

Obsolete and Broken Art

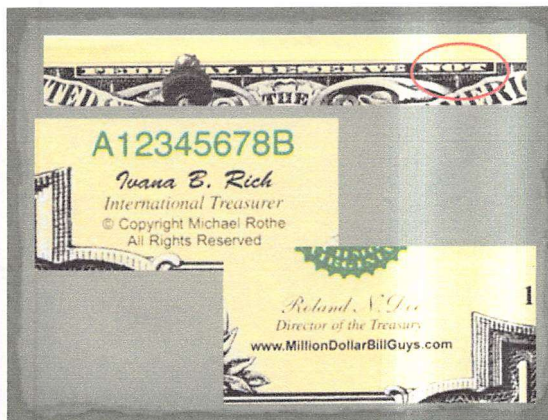
Travis McDonald SPHEX Club 22 Feb 2024

We're going to start by taking a fun little oral quiz.

Who is on the \$1, \$5 \$10, \$20, \$50, \$100, \$1,000, \$5,000, \$10,000, \$100,000









The first national bank was created by Alexander Hamilton in 1781. There were only three others in the country. By 1800 there were 24; by 1815 there were 181; by 1830 there were 320; by 1845 there were 596. These were all state or private banks. It is estimated that up to the Civil War there were 2,000 banks that issued more than 10,000 unique forms of paper money, all tied to a local bank. Some were state, or city banks; some were started by companies and internal improvement entities. Determining the value of any note outside of the immediate location was a nightmare. The Panic of 1837, said to be the worse in U.S. history, led to the failure of many of these banks, about 600. The primary cause of this panic was President Andrew Jackson shutting down and liquidating the only federal bank in

the country in 1836. For the first half of the nineteenth century there was no uniformed federal currency.

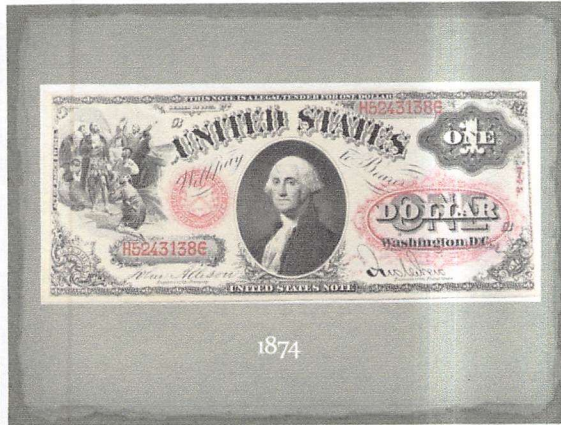
The Civil War created major monetary inflation for both North and South. With the Panic of 1858 people starting hoarding coins as banks failed. The federal government suspended specie payments and issued non-secured Demand Notes in 1861 referred to as “green backs”. This was the beginning of traditional and common U.S. paper currency.



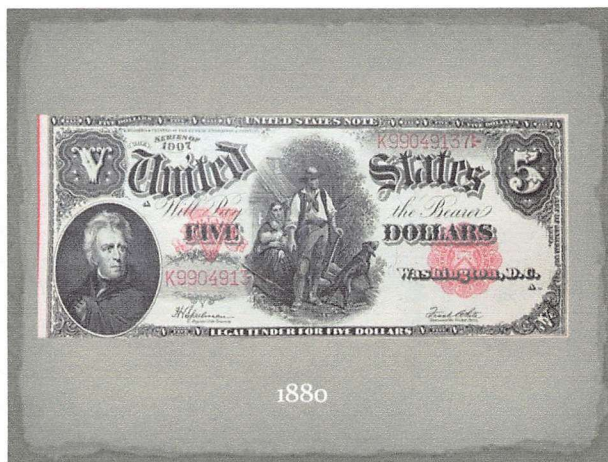
These were basically I.O.U.s whose value fell during the war according to which battles the North won or lost. In 1862 the federal government issued more non-secured notes called “legal tender.” The 1863 National Banking Act chartered all banks, secured by deposited bonds, as a way to stabilize currency; in 1866 there were 1,866 chartered banks; in 1880 2,052; in 1890 3,326. The story of these currency notes for the second half of the nineteenth century, which are not without artistic merit, is fascinating but not the topic of my talk.



