more valuable overseas with the exchange rate change, but much was smuggled out, and this gave urgency to the need for a purely New Zealand coinage. There were various proposals including one that we should have decimal currency, and another that a mint should be established in New Zealand (there had been earlier proposals in 1869-73) but neither of these changes was accepted, and the Coinage Act 1933 provided for silver coins from 3d. to 5/-, with a standard fineness of one half silver and one half alloy. This was followed in 1939 by a proclamation authorising the first issue of bronze coins of "mixed metal, copper, tin and zinc". The first silver coins issued were dated 1933 and the first bronze, 1940. The only change made until decimal currency (apart from special issues such as the Centennial half-crown in 1940 and three crowns in 1935, 1949 and 1953) was that in 1947 all silver coins were changed to cupro-nickel.

## Conclusion

What can be learned from all this for current policies? Probably not a great deal. The period we have been discussing covers a little over 100 years, in which New Zealand has moved from a virtually uninhabited country with a primitive, almost subsistence level economy, to a country with a fairly highly advanced economy. Moreover, in this period economic thinking has developed and we know more about what makes an economy tick, and particularly since Keynes' analysis of the part that Government can play in maintaining stability in an economy. But possibly the greatest development has been in the financial market structure. In 1840 the banks were virtually the only source of credit, whereas today we have a great variety of institutions in addition — finance houses, insurance companies, stock and station agents, savings banks, an organised market for securities and shares, and the like. These have made the trading banks less dominant in the financial structure of the country.

One result of these developments in the monetary field is that the public's attitude towards paper currency has changed. From 1934 to 1938 we had convertible Government bank notes like those of the Colonial Bank of Issue, and since 1938 our notes have been as inconvertible as Governor Fitzroy's debentures; but there is no doubt today in anybody's mind about their acceptability, which contrasts strongly with the position in the mid-19th century period.

One significant change over the years is obvious in the control of banking — from controlling note issues (we now realise that notes are only small change and have no effect on demand — they are sucked out according to economic conditions and do not themselves affect the situation) to controlling the levels of trading bank and other institutional lending, which is now regarded, again in contrast to thinking in the 19th century, as being one of the prime factors affecting economic activity.

Throughout its brief history New Zealand has had large numbers of monetary reformers; evidence of this can be found in the scores of pamphlets that have been published through the years, mainly advocating increases in the money supply. This attitude was understandable in earlier years when the monetary institutions were unwilling to expand their activities or were incapable of supplying the needs of the developing economy, but in periods of recession it has been the lack of demand for finance from sound borrowers, rather than unwillingness of the banks to lend, which has reduced bank lending. On the other hand, in times of rapid expansion the ready availability of credit, as in the 1870's, can also create problems.

This extremely condensed summary of our monetary history covers a field that has largely been ignored by our historians. To quote one example; in a biography of Governor Grey published a few years ago there is no mention of the Union Bank or the Colonial Bank of Issue and the effects they had on the development of the country. It is hoped that this paper will perhaps stimulate some greater interest in research in this important area of our history.

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# THE BANK OF OTAGO

**By R. P. Hargreaves, M.A., Ph.D.**

The settlement of the Otago Block commenced in the year 1848, and as had been true in the earlier-founded Nelson and North Island settlements, there existed a shortage of currency during the early years. Part of Otago's problem was the fact that of all the major towns in New Zealand, only Dunedin did not possess a bank within a short period after its foundation. Indeed, the Scottish community had to wait nine years before a bank opened its doors, but this delay, however, was no fault of the Otago settlers.

The need for a bank in Otago was recognised early by some of the settlers, and apparently James Macandrew and his partner and brother-in-law, W. N. Reynolds, were prepared to meet the need. With what appears to be amazing naivety, banknotes for £5, £1, and 10 shillings were printed in England and brought to Otago before the promoters ascertained that they could legally proceed with a bank's formation!

As befits a Scottish community, although the banknotes were printed in London, the firm which had undertaken the engraving and printing were "Maclore, Macdonald & Macgregor, Lithrs. 3 Bow Church Yard, Cheapside, London". The notes were no rush job, for the engraving is of high standard, and the paper is watermarked BANK OF OTAGO 1851. Sets of the banknotes are held by the Hocken Library, Dunedin, and the Alexander Turnbull Library, Wellington. Approximate measurements of the notes are as follows: The £5 note, 5 inches high by 7½ inches wide; the £1 and 10/- notes, both 5 inches by 6½ inches wide.

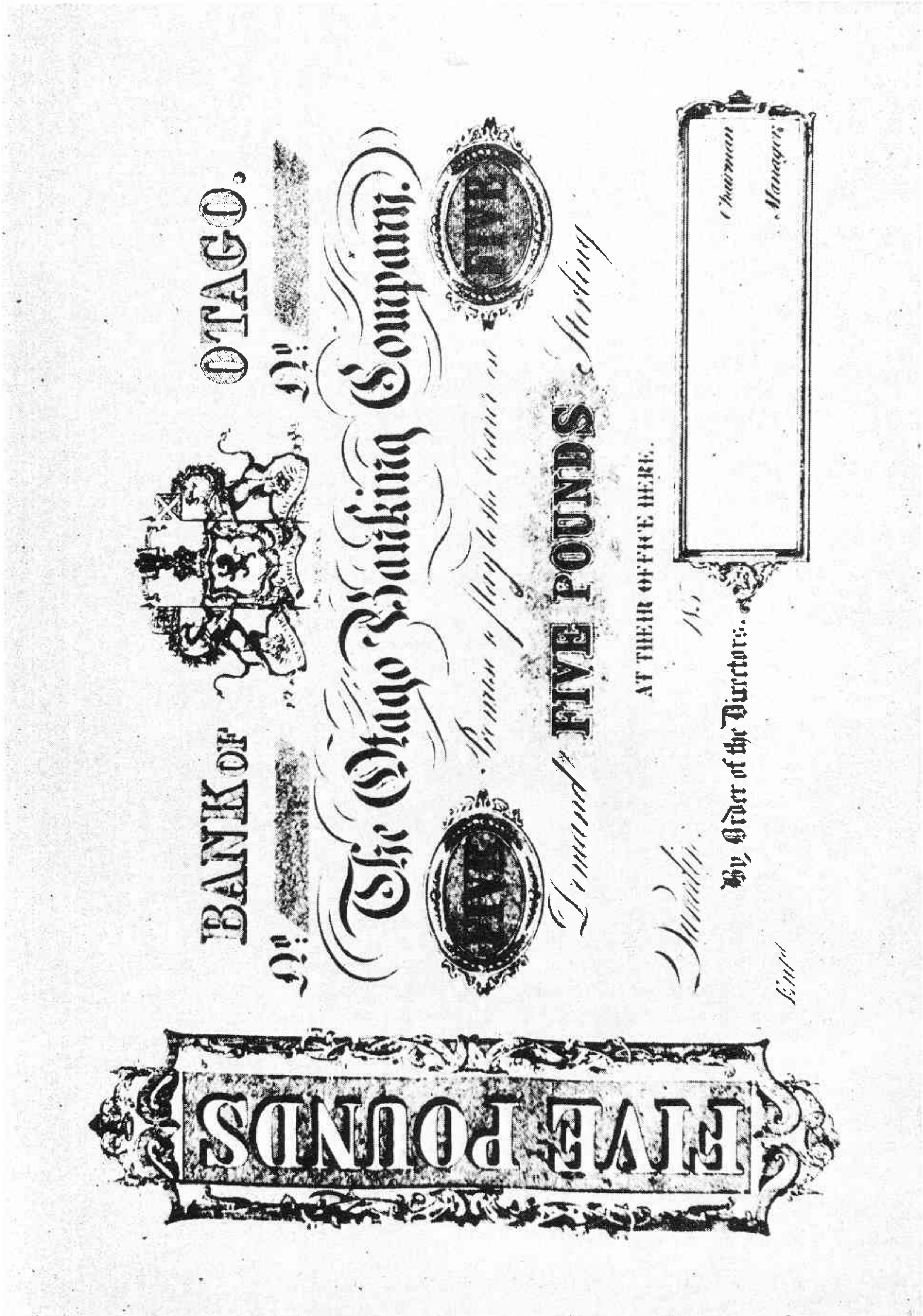
As with his description of the John Jones note, Allan Sutherland in his *Numismatic History of New Zealand* makes several errors concerning the Bank of Otago banknotes. Thus, while he correctly states that the printing colour of the £1 note is black and the 10/- note blue, he is wrong in stating that the £5 note is printed in black and blue — in reality it is printed only in black! Sutherland further suggests that the design on the 10/- banknote differs from the other two. Again this is incorrect, as the central design of a coat of arms is the same on all three. Finally, Sutherland fails to note that on the £5 note FIVE POUNDS is printed at right angles to the face of the note along the left hand side.

The Bank of Otago notes were, however, never issued, for the Otago Banking Company was never granted a charter by the Governor of New Zealand.

As stated earlier, Macandrew and his partner arrived in Dunedin in 1851 prepared to establish a bank, but on arrival they found that under the existing Banking Ordinance this could not be done. However, Macandrew was not one to accept this setback to his plans without a struggle. On 19 April 1851, a letter on the advantages of a local bank appeared in the Dunedin


BANK OF OTAGO.
No No
The Otago Banking Company.
TEN SHILLINGS
TEN SHILLINGS
Promise to pay to the bearer on
Demand TEN SHILLINGS Sterling.
AT THEIR OFFICE HERE.
Dunedin, 185
By Order of the Directors.
Chairman
Manager
Entd


BANK OF OTAGO.
No
No
The Otago Banking Company.
ONE
Promise to pay to the bearer on
ONE
Demand
ONE POUND
Sterling
AT THEIR OFFICE HERE.
Dunedin
185
By Order of the Directors.
Chairman
Manager
Entd


BANK OF OTAGO.
The Otago Banking Company
FIVE
FIVE POUNDS
AT THEIR OFFICE HERE.
By Order of the Directors.
Chairman
Manager
FIVE POUNDS

newspaper, the *Otago Witness.* This letter was signed *J.M.*, and it is strongly suspected that these initials were of James Macandrew himself, for many of the ideas expressed in it were repeated later in the Prospectus of the proposed Otago Banking Company.

*J.M.* emphasised that a local bank would act responsibly in the matter of the issue of banknotes, the amount "it would be entitled to issue would, if deemed necessary, be under constant inspection of the Government; the said amount bearing a definite proportion of its paid-up capital, or the bullion in its coffers".

Of the advantages of a local bank to the people of Otago, the writer waxed lyrical.

> And now, sirs, in the event of such a bank being established here, I am sure it cannot be necessary for me to descant at any length as to the effect which would be produced by the circulation of £5,000 or £10,000, judiciously distributed among the honest and industrious tradesmen and agriculturalists of the colony. It would be to industry and labour what fuel is to the steam engine—setting all its wheels and parts in motion; it would convert the timber so plentifully scattered along the sides of our beautiful and picturesque harbour into ships, it would establish fisheries along our coast, would bring our land into cultivation, and cover our plains with flocks.

And to achieve all this all that was necessary was for Otago to be excluded from the Banking Ordinance, for the writer stated that he had knowledge of new arrivals in Otago who were prepared to take one-half or even three-fourth of the paid-up capital in any proposed banking company.

Thus the ground was laid for the next move. On the 2nd August there appeared in the *Otago Witness* a Prospectus for a proposed Otago Banking Company, a joint stock company to be run on the Scottish system, which allowed individual banks to issue their own banknotes rather than restricting the right of issue to one central bank as was true in England. The capital of the proposed company was to be £20,000 in 2,000 shares of £10 each, with not more than half of the subscribed capital to be paid up. Provision was to be made for an increase of the capital to £50,000 after five years. The Prospectus warned that "unless the field is taken possession of at once by a native Bank, it is sure to be occupied by strangers, by whom the profits will be withdrawn from, instead of being expended within, the Settlement". This argument was later repeated by an editorial note in the *Otago Witness* (13 September 1851).

On 13 September a meeting of applicants for shares in the proposed Banking Company met in the Stafford Street office of J. Hyde Harris, a Dunedin lawyer and later a Superintendent of Otago Province. Some 25 individuals had applied for stock to the value of only £7,200 — a long way from the proposed capital of £20,000. However, it was stated that a number of other settlers had expressed their intention of subscribing a further £2,500. Putting a bold front on what must have been a disappointing situation for Macandrew, the latter stated "he was glad to see the thing gone about slowly, as it showed that his countrymen had not left behind them that 'caution' which forms such a marked feature in the national character". *(Otago Witness,* 20 September 1851).

Five Interim Directors were selected from the eight eligible by virtue of their holding 50 shares or more in the proposed company. The five were William Cargill, John Hyde Harris, James Macandrew, Alexander Todd and W. H. Cutten — all names well known in the early history of Dunedin.

Because conditions of the existing Bank Ordinance had not been fulfilled no charter could be applied for, and the meeting revised the Prospectus in order to meet the requirements. The major change was the reduction of the proposed capital to £7,500, in 1,500 shares of £5 each, and once the whole of the shares were subscribed for, the company would be considered as formed.

On 5 November 1851, the Interim Directors met to allocate shares, the number of applicants having risen to 39 by 18 October previous. Possibly further applications for shares were received in the following two or so weeks, but whether this was so or not we have no record. Shares were duly allocated and the Directors shortly thereafter applied to the Governor of New Zealand for a Charter.

Even by July of the following year no reply had been received in Dunedin from Governor Grey as to whether or not a Charter would be granted. No doubt the legal implications of granting such a Charter had to be explored by the Crown Law Officers in Auckland, but to the Otago newspaper the procrastination was but a further example of the North Island based central Government's dislike of the Otago settlement. In an editorial on 10 July 1852, the *Otago Witness* thundered that the settlement was deprived of the advantages of a bank

> at the arbitrary will of a Governor, avowedly hostile to the principles of the settlement, and apparently equally hostile to every measure for the public good and convenience, if it interferes with his despotic rule.

And again

> No matter how urgent the business may be for the welfare of the community, if it be a measure which displeases or does not accord with the views of Sir George Grey, he quietly leaves the matter unnoticed, and in all probability it falls to the ground.

It seems likely that the latter complaint was justified, for there seems to be no record of an answer ever being received in Dunedin to the request for the granting of a charter. The National Archives in Wellington can trace no reply in official papers held there either. One can appreciate the Governor's problem, for the early 1850's were the years in which an attempt was being made banknotes solely to the Colonial Bank of Issue.
to provide a stable paper currency by limiting the right to issue

Towards the end of 1852 the Otago settlers apparently concluded that there was little to be gained by continuing to press for the setting up of their own bank. Instead, 40 Dunedin residents (many of them shareholders in the stillborn Otago Banking Company) requested Macandrew and Co. to issue Promissory Notes as a circulating medium. This was done, as described by Eric Price in the *N.Z. Numismatic Journal* (Vol. 12, May 1967).

Thus ends the story of the first attempt to set up a locally financed bank in Otago. When a bank did open its doors in Dunedin on 2 January 1857, it was but a branch of a "foreign" company, namely the Union Bank of Australia.

# THE IRON CROSS OF PRUSSIA AND GERMANY 1813-1945

PART II

By A. E. Prowse

## INTRODUCTION TO THE 1939 IRON CROSS

As with the Great War I will not give details as to how, why, and what caused the conflict — the reasons are too fresh in most minds and will not be easily forgotten.

Renewal orders were written on several dates. The first was on 3 June 1940 and made retroactive to 1 September 1939 (State Order I.S. 1573), the second being on 28 September 1941 (State Order I.S. 613) announcing the Swords and the Diamonds, and the final order was issued on 29 December 1944 announcing the Golden Oak Leaves.

The wording of the Great Renewal Order for the Iron Cross on 1 September 1939:

> After arriving at the conclusion that the German people must be called to arms in defence of an imminent attack, I will renew for the sons of Germany as in the past great wars in the defence of the home and Fatherland THE ORDER OF THE IRON CROSS.
>
> **Article 1:**
>
> The Iron Cross will be awarded in the following classes:
> Iron Cross Second Class,
> Iron Cross First Class,
> Knight's Cross of the Iron Cross,
> Knight's Cross of the Iron Cross with Oak Leaves,
> Grand Cross of the Iron Cross.
>
> **Article 2:**
>
> (i) The Iron Cross will be awarded for outstanding service to service personnel and for bravery in the face of the enemy only.
>
> (ii) The cross for a higher class must be preceded by that of a lower class.
>
> **Article 3:**
>
> The awarding of the Grand Cross depends upon my own decision for outstanding deeds which are decisive. Articles 1 and 4 have said the Iron Cross has the following classes and awarded in this order: Second Class, First Class, Knight's Cross, and Grand Cross.
>
> **Article 4:**
>
> (i) The Iron Cross First and Second Class are the same size and form as those in World War I, except that there is on the face a swastika and the year 1939. The reverse of the Second Class has the year 1813. The Second Class is worn with a black, white and red ribbon on the medal bar or in the buttonhole. The First Class is without Band (ribbon) and worn on the left breast.
>
> (ii) The Knight's Cross is larger than the Iron Cross Second Class. It is worn on a black, white and red ribbon around the neck.

(iii) The Oak Leaves to the Knight's Cross of the Iron Cross consist of three silver oak leaves on the ribbon clip.

(iv) The Grand Cross is twice the size of the Iron Cross Second Class and is worn on a wide black, white and red ribbon around the neck.

**Article 5:**

For the holder of either class of the Iron Cross of the First World War who distinguishes himself, he will receive a silver clasp with an eagle (wings out) holding a wreath and swastika and the year 1939 and will be worn on the ribbon in the case of the Second Class, and pinned above the Cross on the left breast in the case of the First Class.

**Article 6:**

The award will be accompanied by a possession certificate.

**Article 7:**

The Iron Cross in case of death will be returned to the next of kin in the family at home.

**Article 8:**

The Headquarters of the Chief of the Army High Command, Reich's Minister with the Minister of State and the Chief of the Presiding Council.

Berlin, on 1st September 1939.

The Fuhrer,
A. Hitler.

The Chief of the Army High Command
Keitel.

The Reich's Minister of the Interior
Frick.

The Minister of State and Chief of the Chancellery,
the Head and Reich's Councillors,
Dr. Meissner.

All members of the Armed Forces, and also members of the auxiliary labour forces such as Organisation Todt (while under Wehrmacht command), regardless of rank or sex, were eligible to receive the Iron Cross in all grades. The awards were made in the name of Hitler on the recommendation of the Commander in Chief of the respective branch of the Armed Forces, or the Chief of the High Command of the Armed Forces.

The Knight's Cross or "Ritterkreuz" was introduced in 1939 as a replacement for the Pour le Mérite and various other medals and orders formerly issued by the German states.

