

U.S. Hawaii & North Africa/Sicily Military Currency

THERE WERE TWO ISSUES OF WORLD WAR II MILITARY CURRENCY interspersed within the civilian United States Silver Certificate and Federal Reserve issues: Hawaii emergency brown seal and North Africa/Sicily yellow seal notes. Both served more than one function during/after World War II.

The first of these were the Hawaii issues, conceived in January 1942, shortly after the bombing of Pearl Harbor. The first deliveries of the Hawaii notes to the treasury were made early in June 1942. Initially they were designed to be defensive; that is, a distinctive currency that could be demonetized if we lost the Hawaiian Islands to the Japanese. They evolved into invasion currency as the Central Pacific campaign unfolded



THE PAPER COLUMN

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and the Hawaiian Islands become a secure back area. Troops often were paid in Hawaii notes in Hawaii, and in the southern and western Pacific islands during the late stages of the war and afterward. Hawaii notes had no special status after October, 1944, so those issued after then were in effect being used up.

In contrast, the yellow seal issues were offensive, being conceived by the War Department in cooperation with the Treasury in September, 1942, prior to *Operation Torch*, the invasion of North Africa. Desired was a distinctive currency that could be demonetized if our efforts failed and allowed significant volumes of our currency to fall into German hands. The yellow seals first saw service as invasion currency in North Africa, and next in Sicily. They then served as transit currency for troops moving between theaters and home, and as military currency in various Balkan countries following the war.

The yellow seals represented a transition between the regular currency of the United States and Allied Military Currency, and later specially designed post-war military payment certificates.

Hawaiian Monetary Controls

Hysteria followed the December 7, 1941, attack on Pearl Harbor because people thought the Hawaiian Islands would be invaded by the Japanese. Simultaneous Japanese attacks on Midway, the Philippines, Hong Kong and Malaya, and three days later on Guam, heightened this fear.

Martial law was declared the afternoon of December 7th on Hawaii. General Orders No. 51 effective January 12, 1942, "governing the withdrawal and possession of currency by persons in the Territory of Hawaii" was issued January 9th by Colonel Thomas H. Green, Judge Advocate General's Department acting on behalf of J. B. Poindexter, the military governor of the Territory of Hawaii. It specified:

1. Individuals were not allowed to withdraw from any financial institution during any one calendar month, nor be in possession, custody or control of more than \$200 in currency. "Currency" was defined as "coin, government notes, and bank notes of all denominations, but [did] not include bonds, stamps, or other obligations of the United States Government not circulating as money."
2. Businesses were limited to \$500 per month.
3. Any agency designated by the military governor was authorized to conduct an investigation if it had "a reasonable suspicion of a violation of this order."
4. Penalties for failure to comply included fines of up to \$5,000 and/or imprisonment for up to 5 years.

The *Honolulu Advertiser* (January 11, 1942) noted that the order was intended "to insure the free circulation of money and get it out of the hands of hoarders." The article also mentioned that "uncertain shipping schedules which have resulted from the war have made indefinite the arrival of ships equipped with special space to carry currency." Very high wartime insurance rates of \$2.50 per \$100, or 2.5 percent, made shipping currency from the U.S. mainland to Hawaii quite costly for banks, businesses and others (*Honolulu Advertiser*, editorial, July 1, 1942).

According to the newspaper, "They're simply disgorging," said the weary bank employee yesterday as he described the reaction of patrons to the government's order limiting cash holdings to \$200 a month. 'It's still coming in by piles.' . . . 'The highest amount I've had turned in,' said a cashier, 'was 30,000 smackers from one individual. Another brought in \$17,000 this morning.' . . . 'If a certain man had waited much longer to bring in his old currency,' put in another employee, 'he wouldn't have had any money. The rats had been working on his bills — almost all of them had chewed off corners'" (*Honolulu Advertiser*, January 17, 1942, p. 1). Some shop owners took advantage of customers who were attempting to spend old hoard money by discounting the badly worn and mutilated notes, a practice which authorities tried to curb (*Honolulu Advertiser*, January 1, 1942, p. 1, 3).

Soon the courts were processing numerous cases of hoarding in which the typical judgment was a fine and an order that the plaintiff invest any overage over \$200 in U. S. Defense Bonds for the duration of the war. Merchants banded together to run ads excoriating hoarders "for distinguished service to the Axis" (*Honolulu Star-Bulletin*, April 14, 1942).

The problem of hoarding continued, so the governor declared a moratorium on prosecutions between May 11 and 20, 1942, in order to allow people to turn in what they had withheld without fear that the act of turning it in would lead to charges (*Honolulu Advertiser*, May 12, 1942, p. 1,2).

Coin collectors could obtain licenses for their money (*Honolulu Star-Bulletin*, June 6, 1942, p. 1).



First note from the third pack of the \$1 Hawaii CC block. The serial numbers were overprinted on the note September 29, 1942.

Hawaii Currency

A major concern was that if Hawaii was overrun, the Japanese would have access to hundreds of millions of dollars in U. S. currency that could be used to further their wartime efforts. Government authorities were well aware of the difficulties encountered in the Philippines when the treasury at Manila was threatened following the Japanese

invasion of those islands in December 1941. Nearly 3,000 pounds of gold and 16.5 million pesos in silver were removed to the fortress tunnels of Corregidor Island, and 70 million pesos in U. S. and Philippine paper money was hurriedly burned. All the gold and some of the silver was evacuated by the submarine *U.S.S. Sea Trout*, but many tons of silver were dumped into Caballo Bay before the fall of Corregidor in May. No one wanted this scenario repeated in Hawaii.

A feasibility study was undertaken by the Treasury, War, Navy and Interior Departments in collaboration with Hawaiian civil and military authorities early in January, 1942, to consider issuing a special currency for use in Hawaii and the Central Pacific theater of operations (Secretary of the Treasury, 1943, p. 46). The primary feature of the concept was defensive. If quantities of the notes were captured by the enemy, their distinctive color and markings would make them easily identifiable so they could be demone-

tized. The decision was made to issue special currency in Hawaii and the surrounding forward areas. Existing currency in the islands was to be entirely replaced by the new issues.



The two falling marines have just been mortally wounded by enemy fire in their run up the beach upon landing on Saipan, June 15, 1944. They are carrying Hawaii spearhead notes.

Rush Printings

The order to print the Hawaii notes was received by the Bureau of Engraving and Printing on June 8, 1942, although Bureau personnel knew the order was coming. Production actually began on June 6, 1942, and the first Hawaii notes - \$1 stars - began to be overprinted on June 7th. The first shipments to the Treasury occurred on June 8th, practically as fast as the ink could dry, and the notes could be packaged.

The plate history ledgers bear silent witness to the crash program to turn out the first Hawaii notes. New face production was thrown into high gear June 6, 1942. Twenty eight \$5, 23 \$10 and 20 \$20 San Francisco Federal Reserve face plates were pressed into production that day.

The \$5 faces included Series of 1934 plates 1, 24-37, 39-51. The \$10 faces were all Series of 1934A, specifically 97-100, 102-103, 105, 108, 110-124. The \$20s were Series of 1934 21, 24-25, and 1934A 38-54. Available stocks of backs were diverted to those presses while back production was ramped up to provide additional feed stock in the coming days.

In addition, stocks of incomplete \$1 Silver Certificates, and \$5, \$10 and \$20 San Francisco Federal Reserve sheets, with preprinted backs and faces, but without overprints, were immediately sent to overprinting presses to receive the Hawaii overprints, and distinctive brown seals and serial numbers.

