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DECORATED LETTERS (ZIERBRIEFE) FROM HUNGARY

DÉNES CZIRÓK FRPSL (ZALAEGERSZEG)

I started writing my current article around Christmas when a person is more sentimental about refined, nice things. Such looking for beauty and goodness can shine through to our favourite hobby, philately. This is what gave me the final push to summarize the history of the decorated letters in Hungary up until 1900.

1. THE PRECEDENTS

Many hundreds of years ago, writing was a privilege restricted to selected individuals, who cultivated it and learned the art of writing in special schools over the course of many years until it finally achieved the expected results. Any one such letter was a wonderful work of art, an individually hand-crafted production that also exhibited the typical characteristics of the age.



Figure 1: Official letter sent from Bajmócz to Körmöczbánya in 1621 (four multiples of the „Cito" inscription)

The letter illustrated above was written in 1621 and shows that attention was paid to writing each letter with great care.

Naturally, the scribes – whether they worked in civil administration or in an ecclesiastical area – developed a personal style in the course of performing their duties. This style also reflected either a century or respective branch of authority. One typical school from the time of Maria Theresia was the chancellery of Pozsony. Its style of exaggerated circular decorative elements could be detected from afar.

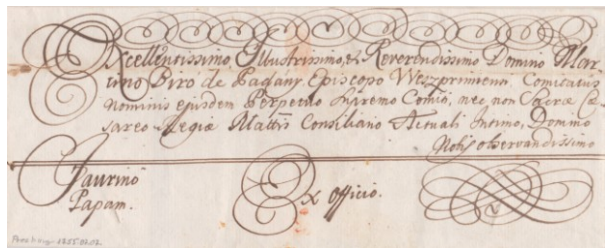
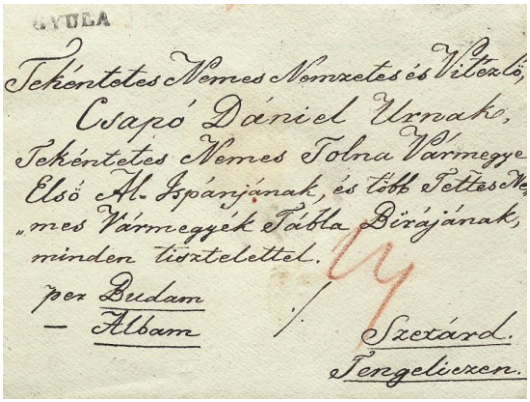


Figure 2: Official letter sent from Pozsony in 1755 to Bishop Márton Padányi Bíró, who was responsible for erecting countless beautiful churches (among many, the one in Zalaegerszeg).

This official penmanship style became fashionable with personal letters, and by the first half of the 1800s we can find it on countless letters. Each of them is a small masterpiece.


GYULA

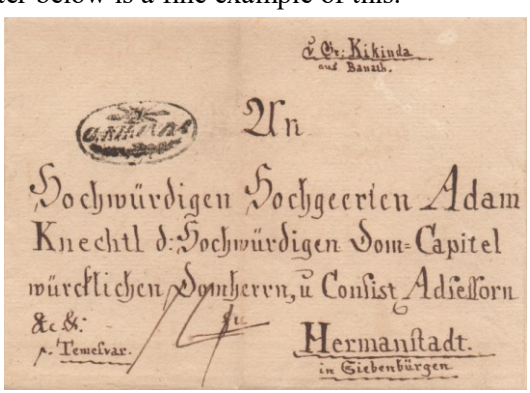
Tekéntetes Nemes Nemzetes és Vitézlő
Csapó Dániel Urnak,
Tekéntetes Nemes Tolna Vármegye
Első Al-Ispánjának, és több Tettes Nemes Vármegyék Táblai Bírájának,
minden tiszteletteel.

per Budam
— Albam

Szekszárd.
Tengelicsen.

Figure 3: Personal letter from 1828 sent from Gyula to Tengelicz near Szekszárd to Dániel Csapó, a well-known rural member of parliament in the reform era.

Large numbers of Schwabians settled in Hungary, mostly in the southern part, following the end of the Ottoman conquest. (These were the areas where the Turkish occupation caused the greatest harm.) They brought with them the characeristic German calligraphy culture. The letter below is a fine example of this.


N. Gr. Kikinda
aus Banath.

An
Hochwürdigen Hochgeeren Adam
Knechtl d: Hochwürdigen Dom-Capitel
würcklichen Domherrn, u Consist Adiessorn
&c &:
p. Temesvar.
Hermanstadt.
in Siebenbürgen

Figure 4: Personal letter from 1835 sent from Nagykikinda to Nagyszeben (Hermannstadt) in Transylvania using Gothic calligraphy writing.

2. DECORATED LETTERS FROM THE PRE-STAMP ERA

The expansion of the domestic paper industry was influenced by the growth in the letter traffic in the 1830s and 1840s. This manifested itself by a changeover from the thicker, hand-made letter writing sheets to thinner, machine-made paper. Also, the introduction of manufactured envelopes supplanted the culture of folding letter sheets. Naturally, these trends took decades to take root, and we still find folded letters from the 1880s and 1890s.

By the 1840s, the technical achievements joined up with the aspirations of the reform era, and this influenced the appearance of the first decorated envelopes in Hungary. We call these letters „Zierbrief" using the commonly accepted German terminology.

Figure 5 shows its earliest known example from 1840. While it utilized machine-made paper, it was still folded in such a methodical, artful fashion that it formed a closed envelope in the end. It's important to know that the addressee was a retired head physician from Pécs and not the typical member of the young generation in love.



Figure 5: The first known domestic decorated envelope from 1840 sent from Kőszeg (Güns) to Pécs (Fünfkirchen)

The content was even nicer highlighting a daring printing innovation of a design with flowers, birds, and garlands.

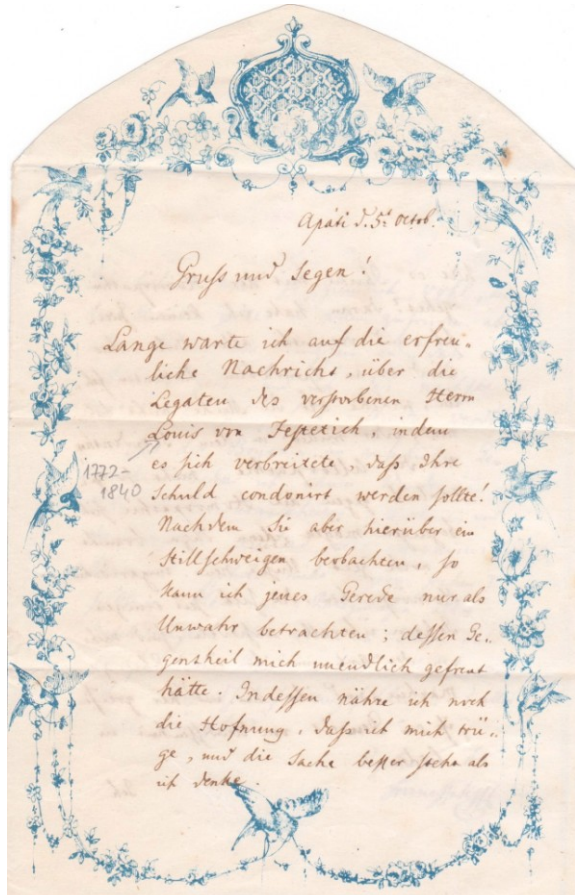


Figure 6: The contents

The next letter, chronologically, is from 1842 representing the apex of Hungarian pre-stamp philately (a few years ago its price was already sky-high). It is a masterpiece: gilded graphic elements with flowers, birds, angels as well as a lady in a modest pose accepting the attentions of a gallant gentleman.



Figure 7: The most beautiful Hungarian decorated envelope from the pre-stamp era sent from Miskolcz to Eger (Erlau) in 1842 (front and reverse sides)

The next letter in the series is from 1843. This is also richly gilded, but it shows only flowers, plant leaves and vine designs.



Figure 8: Decorated envelope from 1843 sent from Gyöngyös to Péchiújfalu (located north of Eperjes).

Generally speaking, the dominant design element of decorated letters was gold that was considered the symbol of wealth and social rank. The next envelope from 1844 is richly decorated with gilded graphic elements that conjure up the style of upper class residences. (The wax seal with a „crown" on reverse side also alludes to this.)



Figure 9: Decorated envelope from 1844 sent from Nagyszeben (Hermannstadt) to Kolozsvár (Clausenburg)

Envelopes with embossed-printed designs appeared toward the end of the 1840s in parallel with the advancement of printing technology. The letter below is considered special in this group. In addition to the embossed printing, the design also received a gilded overlay that was specially highlighted by the green frame.



Figure 10: Decorated envelope from 1848 covered with gilding and embossed-printed leaf pattern sent from Nagykanizsa to Székesfehérvár

Many times there are surprises hidden behind average-looking addressing. This is what happened on the letter below sent from Pesth to Württemberg. The external appearance of the letter is completely ordinary. The front side shows the franking markings that were typical from the era for a letter going to Württemberg.

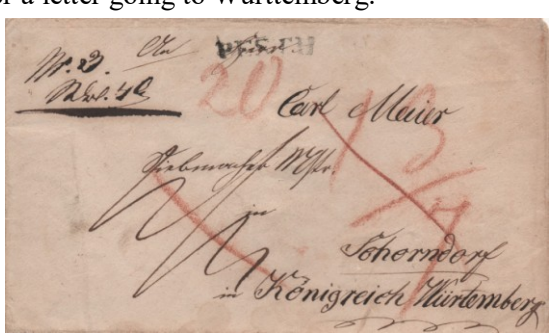


Figure 11: An ordinary letter sent from Pesth to Württemberg in November 1845

We are in for a big surprise after opening the letter since the first page of the multi page letter shows a contemporary engraving of the Chain Bridge during construction.

