

Introduction to Collecting Depression Scrip

By Jeremiah West

Scrip is defined as a temporary certificate issued for exchange at a later date for whatever is stated as the purpose of the issue – money, goods, or some other asset.

Great Depression Time-Line

- 1929: Stock market crash of October 1929 was the beginning of a long term business contraction
- 1931: thousands of banks failed, countless runs on banks, resulted in a severe currency and coinage shortage
- 1931-32: Sporadic bank Holidays (temporary closure) through out the country, around 550 banks, this tied up bank deposits – people couldn't get their money
- 1933: Roosevelt's Bank Holiday proclamation – banks remained closed until the Federal government could determine the solvency of the banks
- 1933: Formation of the Federal Deposit Insurance Corporation (FDIC) to stop runs on banks

Type of Depression Scrip issued in the 1930's

In response to the lack of hard currency and bank closures American responded by issuing emergency money, which we call "Depression Scrip"

- No-hoarding or prosperity checks – issued in response to President Hoover's February 1932 plea to keep money in circulation
- Issued by Cities, Counties, and Boards of Education – these were used to teachers and city employees due to the lack of tax revenue
- Tax Anticipation Notes – these were issued by communities and were backed by anticipated revenue of back taxes. Some paid interest.
- Self-Liquidating or Stamp Scrip – based on an idea used in Germany in 1931. Low denomination stamps were affixed to the note.
- Issues of Individuals, Chambers of Commerce, Trade and Civic Organizations – monetary conditions were so chaotic and currency

Examples of Depression Scrip

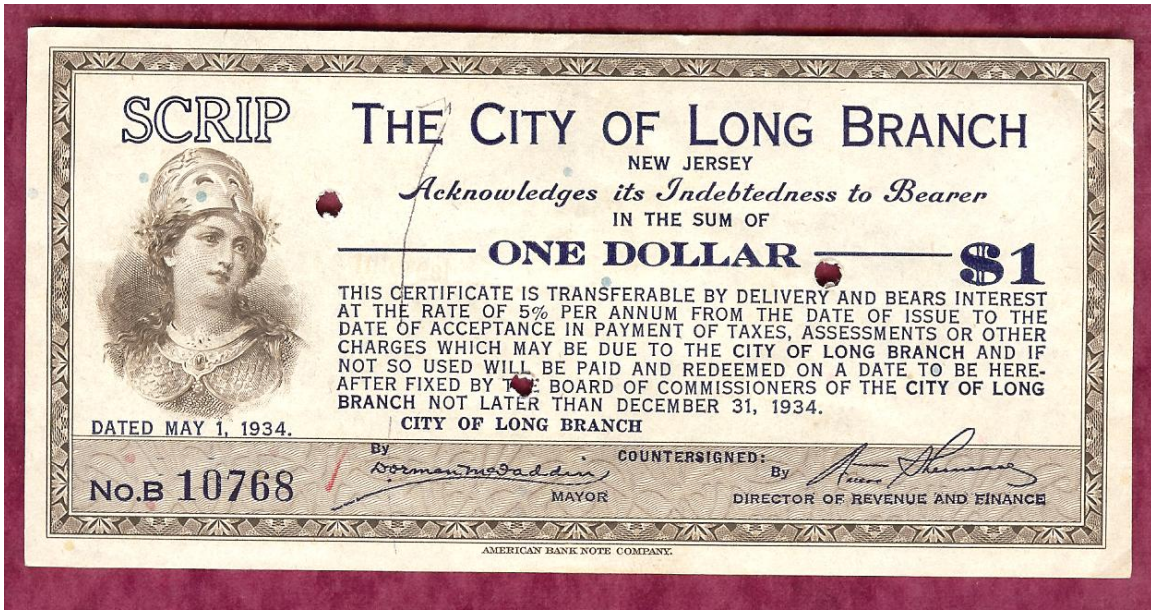


Figure 1 – The City of Long Branch New Jersey \$1 Note. It is a 5% bearing note issued starting on November 1, 1933 and redemption had to be no later than Dec 31, 1934.