It should be mentioned at this stage that the 1939 Iron Cross, since the war, has in all grades been a particular target for counterfeiters.

There are several fairly obvious distinguishing factors between the genuine wartime piece and the post-war striking.

(i) The most obvious difference is the appearance of the copy. It is invariably in F.D.C. or mint condition, with no scratches, paint chips, edge marks or any other sign of wear.

(ii) The second obvious difference is in the black paintwork on the central cross. On the genuine piece the black has a normal smooth sheen and the swastika and dates are done in high gloss enamel. On the copy the paintwork has a matt finish, swastika and dates included.

(iii) Almost always the genuine Knight's Cross and the Grand Cross has the silver content clearly marked on the reverse below the eye.

(iv) On the copy the paintwork is not confined to the iron centre, but runs half way up the inside edge of the beading.

(v) The genuine piece has a greater gap between the arms of the swastika than on the copy.

These are only a few points to look for when dealing with 1939 Iron Crosses, but in the long run it is in the handling of numerous pieces that one can pick the good from the bad. It should be remembered though, that in the closing months of the war advancing Allied troops over-ran stocks of unissued First and Second Class Iron Crosses, and these, when they appear on the market, will in most cases be in FDC condition and must not be confused with the counterfeits.

Ersatz crosses must also be considered. These Iron Crosses were made in the later stages of the war from substitute materials. For example, the centre core which is normally of cast iron, can sometimes be found in brass and other alloys, some of which do not respond to a magnet. The frames too are not always of silver. They can occasionally be seen with zinc frames (which turn grey), but mostly they just discontinued the silver and made the frame in brass with a silver or white plate coating.

**1939 Grand Cross**

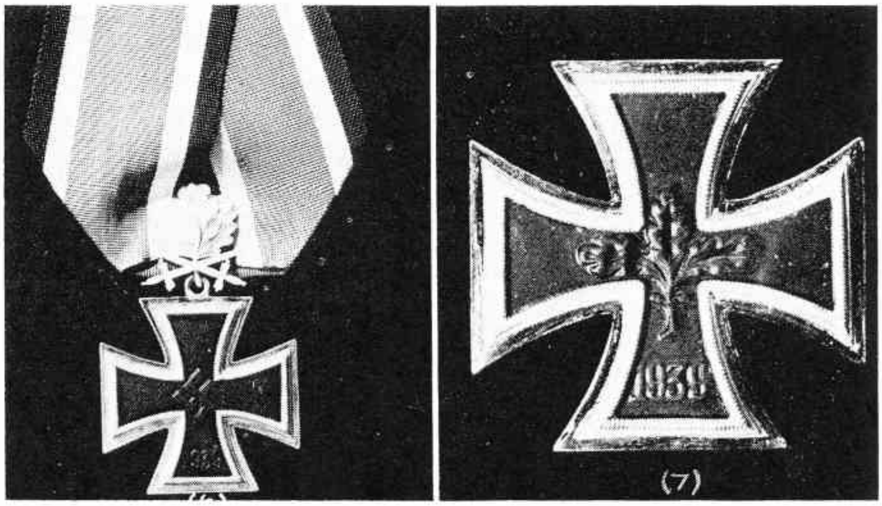
FOUNDATION DATE: 1 September 1939.

DESCRIPTION: The Grand Cross has a centre of cast iron which is painted or enamelled black. On the obverse there is a swastika in the centre with one point in each arm of the cross. The arms of the swastika turn in a clockwise direction. In the lower arm is the date 1939. On the reverse in the lower arm is the date 1813. For the first time the 1813 original reverse does not appear.

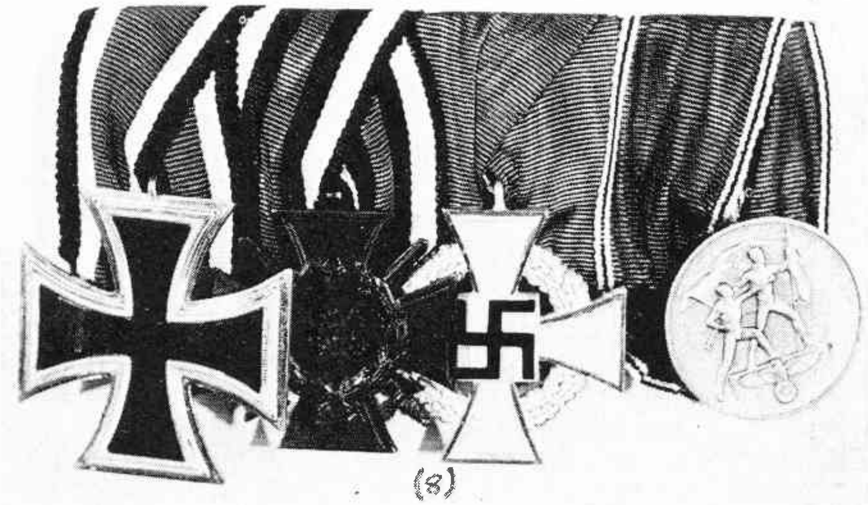
As originally founded the Grand Cross was described as having a golden rim of 2.5 mm. around the silver beading, which in turn held the iron centre. However, on 3 June 1940 the renewal order was amended and the gold was removed leaving the rim entirely silver. The first type with the gold edge was not awarded. The rim measures 6.6 mm. from inside the beaded portion to the outside edge. (The author's piece measures 5.5 mm.) The overall diameter is 63 mm.

The silver rim is marked "900" on the reverse, just under the suspension eye on the genuine piece. It was produced by only one firm in Berlin.

The ribbon passes through an oblong shaped loop which is wound double. This loop in turn passes through a smaller suspension eye slightly indented into the upper arm of the cross. The "eye" has an outside diameter of 9 mm.



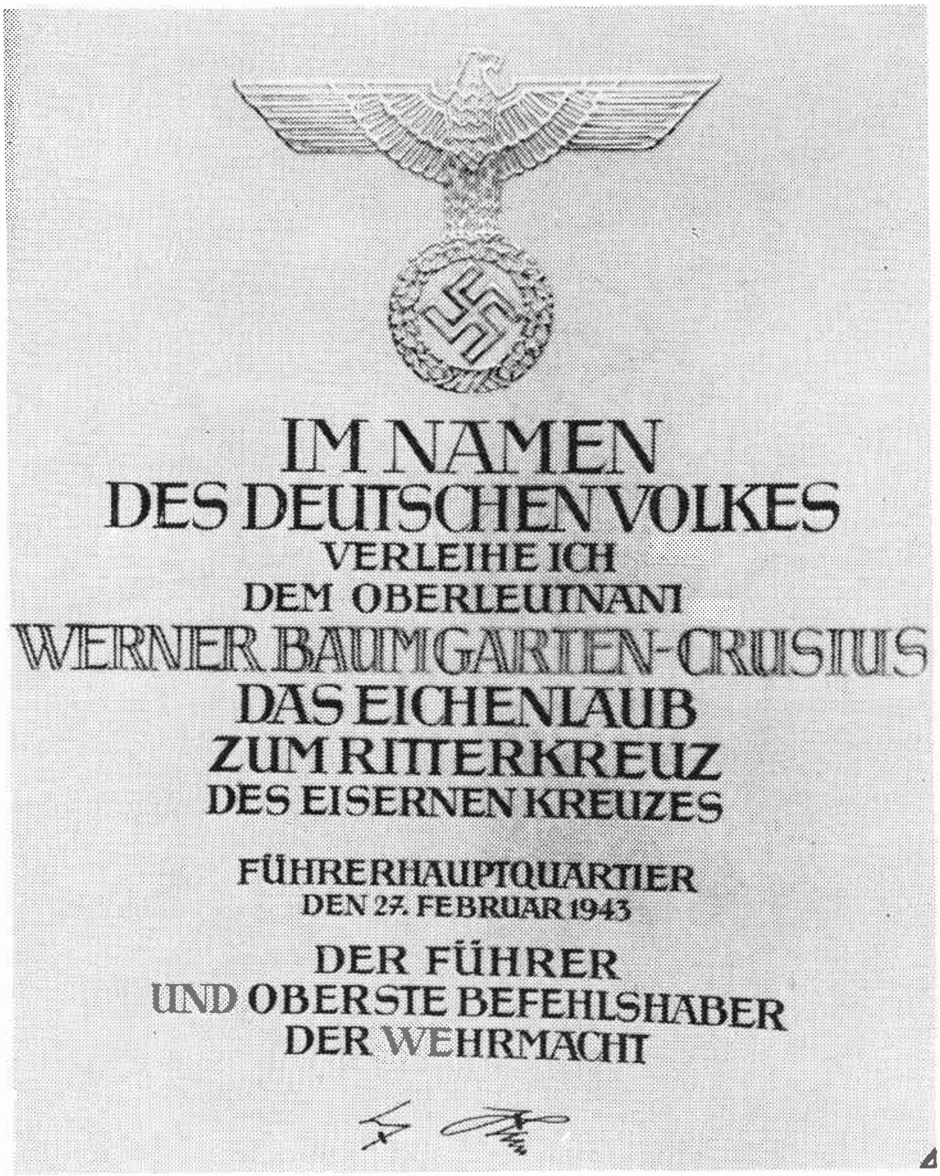

**Left: Knight's Cross to the Iron Cross with Oak Leaves and Swords.**
**Right: De-Nazified version of the 1939 Iron Cross, First Class.**




**A typical early World War II group. (l. to r.) 1939 2nd Class Iron Cross; 1914-18 Cross of Honour for Combatants; Faithful Service Cross, 2nd Class; Commemorative Medal of 13 March 1938.**


**Dan Ragsdale**

**Casette and Patent for the Knight's Cross with Oak Leaves and Swords awarded to Erwin Rommel.**




Dan Ragsdale

**A Patent for the Knight's Cross with Oak Leaves.**

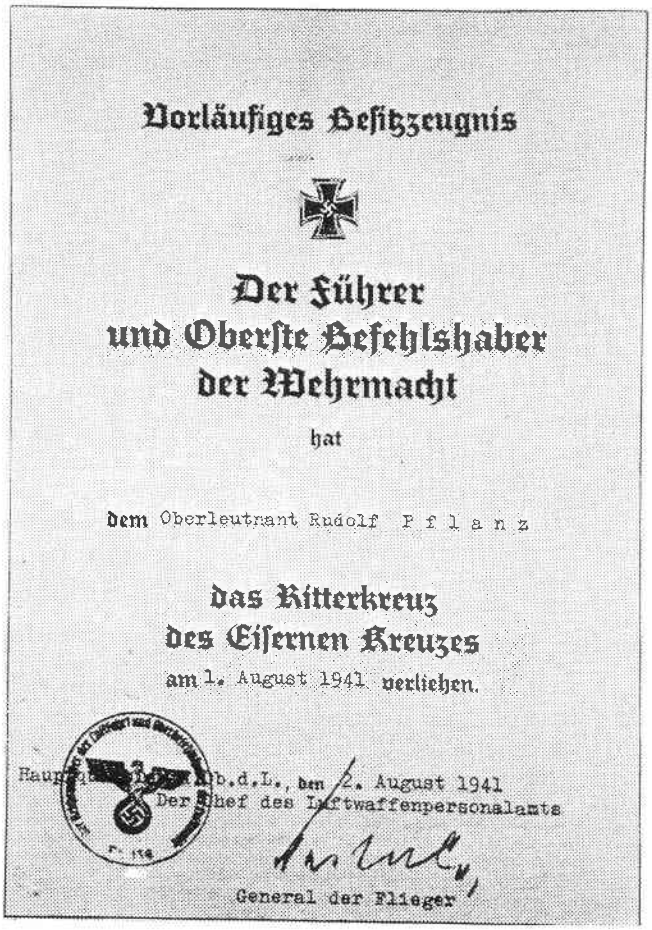
Dan Ragsdale

The Grand Cross Patent Casette.


Vorläufiger Ausweis.
DAS EISERNE KREUZ II. KL.
wurde dem Musketier Mehl
7. Komp. Res. Inf. Regt. 22
am 23.12.1917 verliehen.
Truppenteil u. Dienststempel: 7. 21.
PREUSSISCH
Major & Regt. Kdeur.

**E. W. Tainton**

**Preliminary Certificate for a 1914 Iron Cross, Second class.**



Vorläufiges Besitzzeugnis

Der Führer
und Oberste Befehlshaber
der Wehrmacht

hat

dem Oberleutnant Rudolf P f l a n z

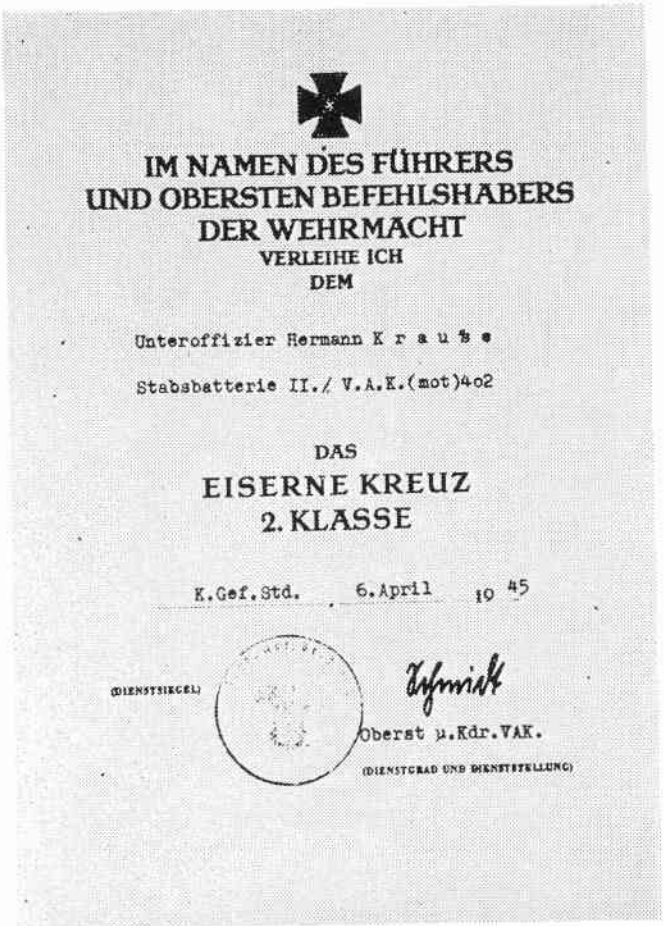
das Ritterkreuz
des Eisernen Kreuzes
am 1. August 1941 verliehen.

Hau[illegible]Ob.d.L., den 2. August 1941
Der Chef des Luftwaffenpersonalamts

General der Flieger

Verlag Dieter Hoffman

**A preliminary certificate for the Knight's Cross of the Iron Cross.**



IM NAMEN DES FÜHRERS
UND OBERSTEN BEFEHLSHABERS
DER WEHRMACHT
VERLEIHE ICH
DEM

Unteroffizier Hermann K r a u ß e

Stabsbatterie II./ V.A.K.(mot)402

DAS

EISERNE KREUZ
2. KLASSE

K.Gef.Std. 6.April 19 45

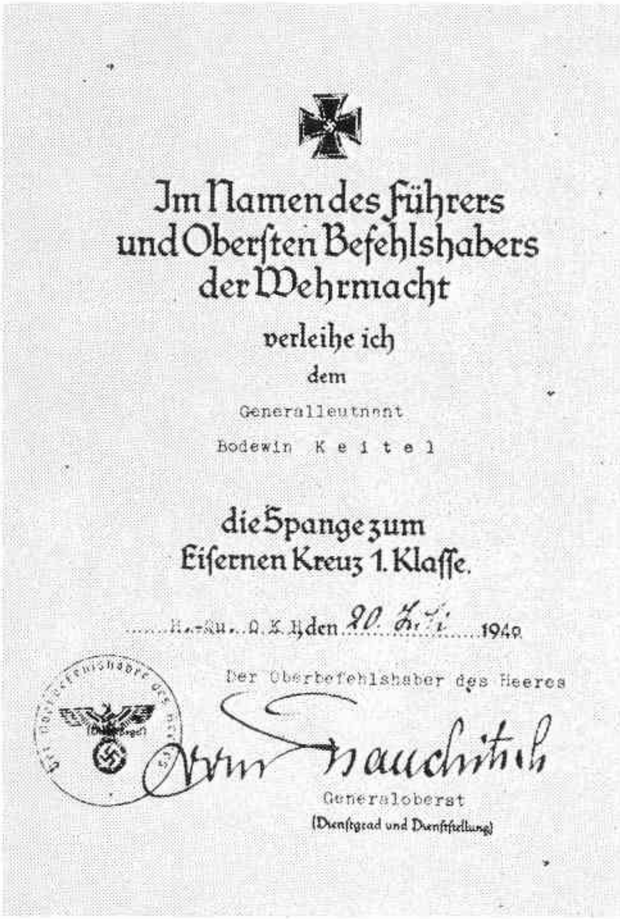
(DIENSTSIEGEL)

Oberst u.Kdr.VAK.

(DIENSTGRAD UND DIENSTSTELLUNG)

John Holloway &
"The Medal Collector".

**Certificate of a 1939 Iron Cross, second class.**



Im Namen des Führers
und Oberſten Befehlshabers
der Wehrmacht

verleihe ich

dem

Generalleutnant

Bodewin K e i t e l

die Spange zum
Eiſernen Kreuz 1. Klaſſe.

