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THE £1,000 CONUNDRUM

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Courtesy Museum of Victoria

War produces many changes in a society some of which are expected and many of which are unexpected and even tangential. The £1,000 banknote produced by Australia in 1914 was a direct consequence of the First World War which had been declared the previous month.

Prior to the War there had been no need for a note of such a high denomination. Even the colonial banks had never exceeded the denomination of £100 and the Commonwealth when it introduced its own currency in 1910 saw no need then for a denomination of more than £100.

It must be remembered that at that time gold was the normal medium of currency and the sovereign was king. Not only was this so with the general public but the reserves of the banks were almost wholly in gold. Holders of notes including the banks could obtain gold for notes at any time on application to the Treasury and indeed the banknotes of the period make that particular promise quite clearly.

With the outbreak of war in August 1914 however the picture suddenly changed. In times such as war the public tends to hoard gold and this was thought to be likely to occur. It was also seen to be

necessary to be able to change the means of settling balances between banks which had previously involved the physical transfer of gold, and this was the main reason for the production of a £1,000 note.

It was a hasty production and this is borne out not only by the rather poor standard of production of the note which made it relatively easy to counterfeit (though this is not known to have occurred), but the fact is that the reserve of the note was hastily adapted from the current £50 note with only very minor changes. The first £1,000 notes were printed, on September 14th 1914 and a total of 6,126 notes were delivered to the Treasury. A second printing took place between January 14th and February 17th, 1915 and another 10,312 notes were sent on to the Treasury.

In line with the need for hasty production there were some problems with early printings of these notes and correspondence in June 1915 suggests a considerable colour variation from note to note and that "almost any shade approaching blue or grey to green" might be seen. It should be remembered that this was a time of difficulty for the

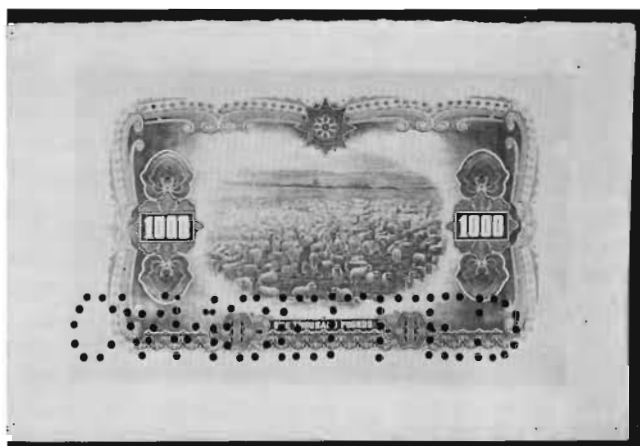
Commonwealth Note Printer who was also asked at the same time to produce the Emergency Pound and to organise the superscription of E. S. & A. bank forms both of which were issued in an attempt to provide the public with £1 notes to take the place of sovereigns.

The first issue of £1,000 notes bore the serial numbers 2A000001 to 2A016438 and they were signed by Collins and Allen in line with the other denominations of the then current banknote series. The first 6,126 notes were poorly printed with some variations in shades of the colours used and also in paper size. This was a reflection both of the haste of production of this issue and some extra difficulties created by supply shortages due to the war. The second printing of 10,312 notes early in 1915 was much more uniform but again the colours were a little different as the earlier inks had been imported from Germany and could not be obtained. All these notes had small serial numbers including the next 7,172 notes in contradistinction to the 1916 printing which had medium serials, though the notes were still signed by Collins and Allen. The 1916 printing of 28,990 notes was made by the authorities to replace the earlier notes which were felt to be unsatisfactory because of the variations already described. The total mintage of notes signed by Collins and Allen was 52,600.

It appears from the surviving records that it was never intended that this note should circulate to the public. It was designed to be used for settlements between banks but there is nevertheless clear evidence that some of these notes were issued to the public. Denison Miller then Governor of the Commonwealth Bank in a letter written in June 1915 stated: "I do not consider it desirable that notes of this denomination should be freely circulated to the public, but I would suggest that a circular should be sent by the Treasury to all Banks, advising them to this effect and requesting them to use the notes for their internal purposes and settlement of exchanges only.

