

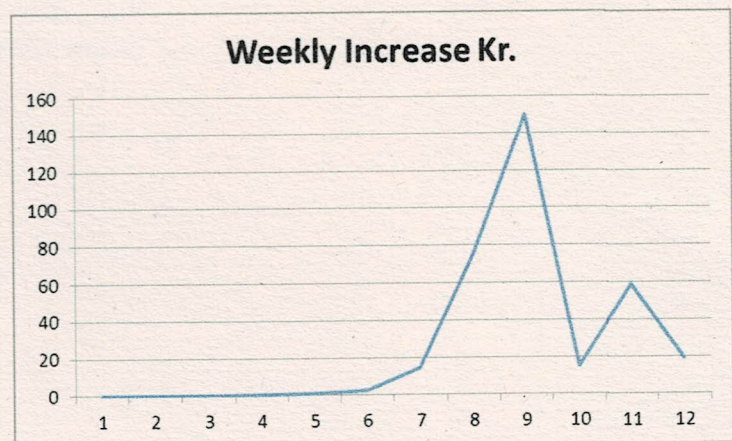
AUSTRIA - INFLATION 1918-1924

This exhibit uses **Austrian Foreign Letter Rates** to demonstrate the effect of inflation. It commences with the rates in force at the end of World War I, which continued following the break up of the Austro-Hungarian Empire and covers each rate period to the introduction of the new currency March 1, 1925. Where appropriate, examples are shown to demonstrate the confusion on the postal rates by both the sender and Post Office.

The table shows the rates increasing by **160,000%** from 0.25 to 4000 Krona, while the **weekly percentage increase** and **actual increase** show that severe inflationary pressure started in May 1922 and continued through October 1922.

Stabilisation came quickly and decisively when the new Government negotiated a 650 million Gold Crown foreign loan to be guaranteed by France, Britain and Czechoslovakia. This became effective collateral during October 1922. Both the weekly percentage increase and actual increase dramatically dropped as seen in the graphs below.

	Start of Rate Period	Letter Rate in Krona	Weeks in Force	Next Increase	Weekly % Increase	Weekly Increase in Kr.
1	1/09/1918	0.25	67	0.75	4.5	0.01
2	15/01/1920	1	13	1	7.7	0.08
3	15/04/1920	2	41	3	3.7	0.07
4	1/02/1921	5	26	5	3.8	0.19
5	1/08/1921	10	17	15	8.8	0.88
6	1/12/1921	25	21	50	9.5	2.4
7	1/05/1922	75	16	225	18.8	14.1
8	21/08/1922	300	4	300	25	75
9	18/09/1922	600	6	900	25	150
10	1/11/1922	1500	34	500	0.97	14.7
11	1/08/1923	2000	17	1000	2.9	58.7
12	1/12/1923	3000	52	1000	0.63	19.2
13	1/12/1924	4000	-	-	-	-



Philatelic References:

Michel catalog 1979/1980
Journals of Austria Philatelic Society

Economic References:

Studies in the Quantity Theory of Money, M Friedman [1956]
Stopping Hyperinflation Past & Present, Dornbusch & Fisher [1987]
Terminating Hyperinflation in the Dismembered Habsburg Monarchy, Elmus Wicker [1986]

