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The Paper Currency Collection

of the Texas Ranger Hall of Fame and Museum

Byron A. Johnson

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with

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The Texas Ranger Hall of Fame and Museum would like to thank the Staton family and the citizens of Waco for the donations in this currency collection - a magnificent legacy. It is a window to a different time when paper dollars truly conveyed the strength, ideals, and heritage of a nation.



\$100 Series 1922 Gold Certificate

Catalog # 2000.039.073.115

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Senator Thomas Hart Benton, who is depicted on the face of this gold certificate, would have been aghast at the honor. Nicknamed "Old Bullion," he was a vocal opponent of paper money, preferring gold and silver coins to paper or credit.



For more than 140 years, Texas Rangers have pursued those who rob banks, trains, armored cars, and businesses. At first, robbers were after gold and silver coins and bullion. The drawback was that \$1,000 dollars in silver weighed close to 50 pounds (3 pounds in gold). A \$10,000 heist could result in as much as 500 pounds of dead weight to haul away. Paper money came into common use by 1880 and was much easier for citizens and criminals alike to transport. Large denomination bills as large as \$100,000 enabled financial institutions to settle large accounts before wire transfers.

Thanks to donations by Jimmie and Dorothy Staton and the City of Waco, the Texas Ranger Hall of Fame has amassed an impressive US currency collection. It is a window into how our ancestors were paid, the “bad guys” stole, and the Texas Rangers recovered.

As recently as the early 1970s, most transactions were conducted in currency or checks. Now, in less than a generation, paper currency has become an endangered relic of an earlier age and replaced by credit cards, debit cards, and electronic funds transfers. The “hard” dollar, once convertible into silver and gold, has become a “virtual” dollar, guaranteed solely by “the full faith and credit of the United States.” While this promise remains strong, the reality of an immaterial dollar is somewhat unsettling.

Until 1963, US currency bore the words “payable to the bearer on demand.” Silver certificates could be converted into real silver coins at any bank or into small silver bars at US Treasury branches. Gold certificates could be exchanged for gold coins until 1933. For this reason, generations of Americans considered the dollar “as good as gold” or silver. Stock prices might plummet, crops might fail, but the dollar bill could always be exchanged for precious metals at the neighborhood bank.

I learned about the reality and promise of a dollar from my grandmother. She was a practical woman who had been raised in an orphanage and widowed with an infant son in the middle of the Great Depression. Surviving these experiences gave her respect for the value, security, and freedom represented by the United States dollar.

To her, US currency was a sacred trust between the government and its citizens. She would have been dismayed to learn that our money is now an intangible stream of ones and zeroes flying through cyberspace. In her day, in fact until 1968, she could have exchanged \$100 at a local bank for almost five pounds of silver dollars.

One of her missions was to teach the reality of paper money to her first-grade grandson. On a hot summer day in 1959, we got in her Chevy Bel Air and drove down to the local bank. In the parking lot, she opened her cavernous handbag, unclasped her purse (which contained no credit cards), and handed me a one dollar bill. Unlike today’s currency, it bore the words:

Silver Certificate—This Certifies That There Has Been Deposited in the Treasury
of the United States One Silver Dollar Payable to the bearer on demand.

Leading me to a pretty lady at a teller window (which I could not reach), Grandmother told me to hand over the dollar bill. I was not happy. A dollar was a lot of money to a six-year-old, and I didn’t fancy giving it to a stranger. But to my amazement, the teller reached into a canvas bank bag



and handed me an 1891 Morgan silver dollar! It shined brilliantly, weighed in at almost an ounce of silver, and was decorated with the resplendent head of Lady Liberty and an American eagle with wings spread.

Even at age six, I understood the lesson. A dollar bill wasn't an abstract piece of paper: it was a promise between the US government and its citizens. It was also real—anyone could touch it and feel its worth.

Fifty years later I still have that silver dollar, and that experience echoes in how I think about money. After you could no longer exchange paper currency for silver, I learned the context of the lesson. Grandmother later presented me with a treasure, a five-dollar, “half Eagle” gold coin bearing the head of an Indian. In the 1920s, she had gone to work in a textile mill, saved her pay, and exchanged a \$5 gold certificate for a five-dollar gold coin bearing her birth date. It was “rainy day money,” which she kept through the Great Depression and World War II.

