

BEP HISTORY FACT SHEET



Last Updated April 2013

SILVER CERTIFICATES

Silver Certificates were authorized by the Bland-Allison act of February 28, 1878. The act allowed people to deposit silver coin in the Treasury in exchange for certificates. These Silver Certificates were to be of not less than \$10 in value and have the same denominations as United States Notes.

The purpose of the certificates was to give people an alternative to carrying numerous silver dollars. It was easier to carry around and transport the paper certificates than bags of coin. Silver dollars were not very popular as most people preferred to use notes. Recognizing this fact, in 1886 Congress authorized the issuance of \$1, \$2, and \$5-denomination Silver Certificates.

Silver Certificates became very popular and were the major form of currency for much of the late nineteenth and early twentieth centuries. Over the decades of the mid-twentieth century, the amount of silver and silver dollars in the Treasury declined, threatening the metallic backing of the Silver Certificates. In 1963, Congress decided to end the issuance of the certificates. To compensate for the loss, Federal Reserve Note production and issuance was expanded.

Some believe that Silver Certificates were first issued in 1878 as a result of the "Free Silver" movement that began in the early 1870s. Essentially, this movement called for the unlimited coinage of silver bullion by the government as an alternative to the issuance of more "greenbacks" in order to increase the money supply. Supporters of the movement included owners of silver mines in the West, farmers hoping that an expanded currency would increase the price of their crops, and debtors looking to ease the repayment of debts. The movement was successful in bringing about legislation that mandated the purchase and coinage of silver bullion by the government, but in smaller amounts than "Free Silver" advocates had hoped. The legislation also called for the issue of Silver Certificates in return for deposits of silver coin with the Treasury. The Treasury then maintained enough silver coin to redeem the certificates if presented for payment. Silver Certificates could be redeemed for silver until 1968. Although still considered a valid currency, Silver Certificates have not been issued since 1965.

SELECT SERIES**Series 1878**

Silver Certificates are issued in \$10, \$20, \$50, \$100, \$500, and \$1,000 denominations.

Series 1886

The \$1, \$2, and \$5 denominations are introduced.

Series 1896

Issuance of \$20, \$50, \$100, \$500, and \$1,000 denominations ends.

Additional Sources

Barbara Bither, "Designing the 1903 Silver Certificates," 2012.

Arthur and Ira Friedberg, *Paper Money of the United States*, 2010.

**Total Silver Certificate
Production By
Denomination , 1878-1965**

| | |
|-------------|------------------|
| \$1 | \$38,549,291,941 |
| \$2 | \$1,202,718,000 |
| \$5 | \$17,115,870,850 |
| \$10 | \$2,306,881,700 |

RELEVANT LEGISLATION

February 28, 1878 (20 Stat. 25)

Authorized the issuance of Silver Certificates.

August 4, 1886 (24 Stat. 227)

This act authorized the issuance of \$1, \$2, and \$5 denomination Silver Certificates.

March 14, 1900 (31 Stat. 45)

Also known as the Gold Standard Act, it required the Treasury to retire and cancel Treasury Coin Notes and to replace them with Silver Certificates, which were now limited to denominations of \$10 and under.

March 4, 1907 (34 Stat. 1289)

This act provided that 25 percent of Silver Certificates be in denominations of \$50 or less.

April 23, 1918 (40 Stat. 535)

Also known as the Pittman Act, this legislation called for the melting down of silver dollars into bullion for sale to Britain. This action would result in a contraction of the supply of Silver Certificates. In response, the act provided for the issuance of Federal Reserve Bank Notes to meet the shortage in currency.

May 12, 1933 (48 Stat. 31)

The Treasury was instructed to issue Silver Certificates based on the receipt of foreign silver.

June 19, 1934 (48 Stat. 1178)

Also known as the Silver Purchase Act, this act directed the Treasury to buy silver on the international market and to issue Silver Certificates until the value of the silver purchased made up 25 percent of the total gold held by the U.S.

July 11, 1955 (69 Stat. 290)

The inscription "In God We Trust" was mandated to appear on all U.S. currency. The motto first appeared on Silver Certificates, Series 1957, in July 1957.

June 30, 1961 (75 Stat. 146)

Entitled the Old Series Currency Adjustment Act, this legislation directed the Treasury to no longer consider certain issues circulating currency but debt bearing no interest. These issues included Silver Certificates issued prior to July 1, 1929.

June 4, 1963 (77 Stat. 54)

Various acts pertaining to the purchase and reserve of silver coin and bullion were repealed. As a result, Silver Certificates were gradually discontinued and replaced with Federal Reserve Notes.

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