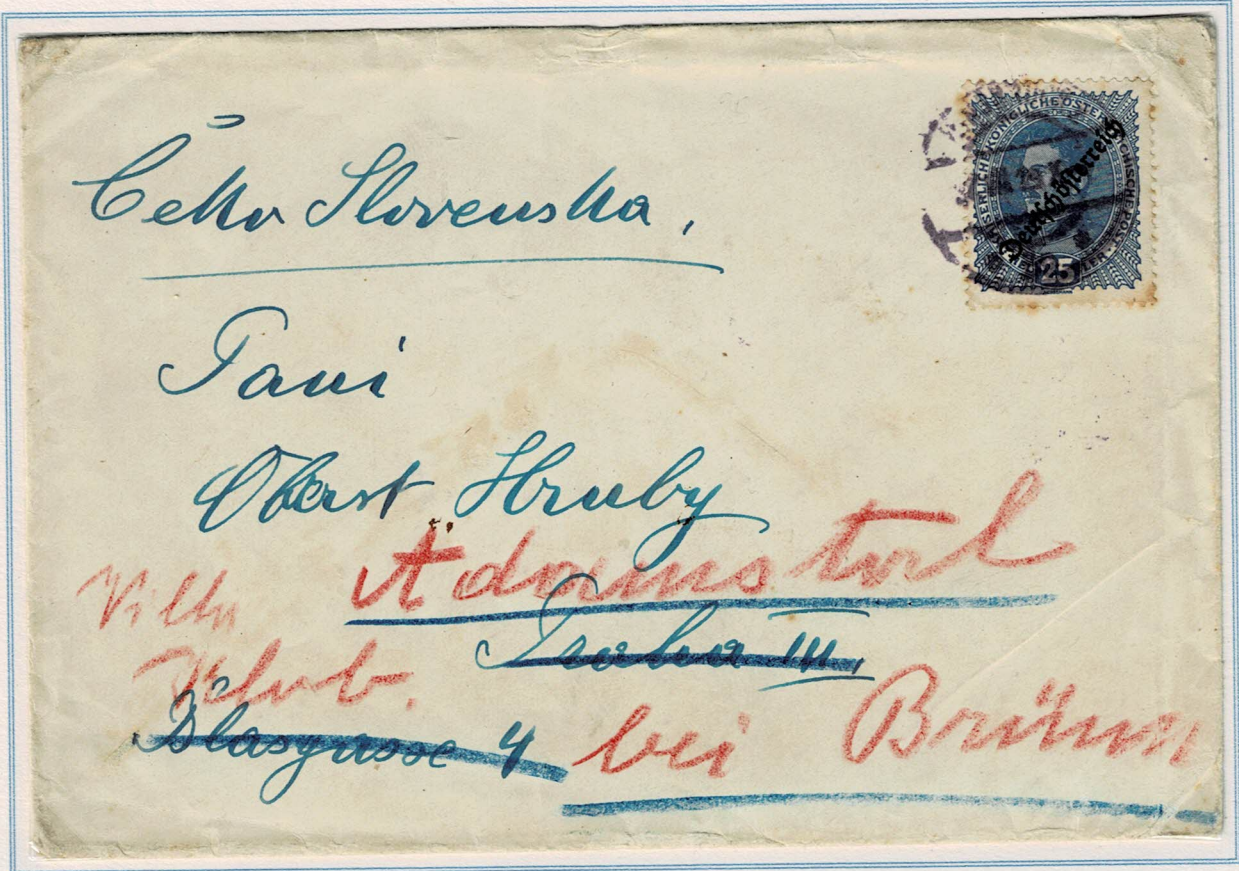
September 1, 1918 - January 14, 1920

25h / 20gm

Rate in Force
67 weeks

Next Rate Increase
75h = 300%

Weekly Increase
4.5% or 0.01 Kr



Correct Letter Rate 25h. Innsbruck 27 VII 19 to Prague redirected to Brun, Czechoslovakia

Czechoslovakia was proclaimed a separate entity on October 30, 1918 and ratified by 1919 Treaty of Saint-Germain

Sent Inland Rate of 20h in error and taxed correctly. Vienna 13 IX 19 to Switzerland, assessed "T" "10" and 10c postage due stamp applied, cancelled 18 IX 19 at Geneva.



January 15, 1920 - April 14, 1920

1 Kr /20gm

Rate in Force
13 weeks

Next Rate Increase
1 Kr = 100%

Weekly Increase
7.7% or 0.08 Kr

Correct Letter Rate: Vienna-11 5 II 20 to Cincinnati, USA with 4 x 10h + 2 x 20h = 1 Kr.



Incorrect Letter Rate 70h.

Vienna-68 14 IV 20 [Last day of rate period] to New York, USA with 40h + 25h + 5h = 70h - No Postage Due



April 15, 1920 - January 31, 1921

2 Kr /20gm

Rate in Force
41 weeks

Next Rate Increase
3 Kr = 150%

Weekly Increase
3.7% or 0.07 Kr

Correct Letter Rate: Vienna-56 15 VII 20 with 2 x 80h + 4 x 10h = 2kr to Malmo Sweden.



Correct Letter Rate: Vienna 28 V 20 to Tressburg, Germany – censored up-rated letter-card. Germany was usually included in Inland Postal Rates - postal confusion is evident



**Incorrect Letter Rate 1 Kr
with Postage Due.
Sent Inland Letter Rate**

Dornburg 16 IV 20 to Eschenz
Switzerland assessed deficient
postage "T" and "100" [deleted]
and "2K" with 20 + 5 Swiss
Postage Due adhesives cancelled
Eschenz 23 IV 20.

Mail to Switzerland is found
franked at Inland Rates probably
because of the common [German]
language and an incorrect
assumption by sender allied with
Post Office uncertainty.