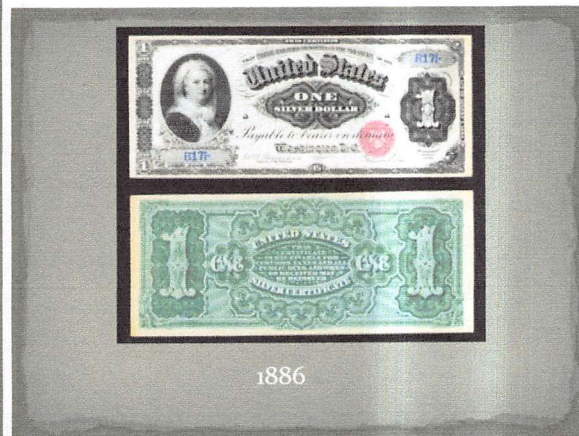
1862



1874



1880



1886

The story of one short shining monetary era in 1896 and is worth telling. The Sec. of the Treasury had been impressed with the new American Renaissance artistic movement on display at the 1893 World's Columbian Exposition in Chicago and decided to enhance the artwork of federal currency. Rather than using the artists working in the Bureau of Printing and Engraving, he commissioned well-known artists to design the \$1, \$2, and \$5 silver certificates of 1896.



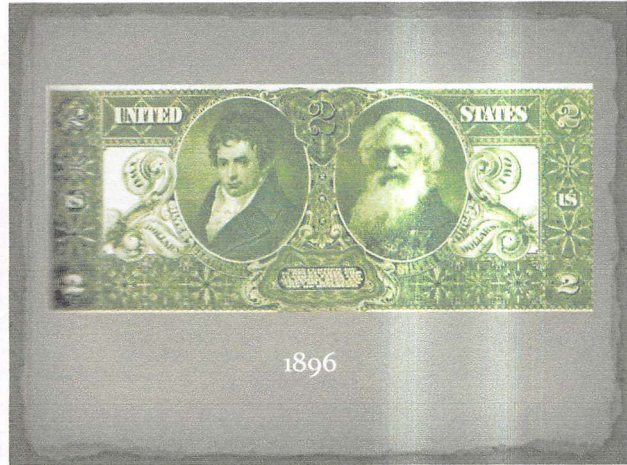
Will Low designed the \$1 with an image of History Instructing Youth;



Edwin Blashfield designed the \$2 with Science Presenting Steam and Electricity to Commerce and Manufacture. (both Low and Blashfield were painting murals in the Library of Congress at the time)



1896



1896

Walter Shirlaw designed the \$5 with Electricity Presenting Light to the World.



1896



1896

These three notes, called “education notes,” are the holy grail for collectors and are considered the most beautiful U.S. paper money. Two years after they were issued the Sec. of the Treasury Lyman Gage withdrew these notes after criticism that they were “over-engraved,” “too busy,” with numerals not prominent,” “too arty,” and with “too much nudity.” They were replaced by much more ordinary designs in 1899....with one interesting one in 1901.



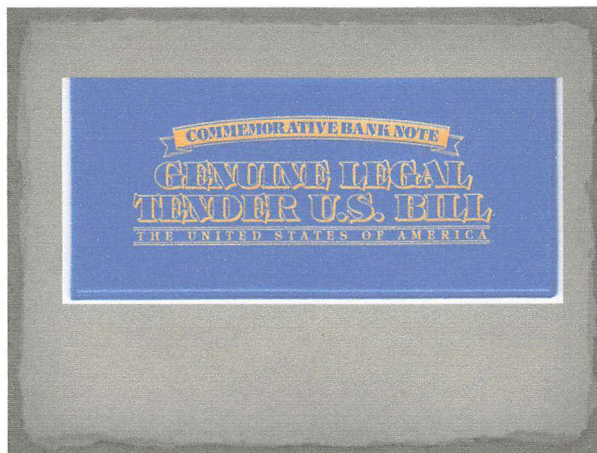
Here is what one currency historian had to say about the design of paper notes after the early 20 C.: the design changes in the 20th C have had a “long lasting negative effect on design of U.S. paper money.”