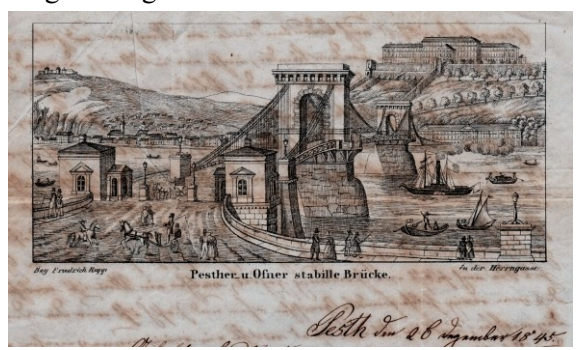


Figure 12: Engraving of the Chain Brige under construction on the heading of the enclosure

The term „under construction" is correct because at the time the letter was written in November 1845, the construction of the bridge was in its mid phase; it was inaugurated only in 1849.

3. DECORATED LETTERS IN TIME OF AUSTRIAN POST IN HUNGARY (1850-1867)

With the appearance of postage stamps on July 1st 1850, the letter writing culture continued its advancement. The introduction of postage stamps simplified the sending of letters. As a result, more and more letters were sent by post every year. This trend also increased the use of decorated letters. While currently we know of 15 such letters from the time between 1840 and 1850, the number of these from 1850 to 1858 (1st series) is at least 40.

Massive quantities of manufactured embossed printed envelopes appeared in commerce, including embossed printed letter sheets (a large per-

centage of these are not around today). The most popular version of these can be seen below.

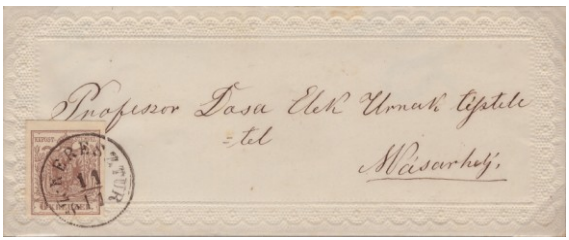


Figure 13: Embossed printed envelope from around 1855-58 sent from Sz(itás)-Keresztúr to Marosvásárhely franked with a 6 krajcár stamp.

There was also a more elegant (dainty) version of these embossed printed envelopes on which the embossing was not limited to the outer frame of the envelope but covered a larger area. In many cases, these envelopes were used by well-to-do families. (The addressee, the young Countess Khevenhüller was a member of one of Austria's wealthiest princely families, who owned countless castles and manor houses, mostly in Carinthia.)

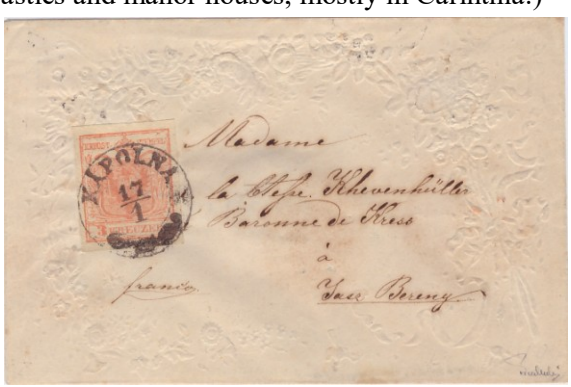


Figure 14: Embossed printed envelope sent from Kápolna to Jászberény with a 3 krajcár stamp

Golden coloured designs on decorated envelopes continued to enjoy great popularity. It's imaginable that they were made by the young ladies with talented hands while indulging themselves in fantasies.



Figure 15: Envelope with gilded-design decorations sent from Tállya to Debrecen with a 6 krajcár stamp

An envelope with completely similar characteristics as the previous one was found from Temesvár with the mere difference being the 9-pointed star instead of the 7-pointed one on the previous one. In this case, it's probable that sender added the decoration by hand. (It is also obvious that the addessee, Colonel Alfonz, a member of the noble Mensdorff-Pully family, who received this while in service near Brünn, was proud of the nice envelope and kept it safe for future generation.)

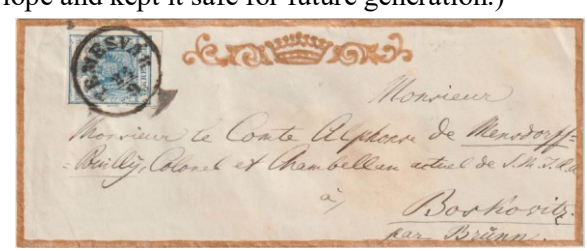


Figure 16: Envelope with gilded decoration sent from Temesvár to Boskowitz with a 9 krajcár stamp

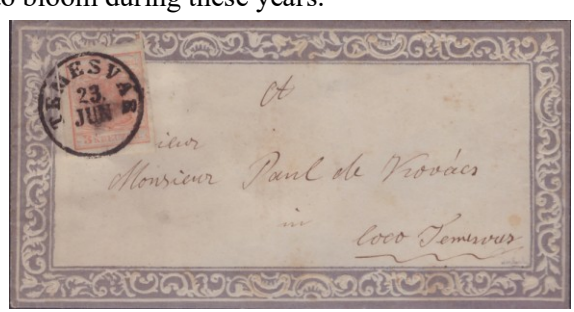
Dear Reader, please allow me to diverge within this topic. Previously, I showed two nice envelopes and stated that the sender hand-painted them. Was this perhaps a lot of effort back in that

time? Absolutely not! During that time, this, including the making of similar design elements, was an integral part of drawing instruction in school. To prove my point, let me show one of the many dozens of drawings that survived amongst my family documents. My grandfather prepared this in school during a drawing class when he was about 13-14 years old. The patterns are identical to the ones from the mid-1850s.



Figure 17: My stamp collecting grandfather's illustration from 1914

Let's return to the original topic, the envelopes with printed decorations, whose culture continued to bloom during these years.



18 Figure 18. An elegant colour-composition embossed printed envelope sent from Temesvár as an overfranked local letter

It is interesting to note that about half of the surviving envelopes originated from Transylvania. The next one is also from there, and it immediately captivates the looker with its profound elegance.

Envelopes with colourful flowers and bird motifs that resemble similar elements from the 1840s can also be found from this time.



Figure 19a: The front side of an envelope decorated with flowers and birds-of-paradise sent from Baja to Karlsbad



Figure 19b: The reverse side of the envelope with flowers and butterflies

A more cheerful variant of the flower-motifs envelopes is this one, again, most probably, hand painted, with clusters of grapes.



Figure 20: Envelope with clusters of grapes sent from Pesth to Czegléd in 1860 with a 5 krajcár stamp

One of the nicest decorated envelopes also originated in Transylvania, in Nagyszeben (Hermannstadt). Both sides of it are richly decorated with flower motifs.



Figure 21: The front and back of a registered letter sent from Nagyszeben to Perchtoldsdorf, near Vienna.

Fewer decorated envelopes are left over for posterity from the 1860s. Most of these are embossed printed, such as the lovely one from Lugos shown next.

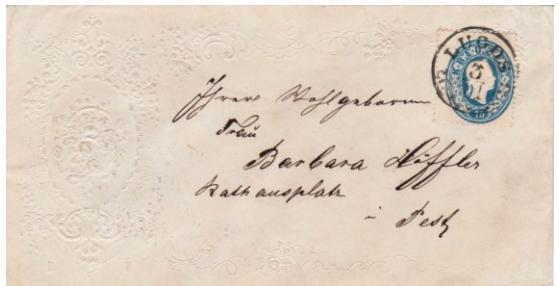


Figure 22: Embossed printed envelope sent from Lugos to Pesth with a 15 krajcár stamp issued in 1861

As I mentioned before, the enclosed letters, most of which were also specially decorated, contained in the decorated envelopes, with a few exceptions, rarely survived. Nevertheless, the enclosure of an envelope shown below did survive!



Figure 23a: Embossed printed envelope sent from Balatonfüred to Esztergom with a 10 krajcár, 1864-issue stamp

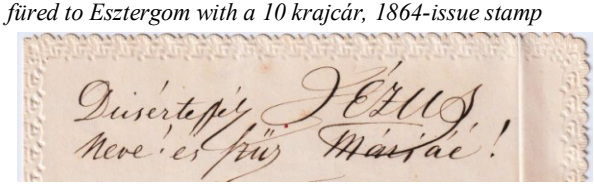


Figure 23b: The content is decorated with the same motifs as the outer envelope

4. DECORATED LETTERS FROM THE START OF HUNGARIAN POST TO ESTABLISHMENT OF UPU (1867-1875)

Afer the Compromise of 1867, as we know, the post offices came under Hungarian administration on May 1st 1867, and the new Hungarian stamps were issued on June 1st 1867. The old, double-headed eagle stamps of Austria could be used for two more weeks, until June 15th 1867.

The sender of the letter shown below from Zilah was not aware of this and dropped his decorated letter into a post office box on June 17th. The town's postmaster, however, knew the regulation and did not cancel the stamp but applied the cancellation to the space above it. He also assessed a penalty postage due of 10 krajcár that the addressee in Ákos was obligated to pay. The result was this wonderful, postage due Zierbrief from the first days of the Hungarian postal administration.



Figure 24: Decorated letter posted from Zilah to Ákos on June 17th 1867 with an old 5 krajcár stamp assessed postage due of 10 krajcár

Our sender from Zilah learned his lesson from this experience and sent a nice letter addressed to Eperjes franked with a new stamp a few months later in February of 1868. (We know of several letters from this correspondence.)



Figure 25: Decorated letter sent from Zilah to Eperjes during February 1868 with a 5 krajcár stamp

Obviously, the senders posted many-many decorated letters during the 4 years of validity of the 1867 issue; but, today, we know of only 8 copies. The one shown below is probably the most beautiful of these, a local letter from Debrecen that graced the Wittenberg collection at one time.

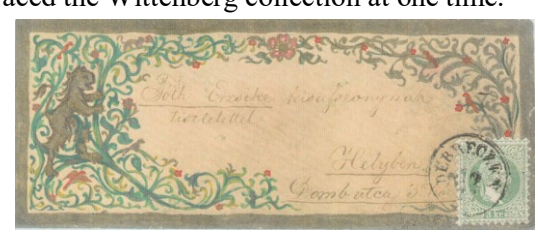


Figure 26: Hand-painted decorated letter from Debrecen with a 3 krajcár stamp

Letters from administrative authorities, commercial businesses, even military units with any kind of printing on the front side such as overprinting or pre-printed addressess belong in this grouping. An excellent example of this last category is this pre-printed envelope from the „3rd Company of the Uhlan Regiment named after the Russian Czar Alexander II" stationed in Kismarton that also showed the regiment's military uniform and armament. (The „uhlans" were mounted soldiers armed with a long, double-edged spear.)