Incorrect Letter Rate with Postage Due, Refused and Returned with additional Postage Due
Vienna 1 XII 20 to Budapest, Hungary with 1Kr. [Inland Rate], Hungarian Postage Due 200f [= 2Kr double deficiency]
cancelled Budapest. Green label "REFUSED" – letter refused by addressee and readdressed to sender. Assessed "2K" -
and 2 x 1Kr Austria Postage Dues cancelled at Vienna correctly charged to sender [= 200pf.]



Hungary separated from Austria October 31, 1918 during the defeat of the Austro-Hungarian armies in the Battle of
Venelo [October 24th - November 1st, 1918] on the Italian front. This was ratified by the 1919 Treaty of Trianon.

February 1, 1921 - July 31, 1921

5 Kr / 20gm

Rate in Force

26 weeks

Next Rate Increase

5 Kr = 100%

Weekly Increase

3.8% or 0.19 Kr

Incorrect Letter - Postage Due. Sent Inland Letter Rate 2 Kr with Swiss 60 centimes collect. Vienna 3 III 21
[Children Relief slogan] to Konolfingen received 7 III 21



Correct Letter Rate. 2 x 2Kr + 1Kr = 5Kr Vienna-100 11.III.21 to Stockholm, Sweden. Received 14.3.21

August 1, 1921 - November 30, 1921

Rate in Force
17 weeks

Next Rate Increase
15 Kr = 150%

10 Kr / 20gm

Weekly Increase
8.8% or 0.88 Kr

Correct Letter Rate. Vienna 14 XI 21
to Berne, Switzerland.

Correct Letter Rate. Deutsch
Aitenburg 5 10 21 to Sternberg,
Germany



Correct letter 40-60gm [10Kr + 5Kr + 5Kr] = 20Kr. [2 x 7½Kr + 5Kr] Vienna 23.11.21 to Prague.

The Letter rates are for the first 20gr. For each additional 20gm or part, there is a 50% added. For 20-40gm 150% etc

December 1, 1921 - April 30, 1922

25 Kr / 20gm

Rate in Force
21 weeks

Next Rate Increase
50 Kr = 100%

Weekly Increase
9.5% or 2.39 Kr



Correct Letter Rate. Vienna 8 1 22 to Stockholm, Sweden

Incorrect Letter Rate 20 Kr Stammersborg, Vienna 13 IV 22 to Switzerland

Inland Letter Rate was 10Kr - no 20Kr rate listed in this period

Franking 20 Kr assessed Postage Due "25" and 25c Swiss postage due applied cancelled 17 IV 22



May 1, 1922 - August 21, 1922

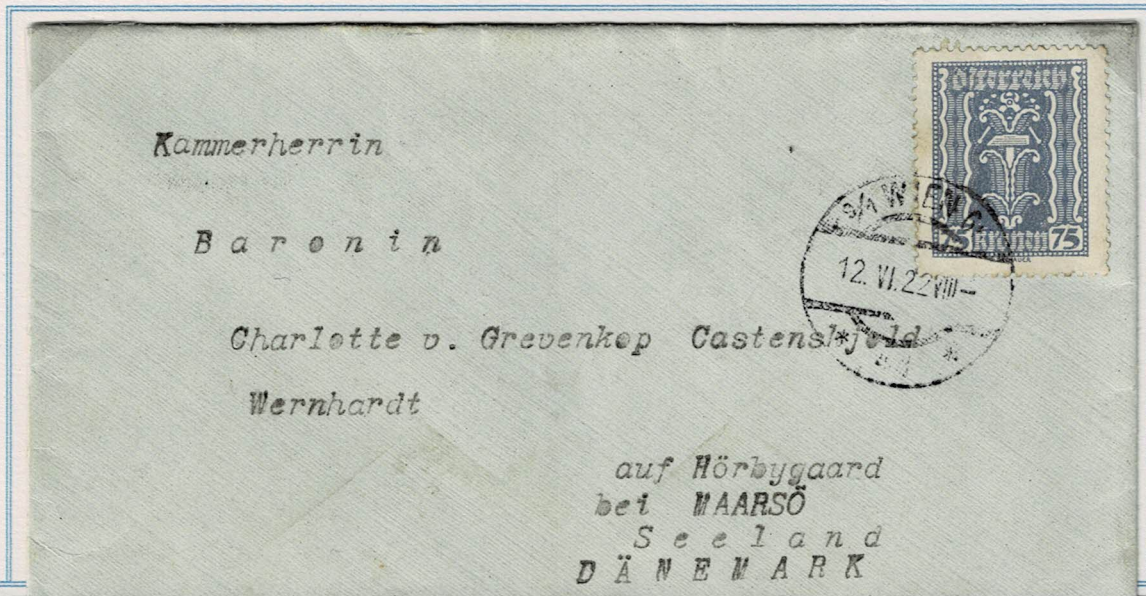
Rate in Force
16 weeks

Next Rate Increase
225 Kr = 300%

75 Kr /20gm

Weekly Increase
18.75% or 14.1 Kr

Correct Letter Rate. Vienna 12 VI 22 to Maarso Denmark



Correct Letter Rate Vienna 7 VIII 22 to Czechoslovakia Returned to Austria with additional stamp 100h postage

As from May 1, 1922, special reduced rates were introduced for Czechoslovakia, Hungary and Romania.
From June 1. 1922 these reduced rates were extended to Italy and from December 1, 1924 to Poland.

