

BEP HISTORY FACT SHEET



Last Updated April 2013

GOLD CERTIFICATES

Gold Certificates were authorized by legislation on March 3, 1863 and were first produced two years later in 1865. Although there were nine issues of the certificates, only four circulated among the public to any extent. This was because Gold Certificates generally served the needs of banks and other financial institutions in settling their gold accounts.

Gold Certificates, with their vivid gold and orange backs, were issued in denominations of \$10, \$20, \$50, \$100, \$500, \$1,000, and \$10,000. Additionally, a \$100,000 Gold Certificate was issued in 1934 but only circulated among Federal Reserve Banks.

Gold Certificates were originally certificates of deposit, meaning one could deposit gold at the Treasury and receive Gold Certificates in exchange. The Treasury's goal in creating the Gold Certificate was to accumulate gold coin in the Treasury during the Civil War when gold was scarce. However, Treasury receipts from customs duties, which were always paid in gold, were enough to meet the needs of the Government. As a result, the first Gold Certificates were not issued until after the Civil War in November 1865. The notes became popular with merchants and banks that had to move large sums of gold; paper notes were easier and cheaper to transport.

In 1882, a new act was passed, giving the Secretary of the Treasury the power to suspend the issuance of Gold Certificates if the nation's gold reserve fell too low. This occurred in 1893, during a banking panic.

The \$10 note was made possible by an act of March 4, 1907. By this time, Gold Certificates were being used in everyday commerce.

However, the Great Depression and the banking crisis of 1933 forced the U.S. off the gold standard, and Gold Certificates were taken out of circulation. The Gold Reserve Act of 1934 made it illegal for private citizens to hold Gold Certificates. The notes could only be used by Federal Reserve banks and the Treasury as a means to transfer gold deposits between them.

In 1964, it again became legal to hold Gold Certificates (except for the 1934 series), allowing collectors to trade in them.

Additional Sources

Friedberg & Friedberg,
*Paper Money of the
United States*, 1972

Hessler & Chambliss,
*Comprehensive Catalog
of U.S. Paper Money*,
2006.

www.moneyfactory.gov

The \$100,000 Gold Certificate was issued only for the use of the Treasury and the Federal Reserve System and not for general circulation. It was used to transfer large sums between Federal Reserve banks and between the Treasury and the Federal Reserve.

SELECT SERIES

Series 1863, First Issue This series was available in \$20, \$100, \$500, \$1,000, \$5,000, and \$10,000 notes.

Series 1863, Second Issue The denominations for this series were the \$100, \$500, \$1,000, \$5,000, and \$10,000.

Series 1875 The \$5,000 denomination was dropped, leaving the \$100, \$500, \$1,000, and \$10,000.

Series 1882 \$50 notes were added.

Series 1888 This series consisted of only \$5,000 and \$10,000 notes.

Series 1900 This series consisted of only \$5,000 and \$10,000 notes.

Series 1907 The \$10 note was introduced.

Series 1928 These were the first small-sized Gold Certificate notes.

Series 1934 In this last series the denominations produced were \$100, \$1,000, \$10,000, and \$100,000. These notes were issued only for the use of the Treasury and the Federal Reserve System and not for general circulation.

SELECT RELEVANT LEGISLATION

March 3, 1863 (12 Stat. 709) It authorized the creation of Gold Certificates.

March 4, 1907 (34 Stat. 1289) This act introduced the \$10 Gold Certificate.

March 2, 1911 (36 Stat. 964) This act allowed a certain number of Gold Certificates to be issued for gold bullion and foreign gold.

December 24, 1919 (41 Stat. 370) This act gave Gold Certificates legal tender status.

March 9, 1933 (48 Stat. 1) The act provided for the impoundment of all gold and Gold Certificates, making private possession illegal.

January 30, 1934 (48 Stat. 337) With this act, also known as the Gold Reserve Act, the Government took control of the gold supply in the U.S. As a result, Gold Certificate circulation was limited to the Federal Reserve and the Treasury. Also, no currency was hereafter redeemable in gold.

April 24, 1964 Secretary of the Treasury C. Douglas Dillon removed the restrictions on the acquisition or holding of Gold Certificates.

Bureau of Engraving and Printing, 14th and C Streets, SW, Washington, DC 20228

Bureau of Engraving and Printing, Western Currency Facility, 9000 Blue Mound Road, Fort Worth, TX 76131