

## The 1935A \$1 Silver Certificate: One Bill with 5 Varieties

by Richard Weil

After Franklin Roosevelt became president in March, 1933, there were big changes in numismatics. Gold was withdrawn from circulation, but as the economy picked up so did the production of silver and copper coins. In currency Gold Certificates also vanished, soon to be followed by the National Bank Notes. The gap they left was filled by an outpouring of new paper money. While some U.S. Notes were issued, and Federal Reserve Notes were made in most denominations, it was the common Silver Certificate dollar that was printed in huge numbers. Through more than half the Roosevelt Administration one of these notes, the 1935A, was to meet the nation's demand for dollar bills.

On the left side of the bill is the signature of the Treasurer, William Alexander ("W.A.") Julian. Born on a Kentucky farm, he began as a shoe salesman then worked his way up from bank clerk to president. After a failed run for the U.S. Senate he returned to business until Roosevelt persuaded him to join the Treasury. In May, 1933 he took over from Walter Woods, the Hoover Administration holdover.

The size of currency paper had been reduced in 1928 and, as usual until the 1970s, only a major alteration in design would change the date of a series. A new signature would simply add a letter below the year. Accordingly, Julian's name first appeared on the 1928D dollar.

While Julian had grown up poor, the man whose name appeared on the right, Secretary of the Treasury Henry Morgenthau Jr., was from a wealthy family. The son of a prominent diplomat, and an agricultural expert

who had headed the Federal Farm Board, at the start of 1934 he replaced the ailing William Woodin.

The 1928E was the first dollar bill to pair Julian



The 1928E bill is the first pairing of Julian and Morgenthau. It is also the key to the Silver Certificate dollar series.

Photo courtesy of National Numismatic Collection at the Smithsonian Institution.

and Morgenthau. Records are missing but it is estimated that only 3.5 million were printed. This small production makes it the key to the Silver Certificate series.

The bill had a short run because the dollar's obverse was soon changed, creating the common 1934 note. While the new bill ended the promise to pay in silver dollars, that metal was still needed by the Treasury to back the notes, and the easiest way was to resume production of Peace dollars. For collectors of this series that created an additional two years of coins.



The single year 1934 note was the last to use the "Funnyback" design.  
Photo courtesy of National Numismatic Collection at the Smithsonian Institution.

A year later it was the reverse's turn to get a makeover. With these 1935 notes the ornate "funnyback" dollar bill ended, replaced with the familiar Great Seal design. Finally, in 1938 plate numbers were enlarged and the date, which had been in two corners, was placed only to the right of the portrait. These changes created the 1935A, the first dollar to have a design that is close to what we use today.

With the economy slowly improving, dollar bills were produced in huge numbers. Since until 1953 old plates (technically logotypes) were mixed with new ones and used until they wore out, exact production figures are not always known. But it has been estimated that the 1935A's printing topped 6.1 billion. Since the entire run of all 1935-dated bills totaled just over 23 billion, this was more than a quarter of the series.

But the other 1935 issues were made in substantial numbers too and none of them, unless in exceptional condition, are worth much more than face value. Star notes, made to replace bills damaged in production, have slightly higher value, but for all 1935 issues they too are common. If not for World War II the 1935A, like the bills that followed, would have just been part of an easily collectible set.

Change came with the war. After the December 7, 1941, attack on Pearl Harbor there was fear that Hawaii would be invaded. If this happened a major concern was that the Japanese would capture and spend U.S. dollars. To end the risk of having America's money turned against the country, in January, 1942, virtually all currency in the islands was recalled, leaving only small amounts for immediate needs. On June 25<sup>th</sup> new currency, with HAWAII prominently printed on the reverse, and in smaller capitals twice on the obverse, was issued.

The bills also had distinctive brown serial numbers and Treasury seals, reminiscent of the National and Federal Reserve Bank Notes of past years. If large amounts were captured they would be easy to demonetize. By mid-August no other currency could be used in Hawaii.

Four denominations were issued, although only the 1935A dollar was a Silver Certificate, the \$5, \$10, and \$20 bills being Federal Reserve Notes. Through the end of production in 1944 35,052,000 dollar bills were printed. Starting in 1943 the notes were paid to troops in the Pacific Theater, and the bills spread with them from island to island. Many were saved as souvenirs. Today in worn condition they sell in the \$20 range, in high grade for about ten times that. Much scarcer are the HAWAII star notes, with an estimated printing of only 204,000. Typically a well circulated star note sells for about what a high grade regular bill costs.

Half a world away the United States was fighting another enemy, and the dollar bill changed again. Since Military Payment Certificates did not come into use until after the war, there was concern that the Germans would capture money given to the soldiers and sailors. Before the November 8, 1942, landings in Casablanca and Oran troop payments were made with Silver Certificates bearing distinctive yellow Treasury seals. Surprisingly they had no other markings, and even the serial numbers stayed blue. Nevertheless, the 1935A has the distinction of being the only dollar printed with three different Treasury seal colors.

A total of 17,012,000 regular 1935A North African dollar bills were printed, plus 144,000 star notes. \$5 and \$10 Silver Certificates were also produced, and only the series 1934 \$10 bill is scarce. The notes were widely used in North Africa and Sicily, but by the time the 1943 landings in Italy occurred troops were being issued Allied Military Government bills. Totally different in appearance and valued in the local currency, similar money was issued for the 1944 invasions of France.

Many of the yellow seal notes were kept, and a used \$1 1935A North Africa bill goes for only a few dollars more than a HAWAII one in comparable condition.

Because of their smaller printing, yellow seal star notes are slightly more expensive than brown ones.



