

PAPER MONEY AND AMERICAN CULTURE: YOU CAN SEE A LOT JUST BY LOOKING

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What can we learn about America by examining its currency? Monetary tokens are documents of culture –artifacts that speak to the identity of a group of people, a place, and a time. The images impressed on the currency –its properties of representation– reflect, document, and impact on politics; they interpret social norms, buttress ideological formations, and convey moral concepts. The visual “look” of monetary tokens therefore is a crucial means of communicating with people, not simply about function or basic “use” but at the same time about identity and meaning. Reading the images on the currency depends, however, not on their fidelity to truth and reality but upon the institutions and discourses in which they are embedded. The institutional and discursive control of currency iconography becomes more ideologically imperative during periods of instability or unrest. During such periods, the question how the nation should be presented to itself as well as to others is a particularly pressing one and political ideas are staged and communicated via images on the currency with more force and more frequently than at any other period.

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When we think of how the once Almighty Dollar is doing these days, barely a word seems fit enough to capture the magnitude of the financial crisis that began with the bankruptcies of sub-prime mortgage lenders in August 2007. Even Alan Greenspan, the former Federal Reserve chair, conceded that the crisis had developed into a “once-in-a-century credit tsunami” (*Chicago Tribune* October 24, 2008, online). Indeed, the numbers are truly staggering, with estimates of the total losses that would eventually result ranging from \$1 trillion to \$2 trillion (Cassidy 2008: 14). Such figures are enough to put any one into a gloomy mood, from Lawrence Grossberg, who connects the crisis with the “collapse of any viable logic of commensuration” (2010: 295), to the cartoonist who portrayed the iconic George Washington with a clinical thermometer in his mouth, as “Ailing George” (Fig 1).



Grossberg’s valuable essay articulates the economic from the point of view of cultural studies. The cartoon image of human frailty and ailing, in contrast, tells us that pieces of money are themselves documents of culture, artifacts that speak to the identity of a group of people, a place, and a time. Whereas banks and similar institutions contribute to a community’s strength and identity politically and economically, the significance of the imagery on currency lies in its symbolic contribution. In plain English, money is inscribed with *meanings* as well as *uses*. Money’s visual language

therefore reflects a truth about the world that is already there, at the same time as it produces meanings about the world through representing it.

There are two distinct design features or “properties of representation” (Foucault 1970: 175-76). Firstly, there are those that are purely ornamental or have security implications. Secondly, there are those that have historical or idealistic significance, such as the Great Seal of the United States, pictures of famous buildings, monuments, paintings, and portraits of Great Americans. These features constitute a currency’s symbolic domain. A currency speaks to us through these features, which are its rhetoric of endearment, much as they constitute “image-texts,” that is to say, apertures or cleavages in representation, places “where history might slip through the cracks” (Mitchell 1994: 104).

The theory of what images are and how they convey meaning, as well as of the social and political contexts of image production and consumption is called “iconology”. By contrast, a focus on specific images, pictures, and likenesses, such as images on the currency, religious icons, and photographs is the domain of “iconography” (Mitchell 1986). Iconography also focuses on images’ inner tensions and structures, as well as on their temporal and affective interplays. Iconography has its own language, together with its own grammar, which includes syntax, semantics and, not to forget, pragmatics, as people always act with and through images. When we look at paper money, we talk about a note’s face and back, its rectangular space, its types of design features. We also talk about different denominations and types of notes. In addition, we talk about more subtle codes of representation ranging from literal depiction to more abstract and arbitrary symbols and metaphors. These codes extend to choice of subject matter, point of view, composition, and so on –whatever affects the production of meaning.

Images on currency are, then, constructions that are shaped by, and help shape, history. Reading them depends, not on their fidelity to truth and reality but upon the particular institutions and discourses in which they are embedded. Obviously, the institutional and discursive control of images becomes more ideologically imperative when questions of identity are at issue. Such questions extend to visions, dreams, and prejudices about oneself and the world, and they acquire additional force during periods of instability or unrest. In the United States, these would be the War of Independence, the Civil War, the Great Depression, and the financial and economic crisis of the present. During each period, the question how the country should be presented to itself as well as to others was a pressing one.

At the beginning of European settlement in North America, coined money was the basis for most of the colonies’ money. Yet unlike in other colonies, in North America not enough coins of any kind were available ever, and there was an almost complete absence of precious metals in what is now the United States of America –gold was not discovered in any usable quantity until 1848 and silver even later. These facts left Americans little choice. Like it or not, they had to rely on paper money, which developed early and increased rapidly. Massachusetts led the way in 1690, when it issued its famous “Bills of Credit” in order to pay soldiers returning from a disastrous military expedition against the French in Canada. By 1750, every single one of the thirteen colonies was using paper money. On the eve of the American Revolution, Alexander Hamilton, who eventually became the first Secretary of the Treasury, estimated that the money supply in America “consisted of one-fourth specie and three-fourths paper money” (Newman 1997: 13).



