

**‘Dual Denominations’
on
Latin American
Paper Money**



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Dual currency or Multiple denominations definition, according to the SCWPM, is a bank note bearing denominations in more than one monetary system to facilitate exchange.

Depending on what can or cannot be done with either currency and how, or their rate of exchange is managed by monetary authorities presumably at a rate other than would otherwise prevail in the market (or there would be no point in managing it). At a market-determined exchange rate, the introduction of a new currency simply increases the amount of liquidity in the system, without any other effect; nothing happens that could not have happened by expanding money supply in the old currency (as it can always be done with paper money). At any managed exchange rate different from the market rate.

The Spanish-American War, the Panama Canal project, and the Roosevelt Corollary ensured extensive U.S. involvement in Latin America. Many Caribbean and Latin American countries seemed to be in a perpetual state of revolution and political upheaval. Due to its close geographic proximity, the U.S. felt compelled to get involved and exert influence in these conflicts. The significant financial investment that resulted from "dollar diplomacy" also required the U.S. to intervene repeatedly in order to protect its citizens and investments. President Taft continued Roosevelt's imperialist policies and increased America's economic and political empire throughout the world.

Although the dollar is still the leading currency, other currencies, such as the euro, the yen and the sterling pound must also be monitored. Dual currency accounting formalizes this dependence on multiple currencies by keeping financial records in two currencies. Multi-currency accounting deals with three or more currencies.

For instance, Ecuador had a dual currency, where 1 Condor= 25 Sucres but paper money were not issued with two different monetary units. A gold coin was minted with those denominations and Bolivar's portrait appears facing at left.

In this occasion, I found some countries in Latin America that produced paper money with dual denomination, such as: Bolivia (Bolivianos/Bolívares); Colombia (Peso/Dollar); Chile (Peso/Condor); Dominican Rep. (Peso/Dollar); Puerto Rico (Peso/Dollar) and Venezuela (Peso/Dollar).

BOLIVIA

1-10,000 Bolivianos/Bolívares (P138-151)

In 1825, the Republic of Bolivia (before known as Upper Peru) was created as tribute to the Liberator Simon Bolivar. One of the Bolivar's generals, Antonio José de Sucre, became its first president but stability was still a long way off. When Sucre's presidency ended, the nation fell under the rule of a series of dictators. Also, in the 20th century, rebellions became common, and the government changed hands nearly every other year.

In 1937, Col. German Busch assumed power, and a new constitution with stronger mining reforms was adopted. After Busch's mysterious death in 1939 came four years of military rule. The followers of Busch, along with other dissidents groups, secretly organized a new party; and on December 20, 1943, they struck the blow that toppled the military regime and raised to power Major Gualberto Villarroel of the new liberal party, the *Movimiento Nacionalista Revolucionario* (MNR). The United States refused recognition, repeating its charge of ties between the MNR and Nazi Germany.



Later Victor Paz Estenssoro, a professor of economics joined to the cabinet. He served as minister of finance, hoped to get popular support with a budget that emphasized social spending over economic development. But the salary increase for miners did not bring about their consistent backing of the government and only managed to strengthen the ties between the MNR and miners.

In 1945, *Banco Central de Bolivia* put into circulation the first issue of the new banknotes with the following denominations: 5, 10, 20, 50, 100, 500, 1000, 5000 and 10,000 Bolivianos (P138-146). Portraits of Liberator Simón Bolívar and Marshall Antonio J. de Sucre are on most of them. All the denominations also have their values expressed in 'Bolívares' except on 5 Bolivianos-note. Size increases according to the denomination.

Boliviano was adopted as currency of Bolivia in 1864. Initially, it was subdivided into 100 *centésimos* but this was altered to *centavos* in 1870. Also, the name *bolivar* was used for an amount of ten bolivianos in 1945 because it was the region's most stable currency. The rate of 1 Bolivar equal to 10 Bolivianos.

Villarroel extended Busch's reform programs by encouraging mining unions and assisting the Indians to better their living conditions, but the regime was overthrown in 1946 and the ball of government passed to the Conservatives once more. On July 21, 1946, anti-government crowds took control of the Plaza Murillo, where the Palace of Government was located, essentially laying siege to it. From within the Palace, Villarroel announced his resignation, but the enraged hordes seized arms from the arsenal and assassinated the President. Villarroel's body was tossed from a balcony where the crowds proceeded to hang it from a lamp-post.

