

Manhattan Coin Club Minutes

April 9, 2019

President Randy L. called the meeting to order. The membership welcomed a new member, Ralph. Ralph collects and sells commemorative medals. Larry C. was back and both of them were warmly greeted. Good to see Larry again.

Old Business

President Randy L. informed the club that we received a thank-you card for the donation we made in Jack Byers name to the City Boys & Girls club.

Treasurer Report

Dave S. reported a club balance of \$3,733.55.

Auctions

Doyle R. informed the club of many auctions but there was a special auction in Lawson, MO with many lots and on-line pictures, <https://www.grytherauctioneers.com/041019.html>. You may find a listing of other auctions at: <https://kansasauctions.net/calendar/>.

New Business

Matt O. was applauded for his time and hard work in putting together our successful coin show this year. Matt announced the results of the display contest; Doyle R. placed 3rd winning \$10, Alan T. was seconded taking home \$20, and Randy L. carried off 1st prize winning \$50. There was a discussion on the method of display for displays. A system to present each display equally and together will be in place next year.

Dave S. said the club made \$413.55 overall. The raffle brought in \$256 but with the cost of the prizes of \$125 it made \$131.

The dealers did well and Abe Lincoln was a hit with the crowd and the vendors.

Program

Chuck T. had the program, "The History of the Dollar Bill". Brennen won the youth door prize, a folder of Mercury dimes. Randy L. added a 2018 silver round to his winnings. With no further business the meeting adjourned following the silent auction.

****** Next month's program is "Mystery Grader". Please get coins you want to have graded to Dave as soon as possible.***

The History of the One Dollar Bill

Although experiments with paper money did occur throughout the early history of the country, they were largely unsuccessful. People, for good reason, didn't trust the notes and preferred gold and silver coin.

The Constitution only authorized the federal government to issue coins, not paper money. Article One of the Constitution granted the federal government the sole power “to coin money” and “regulate the value thereof.” However, it said nothing about paper money. This was largely because the founding fathers had seen the bills issued by the Continental Congress to finance the American Revolution—called “continentals”—become virtually worthless by the end of the war. The implosion of the continental eroded faith in paper currency to such an extent that the Constitutional Convention delegates decided to remain silent on the issue.

The path toward adopting the dollar bill was one that was littered with obstacles. While the government was keen to incorporate paper money into its currency system, the public was skeptical and didn't initially trust that paper could be just as valuable as traditional silver and gold. Eventually, paper currency became successful, at least in part due to war efforts. As the government saw an increased need to finance the Civil War, they began issuing paper notes, which could be instantly traded for coins when requested. The existence of these notes and their introduction into society is what paved the way toward the modern currency system we enjoy today, including notes that are worth different denominations.

Large size notes

1862: The first one-dollar bill was issued as a Legal Tender Note (United States Note) with a portrait of Salmon P. Chase, the Secretary of the Treasury under President Abraham Lincoln.



First \$1 bill issued in 1862 as a Legal Tender Note

Its large size, portrait of Chase, and prominent designs gave it an appearance that mirrored modern bank checks. While current dollar bills have a treasury seal printed with green ink, the original seal was printed in red. Thirty-four spikes around the seal were intended to symbolize the 34 states of the Union at the time. Phrases were incorporated into paper money in both English and Latin.

The National Banking Act of 1863 established a national banking system and a uniform national currency and demand Notes replaced the United States Notes. Banks were required to purchase U.S. government securities as backing for their National Bank Notes. Although United States Notes were still widely accepted, most paper currency circulating between the Civil War and World War I were National Bank Notes. They were issued from 1863 through 1932. From 1863 to 1877 National Bank Notes were printed by private bank note companies under contract to the Federal government. The Federal government took over printing them in 1877. Demand Notes were replaced by United States Notes. Commonly called "Greenbacks," they were last issued in 1971.

Following the Civil War, greenbacks continued to be commonly used, while Congress in the 1870s and '80s directed the production of five different issues of silver certificates, ranging from \$1 to \$1,000-dollar notes. These silver certificates included the first and only U.S. banknote to feature a woman on the front, in the form of Martha Washington. The \$1 silver certificate issued in 1896 showed her too, as the front featured the likeness of "History instructing Youth" by pointing towards Washington D.C., and both George and Martha Washington on the back of the bill. These bills were backed by actual silver, and were released as the nation was locked in a debate over how best to deal with precious metal and bank notes for the good of the economy.

1869: The \$1 United States Note was redesigned with a portrait of George Washington in the center and a vignette of Christopher Columbus sighting land to the left. The obverse of the note also featured green and blue tinting. Although this note is technically a United States Note, treasury note appeared on it instead of united states note.