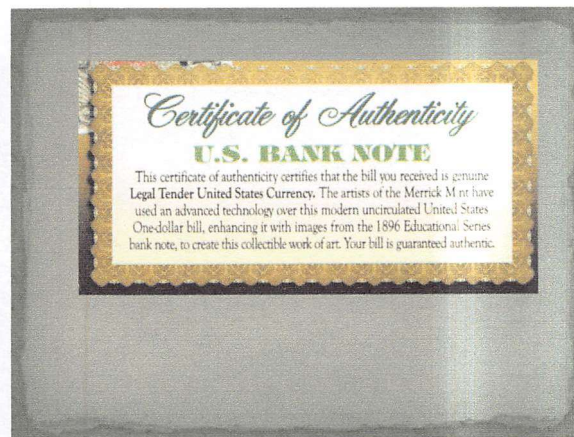
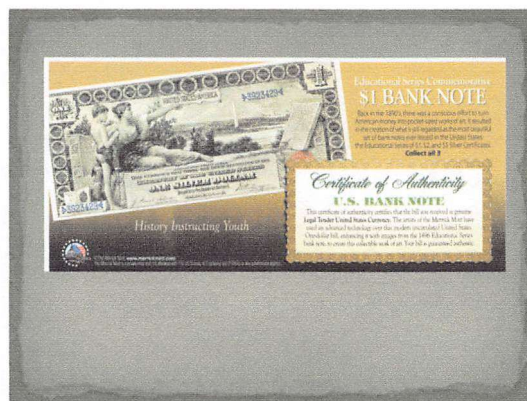
If you find one of these educational notes in your great uncle’s sock drawer, do not take it to the bank for \$1, 2, or 5. I checked a currency price guide for 1991 and one twenty years later in 2021. If you had hesitated to buy one of these educational notes in 1991, you made a mistake, as you can see by these values.

1991: \$70 - \$940

2021: \$1,800 - \$11,000

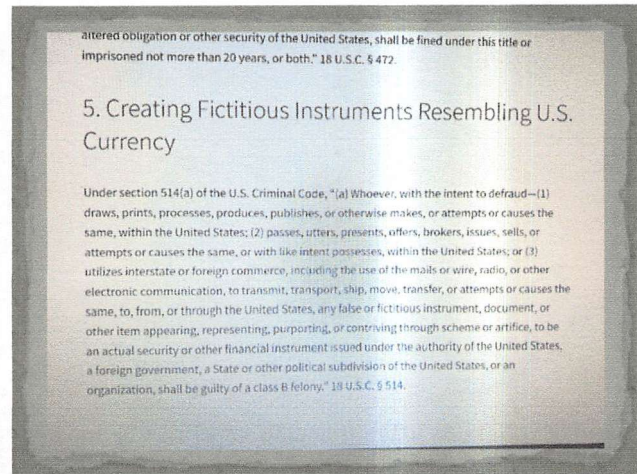
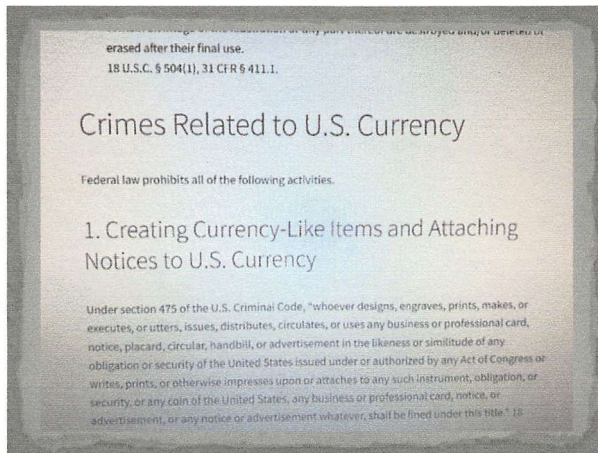
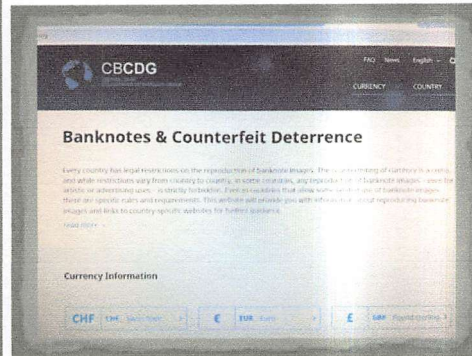
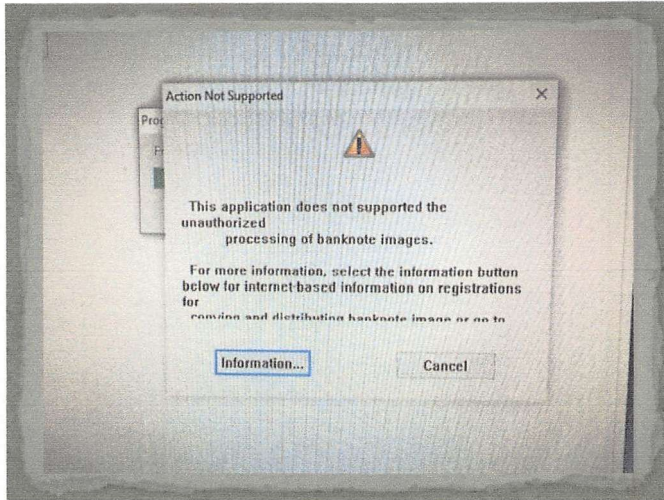
I had only seen pictures of these and when I saw three commemorative reproductions offered on Ebay for less than \$50 my curiosity was aroused. The Merrick Mint took real \$1, \$2, and \$5 notes and printed over them with the educational designs.