Hawaii Currency Arrives

The first shipment of Hawaii currency made its appearance in Hawaii on June 25, 1942, and, according to accounts in the *Honolulu Star-Bulletin* (June 25, 1942, p. 1,5) supplies were sufficient. The issuance of General Orders 118 governed its use as follows.

1. All U. S. currency in the Territory of Hawaii was to be withdrawn from circulation and replaced with Hawaii currency.
2. All U. S. currency was to be exchanged for Hawaii currency on or before July 15, 1942.
3. Effective July 15, 1942, the "acquisition, disposition, holding, possession, transfer of, or other dealing in" currency other than the Hawaii notes was prohibited.
4. Holding of U. S. currency of any series in a safe-deposit box within the territory was prohibited.
5. U. S. currency brought into the territory had to be exchanged for Hawaii currency at the port of entry.

6. No Hawaii currency was to be exported or physically taken from the territory.
7. Banks were required to report amounts of U. S. currency on hand. Any excess was to be delivered to the government appointed Special Treasury Custody Committee, composed of government officials, military personnel and bank officers.
8. Exceptions would be granted only after application for license. Possession of money without the HAWAII markings was allowed only on a case-by-case basis after application to and approval by the governor of the Territory of Hawaii.
9. With regard to the \$200 and \$500 currency limits for individuals and businesses, General Orders No. 51 would remain in effect.
10. The term "currency" as used in these regulations did not include coins.
11. Penalties for failure to comply included fines of up to \$5,000 and/or imprisonment for up to five years.

Military police were given the authority to investigate those suspected of violating the currency regulations. Governor J. B. Poindexter on August 13, 1942, decreed that prior to October 1, every safe deposit box in the territory, estimated at about 8,000, had to be opened in the presence of a treasury or bank official to verify that no currency whatsoever was contained therein. In his press release he stated: "This is one more important step in preparing the Territory economically to resist any invasion attempt. . . . The security of the Territory and the private citizen will be further protected if there is nothing here which may fall in the hands of an invader to be used by him against us" (Federal Reserve Bank of San Francisco, August 29, 1942).

Treasury officials in Hawaii emphasized that although the new Hawaii currency had souvenir value, it must remain in the islands. Postal censors were ordered to return any notes to the sender that were being mailed off island (*Honolulu Advertiser*, June 28, 1942, p. 10). If a person left for the mainland, he had to exchange the Hawaii currency for civilian currency upon leaving.

Although the conversion was to have taken place by July 15, the deadline was extended to August 1 because the first shipments totaling \$25 million were inadequate to meet the redemptions by the banks. Another \$25 million was ordered, but when the shipment did not arrive by July 29, the deadline was extended to August 15.

Only Hawaii currency was to have legal tender status in the designated zone. Poindexter's August 13 press release specified the zone to include Midway, Johnston, Palmyra and the Hawaiian Islands. However, as the Pacific theater of war expanded, so too did the area of circulation of the new currency.

Acting governor Charles Hite granted General License No. HC-3 which permitted merchants and others in the islands to accept non-overprinted notes from military personnel in uniform as payment for goods and services (*Honolulu Advertiser*, July 15, 1942, p. 5). It recognized that many service personnel were only passing through the area and might not be familiar with the regulations in force. The license was revoked on January 20, 1944 by Governor Stainback (*Honolulu Advertiser*, January 16, 1944).



Marines have just landed on one of the beaches of Saipan, June 15, 1944.

Thereafter even military personnel had to have nothing but Hawaii currency while in the islands. They were responsible for exchanging non-Hawaii currency at licensed facilities.

The new money did not possess legal tender status outside the designated zone, although exceptions were noted in publications and circulars issued by the San Francisco Federal Reserve Bank, which was responsible for distributing the Hawaii currency. Member banks that came across small quantities of the notes were requested to return

them immediately to the San Francisco Federal Reserve Bank, where they were credited to their accounts. In this way, the circulation of notes could be controlled.

Destruction of Redeemed Currency

Something had to be done with the huge quantities of cash that were redeemed for the new overprinted currency. Shipping the old money from Hawaii to the mainland was too risky, even including the risk of seizure at sea by the Japanese; therefore, it was decided that the redeemed notes would be burned in Hawaii. The Special Treasury Custody Committee oversaw that mammoth task.

An article entitled "Millions in Currency Is Burned Here" in the *Honolulu Star-Bulletin* (July 9, 1942, p. 1) reported that the currency has "been reduced to smoke and ashes in the territory in the past few weeks, federal treasury officials announced today. . . . With the exception of currency destroyed by treasury officials prior to the occupation of Manila by the Japanese, the action is the first time in the history of the nation that United States currency has been destroyed outside of Washington, D.C."

Initially, attempts were made to incinerate the currency in the Oahu Cemetery crematorium located in Nuuanu Valley in Honolulu. However, it was soon discovered that the facility could not efficiently handle the large quantities of notes that were brought in for destruction because it came in tight packages and would only char, not flare and burn. Instead, arrangements were made with Stafford Austin, manager of the Honolulu Plantation Company, to move the operations to a refinery furnace at the Aiea Sugar Mill refinery, also on Oahu, and closer to the main military installation at Pearl Harbor. Such furnaces have strong drafts and big combustion chambers to burn bagasse, which is the refuse of the sugar cane. Austin recalled:

They came out next day with their money trucks, their military guards and their sirens howling. We fired up the furnaces and stoked 'em with millions of dollars, and sugar production never was better. One morning we burned \$9,500,000. I burned \$20,000 in one toss. The Treasury never would say how much we burned, but estimating how many bills you can get on one shovel-load, we figured we must have burned about \$70,000,000 worth.

The youngsters in the Army who served as guards took this as their chance to light cigarettes with \$1,000 bills. They wanted to have their picture taken doing it, but the Treasury said nothing doing. Some kind of law against it.

The refinery returned eventually to using cane again for fuel. That is until a few weeks ago [1945]. Then it began to look like those Japs weren't going to invade Hawaii after all. The Treasury began calling in the War Money and trading it back for regular. Now our refinery is loading up the furnaces with the Special Money. It's sweet, but no sweeter than the regular kind. (Othman, 1945).

More than \$200 million in cash was destroyed before the program was terminated on November 5, 1945, by authority of a letter from the Undersecretary of the Treasury to The Bishop National Bank of Hawaii in Honolulu. This included unfit Hawaii currency because the treasury did not want to risk its capture during transshipment to Washington, DC, until the war was won.



Asan invasion beach on Guam, July 1944.

Invasion Currency

Another use for the special currency was found. It served as invasion currency, following Admiral Nimitz through the grueling Central Pacific campaign. Tarawa and Makin atolls in the Gilbert Islands, invaded November 20-23, 1943, were the first to fall to Americans carrying brown seals. The objective at Tarawa was 290 acre Batio Island which barely rises above the water, but which evolved into what would be one of the fiercest battles of the Central Pacific campaign: 1,056 Americans died out of 12,000 engaged; 17 Japanese and Korean laborers survived from a force of 4,700 deployed (Steinberg, 1978).

Moving ever westward, some lesser islands, Kwajalein and Eniwetok in the Marshall Islands, fell under the American onslaught in February 1944; followed by the carrier based aerial annihilation of the Japanese naval presence in Truk Lagoon in the Caroline Islands February 17-18. In a February 9, 1944, statement released jointly by the

Departments of the Treasury, War and Navy, it was pointed out that "The distinctive characteristics of the 'Hawaiian dollar' are of equal value for offensive purposes as well as defensive. It is in the interests of our Government to be able to identify easily the currency which is being used in areas of combat, in order to facilitate the isolation of this particular currency if it should fall into enemy hands. . . . The rate of exchange that has been established for [the] liberated islands of the Central Pacific is 20 Japanese military yen to one 'Hawaiian dollar'" (Secretary of the Treasury, 1944).