Along with the loss of convertibility into gold or silver, we have now almost lost an art form. United States currency was once the zenith of the engraver's skill, and banknotes were miniature works of art on paper that you could carry in your pocket. The bills seen in this article survived by someone not bearing to see art destroyed.

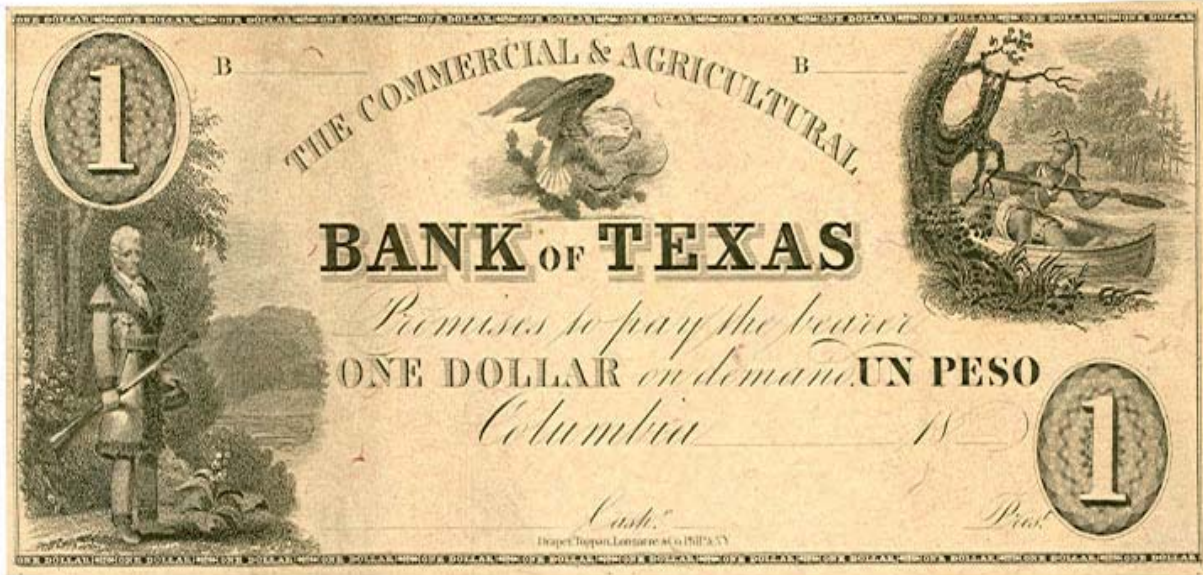
The issue is not one of talent; the artists of today at the Bureau of Engraving and Printing are just as skilled as their forbearers. However, counterfeiting and technology have had a major impact on their work. Old-time counterfeiters were usually renegade engravers and pressmen who plied their trade in back rooms. Today, they are often office workers or gang members who use sophisticated color copiers and laser scanners to print their own money “on demand.”

To counteract this, the US Treasury has implemented high-tech security features in our currency. While more protected, our banknotes are disturbingly reminiscent of Monopoly money with oversized portraits and purple-inkpad numerals. The quality and spirit our national currency has suffered. Would anyone consider our modern banknotes as art and tuck them away safe from destruction?

Mexican Era Banknotes of Texas

We may never know what the first banknotes printed in Texas looked like. The first bank west of the Mississippi River, the Banco Nacional de Texas, opened in San Antonio in 1822. Mexico had just gained its independence from Spain, and there was insufficient currency—Mexican, US, or Old French—to conduct trade. Governor José Félix Trespalacios took it upon himself to charter a bank and ordered four soldiers to print 12,000 pesos worth of banknotes by hand in a back room. The bills were well received by citizens, but the central government in Mexico City was not amused. The notes were quickly withdrawn from circulation with new Mexican national banknotes substituted. There are apparently no known specimens of this first Texas currency.

The first surviving Texas banknotes were printed by a private commercial bank on the eve of the Texas Revolution. In 1835, Thomas F. McKinney and Samuel May Williams received a charter from the province of Coahuila to open the Banco de Comercio y Agricultura (Bank of Commerce and Agriculture) in Galveston. Lacking currency with which to transact business, they printed bills backed by Mexican silver pesos and the few US dollars in circulation. During the Texas War for Independence, McKinney and Williams covertly underwrote support to Sam Houston's army and infant revolutionary government through their bank.