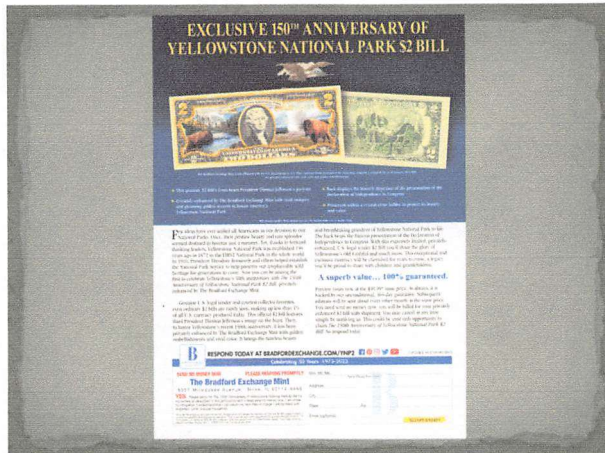
I can't figure out how they can legally do this and say that they are genuine Legal Tender U.S. currency. [pass these around]

One curious thing happened when preparing this talk. I went to scan some current notes on my Epson printer/scanner. I immediately got this message: "This application does not support the unauthorized processing of bank notes."



It gave link to these government sites. What impressed me was that this was not a smart machine hooked up to the internet. How did it know? This is what we might call MI: machine intelligence. It obviously has to do with the current quality of home printers.

You might have seen a magazine ad like this one.



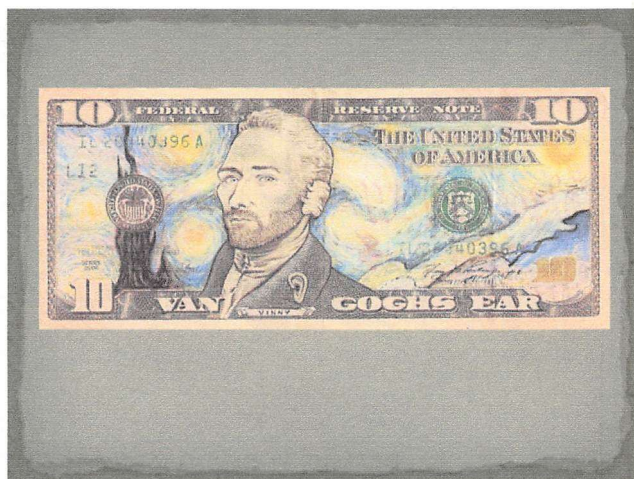
Again, I was curious as to how someone could alter currency since it seems to be forbidden, given what the government tells you. I almost ordered one of these until I read the fine print that said I would be getting new editions every other month for \$39.99 plus fees and shipping. It seemed that they were picking on Jefferson's \$2 bill. That led me down an interesting rabbit hole of what is called "fantasy or bogus currency" where I saw more fake \$2 bills.



Perhaps you'd prefer Jefferson in a Starry Night scene?



Or if you are a purist, you could get a \$10 note with Vincent.



Ebay will take you down endless fantasy note rabbit holes. Some look pretty much like real currency with an actual president;



or this one of the man in black.



Some might make you hesitate before trying to use them.



Some should not fool you.