Fig. 2: \$1, Continental Currency, motto “DEPRESSA RESURGIT” (“Though oppressed it rises”) (American Numismatic Association Money Museum)

Individual bills bore all kinds of political mottoes –such as “Issued in Defence of American Liberty” and “*Depressa resurgit*” (“Though oppressed it rises”). These mottoes were expected to contribute to a sense of identity as American patriots. Yet the so-called “Continental currency” was issued in such excessive numbers during the War of Independence that it was soon caught up in a destabilizing hyperinflation. By February 1781, the date of the last listing, \$7,500 in paper dollars was needed to buy \$100 in Spanish silver dollars. The situation led to strong fears among politicians and strong reactions among people in general. James Madison, one of the founders, called the “rage for paper money” an “improper or wicked project,” which only a strong federal government committed to “hard money” would be likely to avoid (1990: 1018).

When the United States Constitution was finally thrashed out, the document *implicitly* denied the federal government the right to issue paper money, at the same time as it *explicitly* denied the individual states the same prerogative. In the absence both of state and of federal notes, commercial banks took up the slack, providing the cash for the economic development of the young nation. The notes these banks issued bore an enormous range of images, probably amounting to tens of thousands. Richard Doty, the director of the National Numismatic Collection, notes that bills from that era offer a “pictorial richness never approached, let alone exceeded, before or after” (2008: 98). The downside of this arrangement was a completely corrupt system of mysterious credit, debt certificates, stock, and deliberate depreciation, not to mention rampant counterfeiting. The system lasted until the Civil War (Tschachler 2010: 44-58; Mihm 2007: 184-85).



Fig. 3: \$100, Confederate States of America, 1862, at left former Vice President John C. Calhoun (Courtesy of the National Numismatic Collection, Smithsonian Institution)

The Civil War was a costly war: costs incurred directly by the Union government were estimated as \$4,171 million, with directly incurred costs for the Confederacy of \$2,700 million. A remaining sum of \$2,323 million, not divided between North and South, included such items as pensions, state and local government debts, and losses to shipping and industry, making a total war cost of \$9,194 million (Davies 2002: 48). In order to finance the war effort, paper notes were issued, lots of them. The Confederacy instantly adopted a government currency system. It also soon recognized that a national currency could serve as an important carrier of images,

defining the nation for its own citizens, for people on the other side of the Mason-Dixon Line, and for foreign nations.

The Union, which was bound by law to pay all expenditures in gold or silver, first tried a variety of measures, like taxes, new tariffs, and the selling of government bonds. None of these measures proved enough to finance the war, though. Consequently, and all the bad experiences in the past with paper money notwithstanding, the Treasury Department was authorized to print and circulate notes to the extent of \$60 million, which was about twice the amount of gold and silver coins struck in one year. The official name of this type of money was "Demand Notes," as the bearer was given the right to have the notes paid at any time, "on demand."



Fig. 4: \$5 Demand Note, 1861, face (American Numismatic Association Money Museum)

The \$5 Demand note in particular connects finance, stability, and national authority. The federal legislation on which the issue was

based –the “Act of July 17, 1861”– is set above a portrait of Alexander Hamilton, who was one of the earliest (and strongest) believers in a federal currency. The oversize obligation –“The United States promise to pay the bearer on demand”– was one that Hamilton clearly would have endorsed. Hamilton also would have agreed with the symbolism of Thomas Crawford’s statue *Freedom in War and Peace*, which appears to the left. Originally designed in the 1850s, Liberty here serves as a symbol of national unity: a brooch marked “US” holds her robes in place; the shield in her left hand contains the nation’s seal; and the famous phrase *E Pluribus Unum* (“From Many, One”) is wrapped around the statue’s base. As a piece of propaganda, the note conveyed a message of *national* unity that was aimed not just at the financiers in the North who were to underwrite the war, but also at the Southern states whose secession had precipitated the violence.

In 1861, federal notes were still outnumbered by notes from commercial banks. Five years later, this “unnational circulation,” as Salmon P. Chase, Treasury Secretary under Lincoln, called these notes – had passed out of America’s monetary history. The federal government’s policy to bring *all* Americans into the fold of the nation was paying off. Images that would help inculcate a sense of belonging to the national community were found on items such as flags, stamps, murals, paintings, statues, and, not to forget, on the currency. All these images served to reinforce what has been called “banal nationalism,” that is, the collection of ideological habits of practice and belief that reproduce the nation as a nation on an everyday level (Billig 1995). All post-Civil War notes therefore would bear “a common impression,” as all would be issued and controlled by the federal government. Eventually, a single form of currency would facilitate economic relationships across the entire territory of the expanding United States, much as it would enable Americans to communicate using the same “monetary language” (Helleiner 1998: 1415).



