

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, June 13, 1949

PAPER CURRENCY EXHIBIT

**To Member Banks of the
Eleventh Federal Reserve District:**

We are pleased to announce that we have prepared a paper currency exhibit which may be borrowed by member banks for display purposes. The exhibit is arranged in 15 frames, each of which is approximately 22 inches square. The frames are equipped with hangers for wall display and with folding easels for counter display. The exhibit represents every type of paper currency used in the United States since 1772.

There is attached a brief brochure on the subject of United States paper currency, including explanatory material and many interesting facts regarding the various types of paper currency. A small supply of this brochure will accompany the exhibit.

Since we have prepared only two sets of the exhibit, we must ask that requests for its use be restricted to special occasions, and that the exhibit be returned to this bank within one week after receipt.

All expenses in connection with the shipment of the exhibit to and from member banks and all risk of loss will be borne by this bank. Member banks are requested to give the exhibit the same care that they give to their own property.

We believe that this currency display will be of much interest to the general public and will be useful to member banks commemorating special occasions such as bank anniversary celebrations and openings of new or remodeled banking quarters.

Yours very truly,

R. R. GILBERT

President

EXHIBIT OF PAPER CURRENCY
OF THE
UNITED STATES OF AMERICA
FROM
COLONIAL DAYS
TO
THE PRESENT TIME



FEDERAL RESERVE BANK OF DALLAS

1949

Acknowledgment is made of our indebtedness to W. A. Philpott, Jr., Secretary, Texas Bankers Association, Dallas, for his invaluable assistance in arranging the exhibit and compiling this pamphlet.

UNITED STATES PAPER MONEY

In the 15 frames of paper currency comprising this exhibit are shown specimens representing every type of note, bill, and certificate which has been circulated as money in the United States from the early Colonial period to the present day.

On display are notes in pounds, shillings, and pence which were mediums of exchange in Paul Revere's and Benjamin Franklin's time (the engraver and printer, respectively, of many of these Colonial issues); obsolete bank notes of 100 years ago; Treasury notes of the Republic of Texas; state and national issues of the Confederate States; early "greenbacks" and "shin plasters" of the Civil War period; and notes on down through the years, including paper currency in circulation today.

The large-sized notes (still good money and redeemable at face value) became obsolete in 1929, when the Treasury Department reduced by one-third the size of the currency. The first issue of small-sized currency was designated as Series 1928 because the designs were approved and production commenced in that year, although none of the currency was issued until July 1929. Some time ago the Federal Reserve Bank of Dallas began saving back from the

multilating cutters specimens of the large-sized currency. From this and other collections the present display has been fashioned. It is believed that the exhibit will be of much interest to the general public, particularly to students of monetary history.

No notes above the \$100 denomination are shown, although they have been and are issued in these higher values: \$500, \$1,000, \$5,000, and \$10,000. Insurance premiums and transportation charges on the exhibit would be too costly if these larger denominations were included.

The different types of paper currency included in this exhibit are listed below:

- Colonial and Continental notes
- Obsolete bank notes
- Treasury notes of the Republic of Texas
- Notes of the Confederate States of America
- Texas Treasury warrants (Civil War issue)
- Postage and fractional currency
- United States notes and Treasury notes
- Coin notes (payable in coin)
- Silver certificates
- Federal Reserve notes
- Federal Reserve bank notes
- National bank notes

Conspicuous by its absence is a once popular series, withdrawn from circulation and surrendered to the United States Treasury under the provisions of The Gold Reserve Act, approved

January 30, 1934, namely, gold certificates. While today these are not "legal tender," or lawful money, they are redeemable at face value in lawful money.

The small-sized notes in all series and kinds are represented in the exhibit, as follows :

- United States notes
- Silver certificates
- Federal Reserve notes
- Federal Reserve bank notes
- National bank notes

The large-sized notes (now often called "saddle blankets"), which circulated formerly, carry the engraved portraits of a variety of celebrities: eleven United States Presidents, seven Secretaries of the Treasury, eight Secretaries of State, several great American generals, governors of states, eminent jurists, scientists, inventors, explorers, one Indian chief, and one woman, Martha Washington, and others. Many of these old notes, as may be seen by examining the specimens in this exhibit, are works of art—truly great achievements of the platemakers and vignette cutters, combined with the precision work of the geometrical lathe and the ruling engine.

