

***“From piece of paper to banknote:
German influence on the design and printing of the banknotes
of the Grand Duchy of Finland”
(from Antti Heinonen)***

The banknotes of the Grand Duchy of Finland, which was established in 1809, have been used as a starting point in the description of the development of banknotes from a piece of paper to a trusted means of payment. In the 18th and early 19th centuries, banknotes were commonly issued to finance wars or for some other reason related to state finances. They often lost most of their value in the course of time due to inflation. Numerous counterfeiting incidents heightened mistrust in them. Even though there were also positive experiences with banknote issuance, it was not surprising that banknotes and paper money were often viewed with disgust and treated with contempt and suspicion. They were seen as an inadequate substitute for coins.

During the 19th century, however, paper money was increasingly required to meet the needs of growing industrialisation and the liberalisation of trade. Banknotes were needed, in particular, for the larger payments required by commerce and industry. The authorities therefore took a number of steps to foster trust in banknotes. Three measures were of particular importance in this respect: the creation of a central bank monopoly over issuance, metal backing of issuance, first by silver and then by gold, and the development of the design and security of banknotes against new counterfeiting methods.

Starting from Johannes Gutenberg, the German role in the development of printing is well known. His innovation gained a foothold everywhere. What is less documented, however, is the German role in the design, engraving and printing of banknotes outside of Germany during their above-mentioned development phase. Even though the Grand Duchy of Finland was part of the Russian Empire, Germans had a role in every series of Finnish banknotes during the Russian period. This applied even to banknotes printed in St. Petersburg, as all of the parties contracted by the Bank of Finland in the printing process were of German origin.

During the first part of the 19th century, there was no significant banknote printing industry in Germany, and ordinary print shops and paper mills were mostly responsible for banknote production. However, as Germany evolved into a leading industrial power during the latter part of the century, the need for finance grew to unprecedented levels. Shares and bonds as well as issuance of non-interest-bearing debt instruments, banknotes, were used to meet financial requirements. This led to considerable investments in the security printing industry.

As a result of the liberalisation of trade, economic links developed, and German companies found customers abroad. Due to longstanding cultural relations, Finland was a fertile hunting ground in this respect. Printers educated in Germany were also encouraged to practice their profession abroad. A further important route by which Germans became involved with banknote production abroad was the role of journeyman. It was common for workers who had successfully completed an official apprenticeship qualification in a craft to gain experience abroad as part of their training. It was not exceptional that after this training the journeymen found a permanent position abroad.

These three channels of German influence on banknote design and printing were significant in the banknote history of the Grand Duchy of Finland in the 19th and early 20th centuries. Development in Finland was almost entirely based on foreign contributions, and the global nature of the industry and labour mobility were impressive.

It was only towards the end of the 19th century that the Bank of Finland established its own printing works, still using foreign, mostly German, designers, engravers and printers, however. Other countries also developed similarly. The book sheds light on this German role, which is sparingly addressed in the German-language literature.

The orientation of the Grand Duchy of Finland is also reflected in the themes and symbols of the banknotes, which grew in significance as nation-state thinking evolved. This became apparent in the growing role of the Finnish coat of arms at the expense of the Russian double-headed eagle, and in politically motivated symbols. A corresponding phenomenon appeared on German banknotes.

The significance of banknote design to the national identity has increased considerably in politico-sociological research over the last couple of decades. The general conclusion has been that the themes represent the agenda of the political decision-makers, with which they legitimise their actions. Several examples of the use of the same themes and design elements across borders, however, also highlight the role of designers and printing works in this respect.

After the independence of Finland in 1917, the Bank's own printing works took full responsibility for Finnish banknotes. This model was practised until the early phase of euro banknote production, at which time the Bank of Finland turned once again to Western European know-how, and banknote printing interestingly turned full circle. The Bank began to use many of the same printing works as during the second half of the 19th century and the early 20th century, even though most of the companies had in the meantime acquired new names due to political changes or for commercial reasons.

The book is written by Antti Heinonen and published by the Bank of Finland and Giesecke+Devrient Stiftung Geldscheinsammlung on their respective websites. The author has had a long international career in the field of banknotes, having chaired, for example, the Banknote Ethics Initiative (BnEI)

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