



EARLY AMERICAN HISTORY AUCTIONS

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AMERICA'S FIRST FEDERAL BAILOUT REVOLUTIONARY WAR "GUARANTEED" NOTES BY THE CONTINENTAL CONGRESS IN 1780



In the Revolutionary War year of 1780, the Continental Congress, America's Federal government, was faced with a desperate financial crisis. Previous issues of Continental Currency, the paper money issued by the Continental Congress, had been accepted in payment by the thirteen States.

These notes had been issued beginning in 1775 and had depreciated greatly. The States held large quantities of these near worthless fiat money notes and there were more that people wanted to turn in to the State treasuries.

To help resolve this crisis, the Continental Congress passed an official Act. It allowed for the various State government treasuries to accept, redeem and return the Federal issued Continental Currency notes. Unfortunately for the note holders, they were accepted at a tremendously depreciated valuation of \$40 (Forty Dollars) in old Continental notes, for only \$1 (One Dollar) in newly issued State currency, that was now also "Guaranteed" for payment by the Continental Congress.

This new paper money issue, dated 1780 was

"Guaranteed" for payment in "Spanish Milled (Silver) Dollars," and also carried an annual interest rate of 5% (Five Percent) for holding the money until it was redeemed.

Several States, being Rhode Island, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Virginia accepted the proposition and actually printed the special 1780 currency issue for this unique purpose.



The hand-made laid period paper used to print these notes, included a special watermark which read "CONFEDERATION" even though these were issued by the individual States. This issue was printed in two colors, red and black. Each note was hand signed by the State representatives on its face, and then by a representative of the Continental Congress, upon a special "Guarantee" endorsement line, which was printed and signed on its back.



Some financial scholars believe that these notes were never properly recalled by the Federal government for redemption and that the 5% annual interest they carried was never officially cancelled. In that case, it is calculated that for each \$1 (One Dollar) of face value carried on these 1780 issued notes, today would be worth in excess of \$67,000 (Sixty-Seven Thousand Dollars) in the carried forward, compound interest alone! Please know that we know of no such interest payment as having been received in modern times, by anyone to date and the interest value is a theory that may need to be legally proven. Even so, there are serious people who believe.

Today's "Bailout" of our Banks and Financial System is not unique or unprecedented. We have a small selection of these FIRST FEDERAL BAILOUT NOTES available. They are in very limited supply and will be sold first come, first served, until the supply is gone.

We are offering fully Authentic, Original notes that are FULLY SIGNED on their face and FULLY ENDORSED on the United States "Guarantee" line on the reverse issued by the State of Rhode Island on July 2, 1780. The note has not been cancelled. Some may have the red stamped, or manuscript overprint reading "Interest Paid One Year," as is often seen on this issue. Please enjoy our sample images and take special note of the printed Interest payment table at the lower left on the face, as well as the text on both sides.

A Special Collecting Opportunity...

State of Rhode Island, July 2, 1780
"Guaranteed" By The United States Issue.

- \$1 Face Value – Crisp Uncirculated Quality ... \$295.
- \$2 Face Value – Crisp Uncirculated Quality ... \$395.
- \$2 Face Value – Very Fine or better Quality.... \$295.
- \$3 Face Value – Crisp Uncirculated Quality ... \$395.
- \$3 Face Value – Very Fine or better Quality.... \$295.
- \$4 Face Value – Crisp Uncirculated Quality ... \$395.
- \$4 Face Value – Very Fine or better Quality.... \$295.
- \$5 Face Value – Crisp Uncirculated Quality ... \$395.
- \$5 Face Value – Very Fine or better Quality.... \$295.
- \$7 Face Value – Crisp Uncirculated Quality ... \$395.
- \$7 Face Value – Very Fine or better Quality.... \$295.
- \$8 Face Value – Crisp Uncirculated Quality ... \$395.

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