H.-Qu. O.K.H. den 20. [illegible] 1940

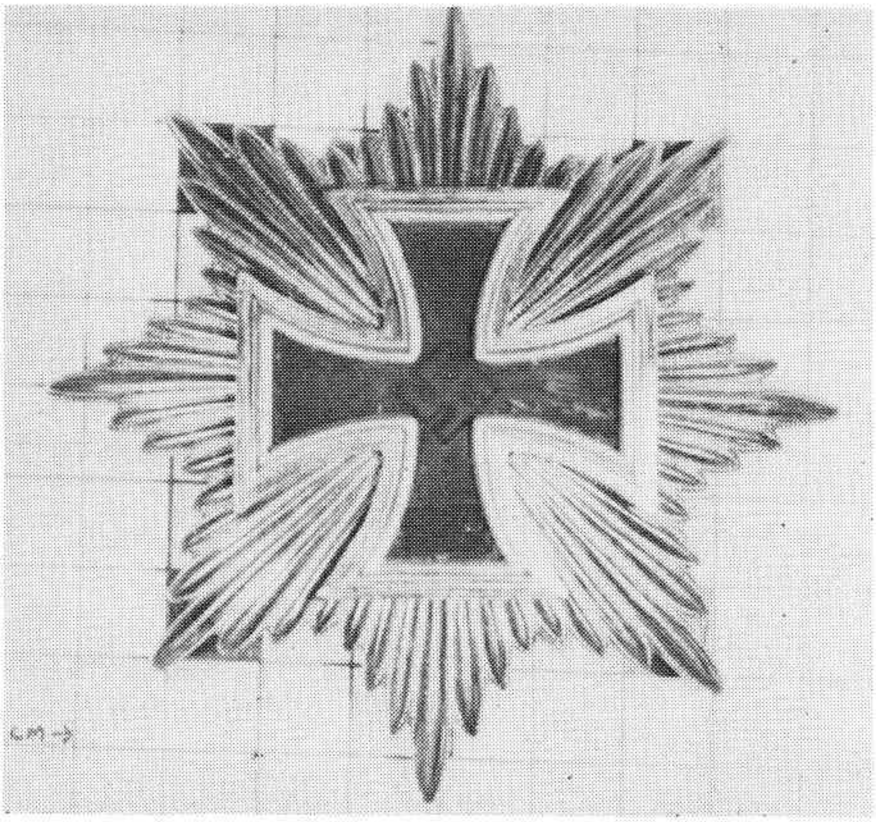
Der Oberbefehlshaber des Heeres

Generaloberst

(Dienſtgrad und Dienſtſtellung)

**John Holloway &**
**"The Medal Collector".**

**Certificate of a 1939 clasp to the Iron Cross, First Class (1914).**



**Dan Ragsdale**

**Breast Star to the 1939 Grand Cross of the Iron Cross.**

RIBBON: A neck cravat measuring 57 mm. (It should be mentioned at this point that notwithstanding the fact that only one Grand Cross was awarded, many pieces have been made for collectors. Some probably from the original dies and many others by jewellers on the continent, etc. Consequently standards of manufacturing and measurements will vary.) The ribbon on the author's specimen has a total width of 55 mm., made up of black 7 mm., white 7 mm., red 27mm., white 7 mm., black 7 mm.

AWARDS: One only, to Reich Marshal Hermann Goering after the fall of France, in recognition of his creation and development of the Luftwaffe. The original which the Reich Marshal received was lost when his Berlin home was destroyed in an air raid.

**1939 Breast Star to the Grand Cross**

FOUNDATION DATE: No statutes exist for this award, but it was made in 1944.

DESCRIPTION: The Star has eight points and is made of gold — the gold being of a very light colour, in fact, so pale as to give the appearance of silver at a casual glance. Each ray on the star is beaded around the outline.

Superimposed on the star is a regular issue 1939 First Class Iron Cross but appears to be without the usual silver back. The Cross is affixed to the star by eight rivets.

It has a blunt, well finished, vertical pin for fastening to the uniform. The star has no hallmarks, etc., and measures 88 mm. across opposite points.

AWARDS: Very little is known about the origins of this piece, and none were recorded as having been issued.

According to the files in the Museum at the Military Academy of West Point the history of the Star to the 1939 Grand Cross of the Iron Cross is as follows. The Star was made up on Hitler's orders in 1944 and deposited in Berlin at the Orders Chancellery until March 1945. It was then moved, together with numerous other war records, to the Castle of Klessheim in Austria. The Star fell into the hands of the United States Army when they captured the castle, and was then transferred from the office of the Chief of Military History to the West Point Museum.

**Knight's Cross to the Iron Cross**

FOUNDATION DATE: 1 September 1939.

DESCRIPTION: The Knight's Cross for all grades is the same basic shape, and has the same details both obverse and reverse as the 1939 Grand Cross. However, the silver frame measures 4 mm. from inside the beaded edge to the outside edge. The suspension is similar but smaller — the eye measuring 6.5 mm. in diameter, and is not indented into the upper arm of the cross as is the Grand Cross. The Knight's Cross was manufactured by several firms.

The Knight's Cross is 48 mm. wide, 54 mm. high (including the eyelet for ribbon) and weighs from 31.4 to 35.5 gr. (including the ring).

RIBBON: The ribbon is a cravat type for wearing round the neck. It has a total width of 45 mm. and the colours are apportioned as follows: black 5.5 mm., white 6 mm., red 22 mm., white 6 mm., black 5.5 mm.

AWARDS: The most reliable and knowledgeable authority on the awards of the Third Reich (Dr. Klietmann) gives the total as a little over 7,200. Up to 1 August 1944 approximately 4,800 Knight's Crosses had been awarded, the rest being bestowed in the last few months of the war. The figures of two other authorities vary considerably: J. A. Sawicki gives approximately 6,500, and Obermaier states 7,500. The disparity in these figures is due partly to the chaos of the last days of the Third Reich, when bestowals were not fully documented, records were lost or destroyed, etc.

Compared with the peak strength total of approximately 10,200,000 in the German Armed Forces in World War II, the Knight's Cross remained a relatively scarce decoration. On the basis of 7,200 bestowals, this means that one in every 1,420 received the award. The figure of 7,200 Crosses makes an interesting comparison with the highest awards for gallantry granted by the three main Allied Powers during the war.

| | **Number of Awards** | **Peak Strength of Personnel*** | **Ratio of Award to Personnel** |
|---|---|---|---|
| United Kingdom and Commonwealth—Victoria Cross | 182 | 9,027,000 | 1 : 49,600 |
| U.S.A.—Medal of Honour | 430 | 12,300,000 | 1 : 28,600 |
| U.S.S.R.—Gold Star Medal (Hero of the Soviet Union) | 10,000+ | 12,500,000 | 1 : 1,250 |

The Luftwaffe's share of the total of 7,200 Crosses came to about 1,730 awards. Out of these about 1,320 Knight's Crosses of the various grades were awarded to officers and men of the flying units. The remaining 410 were won by members of the airborne units, the A.A. artillery units, the Luftwaffe field divisions, and by members of the non-flying units of the Luftwaffe.

Of the total of 1,730:

192 received the Oak Leaves,
41 received the Swords,
12 received the Diamonds,
1 received the Golden Oak Leaves,
1 received the Grand Cross.

---

*Peak strength is not the total mobilised personnel, which in the case of the Wehrmacht rose to 15,000,000, but it is the only figure that I could obtain for the three main Allied nations and the Germans, in order to make a comparison.

Analysing the above figures further we find that the Day and Night Fighters, the Destroyer pilots, and the Fighter Bomber pilots, secured 568 Knight's Crosses (70 posthumous), including:

101 with Oak Leaves,
25 with Swords,
9 with Diamonds.

Out of the total number of Knight's Cross holders, approximately 2,000 were killed in action, died in prison camps, or were reported missing.

To be eligible for the Knight's Cross, the candidate must have, through his own personal action, contributed a major part to the outcome of an individual battle. As a rule he should hold the First and Second Class Crosses, but there were exceptions to this.

In the case of officers, they received one year's credit towards retirement and promotion after receiving the Knight's Cross. For enlisted men and under officers, the Knight's Cross usually meant a "field commission".

In the German Wehrmacht the distribution by rank, of the Knight's Cross to the Iron Cross was as follows:

| | |
|---|---|
| Soldiers and N.C.O.'s | 23 percent |
| Lieutenants | 26 percent |
| Captains | 21 percent |
| Major to Colonel | 23 percent |
| Generals | 7 percent |

As can be seen from these statistics, there was a very even distribution of Knight's Crosses, which completely disproves the theory that only the officer corps were recipients of this high honour.

In the Navy particularly, Admiral Doenitz did his utmost to ensure that officers and men who were entitled to receive decorations, received them promptly. One of the many examples of this policy was Lt. Cdr. Liebe, C.O. of U-38. On returning from his third patrol, by which time he had sunk 100,000 tons of shipping, the crew was mustered, and Doenitz stepped aboard ". . . Lt. Liebe, the Fuhrer has conferred upon you the Knight's Cross and it is my pleasure to hand it to you". The flag lieutenant then clipped the broad red ribbon around Liebe's neck (from "The Sea Wolves"). Liebe later went on to win the Oak Leaves.

The clip or press stud on the ribbon was the official means of fastening the decoration. However, this was found to be impractical and holders of the Cross began using rubber bands. It was later discovered that ladies' garters were most suitable and the fighter pilots in particular were using nothing else. This, needless to say, did not comply with the dress regulations of the Armed Forces.

It was Hitler's intention to make a national donation to outstanding holders of the Knight's Cross and to all recipients of the Oak Leaves and higher grades of the Cross. Such donations were to consist primarily of land.

Col. Gen. Guderian was one of those who received the grant of land. After resigning from the Army on 26 December 1941 he had intended settling in southern Germany. Hitler heard about this and also knew that he came from the Warthegau, or West Prussia. The Fuhrer therefore desired that he settle there and not in South Germany. The understanding was that a grant of land in the Warthegau would be given him as a reward for his decoration. Guderian received a telegram in September 1943 informing him that the donation, first mentioned in the autumn of 1942, had now been made. Col. Schmundt (Hitler's adjutant) had arranged this when he heard that Guderian's home in Berlin had been destroyed. In view of his position, Guderian had no choice but to accept the gift in the spirit in which it had been made. In October 1943 he took his wife to Deipenhof, in the Hohensalza district.

In 1944 the Germans, and in particular the Luftwaffe, were in a considerable state of panic as to the best way to deal with night "Intruder" patrols, especially those by R.A.F. Mosquitos. This state of panic was notable for various things, one of which was the coining of new words to express current feelings. One of these words was "Ritterkreuzhohe" (literally, Knight's Cross height, which to a pilot meant the same as "hedge-hopping"). The general interpretation of the word was "the low height at which one had to fly to avoid the Mosquitos long enough to win the Knight's Cross".

As with the French Croix de Guerre the Knight's Cross could be awarded to a unit as a whole for outstanding gallantry. One unit that received this award was the Spanish "Blue" Division. For their resistance against the Russian Marines in the Pulkowa region, the Division received the Knight's Cross on 26 May 1943. The Spanish Campaign Medal (founded 9 November 1943) for the Blue Division in Russia, shows a symbolic eagle with outstretched wings and in the centre an Iron Cross complete with swastika.

The following notes are on a few of the holders of the Knight's Cross, and briefly the action that earned them the award.

*Field Marshal Friedrich Paulus:* Awarded the Cross for his superb leadership of the Sixth Army in the Battle of Kharkov in May 1942. This second Battle of Kharkov resulted in the annihilation of two Soviet Armies consisting of some 22 Infantry and 7 Cavalry Divisions and 15 Armoured Brigades. The Russian losses amounted to 215,000 prisoners, 1,812 guns, 1,270 tanks, and 542 aircraft.

*Cdr. Hessler:* Comanding Officer of U-107. Received the Cross for sinking 14 ships of 87,000 tons in one double patrol. Admiral Doenitz hesitated to recommend his own son-in-law for the award, even although he had already exceeded the recognised success mark at which the Knight's Cross was usually awarded (aproximately 100,000 tons of shipping sunk). Eventually Grand Admiral Raeder put an end to his hesitations by telling him that if he did not recommend Hessler at once, he would. Doenitz's subsequent recommendation was approved forthwith.

*Col. von Hippel:* Received the Knight's Cross as Commanding Officer of an A.A. Regiment guarding the bridges across the Meuse. The bridges were subjected to a violent air attack on 14 May 1940 by English and French dive bombers. The bombers failed to knock out the bridges and Hippel's Regiment accounted for approximately 150 aircraft. (The R.A.F. lost 47 aircraft in these attacks and the French also lost a large number.)

*Col. Otto Skorzeny* of the S.S.: For his daring rescue of Mussolini from the Gran Sasso by light aeroplane on 12 September 1943, Skorzeny received the Cross. Arriving in Vienna late in the evening of the 12th, Mussolini and Skorzeny went immediately to the Imperial Hotel. They both went to their rooms, where Skorzeny phoned his wife. While he was talking to her a full Colonel wearing the regalia of the Knight's Cross was ushered in. In the centre of the room he clicked his heels, bowed, and taking off the decoration hung it around Skorzeny's neck.

"Orders of the Leader," he explained: for the first time this high award had been conferred on the very day that it was earned. It was the Colonel's own Cross that he was giving to Skorzeny. (From "Commando Extraordinary".)

*Henri Joseph Fenet* of the Waffen S.S.: Fenet was a Frenchman who had an interesting war record. At the outbreak of World War II he joined the French Army and served in the 1940 Campaign as a Lieutenant, was wounded twice and received the Croix de Guerre. He was discharged from the French Army in November 1942 and joined the French Militia under Darnand (a Vichy unit). In October 1943 he entered the service of the Waffen S.S. and became Commanding Officer of the S.S.-Junkerschule. Promoted to S.S. Obersturmfuhrer in March 1944, he assumed command of the 3rd Company of the French S.S. Voluntary-Stormbrigade. He was decorated with the Iron Cross Second Class on 22 August 1944 for leading his company in the hard fighting in the Carpathians and at the Vistula Bend. By the beginning of March 1945 the 33rd Waffen Grenadier Division had been encircled by superior forces in the district of Belgard-Koslin on the Pommeranian front. Under Fenet's command the 1st Battalion 57th Regiment was the only united unit of the Division to fight its way out of the encircled pocket and reach the western bank of the Oder. Fenet was promoted at the end of March to Hauptsturmfuhrer and was decorated with the Iron Cross First Class. On 24 April 1945 a Storm Battalion was formed from the "Charlemagne" Division for the defence of Berlin under the command of Henri Fenet. The Battalion was then integrated into the 11th S.S. Division "Nordland". The unit took part in the heavy fighting in the city, first at Neukolln, then at the Belle-Alliance Square, and finally in the area of the Friedrich Wilhem Strasse in the inner city. Fenet received the Knight's Cross on 29 April 1945.

*Lt. Colonel Balck*: Commanding Officer of the 1st Rifle Regiment of the 1st Panzer Division. Received the Cross on 3 June 1940 for personal gallantry on the night of 15 May 1940 during the capture of the French village of Bouvellemont. ". . . The troops were over-tired, having had no real rest since 9 May. Ammunition was running low. The men in the front line were falling asleep in their slit trenches. Balck himself, in wind jacket and with a knotty stick in his hand, told me (Guderian) that the capture of the village had only succeeded because, when his officers complained against the continuation of the attack, he had replied: 'In that case I'll take the place on my own!' and had moved off. His men had thereupon followed him . . ." (From "Panzer Leader".) (Balck rose to the rank of General of Panzer Troops, and later received the awards of the Oak Leaves, Swords, and Diamonds to the Knight's Cross.)

The first man from the ranks to receive this decoration was L/Cpl. Hubert Brinkforth, range finder on an anti-tank gun of 14/ I.R. 25, on 7 March 1941. He was killed as a sergeant on 5 June 1942 while serving on the Eastern Front.

The first artilleryman to receive the Knight's Cross was Captain Friedmann, Battery Comander of 1/A.R.156. He was awarded the decoration on 15 August 1940.

On 6 January 1944 the Knight's Cross was awarded to Captain P. Hellmann, Commanding Officer of the blockade-runner M.S. "Orsono", and thus he became the only recipient in the Merchant Marine of this high award.

*Gunther Halm:* 19-year-old Halm was the gun layer of No. 1 gun of an anti-tank battery of the 104th Panzer Grenadier Regiment. He, as gun layer, fired the shots that destroyed nine tanks of the 23rd Armoured Brigade, during the July battles before El Alamein (21/22 July 1942). Halm, although wounded, played a distinguished part in the rout of this British Brigade, which had just arrived from England. In half an hour the 23rd Armoured, which had spent two years in training, and had just completed a voyage half way round the world, was utterly destroyed with the loss of 96 tanks.

Members of the Axis Powers were also eligible for the Knight's Cross.

*Lt. Cdr. Carlo F. di Cossato:* Commanding Officer of the Italian submarine "Tazzoli", received the Cross for sinking 17 ships of 93,397 tons in the Atlantic.

*Lt. Gazzana:* Commanding Officer of the U-Boat "Leonardo da Vinci". This Italian received the Knight's Cross for sinking 11 ships of 90,601 tons during the Battle of the Atlantic.

**Knight's Cross to the Iron Cross with Oak Leaves**

FOUNDATION DATE: 3 June 1940 is the generally accepted date.

DESCRIPTION: Regardless of any addenda awarded, the basic shape and format of the Knight's Cross remained the same. The Oak Leaves themselves are silver and three in number. The centre leaf is superimposed over the other two, leaving the outer portions of the two lower leaves visible. The central rib and the outer edges of the leaves are highly polished. Overall the addenda measures 19 mm. by 19 mm.

AWARDS: A total of 863 were issued as follows:

| | | | | | |
|---|---|---|---|---|---|
| 1940 | 7 | 1941 | 46 | 1942 | 114 |
| 1943 | 192 | 1944 | 324 | 1945 | 169 |

and ten awards to foreigners:

Lt. Gen. Mihail Lascar (Rumania),
Grand Adm. Isoroku Yamamato (Japan),
Col. Gen. Petre Dimitrescu (Rumania),
Grand Adm. Yneiche Koga (Japan),
Col. Gen. von Csikzernisimon (Hungary),
Lt. Gen. Munoz Grande (Spain),
Maj. Gen. Cornello Teodorini (Rumania),
Maj. Gen. Joan Dumitrache (Rumania),
Field Marshal von Mannheim (Finland),
S.S. Gen. Leon Degrelle (Belgium).

N.B.—Gen. Degrelle is included in the awards to foreigners because he was a Belgian. However, he received the award as a General in the Waffen S.S.

The first recipient of the Oak Leaves was General of the Mountain Troops, Dietl, on 19 July 1940.

For successive actions where the recipient already held the Knight's Cross, he did not receive a further Cross but instead received the Oak Leaves. The Oak Leaves came in a black case and were on a replacement cravat clip.

Except for early in the war, personal investiture by the C-in-C (Hitler), usually began with the Oak Leaves. One exception worth mentioning, however, was the Knight's Cross awarded to Lt. Henschel, the rear gunner of Hans-Ulrich Rudel's aircraft. He received the Knight's Cross at the same investiture at which his pilot and Commanding Officer, Rudel, received the Swords.

In rare cases the Knight's Cross, and Knight's Cross with Oak Leaves, were awarded at the one time, awards to foreigners coming into this category. Normally, however, as with all grades of the Iron Cross, to first receive the Oak Leaves the recipient must already hold the Knight's Cross (i.e. the previous lower grade).

The design and method of wearing the Oak Leaves to the Knight's Cross is almost identical with the Oak Leaves awarded with certain grades of the Prussian Order of the Red Eagle as instituted in an amendment to the statutes of that Order on 18 January 1811. A recipient of the First, Second or Third Class of the Order of the Red Eagle upon promotion to a higher grade received a cluster of three gold oak leaves, to be worn on the ring of the neck badge (Second and Third Class) or on the upper arm of the star (First Class).