The grind westward arrived at the Mariana Islands, first Saipan in mid July, 1944, then Guam, and quickly thereafter Tinian at the end of July. At Saipan alone, 3,500 U. S. dead fouled the surf and dotted the tropical landscape as 32,000 Japanese, all but 600 of whom died, fought a last ditch effort to protect their homeland only 1,600 miles to the north. Hawaii currency comprised the monied economies in the Mariana Islands as those tropical islands were transformed into the largest air bases in the history of the world late in 1944. That was the objective of the Central Pacific campaign, the projection of American air power westward until the Japanese mainland was within range. The B29s based on Guam, Saipan and Tinian would prove decisive with their incendiary bombings; their atomic payloads overkill at the end.

But the war wasn't over yet in mid-1944. MacArthur wanted protection on his right flank as he and Admiral Halsey were working their forces

up the south Pacific ladder of islands toward the Philippines. He argued that the Palau Islands, 600 miles to his east, had to be neutralized.

The Palau Islands, 800 miles southwest of Guam, were the last to see the Hawaii invasion currency (Rundell, 1980). The Japanese centerpiece in the Palau Island group was 6-square mile Peleliu, overrun September 15-October 13, 1944, by Nimitz's troops. Casualty ratios there approached the horrors chalked up at Tarawa, but the numbers of men on both sides were greater making the slaughter at Peleliu numerically worse for both sides.

A higher strategic priority for the war effort was a forward base north of the Marianas that would permit shorter range fighters to accompany the B29s to Japan, and wounded B29s returning from Japan a place to land. Iwo Jima, half way between the Marianas and Tokyo, was that ticket.

MacArthur and Admiral Halsey used a combination of Dutch Guilders and Hawaii currency in the south Pacific island campaign, and then Victory Series Philippine pesos once they reached the Philippines. Civilian U. S. currency was used by Nimitz's forces on Iwo Jima during the horrific campaign to take the island February 19-March 16, 1945. Allied Military yen followed on Okinawa, and later Japan during the occupation.



The generals were sufficiently confident of success in the Pacific Theater by February 1945, that they authorized the use of regular civilian currency for the invasion of Iwo Jima, instead of Hawaii spearhead currency.

Occupation Currency

Hawaii currency continued to serve as occupation currency in the Pacific islands following their liberation, and even after the war. This was convenient for naval personnel because those forces operated out of Pearl Harbor. Frank Simek, a World War II veteran and uncle of numismatist James Simek, was paid Hawaii currency while stationed in New Guinea during the conflict. He also recalled exchanging his Japanese money, which he later received in Japan as a member of the occupation forces, for Hawaii currency before boarding a ship that would take him back to the United States in 1945.

Post Regulation Use

The currency restrictions imposed by General Orders No. 118 were lifted October 21, 1944, shortly after Peleliu was declared secure. Admiral Chester Nimitz, Commander in Chief of the U. S. Pacific Fleet and Pacific Ocean Areas, announced "United States currency of the regular series henceforth will circulate interchangeably with the Hawaii series in the areas under his command. These areas include the Marshall, Mariana and Gilbert Islands, as well as Midway, Fanning, Canton and Christmas Islands where Hawaii series currency has been in use since its introduction in July, 1942" (*Honolulu Advertiser*, October 22, 1944, p. 1,5).

West Coast banks in the 12th Federal Reserve District, as well as the San Francisco Federal Reserve Bank itself, were given the authority to release the Hawaii notes into general circulation on the mainland. A circular distributed October 30, 1944, by the Federal Reserve Bank announced to bankers that they no longer had to return Hawaii notes they happened to receive. Instead, they could now pay the notes out along with civilian notes providing they were still fit. On the same day, Joseph M. Leisner, cashier of the Federal Reserve Bank of San Francisco, advised his branches that: "You may proceed to pay it into circulation either over the counter or through your mail shipments. In doing so, we would suggest that it be intermingled by packages with bundles of other currency paid out, preferably spreading its payment by including one package to a bundle of other currency."

In a letter to The Bishop National Bank of Hawaii, Under Secretary of the Treasury D. W. Bell (November 5, 1945) advised: "The Treasury will continue to furnish currency in Hawaii to meet the large military requirements and will maintain in the Treasurer's custody account with your bank a stock of new currency available for Army and Navy use." New Hawaii notes were released for years after the war. The U.S. Navy used the overprinted currency to pay its sailors in the islands as late as the 1960s. Gordon Medcalf, numismatic dealer from Hawaii, remembers that large numbers of new Hawaii \$10s, and nearly new \$20s, were brought into his shop in Honolulu. He couldn't offer premiums for them because they were so plentiful at the time.

Yellow Seal Currency

The invasion of French North Africa commenced just after 1a.m. under a new moon on November 8, 1942, when the first of 107,000 troops began landing at Casablanca, Morocco, and at Oran and Algiers, Algeria. The troops, carrying out *Operation Torch*, were opening a front spanning 900 miles stretching from the Atlantic coast west of the Straights of Gibraltar to well along the Mediterranean coast east of Gibraltar (Collier, 1977). Two thirds of the invaders were American, one third British. The American carried distinctive yellow seals; the British carried British Military Authority notes (Secretary of the Treasury, 1945).

Operation Husky, until then the most massive amphibious assault ever attempted, followed. *Husky* was the

This \$1 yellow seal sports a palindromic serial number.



Allied offensive to establish a toehold on Sicily, to begin hitting the Axis in its soft underbelly. Wallace (1978) relates that the landings began July 10, 1943, and within 48 hours 80,000 troops, 7,000 vehicles, 300 trucks, 600 tanks and artillery pieces were landed. The flotilla that delivered them involved 3,300 seagoing craft of every description. Some 4,600 paratroopers carried by 222 planes, and 144 gliders arrived three hours earlier to cause havoc behind the beachheads. The invasion force left from staging areas in the United States, England, North Africa and the Middle East. Once again American troops carried yellow seals, and the British carried British Military Authority notes as invasion notes for the second time against the Germans.

Secretary of the Treasury Henry Morgenthau Jr., in a meeting held at the State Department between himself and various State and War department personnel on August 5, 1942, recommended that upon the opening of a second front in Europe, United States troops serving there be paid in U. S. currency (Stimson, 1945, exhibit J). However the currency should bear a small identification mark that could be used to distinguish it if events turned against us, and large amounts of the money fell into enemy hands requiring it to be repudiated. He suggested that it utilize a yellow seal. This proposal was adopted at the meeting, but the actual role the yellow seals played was greatly diminished in scope.