\$1 and \$2 notes from the Commercial and Agricultural Bank of Texas, 1835

Redeemable in silver pesos, which were valued the same as US silver dollars until 1845.
 Photos: Crutch Williams www.crutchwilliams.com

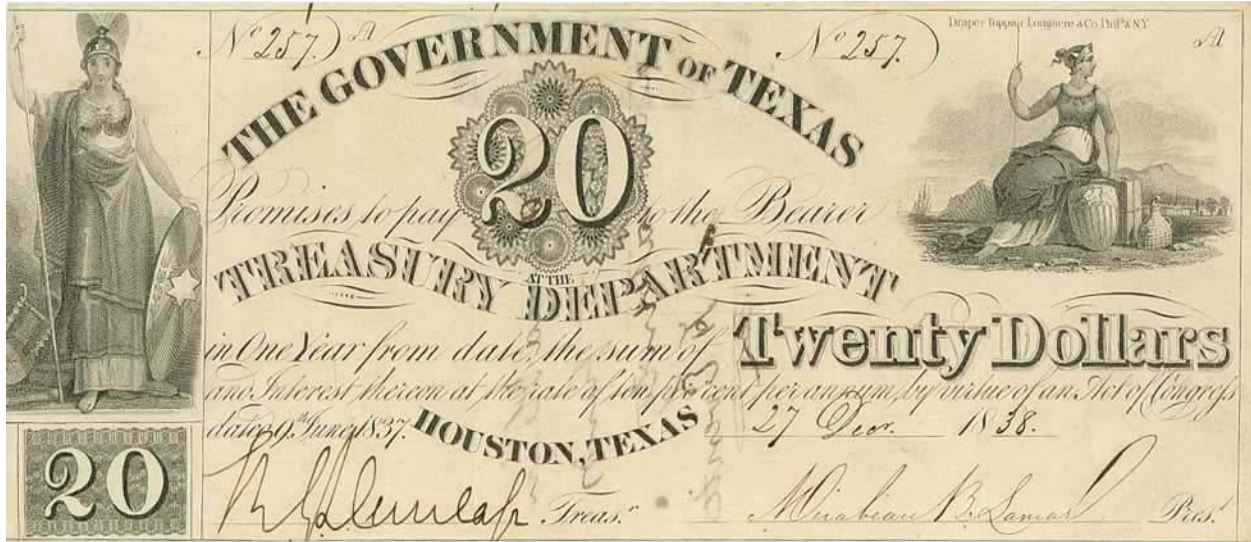
Republic of Texas Banknotes

The Republic of Texas was virtually bankrupt from the beginning since wealth in the state consisted of land, crops in the field, and livestock—not gold and silver. To fund the government, the Republic of Texas authorized several series of banknotes almost on a wing and a prayer. The national currency was backed by government-owned land, and even the wages of Texas Rangers were paid in land instead of coin.

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Interest Notes

The first money issued by the government of Texas was a series of promissory notes, called interest notes, printed between 1837 and 1839. They were produced in denominations of \$1, \$2, \$3, \$5, \$10, \$20, \$50, \$100, and \$500 and paid 10% interest one year after their issue. However, if the bearer waited too long to redeem them, they decreased in value.



\$20 Republic of Texas Interest Note

Catalog # 2664.5

Gift of: City of Waco, Texas



\$50 Republic of Texas Interest Note

Catalog # 2664.6

Gift of: City of Waco, Texas



\$500 Cut-Cancelled Republic of Texas Interest Note

Catalog # 2668.9

Gift of: City of Waco, Texas

When notes were redeemed, they were stamped “Funded and Cancelled” and physically cut to avoid presentation for payment again.

Redbacks

Between 1839 and 1840, the Republic of Texas issued banknotes that did not bear interest. Called redbacks for the red ink on their reverse, they came in denominations of \$1, \$2, \$3, \$5, \$10, \$20, \$100, and \$500. The Texas Star was a prominent feature of these notes.

Redbacks were guaranteed by little more than faith in the future of Texas, and they soon devalued to as little as two cents on the dollar. At one point, they were considered so worthless that the Texas government that had issued them refused to accept them in payment of taxes.

When Texas negotiated to become a state, the US government reluctantly agreed to fund the Texas debt of approximately \$10 million (about \$300 million today) in exchange for land.