Series 1869 United States Note



Series 1880 \$1 Legal Tender

As a tactic to try and convince Americans to use paper money instead of coins, silver certificates were issued in 1878. Silver certificates were intended to replace the use of silver coins in everyday transactions and came in varying denominations from \$1 to \$1,000. As the primary type of currency used in American society at that time, silver certificates became popular and well-known even among circles of skeptical individuals who preferred using traditional hard and weighty coins due to their convenience and the inherent value of the precious metal they contained. Though initial pressings of silver certificates were worth at least \$10, the first dollar version of the silver certificate was introduced in 1886 and featured Martha Washington, the wife of George Washington, on its face.



Famous 1896 "Educational Series" \$1 Silver Certificate

1874: The Series of 1869 United States Note was revised. Changes on the obverse included removing the green and blue tinting, adding a red floral design around the word Washington D.C., and changing the term treasury note to united states note. The reverse was completely redesigned. This note was also issued as Series of 1875 and 1878.

1880: The red floral design around the words one dollar and Washington D.C. on the United States Note was removed and replaced with a large red seal. Later versions also had blue serial numbers and a small seal moved to the left side of the note.

1886: The first woman to appear on U.S. currency, Martha Washington, was featured on the \$1 silver certificate. The reverse of the note featured an ornate design that occupied the entire note, excluding the borders.

1890: One-dollar Treasury or "Coin Notes" were issued for government purchases of silver bullion from the silver mining industry. The reverse featured the large word one in the center surrounded by an ornate design that occupied almost the entire note.

1891: The reverse of the Series of 1890 Treasury Note was redesigned because the treasury felt that it was too "busy," which would make it too easy to counterfeit. More open space was incorporated into the new design. The obverse was largely unchanged.

1896: The famous "Educational Series" Silver Certificate was issued. The entire obverse was covered with artwork of allegorical figures representing "history instructing youth" in front of Washington D.C. The reverse featured portraits of George and Martha Washington surrounded by an ornate design that occupied almost the entire note.

1899: The \$1 Silver Certificate was again redesigned. The obverse featured a vignette of the United States Capitol behind a bald eagle perched on an American flag. The Series of 1899 \$1 Silver Certificate occupies a unique place in numismatic lore. It is the only currency ever printed to feature two U.S. Presidents — Abraham Lincoln and Ulysses S. Grant — on the front. Known as the "Black Eagle," this note was part of the last series of Silver Certificates issued in the 1800's. These "horse blankets," or large-size notes, date back 150 years and are more than half an inch taller and an inch longer than today's bills.



1917: The obverse of the \$1 United States Note was changed slightly with the removal of ornamental frames that surrounded the serial numbers.

1918: The only large-sized, Federal Reserve Note-like \$1 bill was issued as a Federal Reserve Bank Note (not to be confused with Federal Reserve Notes). Each note was an obligation of the issuing Federal Reserve Bank and could only be redeemed at that corresponding bank. The obverse of the note featured a borderless portrait of George Washington to the left and wording in the entire center. The reverse featured a bald eagle in flight clutching an American flag.

1923: Both the one-dollar United States Note and Silver Certificate were redesigned. Both notes featured the same reverse and an almost identical obverse with the same border design and portrait of George Washington. The only difference between the two notes was the color of ink used for the numeral 1 crossed by the word dollar, Treasury seal, and serial numbers along with the wording of the obligations. These dollar bills were the first and only large-size notes with a standardized design for different types of notes of the same denomination; this same concept would later be used on small-size notes.

Small size notes



The first small-size \$1 Silver Certificate.



Common reverse of \$1 Silver Certificates (Series of 1928-1934) and \$1 United States Notes (Series of 1928), commonly referred to as "Funnybacks"



The first small-size \$1 United States Banknote printed.

In 1929, all currency was changed to the size which is familiar today. The first one-dollar bills were issued as silver certificates under Series of 1928. The Treasury seal and serial numbers were dark blue. The obverse was nearly identical to the Series of 1923 \$1 silver certificate, but the Treasury seal featured spikes around it and a large gray one replaced the blue "1 DOLLAR." The reverse, too, had the same border design as the Series of 1923 \$1 bill, but the center featured a large ornate one superimposed by one dollar. These are commonly known as "Funnybacks" due to the rather odd-looking "ONE" on the reverse. These \$1 silver certificates were issued until 1934.

In 1933, Series of 1928 \$1 United States Notes were issued to supplement the supply of \$1 Silver Certificates. Its Treasury seal and serial numbers were red and there was different wording on the obverse of the note. However, a month after their production, it was realized that there would be no real need for these notes and production was stopped. A small number of these \$1 bills entered circulation and the rest were kept in Treasury vaults until 1949 when they were issued in Puerto Rico.

In 1934, the design of the \$1 silver certificate was changed. This occurred with that year's passage of the Silver Purchase Act, which led to a large increase in dollar bills backed by that metal. Under Washington's portrait, one silver dollar was changed to one dollar. The Treasury seal was moved to the right and superimposed over one, and a blue numeral 1 was added to the left. The reverse remained the same.