Spearhead Currency

From Coast Guard-manned "sea-horse" landing craft, American troops leap forward to storm a North African beach during final amphibious maneuvers carrying their M-1 rifles and their spearhead yellow seal currency. (U.S. National Archives, James D. Rose, Jr., ca. 1944. 26-G-2326)

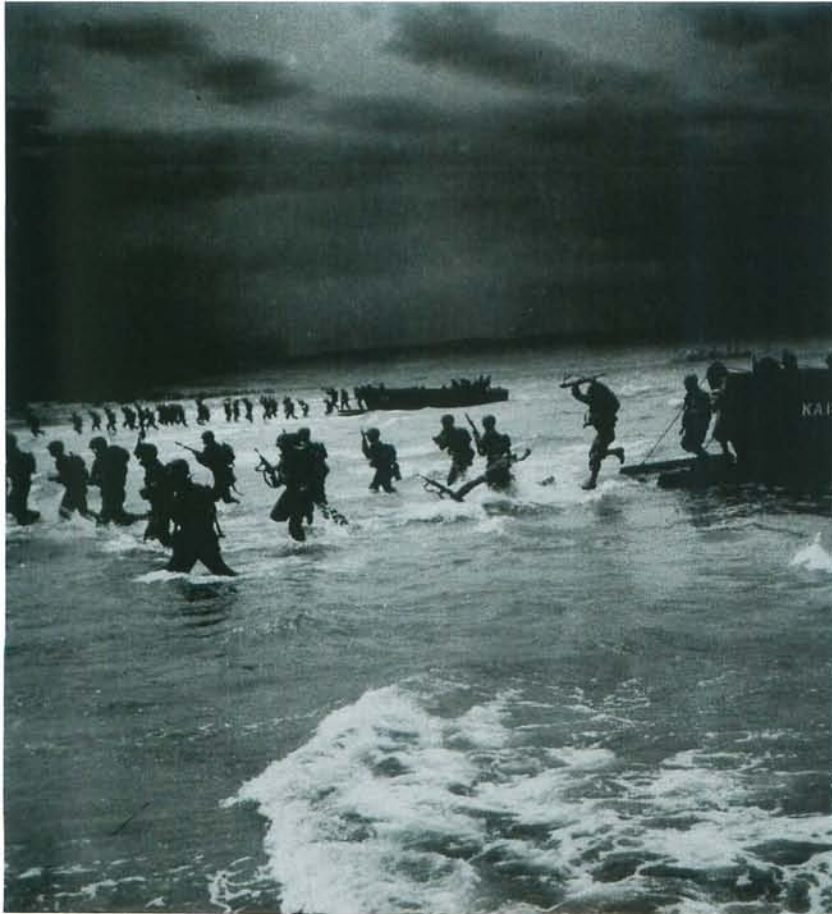
The War Department called the yellow seals and British Military Authority notes "spearhead currencies." The concept behind them, and the Hawaii notes when used in the invasions in the Central Pacific islands, was to utilize such currency during the early offensive parts of the campaigns until a toehold could be established on the liberated lands, and a viable exchange rate for the indigenous currency could be negotiated with local governing civil or military authorities. As soon as possible, the spearhead currencies would be withdrawn, and troop payments and other disbursements would be made using the local currency.

Secretary of War Henry L. Stimson (1945, p. 3) justified the use of indigenous currencies as follows:

The transition from enemy occupation to friendly liberation is a period of political and economic uncertainty. The inevitable sequel to this transition after years of strife, leaves the residual national economy in chaotic condition. . . . The rapid restoration of order, a military necessity, by a provisional or reinstated government is greatly aided if the national currency commands the confidence of the populace. Nothing creates fear or distrust of the future, stimulates hoarding when staple goods are in short supply, nor accelerates a flight from the local currency, more readily than the introduction of foreign monetary units. This is especially true if the foreign currency introduced has a long history and background of stability.

He added (1945, p. 17):

. . . dollars are used wherever and whenever military security and expediency or chaotic local currency condition dictate their use for spearhead or general military purposes. Nevertheless, it has been the consistent policy of the United States Government, subject always to the overall considerations of military necessity and the safety and security of



our armed forces to recognize the establishment of a monetary system and the determination of the type of currency which may circulate in a country, as well as the exchange rate as traditional attributes of sovereignty.

The establishment of equitable exchange rates between the indigenous currencies and the dollar tended to stabilize the local economies. One attribute of paying troops and otherwise conducting business in indigenous currencies was suppression of black market activities associated with exchange rates between those currencies and dollars.

Accordingly, yellow seals served as spearhead currency during the invasions of French North Africa where the reception of the Allied troops was in question, and prior agreements with local governments pertaining to exchange rates were impossible. The decision was made to leave the responsibility for the civil government in the hands of the existing French authorities after the Allied toehold was established on French North Africa. The French in turn agreed to furnish the required local currency at exchange rates of 75 francs to the dollar and 300 francs to the pound. The spearhead yellow seals and British Military Authority notes were accorded legal tender status until December 31, 1942. Thereafter Allied troops were paid in regular Moroccan and Algeria francs, and yellow seals were rapidly withdrawn from circulation.

Rundell (1980, p. 119) states:

Shortly after the military operations in North Africa began, it became evident through the cooperation of the French in Algiers and Tunisia that there was sufficient local currency for all disbursing needs. Also, there were presses that could print as much franc currency as might be required. When the American command discovered these conditions, it quickly withdrew the invasion currency in favor of North African francs. In Morocco, too, enough francs circulated so that the American army did not have to rely exclusively on yellow seal dollars. As soon as a private American firm printed sufficient Moroccan francs, the army withdrew the invasion currency and disbursed only francs.

Treasury Department Press Release 45-45 (1945, p. 4) included the following perspective:

We stopped issuing yellow seal dollars in North Africa within a few months after our arrival there, and have succeeded in withdrawing almost all from circulation. When we planned to change over to the use of regular North African banknotes, we found that the French in North Africa had neither the paper, ink, nor printing facilities to supply the demand for local currency. Thus the French currency finally put to use in place of the yellow seal dollar was actually printed by a private firm in the United States, for the North African issuing banks. If General

Eisenhower's invading forces had not carried a supply of currency, there would have been an actual physical shortage of money for this circulation required in North Africa.

The French vigorously protested that the exchange rate severely devalued the franc, and "injected this exchange rate question into practically all matters involving their relations with the Allied authorities" (Stimson, 1945, p. 10). In the interests of tranquility and stabilization of the economy in the North African rear areas, Roosevelt and Churchill agreed to alter the rate of exchange to 50 francs to the dollar and 200 francs to the pound at the Casablanca Conference in January 1943.

The yellow seals and British Military Authority notes were similarly used as spearhead currencies during the invasion of Sicily. The Governor of the Allied Military Government accorded them legal tender status in Sicily by proclamation on July 22, 1943, and that proclamation was repeated in all newly liberated areas once an Allied Military Government was established.



Lt. Gen. George S. Patton discusses operations with Lt. Col. Lyle Bernard, CO, 30th Infantry Regiment, a prominent figure in the second daring amphibious landing behind enemy lines on Sicily's north coast near Brolo, 1943. (U.S. National Archives, 111-SC-246532)



Moving up through Prato, Italy, men of the 370th Infantry Regiment, have yet to climb the mountain which lies ahead. (U.S. National Archives, Bull, April 9, 1945. 111-SC-205289)

with the Italians, the Italian authorities, on 24 September 1943, issued a royal decree proclaiming Allied military lire, United States yellow-seal dollars (but not regular United States currency) and British Military Authority notes legal tender in all territories then within its jurisdiction. Subsequently, as additional territory was transferred from Allied military to Italian jurisdiction, the proclamations of the Allied Military Governor ceased to have effect, and the military lire currency, together with such United States yellow-seal dollars and British Military Authority notes as remained in the hands of the public, retained legal-tender status by reason of the automatic extension of the decree of 24 September 1943, to the new Italian Government jurisdictions.

A U. S. Treasury Press Release (1945, p. 4) provides further insights.

In the first few weeks of the Sicilian operation, we used yellow seal dollars, as in North Africa. While preparations were under way for months in advance to use the Allied Military lire, we did not want to print the word "Italy" or the word "lire" until the world knew where the Allied armies would strike. We discontinued issuing yellow seal dollars in Sicily within a short time, and, as in North Africa, have since succeeded in withdrawing the bulk of this currency from circulation.

The exchange rate was set at 100 lire per dollar and 400 lire per pound by proclamation of the Supreme Allied Commander on July 22, 1943.