August 22, 1922 - September, 17 1922

300 Kr /20gm

Rate in Force
4 weeks

Next Rate Increase
300 Kr = 100%

Weekly Increase
25% or 75 Kr

VALENTIN REINHARD

GEFLÜGEL-MASTANSTALT, WILDBRET- UND FISCH-EXPORT
GROSS-FLORIAN, Steiermark

Herrn



*Herrmann Ernst
zur Fischhalle*

Berlin



*Hotel vier Jahreszeiten
Mrs.
Hamburg*

Sons.



*Rodolfo Schuly
Banco Espanol del Rio
de la Plata*



*~~Paris~~
8 Avenue de l'Opera
~~Hotel Bristol~~
~~Berlin~~*

Correct Letter
Rate.
Gross-Florian
21 VII 22
to Berne
Switzerland

Correct Rate Pirawarth 24 VIII 22 to Paris and redirected to Berlin then to Hamburg with "32" to collect.
Franking: Front: 9 x 10Kr + 2 x 20Kr + 5Kr. Back 22 x 7 1/2 Kr Total = 300 Kr

September 18, 1922 - October 31, 1922

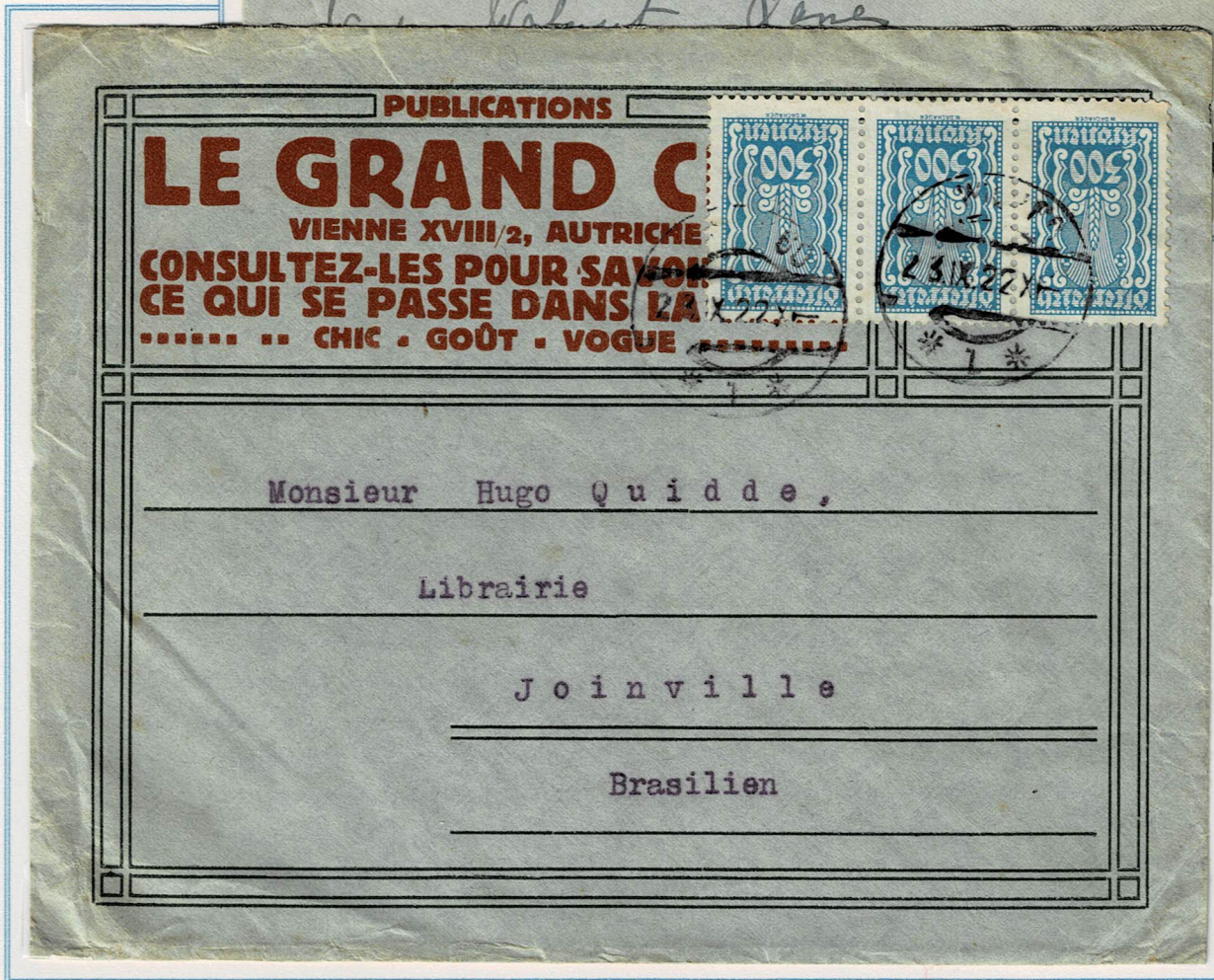
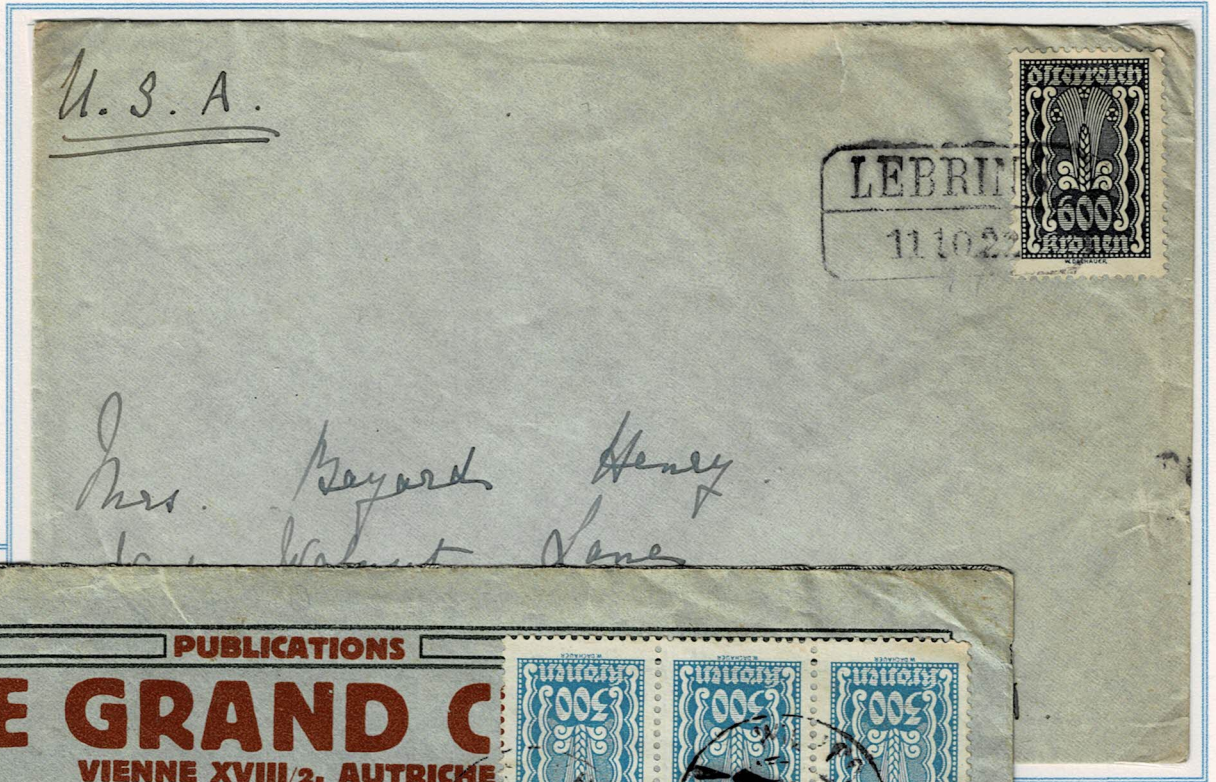
600 Kr / 20gm

Rate in Force
6 weeks

Next Rate Increase
900 Kr = 150%

Weekly Increase
25% or 150 Kr

Letter Rate 600Kr. Lebring 11.10.22 to Jamestown Philadelphia USA



Letter Rate 20-40gm 900 Kr [600 Kr + 300 Kr - each additional 20gm or part was 50% of the rate for the first 20gm]
Vienna-60 23 IX 22 to Joinville, Brazil - received 14 Oct 1922