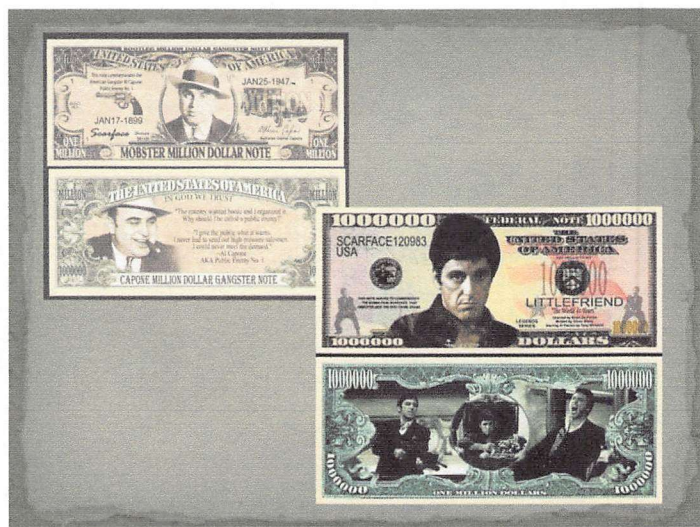
In the million dollar category maybe you like favorite movies;



maybe horror movies are your thing;



how about gangsters;



or all types of music;



classic movies and movie stars;



royalty;



American royalty;



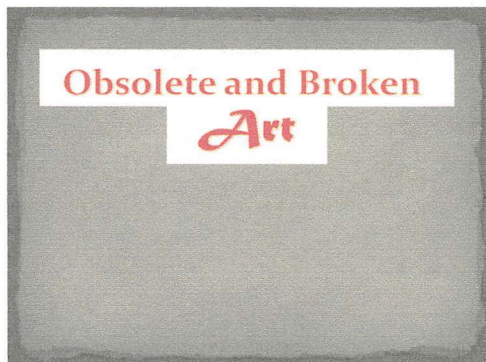
and past presidents;



these more recent political fantasy notes might also be called nightmare notes.



You'll see that our current commander in chief is on a trillion dollar note. I did not photo shop any of these.



So what does all this have to do with my talk? The real and the fantasy notes were meant to get you thinking about the artwork on currency.

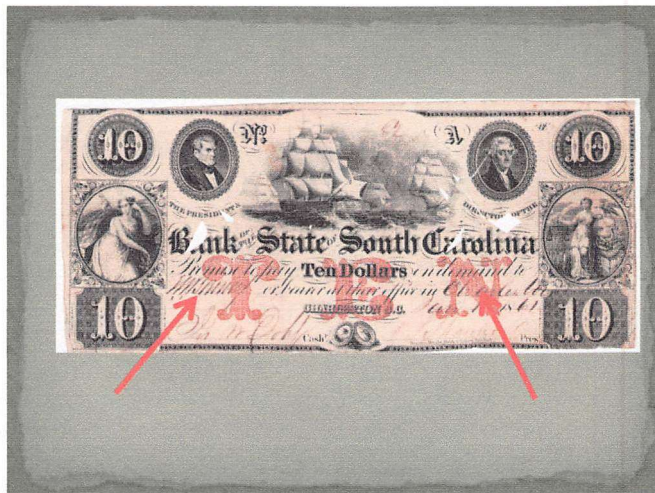
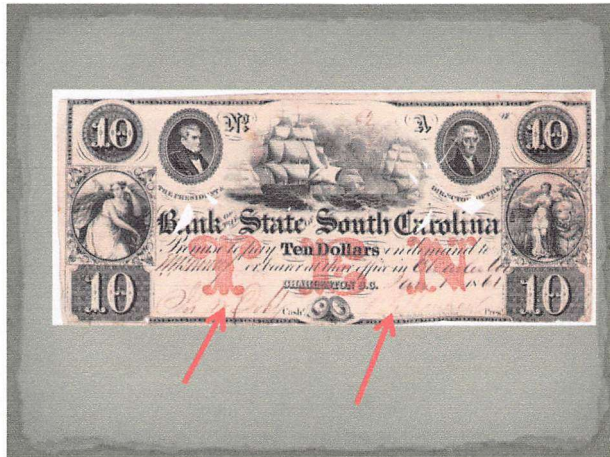
I first purchased what is called an obsolete note sometime in the early 1990s, most likely having seen it in an antique shop.



Since I've always liked historical prints, I was attracted to its art work and the fact that it was signed by at least two people, the cashier and the president;



they usually have a hand-written date and number; and some notes even have a third signature of the person who cashed the note, the city in which he cashed it, and the date on which he cashed it.