Figure 27: Pre-printed envelope of the „3rd Company of the Uhlan Regiment named after the Russian Czar Alexander II"from 1869 sent from Kismarton to Vienna with a 5 krajcár stamp

To date, we have not found any decorated letters franked with the lithographed stamps issued in 1871. Only two such letters franked with the engraved stamps are known.

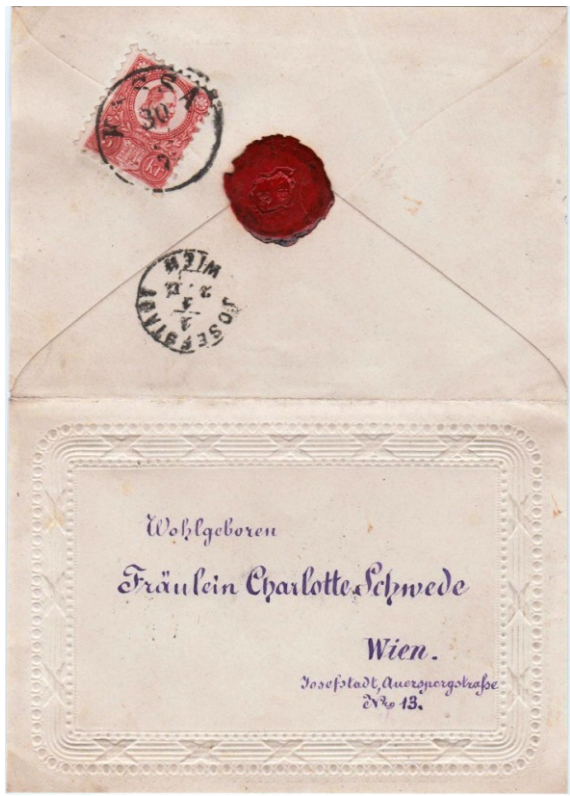


Figure 28: Embossed printed envelope sent from Kassa to Vienna with an engraved 5 krajcár stamp

We have to take a deep breath before looking at the second example that used an engraved stamp, and observe it in silent admiration since, in my opinion, it is the most beautiful of all Hungarian decorated letter. The paper is finely scalloped both on the front and on the back. The local leter was sent from Pest to the young lady Matild.

It is worthwhile to look at the pattern very closely; it's as if it had been made using actual lace rather than just paper.



Figure 29: The upper part of the envelope with a delicate lace pattern



Figure 30: Embossed printed, scalloped envelope sent as a local letter from Pest on October 31st 1872 with a 3 krajcár stamp

5. DECORATED LETTERS FROM THE PERIOD OF ESTABLISHEMENT OF UPU UNTIL 1900 (1875-1900)

We call this period the era of the krajcár postage stamps during which the postal services were unified as well as expanded. The post was enmeshed into all facets of everyday life. Post offices opened up in almost every village and connected them to the telegraph network.

It is interesting that the earlier envelopes with embossed printed or hand painted front sides even the ones with colourful flower motifs disappeared as new customs came into use. These new styles were now on the back of the envelopes. One of the most prominent styles was the printing of the sender's monogram on the back of the envelope. (Since the front side of the envelopes no longer presents a special philatelic interest; in the future, we will refrain from showing them in most case.)



Figure 31: Embossed printed monogram from 1884 on the back side of an envelope sent from Galánta to Boskowitz.



Figure 32: Embossed printed monogram from 1883 on the back of an envelope sent from Galánta to Boskowitz.

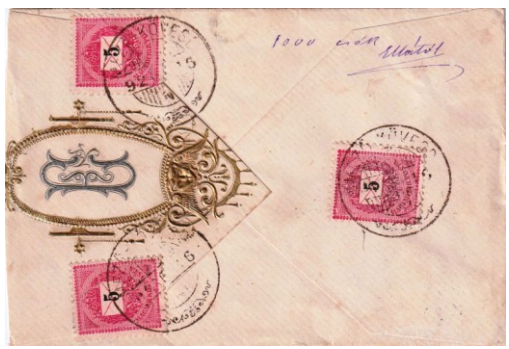


Figure 33: Embossed printed gilded monogram from 1892 on the back of a registered letter sent from Mező-Kövesd to Domoszló

Flower motifs continued to be popular decorations on envelopes.



Figure 34: A bouquet of violets on the back of a letter sent in 1881 from Pozsony to Budapest



Figure 35: Embossed printed butterfly on a cluster of flowers on the back of a letter sent in 1886 from Pozsonty to Budapest

Naturally, various animals also appeared alongside of flowers.



Figure 36: Embossed printed pair of birds on the back of a letter sent in 1887 from Pozsony to Budapest



Figure 37. Embossed-printed „Dragon-slayer Saint George”motif on the back of a letter sent in 1884 from Pozsony to Budapest

In many instances, words of wisdom or humorous thoughts were writen on the back of letters.



Figure 38: Good advice on the back side of an envelope sent in 1883 from Galánta to Boskowitz: „Erst besinnen/Dann beginnen" – „First to think/Then to start"



Figure 39: Embossed printed text „Telegramm/In Eile" – „Telegramme/In a hurry" on the back of a letter sent in 1889 from Pozsony to Budapest

Decorated envelopes with identical content or similar design motifs to what was on the backs also appeared at this time.



Figure 40: Pastoral idyll on the back of an envelope sent in 1893 from Árokszállás to Szeged



Figure 41: The same scene from the heading of the contents



Figure 42: Embossed printed picture of edelweiss on a letter sent in 1899 from Budapest to Pécs



Figure 43: The same motif on the heading of the contents



Figure 44: Embossed printed picture of the little boy carrying a letter on the back of a letter sent in 1886 from Tengelicz to Szeged



Figure 45: The same motif on the heading of the contents

The production of picture postcards took off at this time, but their discussion does not belong to the topic of this article. One nice picture postcard, however, does beg to be included in conjunction with the decorated letter. A pink ribbon is woven around the four sides of the card for decoration. Such a card could be purchased commercially; similar types of cards are known to have been used in other cities.



Figure 46: Picture postcard decorated with a ribbon sent as a local registered mailing in 1899 from Pécs



Figure 47: Front side of the card

Unsurprisingly, firms saw the possibility of making use of this kind of correspondence for advertising. The 1880s saw a proliferation of pre-printed envelopes with commercial headings

showing the name and address of firms. These also do not belong to this current topic unless pictures are incorporated into the heading. In that case, it's worthwhile to pay attention to them.



Figure 48: A 2nd weight class printed matter wrapper sent from Budapest to Nagykanizsa with a commercial heading. (The licence may have been relegated to oblivion, but the ornamental heading remained.)

Hotels soon joined in and provided envelopes with heading to their guest who would send them to their acquaintances as free advertising for the hotel's reputation. Not only hotels, but 'good wines need a signboard.'

I would like to thank the following fellow collectors for allowing me to show pictures of their envelopes: György Pálka (8), Adriano Bergamini (14, 18, 21), András Jakab (16, 22), Dorothea Haslauer (11, 19), ex. Edward G. Wittenberg (20, 26), Wolfgang König (24, 25, 27). The other items are from the author's collection.



Figure 49. Hotel Pannonia envelope with an ornamental picture sent in 1892 from Budapest to Süttő

I would like to close my summary for my Faithful Readers by showing the ornamental envelope from the 'most faithful city.' Hopefully, I was able to give a small sample of these lesser known beauties of Hungarian philately.



Figure 50. Ornamental envelope sent in 1897 from Sopron to Zürich .

ON THE OCCASION OF THE 75TH ANNIVERSARY OF WORLD FAMOUS HUNGARIAN INFLATION'S ADOPENGO ERA



DR. FERENC NAGY (BÉCS)

PROLOGUE

Many internationally significant inventions and achievements are identified with our nation, but I would gladly relinquish that which I am about to commemorate. Tied to our name is all-time greatest and the most thorough destruction of a currency through inflation that annihilated the wealth of an entire nation, reducing it to a value of 4 US cents in a record 15 months' time.

This all started out as you would expect to happen after a war. The lack of food stuffs and everyday necessities depressed the value of money with respect to the available goods. According to monetary rules, this always brings about an inflationary cycle. The price of something that was in the magnitude of ten rose to the magnitude of a hundred in a short time.

Up until now everything is understandable.

Please allow me, my philatelic friends, to offer up some gleanings of fiscal history because these facts may not be obvious to everyone. It won't harm a philatelic article to analyze a bit of monetary history where the two areas intersect. I am not aware of a domestically published philatelic article that discussed the then current banknotes in conjunction with the timeline of postal history so the readers can get a comprehensive picture of this era.



P1. The 10, 50, and 100 pengo banknotes issued prior to the war that were still circulating in 1945. Note the nice and elegant execution!

The pengo banknotes issued by the National Bank were not the only currency in circulation. Quite literally, the Red army also issued paper money. The 1, 2, 5, 10, 20, 50, 100, 500, and 1,000 pengo banknotes represented a parallel cur-

rency, the acceptance of which was mandatory. Still, while the 'Hungarian' money had some kind of backing such as the gold reserves wandering in the west, national productivity from work performed, or the phantom consumer goods, the 'Russian' money had no backing. Its compulsory acceptance was enforced in the occupied area in the eastern half of the country starting in the fall of 1944, then in Budapest from February 1945, and the western half as the military situation allowed. Therefore, let us look at a few examples of the circulating banknotes.



P2. Samples from the Red Army currency: 2, 5, 50, and 100 pengo banknotes. Only paper money was available, not coins!

Note the year of issue (1944) as well as the annotation: 'Acceptance is mandatory for every transaction.'