November 1, 1922 - July 31, 1923

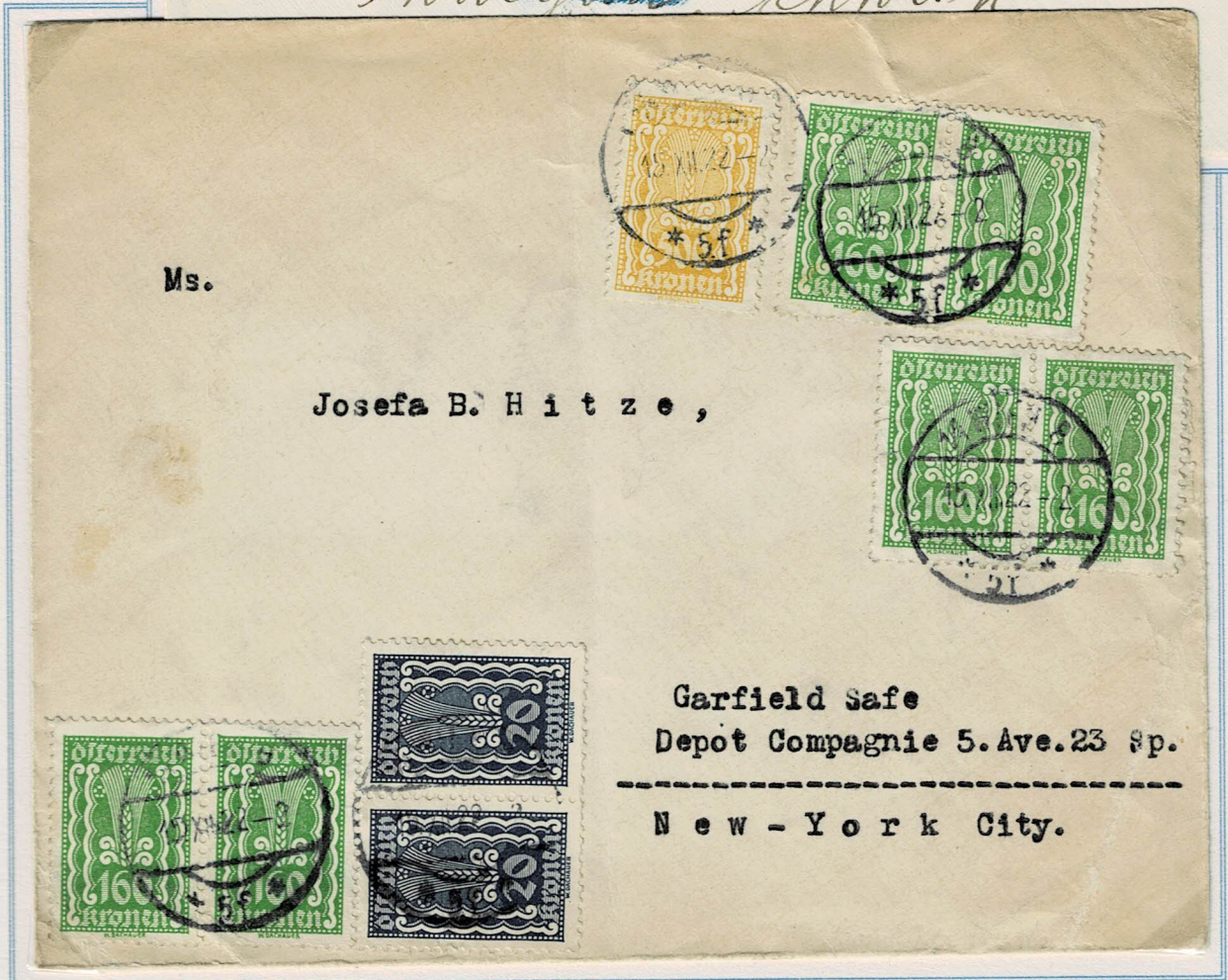
