We have banknotes, these precious pieces of paper, in our hands daily. Paper money invented by the Chinese! One thousand years later, the American colonists were the first ones in the Western world to systematically use it, even financing their revolution by issuing huge amounts of dollar bills. Modern life would, in fact, be unthinkable without it. Nevertheless, the general public is kept quite in the dark about how banknotes are made or who makes them. The world market for banknote printing – the special printing machines and the security inks, as well as the fully automated machinery for high-precision banknote inspection or the highly secure shredding machines for used notes – is dominated by European companies. Private banknote printing itself is completely controlled by a handful of European high-tech companies. All this is almost unknown to the general public. Such secrecy is regularly justified as being a consequence of the intense security surrounding the production of this very special product. It is, however, also the result of the highly politicized structure of the market in which central banks, as well as state and private banknote printers, operate. The situation is not dissimilar to that reigning in the armaments industry. In an open society, however, this obsession with secrecy is out of place, since banknote printing involves the massive use – and often waste – of public funds.

Take, for example, the almighty U.S. dollar, the epitome of America’s economic might and world influence. The Fed’s own printing works today churn out almost 9 billion dollar notes a year. The two printing plants operated by the Bureau of Engraving and Printing are considered models of efficiency. Yet their undisputed success is built on European high-security printing technology. The greenback would even look pale without its European high-security inks. In banknote security and the fight against
counterfeiting, however, America pursues a policy distinctly different from Europe’s approach. The cost in terms of counterfeited notes has been high for the dollar, as illustrated by the appearance of the so-called superdollar. This is a counterfeit 100-dollar note of such high quality that the laity cannot distinguish it from a genuine 100-dollar bill. The mystery of who is making these perfect counterfeits has not yet been resolved. The American government is blaming the Stone Age, communist regime in North Korea for being the author of the supernote and conducting economic warfare against the United States. However, this book reveals for the first time that these supernotes might well be printed at a top-secret printing works run by the CIA, located not far north of Washington D.C.

*Moneymakers*, by offering a detailed view of the banknote industry and its modus operandi, removes the industry’s carefully imposed shroud of secrecy. The only previous attempt to reveal this story was published in 1983 by an American author. However, the entire edition of that book was bought up – straight from the printing presses – by two prominent representatives of the industry to prevent the public from getting an inside view of the business. That book is impossible to find today. Now the curtain is lifting on this secretive industry.

The institutional culture of secrecy surrounding the high-security printing industry has served, as would be expected, to mask business arrangements hardly in the public interest and practices of sometimes rather questionable ethical standards. In fact, firms holding monopolies on materials can practically hold central banks—and through them, the public—for ransom. Here new research reveals for the first time the full story of Gualtiero Giori and his »Giori System.« This mechanical engineer of Italian-Swiss origin has developed a system of multicolor intaglio sheet-fed printing presses that revolutionized the world of banknote printing. With the help of the German machinery firm Koenig & Bauer, Giori convinced central banks to build expensive but frequently superfluous printing works. Moreover, additional new material shows how Giori cleverly managed to thwart a Japanese attempt to copy his machines, successfully preserving his control of the world market for banknote printing machinery. Of course, some private banknote printers, fearing the loss of important customers, tried with many dirty tricks to stop the advance of Giori’s machines. This book tells the story of one private British banknote printer who, fearing the loss of his Egyptian customer, informed the Egyptian secret service that
the machinery they were about to order from Giori would be »of Jewish origin.«

Yet, in the embattled world of high-security printing, the »license to print money« and the sometimes gigantic profits pocketed are not a fool-proof guaranty for success. There is, for example, the story of the Swiss inks maker Albert Amon. Sailing in the wake of his close friend Giori and his new machinery, Amon developed a new line of high-security inks, which in the end gave him almost total control of this very special market on a global scale. One brand of Amon’s security inks, a color-shifting ink called »optically variable ink,« sells for up to 1,950 dollars per kilo. Despite such exorbitant pricing, the two sons of Albert Amon, who took over from their father in the nineties, managed to get their family company into very serious economic trouble. And there is the private British banknote printer and papermaker De La Rue, which for decades ruled the world market for banknotes. However, a sequence of management mistakes committed by rapidly changing CEOs has reduced this once proud company to a shadow of its former self. Not even efforts to strike secret deals in order to fix prices or divide markets could avert that fate. It was this British company which, after the fall of the Berlin Wall, convinced Poland to destroy a complete issue of brand new banknotes worth 35 million Deutschmarks (20 million dollars) in printing costs by claiming that the banknotes printed by their German competitor were »no good.” De La Rue then reprinted other new bills for Poland but soon lost the contract – because of too many misprints.

There is also the story of the German private banknote printer Giesecke & Devrient, which was almost completely destroyed during the Second World War. Under its charismatic and aggressive owner, Siegfried Otto, it became the only fully vertically integrated, high-security printing company in the world, including everything from paper to printing, to banknote inspection systems and shredders for used banknotes. However, Otto’s cupidity and that of his two sons, who because of their own greed were disinherited by their father, threw his company into a deep crisis that still affects it. Furthermore, for the first time the story is told of how the Bundesdruckerei, the highly respected German federal banknote printing works, at that time probably the most modern printing plant in the world, was brought to the brink of bankruptcy during its privatization by noisy posturing, lack of vision, and rapaciousness. Rapaciousness also spelled doom for the Ciccone brothers and their Ciccone Calcogràfica in Argen-
tina. They dreamt of becoming the first high-security printing company in the Southern Hemisphere – and of the continuous high profits to be made in banknote printing. The firm’s highly leveraged expansion into high-security printing, however, drove it into the arms of a gang of international mafiosi. In two sting operations, which smell of the Belgian and French secret services and could have been taken right from the script of a Hollywood film, the brothers printed »genuine fake banknotes« for Zaire and Bahrain. The company in the end had to seek protection from its creditors under Chapter 11.

It was said in the beginning that today the high-security printing industry is a European industry. It may not be so for much longer. The writing is on the wall. It is the common European currency, the euro, which has forced upon the private high-security printing industry a process of profound change, the end result of which is completely open.

For the first time this book relates the politically as well as technically painful paths towards a true common currency. This book describes the extremely cumbersome decision-making process in Europe even when it comes to such an important issue as the common European currency. Since everybody wanted to share the advantages of a common currency but not relinquish any of his national prerogatives, the whole endeavor turned sour. This book describes for the first time how the involvement of too many paper suppliers and printing works – public as well as private – pushed up the production cost at the same time as lowering the quality of the new Euro notes, because not all of the state printing works involved in the printing of the euro notes were technically up to the job. This is the main reason for the steady increase in counterfeit euro notes. In Europe, in fact, phony euro bills by now have replaced fake dollar notes as the most counterfeited currency. And it explains how the introduction of the new currency has served as an excuse for the dominant state-owned high-security printing works to build up huge capacities. Now these capacities are underutilized, and the highly subsidized state printing works have started to look to the world market for banknote printing for additional orders to fill their capacities. The private high-security printers depend on this world market. The euro was supposed to further competitiveness and efficiency in Europe, not to kill the industry. If nothing is done soon to reign in the state printing works with their dumping prices, the very future of the private high-security printers as a European industry is at stake.