\$100 Republic of Texas Promissory Redback Note

Catalog # 2668.8

Gift of: City of Waco, Texas



Reverse of a Republic of Texas Promissory Redback Note

Catalog # 2668.4

Gift of: City of Waco, Texas



\$2 Republic of Texas Promissory Redback Note

Catalog # 2668.1

Gift of: City of Waco, Texas

Denominations of \$1, \$2, \$3, and \$5 were intended to change larger bills.



\$3 Republic of Texas Promissory Redback Note

Catalog # 2668.3

Gift of: City of Waco, Texas

Denominations of \$1, \$2, \$3, and \$5 were intended to change larger bills.



Convertible into Silver Demand / United States Notes / Silver Certificates

In 2011, the United States will mark the 150th anniversary of its national paper currency. From 1861 until 1963, the government would “pay the bearer upon demand” silver or gold coin. The following are examples of these notes:

Demand Notes 1861-1862

Facing bankruptcy from funding the Civil War, Congress authorized the Treasury in 1861 to issue non-interest-bearing promissory treasury notes called demand notes. They were eventually accepted in exchange for coins. Demand notes are the oldest form of national paper currency that remains good to this day.

United States Notes 1862-1971

First issued during the Civil War, these notes at first could not be redeemed for coin. In 1879, they became redeemable in gold until 1933. United States Notes continued to be issued until 1971 but were gradually replaced by Federal Reserve Notes.

Silver Certificates 1878-1964

Silver certificates were notes redeemable in silver coin until 1964 or small bars of bullion through 1968.



\$10 Series 1861 Demand Note

Catalog #2000.039.073.080

Gift of the Staton Estate in memory of James A. “Jimmie” Staton and Dorothy Staton

The first \$10 bill was this demand note issued at the beginning of the Civil War to pay government expenses. The few remaining examples are the oldest usable currency in the United States. President Lincoln is the only president to be featured on currency or coins while he was alive. The first use of distinctive green ink on demand notes gave rise to the nickname “greenbacks.”



\$10 Series 1878 Silver Certificate

Catalog #2000.039.073.111

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

The front of the bill, the first US silver certificate, featured a portrait of Robert Morris, who signed the Declaration of Independence, the Articles of Confederation, and the United States Constitution. The reverse, unlike any other federal note, was printed in black ink.



\$50 Series 1880 United States Note

Catalog #2000.039.073.111

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton
 Depicts Benjamin Franklin and a vigilant Liberty wielding a sword.



\$2 Series 1886 Silver Certificate

Catalog #2000.039.073.053

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton
 Features a portrait of Major General Winfield Scott Hancock, who gained fame at the Battle of Gettysburg and was the Democratic nominee for President in 1880.



\$10 Series 1886 Silver Certificate

Catalog #2000.039.073.090

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Vice-president Thomas Hendricks, who served under Grover Cleveland, was the only person in that position to appear on US currency. This bill was very unpopular and considered unlucky by some because of the tombstone-shaped border around the portrait. Hendricks was nominated but failed to be selected as a Presidential candidate in 1868, 1876, 1880, and 1884.



\$2 Series 1891 Silver Certificate

Catalog #2000.039.073.032

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Features the portrait of William Windom, Secretary of the Treasury under Presidents James Garfield and Benjamin Harrison.



\$2 Series 1891 Treasury Note /Silver Certificate

Catalog #2000.039.073.022

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Major General James B. McPherson was killed during the Battle of Atlanta in 1864 and was the highest-ranking Union officer killed in the Civil War.



\$5 Series 1891 Treasury Note /Silver Certificate

Catalog #2000.039.073.061

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Major General George Henry Thomas was a Virginian who served in the Mexican-American War and fought on the Union side in the Civil War. His defense at the Battle of Chickamauga in 1863, which saved the Union Army, earned him the nickname of "Rock of Chickamauga." Although as distinguished in service as General Ulysses Grant, he was not a self-promoter and failed to achieve the fame of lesser war heroes.

Education Series

In 1896, the United States produced a series of silver certificates in \$1, \$2, and \$5 denominations nicknamed the "Education Series" by collectors. Each note featured allegorical motifs that are considered among the most stunning designs produced.

The \$5 note, considered the most beautiful of US banknotes, was controversial because of its depiction of bare-breasted women. A few banks in Boston allegedly refused to accept the bills, giving birth to the phrase "banned in Boston."