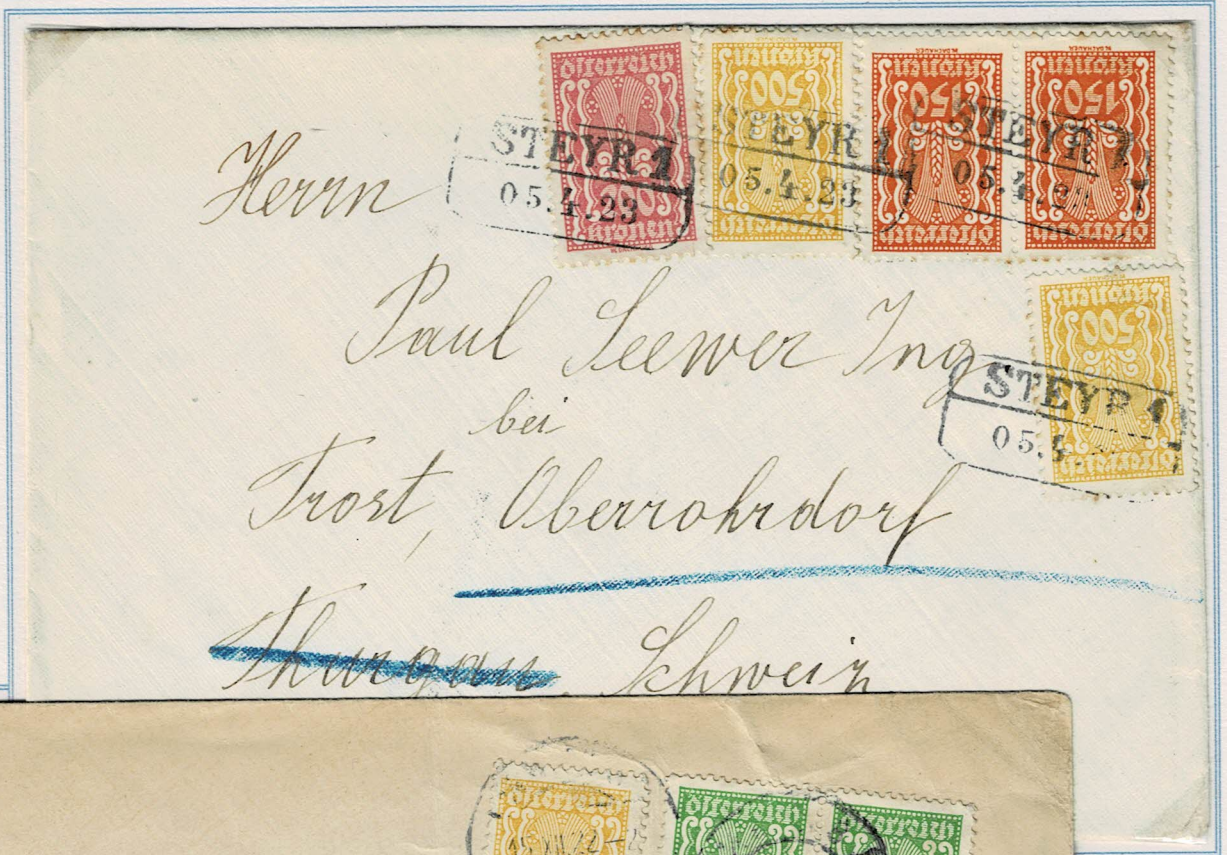
Rate in Force
34 weeks