There was just something about the human and historical value of this small piece of old and extremely thin piece of paper that had somehow managed to survive.

1840



1838



1854



They had stories to tell. So before the internet age, I would occasionally go to a coin shop in any city I might be visiting to look for old notes. I bought what I came across and put them aside, not doing any research or study. It's a different situation now with a larger market of on-line bidders. I buy what strikes me at the lowest prices. I am reassured that something I bought 30-35 years ago for \$10-15 is now going for \$50-60. Something I might have bought for \$30-40 is now more than \$100. I regret my 20-year buying hiatus for that reason. Between 1800 and 1860 2,000 private and state banks were opened in 34 states, producing more than 10,000 unique currency notes.

I am not a true collector. In one of the books on obsolete currency I recently read, the author says that “the logical first step to being a smart buyer of obsolete currency is to obtain as much information as you can.” [Bowers] It was only recently when faced with this talk that I bought some books on obsolete currency to learn something about it.



That same author stated that “the ‘because I like it’ reason may be best of all for buying a note.” That is what I’ve done. I was attracted to old notes for their art and historical associations. What I have amassed over several decades is what one author called a haphazard accumulation. That accumulation now totals 213 old notes. Not being a collector and wanting specific notes for whatever the price, my modus operandi is what Thomas Jefferson said about his habitual book buying, saying that he “labored grievously under the malady of Bibliomanie—submitted to the rule of buying only at reasonable prices, as a necessary to that disease.” My disease is called “Notaphily” or the study and collection of paper money. I am a “Notaphilist,” a lover of paper notes. Another older term for old paper money is “Syngraphics,” meaning “writing together,” or a written document signed by everyone legally bound to it. My first buying criteria was collecting notes from the Antebellum Deep South; while I did collect some confederate government notes, which are probably the most well known of obsolete currency, southern banks and institutions before the war had much better quality engravings.



My purchases sometimes ventured outside the south to the mid-Atlantic, New England, and the Mid-west since I was primarily attracted to notes of art and history.

Now, having recently read some books about obsolete currency, one running 600 pages, I could give you a very academic talk about the hundreds of banks from the nineteenth century, who ran them, what they produced, the artist who drew the artwork, the engraver, the company who produced the notes, how they affected the regional or national economy, and how the banks merged, failed, or were reborn. That would be rather boring unless you are an economic historian, and in that case you'd be thrilled to learn this history. Rather, I'm going to talk about why I was attracted to old notes: their artistic and historical vignettes, how they reflect their times, and their humanistic values. This talk has been an opportunity for me to carefully examine these little time capsules and to make some visual sense of them. The hundreds of failed banks from the 1830s to the 1860s were called "Broken

Banks,” hence my title referring to their notes as “broken art.” All of these banks issued more than 10,000 unique designs with wonderful vignettes. My small group of 200 can be considered a random cross section of what was printed.

Up until the 1850s the artists making the images to be engraved for these vignettes faced a challenge. The size of the original image, usually a wash painting, had to be the exact size of that which would be printed on the notes.