France and Other Theaters

The last of the yellow seals was printed in June, 1944, raising the specter that they would play a role in the D-day storming of Normandy, and the pressing of the western front against Germany. They didn't. The troops in *Operation Overlord* used Allied Military franc-denominated currency respecting the wishes of, and reflecting prior agreements with, the French Committee of National Liberation. Allied troops carried what

By 1943, the time had come to design currencies that could serve the economies of the vanquished nations. The Italian lire were the vanguard. Allied Military lire were prepared secretly in advance of the invasion of Italy. The work on the special lire began back on March 24, 1943, even before Sicily was invaded (Bureau of Engraving and Printing, 1962). Rundell (1980, p. 204) relates:

As soon as Allied military lire were ready for distribution, they were exchanged for dollars. On 19 June 1943, two planes carrying seven tons of Allied military lire for the Sicily operation left the United States. The army supposed that after the Treasury's Bureau of Engraving and Printing began producing lire, they would be used exclusively in all Italian operations. But when the supply proved inadequate, the army resorted to the old standby — yellow seal dollars.

Stimson (1945, p. 10) summarizes:

The Allied military lire was first used after a large part of Sicily had been occupied. A proclamation was issued by the Allied Military Government making Allied military lire legal tender in Sicily and in other liberated portions of Italy. When sufficient quantities of Allied military lire had been received by the Allied forces, United States yellow-seal currency and British Military Authority notes were withdrawn from circulation as rapidly as possible. After the armistice was negotiated

were called supplemental francs onto the D-day beaches, the notes stating on their faces "Issued in France." An agreement with the French authorities dated August 15, 1944, proclaimed that the supplemental francs would be considered as having been issued by the French Treasury. The French on August 28, 1944, announced from Algeria by radio, and published in their *Official Journal*, that the supplemental francs were legal tender in France. The fixed exchange rate was 49.556 francs to the dollar and 200 francs to the pound, the odd dollar equivalent being predicated on the then current 4.035 dollar per pound exchange rate.

Similar currencies were introduced as the western front expanded into other countries in western Europe, so the use of yellow seals in those countries also was unnecessary. By 1944, "some 40 foreign currencies are being used at the present time to pay members of the United States military forces in the local currencies of the various countries in which they are serving" (House of Representatives, 1945, p. 1). These included currencies of countries all over the world, each with a negotiated fixed exchange rate.

Transit Currency

The yellow seals served an important role as transit currency; that is, currency carried by troops and other authorized personnel between different theaters or countries, and on their return to the United States. This function seems to have gained momentum during the later part of the war, and continued into the post-war occupation period. Such use was laid out in section "g" of the rules in War Department Circular 364 (1944, IV-11):

In the case of military personnel departing from one overseas area for another, local currency or regular United States currency in their possession should be exchanged for United States yellow seal currency when available. Upon arrival at destination, yellow seal currency remaining in the hands of personnel should be promptly exchanged through disbursing officers for local currency of the area concerned.

Section "h" in the circular contains the following clause pertaining specifically to the Soviet Union:

The government of the Union of Soviet Socialist Republics prohibits the carrying of rubles from that country. Military personnel prior to departing from the Union of Soviet Socialist Republics after completion of duty therein will exchange, at Army disbursing offices, all rubles in their possession for United States yellow seal currency, Treasury checks, or postal money orders. Army disbursing officers located outside the Union of Soviet Socialist Republics are not authorized to accept rubles for exchange.

Occupation Currency

Yellow seals continued to have a role during the occupation following the war as well. Rundell (1980, p. 205) states: "American soldiers going into Romania, Greece, Albania, Yugoslavia, Bulgaria, or Hungary exchanged their funds for American yellow seal dollars, rather than the British Military Authority Notes used during the war." The troops were forbidden to use local currencies in these nations. One expedient here was to avoid the need for establishing exchanges in countries hosting small numbers of American troops.

Instruments of Hegemony

Yellow seals even played at least one role in political hegemony. Bernard Bernstein (1975), financial adviser to General Dwight D. Eisenhower, recalled that: "... before the war ended the Czechoslovak Government had issued a decree which increased tenfold the value of Czech currency. . . . The American Army was outraged, as a soldier or officer who sent a shirt out to be washed expecting to pay 25¢ for the washing was being asked to pay the equivalent of two and a half dollars."

Upon meeting with Czech bank officials, and getting no cooperation on rescinding the decree, Bernstein threatened:

I said that we had tried to be very fair with them, that we had tried to give support to the Czechoslovakian currency and that if the Czech

Government was not willing to act fairly on this matter we would simply use our yellow seal dollars. Our troops would be paid in yellow seal dollars, our disbursements would be made in yellow seal dollars and your Czechoslovakian currency would be absolutely destroyed because no one would want it. Everybody will want to have yellow seal dollars. . . . In actual fact we didn't have any yellow seal dollars in the theatre. But the bluff worked. The Czechs said they would revoke the revaluation of the Czech currency. They restored the old rate of exchange.

Printings, Serial Numbering and Varieties

The \$1 Hawaii emergency notes were Silver Certificates as were the three denominations of the yellow seal series (\$1, \$5, \$10). The three higher denomination Hawaii's were San Francisco Federal Reserve Notes (\$5, \$10, \$20). The treasury signatures in use during the Hawaii and yellow seal printings were Secretary of the Treasury Henry Morgenthau Jr. and Treasurer W. A. Julian.

The printings of the Hawaii and yellow seal notes, both regular and replacement, were sequential within the production of the contemporary civilian notes. Consequently, the same back and face plates were used as on contemporary civilian notes, as well as the same serial numbering sequences.

Regular production Hawaii and yellow seal notes have serial numbers that contain both a prefix and suffix letter. Notes with a star prefix or suffix in the serial numbers were used to replace misprints. The misprinted notes were removed during the final inspection and replaced with star notes.

There were eight groups each of regular \$1 Hawaii and yellow seal printings interspersed within the ongoing \$1 Silver Certificate serial numbering sequence. Each group bears its own range of serial numbers which are sandwiched between blue seal numbers. Similarly, the replacement notes occur in groups that are interspersed sequentially with contemporary civilian star notes. The serial numbers used on the special Hawaii (see **Table 1a**) and yellow seal issues (**Table 1b**) are listed.

All contemporary variations that affected the civilian notes also impacted the Hawaiian and yellow seal printings. Consequently, all the then current mule, late-finished plate and changeover pair varieties found in the civilian issues also occur in the Hawaii and yellow seal issues.

Notice how the horizontal separation between the overprinted words HAWAII varies between these notes. Also, the vertical placement of the HAWAII's can slide up and down relative to each other on the same note. Such variations occur on all denominations.

Overprints

The special feature of the Hawaii and yellow seal notes are their overprints. The Hawaii notes have brown seals and the words HAWAII overprinted on both their faces and backs. The yellow seal notes are distinguished from other silver certificates by having yellow instead of blue seals.

The words HAWAII on the backs and faces were overprinted in separate printing operations while the notes were still in sheet form. Thus the overprints were added after the face printing, but before the serial numbers and seals. These overprints were applied from flat typographic plates. The paper was carried on a cylinder and pressed against the raised, inked image of the plate.

There are significant variations in the spacings of the two words HAWAII on the faces. Consequently they appear to wander when several notes are compared. It appears that they were printed from two separate blocks of type locked into a chase, with little attention paid to uniformity between print runs.



Table 1a. Serial numbers for the Hawaii World War II issues.