It is small wonder that anyone who possessed such currency wanted to be rid of it as soon as possible. Naturally, this quickened the rate of turnover of the currency, the 'sucker' who had to sell something tried quickly to buy anything for the 'Russian' money.

MONETARY HISTORY RECAPITULATION

When I went off to the Boy Scout camp in Zalabér as a 12-year-old youth during the spring of 1946, my thoughtful parents gave me 10,000 pengo so I could have some spending money just in case I needed something. I felt like a well-heeled kid and since I was always thrifty with my money, I saved the much appreciated yellowish banknote for a better occasion. All the more, I had scant opportunity to spend the money in the woods of Zala. When the train arrived with us at the Eastern Railway Station after the two-week camping trip, I needed to take tram no. 44 for two stops to the Nemzeti to get home. I proudly handed over the 10,000 pengo banknote to the conductor for the fare and anticipated receiving sizeable change in return. Noticing my outstretched hand, he informed me the note covered my exact fare. The two weeks that I was away meant that there was no change in return. This was my key experience at the time, something that stayed with me ever since.

I've been pondering how such a massive inflation could break out when, in the beginning, it did not look like it was going to be a world record holder.

In early 1945, the public in Budapest was startled to notice that the change returned by mer-

chants for purchases was not just Hungarian money, but more and more frequently it was the unfamiliar Russian money that bore Hungarian writing as well as the inscription 'command of the Red Army.' The uncontrolled use of these banknotes in the Hungarian marketplace greatly endangered the traffic in goods. These 'printed products' had zero backing and sucked the slowly resurgent commodity production from the marketplace. The Red Army did not have to give accounting to anyone about the volume of banknotes it released for circulation.

What could be done against this?

It is possible to visualize the following scenario: Hungarian monetary officials held a meeting to discuss possible ways to control the Russian money taking into consideration that the available options are extremely limited.

It is possible that they decided the following: since the printing of the Soviet-Russian money can be more difficult than the Hungarian production, the inflation that was slowly gathering steam can be fired up so that the Russians cannot keep up with it. The largest face value Soviet banknote was 1,000 pengo, and it could lose its value in a couple of weeks. This is what happened and while I was playing a numbers war game in the forests of Zala, an enormous mechanism sprang into action.

Within weeks, numbers in the millions appeared on the street, and the Russian money disappeared without a trace. The experts thought that this would not be a problem because there was a similar situation in 1923 in the German Reich. It did not create a huge crisis there; they were able to help themselves get out of it. The famous, great German inflation with its notional prices in the billions exhausted itself and eventually ended with the introduction of a new currency. This is what we are going to do, the experts thought. Well, let's examine a few contemporary banknotes.



P3. 500 and 1,000 pengo banknotes produced by the relaunched National Bank after the war.

If we spend some time dealing with the history of the inflation, we encounter banknotes that have stamps picturing the initials MNB in the upper right corner indicating that they were issued by the Hungarian National Bank.

The all-time greatest theft of currency is behind these stamps. On a fine winter day, exactly on December 19th 1945, the edict was promulgated that the 1,000, 10,000, and 100,000 pengo banknotes in circulation would remain valid only if red, brown, and green stamps purchased from the MNB for 3,000, 30,000, and 300,000 pengo respectively, were affixed to them. The act was officially called a 'capital levy,' while in reality it was wealth expropriation. The stamps were on sale until January 5th 1946. Banknotes without stamps became worthless after December 31, 1945.



P4. Stamped examples of the 1,000 and the 10,000 banknotes that remained valid at face value.

This meant that ¾ of the currency in circulation disappeared, no matter how much nates were in our pockets. While writing these lines I got curious and looked up the meaning of 'capital levy' in German. It's 'Zehent'! The word comes from the medieval 'Zehntel' meaning one-tenth. In the Middle Ages peasant revolts were started because of such 10% levies; something that we could only dream about when it came to the 75% levy. A triviality to ponder…

But not everybody had enough money to purchase the stamps, so a tremendous quantity of banknotes remained unstamped. Therefore, their value by decree became zero after two weeks. Therefore, a quantity of stamps remained on hand unused. These were overprinted and put into circulation as postage due stamps of the Hungarian Post with a face value of 8, 10, and 12 fillér. Their official period of use was from January 8th to January 31st 1951, a period that indicates that no serious thought was given to their actual usage. It turned out to be that because the ranks of the philatelic collecting community were growing, so they purchased the available stock. In today's catalogue, these stamps are 'worth' 50 forint unused, but 20,000 on cover. (If such exist… given their short period of validity, covers simply don't exist.) In this way, the authorities got rid of the large quantity of bank-stamps and closed their sad history – something that not everyone knows about.

My Dear Readers! You might have noticed that monetary history received an unusually large emphasis in my work. I planned it this way. It is imperative become acquainted with the banknotes and the basic concepts of their history when pursuing the study with the inflation.

I am advising my friends who might think 'we already knew this' to think about our readers abroad, who would not necessarily be familiar with these facts.

I'm asking for your continued patience. It might be worth it.

The inflation that was (probably) designed to squeeze out the Soviet money became completely independent on its own. December's capital levy had a brief effect, but the money in circulation again increased within a short period of time. The production of goods could not keep up the pace, and the gap between supply and demand quickly escalated.

The 1 million banknote appeared on February 28th 1946, followed by the 10 million on April 2nd,

the 100 million on April 30th, and the 1 billion on May 13th. On the last one, the usual historical figures were replaced by the portrait of the beauty from Székesfehérvár, Lucia Lendvay. It is interesting to note that attention was paid to record this information for the future even in those turbulent times.



P5. Portrait of Lucia Lendvay from the 1 billion milpengo banknote.

'On May 10th 1946, the Government of the Hungarian Republic decreed that as of May 27th, in order to simplify the calculations made with pengos and to make it easier to pay with banknotes issued by the Hungarian National Bank, the millions multiplier of pengo will be marked with the term MILPENGO.' – is what we read back then. New banknotes were printed on which the old 10,000 pengo denomination was replaced with 10,000 milpengo. The 100,000 pengo became the new denomination of 100,000 milpengo continuing to the 1 billion milpengo note that entered circulation on June 27th 1946.



P6. The 10 million, the 1 million milpengo, and the 1 billion milpengo banknotes.

Philatelically, we're at the time that the reddish-brown 'milpengo' set was in use (issued on May 24th), while the 3 values of the 'milliárd' set appeared on June 27th. Even its highest value, the 500 milliard [English: billion] could keep up the fight only for a week until June 3rd when the 'billions' [English: trillion] set was issued.

The Government of the Hungarian Republic reconvened a month later and decided that '*in order*

to ease payments, the billions multiplier of the pengo will be named B.-PENGO' [1]. June 1st 1946 was directed to be the start of the billions [English: trillion] era. The 10,000 pengo banknote was re-released on the same day but with a 10,000 billion face value. We can best picture the rampant madness of this period by observing the date of issue of the following banknotes:

July 1:	10.000 B.-pengo
July 2:	100.000 B.-pengo
July 4:	1.000.000 B.-pengo
July 8:	10.000.000 B.-pengo
July 11:	100.000.000 B.-pengo
	(hundred million billion pengo[1]).



P7a. Banknotes in billions: 10,000 and 100,000 B.-pengo

[1] The „billion" in Hungary is the name of English trillion. The English translation uses the original Hungarian name convention. (*Editor's remark*)



P7b. The 1 million B.pengo banknote.

There is one banknote amongst the usually low-priced ones that appears maybe every six months and finds a new owner at a high price. The reference books describe it thus '*it was printed but was not placed into circulation.*' This banknote's face value is almost incomprehensible:

'one milliard billion pengo' = 1 trilliard.

The number represents 1 followed by 7x3 or 21 zeroes!



P8. The 1 milliard billion, printed but unissued highest face value banknote.

Sheets of the printed but unissued note because of their good quality were used as wrapping paper during the critical paper shortage years of the 1950s. This banknote is a highlight of my current article. I found it in a Czech auction about 20 years ago.

One more small detail: this final banknote was not graced with the portrait of a hero of freedom, or a great poet or war leader but with the image of the well-known lady from Székesfehérvár, Lucia Lendvay. Perhaps I can be considered to be sentimental about this elegant Hungarian symbology, if we must perish, let us go in the company of a beautiful woman… Philatelically, we are in the time of the 'Dove' stamp issue.

THE TAX PENGO, JANUARY 1, 1946.

Since the capital levy imposed at the end of 1945 did not bring about the anticipated result because it did not result in stabilizing the pengo nor did it help to balance the state budget, it was decided to introduce a new 'currency' namely, the tax pengo. A daily conversion rate was published based on the calculations performed by the Hungarian Economics Research Institute using a sample of consumer prices. Taxes were assessed in tax pengo but needed to be paid in pengo based on the daily tax pengo index. In addition, invoicing between companies, bank balances and valuation of loans was conducted in tax pengo. On January 1, 1946, the day of its introduction, the value of 1 tax pengo = 1 pengo. From thereon, the daily conversion rates were broadcast on the radio.

The tax pengo was not a Hungarian invention. It was used earlier for a short duration in Austria, Switzerland, and the USA. In our situation, the system worked, more or less, for 3 months, but starting in April the relationship between the two currencies diverged greatly. At the end of that month, the tax pengo required for 400 'plain' pengos, 600 a few days later.



P9. Two tax pengo paper notes: 7 different ones were issued.

While the tax pengo started out as an imaginary conversion concept, the decision was made in May to issue pseudo-banknotes. Originally, these were not intended to be circulating money since they had no backing. After a while, however, the public started paying with tax pengo certificates. The so-called 'plain' pengo was slowly squeezed out of circulation and became completely worthless. In philately, the last signs of life of the billions era were the 10,000, 50,000, and 100,000 billion face value postage stamps issued on June 13th 1946. However, these did not see much use.