Figure 2 – A \$1.00 Scrip issued by the Chamber of Commerce of Clay Center, Kansas. Other denominations issued were 5 Cent and 50 Cent. The note was backed by cash and government bonds.

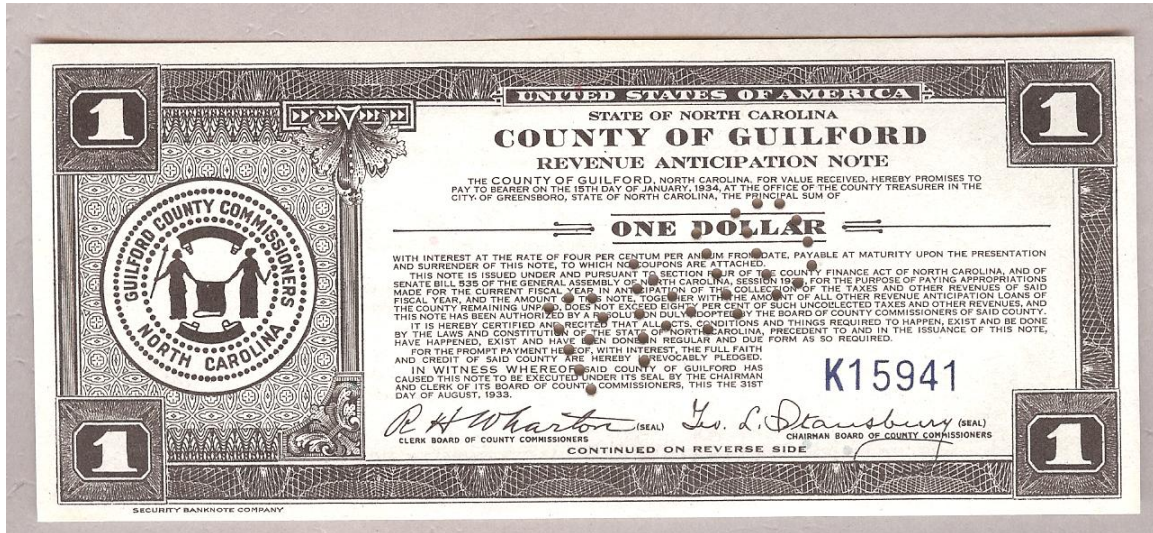


Figure 3 – \$1.00 Revenue Anticipation Note from County of Guilford, North Carolina.