Next Rate Increase
500 Kr = 33%

1500 Kr / 20gm
Weekly Increase
0.97% or 14.7 Kr

Correct Letter
Steyr 05.4.23 to
Switzerland
received 7 IV 23.

Franking: 500x2 +
150x3 = 1500Kr



Correct Letter Rate: Vienna-8 15 XII 22 to New York, USA with 500 + 6 x 160 + 2 x 20 = 1500 Kr.

August 1, 1923 - November 30, 1923

2000 Kr /20gm

Rate in Force
17 weeks

Next Rate Increase
1000 Kr = 50%

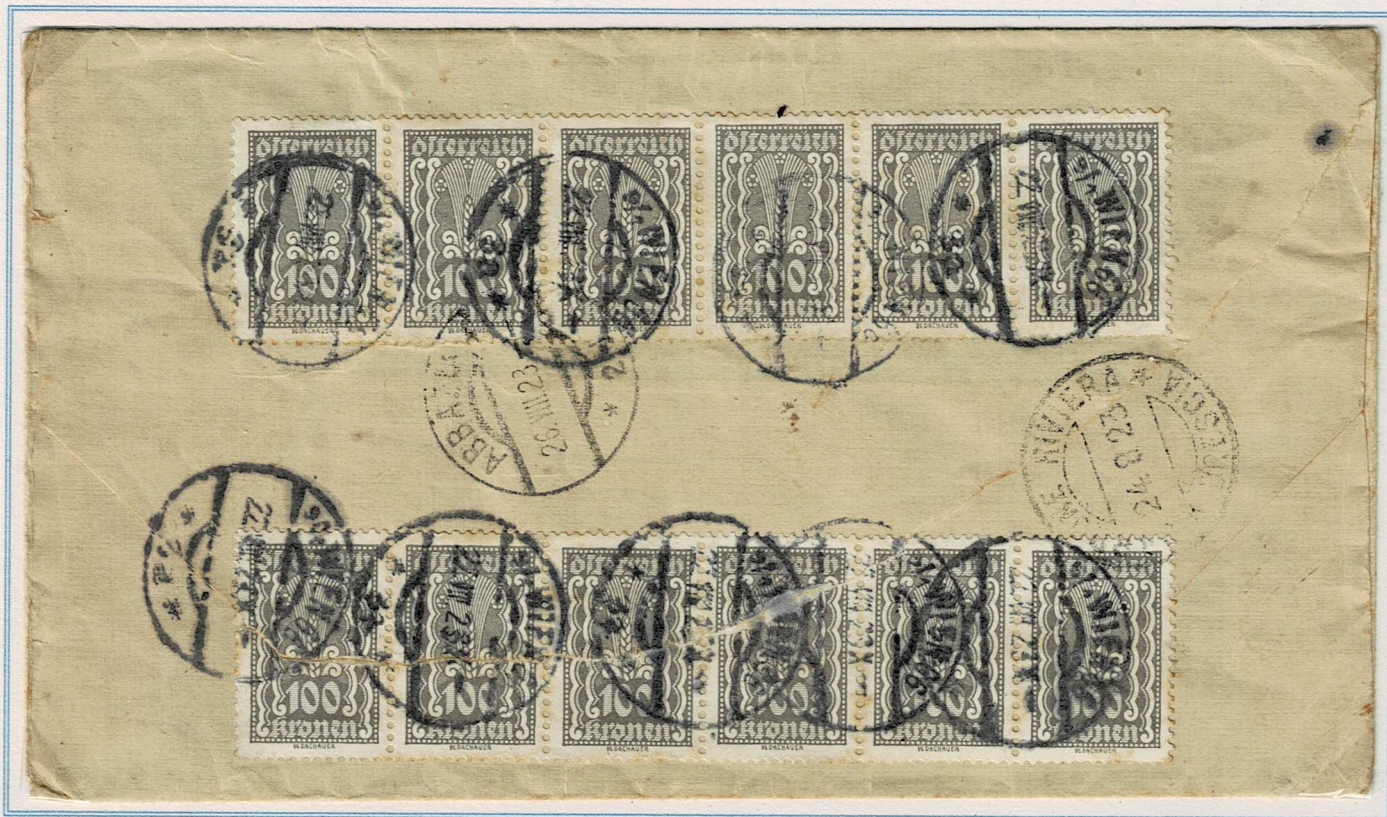
Weekly Increase
2.9% or 58.8 Kr

Incorrect Letter Rate - sent Inland Rate 600Kr to Germany from Vienna 8.X.23



Correct Letter Rate 2000 Kr Vienna-56 18 VIII 23 to Switzerland

The Letter Rate to Italy [August 1, 1923 - December 1, 1923] was 1600Kr



Incorrect Letter Rate Vienna-66 22 VIII 23 to Gaidone-Riviera Italy redirected to Abbazia, Franking 1200 Kr. - the Letter rate to Italy in **Previous Period** 10c + 20c **Postage Dues** cancelled 26 VIII 23

Correct Letter Rate wrongly assessed with Postage Due:

Vienna-8 30 VIII 23 to Abbazia, Italy. Franking 1600 Kr. 30c **Postage Due** cancelled 1 IX 23



December 1, 1923 - November 30, 1924

3000 Kr /20gm

Rate in Force
52 weeks

Next Rate Increase
1000 Kr = 33%

Weekly Increase
0.63% or 19.2 Kr

Correct Letter Rate 6.XI.23 to Sweden



Correct Letter Rate assessed Postage Due.

Vienna 5 III.23 Franking 3000 Kr/20gm. To Slovenia assessed as deficient with "T 3" and Slovenian stamps to 3 din applied cancelled Gustanj 5 III 24. Slovenian postal rates were per 15gm nor 20gm hence Postage Due assessed

December 1, 1924 - February 28, 1925

4000 Kr /20gm

New Currency from March 1, 1925 4000kr = 40 gr. Rate maintained until September 1932

Correct Letter
Rate 4000Kr
Linz 6.12.23 to
Iowa, USA



Unfranked Letter to Hungary – Postage Due

Vienna-1 6 I 25 to Budapest. "T" and "13" handstamps applied. Postage Due assessment "75 cts" and "7500-"
Letter rate to Hungary was 3000Kr Hungarian Postage Dues 2 x 200 Kr + 3 x 1000 Kr + 500 Kr = 7500 Kr.

Maybe the sender and the Post Office did not know the correct rate and mailed the letter without stamps!