

PART TWO.

III. THE TREASURY NOTES OF THE WAR OF 1812

It may be claimed that the first circulating currency issued by the United States did not appear in 1861 as commonly believed, but in 1815—forty-six years earlier than the first Demand Notes. These Treasury Notes were issued following the outbreak of war with Great Britain in June of 1812. With the demise of the First Bank of the United States and no provision for internal revenue taxes, only loans and these innovative notes which bore interest at 1½ cents a day per \$100 (except for the “Small Notes” of 1815) were left to provide revenue to prosecute the war.

A total of five issues between 1812 and 1815 totaling \$36 million in denominations of \$3 to \$1,000 were emitted. The notes proved to be extremely successful and were fully subscribed and accepted by banks and merchants.

**First Treasury Notes Issue**

Originally suggested in 1810 by then Secretary of Treasury Albert Gallatin, Treasury Notes as a resource for raising government revenue were first authorized by Congress on June 30, 1812. A total of \$15,000,000 in denominations of \$100 and \$1,000 were authorized and by December 1812 were fully subscribed by the banks. They bore interest at 5.4% or 1½ cents a day per \$100.

Subsequent issues followed a pattern in which Congress first attempted to raise funds by floating long-term loans and then making up the difference with the issue of Treasury Notes. Congress therefore authorized a second issue of \$5,000,000 in Treasury Notes on February 25, 1813.

The third issue on March 4, 1814 authorized another \$10,000,000 of Treasury Notes. Unlike the first two issues that only authorized \$100 and \$1,000 notes, this issue and the next included \$20 notes.

The fourth Treasury Note issue on December 26, 1814, authorized an additional \$10,500,000 of Treasury Notes, but for the first time not all were fully subscribed (\$8,318,400). Only \$100 and \$20 notes are believed to have been printed.

**Issuance of Small Denomination Treasury Notes**

With new loans and fiscal revenues far from adequate, a new monetary expedient was necessary. Specifically, the Chairman of the House Ways and Means Committee argued for a circulating currency of small denominations payable to bearer, transferable by delivery and receivable in all payments for public lands and taxes.

On February 24, 1815, Congress authorized 25,000,000 of these “Small” Treasury Notes. A few days later, the war ended and only \$4,969,400 of \$100 notes bearing interest at 5.4% and \$3,392.994 of “Small” \$3, \$5, \$10, \$20 and \$50 denominations were actually issued (although a total of \$9,070,386 worth were reissued). The latter bore no interest by circulating as money.

All Treasury Notes were made by Murray, Draper, Fairman, and Co. and are one-sided. The first two issues were signed by Timothy Matlock and Charles Biddle while the latter three were signed by Edward Fox and Samuel Clarke or alternately by F. W. McGeary and C. C. Biddle. According to National Archive records, some were countersigned by William White (first two issues), T. D. T. Tucker (last two issues) or Joseph Nourse (the Register on the last issue only).

The “Small Treasury Notes” of \$3 - \$50 were used to purchase goods and services by individuals, pay customs duties by merchants, and acted as cash reserves for banks, thus preventing them from being discounted. As a result, they became the first circulating currency issued by the United States.

All these series are extremely rare in any form, and nearly all of the few known are specimens, proofs, or remainders, with most canceled in some way. Fully signed, dated, numbered, and uncanceled notes are virtually non-existent with only a lone \$3 note seen.

Thanks go to Donald H. Kagin for his contribution in the preparation of this section.

**A. Act of June 30, 1812**

1-year notes of this issue bore interest at 5.4%. 100 notes outstanding.



Spread Eagle facing right at upper left. Shield and cannon at lower center.

VF20 CU60

TN-1. 1,000 Dollar note. Unsigned remainder. Three known. (2,000 issued)

**B. Act of February 25, 1813**

1-year notes of this issue bore interest at 5.4%.

TN-3. 1000 Dollar note. (4000 issued) No notes known  
 TN-4. 100 Dollar notes (5000 issued) No notes known

**C. Act of March 4, 1814**

1-year notes bore interest at 5.4%.