Modern currency has been made uniform as to portraits on the faces and designs and scenes on the backs. For instance, all \$5 notes, whether a United States note, a silver certificate, a Federal Reserve note, or national currency, have Lincoln's photograph on the face and a view of the Lincoln Memorial on the back. Listed below

are the differentiating features of faces and backs of the current notes shown in this display:

Denomination	Face	Back
\$ 1	Washington	Great Seal of United States
2	Jefferson	Monticello
5	Lincoln	Lincoln Memorial
10	Hamilton	United States Treasury Building
20	Jackson	The White House
50	Grant	United States Capitol Building
100	Franklin	Independence Hall

Except for the "demand notes," issued by the Treasury in 1861, and the first three series of fractional currency, every piece of paper money of the United States bears the seal of the Treasury Department. The seal is in the form of a shield, showing the balanced scales for Justice, a key for Honesty, and a square for Security. Around the rim of the design are the Latin words, abbreviated: "Thesaur. Amer. Septent. Sigil." meaning "Seal of the Treasury of North America."

On the earlier series of United States paper currency there appeared a great variety of seals as to color, size, and arrangement. An examination of Frames 4 to 12, inclusive, will disclose many variations of the Treasury Department's seal. However, with the introduction of the small-sized currency in 1929, seals became uniform in size and color of ink used. There has been some variation in the position of the seal on the face of notes, particularly on silver certificates. The different kinds of United States

paper money now in circulation are distinguishable by the color of the ink used on the seals:

Kind	Seal Color
United States notes	Red
Silver certificates	Blue
Federal Reserve notes	Green
National currency (Federal Reserve bank notes and national bank notes)	Brown
Gold certificates (not lawful)	Yellow

A brief description of the contents of each of the 15 frames comprising this exhibit follows:

Frame 1:

a. **Colonial and Continental Currency.** Colonial notes were issued as early as 1690 by the Massachusetts Bay Colony as a matter of necessity, and all other Colonies eventually issued similar currency. Crudely printed, these notes were easily counterfeited and became almost worthless through depreciation and inflationary printing. To finance the Revolutionary War, the Continental Congress issued Continental currency, several pieces of which are also shown in Frame 1. The first emission of Continental money, of \$3,000,000, ordered in May, was made in June and July 1775. In 1785 the Continental Congress adopted the dollar as the monetary unit, and in 1786 fixed its value at 375.64 grains of pure silver. This unit was derived from the Spanish milled dollar which circulated generally in the Colonies. King George III of England, himself, was charged with counterfeiting this Continental currency. It, too, became almost worthless through deprecia-

tion—so that to this day “not worth a Continental” means next to worthless. The notes in English measure are Colonial, issued by the Colonies; those in dollars are Continental currency. On the back of each is printed in bold type “To Counterfeit Is Death,” but there is no record of any counterfeiter having received this extreme penalty. The notes are signed by three “trustees,” generally men of standing in the community.

b. **Obsolete Bank Notes.** These were more commonly called “broken bank bills” and were issued by banks, insurance companies, railroads, state governments, individuals, and many kinds of corporations and associations. This was the only paper money the United States had from the early 1800’s to 1861, when the Government began issuing its Civil War “greenbacks.”

Frame 2:

a. **Treasury Notes of the Republic of Texas.** These four specimens represent one note issued from Houston, when that city was the seat of “The Government of Texas,” and three Treasury notes issued from Austin during President Lamar’s administration. President Houston’s name on the Government of Texas note was signed for him by a stock clerk, W. G. Cooke. Sam Houston never signed a piece of paper money during the days of the Republic as far as is known.

b. **Notes of the Confederate States of America.** Four notes of the Confederate States, issued from Richmond, Virginia, are shown. After the

Civil War many millions of dollars in this "money" were packed away in attics, and until this day—85 years later—many pieces of this currency are still to be found in "grandfather's old horsehair trunk."

c. **State of Texas Warrants.** Texas Treasury warrants comprise the State money issued and circulated in Texas during the Civil War period—payable to individuals and given in payment for both civil and military services.

Frame 3:

Postage and Fractional Currency. During the Civil War all metal coin (gold, silver, even copper) disappeared from circulation. Even the Government suspended specie or coin payment on January 1, 1862. All coins were immediately hoarded, and there was no small change with which to transact business. An enterprising inventor fabricated a small metal frame with a mica front to encase postage stamps. It bore advertising on the back: "Take Ayers Pills," etc. These, circulating freely, gave the Government the idea for its first series of postage currency. Soon a second series, called fractional currency, was issued. A total of five series of these postage and fractional notes were put in circulation. Specimens of all these series and denominations are shown in Frame 3. The common name for them was "shin plasters." The denominations are 3, 5, 10, 15, 25, and 50 cents.