Visualize this, my Dear Readers: the masses of mostly uneducated people had to learn, in a span of 15 months, the differences in the following concepts: pengo, Russian pengo, plain-pengo, milpengo, B.-pengo, tax pengo. In addition, some-

thing with which they never had to struggle with, such as 100 milliard or 50 billion… This was in addition to the ponderous, everyday struggles…

10,000 AP. issued: June 13, 1946,
50,000 AP. issued: May 21, 1946,
100,000 AP. issued: June 13, 1946,
500,000 AP. issued: May 21, 1946
1,000,000 AP. issued: May 21, 1946,
10,000,000 AP. issued: July 18, 1946,
100,000,000 AP. issued: July 25, 1946.
(6 days prior to the end of the inflation)



P10. The 10 million tax pengo banknote.



P11. The one hundred million tax pengo in an uncut block of four

Plans were in place for a one milliard face value tax pengo note, but it was not issued.

Dear Reader! With this we are concluding the review of the inflationary banknotes. This was the minimum that was needed in the order to deal with Hungarian postal history after the war. Given the space limitations here, naturally, we could not go into more precise details, but this meets our philatelic goals.

PHILATELIC MEMENTOS

On the occasion of our retrospective, it is not possible to show the entire course of the inflation even using a 'fast forward' approach. Therefore, I decided to review the last 6 weeks of the inflation but still show a couple of interesting items from the 'tax pengo' era. I am aware that this will be the first opportunity for my collector friends to see these mailings. These have origins in the mil-pengo, bilpengo, and tax pengo era.



Figure 1. The milpengo set, from 100 million to 50,000 million = 50 trillion pengo.

For starters, let's look at this commercial, registered, domestic letter with 12,000 milpengo franking. The tariff according to the 19th rate period was 4,000 milpengo for a domestic letter, 8,000 for registration = 12,000 milpengo.

The most interesting feature of this cover is that I personally mailed it at the time at the number 62 post office located near the Western Railway Station. One of the Stern siblings, Simon Stern was my uncle, his wife, my aunt, was employed in their office. At that time we lived at Akácfa Street number 20, and my chore at age 12 was to go over to house number 37 at 6:00PM to take the daily letters for mailing over to the 62 post office. I received a small tip for this service. Since my aunt tipped well, I could hardly wait for 6 o'clock and every day I stood straight as a rod in front of the office.

It's hard to imagine the feeling I had when I caught a glimpse of this cover 65 years later in a listing from a leading auction house and was able to 'repurchase' it.



Figure 2. Domestic letter franked with 12,000 milpengo according to the 19th rate period sent to Pápa on June 12, 1946.

The next letter went 10 days later from Nyékládháza to Péterréve. /Its name today: Backo Petrovoselo./ I chose to show this letter because such a destination is impossible to find… Then, the 20th rate period was in effect and the rate for an ordinary letter sent abroad was 80,000 milpengo.



Figure 3. 'Foreign' letter /to Bácska/ with Hungarian address, 20th rate period tariff.

Dealing with foreign letters from this time is very insightful. Because of the high tariffs and the lack of proper stamps, we find that these are frequently underfranked or less frequently, overfranked.

For example, the following ordinary letter was sent to Neunkirchen, Lower Austria on the first day of the 21st rate period. It required, according to the table, 1,600 milliard [English: billion] pengo franking, that is, 1 billion 600 milliard [English: 1 trillion 600 billion] pengo. This would have needed a quantity of 32 50,000 milpengo stamps. There are 'only' 27 of them on the letter. (By chance…?)



4 Figure 4. Letter to Neunkirchen during the 21st rate period, missing 250 milliard pengo = 5 50,000 milpengo stamps are missing

Many of us collect parcel slip with great enthusiasm, so I'm going to show a nice piece here sent from Bánk to Lajosmizse from the time of the 21st rate period. A parcel up to 5 kg required 1,200 milliard pengos. The documentary revenue fee was paid in cash; this was 500 tax pengo. One stamp is missing here, also, in this barely decipherable mess. Of the 24 50,000 milpengo required stamps, there are only 23. Instead, there are 2 10,000 milpengo stamps, so the postal employee probably pocketed 30,000 milpengo (it's valid to presume innocence…)

So what was the contents of this package valued at 1 billion 200 milliard [English: 1 trillion 200 billion]? Used clothing…



Figure 5. Parcel slip from June 25th 1946, weight up to 5 kg, franked with 1,170 milliard in lieu of 1,200 milliard.



Figure 6. Reverse side of the parcel slip.

After a break of ten days, a new issue was required, this time with milliard designation, but immediately with face values of 100, 200, and 500 milliards. The set was issued on June 27th. The highest face value of the previous set was 50,000 milpengo (50 milliard), so the 100 milliard value of the new set complemented the previous one without a gap.



7 Figure 7. Stamps of the milliards issue.

When studying the use of these stamps, I recommend foreign letters only.

On the first one, we see a letter addressed to Perchtoldsdorf. During the war, this was District 25, a part of Gross-Wien (Greater Vienna). After the war it was detached along with other peripheral towns and returned to the jurisdiction of Lower Austria. So while Budapest expanded (in 1950), Vienna was reduced in size.

The 21st rate period was still in effect, so an ordinary letter, as we have seen with the previous one, was 1,600 milliard pengo or 1 billion 600 milliard [English: 1 trillion 600 billion]. This amount is on the letter using easier to decipher denominations. But, we see a brick-red 50,000 milpengo stamp that was totally unnecessary. Could it be that it was intended as a tip for the Austrian censors who cancelled it?



Figure 8. Letter sent from Budapest to Vienna on June 29, 1946 with 1,600 milliard franking (overfranked by 50,000 milpengo)

Next, we see an Újpest-Zürich letter, still franked according to the 21st rate period: 1,600 milliard foreign letter and 3,200 milliard foreign registration = 4,800 milliard.

A provisional Újpest registry label was used. Mailed on the first day of issue (June 27). The 200 milliard stamp on the lower right is considerably misperforated.

The statement 'if the letter could even sing the anthem, then it would be all-knowing…' applies to here…☺



Figure 9. FDC letter sent to Zürich on June 27, 1946 with 4,800 milliard franking. The letter en route for 9 days.

Only six days passed before the next stamp issue appeared, the highly sought after and most valuable billions. These were issued in piecemeal fashion starting on July 3rd through July 13th, 1 billion to 500,000 billion. (They are known as the 'Dove issue' colloquially.)

Only the smaller denominations turn up on genuinely used letters (up to the 50 billion face values). Occasionally, a franking with 100,000 billion stamps can be found used on the last day (July 11th). Expert opinion about every 'billions' letter is absolutely necessary!



Figure 10. Stamps from the 'Dove' issue. July 3-13, 1946.

Let's examine a few billions letters.

The next tariff rate period was the 22nd, effective from July 1st. The 1, 2, 5, and 10 billion stamps were not issued until July 3rd. Therefore, genuine letters can exist only as of this later date. However, the tariff was changed on the next day; the 23th rate period came on July 4th increasing the cost of a domestic letter from 40 billion to 2,000 billion!

But we're still in the 22nd period. Is it possible that a genuine letter exists from that single day? Yes.

We have a domestic letter sent from the Budapest No. 72 post office to Kisújszállás mailed on July 3rd and franked with 20 2 billion Dove stamps for the required tariff of 40 billion. It is a spectacular piece with a 20-stamp franking and without a doubt it is a valuable, interesting item.



Figure 11. 40 billion letter sent from Budapest to the provinces on July 3rd.

The next spectacular piece is my article's second highlight.

Count Károly Pálffy, who was living on his estate near Pozsony, descended from the northern Hungarian branch of the Pálffy family. With the advance of the Russians in 1944, he was forced to flee. His flight took him to Heidenreichstein in Lower Austria, to the Kremsegg Castle near Kremsmüster in Upper Austria, and finally to Kitzbühel in Tirol.

His lawyers lived in Budapest, and a letter from one of them originated on the single possible day, July 3rd. Originally, the letter was sent to Heidenreichstein from where it was forwarded to his second known location in Kremsmünster.



12. ábra. 160 billion letter sent abroad during the 22nd rate period cancelled at 8:00PM on July 3rd 1946 at the Budapest 62 post office.

The tariff for a foreign letter was 160 billion; and, indeed, 32 5 billion stamps can be found on the two sides of the envelope adding up to the correct sum. Only the stamps on the reverse side are cancelled.

If we look at the letter closely, we can observe that it was intended to be mailed registered. Left and above the violet censor stamp one can see the typewritten word 'rec.' When told at the post office that this would cost an additional 320 billion, the sender declined and crossed out the word. Naturally, there would not have been enough space on the envelope for all of the stamps… Thus, this exceptionally nice inflation-era gem came about.

The 23rd rate period came into effect on the next day, July 4th 1946; and the cost of a domestic letter rose to 2,000 billion.



Figure 13. Letter sent from Budapest to Pécs on July 4th during the 23rd rate period taking advantage of the one-day grace period, franked according to the tariff of the 22nd rate period.

You can imagine how alarmed Mr. Selmeczi's messenger became when he heard this 'Hiob'[2] news that as of today, the letter would cost 2,000 billion, the letter that his boss tasked him to mail for the for 40 billion cash that he provided.

The postal clerk noticed the messenger's despair and offered to help. He affixed stamps according the cheaper, previous day's tariff of 40 billion but did not cancel them. He instructed the messenger to take the letter outside and deposit it in the letter collection box. This way, the one day grace period would come into play allowing for the acceptance of the letter at the previous rate such as one that would be found in a letter box.

How do I know this? I don't; I imagined it because at that time, nobody kept a stock of billion stamp issues at home given their circumstances. On the other hand, underfranked letters were not accepted at a postal window…

I used to have another Pálffy letter franked with the billions stamps; but, sadly, I had to part with it and can't reconstruct it. Altogether, I know of only 3 foreign letters from this time!

Starting with July 3rd when the first stamps appeared, the billion issue was useable for only a few days, until July 12th. The last stamps, the 10,000, 50,000, and the 500,000 billion denominations were no longer necessary.

The pengo-era ended with the billion-dove issue; it impressed its mark on the country's face for 20 years. Rather, it was the end of the 'plain' pengo.