Some examples of holders of the Oak Leaves:

*Col. Gen. Heinz Guderian:*

(a) 1939 Clasp to the 1914 Iron Cross Second Class. Received on 5 September 1939.

(b) 1939 Clasp to the 1914 Iron Cross First Class. Received on 13 September 1939.

(c) Knight's Cross. One of the first to receive this award. On 27 October 1939 at the Reich Chancellery, along with 23 other officers, he was invested by Hitler with the insignia of the Order. The investiture was followed by the usual luncheon. To quote Guderian, ". . . . It was very pleasant to receive this order so early, and it seemed to me to be primarily a vindication of my long struggle for the creation of the new armoured force." (i.e., the Panzer Divisions.)

(d) Oak Leaves to the Knight's Cross. On 17 July 1941, Guderian, together with General Hoth and Field Marshal van Richthofen were decorated with the Oak Leaves. Guderian was the fifth recipient in the army and the twenty-fourth in all the armed forces, to be awarded the decoration. He was at the time, G.O.C. one of the Panzer Armies in the initial victorious drive against the Russians in the summer of 1941. He actually received the Oak Leaves on 29 July, when Hitler's chief adjutant (Col. Schmundt) brought them personally.

Late in the war the Knight's Cross tended to be more easily won than in earlier years. Also, if one knew the right people it was not difficult to obtain the Cross. One example of this was:

*General Krebs:* Formerly Chief of Staff to Field Marshal Model. In 1945 he replaced General Wenck as commander in the front of Army Group Vistula. (Himmler was the nominal head of this Army Group, but he did not have the faintest idea about military command. He only assumed command because of his burning obsession to wear the Knight's Cross — which in the long run he never won.) Krebs had spent the whole war in various staff appointments. He had been a close friend of General Burgdorf (head of Army Personnel Office and Adjutant to Hitler). Burgdorf drew Krebs into the inner circle at Supreme Headquarters, the circle that revolved around Bormann and Fegelein. On the first occasion when he reported to Hitler, Krebs was awarded the Oak Leaves to the Knight's Cross; this being an early indication of Burgdorf's influence.

The first of the ten non-German officers to receive the Oak Leaves was the Rumanian General, Mihail Lascar, G.O.C. the 6th Rumanian Division. He was made commanding General of the Lascar Group (5th, 6th, 15th and remnants of 12th and 14th Divisions), when those divisions were surrounded in the Raspopinskaya. The Lascar Group was one of the supporting groups that fought with the Germans in the battle for Stalingrad. The Group was formed after the Russian counter-attack in November 1942 had completely surrounded the above Divisions. Lascar led his troops well until they were finally overrun and annihilated. The following is an extract from a letter to the Conducatorul, Marshal Antonescu, dated 23 November 1942, ". . . The exemplary conduct of General Lascar has commanded my particular appreciation. In recognition of his outstanding services, I yesterday awarded him, the first allied officer to be so decorated, the Oak Leaves to the Knight's Cross of the Iron Cross.

With my sincere good wishes and respects.

ADOLF HITLER."

**Knight's Cross to the Iron Cross with Oak Leaves and Swords**

FOUNDATION DATE: The first official notice of the addenda apeared on 28 September 1941, some three months after the award was first distributed.

DESCRIPTION: The swords are two in number, silver (same as the Oak Leaves), and cross each other at an angle of 40 degrees, with the right hand sword on top. A very small ball appears on each end of the guards and also on the end of the grips. They are worn hilts down just below the Oak Leaves on the replacement cravat clip, the blades being joined to the bottom of the leaves. The swords measure 24 mm. in length. The total width from grip to grip is 25 mm. and the overall height 10 mm.

AWARDS: This decoration was awarded 150 times. The first recipient was Lt. Col. Adolf Galland of the 26th Fighter Squadron on 21 June 1941.

Oberfeldwebel Leopold Steinbatz of the Luftwaffe was the first other ranks recipient. The award was made posthumously on 23 June 1942. He was killed on 15 June, 1942, after achieving 98 aerial victories with 9/JG52.

The last award was presented by Col. General Sepp Dietrich to Sylvester Stadler of the S.S. on 6 May 1945.

Grand Admiral Yamamoto of Japan was the only foreign recipient of the Swords. The award was granted posthumously on 27 May 1943. He was killed on 18 April 1943 when the plane he was a passenger in was shot down by United States fighters over the Solomons.

A recipient of the Swords must first be a holder of the Knight's Cross with Oak Leaves. One apparent exception is Colonel Hermann Graf, a Luftwaffe ace with 202 aerial victories compiled mainly on the Eastern Front. He was awarded the Oak Leaves and Swords both on the same day — 2 May 1942.

As with the Oak Leaves, the basic design of the Swords to the Knight's Cross is very similar to the Swords of the Prussian Order of the Red Eagle when that Order was granted for war services. As a result of the war in Schleswig-Holstein, the decree of 16 September 1848 was issued, which added the Swords to the Red Eagle Order. These swords differ from the Knight's Cross type in three minor aspects. Firstly they have no embellishments on the tips of the guards or the hilts, secondly the left hand sword crosses on top, and thirdly the uppermost guard touches the blade of the opposite sword.

On the whole, the 1939 Iron Cross in all grades showed practically no variation in the manufacturing and except for the ersatz crosses (see introduction to the 1939 Iron Cross) the standard was very good. One apparent exception to this was the Knight's Cross worn by General of the Bombers, Werner Baumbach. The author has four photographs of Baumbach wearing his Cross. They are all from different angles and in varying lights, and without a doubt the swastika appears to be of the same material as the rim — i.e., silver. (Baumbach was the first bomber pilot to be awarded the Oak Leaves and Swords to the Knight's Cross.)

It was common practice in the Luftwaffe for aces to decorate the tails of their fighters with various emblems etc. to denote the number of kills to their credit. When they had earned the Knight's Cross a replica of the decoration was painted on the tail as well. One particularly fine example of this was the Bf 109 flown by Major Heinz Bar. He eventually reached 220 kills, mainly on the Eastern Front, and won the Oak Leaves and Swords. The rudder of his Messerschmitt was distinguised with the following design: the Knight's Cross with Oak Leaves and Swords is suspended from a short piece of ribbon, below this are the figures 200 in gold, and below that are the insignia of the four nations against whom he achieved kills — i.e., an R.A.F. roundel, the red star of the Soviet Air Force, the white star on a blue circle of the U.S.A.A.F., all on the one line, and immediately below, the roundel of the Armee de l'Air; the whole being surrounded by a wreath of green oak leaves, open at the top, and crossed at the bottom, the cross-over being tied with a red bow.

*Captain Otto Kretschmer,* Commanding Officer of U-99, and one of the earlier recipients of the Swords.

(a) Iron Cross Second Class: for his torpedo attacks and initiative in often fruitless operations off the Orkneys and Shetlands. He sank three ships of 6,000 tons.

(b) Iron Cross First Class: for his minelaying sorties in enemy waters. (Both these awards were earned in the first four months of the war.)

(c) Knight's Cross: awarded the decoration on 4 August 1940. "For the greatest number of ships and total tonnage sunk by a commander in one voyage and for 'continuous determination and skill' in handling his ship in the face of the enemy." (From "The Golden Horseshoe") — eight ships sunk totalling 50,000 tons in one patrol. He was presented with the Cross by the Commander-in-Chief of the German Navy, Admiral Raeder, in Lorient harbour. His total tonnage of shipping sunk to this date was 117,000 tons.

(d) Knight's Cross with Oak Leaves: awarded on 4 November 1940. Received the decoration personally from Hitler at the Reich Chancellery on 12 November. Before the presentation he was rehearsed in the investiture drill by Hitler's naval adjutant, Captain von Puttkamer. At noon punctually von Puttkamer presented Kretschmer to the Fuhrer and the formal investiture took place immediately. With a few words of praise, Hitler handed his leading "ace" (approximately 200,000 tons at this stage), the gold-edged box, opened, to reveal the glittering Oak Leaves. He was the second U-Boat Commanding Officer to be awarded the Leaves.

(e) Knight's Cross with Oak Leaves and Swords: on 26 December 1941 at Bowmanville P.O.W. Camp in Canada, the camp commandant, Major Veitch, held a formal parade of both guards and prisoners. He read out a letter from the British Admiralty informing him that Otto Kretschmer had been awarded the Swords to the Oak Leaves of the Knight's Cross — the highest award Germany could offer a naval officer at that time. His final figures were approximately 300,000 tons of shipping sunk plus three destroyers. ("The Doenitz Memoirs" give Kretschmer's figures as 266,629 tons plus one destroyer.) Kretschmer's boat, the U-99, was sunk in the Atlantic on 17 March 1941 by H.M.S. Walker.

**Knight's Cross to the Iron Cross with Oak Leaves, Swords and Diamonds**

FOUNDATION DATE: The first official notice of the Diamonds appeared on the same day as the Swords — i.e., 28 September 1941, even although the first award was made some two months earlier.

DESCRIPTION: The addenda consists of the silver oak leaves and swords of the previous lower grade, with the leaves and sword hilts embellished with diamonds.

In the second amendment order (28/9/1941) there appears the following paragraph: ". . . in the case of oak leaves, swords and diamonds, the diamonds will be set into the sword handles as well as the three oak leaves." In the beginning, however, only the oak leaves were inset with diamonds, but later they were also set into the handles and guards of the swords.

The settings of the stones were not drilled through as in the case of American type settings. There is some variation, depending on the source of information, as to the numbers and sizes of the diamonds. These variations fall into four categories:

(i) 22 stones all the same size, in the Oak Leaves only.

(ii) 22 stones in the Oak Leaves, plus six in each sword hilt and guard, all the same size.

(iii) 22 stones varying from 1 - 4 mm. in the Oak Leaves only.

(iv) 22 stones in the Oak Leaves, plus six in each sword hilt and guard, varying in size from 1 - 4 mm.

Every recipient of this grade of the Iron Cross was issued with two copies of the award — one being set in precious stones and the other comprising paste imitations. Adolf Galland received a set of authentic diamonds some time after his original set had been presented by Hitler (see notes below).

AWARDS: It was intended by the High Command to limit the number of holders to 100. The numbers issued, however, amounted to 27. A full list of recipients follows:

**Holders of the Knight's Cross with Diamonds, in chronological order**

(Figures in brackets indicate the recipient's order of award of that particular grade.)

| | Knight's Cross | Oak Leaves | Swords | Dia-monds | Remarks |
|---|---|---|---|---|---|
| Werner Molders Colonel | 29/5/40 | 21/9/40 (2) | 22/6/41 (2) | 16/7/41 | Luftwaffe 115 kills |
| Adolf Galland Lt. General | 1/8/40 | 24/9/40 (3) | 21/6/41 (1) | 28/1/42 | Luftwaffe 103 kills |
| Gordon Gollob Colonel | 18/9/41 | 26/10/41 (38) | 24/6/42 (13) | 30/8/42 | Luftwaffe 160 kills |
| H-J. Marseille Captain | 22/2/42 | 6/6/42 (97) | 18/6/42 (12) | 4/9/42 | Luftwaffe 158 kills |
| Hermann Graf Colonel | 10/1/42 | 2/5/42 (93) | 2/5/42 (11) | 9/10/42 | Luftwaffe 209 kills |
| Erwin Rommel Gen. Field Marshal | 26/5/40 | 20/3/41 (10) | 20/1/42 (6) | 11/3/43 | Army |
| Wolfgang Luth Captain | 24/10/40 | 7/11/42 (142) | 15/4/43 (29) | 11/8/43 | U-Boat Cdr. |
| Walter Nowotny Major | 14/9/42 | 3/9/43 (293) | 22/9/43 (37) | 20/10/43 | Luftwaffe 258 kills |
| Adalbert Schulz Major General | 29/9/40 | 31/12/41 (47) | 6/8/43 (33) | 14/12/43 | Army |
| Hans-Ulrich Rudel Colonel | 6/1/42 | 14/4/43 (229) | 25/11/43 | 29/3/44 | Luftwaffe Stuka pilot |
| H. Graf Strachwitz Lt. General | 25/8/41 | 17/11/42 (144) | 28/3/43 (27) | 15/4/44 | Army |
| Herbert Gille General | 8/10/42 | 1/11/43 (315) | 18/2/44 (47) | 19/4/44 | General of the S.S. |
| A. Kesselring Gen. Field Marshal | 30/9/39 | 25/2/42 (78) | 18/7/42 (15) | 19/4/44 | Luftwaffe |
| Hans Hube Colonel General | 1/8/41 | 17/1/42 (62) | 21/12/42 (22) | 20/4/44 | Army |
| Helmut Lent Lt. Colonel | 30/8/41 | 6/6/42 (98) | 3/8/43 (32) | 31/7/44 | Luftwaffe 110 kills |
| J. (Sepp) Dietrich Colonel General | 5/7/40 | 31/12/41 (41) | 16/3/43 (26) | 6/8/44 | General of the S.S. |
| Walter Model Gen. Field Marshal | 9/7/41 | 18/2/42 (74) | 3/4/43 (28) | 17/8/44 | Army |
| Erich Hartmann Major | 29/10/43 | 2/3/44 (420) | 4/7/44 (75) | 25/8/44 | Luftwaffe 352 kills |
| Hermann Balck General | 3/6/40 | 22/12/42 (155) | 4/3/43 (25) | 31/8/44 | General of the Armd. |
| Bernhard Ramcke General | 21/8/41 | 15/11/42 (145) | 20/9/44 (99) | 20/9/44 | Gen. of the Paratroops |
| H.-W. Schnaufer Major | 15/1/44 | 27/6/44 (507) | 30/7/44 (84) | 16/10/44 | Luftwaffe 126 kills |
| Albrecht Brandi Commander | 21/1/43 | 11/4/43 (224) | 13/5/44 (66) | 24/11/44 | U-Boat C.O. |
| F. Schorner Gen. Field Marshal | 20/4/41 | 17/2/44 (398) | 28/8/44 (93) | 1/1/45 | General of Mount. Tps |
| H. von Manteuffel General | 31/12/41 | 23/11/43 (332) | 22/2/44 (50) | 18/2/45 | General of the Armd. |
| T. Tolsdorff Lt. General | 20/11/41 | 15/5/43 (302) | 18/7/44 (80) | 18/3/45 | Army |
| Dr. K. Mauss Lt. General | 26/11/41 | 24/11/43 (335) | 23/11/44 (101) | 15/4/45 | G.O.C. 7th Pànz. Div. |
| D. von Saucken General | 15/1/42 | 22/2/43 (281) | 20/2/44 (46) | 8/5/45 | General of the Armd. |

It will be seen from the listing of holders of the Diamonds (or Jewels or Brilliants as they are sometimes called) that almost without exception, they received the award for sustained brilliance in combat, or outstanding leadership over a lengthy period. The only apparent exception is the Paratroop General, Ramcke, who was awarded the Swords and the Diamonds on 20 September 1944. All the Army and S.S. Generals were men of proven brilliance. Rommel, Hube, Model, Dietrich, to mention a few, were household names in Germany during the war, their victorious campaigns being a great booster of public morale.

The Luftwaffe fighter pilots did not only receive the Diamonds for the number of planes they shot down; their leadership and ability as tacticians played a big part. The prime example of this was Adolf Galland. There were 82 pilots with higher scores than his, but only eight of those received the Diamonds. Galland, together with Molders, did much to influence the tactics of the Luftwaffe during the years 1940-41. On the other hand, Hans-Joachim Marseille who is acknowledged as the "unrivalled virtuoso of the fighter pilots", received the Diamonds for his ability to shoot down planes. In the short span of little more than a year he flew in 388 actions, and shot down 158 enemy planes (151 in Africa as a member of the 27th Desert Fighter Group), before being kilied over Tobruk on 30 September, 1942. He was only 22 years of age at the time and the youngest Captain in the German forces. From the time he received the Knight's Cross it took him only six and a half months before he was awarded the Diamonds. Of the 27 holders of this high decoration he earned it in the shortest space of time.

U-Boat C.O. Captain Wolfgang Luth received the Diamonds for his outstanding record in the submarine arm of the German Navy. Between January 1940 and October 1943 he completed 14 patrols, spending over 600 days at sea. During that time he sank close on 250,000 gross tons of shipping.

Among the better known holders of the Diamonds was General of the Fighters, *Adolf Galland*. His grades of the Iron Cross are listed below.

(a) Iron Cross Second Class: Awarded on 1 October 1939 for his efforts during the Polish campaign, in which he flew 50 sorties in 27 days.

(b) Iran Cross First Class: Unknown to the author when it was awarded, but received some time during the French campaign.

(c) Knight's Cross: Received the Cross from General Field Marshal Kesselring on 1 August 1940, after his 17th kill and many completed low-level attacks, during the French campaign. He was the third Luftwaffe officer to receive the award.

(d) Knight's Cross with Oak Leaves: Received on 24 September 1940 after his 40th kill. He was the third member of the armed forces after Lt. General Dietl (who received the award on 19 July 1940, for his conduct of the Narvik Campaign), and Molders (who achieved 40 kills three days before Galland), to receive the Oak Leaves. He was presented with the addenda at an investiture held in the Reich Chancellery.

(e) Knight's Cross with Oak Leaves and Swords: Received the Swords after making his 70th kill. The first recipient of the award on 21 June 1941. He received them personally from Hitler at the "Wolf's Redoubt" in East Prussia.

(f) Knight's Cross with Oak Leaves, Swords and Diamonds: Was awarded the Diamonds on 28 January 1942 for achieving 94 victories in aerial combat. He was the second soldier of the Armed Forces to receive the award. Molders, the first recipient of the Diamonds, received the decoration after his 100th kill. Hitler gave Galland the award while still six short of his 100, for two reasons. The first was that he had achieved all his victories on the Western Front, while Molders' total included 20 or 30 against the Russians, and the second being his recent promotion to General of the Fighters, which Hitler thought would curtail his flying activities.

Adolf Galland eventually received four sets of the Diamonds, not because he had earned the award four times, but through a set of unusual circumstances. He was presented with his first set by the Fuhrer at the usual ceremony. Later when dining with Goering, the Reichsmarschall examined his decoration closely and said, "These aren't diamonds at all. They're just stones, ordinary stones. The Fuhrer has been swindled over this." Goering took the Diamonds and offered to replace them with a set from his own accumulation of stones. He did this, and when Galland compared the two sets it was obvious that the Reichsmarschall's set were of a much superior type, with a brilliance all their own. They were also larger and Galland now had two sets. Goering mentioned the fact of the inferior stones to Hitler. Later Galland was summoned again to the Wolf's Redoubt and with due ceremony received his third set of Diamonds with the following words from Hitler, "Galland, I can now give you the highest German Decoration for bravery in the best quality. What you have been wearing is only temporary." Towards the end of the war Galland's command post in Berlin was hit by bombs and set No. 3 was destroyed. When Hitler heard about this he had another set made. That was the fourth. (From "The First and the Last".)