**During World War II HAWAII notes were used in the Pacific Theater. If captured they could be demonetized and so made worthless to the Japanese.**

**Photo courtesy of National Numismatic Collection at the Smithsonian Institution.**





**Yellow seal notes were used by US troops in North Africa and Sicily.**

**If captured by German forces they could have been demonetized.**

**Photo courtesy of National Numismatic Collection at the Smithsonian Institution.**

Anyone who lived through World War II can attest to shortages on the home front. In coinage the demand for war materials meant that the five cent coin was made with silver but not nickel, and in 1943 the cent was made of zinc instead of copper. Currency paper also had its own substitutions.

Testing new paper compositions had been done before. Since 1925 the Bureau of Standards had been experimenting with different mixtures. Some of this work had reached the level of field trials. In 1933 Silver Certificate series 1928A and 1928B dollars were released with the serial number blocks (first and last letters) “X-B” and “Y-B” made of experimental paper, while “Z-B” was used as a control group. This was a nationwide test of 31.2 million bills, and was repeated in 1937 using series 1935 dollar bills in the “A-B”, “B-B”, and control “C-B” blocks. This time 12.8 million notes were circulated. Neither of these trials produced conclusive results.

Since the linen used in currency paper was imported from Europe, when the war began in 1939 it was critical to find a substitute. A third and much less well known test of circulating currency was conducted in 1940, this time with 1935A dollars. The Chicago office of the Federal Reserve released 720,000 each of experimental “X-B” and “Y-B” blocks, plus 576,000 control “Z-B” bills. These notes seemed to circulate well, and while no conclusive results are known, during the war the linen content of currency was reduced.

Experiments continued on how best to change the formula for currency paper. At the Bureau of Standards two scientists, Fredrik Carson and Merle Shaw, tested dozens of blends. They concluded that a mixture of carba fiber, cotton, and melamine resin had the best wearing and folding qualities. Separate from this work, in June, 1944, yet another test of

circulating currency was conducted by the Treasury Department. Once again the 1935A dollar was used.

A very time consuming part of the 1940 experiment had required Federal Reserve officials to look at each incoming note’s serial number, and then pick out the experimental and control bills. This time, to make the process easier the bills were clearly marked. Notes with synthetic paper were given a large red “S” on the obverse to the right of the Treasury seal, while the regular control ones received an “R” in the same place. For each variety 1,184,000 standard and 12,000 star notes were printed.



**As an experiment, \$1,184,000 in “Synthetic” paper was released. The “S” made it easy to find the notes in circulation.**  
**Photo courtesy of National Numismatic Collection at the Smithsonian Institution.**



**A good experiment needs a control. \$1,184,000 “Regular” paper notes were simultaneously.**  
**Photo courtesy of National Numismatic Collection at the Smithsonian Institution.**

Not surprisingly, the experiment failed. The number of bills was small to begin with, and the public immediately began to remove the unusual notes. The result was that too few were returned for the experimenters to reach a statistically significant conclusion.

Because they differ from regular bills only by their serial numbers, the earlier experimental bills are primarily of interest to currency specialists. Still readily available to collectors, in used condition they command relatively small premiums, making them roughly comparable in price to the HAWAII and North African notes. Not so the “R” and “S” bills. Today they are in considerable demand, each selling for nearly \$100 in very used condition, and about \$1000 if uncirculated. Star experimental notes, the rarest type of any 1935A bills, are considerably more expensive.

Because of these prices some ordinary 1935A bills have been altered by adding a red letter to them, and it is important for buyers to know the correct serial number sequences:

Table 1: Experimental Note Serial Numbers

“R” Note	S 708 84001 C to S720 68000 C
“R” Star	* 911 76001 A to *911 88000 A
“S” Note	S 738 84001 C to S750 68000 C
“S” Star	* 911 88001 A to * 912 00000 A

Source: [www.uspapermoney.info](http://www.uspapermoney.info)

By 1945 the European conflict was over and Morgenthau was concentrating on post-war recovery. Instrumental in the Bretton Woods Agreement that for decades gave the dollar world dominance, he also developed an unworkable plan to permanently divide Germany into agrarian states. In July, with Roosevelt dead and his influence waning, he resigned from the Treasury. He lived on till 1967, working with charities and serving as a financial advisor to Israel. But the succession of Fred Vinson marked the end of the 1935A dollar.

Julian stayed in office. When in June, 1946, Vinson went on to become Chief Justice and was



**Henry J. Morgenthau, Jr. was Secretary of the Treasury from 1934-45. His signature appears on most of the currency issued when Franklin Roosevelt was President.**

replaced by John Snyder, the new 1935B dollar bill was discontinued. Julian’s signature appeared once again, this time on the 1935C. It was his seventh dollar, an unmatched record. He died in 1949, killed making a left turn into oncoming traffic. His succession by Georgia Nesse Clark began the tradition of women holding the position of Treasurer. The 1935A spanned the last years of the Depression, a world war, and the start of the Truman Administration. Like those citizens pressed into war service, throughout the great conflict the lowly dollar bill did its part. Not only did it help fuel the economy, but it was altered for the troops on both fronts, and tested to meet the shortages of the day.

Changes in printing led to the 1957 series, the last for Silver Certificate dollars. But until then 1935 dollars continued to be printed and a succession of Treasurers and Secretaries of the Treasury meant new letters below that date. The last was “H”, the Granahan-Dillon combination. Over the years these latter 1935 notes saw small alterations in their designs. The reverse margins were narrowed and the motto “In God We Trust” was added. But these were minor changes compared to the distinctive versions of the 1935A. Printed from 1938-45, no other series was produced for nearly as long, or went through so many varieties to reflect the times. It was the bill that carried America through some of its darkest years.

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