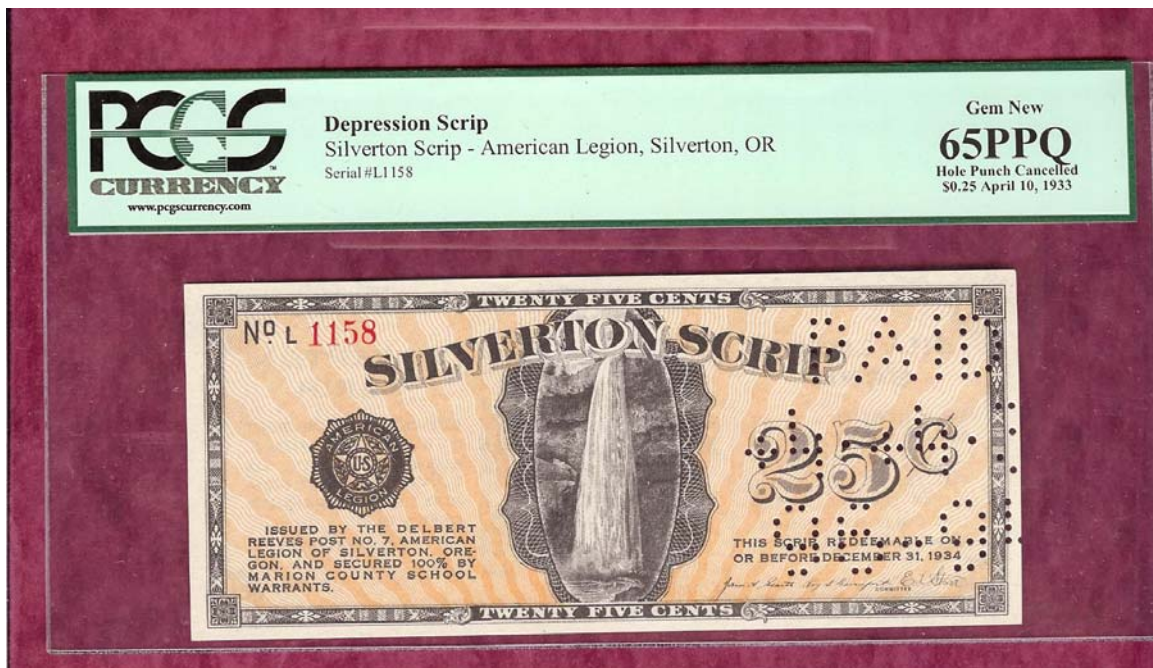


Figure 4 - \$0.25 Scrip issued by the American Legion of Silverton, Oregon. The note was secured by the Marion County School warrants.

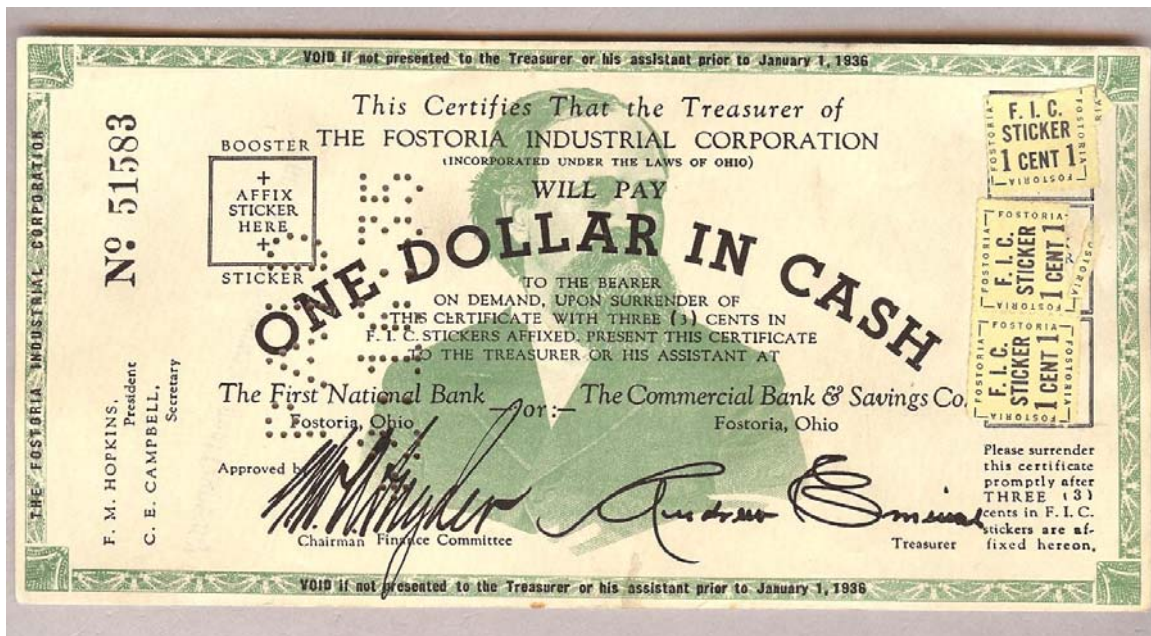


Figure 5 - \$1.00 Scrip issued by The Fostoria Industrial Corporation, Forstoria, Ohio. The note was to be surrendered after three 1 Cent stickers were attached. This is an example of a self-liquidating or Stamp scrip.

Depression Scrip Prices

Even with the fact that they are relatively rare notes they are surprisingly cheap. A common circulated example can be purchased for around \$10.00. Rarer or high grade notes command a substantial premium.

References

Web Site: <http://www.depressionscrip.com/>

“Standard Catalog of Depression Scrip of the United States the 1930s including Canada and Mexico” By Ralph A. Mitchell and Neil Shafer, Krause Publications, 1984