In late 1966 the Knight's Cross with Oak Leaves, Swords and Diamonds won by the late Oberst Helmut Lent was sold. This is believed to be the first genuine example of the Diamonds to go on the market. It fetched over £500 in a public auction in London.

**Knight's Cross to the Iron Cross with Golden Oak Leaves, Swords and Diamonds**

FOUNDATION DATE: 29 December 1944.

DESCRIPTION: Similar to the previous lower grade but with the Oak Leaves and Swords in gold instead of silver. It is thought the size and arrangement of the diamonds was also similar. The decoration came in a black velvet lined case.

AWARDS: One only, to Colonel Hans-Ulrich Rudel, on 1 January 1945. It was the intention of the German High Command to limit this award to the twelve most deserving men in the armed forces. Hitler himself personally drafted the wording of the citation for the award.

Colonel Rudel was a legendary figure in the Luftwaffe. He survived numerous injuries, including the amputation of a leg, and several crashes from shot-up aircraft. He received all the high awards for combat pilots; in fact one or two were especially created for him alone in recognition of his astonishing feats on the Eastern Front. Rudel flew mainly the JU 87 (the notorious Stuka) in 2,513 sorties, specialising in the destruction of Soviet tanks. As commander of the Schlachtgeschwader (Assault wing) No. 2 "Immelmann" he was credited with destroying 500 tanks.

**1939 First Class**

FOUNDATION DATE: 1 September 1939.

DESCRIPTION: The usual cross pattee form was adopted for the 1939 Iron Cross. The metal rim and reverse are made from coin silver, the rim and beading being polished. The finish of the reverse and the vertical pin is dull, giving the appearance of having been sandblasted. The centres are made from stamped sheet iron painted black. On the obverse of the Cross in the centre is a swastika, within the lower arm the date 1939. The reverse is plain with the usual vertical pin for attachment to the uniform. The pin is flat, wide in the middle, narrow at the hinge, and tapers to a blunt uptilted point. As with the 1914 type, pieces with a screw back reverse may be seen, although they would be rare.

So far only the flat type of cross has been observed, unlike the 1914 Cross which has both the curved and flat types. These crosses may be hallmarked. One piece examined has the figures 65 on the pin, and another has the numeral 1, also on the pin.

Very little variation in size is apparent when compared with the 1914 First Class. The 1939 Cross is usually 43 - 44 mm. in width and height. No prinzen sizes are known to have been made.

AWARDS: There are no known final figures for the number of issuances of this grade of the Iron Cross. However, as at 15 January 1945 the number awarded is supposed to have been 734,000. When conferred, the First Class came in a small black case, with the outline of the Cross in white on the lid.

The First Class was worn in the same place as in previous years —i.e., low down on the left breast, the position varying according to the type of uniform.

Flight Captain Hanna Reitsch, the well-known test pilot, become the only woman to receive both the First and Second Classes of the Iron Cross in the Second World War. She received the Second Class on 28 March 1941 from Hitler personally in the Reich Chancellery. It was awarded mainly for her work in testing a Dornier 17 with a variety of balloon cutting attachments, and for her fine effort in successfully landing the test plane after it sustained severe damage during testing. She wore the Cross around her neck suspended from a short length of ribbon (approximately 35 mm.).

She was awarded the Iron Cross First Class in October 1942 for her test work on the early models of the ME 163b. During the test programme she was involved in a serious crash in one of the prototypes and as a result spent five months in hospital. A few days after the accident she received the cross of the First Class.

As with most German awards issued during the period 1939-45, when the going got rough they were distributed more liberally. The Iron Cross was probably the most abused decoration of that period with even civilians occasionally receiving the lower grades.

The following incident is an example of the sometimes haphazard methods of distributing the lower grades of the Iron Cross. On returning from a patrol it was usual for Commanding Officers of U-Boats to report immediately to the Admiral and give a verbal report on the patrol. After one such patrol, Marbach, C.O. of U-953, demanded ten Iron Crosses, First Class, for the boat for previous patrols which included the sinking of three destroyers. At last, after much badgering, the Admiral allotted him four, his reason being the crew hadn't put in the requisite days at sea. Marbach's comment was, "I thought you gave decorations for gallantry, not for globe trotting".

The lower grades of the Iron Cross were frequently awarded "in the field" for outstanding actions — e.g., Colonel General Guderian decorated two officers on the spot with the First Class during the lowlands campaign. These officers were involved in the capture of a bridge over the Rhine-Marne Canal near Etrepy on 13 June 1940. They were Lt. Weber, an engineer officer, who had risked his life to prevent the demolition of the bridge; and Hauptmann Eckinger, the commander of the rifle battalion which had formed the bridgehead; both of the First Panzer Division.

The first posthumous award of the First Class was made to TN Crew-Leader Wolfram Veeck, who, as leader of a Bremen repair gang, was killed in 1942, while on duty.

The Iron Cross also featured in the design of the baton awarded to the highest ranking officers. The baton awarded to Field Marshal von Weichs had alternate replicas of the German Eagle and the Iron Cross First Class affixed to the main body of the baton, the ends being ornamentally capped. That granted to Grand Admiral Doenitz was of similar basic design except the replicas were alternately a naval anchor, the German Eagle, and the Iron Cross First Class.

One of the two major variations of the 1939 Iron Cross First Class is the Japanese variety. In this case the cross was pure Japanese silver and the swastika was in copper. One recipient of this type was Obermaat Conrad Metzner who saved 39 men from the auxiliary cruiser "Michel" (Ship 28) after she had been torpedoed off Yokohama on 17 October 1943 by the U.S. submarine, Tarpon. At the same time that Metzner received his First Class, 25 other German sailors also received their crosses. At the presentation ceremony Admiral Weneker (German Naval Attache in Tokyo) distributed certificates to the effect that the men were entitled to their decorations. Metzner only discovered the cross was silver when he took it to a jeweller to have the pin fired. It is not known if more than 26 Japanese copies of the Iron Cross were awarded. The other variation is the cross made in Spain for the soldiers in the Blue Division.

The basic form of the Iron Cross, without date, featured in the design of the Army battle standards. In military cemetaries replicas of the Iron Cross were frequently used as headstones. These two examples give some idea of the many uses made of the well-known cross pattee shape of the Iron Cross.

**1939 Second Class**

FOUNDATION DATE: 1 September 1939.

DESCRIPTION: The 1939 Second Class is the same shape and basic design as previous Second Class issues — i.e., a black iron cross edged in silver. The black iron centre is usually two separate pieces of stamped sheet iron painted black, with the obverse the same as the 1939 First Class and the reverse plain except for the date 1813 in the lower arm. The silver border measures 4 mm. from inside the beading to the outside edge. Construction of the Iron Cross Second Class is probably unique. Two identical silver borders are placed together enclosing the iron centres, then welded along the edges. Generally, the cross is well made with practically none of the variations encountered in the 1914 Second Class. It is not unusual for the iron portion of the cross to move fractionally within the silver border. Suspension is by means of a large ring passing through a smaller one — very similar to the 1914 Second Class. The ring is occasionally stamped with the silver content — e.g., 800. The hallmarking of Nazi orders, decorations, etc., was purely on the whim of each individual manufacturer, and for the most part pieces went unmarked.

The 1939 Cross, Second Class, generally measures 43 mm. in height and width, with the occasional specimen at 44 mm.

RIBBON: The ribbon is in the same colours as the Knight's Cross and the Grand Cross. The width may vary from 26 - 36 mm. Ribbon in the author's possession measures 30 mm., with the proportions being 4 mm. black, 4 mm. white, 14 mm. red, 4 mm. white, and 4 mm. black.

AWARDS: An unknown number awarded, but it is estimated that somewhere between 4.5 and 5.5 million were issued. When conferred, the Second Class was presented in a suitably inscribed blue paper bag.

The 1939 Iron Crosses were issued only to combatants; there was no special class for non-combatants as in the three previous issuances. Hitler provided adequately for civilians who contributed to the war effort with the War Service Crosses. War correspondents, who were, strictly speaking, civilians, in certain cases won the Iron Cross to make the exception to this rule. Members of the Hitler Youth were also awarded the First and Second Class of the cross, for instance, the 12-year-old youth-leader who at the end of January 1945 saved 12 wounded German soldiers under enemy fire during a battle in the Oder section of Alta Silesia, received the Second Class. Even as early as 1942 the Second Class was awarded to 14½-year-old cabin boy, Kurt Fischer.

Although the Second Class could be worn from its ribbon, pinned above the tunic pocket on the left breast, it was usual to wear only the ribbon in the second buttonhole.

In most cases, where decorations are awarded for gallantry, they not only serve as a personal reward to the individual, but are a great booster of morale in the unit to which the individual belongs. This boosting of morale by the awarding of decorations was carried on by most countries involved in the last war, and especially so by Germany. The following series of cryptic radio messages between Army Group Don and the beseiged 6th Army in Stalingrad, may serve to illustrate the wholesale manner in which Iron Crosses were distributed as a morale booster when the "chips were down". These signals were sent on 24 January 1943, only 10 days before the final surrender of General Paulus and his 6th Army.

**Army Group Don to the 6th Army:**
". . . request information concerning noteworthy deeds performed in XI Corps area with view recommending promotion and decorations."

**6th Army to Army Group Don:**
"XI Corps reports loss of 60 per cent of its total manpower. Three thousand were available for front-line duty. Remainder incapable of field service. Decorations will not change this."

**Army Group Don to 6th Army:**
". . . by direction of the Army Personnel Department. *Company and Battalion Commanders* are entitled on their own initiative to award the Iron Cross Second and First Classes respectively."

**6th Army to Army Group Don:**
"With reference to message 1849, the Army Personnel Department is informed that the troops are now commanded by non-commissioned officers and generals."

— (From "Stalingrad".)

The following classification shows the number of Iron Crosses awarded to the 24th Infantry Division from 1 September 1939 to 31 December 1944 in the case of the lower grades, and to 8 May 1945 in the case of the Knight's Crosses.

| | |
|---|---|
| Second Class | 13,936 |
| 1939 bar to the 1914 Second Class | 148 |
| First Class | 1,696 |
| 1939 bar to the 1914 First Class | 28 |
| Knight's Cross | 35 |
| Knight's Cross with Oak Leaves | 5 |
| | 15,848 |

Exact figures of the number of Iron Crosses awarded to Allies of Germany during World War II are unknown, but by mid-January 1945 the figure is estimated at 125,000.

In addition to Hanna Reitsch the following women received the Second Class Cross during the Second World War: Melitta Countess Schenk von Stauffenberg, Marge Droste and Elfriede Wenk (the last two being nurses).

One Englishman who received the Iron Cross during World War II was a convict named Eddie Chapman. Chapman, who was imprisoned on the Isle of Jersey at the outbreak of the war, was released by the Germans when they overran the place. He worked for his new masters in the espionage game, but unknown to them, he became a British double agent. He was saluted by both sides during the war. The Germans game him an Iron Cross and the British granted him a full pardon.

**1939 Clasps to the 1914 Iron Crosses**

Founded on 1 September 1939 in conjunction with the Iron Cross, the clasps were awarded to holders of the 1914 Crosses, in lieu of further crosses of the 1939 type. The total number of bars awarded as at 1 January 1945 is set at 101,000 pieces. As with the Second Class cross, when these clasps were conferred they came in suitably inscribed blue paper bags.

*Second Class Clasp:* Awarded when a recipient of the 1914 Second Class Cross won the 1939 Iron Cross Second Class. Instead of receiving another cross he received a silver bar or clasp.

This bar was worn on the black and white ribbon of the 1914 award when the ribbon was worn in the buttonhole. Apparently this device was not to be worn on the medal bar.

The bar was in the form of an eagle with outstretched wings, clasping a wreath enclosing a swastika, below the wreath is a piece shaped like a tetrahedron surrounding the date 1939. Four pins are welded to the reverse of the clasp, one in each wing tip, and two behind the date. These pins are then pushed through the ribbon and folded inwards, thereby attaching the clasp to the ribbon.

The Second Class bar is 30 mm. in height and 29 mm. in width (across the eagle's wings). The longest side of the tetrahedron measures 24 mm. Specimens are seen that measure 30 x 30 mm. and 30 x 27 mm. A major variation is the type with dimensions of 25 x 23 mm., but these are not often encountered.

*First Class Clasp:* Awarded when a recipient of the 1914 First Class earned the 1939 First Class, and as with the Second Class instead of receiving another cross the recipient was given the bar.

The First Class bar was worn on the tunic immediately above the 1914 Cross. It was usually worn pinned to the tunic, but is occasionally seen soldered to the upper arm of the cross. Very rarely the First Class bar was worn on the uniform without the accompanying 1914 Cross, but this would be irregular.

Design of the First Class bar is very similar to the Second Class, except that the eagle's wingspan is greater and the tetrahedron enclosing the date is wider. The reverse has a vertical pin for attachment. Screw back bars, similar to the attachments known with the 1914 First Class Cross, are also seen.

The silver device is 30 mm. high and 44 mm. across the eagle's wings. The longest side of the tetrahedron is 29 mm. Pieces are also found that measure 30 x 45 mm., and 31 x45 mm.

## DOCUMENTS OF THE IRON CROSS

### 1. World War II Documents

(a) *First and Second Classes, bars to the First and Second Classes.*

The text of these lower grades can be in either Gothic script or Roman type. The two illustrated measure 199 x 139 mm. and are on a cream coloured heavy paper stock. An unissued example, in the author's collection, of the First Class, measures 188 x 139 mm. and is on a pale yellowish grey heavy paper stock. For these lower grades of the Iron Cross authorised by those other than Hitler, the wording is as follows: "IN NAMEN DES FUHRERS UND OBERSTEN BEFEHLSHABERS DER WEHRMACHT verleihe ich dem." (In the name of the Fuhrer and Supreme Commander of the Armed Forces, I bestow upon . . .) This type is signed by the authorising officer and the seal (Dienstsiegel) of the particular branch of the Armed Forces to which the authority is a member, is affixed to the lower left corner.

(b) *All grades of the Knight's Cross.*

Prior to the receipt of the urkunde (patent) of the Knight's Cross, a vorlaufige Besitzzeugnis (preliminary certificate) was issued. This certificate was issued by the authorising officer over the seal of the particular branch of the Armed Forces to which the authority is a member. The script is Gothic with the necessary details, name, rank, date, etc., typewritten.

The preliminary certificate would be followed at some later date by a most beautiful casetted patent. The patent would accompany the insignia at the investiture, unless it was an immediate award.

Professor Doctor Hans Keiner described the documents which accompany the Knight's Cross in its various grades of addenda, with the exception of the Golden Oak Leaves, Swords and Diamonds, some 26 years ago. A condensed version of that original article follows:

"Due to the great importance attached to the decoration of the Knight's Cross of the Iron Cross great care was exercised to present a suitable document simultaneously. The foremost artisans and craftsmen were called upon to execute the work.

All of the documents are done on vellum parchment. They measure 17 inches by 13¾ inches and are doubled paged, making four distinct pages of the aforementioned size.

Hitler assigned Prof. Gordy Troost the task of designing the certificate and casette. The certificate was *done by hand,* not printed, by Franziska Kobell and the casette or portfolio was done by Frieda Thiersch. The gilding work was completed by Prof. Hermann and Franz Wandinger. Hitler himself signed each document personally.

The print was done in Roman type. The recipient's name, rank, and date of the award were carefully balanced within the text. Documents of each grade differed slightly in format, colour, amount of gold, etc. The casette also differed.

On the certificate for the Knight's Cross the text is of a dirty brown colour, except for the recipient's name which is in gold. Hitler's signature is in black, apparently indian ink, but it could also be in blue. Centred at the top is the Hoheitszeichen — the Nazi Eagle with wings spread, holding the swastika enclosed in a wreath in its claws.

Then comes the inscription, as follows (translated): "IN THE NAME / OF THE GERMAN PEOPLE / I GIVE (the rank and name) / THE KNIGHT'S CROSS / OF THE IRON CROSS / (then centred a 1939 Iron Cross) / LEADER'S HEADQUARTERS / (date of award) / THE LEADER / AND COMMANDER IN CHIEF / OF THE ARMED FORCES / signed A. HITLER."

The casette is of red morocco leather and has the Hoheitszeichen of slightly different design impressed into the front cover in gold leaf. There is a tastefully executed design around the edges and on the inside rims of the casette. The inside of the casette covers are lined with vellum.

The text in every case is on the third page of the Patent parchment.

The document for the Oak Leaves to the Knight's Cross differs only slightly from the above. The Hoheitszeichen and the recipient's name are both in gold on this certificate. There is no drawing of the 1939 Iron Cross, and the wording differs only in that the name is followed by "The Oak Leaves for the Knight's Cross" etc.

The casette is quite different, however. In this grade it is covered by parchment and the Hoheitszeichen is of cast metal which is gilded and attached to the face of the casette. The interior of the casette is finished similarly to the first mentioned grade.

The text of the certificate for the Oak Leaves and Swords is in orange-red with the Hoheitszeichen and recipient's name in gold and the signature in black. The text is changed to include "The Oak Leaves and Swords", etc. The casette for this grade is similar to that of the Oak Leaves.

The certificate for the Oak Leaves, Swords and Diamonds is entirely in gold with the exception of the signature.

In this grade the arm of service of the recipient has been taken into account. The casette for the Air Force is grey-blue; for the Army, earth-red; and for the Navy, navy-blue. Apparently all are executed in morocco leather with the usual interior lining of parchment. The Hoheitszeichen on the face of this casette is quite ornate and is gilded and has the swastika set in diamonds.

Any Field Marshal (or equivalent) who received the Knight's Cross in any grade received a specially designed casette. This had, in addition to the Hoheitszeichen in gilded metal upon a "toned-red" morocco leather casette, a series of very attractive geometric designs of meandering motive with an Iron Cross interwoven".

**2. World War I Documents**

I have been unable to gather very much information on the documents of this period. One example in the collection of E. W. Tainton and reproduced here, with his permission, shows a rather ornate document. The printed area measures approximately 145 x 180 mm. and appears to be a hand drawn document in black indian ink. The top two words "Vorlaufiger Ausweis" (preliminary certificate) and the rather crudely executed name, unit, etc., may indicate that a more permanent patent would follow at a later date.

It also appears that the German States could issue their own bestowal documents with the Iron Cross. An original document in the Bob Taylor collection is for a 1914 Iron Cross Second Class issued by the Kingdom of Wurtemburg. It is completely different from the above type.