[2] Hiob-news = bad news, reference to the biblical story of Job (*Editor*)

Our poor currency carried this name until the 'mil' and the 'bil' modifiers were added. In the second half of June, a 'new' currency came into use, 1 tax pengo [abbreviated: AP] = 2 x 10^{21} plain pengo, in other words, 2 thousand quintillion pengo. Only one tax pengo! But the lowest face value banknote started with 10,000 AP! Go ahead, multiply 10,000 with 2 thousand quintillion, and what do you get? Even I don't know…

And, do we remember? When the tax pengo was introduced on January 1st, the conversion rate was 1:1!!

THE LAST TWO WEEKS – STORY OF THE TAX PENGO STAMP ISSUE, JUNE 15TH TO JULY 31ST 1946

As I was working on this article, my optimistic fellow collectors were planning various events in 2021 to commemorate the 75th anniversary of the tax pengo stamps. Whether they will succeed will be decided by the virus, and today that cannot be taken for granted. 'Für alle Fälle' (in all cases) let this dissertation be a start that shows off their usage with illustrations for the first time in our country. It's high time after all. I conducted a census of the available material, naturally it was not 100% but it does present a good cross section. This will show selected items from the 4 largest and best known collections of tax pengo material (Bernáth†, Morgan, Glatz, Nagy). (Unfortunately, I was not able to show items from those who did not communicate with me…) A few of these pieces have been seen only by those fortunate to attend international stamp exhibitions. The Dear Reader can now enjoy these in comfortable surroundings while sitting in a reclining chair.

Therefore, we are now on July 15th in the calendar and the philatelic tax pengo era begins. July 16th was the start of the issue of the tax pengo stamps. Is this in error? No, because the 'Railway' jubilee set, denominated in tax pengo, had been issued on the previous day. The 4 values were a well-executed set, again designed by Konecsni and issued for the 100th anniversary of the start of the Pest-Vác steam-powered railway service. The stamps were very infrequently used on letters with the exception of a few sets. By then, the imminent arrival of the new currency was in the news, and philatelists did not have a large playing field at the time. Everybody was focused on how to preserve and transfer whatever small assets they had into the world of the forint.



Figure 14. The tax pengo-denominated Railway Jubilee issue from July 15th 1946.

But, on the next day, the first two values of the tax pengo definitive series appeared, green stamps with the face value of 5,000 and 10,000 tax pengo. If we examine these stamps closely, we notice that they were not printed with a new plate but with the one used for the milliard set issued on June 27th. Instead of being in olive colour, they were printed in green, and the 'MILLIÁRD P' text was overprinted with the word 'adópengo' (AP). There was not enough time to design a new stamp.



Figure 15. Stamps of the tax pengo set.

At the time of the issue, the 25th rate period, starting on July 12th through July 17th, was in effect. Then, the cost of mailing a local letter was 10,000 AP; a domestic letter, 20,000 AP; a foreign letter, 80,000 AP; domestic registration, 40,000 AP; foreign registration, 160,000 AP. Here, again, I prefer to show foreign letters because they are scarcer and more spectacular.

The first one is a letter addressed in the Slovak language and sent to Ó-Túra in Northern Hungary. It was sent on July 16th and bears an express label with the franking of 230,000 AP. The tariff for a foreign letter was 80,000 AP, then 150,000 AP was left over for the express handling. Only we can't find this in the tariffs table…!



Figure 16a. The address side of the express letter to O-Tura.



Figure 16b. Reverse side of the express letter for the 25th rate period. 80,000 AP is the fee for the letter, 150,000 AP the tariff for express handling abroad (?). Hopefully, the clerks at the No. 72 knew what they were doing…

The following registered letter was sent to Vienna with a total of 240,000 AP franking on the last day of the 25th rate period. Here, again, the foreign letter rate was 80,000 AP and registration was 160,000 AP. The 20,000 and 50,000 AP face vale stamps, issued on the same day, probably had not arrived at the post offices yet, so a lot of stamps were required for the franking.



Figure 17. Registered letter sent to Vienna on the last day of the 25th rate period. The reverse side has the correct franking of 240,000 AP. Sent from the low traffic volume Budapest 30 post office.

Again, a new tariff rate followed. Starting on July 18th through the 23rd, the 26th rate period became effective. The letter shown below must have been overweight, so the franking was solved thus: foreign letter, 400,000 AP, the next weight increment of 20 gr, 250,000 AP; foreign registration, 800,000 AP, for a total of 1 million 450,000 AP.

But, 1,500,000 AP was affixed. Who lost out?

I had thoughts about this letter: what kind of mixed emotional impact was it to write a letter to the Marosvásárhely Register's Office in Hungarian and address it to Targumures, Judentul Targumures. Romania?



Figure 18. 2nd weight class letter to Marosvásárhely sent from the Budapest 64 post office on July 22nd 1946 franked with 1,500,000 AP, overfranked by 50,000 AP.

Dear Reader! We have reached the apex of the inflation from all perspectives. The legendary 27th rate period was in effect from July 24th for one week, to July 31st. It harbours exceptional rarities.

The last two values of the tax pengo set were released on July 26th. These were the 1 and 5 million tax pengo values printed in red colour symbolically signalling the end of the inflation: 'Stop!' Mailings with these red stamps are exceptionally scarce and sought after.

I am both happy and proud to be able to show a few rare letters, many of which nobody in Hungary has seen before, perhaps with the exception of one or two.

Let's look at the letter below, for example. The first impression is the sight of the many green stamps on it. The sender was from Jászszentlászló but for some reason the registered letter was posted at Szank, some 7 km away. On that day, the red stamps had not been issued yet, so the letter glows in green.

If we count the stamps, we see that in addition to the 40 100,000 tax pengo stamps, there are 10 80,000 tax pengo stamps, also. The total franking adds up to 4 million 800,000 AP. This was the tariff for a registered FOREIGN letter. But this was a DOMESTIC letter, which would have required 'only' 400,000 + 800,000 AP.

The unlucky customer happened to pick a bad day. The young lady behind the post office window may not have been clear about the new situation or may have been cross because her evening rendezvous had been called off and her head was not in the transaction, so she collected 4 times the necessary tariff from Mr. Görög. Thus came about the domestic letter bearing the greatest number of green stamps, a hair-raising 50 stamps!

This is the finest green letter that I had ever seen!



Figure 19. Domestic registered letter, sent from Szank to Budapest on July 24th, the first day of the 27th rate period. It was judged to be foreign in error and franked with 50 stamps totalling 4,800,000 AP instead of 1,200,000.

THE RED 1 MILLION TAX PENGO STAMP

We can find the red 1 million tax pengo stamp on the next ordinary letter. The tariff for a domestic letter during the 27th rate period was 400,000 AP. Why was this letter franked with more than twice the fee? Perhaps the sender wanted to mail it registered but did not have enough money (+800,000 AP) for this service. He was late in telling this to the young lady clerk, who had already stuck a red stamp to the envelope. In any case, this ordinary mailing with a single 1 million tax pengo stamp is a great rarity.



Figure 20. Domestic letter sent from Dunaföldvár to Budapest on July 30th franked with a 1 million AP stamp instead of 400,000 AP.

On this postcard we can see what actually cost 1 million. The sender from Viszló in Borsod County (last post office Rakaca) mailed the card. But from where? From Miskolc, a good 50 km away. The sender did not trust the small post office with handing the important, official business post card, and took it to Miskolc for mailing on the last day of the inflation. The fee of 200,000 AP for the domestic postcard + 800,000 AP for registration equalled exactly 1 million AP. Mailings with a single red stamp are very rare!



Figure 21. Domestic registered postcard mailed from Miskolc to Budapest of the last day on the 27th rate period franked with a single 1 million AP stamp.

Such rarities deserve that we look at two more of them closely. Take for example the local registered letter mailed in Tata. It's not hard to postulate its philatelic nature of having been handled within the bosom of the local number 2 post office, but it's still an interesting local novelty. The fee for a local letter was 200,000 AP; registration, 800,000 AP for a total of 1 million. I am not aware of any other local registered letter franked with a 1 million stamp (except for Budapest).



Figure 22. 1 million on a local registered letter posted on July 31st.

I cannot resist, I have to show another interesting piece. Back then, the post office delivered a local registered letter, for example, from one street to another in Tata for the same fee as delivering a post card to, say, Hawaii: for 1 million.

The proof: if a Hungarian individual received a CARE package from the USA, the American Express Company requested the return of the attached POST-CARD with information about the addressee in order to verify the correct delivery.

The cost of foreign post card was 1 million AP, independent of the destination, whether it was to Vienna or to Honolulu.

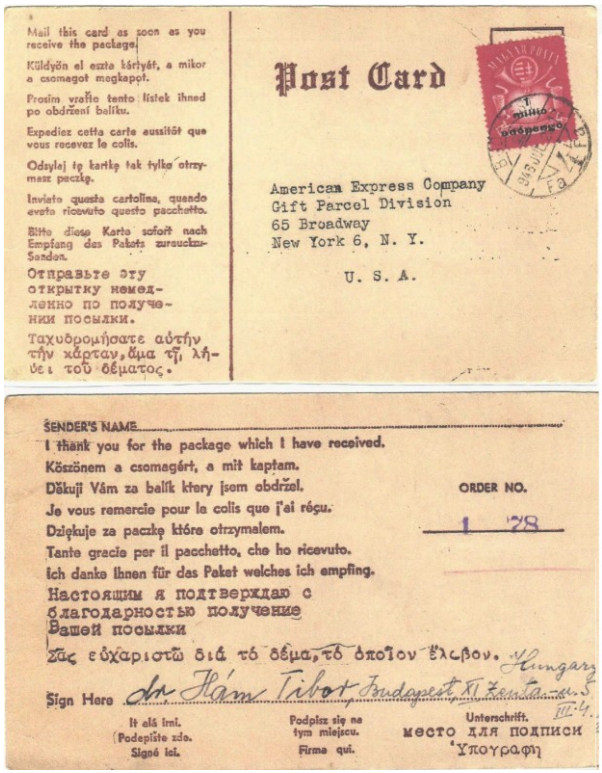


Figure 23. The front and back of the response card sent to New York for a CARE package. Note the careless composition of the Hungarian text.