TN-5. 1000 Dollar note. (6000 issued, est.) No notes known



Eagle on branch at upper right corner. Shield and cannon below center. Signed Samuel Clarke & Edward Fox

VF20 CU60

TN-6a 100 Dollar note. Signed by Samuel Clarke & Edward Fox Double signature remainder dated 1/15/15. Three known. (24,000 issued, est.)

TN-7. 20 Dollar note. (8000 issued, est.) No notes known.



Eagle on branch at upper right. Shield and cannon at lower center.

TN-2. 100 Dollar note. Unsigned remainder. Five known. (15,000 issued)



**D. Act of December 26, 1814**  
 1-year notes bore interest at 5.4%.



Eagle on branch at upper right corner. Shield and cannon below center. Signed by Earnest Fox and Samuel Clarke.

**VF20 CU60**

- TN-8. 100 Dollar note. Unsigned but numbered and dated 2/11/15. One known.
- TN-8a. 100 Dollar note. Double signature undated remainder (all known are cancelled). Three known.
- TN-8p. 100 Dollar note. Proof, hole cancelled. Two known.



Spread Eagle on Shield at upper left. "20" surrounded by cornucopia in lower center.

- TN-9. 20 Dollar note. Unsigned remainder. One known.
- TN-9a. 20 Dollar note. Double signature undated remainder.
- TN-9p. 20 Dollar note. Proof, holed cancelled. Four known.

**E. Act of February 24, 1815**

\$100 notes bore interest at 5.4%. Notes from \$3 to \$50 bore no interest.



Eagle on branch at upper right. Shield at lower center.

- TN-10. 100 Dollar note. Unsigned remainder. (49,694 issued)
- TN-10a. 100 Dollar note. Double signature undated remainder. **Unconfirmed**
- TN-10p. 100 Dollar note. Proof, holed cancelled. Four known.



Spread Eagle on branch at upper right. Signed by F. W. McGeary & C.C. Biddle. Countersigned by Joseph Nourse. Illustration is of an uncut proof sheet courtesy of Donald H. Kagin.

**VF20 CU60**

- TN-11. 50 Dollar note. Unsigned remainder. **Unconfirmed**
- TN-11a. 50 Dollar note. Singly Signed remainder. Four known
- TN-11b. 50 Dollar note. Fully signed and hole cancelled.
- TN-11p. 50 Dollar note. Proof, holed cancelled. Three known



Spread Eagle on branch at upper left.

- TN-12. 20 Dollar note. Unsigned remainder.
- TN-12a. 20 Dollar note. Double signature remainder. **Unconfirmed**
- TN-12p. 20 Dollar note. Proof, hole cancelled. Three known.





Spread Eagle with shield on branch at upper left. Text at right, "Receivable everywhere by the UNITED STATES in payment of duties, taxes & public land." Signed by F. W. McGeary and C. C. Biddle.

VF20 CU60

TN-13. 10 Dollar note. Unsigned remainder.

TN-13a. 10 Dollar note. Double signature remainder.



Spread eagle with shield at upper right. Illustration is of an uncut proof sheet courtesy of Donald H. Kagin.

VF20 CU60

TN-15 5 Dollar note. Unsigned remainder.

TN-15a 5 Dollar note. Double signature remainder.

TN-15p 5 Dollar note. Proof, holed cancelled. Four known.



Similar to above but no text on right. Signed by Samuel Clarke and Edward Fox. Illustration is of an uncut proof sheet courtesy of Donald H. Kagin.

TN-14. 10 Dollar note. Unsigned remainder.

TN-14a. 10 Dollar note. Double signature remainder.

TN-14b. 10 Dollar note. Fully Signed. One known. —

TN-14p. 10 Dollar note. Proof, holed cancelled. Three known



Shield with motto in upper center.

TN-16. 3 Dollar note. Unsigned remainder.

TN-16a. 3 Dollar note. Double signature remainder. Four known

TN-16b. 3 Dollar note. Fully signed. One known.