## 1957 DE-NAZIFIED IRON CROSSES

By 1957 the need for Germany to rebuild her armed forces had become apparent. The key personnel required to organise and train this new German Wehrmacht had to come from the veterans of the two World Wars. These veterans not only brought their experience but also their decorations of old.

Since the conclusion of the war, the swastika, symbol of the Nazi party, had been forbidden to appear in public. Therefore, a substitute had to be found. This substitute took the form of the old royal symbol — three oak leaves on a stem, with acorns.

On 26 July 1957, the West German Republic issued a proclamation ordering replacement decorations to be made. As we are primarily concerned here with the Iron Cross, it will suffice to say that most decorations awarded for war service were included in this proclamation. Awards issued by the Nazi party for service to the party or one of its branches — e.g., the S.S., were not included.

So far as the Iron Cross is concerned, the basic shape and design remains the same except for the central swastika motif. This has been replaced by three oak leaves on a stem, one leaf extending into the upper and each of the side arms, and the stem in the lower arm. Immediately under the leaves there are two acorns, one either side of the stem.

The Grand Cross, Breast Star, and Knight's Cross with Golden Oak Leaves, Swords and Brilliants were not redesigned as they were one only awards and the recipients were either dead or not serving in the armed forces. Few of the holders of the Knight's Cross with Diamonds are on active service. It appears probable that a special redesigned award would have to be made for them. However, all holders of the Iron Cross in the remaining lower grades were invited to accept the new design.

The 1957 issue of the 1939 bars for the First and Second Class crosses were completely changed in design. The new type bar is rectangular in shape with the figures 19 at one end and 39 at the other. Superimposed on the bar in the centre is a replica of the Iron Cross without a central motif or date.

Methods of wearing the Knight's Cross and the First Class were unaltered from the war years. The Second Class, however, was removed from the buttonhole and placed on the medal bar with other decorations.

All grades of the Iron Cross can now be worn on the ribbon bar:

Second Class — plain ribbon.

First Class — Second Class ribbon with replica of the cross attached.

Knight's Cross — Knight's Cross ribbon with a replica of the cross.

Knight's Cross with Oak Leaves — Knight's Cross ribbon with a replica of the cross complete with miniature set of oak leaves attached to the upper arm.

Knight's Cross with Oak Leaves and Swords — similar to the Oak Leaves, except that attached to the upper arm of the cross is a miniature set of oak leaves and swords.

## CONCLUSION

In conclusion, mention should be made of three Nazi decorations created by Hitler, although not part of the Iron Cross, had close connections with it. These were the Honour Roll Clasps. They were awarded to members of the armed forces who had been cited in an Order of the Day and were entered on the Honour Roll of the Army, Navy or Air Force.

The clasps were created largely to bridge the gap between the Iron Cross First Class and the much higher award of the Knight's Cross to the Iron Cross. (Similar conditions led to the creation of the War Order of the German Cross in 1941.) To be eligible a recipient must first possess the Iron Cross First Class and perform an extraordinary act of bravery in combat that would normally justify the award of the Knight's Cross. The clasps were attached to the ribbon of the Iron Cross Second Class and worn in the second buttonhole of the tunic.

The Honour Roll Clasp for the Army consisted of a circular oak wreath, tied in a bow at the bottom, and enclosing a swastika, and was created on 30 January 1944. For the Navy, the clasp consisted of a circular oak wreath enclosing an anchor with a swastika in the centre and was created on 13 May 1944. For the Air Force, the clasp was a circular oak wreath enclosing a flying eagle with a swastika in its claws, and was created on 5 July 1944. All the clasps are gilt finished and the central designs are on pierced out backgrounds. These high awards for bravery were not issued often and genuine specimens are hard to find.

In the same category as the Honour Roll Clasps was the Luftwaffe Goblet of Honour. This award, not an official Third Reich decoration, was nevertheless regarded very highly in the Luftwaffe. It was instituted on 27 February 1940 by Goering and ceased to be awarded after the introduction of the Honour Roll Clasps. The Goblet, measuring 20.3 cm. high and 9.8 cm. across the top, was of silver, and on one side had in high relief an exact replica of the 1939 Iron Cross First Class. It was founded because in 1940 the Knight's Cross to the Iron Cross was much harder to win than in later years of the war. As a prerequisite to the awarding of the Goblet of Honour the recipient had to have the Iron Cross First Class.

One of the new de-Nazified decorations features the Iron Cross. It is the German Cross in Gold. The old form of the award featured a swastika within a gold wreath, the whole on an eight-pointed star. The new version has the swastika replaced by a replica of the Iron Cross First Class, with the oak leaves in the centre but no date in the lower arm.

An unusual feature of Nazi decorations is that neck pieces and pin back awards were worn on active duty. This applied particularly to the various grades of the Iron Cross. Luftwaffe pilots are a good example of this, and many have been photographed returning from operations with the Knight's Cross around their necks.

In Imperial times, the ribbon worn with the Iron Cross was also used with other decorations (mainly Prussian) — e.g., Military Decoration of Honour First Class 1814, Military Decoration of Honour Second Class 1806, the Order of the House of Hohenzollern 1841, Gold Military Cross 1864, and the Colonial Medals of Merit in gold 1892, all were suspended from a black ribbon with white side stripes. The non-combatants ribbon of white with two black bands was also seen on the awards of the Louisa Order, the Commemorative (Jubilee) Medals for the 1813-15 Campaign (only when these medals were awarded to some 40 Ladies of the Louisa Order who served with distinction in the campaign), and the Colonial Medals of Merit in silver.

It should be noted that Germany is not the only country to issue an Iron Cross Order. The Ukrainian National Republic founded on 19 October 1920 "The Order of the Iron Cross". This cross, however, bears no resemblance to the decoration of the same name issued by Germany.

One relatively modern decoration that bears a remarkable resemblance to the 1939 Iron Cross is the Colombian Cruz de Hierros, known as the Hero's Cross or Iron Cross. It is awarded to those who have distinguished themselves by bravery in action in an international war. It was created on 27 March 1952, Decree No. 812, by the Colombian Ministry of War, to reward bravery in the Korean War.

The cross is identical in size and shape to the German Iron Cross. The centre appears to be blackened silver, rather than iron, and the silver beading around the edge is very similar to the German award. The obverse has the Coat of Arms of Columbia in the centre. The reverse has the Korean "taeguk" in the centre with the appropriate inscription to either side. Suspension is by a ball in the upper arm through which a jump ring passes.

The Spanish Government instituted the Iron Cross for San Sebastian, 1836, as a result of the fighting against the Carlists on the heights of San Sebastian, 5 May, 1836. (The British Legion in Spain under General Sir de Lacy Evans fought in this battle.)

Another award which was modelled on the Iron Cross was the Hessian Order of the Iron Helmet. The badge of this Order (founded in 1814) was initially a black lacquered, silver edged iron trefoil cross with the vertical arm longer than the horizontal arms. In the centre of the cross is set a silver knight's helmet, with below, the date 1814. On the right end of the arm is the letter W and on the left, K. The shape of the cross was later changed to a cross pattee similar to the Iron Cross.

The author would like to point out that this paper is only a beginning to the fascinating and absorbing history associated with this remarkable decoration. It does not purport to contain all the answers, in all probability it poses a few more riddles.

Since commencing the paper much new data has come to light which regretably has had to be omitted. Some of the subjects just touched upon, which could do with much further examination are, the many and varied cases and boxes for all grades through the years, the patents and certificates for the 1914-18 War and earlier, the Field Marshal's batons of the Second World War, the 1939 Breast Star to the Grand Cross, the numbers awarded, in all grades, for both Great Wars, the varieties in the early issues of the Grand Cross, the numbers of diamonds and their size and shape in the addenda to the Knight's Cross with Diamonds, etc.

There is very valuable research being conducted at present on the Iron Cross and other German awards, by Dr. K. G. Klietmann of Berlin who devotes almost all his energies to the gathering of historical information on the Orders, Decorations and Medals of the world. Good work is also being done by E. P. Rich of the West Point Museum, who from time to time is taking the more unusual pieces in the Museum's collection, photographing and describing them, and presenting the results of his studies in the Orders and Medals Society of America Journal. These are just two of the historians who are prepared to give of their time and energy to help us all in furthering our knowledge of the pieces in our collections.

## ACKNOWLEDGEMENTS

This paper would not have been possible but for the considerable help I received some years ago from Dan Ragsdale of California, U.S.A. Had it not been for his voluminous notes on the early issues of the Iron Cross, this most important section on the history of the award would have been sadly incomplete. His unstinted generosity is most gratefully acknowledged. My special thanks go to Mrs. Val Reichenbach for typing the draft copy from notes, which to say the least, were somewhat muddled. Special mention must be made of Geoff Stagg, Phillip O'Shea and John Gibson for allowing me to study Iron Crosses in their collections and for their advice and encouragement. Hope Cross and Ian Mirfin also contributed with their translations of correspondence. Finally my good friend Seddon Fenn is to be especially thanked. With his widespread contacts in the photography world, he performed minor miracles with some superb last minute photographs of documents. Where possible I have endeavoured to acknowledge all quotes. If any author or publisher has been misquoted or non-attributed, I apologise now, as any errors will be unintentional and entirely due to a lack of attention to these matters when first starting on this project six years ago.

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A.E.P.

# BOOK REVIEWS

**The Regimental Badges of New Zealand,** by D. A. Corbett. Published by the author, Auckland, 1970. 254 pp., many illus., (edition limited to 1,000 numbered copies). Price NZ$9.00.

This book is "a concise and illustrated history of the badges worn by the militia, volunteer and territorial corps which were the proud forerunners of the New Zealand Army". A long sub-title, but it is exactly what the book is about and what it achieves. Captain Corbett remarks in his preface that the difficulty in the compilation of such a book "arises from the vast numbers of unofficial badges that were worn but rarely received official sanction or even passing recognition". This is a modest remark, for surely the author is really saying that such a task is hard work; having a knowledge of New Zealand military history; an interest in badges; time to devote to such a project and above all the patience to put all the facts together. He has triumphed all this, and in a manner which I am sure all who have cause to refer to this work will commend.

Unfortunately, the quality of plates varies but knowing the difficulty in trying to capture the detail of some badges on film, it is only a minor point and in no way detracts from the overall presentation. The quality of the paper, the binding and the layout reveal the pride and care with which the author has produced this work.

The introductory sections are literally "loaded" with facts and all will find much of interest, besides probably settling a few old soldiers' arguments! Such matters covered are: badges by their design, Regimental Mottos, Corps Distinctions, Authorised Badges of appointment, Corps and Regimental shoulder titles, Puggarees, the Volunteer System in New Zealand, Order of Precedence of the New Zealand Volunteer Corps, New Zealand Army Organisation 1903-1911 and the subsequent reorganisation under the Defence Act 1911.

A photograph, brief description of the badge and other special distinctions accompanied by a brief factual history of the unit is the style followed throughout in dealing with the hundreds of badges issued in New Zealand. For some details are omitted but the illustration speaks for itself.

I fail to see the reason for the inclusion of photographs and details of the Queen's South Africa Medal, 1899-1902; it is so much out of character for the book. Some readers may also be confused by the synonymous names and terms such as South African War, Boer War, Anglo-Boer War, and Battle Honours, War Honours. The first in each case being the accepted form.

One can possibly think of many items of information that should have been included in this book. They may be in the future editions the author has in mind. Two points that come to mind are the details in the New Zealand Army Act 1950 and the Defence Act 1964, and a bibliography. The latter often of great use to the researcher.

This book is not designed for general reading, it being essentially a reference work. A work which is the first of its kind in New Zealand, compiled and published by one, an airline pilot, who has an intense interest in New Zealand military history. Its defects are insignificant and reviewers' comments must be somewhat superficial, for they are outweighed by the wealth of information collated.

All those with an interest in New Zealand military history, collectors of badges especially, owe the author a great deal of gratitude and their heartiest congratulations. He has mine for a job well done.

PHILLIP P. O'SHEA

**The Guidebook and Catalogue of British Commonwealth Coins 1660-1969,** 2nd edition, by Jerome Remick, Somer James and Howard Linecar.

This book lists the coinage of 115 present and past countries within the British Commonwealth of Nations, from Aden to Zanzibar. It includes the coinages of a few countries such as the South African Republic, German East Africa and German New Guinea before they became part of the British Empire, and the coinages of other countries after they left the British Commonwealth, such as Burma, Israel, Ireland and the Republic of South Africa. Great Britain, Scotland and Ireland are included from the beginning of milled coinage in 1662.

The section for each country is prefaced with a brief general and numismatic history. This is followed by a full listing of coinage by denomination by year, including the mintage of each denomination each year. The value, expressed in $US/C is given for each item under various grades. Specimen and proof sets are listed separately. The listings for Australia and New Zealand include tradesmen's tokens.

This is an inexpensive and general guide for the collector of Commonwealth coinage.

D.A.McD.

**Standard Catalogue of British Coins 1969 Edition**, by B. A. Seaby Ltd. Price 25/-.

The eighth edition of Seaby's standard catalogue follows the format of previous editions. This edition includes a list of Latin legends on English coins and their translation. Scottish and Irish coins are again omitted, but will be dealt with in a separate volume at a later date. Values show a further increase, but, as the authors caution, these are their selling price at time of going to press, not their buying price.

This catalogue is recognised as the basic handbook for collectors of English coins, and the current edition continues the high standard of earlier editions.

D.A.McD.

**The English Silver Coinage from 1649.** Third Edition, by B. A. Seaby Ltd. Price 45/-.

This is the book for the serious collector of English silver coinage. 1649 has been selected as it was the first year of the Commonwealth, a revolution in English constitutional history, and the beginning of a new era in the history of their coinage.

The edition begins with a history of the coinage, which is an expansion of the general comments which preface each reign in the standard catalogue. Then follows each denomination from crown to silver half penny. The line illustrations of earlier editions have been replaced by photographs, which are freely used to illustrate each type, and the many varieties listed. As an alternative to values, the authors have listed the rarity of each item, from R7 — only one or two examples known — to C3 — extremely common.

At the end of each reign are listed the pattern coins, an interesting commentary on the coinage that might have been.

The book concludes with Maundy money sets, and appendix of coinage tables from 1816 to 1966.

D.A.McD.

**Standard Catalogue of Canadian Coins, Tokens and Paper Money**. Fully illustrated, 1670 to date, nineteenth edition, enlarged and revised, 1971, by J. E. Charlton. Charlton Publications, Box 44, Port Carling, Canada, 1970, 200 pages. Stiff paper cover, $2.50. Cloth bound with dust jacket, $3.95.

Annual editions of Charlton's *Standard Catalogue* are an established Canadian tradition. The nineteen editions in total (a fascinating library collection) provide an intriguing documentation of popular numismatic trends since 1952, early numbers antedating even the printed *Canadian Numismatic Journal*. The fact that the *Standard Catalogue* is so known and respected in Canadian and world numismatics, so much a standard reference in the field, makes a reviewer's task difficult. However, it would seem fitting, in this year of major additions to the *Standard Catalogue,* that the new portions receive particularly careful attention. The more established sections, those dealing with the regnal coinage, the Canadian token classics, and the federal government and Bank of Canada paper money, will be described for those still less than fully acquainted with this excellent Canadian reference.

The most collected Canadian numismatic material, the regnal coinage, cent through dollar, is illustrated by type and major variety, listed by date and (where applicable) mint mark, with mint statistics and "realistic up-to-date values" in up to six conditions (good through uncirculated). Points to note in grading the various series are carefully presented The regnal coinage of Newfoundland and other provinces receives equally full and meticulous treatment. A most important addition, in this context, is a five-page 118-item listing of patterns, proofs, and essais or trial pieces of Canada and the provinces, a highly interesting supplement on "coins that might have been".

The Breton tokens, Canada's numismatic "classics", are fully listed, with excellent illustrations. The reader familiar with the early issues of the Charlton catalogue will appreciate the efforts that must have gone into the building of this store of pictures, for a number of these pieces are decidedly hard to locate in prime condition. The exclusion of Canada's many modern tokens, some of high numismatic interest, is unfortunate, but is clearly indicated by the scope, size and price of such a general reference. It would be regrettable, however, for the casual reader to get the impression that contemporary Canadian tokens ceased to be of importance with the work of Breton.

Practically half the book, not inappropriately, is devoted to paper money, the most comprehensive treatment to date of this difficult topic. The Dominion of Canada, Government of Newfoundland, and Bank of Canada note issues are treated with the customary thoroughness, illustrated and priced in five conditions. The major new venture is into the area of bank, corporate and related paper money, a field considerably less in order at the present time than was Canadian decimal and token material when the Charlton catalogue made its first appearance in 1952. The new effort is a commendable one, with some careful listings, splendid ilustrations, and attempted pricing in the up-to-five conditions.

There are practical problems in this regard — although, of course, it always is easier to identify difficulties than to put forth feasible solutions. The notes of each bank are listed by demnoinations; that is all $1 notes, chronologically, are given first, and this has undeniable advantages. While a sound approach with regnal coinage, however, it does tend to obscure the sets and sequences of considerable significance with regard to the more recent paper money. The Canadian Bank of Commerce $100 for Barbados, priced in five conditions, is a rarity of which, in truth, only two specimens survive, neither of which ever has numismatically changed hands. It might be, then, that rarities and notes about which little is known could be valued by auction or sales prices, noting date and condition, or the observation be made that market value never has been determined.

The various issues of provincial and municipal notes, Army Bills, merchants' and miscellaneous notes, are a most important addition to the Standard Catalogue, representing material easily as interesting as the classic tokens.

The book is, of course, an excellent buy, and these new sections do much to broaden numismatic perspective at a time when paper money collecting, and especially Canadian chartered bank currency, very much has come into its own.

HAROLD DON ALLEN

# NUMISMATIC MISCELLANY

**By R. P. HARGREAVES**

## Making Money Fast

In mid-August 1969, the new U.S. mint at Philadelphia was dedicated. Costing $US37 million, the mint can produce 10,000 coins a minute! This is over 166 coins a second, compared with five coins a second at other American mints. Philadelphia produces coins not only for the United States, but for many other countries as well.

## Ironing Banknotes

Collecting paper money is a rapidly growing branch of numismatics overseas, and many members of our Society have banknotes in their collections. Often these notes are folded, circulated ones which we or friends have brought back from trips overseas. Until these used notes can be replaced by crisp specimens, why not make them as presentable as possible by unfolding the edges and then ironing? Place the note between damp white blotting paper and use an iron that is not too hot. Two "don'ts" though — *don't* apply the iron directly to the note, and *don't* under any circumstances use ordinary adhesive tape to repair tears.

## Rhodesia Goes Decimal

The swing to decimalisation of currency continues. On 17 February 1970, the Republic of Rhodesia made the change, its new decimal coins being for ½, 1, 2½, 5 10, 20 and 25 cents.