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\$1 “Education Series” Silver Certificate

Catalog #2000.039.073.034

Gift of the Staton Estate in memory of James A. “Jimmie” Staton and Dorothy Staton

The Goddess History is instructing a youth, pointing to a panoramic vista view of the Potomac River and Washington DC. The Washington Monument and the US Capitol Building are visible in the background, and the United States Constitution is displayed to the right. Circling the motif are the last names of famous Americans. The reverse features Martha and George Washington. Martha is the only woman to be featured on US banknotes.



\$2 “Education Series” Silver Certificate

Catalog #2000.039.073.056

Gift of the Staton Estate in memory of James A. “Jimmie” Staton and Dorothy Staton

Science (center) presents Steam and Electricity (the two children) to the more mature figures of Commerce (left) and Manufacture (right). The reverse features Robert Fulton, developer of steam power, and Samuel Morse, developer of the telegraph.



\$5 “Education Series” Silver Certificate

Catalog #2000.039.073.069

Gift of the Staton Estate in memory of James A. “Jimmie” Staton and Dorothy Staton

Electricity, representing the dominant force in the world, surrounded by other allegorical figures. The United States Capitol building can be seen behind the female figures. The reverse features Civil War Generals Ulysses S. Grant and Philip Sheridan. The depiction of half-nude women on the front was considered scandalous in some areas.



\$5 Series 1899 Silver Certificate

Catalog #2000.039.073.073

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Hunkpapa Sioux Chief Takokalnynka (Running Antelope) is depicted wearing a Pawnee headdress. This reportedly caused ill will between Sioux and Pawnee nations. Regardless, it became one of the most popular US banknotes. Native Americans are also depicted on the buffalo nickel, \$5 gold "Indian," and \$1 Sacagawea coins.



\$10 Series 1901 United States Note

Catalog #2000.039.073.085

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

This note was issued in 1901 to celebrate the upcoming 1905 Centennial of the Lewis and Clark expedition. The origin of the American Bison is in dispute. It may have been "the Pablo Buffalo" sent to the Washington Zoo in 1897 as part of a species preservation program. Other sources claim it was Black Diamond, a tame bison kept at the Bronx Zoo and later depicted on the Buffalo nickel. He is flanked by explorers Meriwether Lewis and William Clark.



\$5 Series 1907 United States Note

Catalog #2000.039.073.063

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Pictured is a vignette of President Andrew Jackson with pioneers.



\$1 Series 1917 United States Note

Catalog #2000.039.073.045

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

Gilbert Stuart's portrait of George Washington is flanked by Columbus discovering America. This is the most common depiction of a person found on US currency.

Gold Certificates

The first gold certificates were issued between 1865 and 1875 to specific persons, redeemable by them alone. In 1882, the government issued the first series of notes that were transferable and redeemable by the bearer. Over their run, they were dispensed in denominations of \$20, \$50, \$100, \$500, \$1,000, and \$5,000 bills. Denominations of \$10,000 and \$100,000 were also printed but used only in transactions involving financial institutions. In 1933, gold coins were withdrawn from circulation, and all gold certificates were ordered destroyed except non-circulating denominations used by financial institutions.



\$20 Series 1882 Gold Certificate

Catalog # 2000.039.073.106

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

The front depicts 20th President James A. Garfield, who was assassinated in 1881.



\$20 Series 1922 Gold Certificate

Catalog # 2000.039.073.104

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

The front features the often-used Gilbert Stuart portrait of George Washington. The double "XX" is the Roman numeral for 20. This and other \$20 bills were known as "double saw-bucks" because the "XX" looked like a carpenter's sawbuck.





\$100,000 Series 1934 Gold Certificate

Photo: US Treasury

In 1934, the US Treasury printed 42,000 \$100,000 bills (\$4.2 billion face value). This was the largest denomination bill in US history. Featuring a portrait of President Woodrow Wilson, it was not legal for private use. A 1933 law forbade citizens from owning more than \$100 in gold coins. These non-circulating bills were used for transactions between financial institutions before electronic-funds transfers.

National Currency

Backed by bonds deposited with the federal government, this type of note says “National Currency” at the top center. It was issued from 1863 to 1929 by banks who received a charter from the United States government allowing them to issue money. The Government Printing Office printed these notes from a template, changing the names of the banks, signatures of the bank officers, and the charter number.