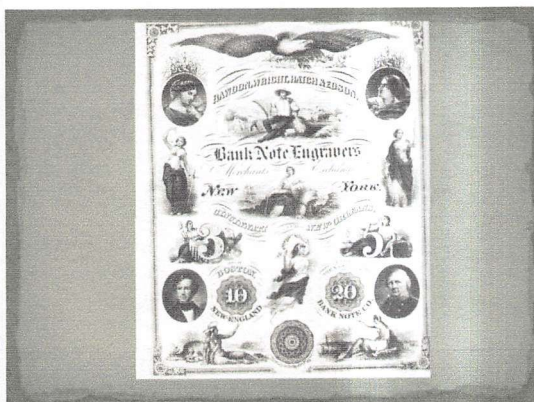
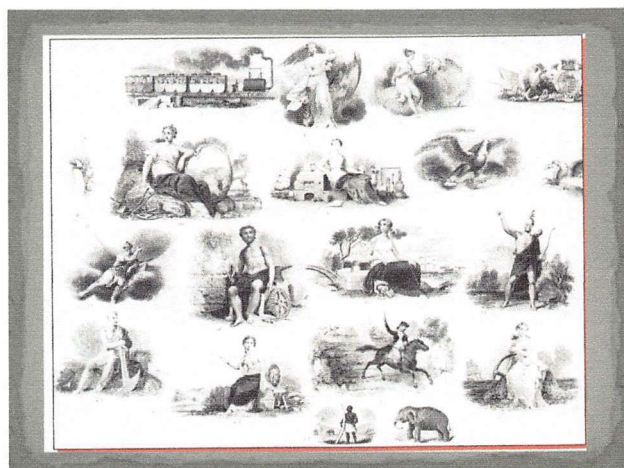
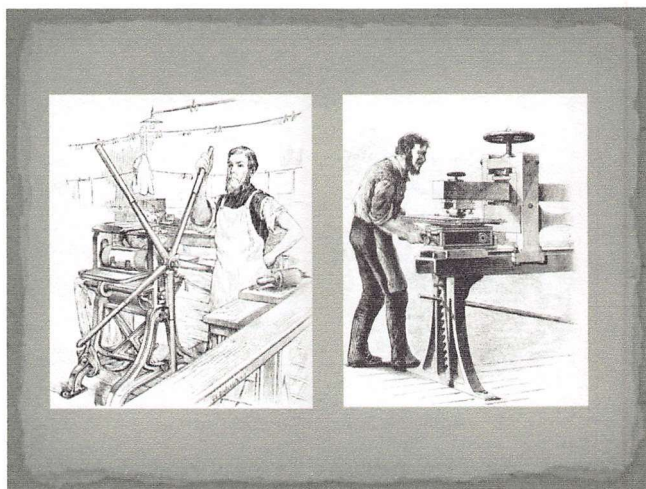
In other words, miniature drawings and paintings that had to have the right quality of light and dark areas that would reproduce on the small finished image. If you're not familiar with the engraving process it is worth noting, as explained by one of the authors I consulted.

“Bank note engraving is a process of converting a continuous form medium, such as a wash drawing, a painting, or a photograph, by hand, in reverse, into a dot-and-line image on a steel die, in a way that will almost trick the eye into seeing the image as photographic. It is an extremely difficult skill to learn from the early nineteenth century to today has been taught in the U.S. only by the apprentice system. In the mid twentieth century the apprenticeship was roughly ten years in duration.

Bank note engraving is done by one of two ways: cutting and etching, or a combination of the two.



Cutting is making dots and lines directly into the steel die with a graver, also called a curin. Etching is coating a die with a ground and then using an etching point to make the dots and lines desired on the ground after which acid applied to the die eats into the steel where it has been exposed by the etching point. Typically human flesh and clothing is cut with a graver and everything else, scenery, animals, buildings, trains, ships, etc., is etched. The bank note companies printed posters of possible images and retained thousands of engraved plates and dies.





It was a big business of security printing which also included postage stamps, and stock certificates. You've probably all see the wonderful artwork on early stock certificates which could have the same images used on bank notes.

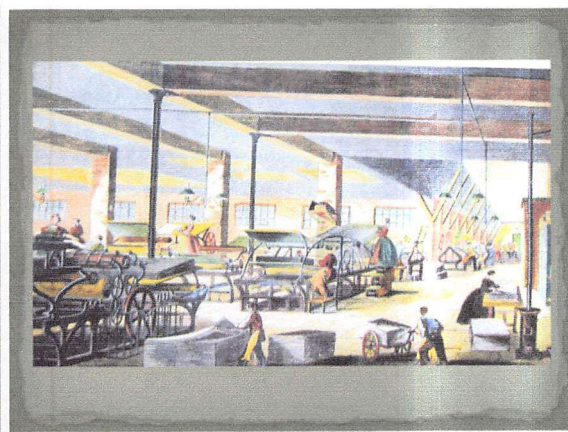
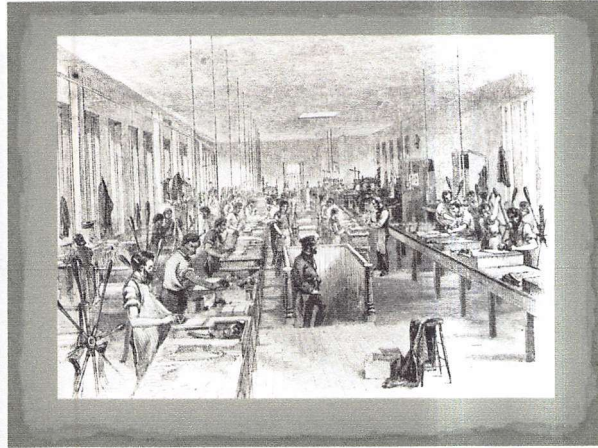
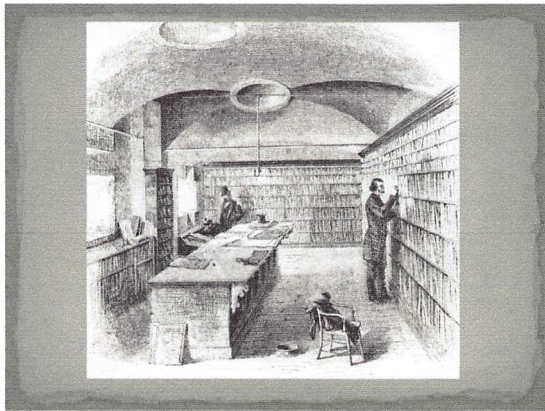
With the advent of photography in the 1850s, artists could photographically reduce a larger size work of art to the correct size for the note—but it still had to be hand-engraved at that smaller size to fit the note.