## Coin Shortage

Did you see the newspaper report in July 1969 that a shortage of New Zealand 2 cent pieces was the result of hoarding these coins in private piggy banks and jars? Personally I didn't realise there was a shortage, for there always seemed to be in circulation — in Dunedin at least — plenty of the 75 million 1967 2 cent pieces that had been minted for the introduction of decimal coinage. In July 1969 the New Zealand Treasury announced that 20 million 1969 2 cent pieces had been bought for circulation. But shortages of certain coins is a feature which occurs from time to time, though who is to blame is not always certain. In the mid-1870s a shortage of sixpences in the Queenstown area was blamed on the Chinese goldminers, who, it seems, always used the coin as their gambling stake, and therefore hoarded them.

## Medical Money

In looking through a New Zealand periodical of 1890 vintage, I came across the following interesting account of the use of money by Maoris to assist in curing patients. "Besides the tohunga there are prophets, who work on the same lines as faith healers. I had the opportunity of studying the operations of one of these faith healers at Putiki during a great Maori meeting there. The prophet had an audience of six hundred or seven hundred Maoris. He had a small box, at each corner of which was placed a potato, and a number of florins were scattered over the lid of the box. These were the florins of the patients, and the same money wouldn't do for two patients. The prophet was a thin, dyspeptic, but intelligent man of about thirty-eight. His assistant was older, with grey hair and black eyes. He cured his patients by moving the potatoes and coins in various ways, and making curved lines on the sand with his stick. Many natives believed implicitly in him." Unfortunately, the writer, who was a medical doctor, never recorded whether the treatment was successful or not.

## ROYAL VISIT INDIAN CHIEF'S MEDAL

Canadian history was made during the Royal Visit to Manitoba in July 1970. At a special assembly at The Pas Reserve, 11 July, Her Majesty the Queen presented to 57 Chiefs of the Manitoba Indian Brotherhood solid silver medals, 3½ inches and 10 ozs, as a token of continued friendship. The medals are engraved with her likeness and the traditional scene of a Government and an Indian negotiator shaking hands.

Medals of this design with the head of Queen Victoria were first presented to Chiefs in 1873 to commemorate a treaty signed with Saluteaux and Ojibway Bands. The two men represent the Government Treaty Commissioner and an Indian Chief. The same design, with the head of King Edward VII, was used for Treaty Medals in 1906-7, and again in 1921-2 with the head of King George V. It is appropriate that this Centennial Royal Visit Medal continues the traditional design.

The Manitoba Centennial Corporation authorised minting an official replica of the medal for public distribution. Of solid sterling silver and 1½ inches in size, it contains 1 oz of silver and will be produced until the end of 1970 Centennial Year. It is the only official Royal Visit medal for the Manitoba tour.

The Indian Chiefs medals and the official replicas were struck by The Sherritt Mint, owned and operated by Sherritt Gordon Mines Limited which has worked in Manitoba since 1927. Sherritt supplies pure nickel and other metals for coinage to the Canadian and other National Mints, coins to Central Banks and strikes commemorative medals.

Ceremonial medals have been presented to North American Indian Chiefs for over two hundred years at the signing of treaties, as a reward for services and as tokens of friendship. The first medal was presented in 1714 during the reign of George I and there are records of over forty different medals since that date engraved with the head of the British Sovereign of the time.

The Indian Chiefs have worn these medals on ceremonial occasions to show their great respect for the Sovereign. Few of these early medals remain but some are still worn with pride by descendants of the Chiefs who originally received them. On a few occasions in the past, it has been possible for the medals to be presented personally by a member of the Royal Family and these medals are especially prized by the Chiefs. These 1970 medals are the first to be presented personally by the reigning Sovereign in Canada.

(Press release, Sherritt Gordon Mines Limited.)

# WESTERN SAMOA COOK TALA

## ROYAL VISIT PRESENTATION COIN SET

On 12 March 1970 Her Majesty the Queen became the first Sovereign to personally approve a New Zealand coin issue. At a special sitting of the Executive Council the Queen signed the *Coinage Regulations 1967, Amendment No. 2*, which authorised the issue of the Royal Visit Commemorative Dollar 1970, the Cook Islands Commemorative Dollar 1970 and the 10-cent piece without the words "one shilling".

To mark this occasion ten deluxe presentation sets of the 1970 coins were produced. The case is in red leather bearing the New Zealand Coat of Arms and the inscription, "Royal Visit 1970" on the lid. A card bearing a suitable inscription accompanies each set which is numbered.

The Rt. Hon. the Prime Minister presented Her Majesty with one of these sets after the Executive Council Meeting.

On 24th March, 1970, the President, Captain G. T. Stagg, accepted on behalf of the Society one of these sets from the Minister of Finance, Hon. R. D. Muldoon.

## WESTERN SAMOA COOK TALA

### Honouring Captain Cook's Pacific Explorations

Designed by a New Zealander, James Berry, O.B.E., of Wellington. 32,000 only struck by the Royal Australian Mint, Canberra.

To honour the 200th anniversary of the voyages through the Pacific by Captain James Cook, Western Samoa released a crown-size $1 commemorative coin on 14 September 1970.

This date coincides with the first day of issue by Samoa of a set of four Captain Cook stamps.

It is of interest to note that James Berry designed both the stamps and the coin for the Cook anniversary issues. The profile on the crown is also shown on the 20 sene postage stamp.

The 32,000 uncirculated crowns will be cased in plastic containers suitably inscribed.


## PRESENTATION TO H.M. THE QUEEN

In March 1970 the President of the Society handed a red leather case containing silver and bronze specimens of the Society's Cook Bicentenary Medal to His Excellency the Patron for presentation to H.M. The Queen during the Royal Visit to New Zealand.

*From: Captain G. T. Stagg, F.R.N.S.N.Z., R.N.Z.A.(Rtd.)*

*10 March, 1970.*

*Your Excellency,*

*I have great pleasure in handing to you, as our Patron, these silver and bronze medals for presentation to Her Majesty the Queen during the Royal Visit this month.*

*Designed by James Berry, Esq., O.B.E., F.R.N.S.N.Z., they have been struck by the Society to commemorate the bicentenary of Captain James Cook's rediscovery of New Zealand.*

*In handing the medals to The Queen would you please assure Her Majesty of our continued loyalty and devotion.*

*(Sgd.) G. T. STAGG,*
*President.*

*To: His Excellency the Governor-General,*
*Government House,*
*Wellington.*

**H.M. YACHT BRITANNIA**

*At Wellington,*
*13th March, 1970.*

*Dear Captain Stagg,*

*I am commanded by The Queen to thank you for the silver and bronze medals, which have been designed by Mr. James Berry and struck by the Royal Numismatic Society of New Zeaealand to commemorate the bicentenary of Captain James Cook's rediscovery of New Zealand. Her Majesty is delighted to accept these medals and would be grateful if her warm thanks could be conveyed to the members of your Society for this gift.*

*Yours sincerely,*
*PHILIP MORE.*

*Captain G. T. Stagg,*
*President,*
*Royal Numismatic Society of New Zealand.*

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The following is published for the information of all members.

Department of Internal Affairs

**HISTORIC ARTICLES**
**REMOVAL FROM NEW ZEALAND**

1. **It is an offence** to knowingly remove or attempt to remove any historic article from New Zealand without the written permission of the Minister of Internal Affairs. An offender is on conviction liable to a fine of up to $400.
2. **The full definition** of a historic article can be found in the Historic Articles Act 1962 but the following should be regarded as likely to be historic articles.
   - (a) Anything, other than a painting, relating to the life of the Maoris, which appears to have been made before 1903 or brought to New Zealand by them; and
   - (b) Any written or printed matter relating to New Zealand which is of historic, scientific, or national importance, is more than 90 years old and of which, in the case of a book printed in New Zealand, no copy is held in a New Zealand library.
   - (c) Any type specimen of any animal, plant, or mineral existing or formerly existing in New Zealand. (A type speci-

men is the specimen on which is based an original published description of an animal, plant, or mineral).

3. **The above** is no more than a rough guide and anyone who wishes to take articles of this nature out of New Zealand is advised to ensure beforehand that they comply with the requirements of the law.
4. **Copies** of the Historic Articles Act 1962 may be obtained from the Government Printer, Private Bag, Wellington, at a cost of 5 cents each.
5. **Application** forms for permission to remove historic articles may be obtained from the Department of Internal Affairs in Auckland, Wellington, and Christchurch. The Department welcomes inquiries and will be happy to give further information.

New Zealanders appreciate the implied compliment when interest is shown in their historic articles. Unfortunately, a great deal of New Zealand's cultural heritage has been permanently lost to this country and steps have had to be taken to control the export of historic articles. Your good will and co-operation in this regard will be appreciated.

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# NOTES

## HONOURS, AWARDS AND APPOINTMENTS

The Patron, His Excellency the Governor-General, Sir Arthur Porritt, Bt., was invested by Her Majesty the Queen with the insignia of a Knight Grand Cross of the Royal Victorian Order (G.C.V.O.) on the occasion of the Royal Visit to New Zealand.

(26 March 1970)

The National Secretary, Mr. P. P. O'Shea, was invested with the insignia of Member-Companion of the Most Noble Military and Hospitaller Order of St. Lazarus of Jerusalem (M.L.J.), in the Bailiwick of New Zealand by Sir Leslie Munro, K.C.M.G., K.C.V.O., G.C.L.J., M.P., Bailiff of the Order in New Zealand.

(13 December, 1969)

Mr. Hamish Hancock, B.A., a Wellington member, won the 1970 Victoria University Plunket Medal for Oratory.

(13 July 1970)

# OBITUARY

## GEORGE CECIL SHERWOOD

George Cecil Sherwood, "Sherry" to all his friends, died in Wellington in June, 1969, aged 72, and so passed probably one of the most colourful characters to attend meetings of the Society. He joined the Society on 29 August, 1932, and was Treasurer from 1937 to 1946 and acting Secretary from 1937 to 1938.

Born in England, he came to New Zealand at an early age where he received his education and eventually entered the family jewellery business. During the First World War he served as a sergeant in the New Zealand Medical Corps in Europe, which left a lasting impression upon him. He retired from business in the mid-1950's and spent his remaining years travelling about New Zealand and touring many overseas countries; always looking up members of the Society. He maintained a personal friendship with the Society's first Patron, Viscount Bledisloe, and on visits to England spent several days as his guest.

His love of opera, English literature and his travels provided many colourful and interesting talks and discussions at meetings of the Society. In the last few years he helped with a number of secretarial duties.

Sherry also held office in the Royal Society of St. George in New Zealand, being President for several terms. Between one of his many overseas trips he worked at the Dominion Museum and re-catalogued the coin and badge collection with great skill.

I first met Sherry about ten years ago and was most grateful for his ready help and advice so willingly given despite his age and declining health. I feel most fortunate at having had the pleasure to meet "Sherry" Sherwood and will always cherish his service medals, given to me a year or so before his death.

PPO'S.

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Murray G. Weston, Calgary, Alberta, Canada, writes:

I first met "Sherry" Sherwood at a meeting in Wellington in 1945. Although not a collector, he maintained a keen interest in the more profound aspects of numismatics. His knowledge of English history, his flare for painstaking research and his passion for accuracy are well reflected in an article he once wrote for the *New Zealand Numismatic Journal* entitled "Nomenclature of English Coins" (page 184, vol. 11, No. 5 (41), June 1965).

Although Sherry had always been an advocator of decimal coinage for New Zealand, he was bitterly disappointed over the adoption of the name "dollar". He was convinced that a name of more local origin would have brought better recognition and greater distinction to the monetary unit of New Zealand as well as to the country itself.

A keen traveller, he made several journeys to Europe and thereby developed firm opinions on the advantage of an international monetary system. This prompted him to write "A Numismatist on Tour", which also appeared in the *Journal* (page 101, vol. 8, No. 4 (24), September/December 1955).

Never seeking personal praise or recognition, he always preferred to state an opinion or recommend a course of action that he believed to be honest and proper, regardless of the effect that it might have on his own popularity.

The Society has suffered a sad loss with the passing of George Cecil Sherwood. Many of us have also lost a true friend.

# HONORARY FELLOWSHIP

The Council of the Society has been pleased to confer Honorary Fellowship upon the undermentioned for "his eminent contributions to our heritage and the aims and objects of the Society".

**Honourable H. G. R. MASON,**
**C.M.G., Q.C., M.A., LL.B., LL.D.(Hon.)**

The Honourable Henry Greathead Rex Mason was born in Wellington in 1885 and it was in that city he received his education, at Wellington College and Victoria University, from which he graduated with a Master of Arts, with honours, degree in 1907 and a Bachelor of Laws degree in 1910. He was admitted as a Solicitor in 1910 and a Barrister of the Supreme Court of New Zealand in 1923. Between 1911 and 1941 he maintained a private practice. In 1946 he was appointed a Kings Counsel.

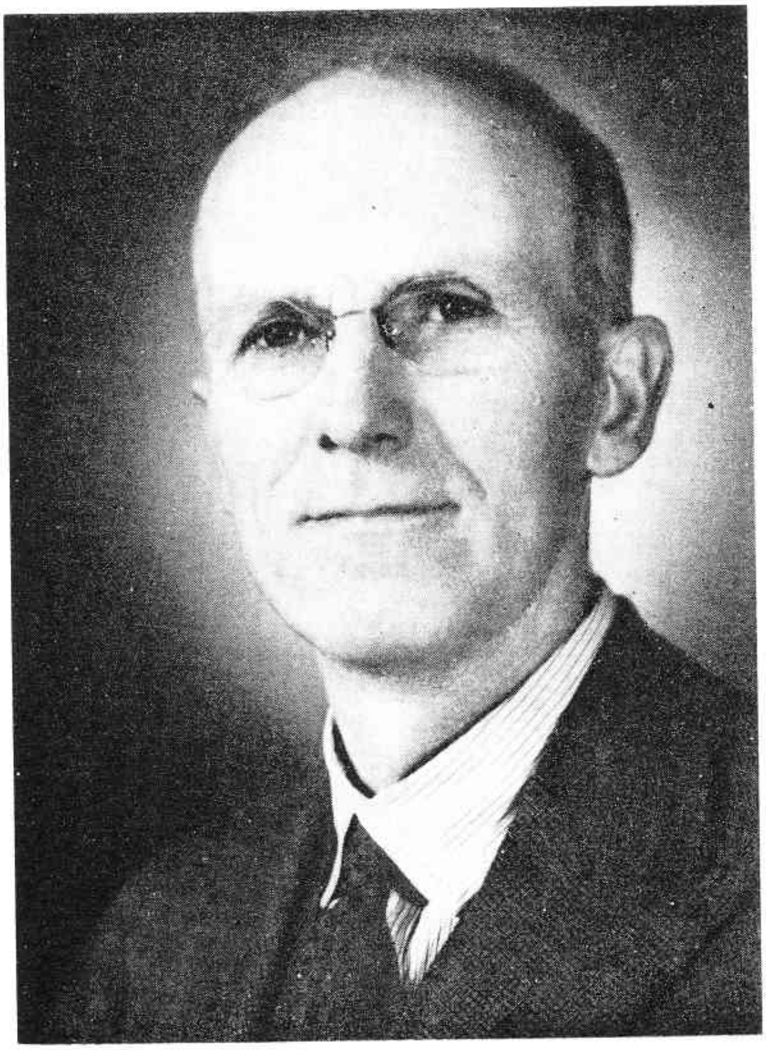
Mr. Mason became active in politics in 1915 when he was elected Mayor of Pukekohe, an office he held until 1919. In 1926 he was elected a Labour Member of Parliament and held various seats until he retired, as "father of the House of Representatives" in 1966. During his years in Parliament he was Attorney-General and Minister of Justice 1935-49 and 1957-60; Minister of Education 1940-47; of Health 1957-60; and of Native Affairs 1943-46. In 1946 he was head of the New Zealand delegation to the Paris Peace Conference.

He was granted the title "Honourable" for life in 1950 and appointed a C.M.G. in the New Year Honours list of 1967, in which year he also received an Honorary Doctor of Laws degree (LL.D.) from Victoria University of Wellington.

It was while in Parliament that Mr. Mason became interested in decimal coinage, becoming the "spokesman" of the late Allan Sutherland in his campaign for the decimalisation of New Zealand coinage. He first presented his "Decimal Coinage Bill" to the House in 1950, but it was shelved. Being a persistant man he presented his Bill year after year, even in the face of opposition or indifference from his own party. Eventually his efforts were rewarded when the Society's petition to Parliament in 1956, recommending the decimalisation of New Zealand's coinage was accepted. The changeover on 10 July 1967 was the crowning of Mr. Mason's sterling efforts; and for which he was presented with a special Decimal Coinage Medallion by the Society.

Since he first became interested in Decimal Coinage Mr. Mason has been interested in the activities of the Society and when time permitted attended meetings.

(18 August 1969)



S. P. Andrews

**Honourable H. G. R. MASON,**

**C.M.G., Q.C., M.A., LL.B., LL.D. (Hon.), F.R.N.S., N.Z. (Hon.)**

## ROYAL NUMISMATIC SOCIETY OF NEW ZEALAND

# ANNUAL REPORT 1970

This will be my sixth and last report to you over the past 13 years. As senior vice-president I was appointed by the Council in September 1969 to take the chair following the resignation of my predecessor. During my nine months in office there has been much activity within the Society and on the numismatic scene; both here in New Zealand and overseas. The highlight of the year was surely the Cook Bicentenary celebrations and the visit of Our Most Gracious Sovereign Lady Queen Elizabeth and her family.

The Secretary, as the guest of the Prime Minister, represented the Society at the official opening of the National Cook Bicentenary Exhibition in the Dominion Museum last year, an exhibition to which the Society was able to contribute in a small way. As your President I attended the unveiling of the Cook Medallion in Parliament Grounds by Her Majesty in March and in April, on behalf of the Society, accepted, from the Minister of Finance, a special presentation set of New Zealand Coins produced to commemorate the Royal Visit in 1970.

The Cook Bicentenary and the Royal Visit gave rise to the issue of three Commemorative Dollar coins by the Government and a number of medallions. This indicates the more general awareness of the important part played by numismatic items in recording important events. A few advance specimens of the Society's Cook Bicentenary Medal became available in March 1970. The Royal Australian Mint and the designer, our valued Vice-President, are to be congratulated on the fineness of the finished product. It is certainly a most handsome piece and something which most of us will cherish in the years to come. Mr. Berry also designed the three Dollar Coins and several Cook medallions and this must surely be quite a record for any designer.

In March I waited upon His Excellency the Patron and handed to him a pair of our Cook Medals in silver and bronze in a special presentation case with the request that he hand them to Her Majesty the Queen together with an expression of our continued loyalty and devotion. Her Majesty was delighted to accept these medals and requested that her warm thanks be conveyed to all Members.