Frame 4:

United States and Treasury Notes. In this series appeared the first \$1 and \$2 notes ever to be issued by the United States Treasury. In

1869 Secretary of the Treasury Boutwell authorized manufacture of the first distinctive paper for use in printing currency and other United States securities. This paper had introduced into its substance fibers of two colors, together with a watermark showing repeatedly the letters "U. S." Counterfeiters were very troublesome in those early years of United States currency. In this United States and Treasury note series, from 1869 to 1880, changes were frequently made in the designs of the backs in an effort to thwart the counterfeiters.

Frame 5:

United States Notes. Here are United States notes or "legal tenders" of a later series. These have silk fiber in the paper—either two horizontal threads or short strands woven unevenly in the "white" or unprinted portions. Many of these notes are works of art, representing two- and three-color printings.

Frame 6:

United States and Treasury Notes. The Treasury or "coin" notes were authorized by Act of Congress, July 14, 1890, in two series, 1890 and 1891. Ornate geometrical lathe designs beautify the backs of the 1890 series, and the brilliant seals and wording "In Coin" (because of which they are called "coin" notes) place these notes in a distinctly artistic class.

The United States or "legal tender" notes are shown side by side in Frame 6. The eagle inverted makes a very good "donkey head." There is a story about a disgruntled engraver who

thus displayed his spleen, but the story has no foundation in fact, since this particular spread eagle was a stock design. It appears in varying sizes on bonds, refunding certificates, and other fiscal instruments of the period.

Frame 7:

United States Silver Certificates. Earlier silver certificates show a variety of treatment. The 1880 series has a black and white back instead of the usual green which adorns the backs of all other United States paper currency (except the postage and fractional series).

Frame 8:

United States Silver Certificates. Later silver certificates, including the pictorial series of 1896, are exhibited in Frame 8. The 1896 series is an interesting one because of the story that Anthony Comstock, head of New York's Anti-Vice Crusade at the time, registered a complaint that the symbolic figure appearing on the \$5 note and called "Electricity Enlightening the World" was indecent, and asked the Treasury Department to discontinue the series. A comparatively few notes of this series seem to have been put in circulation.

Frame 9:

Federal Reserve Notes. These notes mark the beginning of the trend toward uniformity in United States currency. The notes are issued by the 12 Federal Reserve banks, with each bank's own name and letter-number to the left. The remaining portions of the notes are identi-

cal for all banks. Federal Reserve notes were and are issued in the following denominations: \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, and \$10,000. Both the face and the back of each denomination from \$5 to \$100, inclusive, are displayed.

Frame 10:

Federal Reserve Bank Notes. These bank notes formerly were issued by the 12 Federal Reserve banks. They were secured by United States bonds, pledged with the Treasury, the same type of security required for national bank circulation. There was a variance in the issuance of these notes—all 12 banks issued 1's and 2's; only one (St. Louis Bank) issued 50's. The Dallas Bank issued 1's, 2's, 5's, 10's, and 20's in two series, 1915 and 1918. The backs of the notes (except \$1 and \$2) are identical with backs of Federal Reserve notes (Frame 9). A vast majority of these Federal Reserve bank notes have been redeemed, so that very few of these notes are in circulation.

Frame 11:

National Bank Notes. National bank notes, money issued by national banks beginning in 1863 and including the series of 1929, are the most distinctive and varying series of United States paper money. Each bank's issue has the bank's title in large type, its town or city, its charter number and date, and its cashier's and president's names on its face. In Frame 11 are issues of the earlier periods, the series of 1865, 1875, and 1882. These old notes are indeed pleasing achievements of the engravers' art.

Frame 12:

National Bank Notes. The bank notes shown here are of the series of 1902, from the so-called "third charter period." These notes were issued with red seals. Later the seal color was changed to blue.

Frame 13:

United States Notes and Silver Certificates. Here are shown small-sized notes, paper money more or less current today and familiar to all. In this frame are displayed United States notes (always bearing a red seal) and silver certificates (always with the blue seal).

Frame 14:

Federal Reserve Notes. Federal Reserve notes of the current series are here shown, face and back. The bottom note in this frame is the "new back" (issued first in the autumn of 1948) of the \$20 denomination, showing a view of the south front and grounds of the White House as they appear today. Federal Reserve notes comprise approximately 90 per cent of all paper currency in circulation in the United States today.

Frame 15:

Miscellaneous Currency. National currency, including Federal Reserve bank notes and national bank notes, Series 1929, is shown in this frame. Also on display are the Hawaiian overprint notes (Federal Reserve notes, San Francisco Bank), issued for circulation in Hawaii and other Pacific Islands, and the silver certificate with the yellow seal, issued for use in the North African Theater, both of which were issued as security measures during World War II.