Fig. 5: \$50 National Bank Note, series 1863, back, Embarkation of the Pilgrims (American Numismatic Association Money Museum)

No other type better fulfilled the criteria of a truly national currency than the National Bank

Notes, which came into existence in 1863. These notes typically bore images drawn from America's history, including artworks from the Rotunda of the United States Capitol – John G. Chapman's *Baptism of Pocahontas*, Robert W. Weir's *Embarkation of the Pilgrims*, Peter Frederick Rothermel's *Landing of the Pilgrims*, or John Trumbull's *Jefferson presenting the Declaration of Independence to John Hancock at the Continental Congress*, and his *Washington Crossing the Delaware* (Tschachler 2010: 74-75, 95-109).

On United States Notes, by contrast, modern allegories became popular –such as Science presenting Steam and Electricity to Commerce and Manufacture, which appears on the face of the \$2 Silver Certificate, Series 1896. This note, the second one of the “Educational Series” of altogether three notes, is among the most famous of all United States currency issues– and by general consent one of the most perfectly designed.

America's paper money today is made up mostly of Federal Reserve Notes. The Fed was created in December 1913, under the leadership of President Woodrow Wilson, and in belated reaction to the financial panics of previous years. In 1929, all paper notes were reduced in size, from 7³/₈ by 3¹/₈ inches to 6 by 2⁵/₈ inches, that is to say, from “horse blanket” to “pocket change” size, to use the colloquial parlance. In the same year, the Treasury Department concluded that portraits of former Presidents and other Great Americans had a more permanent familiarity in people's minds than any others. Until then, a wide variety of images had served to maintain American national identity – including images of Christopher Columbus, Hernan de Soto, Meriwether Lewis and William Clark, the Pilgrims, Pocahontas, Martha Washington, various Civil War generals, and, as a guns-and-steel assertion of American strength, a World War I battleship of the dreadnought class (Tschachler 2010, 109-26; Friedberg and Friedberg 2001: 321-40). As of 1929, each denomination was to bear on the face the same portrait distinctive to that denomination –Washington's on the \$1, Jefferson's on the \$2; Lincoln's on the \$5; Hamilton's on the \$10; Jackson's on the \$20; Grant's on the \$50; Franklin's on the \$100; McKinley' on the \$500; Cleveland's on the \$1,000; Madison's on the \$5,000; and Chase's on the \$10,000. (Woodrow Wilson's portrait appeared on a \$100,000 note printed in 1934, though the note never appeared in general circulation).

Fig. 6: \$2, Silver Certificate, Series 1896, face (American Numismatic Association Money Museum)



Until the great currency overhaul that began in the 1990s, the only change in the design was the adoption of the phrase “In God We Trust” in 1955. This was part of an effort by the Eisenhower administration to please patriotic Americans by setting the



godly United States off from the ungodly Soviet Union. One-dollar Silver Certificates bearing the inscription were first made available to the public beginning October 1, 1957 (Tschachler 2010: 53-55). Current one-dollar bills

are Federal Reserve Notes. These notes are truly unique in that no other piece of currency communicates such abundant information about the nation's history, the structure of the nation, and its highest goals and aspirations. Paraphrasing Mitchell (2006), we can say that the one-dollar note is produced and put into circulation as capturing something sacred and honored with worship –the American nation.



Fig. 7-8: \$1 Federal Reserve note, Series 2003, face (*top*) and back (*above*)

One-dollar bills, like all United States currency are redeemable only “in lawful money,” which means that they can only be exchanged for other paper dollars. America’s paper money thus is backed by nothing more – and nothing less – than the public’s confidence in the nation-state and its government. Additionally, the pieces of green paper with printing on them provide retrospective assurance. Such assurance seems sorely needed when times are experienced as ever accelerating, when the cultural roots are eroding, when historical identities are getting blurred, or when the economy is plunging doomward.

Notes

1. Greenspan’s refusal, from 1999, to regulate suspicious mortgages was a decisive enabling factor for the irre-sponsible risks that ended in collapse. Not surprisingly, he comes off worse than anyone else in the 2011 report by the Financial Crisis Inquiry Commission.
2. “No State,” says Art. I, sec. 10, §1, “shall ... make any Thing but gold and silver Coin a Tender in Payment of Debts.” Therefore, the question is, if the States cannot issue paper money, this must mean that the federal gov-ernment can. This is not the case, as the Tenth Amendment – which Madison had drafted, along with the rest of the Bill of Rights – says, “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” The Constitution thus does not “delegate” the power to “make any Thing but gold and silver Coin a Tender in Payment of Debts” to the federal govern-ment. In fact, Art. I, Sec. 8, §5 grants the national government the authority only to “coin Money, regulate the Value thereof, and of foreign Coin.” Therefore, government at no level has the power to make anything but gold and silver coin tender in payment of debts (Tschachler 2010: 219n.).

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