A year later, in 1935, the design of the one-dollar bill was changed again. On the obverse, the blue numeral 1 was changed to gray and made smaller, the gray one to the right was removed, the Treasury seal was made smaller and superimposed by Washington D.C., and a stylized one dollar was added over the treasury seal. The reverse was also changed to its current design, except for the absence of in god we trust.



World War II brought about special issues of one-dollar bills in 1942. Special \$1 Silver Certificates were issued for Hawaii in case of a Japanese invasion. Hawaii was printed vertically on the left and right side of the obverse and also horizontally across the reverse. The seal and serial numbers were changed to brown. Special Silver Certificates were also issued as payment for Allied troops in North Africa about to begin their assault into Europe. The only difference on these one-dollar bills was a yellow instead of blue seal. Both of these types of notes could be declared worthless if they fell into enemy hands.



Special issue \$1 Silver Certificate for Allied troops in North Africa

The next change came in 1957 when the \$1 bill became the first piece of paper U.S. currency to bear the motto in god we trust; it was added over the word one on the reverse. Initially the BEP began printing the motto on notes printed with the new 32 note press, but soon Series of 1935G bills printed on an 18 note press featured the motto.

The final production of \$1 Silver Certificates occurred in late 1963. In 1964, the redemption of Silver Certificates for silver coin ended and in 1968 the redemption of Silver Certificates for silver bullion ended.

Production of one-dollar Federal Reserve Notes was undertaken in late 1963 to replace the soon-to-be obsolete \$1 Silver Certificate. The design on the reverse remained the same, but the border design on the obverse underwent considerable modification, as the mostly abstract filigrees were replaced with designs that were mostly botanical in nature. In addition, the word "one," which appeared eight times around the border in small type, was eliminated. The serial numbers and treasury seal were printed in green ink. This was the first time the one-dollar bill was printed as a

Federal Reserve Note. The \$1 bill became the first denomination printed at the new Western Currency Facility in February 1991, when a shipment of 3.2 million star notes from the Dallas FRB was produced.

Though bill denominations of \$5 and higher have been redesigned twice since 1995 as part of ongoing anti-counterfeiting efforts, there are currently no plans to redesign the \$1 or \$2 bills.

Experimental issues

Since 1933, the one-dollar bill has been the exclusive experimental denomination among circulating US currency; however, an exception was made in August 1981 for several Richmond \$10 notes produced on Natick test paper. The first experiment was conducted in January and February of that year to assess the effects of using different ratios of cotton to linen in the make-up of the bills. Series 1928A and 1928B \$1 silver certificates with serial number block letters X-B and Y-B were used as the experimental group; the Z-B block was used as the control group. The results of the experiment were inconclusive.

In 1937, another test was conducted, similar in style to the 1933 experiment. This test used Series 1935 one-dollar bills. The particular notes used in this experiment can be identified by their serial numbers. Notes ranging from A00000001B to A06180000B and B00000001B–B03300000B were the experimental group and notes ranging from C00000001B to C03300000B were part of the control group. No conclusive results were found.

A better-known test was done in 1942 during World War II to test alternative types of paper. This was a precautionary measure in case the current type of paper supply could not be maintained. Series 1935A notes made of the special paper and were printed with a red "S" to the right of the treasury seal, while notes of the control group were printed with a red *R*. Because they have some collector value, fake red S's and R's have been applied to regular Series 1935A notes to try to pass them at a higher value; checking a note's serial numbers can prevent this. Serial numbers of the R group range from S70884001C to S72068000C and serial numbers of the S group range from S73884001C to S75068000C.

Sometime in the early to mid-1960s, the BEP experimented with a new firm, the Gilbert Paper Company, to see if they could duplicate the usual paper production. The BEP selected a series of notes printed by the Philadelphia FRB as the test subjects. Serial numbers for this group range from C60800001A to C61440000A.

One-dollar bills were again the subject of experimentation in May 1992, when the BEP began to test a web-fed Intaglio printing press. Because of a need for greater quantities of \$1 FRNs, the BEP sent out REQUEST FOR PROPOSALS (RFP) (year 1985) NO. BEP-85-73 to procure a web-fed intaglio printing press to dramatically increase the production of currency notes within the confines of their current (1985) 14th & C street facility. Instead of printing one side of a square sheet of 32 notes at a time, the web-fed press used 96 engraved images or plate-cylinder to print the back of the note, then another 96-image engraved plate-cylinder to print the front of the note. Both sides of notes were printed from a continuous roll of paper. The Alexander-Hamilton intaglio Web press printed both sides of intaglio at the same time. The web-press was designed as a full-blown production press as opposed to an experimental press. The notes were issued in Series 1988A, 1993, and 1995. Because of mechanical problems and operator error, as well as the sometimes-poor quality of the notes, production was ended in July 1996. Web notes can be

identified by the back-plate number next to in god we trust and the removal of face check letters and quadrant numbers.