

# How to Barter in a Post-Currency World: Insights from Post-WWII Germany

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Imagine trading fur coats and family heirlooms for potatoes. If it sounds far-fetched, it's not.

It happened in post-WWII Germany when their economy collapsed.

When their currency effectively became worthless and people were barely surviving under the rationing system, citizens took it upon themselves to barter their way to survival.

As much as we'd like to believe our economy is stable and this will never happen here in America, that's not realistic.

History tends to repeat itself.

Since WWII, there have been numerous times when disasters (man-made or natural) have forced people to barter.

And there are alarm bells going off about the state of our economy, nations pushing for de-dollarization, and a terrifying post-currency world of a CBDC (central bank digital currency).

Are you ready for a post-currency world?

Let's take a look at post-WWII Germany to see what we can learn from history.

## The End of German Currency

By the end of World War II, the German currency, or Reichsmark, was effectively worthless.

The currency held so little value that even farmers refused to accept it as payment.

In addition to the failing economy, the ration system that was put into place was a disaster.

Then We Take Berlin explains, *"Since the government's system of rationing was based upon earned return for labor performed rather than need, anyone who could work received more rations than, say, a pregnant woman who could not. Thus it was mainly children and the elderly who suffered from what was grimly called 'death rations' because no one could survive on the amount of calories in the lowest ration bracket. So people began bartering for anything that would put sustenance on the table."*

This bartering system took place during most of the late 1940s until the German financial system was restarted with a new currency, the Deutsche mark.

However, during the years between the war and these monetary reforms, trading or bartering goods was the main form of business across Germany.

According to A History of Finance, "In 1946, it was estimated that as much as 50% of the trading in some goods took place in illegal exchanges and that even between one-third and one-half of all business transactions were conducted by barter. In 1947, the Duesseldorf Chamber of Commerce provided a similar estimate of the size of the black market."

## How Bartering in POST-WWII Germany Worked

Given that the German currency (the Reichsmark) was worthless, and rationing was failing, the people had to find other ways of "buying" the things they needed.

Purchased directly from farmers – In many cases, people would take items to barter directly to the farmers rather than waiting for rations and purchasing food.

Shopped in exchange markets – Bartering became such a part of German culture that there were multiple black markets where people could make exchanges. There would be exchange markets near train stations so that people could trade anything from forged documents to cigarettes. Additionally, there were exchange markets in Berlin, Frankfurt, and Mainz. According to the National Archives, *"Following the arrival of American and British troops in July, two large markets opened in the Tiergarten and Alexanderplatz. [...] The Tiergarten [...] was Berlin's largest and best-known black market. Russian soldiers mingled with other Allied troops, German civilians, discharged German soldiers, and displaced persons in a great bazaar where everything and anything was offered for sale or barter."*

Traded with neighbors – People made a point of knowing who had what and bartered with them as needed.

## Making Value of Habits

Post WWII and the collapse of the economy, survivors used whatever they had to get food and other necessities.

One of the most effective means of bartering was with habit-forming items, including cigarettes and alcohol.

As it has been said, "Habits must be fed at any cost."

Cigarettes became the habit-forming commodity of choice for bartering.

According to Smoking or trading? On cigarette money in post-WW2 Germany, "Cigarette money had a universal

acceptability in post-WWII Germany – everybody accepts them for payment.”

There are several reasons why cigarettes became the commodity of choice for bartering and replacing Reichsmarks. They were durable, packs were divisible, and they were easy to transport.

They were also in high demand, not just for those with a smoking habit but because of their essential replacement as currency.

Here is an illustration of the way cigarettes were used as currency (bartering) in post-WWII Germany – even by those who didn’t smoke.

As quoted in the Herald Tribune on February 28, 1947:

*“A lot of them [cigarettes] undoubtedly end up in the hands of farmers because cigarettes are a way of getting food. (...) In Germany, cigarettes lubricate the trade. For instance, if a Berliner has a large radio that he has decided to sell, he cannot conveniently lug it out into the country in search of a farmer willing to give him butter for it. Instead, he trades it to a black marketeer for cigarettes and takes the cigarettes to the farmer. This has the advantage that he can dispose of the cigarettes bit by bit instead of having to accept a whole radio’s worth of butter at one time. Meanwhile, the black marketeer takes the radio to an American officer, who gives him more cigarettes. With these he can get another radio or butter or whatever he needs to carry on his trade. Then he can sit down and smoke his profit — or a part of it.”*

### **Making Value of Needs**

In addition to making the value of habits, people also bartered away whatever they had in order to meet their needs.

Many people bartered precious family heirlooms and art in order to survive.

They recognized that, while the items may seem priceless, they did, in fact, have a price.

And to survive, they needed to trade something precious if they wanted to eat.

This is why, for example, watches became a highly sought-after bartering item.

The National Archives shares this story from Frank Howley, commandant of the American sector in Berlin, who witnessed firsthand the Soviet passion for watches:

*“On the Russian G.I. level, the immediate goal was a watch. Russians love watches for a number of reasons. They always have been associated in the Muscovite mind with affluence and an established, even exalted, position in life. Peasants never owned watches. A wrist watch—*

*well! Watches soon became a universal commodity because troops had no confidence in Russian currency. Also, a soldier could send a watch home and his wife could barter it for a cow. Even our G.I.’s realized the fortune, in Russian eyes, represented by a watch and started selling their own and converting the money into American dollars, although our men were forbidden to enter these markets. Some Russian soldiers wore a half dozen watches. A Mickey Mouse watch was worth more than a jewel-studded trinket from Cartier. Some Russians paid the equivalent of US\$1,000 for a watch.”*

### **Practical Tips for Bartering**

There may come a day during your lifetime when you must barter to live. It’s wise to already have an idea of how bartering really works

**Develop a bartering mindset.** Start by knowing the point of bartering. It is to replace currency. It is used to get what you need. You must think carefully about what really has value to you and what does not. For example, what would you give for toiletries or food? What do you think people would want that you already own or that you could stock up on, such as coffee?

**Boost bartering skills.** Consider what the people did in Germany. They knew what people wanted and that’s what they focused on obtaining for bartering (i.e., cigarettes). Know the value of different necessities. Additionally, think about what actual skills you have that may be worth something, such as carpentry, home and car repair, or gardening.

**Network and build bartering communities.** In Germany, the people knew where to go to barter. They’d head to farmers they knew were willing to barter or they headed to the black markets. Go ahead and think about whom you could go to barter. Look outside of your inner circle and try to network with others, such as farmers, butchers, and doctors. Consider starting a trading network in your community now before you must. See also: [How to Build Your Barter Supply Line](#).

**Adapt to changing circumstances.** You must understand that what is worth something one day may not be worth as much the next. For example, if a new cigarette factory opened, the Germans would have needed to find something new to replace cigarettes as a modified currency. You also need to be willing to barter for something different in order to barter again for what you actually need.

**Don’t get caught empty-handed, friends. Think ahead.**

In liberty,  
Grant Miller  
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