Serial numbers	Total	Date numbered if certain	Varieties if more than one ^a
\$1			
Y68628001B - Y71628000B	3,000,000	Jun 7-8, 1942	
Z99000001B - Z99999999B	1,000,000	Jul 15, 1942	
A99000001C - A99999999C	1,000,000	Aug 20, 1942	
C00000001C - C07000000C	7,000,000	Sep 29-Oct 8, 1942	
F41964001C - F41976000C	12,000	Feb 12, 1943	
L75996001C - L78996000C	3,000,000	Nov 4-6, 1943	
P31992001C - P37032000C	5,040,000	Jan 12-26, 1944	
S39996001C - S54996000C	15,000,000	May 16-Jun 6, 1944	
*64812001A - *64860000A	48,000	Jun 7, 1942	
*66084001A - *66108000A	24,000		
*70260001A - *70332000A	72,000		
*87360001A - *87408000A	48,000		
*91128001A - *91152000A ^b	24,000	May 16, 1944	
\$5			
L12396001A - L14996000A	2,600,000	1942	1934, 1934 mule
L19776001A - L20176000A	400,000	1942	1934 mule, 1934A
L46404001A - L47804000A	1,400,000	1943	1934 mule, 1934A
L54072001A - L56088000A	2,016,000	1944	1934 mule, 1934A
L66132001A - L69132000A	3,000,000	1944	1934A
L00120001* - L00144000*	24,000	1942	1934
L00144001* - L00192000*	48,000	1942	1934 mule
L00852001* - L00856000*	4,000	1944	1934
L00892001* - L00896000*	4,000	1944	1934A
\$10			
L65856001A - L66456000A	600,000	1942	
L67476001A - L69076000A	1,600,000	1942	
L69736001A - L71336000A	1,600,000	1942	
L77052001A - L77172000A	120,000	1942	
L11160001B - L12664000B	1,504,000	1943	
L28212001A - L29712000B	1,500,000	1944	
L43032001B - L45532000B	2,500,000	1944	
L50292001B - L51292000B	1,000,000	1944	
L00900001* - L00996000*	96,000		
L02008001* - L02012000*	4,000		
L02040001* - L02052000* ^c	12,000		
\$20			
L30540001A - L31090000A	550,000	1942	1934, 1934 mule, 1934A, 1934A mule
L31632001A - L32032000A	400,000	1942	1934, 1934 mule, 1934A, 1934A mule
L33420001A - L34220000A	800,000	1942	1934, 1934 mule, 1934A, 1934A mule
L56412001A - L56912000A	500,000	1943	1934(u), 1934 mule, 1934A, 1934A mule
L60588001A - L61592000A	1,004,000	1944	1934 mule, 1934A
L67984001A - L69976000A	1,992,000	1944	1934 mule, 1934A
L76980001A - L78480000A	1,500,000	1944	1934 mule, 1934A
L85536001A - L90036000A	4,500,000	1944	1934 mule, 1934 mule 204, 1934A, 1934A 204
L00360001* - L00368000*	8,000		1934(u), 1934 mule, 1934A, 1934A mule
L00372001* - L00376000*	4,000		1934(u), 1934 mule, 1934A, 1934A mule
L00432001* - L00444000*	12,000		1934(u), 1934 mule, 1934A, 1934A mule
L00852001* - L00876000*	24,000		1934(u), 1934 mule, 1934A, 1934A mule
L00972001* - L00976000*	4,000		1934 mule(u), 1934 mule 204(u), 1934A, 1934A 204(u)

Table 1b. Serial numbers for the Yellow Seal World War II issues.

Serial numbers	Total	Date numbered if certain	Varieties if more than one ^a
\$1			
B30000001C - B31000000C	1,000,000	Sep 2, 1942	
B51624001C - B52624000C	1,000,000	Sep 11-12, 1942	
B99000001C - B99999999C	1,000,000	Sep 22-23, 1942	
C60000001C - C62000000C	2,000,000	Oct 23-26, 1942	
C78000001C - C79904000C	1,904,000	Oct 31-Nov 3, 1942	
F41952001C - F41964000C	12,000	Feb 12, 1943	
I30000001C - I40000000C	10,000,000	May 3-May 11, 1943	
R90000001C - R99999999C	10,000,000	Apr 10-22, 1944	
*68364001A - *68388000A	24,000	Sep 2, 1942	
*70956001A - *71004000A	48,000		
*79560001A - *79632000A	72,000		
*91104001A - *91128000A ^b	24,000	Apr 10, 1944	
\$5			
K34188001A - K34508000A	320,000	1942	1934A
K36420001A - K36740000A	320,000	1942	1934A
K37464001A - K37784000A	320,000	1942	1934A
K40068001A - K42068000A	2,000,000	1942	1934A, 1934A 307
K43152001A - K44852000A	1,700,000	1942	1934A, 1934A 307
K53984001A - K65984000A	12,000,000	1943-4	1934A, 1934A 307
*10548001A - *10572000A	24,000		1934A
*10716001A - *10764000A	48,000		1934A
*10884001A - *11016000A	132,000		1934A, 1934A 307
\$10			
A91044001A - B00904000A	9,986,000	1942	1934 mule, 1934A, 1934A 86
B01564001A - B13564000A	12,000,000	1943-4	1934 mule, 1934A, 1934A 86
*01008001A - *01284000A	276,000		1934 mule, 1934A, 1934A 86

- a. u- indicates variety was printed, but is currently unreported from this serial number range. Report finds to peter-huntoon@embarqmail.com
- b. Observations of \$1 blue, brown and yellow seal notes in the *91140001A-*91152000A range are required to definitively bracket the ranges of serial numbers in these groups. Report them to jhpaperman@aol.com
- c. Observations of \$10 green and brown seal notes in the L02012001*-L02040000* range are required to definitively bracket the ranges of serial numbers in this group. Report them to jhpaperman@aol.com

Sources of data:

Non-replacement serial number ranges compiled from Bureau of Engraving and Printing records by Shafer (1967).

Replacement serial number ranges calculated by James Hodgson based on recorded replacement notes. Report out of range serial numbers that improve on these data to: jhpaperman@aol.com

Dates when serial numbers were overprinted from Bureau of Engraving and Printing (undated and 1952).

Mules

The classic definition of a mule in small size notes is a note which has a micro size plate number on one side and a macro size plate number on the other. Micro numbers measure 0.6 mm high, whereas the macro numbers are 1 mm high. Production of macro plates began in January, 1938. However, stocks of micro plates continued to be used until exhausted. The result was that both micro and macro plates were on the presses at the same time. A mule was created each time a micro back was mated with a macro face, or visa versa.



\$20 Series of 1934A Hawaii mules with large plate numbers on the face and small on the back are very scarce. \$5 and \$20 Series of 1934 mules also were made.

To fully understand mule production, it is necessary to review the rudiments of the printing process. The backs were printed first, then the faces, and finally the seals and serial numbers. The flat bed presses then in use for back and face production normally carried four 12-subject plates. However, fewer plates could be on a press, even just one.

The plates circulated around the bed of the press and produced a stream of sheets in which the plate numbers cycled through the plates present. Both micro and macro plates were commonly mixed on a given press during the mules era. This was occurring on both the back and face presses during the height of the mules era, so as many as four combinations could be printed at once; specifically micro face-micro back, micro face-macro back, macro face-micro back, and macro face-macro back. The middle two in this sequence are the mules.

The following mules were produced in the Hawaii issues: \$5 1934, \$20 1934 and \$20 1934A. None were made in the \$1 and \$10 denominations because all the micro plates for those denominations had been used up by 1942.

There is only one mule in the yellow seal issues, the \$10 Series of 1934. These were created by six micro \$10 1934 silver certificate face plates which were lingering in the plate inventory when the yellow seals went to press.

Late-finished Plates

The manufacture of five plates was begun during the micro era, but not completed until much later after macro plate numbers had been adopted. As a result, they were completed with macro numbers. Early collectors discovered them because their numbers were much lower than those found in the normal macro ranges.