"It has come under our notice that up to the present the Notes have, to some extent, been circulated amongst the public."

In that same year of 1915 in December it was noted within the Treasury that "at least one Bank in Queensland is freely circulating to the public, notes of the £1,000 denomination" and other records mention the instance of one particular gentleman who was persuaded by his branch to take a £1,000 note with him when he wanted to take some money with him on a trip to London where it was redeemed, in the normal way. Some years later in 1921 there are other references that "on a few odd occasions such notes have been issued to the public".



Courtesy Museum of Victoria

A new printing of £1,000 notes was made in 1924 after a break of some eight years. These notes have the serial numbers 2A052601 to 2A088585 and the last £1,000 note printed was in November 1924. These notes were signed by Kell and Collins and the total mintage of this second issue was 35,985. There were some other minor changes to the note. On the original notes Collins had been described as "Assistant Secretary" and Allen

"Secretary to the Treasury". On the 1924 issue of notes Collins was still described as "Secretary to the Treasury" but the description of Kell was changed to "Chairman of Directors, Note Issue Department, Commonwealth Bank". In the earlier notes the inscription "T. S. Harrison, Australian Note Printer" had appeared beneath the centrally placed coat of arms, but in the Kell/Collins notes this was deleted.

The various issues of the £1,000 note are summarised in the list that follows:

(1) £1,000 Collins/Allen	
(a) Small serials: Emergency Printing (September 1914) (Colour variations, some variation in note size)	
2A000001-2A006126	6,126
(b) Small serials: Uniform Printing (January-February 1915) (Slightly different shades of colour to (a))	
2A006127-2A006438	10,312
2A016439-2A023610	7,172
	17,484
(c) Medium serials (March 1916)	
2A023611-2A052600	28,990
(2) £1,000 Kell/Collins (October 1924) (Front: different job description, no imprint)	
2A052601-2A088585	35,985
Total £1,000 notes	88,585

The £1,000 notes remained then as part of the note issue for some further twenty odd years, though there seems to have been little use for them once the Second World War had commenced and perhaps by that stage the cheque system and other means of currency transfer had been more adequately developed. Higher denomination notes were actively withdrawn in the mid-forties though even at the time of change-over to decimal currency several £1,000 notes were still recorded as being in existence. Most of these have subsequently been destroyed by the Note Issuing Authorities.

It is perfectly clear that some of these notes were issued to the public and this has already been evidenced above. At least two notes appear to have been cashed by members of the public after the denomination was withdrawn from circulation and a note was observed in 1964 as it was photographed by the contemporary press where it was shown in the hands of a member of the public.

A reckoning made many years ago confirmed that the total number of £1,000 notes printed was 88,585 and of those over 88,500 were accounted for. The

major discrepancy seems to have occurred in South Australia where some notes seem to have left the system in some mysterious way. It does seem perfectly clear that one or more notes do remain in public hands somewhere and sooner or later such a note must appear on the banknote market where it will undoubtedly prove a star item.

It seems hard to imagine that a note of such high face value (\$2,000) would lie sitting about in a safe deposit box somewhere but this surely must be the case. It seems inconceivable that many of the “missing” notes were destroyed though that possibility must exist for a very small number of the unaccounted for notes.

The £1,000 note is also something of a problem regarding catalogue status. It was not designed to be released to the general public but as this certainly occurred on a surprising number of occasions it must therefore be included in any list of “issued notes”. On the other hand is the argument that it was not intended for general use and was not “issued” in the usual way — certainly it does not seem to have been freely available as the other notes were, indeed most members of the public did not know of its existence. Some sort of listing could therefore seem to be inevitable perhaps with some qualifications. Either way it can certainly be claimed with complete confidence to be on one of Australia’s rarest banknotes as well as being one of the most interesting.