



AMERICA IN CIRCULATION: A History of US Currency

Featuring the collection of
Mark R. Shenkman

From Colonial times, American money has told a fascinating and detailed story of the country's struggles and successes. Pivotal moments in history have led to changes in the nation's money, as crises brought about innovation. Often local and national currencies competed and coexisted with each other, while economic depression, war and counterfeiting drove constant advances in design. Spanning over 300 years, the history of American currency and coinage is formed by four distinct but continuous eras – the Colonial Period (1690 to 1796), the Obsolete Period (flourishing beginning in the 1790s and rapidly curtailed by 1865), the Federal Large Size Currency Period (1861 to 1928) and the Federal Small Size Currency Period (1929 to present day).

This interactive exhibition showcases one of the premier collections of American paper money, on loan from Mark R. Shenkman. It is supplemented by select pieces from the Museum of American Finance's archive and other private collections.



Colonial and Continental Era

The principal currencies in circulation in the early colonies were coins minted overseas. The critical commercial needs of a young nation fueled demand for additional money supplies and led the colonies to authorize, design, print and issue paper currency from 1690 until 1796. The Revolutionary War led to increased financial pressure, prompting the issuance of notes on 37 occasions. Grouped into 11 issue dates, the notes were denominated from 1/6 of a dollar to \$80. A total of \$241,552,780 was issued, leading to inflation and staggering debt. By 1787, the Congress of the Confederation had chosen the dollar as the nation's monetary standard, and states were banned from circulating their own money. The US Mint was established, but it was tasked only with minting coins. It would not be until the Civil War that the country would again authorize a paper currency.



Obsolete Era

The obsolete, or free banking, period was dominated by the private issuance of currency by essentially unregulated banks. Efforts to inspire institutional confidence and thwart counterfeiters led to an unparalleled explosion in the variety and quality of bank note engraving, resulting in some of the most beautiful work in the field. What amounted to 20 banks at the end of the 18th century grew to thousands of banks issuing their own notes by the 1830s. Inflationary pressures culminated in the Panic of 1837, in which banks announced they would no longer convert notes to the "hard money" of gold or silver. This resulted in a severe five-year depression. The escalating conflict and secession by the states that would eventually form the Confederacy led almost immediately to two currency-related crises. The first was the necessity of Confederate currency, which came in the form of seven issues. The second was the need for a standard US paper money.



Federal Large Size Era

In 1862, President Abraham Lincoln spearheaded the Legal Tender Act and created the Bureau of Engraving and Printing to produce a single, uniform federal paper currency. The passage of the National Currency Act in 1863 provided for the conversion or creation of over 14,000 National Banks which issued their own currency between 1863 and 1935. These notes were of standardized design, but they incorporated the name of the issuing bank. Economic growth and the resulting demand for currency, coupled with continuing distrust of the government, led to the creation of a variety of different currency notes, including Gold Certificates, National Gold Bank Notes, Silver Certificates and Treasury Notes. By the early 1900s a series of panics, a variety of different currency styles and the perception that the nation's money supply had to be managed in a centrally coordinated way led to the 1913 creation of the Federal Reserve System and the 1914 issuance of the first Federal Reserve Notes.



Federal Small Size Era

In 1929, an effort to reduce the significant cost of the high-quality rag paper used in the production of the nation's money and minimize the physical bulk associated with carrying and using it, led to the introduction of the standardized small size currency denominations and portraits we know today. While the Great Depression and World War II both created interesting municipal, private and emergency currencies, the long-term trend has been to simplify and standardize US money. Although all federal issues of currency remain redeemable today, only Federal Reserve Notes are still issued.