The five are: \$1 back plate 470, \$5 Silver Certificate Series of 1934A face plate 307, and \$10 Silver Certificate Series of 1934A faces 86 and 87, and \$20 back plate 204. All

are called late-finished plates. Two were used in the yellow seal printings: \$5 Silver Certificate Series of 1934A face 307 and \$10 Silver Certificate Series of 1934A face 86, and one in the Hawaii printings: \$20 back 204.

Changeover Pairs

Changeover pairs consist of two consecutive notes that bridge numismatic varieties. An example is a

\$5 late-finished Series of 1934A Silver Certificate face 307 is more common on yellow seals than on blue seals.



pair of \$20 Hawaii notes where one is a Series of 1934 and next is a 1934A. Another is a pair of \$5 Series of 1934A yellow seal notes in which one has late-finished face 307 and the other has a different number. There also are various mule to non-mule pairings.

The explanation for changeover pairs is easily understood once you know how the notes were serial numbered. The 12-subject sheets were numbered on 12-subject rotary presses which also cut the sheets in half down the middle. Serial numbering was



This is a forward changeover pair. Notice how the serial numbering is consecutive from the Series of 1934 to the 1934A note. Backward changeover pairs were produced in equal numbers. Usually at least one of the notes from these pairs is a mule.



consecutive down the half sheets, and from half sheet to half sheet. The notes in the half sheet were then cut apart and stacked in numerical order. Consequently if you have several consecutive notes, you will find that the plate letters will rotate through the half sheets, either A, B, C, D, E, F and back to A, or G, H, I, J, K, L and back to G.

However, the plate numbers on the half sheets also cycle through the different plates on the press as you come to the F to A, or L to G pairs. If a mix of micro and macro plates was on the press, such as \$20 Hawaii Series of 1934 and

1934A faces, changeover pairs were created as numbering passed from one half sheet to the next. Out of this mix would come alternating 1934 to 1934A, and 1934A to 1934, pairs. The former is a forward changeover pair, the latter a backward changeover pair.

Uncut Sheets

Special press runs of 1,000 sheets for each of the \$1 Series of 1935A Hawaii and yellow seal notes were run. All of these 12-subject sheets were numbered in the FC serial number block on February 12, 1943.

The first 333 uncut sheets of each were offered to the public at face value through the cash room of the U. S. Treasury Department at Washington, DC. The rest of the sheets were cut.

See Table 2 at right for the details on how these printings were numbered. The serial numbers on the right were advanced 1998 numbers over those on the left. For example, the first yellow seal sheet bore serials: F41952001C-F41952006C (left) and F41953999C-F41954004C (right).

The knife that separated the sheets into halves had to be removed from the numbering and sealing press used to create these sheets.

\$1 Hawaii Varieties

All the \$1 Hawaii's are Series of 1935A non-mules with contemporary blue-green backs. The varieties within the \$1s are restricted to different serial number prefix and suffix letters. See Table 1. The first replacement note was *64812001A which was serial numbered on June 7, 1942. The first delivery to the Treasury was June 8, 1942, the last June 8, 1944 (Shafer, 1967).

Spectacular \$1 inverted Hawaii.



\$5 Hawaii Varieties

The \$5 Hawaii printings began on June 6, 1942, and a million notes were delivered to the U. S. Treasurer on June 8, followed by another consecutive 1,600,000 notes on July 15th. These early \$5 deliveries were especially significant to variety collectors.

No \$5 San Francisco Federal Reserve notes had been printed since 1937. However, a sizable stockpile of

Table 2. Special Hawaii and yellow seal printings made in February 1943 and delivered to the U. S. Treasury for sale at the treasury cash room in Washington, DC. From Bureau of Engraving and Printing (undated).

Yellow Seal:

333 uncut sheets, the halves numbered consecutively as follows:

	Positions A-F	Positions G-L
first serial	F41952001C 1997	F41953999C 1997
last serial	F41953998C	F41955996C

667 cut sheets, the halves numbered consecutively as follows:

first serial	F41955997C 4001	F41959999C 4001
last serial	F41959998C	F41964000C

Hawaii:

333 uncut sheets, the halves numbered consecutively as follows:

first serial	F41964001C 1997	F41965999C 1997
last serial	F41965998C	F41967996C

667 cut sheets, the halves numbered consecutively as follows:

first serial	F41967997C 4001	F41971999C 4001
last serial	F41971998C	F41976000C

This work was authorized to be printed in this manner by Mr. G. Duncan.



The \$1 sheet was misfed during the overprinting operation.

incomplete sheets dating from the 1936-37 era was on hand. The stockpiled sheets had backs and faces, but no seals nor serial numbers.

The vintage of the stockpile is known because all the back and many of the face plates used to print the sheets had been canceled in 1936-7. The old sheets had been printed from Series of 1934 micro back and face plates, so all were 1934 non-mules. Furthermore, the backs utilized a distinctive soft appearing yellow green ink which had been replaced by a dark blue green ink on October 7, 1940.

All the stockpiled San Francisco \$5s received Hawaii overprints. They are the only Hawaii notes mated with the beautiful old yellow-green backs.

Simultaneously, 28 Series of 1934 San Francisco face plates were sent to press on June 6th, including plate 1. Impressions from these were mated with contemporary

blue-green macro backs. Notes from these printings were Series of 1934 mules. These new sheets were routed to overprinting operations as soon as the faces were dry.

It is clear from the observed serial numbers that they were pushing the old stockpiled yellow-green and newly produced blue-green back sheets through the serial numbering presses as fast as they could get groups of either to those presses. Whether the sheets were coming from the stockpile or fresh from the face presses was immaterial. It appears from reported serial numbers that the first to reach the overprinting presses were yellow-green backs from the old stockpile.



The \$5 Series of 1934 Hawaii non-mule yellow-green backs were the first \$5 Hawaii notes produced. They were made from a 1935-1937 vintage stockpile of San Francisco sheets that were overprinted in early June 1942 as the Hawaii currency was rushed through production.

eties is L00144000*-L00144001*.

Series of 1934A \$5 San Francisco face plates began to be used on September 22, 1943 to augment the dwindling supply of 1934 plates. The last of the Series of 1934 faces left the presses on December 18, 1943. During the interim Series of 1934 mule and Series of 1934A non-mule Hawaii's, both with blue-green macro backs, were rolling off the presses together. After December 18th, the faces being printed were all Series of 1934A which came out as non-mules, including all of the last two replacement printings.

The following three varieties were produced over the course of \$5 Hawaii production: (1) Series of 1934 non-mules with yellow-green backs, (2) Series of 1934 mules with blue-green backs, and (3) Series of 1934A non-mules with blue-green backs. Series of 1934 mule and Series of 1934A non-mule changeover pairs, both forward and backward, were produced between September 22 and December 18, 1943. None of the changeover pairs has been reported to our knowledge.

The last of the \$5s was delivered to the Treasury May 30, 1944.

\$10 Hawaii Varieties

The \$10 printings were straight forward. The only variety printed was the Series of 1934A non-mule with contemporary blue-green backs. The first delivery to the Treasury was June 8, 1942, the last July 12, 1944. Two serial number suffix varieties occur besides the replacements: LA and LB.

\$20 Hawaii Varieties

The first delivery of the \$20s to the Treasury was June 8, 1942, the last July 18, 1944. The \$20 printings were as complicated as the \$5s.