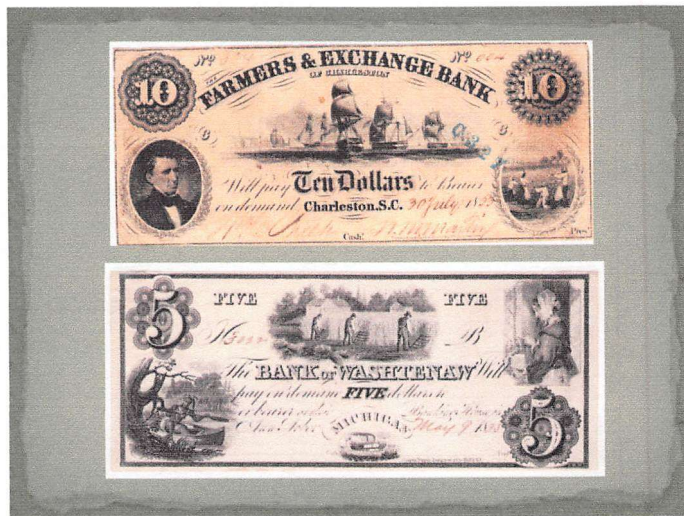
A much more complicated system, called siderography, unique to the bank note business, was invented that allowed a bank note firm to use an engraving on any number of different notes without having to re-engrave a plate for each denomination or different bank.

By the mid-nineteenth century European visitors to the U.S. remarked on the high quality of bank note engraving. In fact, this was a major source of work for artists, including some famous ones you'd know. One foreign visitor stated that this form was "the only true American contribution to the arts." An 1854 Illustrated Magazine of Arts stated that bank note engraving was now among the works of fine arts and were "instruments of refining public taste."

The most important bank note company, the American Bank Note Company, formed by the merger of seven other companies in 1857, had 90% of the business by 1860 and went on to print federal currency for most of the late nineteenth century. They were even printing Confederate currency until war was officially declared.



So why do I find these fascinating? Bank notes could show traditions of ideal and allegorical representations of nationhood and liberty; they showed concepts of ideal beauty; of powerful manhood and joys of childhood; gods and goddesses; great leaders, aboriginal ancestors; scenes of peace and prosperity; national superiority; timeless values and truths; local pride of structures, steamboats, factories, and railroads; portraiture and figure paintings; and various historical compositions of known and unique works.



Many of these were intended as “emotional images instilling a confidence in the bank. Scenes of economic activity were a visual argument that a region with a thriving industrial or agricultural production must have a prosperous financial sector as well.” [Greenberg]

All of the images I will now show you are from my accumulation. I debated how to share with you the art and vignettes of these notes and decided on several themes.

It is worth showing the entire note in most examples since you'll quickly see that most of them have more than one subject matter. I could devote my whole talk to discussing only a few notes in great detail, but my intention is to show you the great variety. Remember that there are more than 10,000 different engraved notes from the 1830s to the 1860s!

Slavery

If you've been to the Smithsonian's African American Museum you might have been surprised to see a section with bank notes from the Antebellum period. I had already recognized the connection since bank notes reflect the economy of their time. In 1861 cotton crops of the south were valued at \$250 million. In 1860 the value of the enslaved population was more than \$3 trillion. Products produced by slaves represented more than half of the gross national product.

Trades

Gods and Goddesses

Buildings

Historical Scenes

Farming

National Symbols

Ships

Trains

War

Commerce

CSA

Virginia