The bulk of the medals and cases came to hand in May and were immediately despatched to all who ordered them, the demand being very keen and very few are left for any latecomers.

### Membership

During the year the executive carried out a complete overhaul of the Membership Roll and are able to report that the total membership of the Society now stands at 677, a gross increase of 26 during the year.

It is with deep regret that we have to record the deaths of Mr. G. C. Sherwood and Mr. G. Hunt. During the year the Council had the pleasure of conferring an Honorary Fellowship on the Honourable H. G. R. Mason, C.M.G., Q.C., for "his eminent contributions to our heritage and towards the aims and objects of the Society".

Fellowships now number 18 ordinary and three honorary.

**Journal**

The two journals and a special supplement issued during the year have received most favourable comments from all. For country and overseas members the Journal is the only link with the Society and our activities and if we can maintain this rate of issue throughout the year we will be giving a more adequate service to distant members.

**The Sutherland Memorial Lecture 1969**

During the year our Secretary presented the first Sutherland Memorial Lecture entitled "Captain James Cook, R.N., F.R.S., and his numismatic associations" which has been issued to all members as a profusely illustrated supplement in journal format. The appendices record every known find of "Resolution" and "Adventure" medals in New Zealand and catalogues the many Cook medals, coins and bank notes issued throughout the world over the past 200 years. This is a scholarly work that reflects the hours of effort and infinite patience that went into its preparation and we are indeed fortunate that the first of these lectures is such a fitting memorial to our Founder. We can only hope that future lectures will maintain this high standard.

**Meetings**

The Society has continued to meet in the Dominion Museum monthly, though having to vary its venue from the Royal Society Room to the Lecture Hall. No cost is incurred to the Society for the use of these rooms and I would like to place on record our appreciation to the Dominion Museum and the Wellington Branch of the Royal Society of New Zealand for this courtesy. Next year it is hoped to have a more frequent use of the Royal Society room.

Two display evenings were held and papers were presented by Messrs. Arlow, Shailes and Robb, and a paper read on behalf of Prof. Hargreaves of the Otago Branch.

**Collection**

I must also record the Society's appreciation to the New Zealand Treasury, Mr. McDougall and Mr. W. A. Mitchell for their gifts of specimens to the Society for inclusion in the Collection. Appreciation must also be extended to B. A. Seaby Ltd. of London who have made copies of all their publications available to the Society. We are most grateful for these gifts.

## Branches

The Branches in Canterbury, Otago and Taihape remain in the hands of capable administrators and it is pleasing to learn that during the year they have made every effort to help in some way towards the principles of our objects.

I visited the Canterbury Branch in June 1969 and the Secretary also visited that Branch in July 1969 and in April 1970. Closer contact between the Society and the Branches is most desirable and within the limited resources of the executive every effort has been made to help the Branches. I also know that the Secretary on his various journeys has called on Members in many parts of New Zealand.

## Rules

Last year my predecessor reported that work had begun on a revision of the Rules of the Society. I am able to report that this matter is still being carried out and with no special projects in view for the coming year this matter can be given more serious attention.

## Administration

With the departure of Mr. McDougall from Wellington in November 1969 it was found necessary to obtain the services of a commercial Secretarial firm to maintain the addressograph system and deal with the monthly notices of meetings. This was the only course open to the Society and though there have been teething troubles for the small cost incurred to the Society it is proving a most worthwhile undertaking.

I conclude this report with an expression of gratitude to all my colleagues on the Council and, especially to the Secretary and Treasurer on whom, as always, has fallen the burden of the major part of the administration of the Society. This burden increases every year with the normal expansion of the Society and this year they had the added work load of the Cook Medal.

G. T. STAGG,
PRESIDENT.

## APPENDIX

| | | |
|---|---|---|
| Membership, 31 May, 1969 | | 641 |
| Less Resignations and Deaths | | 16 |
| | | 625 |
| Plus New Members | 32 | |
| Adjustment to Roll | 10 | |
| | — | 42 |
| Total as at 31 May, 1970 | | 667 |

## ACCUMULATED FUNDS AS AT 31 MAY, 1970

| 1969 | | | 1970 |
|---|---|---|---|
| $ | | $ | $ |
| 3,454 | Accumulated Funds as at 1 June, 1969 | | 6,359 |
| 2,146 | Cook Medal Surplus | | 2,619 |
| | | | 8,978 |
| | Less adjustment Decimal Currency Medals and write-off of Presentation Medals | 217 | |
| 561 + | Less excess of Expenditure over Income | 618 | 835 |
| 6,161 | | | 8,143 |
| | Composite Subscription Account: | | |
| 167 | Life Subscription | 25 | |
| 19 | Interest to 31 March, 1970 | 23 | |
| | | | 48 |
| | Medal Trust Account: | | |
| 12 | Interest to 30 June, 1969 | | 13 |
| $6,359 | | | $8,204 |
| $ | | $ | $ |
| | Represented by: | | |
| 3,323 | Bank of New Zealand | 2,459 | |
| — | B.N.Z. Savings Bank Investment Account | 1,000 | |
| 767 | Composite Subscription Account | 816 | |
| 369 | Medal Trust Account | 382 | |
| 1,000 | New Zealand Government Stock due 15 Sept., 1975 | 1,000 | |
| 900 | Decimal Currency Medals (60 Bright Bronze at $6.50 each | 390 | |
| — | Cook Bicentenary Medals (83 Silver, 70 Bronze) | 2,157 | |
| | | | 8,204 |
| $6,359 | | | $8,204 |

AUDITOR'S REPORT

I have examined the books and accounts of the Royal Numismatic Society of New Zealand Inc. and I am satisfied that the above Receipts and Payments Account and Statement of Accumulated Funds correctly sets out the financial affairs of the Society.

A. C. SHAILES, A.C.A.,
Hon. Auditor.

## COOK MEDAL

| | $ | $ |
|---|---|---|
| Receipts to 31 May, 1970 | 5,146 | |
| Conversion Surplus | 37 | |
| Value of unsold medals at selling price less 5 per cent | 2,157 | |
| | | 7,340 |
| Less payment to Royal Australian Mint | 3,785 | |
| Less Customs Duty and Clearance | 936 | |
| | | 4,721 |
| Surplus on Medals | | $2,619 |

## ROYAL NUMISMATIC SOCIETY OF NEW ZEALAND (INC.)

## RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MAY, 1970

### RECEIPTS

| 1969 | | | 1970 |
|---|---|---|---|
| $ | | $ | $ |
| 738 | Annual Subscriptions | 678 | |
| 190 | Advertising | — | |
| 55 | Sale of Journals, Index and Badges | 21 | |
| 102 | Interest | 155 | |
| 7 | Donations | — | |
| 35 | Sundry | — | |
| | | | 854 |
| — | Excess of Payments over Receipts | | 618 |
| $1,127 | | | $1,472 |

### PAYMENTS

| 1969 | | | 1970 |
|---|---|---|---|
| $ | | $ | $ |
| | Activities: | | |
| 299 | Journal Expenses | | 932 |
| | Administration: | | |
| 140 | Branch Subsidies | 140 | |
| 24 | Income Tax | 27 | |
| — | Filing Cabinet | 25 | |
| — | Honorarium | 150 | |
| — | Secretarial Service and Plates | 65 | |
| 50 | Postage | 73 | |
| 15 | Stationery | 30 | |
| 20 | Travelling Expenses | — | |
| 18 | Sundry | 30 | |
| 566 | | | 540 |
| 561 | Excess Receipts | | |
| $1,127 | | | $1,472 |

| 1969 $ | | $ | $ | 1970 $ |
|---|---|---|---|---|
| 561 | Excess of Receipts over Payments .. .. | — | | |
| 1,516 | Balance at B.N.Z., 1 June, 1969 .. .. | 3,323 | | |
| 1,246 | Receipts for Medals (Cook and DC) .. .. | 5,475 | | |
| | | | 8,798 | |
| — | Medal Expenses .. .. .. .. .. | 4,721 | | |
| — | B.N.Z. Savings Bank Deposit .. .. .. | 1,000 | | |
| — | Excess of Expenditure over Income .. .. | 618 | | |
| | | | 6,339 | |
| | | | | 2,459 |
| $3,323 | | | | $2,459 |

(NOTE: 11 toned silver and 37 toned bronze Decimal Coinage Medals held for presentation purposes.)

# MEETINGS

## WELLINGTON

24th February, 1969. The President in the Chair.

*Elected to Membership:* D. W. McGregor; Brian Matthews.

*Addresses:* Mr. James Berry on his recent visit to Australia to work on the New Zealand 1969 dollar at the Royal Australian Mint.

Mr. A. C. Shailes on his visit to Canada, U.S.A., and England.

31st March, 1969. The President in the Chair.

*Elected to Membership:* Captain D. A. Corbett; Mrs. D. Williams; Master Paul Harvill.

*Films:* The Story of Money, Gold Mining in Southland, The Southwest Corner (Western Australia), and Cook's Cottage and the Fitzroy Gardens.

28th April, 1969. The President in the Chair.

*Elected to Membership:* Michael O. Beaudon; Dr. R. Howes; Max J. McLean.

*Address:* Captain G. T. Stagg, on his visit to Melbourne and Canberra including a tour of the Royal Australian Mint with the Controller. The address was illustrated with slides.

26th May, 1969. The President in the Chair.

*Elected to Membership:* Dr. C. B. Younger.

*Address:* Mr. E. Horwood, F.R.N.S.N.Z., on his trip to the U.K. via India, Afghanistan, Iran, Turkey, Greece, and Italy, mentioning in particular the places of historical and numismatic interest.

30th June, 1969. The President in the Chair.

*Elected to Membership:* W. D. S. Brander; R. L. Crowther; W. A. Stacey; I. R. Stanton; Rev. George Thompson, E.D.; A. J. Willis; V. J. Wilson, M.A.

28th July, 1969. The President in the Chair.
*Elected to Membership:* Dr. J. E. Keithley; K. L. Morse; W. J. Salt; Chen Ko Ting; Lt.-Col. John A. Watt, U.S.A.F. (Rtd.).
*Address:* Mr. E. J. Arlow on his visit to Japan.

25th August, 1969. The President in the Chair.
Members' display evening.

29th September, 1969. The President in the Chair.
*Elected to Membership:* C. O. Mortland; K. L. Wright.
*Paper*: The Investiture of the Prince of Wales; the ceremony and the medallic record, by P. P. O'Shea.

3rd November, 1969. The President in the Chair.

24th November, 1969. Mr B. G. Hamlin in the Chair.
*Elected to Membership*: Dr. David Rowlands, L.R.C.P. M.R.C.S.; W. J. Tocker.
*The Sutherland Memorial Lecture, 1969:* Captain James Cook, R.N., F.R.S., and his numismatic associations, by P. P. O'Shea.

23rd February, 1970. The President in the Chair.
*Elected to Membership:* Mrs. D. J. Bowmar; C. F. Hill; L. S. Jackson; E. D. McClung; J. A. McDonald; F. N. W. Mitchell.
*Papers:* Currency tokens issued by Wellington Tradesmen, by A. F. Robb.

23rd March, 1970. The President in the Chair.
*Elected to Membership:* William S. Barrett; D. H. Jones; A. Pietkiewicz.
*Paper:* The Bank of Otago, by Prof. R. P. Hargreaves, was read by the Secretary.

27th April, 1970. The President in the Chair.
*Elected to Membership:* C. A. Bush; R. G. Harrison; T. W. Thomas.
Members' display evening.

1st June, 1970. The President in the Chair.
*Elected to Membership:* B. A. Arkle; P. A. Blakeborough; W. G. Brakey; Paul K. Panehal.

## CANTERBURY BRANCH

*Enquiries:* The Secretary, P.O. Box 13,109, Christchurch.

## OTAGO BRANCH

*Enquiries:* The Secretary, P.O. Box 1177, Dunedin.

## TAIHAPE BRANCH

*Enquiries:* The Secretary, c/o P.O. Box 228, Taihape.

## MEMBERS' SPECIALTIES AND WANTS

The following schedule has been compiled for the benefit of Members of our Society and it will be repeated in every issue of the Journal unless cancelled or alterations authorised by the member concerned. All members have the right to have their names included and a small charge is made for each line for each issue. Use registered post or insure parcels when sending specimens by post.

**ADAMS, D. Phillip, El Dorado Coin and Stamp Shop, Lihue, Kauai, Hawaii.**

Carry Dansco value books for Coins of British Oceania and coin folders for N.Z., Australian and Hong Kong. Buying, selling and trading coins of the U.S., Canada, British Oceania and Great Britain. Carrying catalogue books on the values and mintage figures of British and Canadian coins. Write for "The Garden Isle Trading Post" which lists the buying, selling and trading rates offered by El Dorado Coin and Stamp Shop.

**ALLEN, H. Don, F.C.C.T., F.R.N.S., P.O. Box 887, Truro, Nova Scotia, Canada.**

British Commonwealth paper money, especially earlier bank issues. Commercial tokens.

**ARLOW, E. J., 68 Dixon St., Wellington.**

Supplies of all N.Z. coins available. Also 1965 full sets uncirculated.

**ATKINSON, D. O., F.R.N.S.N.Z., 23 Claude Rd., Manurewa, Auckland, N.Z.**

Specialty—Medals and Badges, especially Australasian and colonial.

**BALMER, G. N., 4 Carrington St., Wellington.**

Specialty—World gold coins.

**BELL, R. G., F.R.N.S.N.Z., 50 Murray Place, Christchurch.**

Wanted to buy or exchange: New Zealand and Australian tokens, commemorative medals, medalets, coins. Correspondence welcomed.

**BERRY, JAMES, O.B.E., F.R.N.S.N.Z., G.P.O. Box 23, Wellington.**

Commemorative Medals of all types with particular emphasis on artistic angle, also Illustrated Books of same.

**BETTON, James L. Jr., P.O. Box 533, Santa Monica, California, U.S.A. Zip 90406.**

Speciality: Colonial and Commonwealth coinage.

**BURDETT, L. J., 19 Whenua View, Titahi Bay, N.Z.**

Specialty—Coins generally, and Church Tokens.

**CRAIGMYLE, J., P.O. Box 99, Wanganui.**

Specialty—Gold Coins.
Wants—N.Z. Waitangi Crown 1935.

**DOYLE, John H., 1/46 Waiwera Street, North Sydney, Australia.**

Wishes to buy early N.Z. and Australian currency tokens, medallions and check pieces, etc.
Correspondence from fellow collectors welcome.

**FERGUSON, J. DOUGLAS, Rock Island, Quebec, Canada.**

I am interested in all types of transportation tokens in metal, celluloid, or plastic, from all parts of the world, and will buy or exchange uncirculated Canadian coins of many years for them.

**FOWLER, F. J., 4 Cambridge Street, Tawa, Wellington.**

Specialty—Coins of Pacific Countries.

**FREED, A. J., 28 Abbott St., Ngaio, Wellington.**

Specialty—Coins generally.

**GIBSON, J. L., R.R.1 Fort Erie, Ontario, Canada.**

Specialty—Commemorative coins, British Maundy sets, foreign proof sets.

**GOURLAY, E. S., F.R.S.N.Z., 124 Nile Street, Nelson.**

Specialty—Hammered English silver and gold coins, from Ancient British to Charles II—also wants to buy same.

**HORWOOD, W. E., F.R.N.S.N.Z., 6 Highbury Rd., Wellington.**

Specialty—English and Roman Coins.

**HYNES, MERVYN, 54 Calgary Street, Mt Eden, Auckland, N.Z.**

Wants—Presbyterian Communion Tokens.

**JAMIESON, R. J., 117 Puriri Street, Christchurch 4.**

Specialty: Coins, notes, and medallions, on type set basis. Wants to buy same.

**JEFFERY, F. J. & Son Ltd., Melksham, Wilts. England. Est. 1932.**

Collects Royal Maundy. Top grade Eglish coins, Enamelled coins. Supplier of coins of the world, to any part of the world. Send for free list.

**LOWRIE, Graeme W., 108 Francis Avenue, Christchurch, 1.**

Specialty—New Zealand coinage, tokens, commemorative and war medals, and notes. Buy, trade or exchange. Please write.

**MADDEN, I. B., M.A., F.R.N.S., F.S.A. (Scot), Rosslea, 15 Belvedere Street, Epsom, Auckland.**

Specialty: English and Irish silver coins all periods. Member American Numismatic Assn., and numerous other historical, heraldic, antiquarian and genealogical societies throughout the world.

President Auckland Historical Society from Oct. 1965–Sept. 1966.

**McNAUGHT, C. M., P.O. Box 166, Wellington.**

Stamps and Coins including U.S.A. and Canadian Dollars. N.Z. and Australian commemorative coins and early English silver coins, especially crowns.

**METCALF, Michael, 214 South Smallwood Street, Baltimore, Maryland, 21223, U.S.A.**

Wanted: First and Second Annual Reports of the Royal Australian Mint.

**MITCHELL, W. A., P.O. Box 202, Croydon, Victoria, Australia.**

Wants—Coin weights and scales.

**MOORÉ, RICHARD GEORGES, P.O. Box 459, Abbotsford, British Columbia, Canada.**

Specialty—Canadian Pre-Confederation Bank Tokens and British Commonwealth Commemoratives in B.U. Will purchase or trade Canadian Silver Dollars for same. Correspondence welcomed.

**NICHOLSON, H. G., C/- R.N.Z.A.F. Shelly Bay, Wellington, N.Z.**

Specialty—Military Decorations and Medals, especially British.

**POLASCHEK, SERGEANT A. J., P.O. Box 424, Wanganui, N.Z.**

Specialty—Medals—British and Foreign.

**REMICK, J. H., Box 183, 2900 Quatre Bourgeois, Quebec, 10, P.Q., Canada.**

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**G.P.O. Box 23, Wellington, New Zealand**

### OBJECTS

To encourage the study of the science of numismatics and kindred historical subjects by the holding of meetings for the reading of papers and the exhibition of specimens; by the issuing of reports or publications relating to such meetings; by assisting members and students in the study and acquirement of numismatic specimens—coins, medals, tokens, seals, paper-money, native currencies and kindred objects; by cultivating fraternal relations among numismatists in New Zealand and abroad; by fostering the interest of youth in these objects; by encouraging research into the currencies and related history of New Zealand and the Islands of the Pacific, particularly Polynesia, and publishing or assisting in the publication of such material; by striking commemorative and other medals from time to time; by co-operating with the Government of New Zealand in the selection of suitable designs for coins and medals; by disseminating numismatic and kindred knowledge; by developing interest in the fascinating and educational pursuit of numismatics, and generally by representing numismatic and kindred interests as a Dominion organisation;

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