

AT 7808

FEDERAL RESERVE BANK  
OF NEW YORK

January 30, 1976

NEW ISSUE OF \$2 FEDERAL RESERVE NOTE

*To Chief Executive Officers of all Banking Institutions  
in the Second Federal Reserve District:*

The new \$2 Federal Reserve note will be available to the public on April 13, 1976. Prior to that date, a circular will be issued to all member banks in this District announcing procedures for ordering supplies of the new notes.

The Treasury estimates that the successful revival of the "\$2 bill" may save the Federal government about \$35 million during the next five years, by reducing the 1.7 billion \$1 notes printed annually to meet public demand.

Our Public Information Department has produced the enclosed leaflet from information provided by the Treasury to explain the role of the \$2 note to the public. To encourage widespread use of the \$2 bills, we invite you to reproduce the leaflet, in part or in its entirety, and to circulate copies of the leaflet with your bank's name on it. The only restriction I would mention is the United States Treasury regulation pertaining to illustrations of currency, which limits their size to less than 3/4 or more than 1 1/2 times the size of the genuine obligation.

We urge your cooperation in this educational campaign, since its success should result in a significant decrease in the total volume of currency that is handled within the banking system. If there is any way we can help in this matter, please write or call our Public Information Department at 212-791-6385 or Bank Relations Department at 212-791-6071.

PAUL A. VOLCKER,  
*President.*

# BACK IN THE MONEY



*A Federal Reserve Publication*

# 1776:

As indigenous to our country as the wild turkey, the two-dollar bill has a rich tradition in American history. Originating on June 25, 1776, the denomination was first issued by the Continental Congress as "bills of credit for the defense of America." Under this authority, 49,000 pieces were circulated.

During the Civil War, an Act of Congress recognized the two-dollar denomination as a form of U.S. currency, and it reappeared in subsequent years as over-size U.S. notes, silver certificates, Treasury notes, national bank currency and Federal Reserve notes with various portraits, including Alexander Hamilton, James B. McPherson, Winfield S. Hancock, William Windom and George Washington. In 1928, the more familiar size, with the portrait of Thomas Jefferson, was introduced.

The last printing of the two-dollar bill was the 1963-1963A series in May 1965. It was a U.S. note and bore the signatures of then Secretary of the Treasury Henry Fowler and Treasurer of the U.S. Kathryn O. Granahan. Lack of public demand across the nation resulted in their discontinuance.

Numerous and varied reasons for the unpopularity of the bill were given at the time. Erroneously, it was claimed that some people were handing out twos instead of ones. Some alleged they were mistakenly accepting the bills as 20s. Two was even said to be an unlucky number. However, the limited circulation of the note has been attributed to the low level of production of the bills. Total volume of two-dollar bills in 1966 was \$139,321,994 or one-third of one percent of all outstanding currency. This scarcity gave the public the impression two-dollar bills were unavailable or an "odddity."

In recent months, increased interest in a two-dollar note has been expressed by Congress, the American Revolution Bicentennial Administration, the public, the Federal Reserve System and collectors. Based upon this, the Secretary of the Treasury authorized revival of the bill stating it will be in the best interest of the American public and the economy. •

## FAMILY TREE

The two-dollar bill has a long history as official U.S. currency:

- 1862 — U.S. note authorized by an Act of Congress, bearing the portrait of Alexander Hamilton. Amount issued not recorded.
- 1869 — U.S. note with Congressional authorization, bearing the portrait of Thomas Jefferson. Total of 14,408,000 issued.
- 1874 — U.S. note authorized by Congress with Jefferson's portrait. 11,632,000 circulated.
- 1875 — U.S. note authorized by Congress with Jefferson's portrait. 11,518,000 circulated.
- 1875 — National bank currency initiated by an Act of Congress, bearing a symbolic vignette. Amount totaled 1,381,205.
- 1878 — U.S. note authorized by Congress with Jefferson's portrait. Issued 4,676,000.
- 1880 — U.S. note bearing Jefferson's portrait initiated by Congress. Circulated 28,212,000.
- 1886 — Silver certificate authorized by Congress, bearing portrait of Winfield S. Hancock, American general and politician. 21,000,000 issued.
- 1891 — Treasury note initiated by Congress, bearing portrait of James B. McPherson, Civil War general. Circulation was 24,904,000.
- 1891 — Silver certificate bearing portrait of William Windom, Secretary of the Treasury under Presidents Garfield and Harrison. 20,988,000 issued.
- 1896 — Silver certificate with symbolic vignette, authorized by Congress in the amount of 20,652,000.
- 1899 — Silver certificate with portrait of George Washington. Circulation of 538,734,000.
- 1918 — Federal Reserve bank note authorized by the Federal Reserve Act, bearing Jefferson's portrait. Circulation 68,116,000.
- 1928 — U.S. note authorized by Secretary of the Treasury for introduction of small size currency. Bearing Jefferson's portrait, circulation was 430,760,000.
- 1953 — U.S. note with Jefferson's portrait. Total of 79,920,000 issued.
- 1963 — U.S. note with Jefferson's portrait. Total of 18,560,000 issued.