The following six varieties were produced: (1) Series of 1934 non-mules, (2)

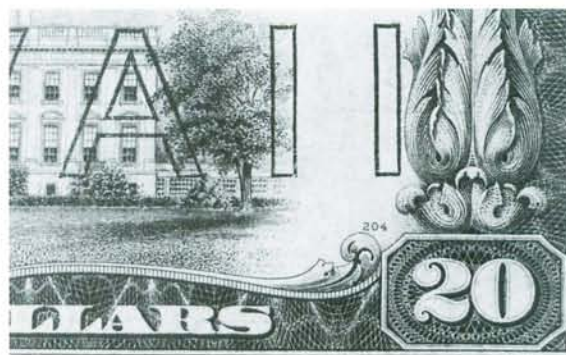
The following sequence of observed notes demonstrates that the old and new were being numbered consecutively through what were probably large alternating batches of Series of 1934 non-mule yellow-green backs and mule blue-green backs: L12748235A K24/782 non-mule yellow-green back; L12795136A J39/1234 mule blue-green back; and L13161190A J30/653 non-mule yellow-green back. All of these were in the first delivery of \$5s on June 8th. The non-mule yellow-green backs from the stockpile ran out before the end of the first 2.6 million printing, so they do not occur with serials above L14996000A.

Notice from Table 1 that the earliest \$5 replacement notes were numbered from L00120001* to L00192000*. Apparently the first group of these was overprinted on the old stockpiled sheets, and the rest on newly printed stock. This conclusion may change with new discoveries, but tentatively the changeover star serials between the non-mule and mule vari-

Series of 1934 mules, (3) Series of 1934 mules with late-finished back 204, (4) Series of 1934A non-mules, (5) Series of 1934A mules, and (6) Series of 1934A non-mules with late-finished back 204, all with contemporary blue-green backs. Changeover pairs between many of these varieties were made, but only a few have been discovered.

The Series of 1934 non-mules and 1934A mules, both of which are very scarce, resulted from the use of the very last of the surviving micro back plates. The last of the micro \$20 backs in use was plate 316, which left the press on October 27, 1942. Consequently the micro backs only occur on the early Hawaii printings, the last being serial numbered in 1943. The Series of 1934A mules were made possible because usage of the first Series of 1934A San Francisco faces overlapped the last use of the micro backs.

Late-finished back 204 was on the presses between April 4, 1944, and October 6, 1946. Consequently it was available for the last of the \$20 Hawaii printings. The last of the \$20 San Francisco Series of 1934 faces were still in use during the beginning of the 204 period, so even some Series of 1934 204 mules were made, although they are very rare. In contrast, the Series of 1934A 204 Hawaii's are rather common, and far more common than any of their green seal 204 contemporaries.



The \$20 late-finished back 204 occurs on both Series of 1934 and 1934A Hawaii notes. The Series of 1934 204 notes are rare.

\$1 Yellow Seal Varieties

All the \$1 yellow seals are Series of 1935A non-mules with contemporary blue-green backs. The only varieties within the \$1s are the different serial number block letters used. The first delivery of the \$1s to the Treasury was September 4, 1942, the last April 24, 1944. The first replacement note was *68364001A, which was serial numbered on September 2, 1942.

\$5 Yellow Seal Varieties

The first of the yellow seal \$5s were delivered to the U. S. Treasury on September 4, 1942, the last on May 8, 1944. All the notes were Series of 1934A with contemporary blue-green backs with macro plate numbers.

Late-finished Series of 1934A silver certificate face plate 307 was on the presses intermittently from July 9, 1942, through June 3, 1943. Consequently, this interesting face plate occurs on many yellow seal notes in the last three printings, specifically among those with serials between K40068001A and K65984000A, and *10884001A and *11016000A. In fact, 307 is far more common on the yellow seal notes, including the replacement notes, than on civilian blue seal printings. To date, no yellow seal changeover pairs have been reported between 307 and other contemporary faces plates, although they certainly existed in quantity when issued.

\$10 Yellow Seal Varieties

The first of the yellow seal \$10s was delivered to the U. S. Treasury on September 4, 1942, the last on May 8, 1944, the same as the \$5s. Most of the \$10s were Series of 1934A with contemporary blue-green backs with macro plate numbers.

A few Series of 1934 micro face plates survived into the early yellow seal printings. These produced the very rare yellow seal Series of 1934 mules with both regular and replacement serial numbers. Series of 1934 micro face plate numbers that occur on these are 116, 122, 123, 125, 126 and 127. The last to be used was 126, which left the presses August 3, 1942. It is evident that a stockpile of unnumbered \$10 1934 mule sheets was carried over to 1943 because several of the reported 1934



The \$10 late-finished Series of 1934A Silver Certificate face 86 was started as a Series of 1934, but a delay resulted in its being finished as a Series of 1934A. The plate was used extensively in the production of yellow seals.

mules have serial numbers in the B03-----A to B07-----A range which were among the last \$10 silver certificates numbered in 1943. James Hodgson estimates that between 45,000 and 51,000 \$10 Series of 1934 yellow seal mules were printed.

Late-finished Series of 1934A \$10 Silver Certificate face plate 86 was on the presses intermittently from July 18, 1940, through June 29, 1944. Consequently, it was involved in most, if not all, the yellow seal printings. Like its \$5 plate 307 counterpart, it is more common on the yellow seal notes, including the replacement notes, than on civilian blue seal printings. To date, no changeover pairs have been reported between 86 and other contemporary faces plates, although they certainly existed in quantity when issued.

Spuriously Altered Yellow Seals

This \$10 Series of 1934A yellow seal was altered into an unconvincing New York Federal Reserve note. (Photo courtesy of Larry Smulczewski)



This \$10 Series of 1934A yellow seal was cleverly altered into a blue seal by removing the yellow seal, and overprinting a spurious blue seal. The fear of the holder was that it would be demonetized. All serials from A91044001A through B00904000A were yellow seals. Observe this deception in full color on this magazine's cover. (Photo courtesy of James Hodgson)

Various classes of holders of yellow seals, such as black marketers and foreign nationals, were anxious about the special status of the notes, and feared they would be demonetized after the war. At least two bold attempts were undertaken to alter the \$10s so that they could be passed off as either current civilian issue Federal Reserve Notes (Kemmer, 1982) or Silver Certificates (Schlingman, 2002).

Federal Reserve Note conversions involved removing the yellow seal, blue serial numbers, blue counter on the left, and the legal tender clause underlying the counter.

These items were replaced with green serial numbers and a green treasury seal, black New York Federal Reserve seal, black New York district numbers in the corners, and a new legal tender clause. "Silver Certificate" in the upper border was left as was. One careless mistake involved the letter N in New York which was inverted within the federal reserve seal. Observed serial numbers include B27347952C, B27357292C, B27357294C, B27357945C, B67357293C and B87357283C. Others undoubtedly exist because it is clear that the people carrying out the alterations were changing the numbers as they proceeded.

Silver Certificate conversions were simpler, and far more deceptive. The yellow seal was removed and replaced with a blue seal. Whoever devised this alteration was aware that there was such a thing as civilian issue \$10 Silver Certificates. The only way to spot these altered notes is to determine that the serial number on the blue seal note is from a yellow seal range listed on Table 1. Three examples have been

reported. Obviously others are waiting to be discovered with different serial numbers, because the serials were left as was during the alteration.

Acknowledgment

This article expands on the important Hawaii treatises in the 1991 and 2001 issues of *The Numismatist* by James A. Simek and Donald Medcalf. The important documents collected by them pertaining to the Hawaii issues are used and cited herein. Nyra Krstovich, reference librarian for the San Francisco Federal Reserve Bank, went to exceptional lengths to locate those documents, including regulations, circulars and correspondence in the possession of the bank.

Critical original War and Treasury Department documents pertaining to the yellow seals and the Bernstein interview were provided by military currency researcher James Downey.

James Hodgson provided the star note serial number data on **Table 1**, which are based on his calculations of serial numbers printed based on observed Hawaii and yellow seal star notes.

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