A domestic registered letter cost one million 200,000 AP; 400,000 AP for the letter fee, and 800,000 AP for registration. The existence of several contemporary treasures can be credited to a vigilant philatelist who salvaged them when the archives of the Public Supply Ministry's Threshing Registry Division was liquidated (also see Fig. 19!). The nice letter from Pápa from July 30th came from this large find.



Figure 24. Registered letter from Pápa to Budapest franked with 1,200,000 AP sent on the next to last day, July 30th.

While most of the domestic letters, because of the high tariffs, were for official business, the situation was different with mail to foreign destinations. There a 1,600,000 AP tariff was in effect for an ordinary letter. Let's look at a couple sent to Switzerland.

The first one from July 26th has a 1 million red tax pengo stamp on it used on the first day of issue. It's not a sky high sensation, but by the end of the inflation, the air was no longer thick and such documents have become sparser.

By the way, the air. The sender lived in Buda in the XIIth District. People who had foreign contacts back then usually did not breathe the smoky air of Pest but that of the ozone-rich air of Buda…

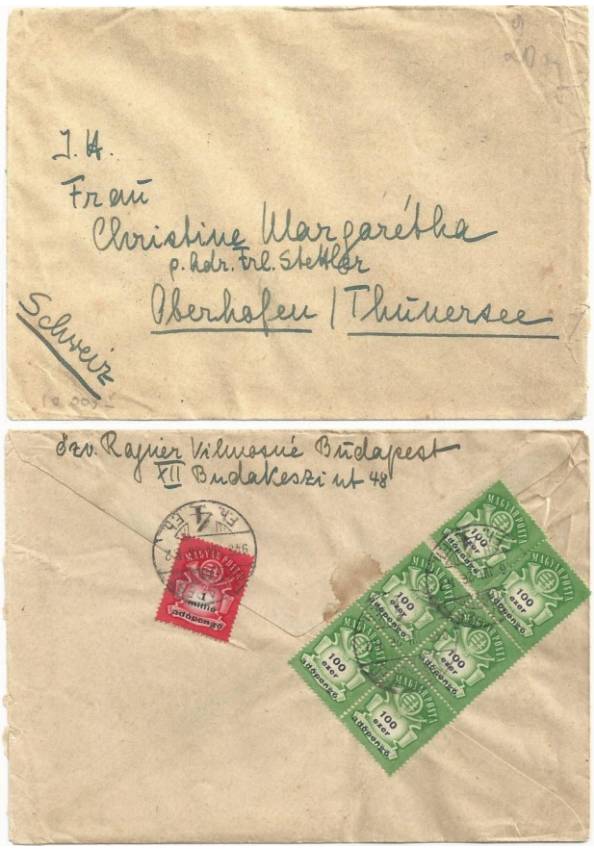


Figure 25. Ordinary letter from Budapest to Oberhofen, Switzerland sent on July 26th, the first day of issue of the red tax pengo stamps.

The next, similar letter was also sent to Switzerland franked with three stamps. This represents a separate collecting sub-specialty: franking with fewest possible stamps. This sender also lived in the XIIth District on Torbágyi Street. Nevertheless, the letter was posted from the Budapest 4 post office, just to be sure…



Figure 26. Swiss letter with 1,600,000 AP franking from July 29th.

The most expensive tariff increment was 4,800,000 AP, the cost to mail a registered letter abroad. The letter fee was 1,600,000 AP; registration, 3,200,000 AP. Let me show such a mailing sent to Denver, Colorado. Stamps for this kind of franking were always placed on the reverse side because a minimum of 8 stamps were required.



Figure 27. Registered letter sent to Denver with 4,800,000 AP franking.

Let another Count Pálffy letter be the conclusion for this section. This was sent on the last day of the inflation from Kiszombor that is located near the Romanian border between Szeged and Makó. Instead of a 1,600,000 AP, the letter was franked with 2,000,000. Most likely, the post office in the small settlement did not have the correct denomination stamps on the last day.



Figure 28. Letter sent from Kiszombor on July 31st to Kremsegg bei Kremsmünster to Count Pálffy. Instead of the correct 1,600,000 it was overfranked with 2,000,000 AP.

Dear Reader! With this, we have arrived at our last station!

THE 5 MILLION TAX PENGO LETTERS

The highest franking paid with the1 million stamp was 4 million 800,000 AP, which was the fee for a registered foreign letter. We can encounter these occasionally, there are a few of them around. From this perspective, we have already seen that there was no need for a 5 million AP stamp.

While there was no need, the fact is that they exist. The collecting community may have never seen these letters and may not see them again. These are the guarded treasures locked away in safes. This just increases my joy that I can show the Dear Readers five examples of these rarities. Such has not happened before in our country.

The first one is a registered letter sent to Austria franked with a single 5 million stamp. The addressee is *Franz See*, who lived in Seewalchen am Attsersee, Upper Austria. As we know, the letter is not franked correctly but overfranked by 200,000 AP. Instead of the correct 4 million 800,000 AP, 5 million stamp was used for postage.

Who was Franz See? He was an Austrian philatelist, good friend of the Hungarians, and who deserves to be remembered with a few sentences.

Between the two wars, he was the director of the Austrian-Bulgarian Tobacco Works in Sofia. There, he tapped into the local sources and lived out his philatelic dream by collecting large quantities of Austrian Post in the Levant, Hungarian private (hotel) posts in Transylvania (Hohe Rinne, Magura, Bistra), Hungarian stamps postally used on cover, Bulgarian entires, just to name a few. As a well-paid factory director, he could allow himself to spend freely especially since the prices in Bulgaria were inexpensive. (A Hungarian would say ‘cheap as the price of a bagó=ciggie,’ the pun being that he worked for a tobacco manufacturer.)

When the collapse came in 1944, he had to flee back to Austria, settling first in Seewalchen. Even in these difficult times, he was interested in modern mailings. In 1955 when the Soviet troops withdrew from Austria, he was allowed to return to Vienna where he applied for retirement and was assigned a company apartment by the Austrian Tobacco firm.

I became acquainted with him in 1970 and used to meet him on Sunday mornings at the Viennese stamp club gatherings. He soon realized that I was interested in the Hohe Rinne and the Hungarian post office in Wallachia and Moldavia between 1867 and 1869. About once a month, he asked me if an item or two interested me, and then gave them to me with a smile. Back then I didn't know much about these areas, and he was always willing to point out to me the interesting facets of these letters. Back then, the value of letters from the Hungarian post offices in Romania was on par with letters from Constantinople or Smyrna. Herr See, nevertheless, knew the facts and in his nonchalant modesty, let me have these rarities at a nominal price.

I am grateful to him for being able to assemble my 'Hungarian Post in Romania 1867-1869' that was a first and stand-alone accomplishment that won a total of 9 gold medals in FIP exhibitions.

Similarly, I built up my Hungarian private posts collection. So, between 1984 and 2000 I exhibited this Hungarian material, and it was judged to receive Large Vermeil awards in FIP exhibitions in the shadow of the tremendous Gary S. Ryan collections that consistently received large gold awards.

Without the magnanimous nature of Herr Franz See, these collections would never have materialized. In this way, large quantities of both materials came into Hungarian hands. This was the historical merit of Franz See.

Later in life, Herr See became my patient and I was able to accompany him through the journey of life until the Good Lord called him to Himself. He closed his eyes at home in the midst of his beloved stamps as was his last request.

This is the background of the 5 million tax pengo letter. I needed to tell this. Such slight overfranking is not a big deal with such a letter. According to Bob Morgan (USA), who is an outstanding expert of the inflation period, only 4 examples of letters with single 5 million franking exist.



Figure 29. 5 million AP single stamp franking sent from the Budapest 114 post office to Seewalchen, Austria on the last day, July 31st.

On the next registered letter, we see a 5 million stamp accompanied by 800,000 AP in green stamps. As I wrote before, a registered foreign letter costs 4,800,000 AP, so is this in error? Or, was this letter overfranked?

If we examine that table of tariffs for the 27th rate period, we find that 5,800,000 AP was needed for a 2nd weight class item, so the letter to Sweden was correctly franked. The 5 million stamp is properly used on the envelope; and, in this combination, created a unique item that stands out from all of the inflationary mailings. In addition, the red stamp was used on the first day.



Figure 30. 2nd weight class registered business letter to Stockholm, Sweden sent from the Budapest 4 post office on July 26th franked with 5,800,000 AP.

I'd like to show a similar 5 million 800,000 AP franked letter. On this letter both red stamps were used. This resulted in a 200,000 AP overfranking that could be easily overlooked. We know of two such letters sent to Belgium with this franking. Naturally, stamp dealer Sándor Székely's customer paid for the slight overfranking. The letter is a fantastic rarity.

Naming summary for big numbers

	Hungarian	English
10^6	millió	million
10^9	millárd	billion
10^{12}	billió	trillion
10^{21}	trilliárd	sextillion
10^{24}	kvadrillió	septillion
10^{27}	kvadrilliárd	octillion

Names on Inflation-Banknotes in Hungary

milpengo = million pengo

B.-pengo = trillion pengo



Figure 31. 2nd weight class letter sent to Antwerp on July 27th from post office no. 7 with 6 million AP franking instead of 5,800,000 AP. Registered letter abroad: 4,800,000 AP, fee for the extra weight: + 1 million, total fee required: 5,800,000 AP.

With our July 31st 1946 letters, we have arrived at the end of the inflation. The tax pengo era ended with the introduction of the forint. Yes? Absolutely not!

The distribution of the new currency throughout all of the country's settlements was a grand plan, but it was impossible, so the tax pengo banknotes and stamps continued to play a big role in the monetary circulation.

First of all, we have to state that the tax pengo banknotes continued to be valid until the end of September! This applied to stamps also because of the lack of small change. For example, the new value of the 5 million stamp was 2 ½ filler, so two of these stamps would be accepted in return for 5 fillér in change.

What was it like on the stamp front?

I am exceedingly happy that I can show two beautiful, singularly rare items before concluding.

The July 29th issue of the Postal Directives Bulletin (Postai Rendeletek Tára, P.R.T.) decreed the following:

'Starting on August 1st of this year, post offices are obligated to calculate all fees published in this issue of the P.R.T. in forints... As of July 31st of this year, I withdraw from circulation all currently circulating postage stamps that are denominated in tax pengo...'

