

Nineteenth-Century Currency – Activity

Middle School

Themes

Economics
Indigenous Studies
Westward Expansion

Periods

19th Century
US Civil War

Skills & Document Types

Bank Notes
Image Analysis
Visual Literacy

Materials – Documents available for download [here](#)

- Optional: Computer and projector
- Copy of the banknote used in this activity (high-resolution version [here](#))
- Space for students to generate questions/Optional student worksheet

Process

This activity is a way to provide a lesson on visual literacy within a history curriculum as well as an introduction to or exploration of currency. You may want to begin with the [Skills Lesson: Ephemera](#).

Display the image. Give students time to generate and answer questions about the object and write notes. Use the background material at the end of this activity whenever you think it will encourage students to ask more questions and think more about how to engage with the object. You may want to add gridlines to the banknote to help students focus on different sections (high-resolution version with gridlines to come).

Potential Questions:

- What numbers can you find? What do they mean? (*The number one is shown. It shows how much the bank note is worth. The number 1862 is a year.*)
- What words are on the object? What do they tell you about it? (*Words include Bank of De Soto, will, pay, to bearer, one dollar, on demand; in New York; June 2, 1862; redeemable at No. 68 Wall Street New York, De Soto, Nebraska; Stockholders individually liable*)
- Who made this? How do you know? (*Bank of De Soto because that is the name written on the object.*)
- When was this made? How do you know? (*1862 because the date is written on the object.*)
- What is this object? (*a bank note*)
- What is pictured at the center? What are the people holding? What does that tell you about the people and what they do? (*men, a woman, a child; They are holding a rake, a scythe, and a hammer and one man is leaning on an anvil; this shows that they are farmers and a blacksmith.*)
- Who is shown in the lower left corner? (*Native Americans*)

Notes for the teacher:

- Students might be confused by the references to New York. Help them understand that Bank of De Soto was the issuer, while the cash reserves backing the bank notes were presumably held at that address in New York.
- The image on the lower right is Daniel Webster, who died in 1852. He was a nationally known orator and supporter of the idea of a national bank.

Discussion

- What do the images on the money tell you about De Soto, Nebraska?

(Possible conclusions: The center illustration shows that farming was important in the area and to the economy. The people who use the bank are farmers and people who help farmers like blacksmiths. The picturing of Native Americans might be because the US was in the process of forcing Native peoples off their homelands; Native Americans can also represent or symbolize the United States or the land itself. The woman and child show that the area was friendly for families; show that many families with children lived there.)

Background

Paper Currency People have been using metal coins as currency for millennia. In early America the British did not send enough minted coins to the colonies, so paper notes were used to fill that gap. The first national paper currency in the United States were \$2 bills called “Continental.” During the Early Republic era, the First and Second Banks of the United States issued private bank notes. However, from the closure of the Second National Bank in 1836 to the Civil War, there were no national bank notes. During the Civil War, the US Treasury began to print national bank notes, and in 1913 the Federal Reserve also began printing national bank notes. From 1913 to 1971 both US and Federal Reserve (a national banking system backed up by bonds) notes were in circulation. In 1971 US notes stopped being printed. Today all US currency is Federal Reserve notes.

Through the Civil War and for some years afterwards, local private banks could also issue bank notes. This currency was meant to be used locally, especially in areas where there was a lack of silver and gold coins and other currency in small denominations. In new US territories, these private bank notes helped local economies. The notes were backed up by the money the bank had on deposit.

A major problem with paper currency of all kinds was that it could be counterfeited easily, losing value as a result. Currency printers developed elaborate illustrations and used different inks to make counterfeiting more difficult. Another risk was the lack of regulation. Local banks often printed more notes than they could convert to coin, causing a bank to go bankrupt when people tried to exchange their notes for gold or silver during a financial panic. And panics in nineteenth-century America were frighteningly common. The most famous are the Panics of 1819, 1825, 1837, 1857, 1873, 1893, and 1896.

Throughout history, currency has incorporated imagery, symbolism and allegorical figures. On US paper currency allegorical figures have included female figures representing liberty, justice, history, agriculture, commerce, and the United States, among others.

Territorial Banking In Nebraska, banks had to be authorized by the legislature. It was not difficult to get authorization, though, and those banks were allowed to issue their own bank notes. These bank notes were called "wildcat notes" and their value changed often. Counterfeiting was a major problem. After the land boom ended and the Panic of 1857 hit, many of the banks failed and the bank notes they had issued became worthless.

De Soto, Nebraska was a boom town founded in 1855, and from 1858 to 1866 it was the center of government for Washington County. At its height, the town had three banks—the first was the De Soto Bank—as well as hotels, stores, and newspapers. The town hoped to become a transportation hub, first for ferries and steamships on the Missouri and then for the railroad. When these dreams failed to be realized the town began to disappear. Today, no town buildings still exist, but about three farms do.

Extension Activities

- Have students look up and examine more examples of currency from the [Everett D. Graff Collection of Western Americana](#).
 - What are the most common images on the currency in this collection? What does that say about the American West in this period?
- Have students look up currencies from around the world and from different points in history and create a museum exhibit that explains their favorite currencies and what the images on those currencies tell us about the societies that created it.

Additional Resources

- [The History of U.S. currency](#), US Currency Education Program
- [Banks Own Private Currencies in 19th-Century America](#), JStore Daily
- [A Brief \(and Fascinating\) History of Money](#), Encyclopedia Britannica
- [De Soto Townsite](#), History Nebraska

Words to Know/Vocabulary

Ephemera | a variety of paper and other objects that were created but not meant to be saved

Counterfeit | something that is made to look like something else with the intention to deceive

Redeem | to turn in for a payment of equal value

Issue | print for public use