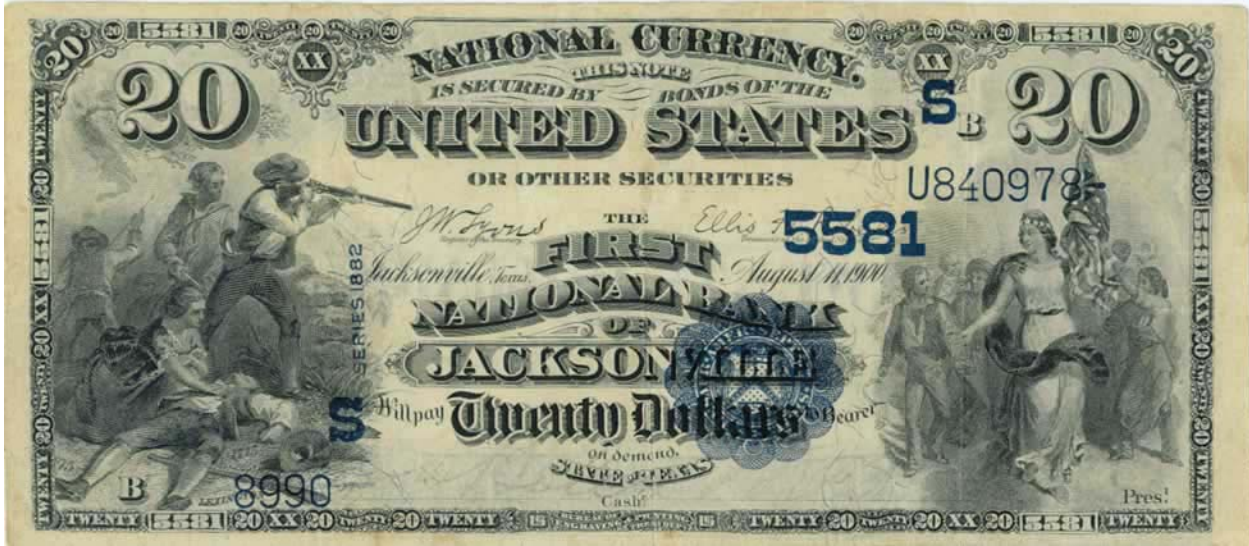
\$10 Series 1902/1909 National Bank Note

Issued by the First National Bank of Cameron, Texas

Catalog # 1989.031.001

Gift of: City of Waco, Texas

President William McKinley, the 25th President, was assassinated in 1901 during his second term in office. He was the last Civil War veteran to be elected President, and he presided over the Spanish American War and the annexation of the Philippines, Guam, and Puerto Rico.



**\$20 Series 1882/1900 National Bank Note
Issued by the First National Bank of Jacksonville, Texas**

Catalog # 2000.039.073.102

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

This 1882 second-charter \$20 design depicts American colonists fighting off the British at the Battle of Lexington on the left, and Liberty leading a group of colonists on the right. Below Liberty is the word "Pres," possibly for the French word for *near*, and meaning freedom and liberty are at hand. The reverse contains verbose explanations about the transactions the bill could be used for and a warning against counterfeiters.



**\$20 Series 1902/1920 National Bank Note
Issued by the First National Bank of Jacksonville, Texas**

Catalog # 2000.039.073.102

*Gift of the Staton Estate in memory of
James A. "Jimmie" Staton and Dorothy Staton*

Hugh McCulloch served two terms as Treasury Secretary.

Federal Reserve Notes

The only type of banknote produced today, Federal Reserve notes were first issued in 1914. Called fiat money ("let it be so") today, these notes cannot be presented to the government for conversion into precious metals or any other commodity. They are of value (legal tender) only because the US government declares them to be so. Most world currencies are fiat money.



\$1,000 Series 1934 Federal Reserve Note

Catalog # 2000.039.073.123

Gift of the Staton Estate in memory of James A. "Jimmie" Staton and Dorothy Staton

President Grover Cleveland graced the \$1,000 Federal Reserve Note. Large denomination Federal Reserve notes once included \$500, \$1,000, \$5,000, and \$10,000 bills. Currently, only the \$1, \$2, \$5, \$10, \$20, \$50, and \$100 are in production.



Paper Currency Collection

of the
Texas Ranger Hall of Fame and Museum

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