Two days later, from the August 1st issue:

'... Because of various reasons sufficient stamp stock necessary for business traffic can be prepared only gradually; therefore, I am calling the post offices' attention to refrain from giving out stamps in large quantities...'

This directive drafted in typical Hungarian bureaucratic style did not account for situations when the advertised supply of postage did not arrive on time.

Up until then, the stamp distribution served only to *supplement* the existing stocks. This did not require an exact strategy. Now, the entire country needed to be supplied with a new issue in one fell swoop. As a minimum, the 4 values of the Forint-fillér issue: denominations of 20, 30, 60 fillér, and 1 Ft, had to be made available everywhere on the first day. If this was not achieved 100%, then clear instructions should have been made about the possible alternatives.

For example, first of all, the 60 fillér stamps required for domestic letters should have been made available to small villages. That's what they required most frequently. Villagers seldom wrote local or foreign letters. (Local postcard was 20; local letter, 30 fillér; foreign letter, 1 Ft)

What could the poor postal clerks do in an emergency? There were no directives given. Payment in cash? Small change was in short supply. Accept the 'withdrawn' banknotes? Risky…

So on August 4, 1946 Béla Kun Szabó, a resident of Apátfalva located near the Romanian border, went to the village's lonely post office with an ordinary letter that he wanted to mail to Graz to a countryman of his. He had a 1 forint coin in his hand.

With his actions, he wrote himself into the big book of the Hungarian inflation.

Let's look at the letter in question. Sixteen 5 million tax pengo stamps are affixed to both sides of the envelope alongside a new 60 fillér stamp. How could this have happened? The 60 fillér stamp was already valid for four days and the tax pengo stamps were presumably invalid for the same time. The fee for an ordinary foreign letter was 1 forint, so with the 60 fillér stamp, an additional 40 fillér would have been needed. But, no such denomination had been delivered, yet. Also, there was no change available to make up the difference in cash. But, there were a few 5 million tax pengo stamps around for which there was no more use in the village. What would happen if I used these to make up the 40 fillér? - so thought the postal official… The letter was going abroad, to Graz anyway. Nobody pays attention to these matters there.



Figure 32. Ordinary letter sent from Apátfalva to Graz on August 4th 1946 franked with a "Worker" stamp, a block of 10 and two strips of 3 of the 5 million tax pengo stamps that, when converted to forints, correctly paid the 1 forint tariff.

So 80 million tax pengos? 16 5 million stamps for supplemental postage? Instinctively, this is a large number, but it can be calculated as such: one 5 million stamp was worth exactly 2 ½ filler. 16 stamps were required to add up to 40 fillér (16x2.5 fillér = 40 fillér). Thus the postal clerk got rid of the withdrawn stamps and the letter could start its trip to Graz unimpeded. In this way, the wonderful, colourful unique mixed franking cover came about. It is a gem of Hungarian philately from the post-war period.

The British civilian censorship examined the letter twice in Graz as attested by the red and the violet stamps, the two censor tapes, and the two different censor serial numbers. The letter has been in Bob Morgan's large specialist collection for over 20 years. Since it's in America, it is not familiar to collectors in Hungary.

Such examples can be found from other settlements, only collectors have not paid much attention to the dates in the cancellations. For example, I have another letter in my collection that was mailed to Budapest from The Mayor's Office in Túrkeve on August 6th. It is franked with a 500,000 AP stamp and was forwarded without a problem. Nevertheless, they did not recalculate the new postal tariff, because the correct conversion for 60 fillér would have required affixing 25 each of the 5 million red tax pengo stamps (if a 5 million AP stamp = 2 ½ filler, then 60 fillér requires 25 x 5 million stamps). The letter was still franked according to the old tariff (400,000 AP), and with the slight tip in overfranking by 100,000 AP, it was delivered. I'm mentioning this in passing since the letter is not decorative enough to

illustrate and would only demean the calibre of the other illustrations.

With the last of the 'green' tax pengo letters we saw one that was completely covered with 4,800,000 AP's worth of stamps, a fee that was charged in error. In the next picture, we see one that glowing in red.

On the first day of the forint, August 1st 1946, someone in the small Hungarian village named POLGÁR located in the eastern part of the country (near Tiszaújváros) wanted to send a registered letter to the Hungarian Central Pay Office of the National Defence Group located in the Buda Castle on Fortuna Lane no. 2. However, the forint stamps, not even the 60 fillér values, have not yet arrived at the post office. The option of payment in cash was not utilized for some reason. What should be done? The same thing as in Apátfalva. The poor postal clerk resorted to the unusable 5 million AP stamp lying around. This time many more, 40 pieces were used!

Visualize this: 1 tax pengo was 'worth' 2 sextillion pengos. This number is a 2 followed by 21 zeros. The letter had 40 each of the 5 million AP stamps = 200 million tax pengos which was worth 400 followed by 27 zeros in pengos. Written out, the number is four-hundred-octillion pengos. With this franking the letter established a numerical world record that I don't think can be surpassed by any possible higher value franking glued on an envelope.

By the way, gluing. Sharp eyed philatelists probably noticed that this 200 million tax pengo sum was insufficient franking for a registered letter. Its tariff should have been: domestic letter at 60 fillér, registration at 1,40 forint = 2 forint which would have been 400 million AP. Therefore the letter was underfranked. Whether we believe it or not, 1 forint is missing, so 80 and not 40 5 million AP should have been used! Today, we are not in a position to reconstruct the reason for this omission. Most likely, the postal clerk, being on the borderline of insanity, simply threw in the towel.

This letter was also unknown in our country until 2019. As far as I know, it was exhibited once in America from the legendary collection of Professor Bernáth. Since I've acquired the letter, I can show it now as the third and last highlight of the collection.



Figure 33. WORLD RECORD LETTER with 40x5 million AP franking sent from Polgár to Budapest on August 1st 1946. (by English naming) 400 octillion pengo franking. Paying fee with highest number in the world with postage stamps.

As we can see, the tax pengo era did not end on July 31st as the 'experts' maintain. Switching over to the forint required a great effort that was finally concluded on September 30th 1946.

Only then were the tax pengo notes retired. Up until then the general public had to come up with countless improvisations that they endured in the hope of a better future. Accepting the tax pengo notes continued to be mandatory.

I received an aluminum 1 forint coin in trade for my last 2 'salvaged' 100 million tax pengo notes. My dear God, how happy I was…

EPILOGUE

While sorting out the covers for publication in this article, I received a correspondence from our fellow collector Bob Morgan. The first glance took my breath away as happened several times during this project. It was a wonderful, colourful letter of value with a terrific 52,400,000 AP franking using a mix of 1 and 5 million stamps, correctly affixed individually according to regulations, with the pink 'Értéklevél / Valeur déclarée' label (according to Bob two examples exist, see the Székely letter sent to Antwerp), miraculously used in the last hours of the last day!

The declared contents of the letter were 100 pieces of 100 million tax pengo notes for a total value of 100 billion. The tariff was figured in this way:

3rd weight class local letter 600,000 AP

Registrations 800,000 AP

Insurance based on the declaration of the contents: 51,000,000 AP

Total 52,400,000 tax pengo. The 21 affixed stamps amount to exactly that.

But, a second look reveals why this mailing ended up in the 'Epilogue' section: the letter of value was 'posted' by a clerk and addressed to a colleague (the posting cancellation has the control letter N), who received the letter in the same hour as indicated by the 'arrival cancellation'. (The control letter on the arrival cancellation is 'J.') Therefore, the letter did not leave the post office building. This is my theory: (again, but most often they prove to be correct ☺)

The handling of inflationary letters required superhuman efforts from the postal personnel. They, who were not well versed in higher mathematics had daily struggles with the constantly changing problems. It is understandable if there was celebration in the post offices when these difficult times ended. Perhaps in the last hour before closing or shortly thereafter, a few shots of apricot brandy served to commemorate the struggles they enure in surviving the trying times.

In the meantime, the sender's employment at the post office in 1946 was confirmed. Sadly, he passed away at an early age (he was 35).

Let this be a memorial to the postal official, Gyula Zsóka.



The question is, is it permissible to include such a letter into our postal history work? Or, should we turn up our nose at such a philatelic fabrication?



Figure 34. The letter of value from Zalaegerszeg with 52,400,000 AP franking.

Now, Dear Reader, I included the letter at the end of my article because this is a true piece of „postal history" when the postal clerk created memorials to an era. In my opinion, this is a singular and valuable item, and it deserves that we respect and remember it.

I would be very happy if you would think like I do that the thorough analysis of this area requires inevitable and necessary compromises. I am dedicating my work to the participants of the planned symposium in 2021. I am grateful for the help Bob Morgan, a fellow Hungarian collector from America, provided without which his work would not have been possible.

LITERATURE

Leányfalusi-Nagy: A pengo pénzrendszer 1926-1946. Kecskemét, 1986.

At the end of 2020 MABÉOSZ signed a contract with the Stamp World Federation (FIP) and its representative Yigal Nathanniel to organize an FIP exhibition in Budapest. Bálna, the site in the original plan, is scheduled to undergo roof repairs in 2022, so, tentatively, the site has been changed to one of the exhibition halls of the Millenáris.

The orginisational work is under way, and in the first week of January every FIP member's national association will be asked to participate, to assign commissioners, and to start accepting exhibits.

The deadline for signing up to exhibit June 30, 2021.

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IN MEMORIAM DR. TAMAS SOMOGYI /1925-2020/

Between 1990-94, Dr. Tamás Somogyi was a representative in the national assembly; between 1991-94, he was the vice-president of MABÉOSZ; starting in 1992, he was the editor of Bélyegvilág for ten years, and was the publication's editor emeritus until his passing. He was also an honorary member of MABÉOSZ and Mafitt. We pay our respect to his pleasant, modest, and captivating personality as well as his selfless philatelic work. He wrote his philatelic autobiography for the Hungarian Philatelic Pantheon that may be read by clicking on his name in the eternal list of Mafitt.

www.mafitt.hu/pantheon





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