# 1976:

The two-dollar bill being issued during the bicentennial year is produced from a steel intaglio engraving similar to all other denominations of U.S. currency. The single color design used in the printing of all American currency now in circulation has been extended to include the new note, since expert judgment deems the technique to be an optimal deterrent to counterfeiting.

The face plate re-introduces a portrait of Thomas Jefferson, painted in the early 1800s by Gilbert Stuart, and incorporates the features of the last two-dollar U.S. note with a change in designation to Federal Reserve note. Jefferson's portrait was retained, since he is universally recognized as the author of the Declaration of Independence.

The design of the reverse plate of the bill is completely new. The vignette is based upon John Trumbull's painting, "The Signing of the Declaration of Independence." However, aesthetic considerations required that six figures appearing on the extreme left and right hand borders of the original art be dropped in the rendition. The work was done by Trumbull during the post-Revolutionary War period and he later was commissioned to reproduce the painting in the Capitol Rotunda in Washington, D.C. The original today hangs in the Trumbull Gallery at Yale University.

The new bills will be issued by the Federal Reserve System to banking institutions throughout the country by April 13, 1976 in sufficient amounts to meet public demand. Of course, the public is the key factor to successful revival of the two-dollar bill and to making it a permanent component of the nation's currency.

Additionally, substantial savings to the Federal government, totaling an estimated \$35 million during the next five years, serve as a further incentive for circulation and use of the new bill. An average of 1.7 billion one-dollar notes are required each year, accounting for nearly 60 percent of the total volume of currency printed. The Treasury hopes the two-dollar bill will replace about half of the "ones" in circulation. •

## FACT SHEET



- The new two-dollar Federal Reserve note will have the signatures of William E. Simon, Secretary of the Treasury, and Francine I. Neff, Treasurer of the U.S.
- By April 13, 1976, Thomas Jefferson's birthday, 225,000,000 new bills will be available to banks through the Federal Reserve System. An annual printing of 400,000,000 is anticipated.
- Issuance of the bill is designed to save the Federal Reserve System about \$27 million and the Treasury nearly \$8 million during the next five years.
- The Secretary of the Treasury is authorized to determine design and denomination of currency by the Federal Reserve Act passed by Congress in 1913.
- Previous production of the two-dollar bill was an estimated 6 million pieces of currency annually.
- The last issue of the bill was the 1963A series U.S. note, featuring Jefferson on the face and Monticello on the back plate. Printing of this bill ended in May 1965 and it was officially discontinued in August the following year.
- The front of the new bill will be similar in design to the 1963 version, but the reverse plate will depict a rendering of the signing of the Declaration of Independence by John Trumbull.
- During initial production, it is estimated 11 million bills will be printed each day.
- Total preparation time for any new denomination of currency is 17 weeks.
- There are approximately \$135,288,000 bills of earlier printings still in the hands of the public.
- The two-dollar bill is being issued in conjunction with the Bicentennial. However, it will continue to be issued in subsequent years.
- There will not be a "collector's" or special numismatic issue of the new note.
- The two-dollar denomination dates back to 1776. Since 1862, it has been issued as official U.S. currency in the form of Treasury notes, silver certificates, national bank currency, U.S. notes and Federal Reserve notes with various portraits.

January 1976

February 10, 1976

N O T I C E

The CUSIP number for 181-day Treasury bills, to be dated February 13, 1976, and to mature August 12, 1976, as it appears in Circular No. 7809, dated February 9, 1976, is incorrect. The correct CUSIP number for these bills is 912793 A48.

Federal Reserve Bank of New York  
Fiscal Agent of the United States

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