Also, under the Law Dec. 20, 1945, a second issue was put in circulation but design was slightly altered and reduced size (P147-151). The portraits of Major Villarroel and Col. Bush appear on notes of 100 and 500 Bolivianos respectively. All these notes printed in England by Thomas de la Rue.

COLOMBIA

1-2-5-10 Pesos/Dollars (S807- 810A)

Colombia celebrated a presidential election in 1880, where Rafael Nuñez was elected representing the Right-Wing Liberals. Right-Wing Liberals in Colombia were and are something like Southern Democrats in the United States: they would feel more at home in the other party but traditional commitments keeps where they are. Also, under Nuñez's administration, *Banco Nacional de la República de Colombia* replaced *Banco Nacional de Colombia*.

Meanwhile, the first *Banco de la República* was established in Bogotá in 1880. This bank



issued notes of the following denominations: 1, 2, 5, and 10 pesos/dollars but according to some Colombian catalogs only few circulated. These banknotes were

printed by the Homer Lee Bank Note Company. Homer Lee (1856-1923) was an American engraver, artist and founder of HLBNC in New York City. Also, he invented the Homer Lee rotary steel plate printing system, as well as numbering devices used by the U.S. Treasury. The HLBNC grew in the 1880s and 1890s by producing engraved stock and bond certificates, primarily for railroads and mining companies. This printing company produced currency and postage stamps for numerous foreign governments before amassing debts and being taken over by the American Bank Note Company in 1891.

On 1 peso/dollar note appears a train crossing a bridge at center and triangular guilloches at upper corners with denomination of "1". Also, over the denomination the bilingual legends says, for instance in Spanish: "Pagará al portador y a la vista un peso en

monedas de oro o plata” at left and in English “Will pay to the bearer on demand of one dollar in legal money gold or silver” at right. In addition, written denomination in Spanish “*Un Peso*” at left and in English “*One Dollar*” at right. Both expressed in a vertical format.

In the denominations of 2, 5 and 10 pesos/dollars features the portrait of George Washington (the same used in the US postage stamps) with the following description: Train emerging from a tunnel on front and Washington’s portrait is at center on back (on 2 pesos/dollars); Washington’s portrait is at center on front (on 5 pesos/dollars) and Washington’s portrait is at left and woman with helmet (‘Minerva’) is at right on front (on 10 pesos/dollars). Probably Washington’s portrait was used in these notes instead of Santander and/or Bolivar’s portrait as measures against counterfeiting.

Also, banknotes with the same denominations but different designs are listed, as follow: S808A; 809A and 810A. On notes of 2 pesos/dollars appears Minerva seated alongside with little angel on front. On 5 pesos/dollars appears an eagle at center on front and on 10 pesos/dollars appears two women standing at left and at right with bilingual legends and denominations at center. Also, written denomination in Spanish “*DIEZ*” over a Roman number “*X*” at upper corners.

These banknotes are considered extremely rare. However, few of them have been appearing in some auctions in Colombia. According to the Catalog of Colombian notes (2006) the estimated value of each note without signatures can be found from \$350 up to \$500 in extra fine (EF) condition.

CHILE

5-50,000 Pesos/Condores (P102-123)

The Central Bank of Chile was created by decree law No. 486, on August 21, 1925 and is incorporated into the current Chilean Constitution as an autonomous institution of constitutional rank. The Central Bank was created under the government of President Arturo Alessandri, who hired American professor Edwin W. Kemmerer and his staff to



restructure Chile’s monetary and financial system.

Also, in 1925, the “Peso” became the official monetary unit in Chile, which was divided into 100 centavos. Likewise, ten pesos made up a “Condor.” The value of the currency was

based on gold peg but in 1932, the gold standard was dropped. The country faced consistent inflationary pressure during whole of the 20th century and that is why, it had to resort to large number currency restrictions making it difficult to have access on foreign exchange. The Condor, equal to ten pesos was also used as a unit of account.

The Andean Condor has been venerated since pre-Colombian times. Also, this huge bird appears on the coat of arms of countries like Bolivia, Colombia and Ecuador, where a condor perched at the top serves as a crest and offers the country shelter and protection under its outstretched wings and stands ready to strike out against any enemy. In Chile, also the condor is in the coat of arms and it has been displayed in some banknotes too. In addition, in a circular seal, shows an image of a 'Condor' in the *Banco Central de Chile* logo, which it also was adopted in 1925.

In 1925, the *Banco Central de Chile* issued some multiple denominations. The first, in denominations of 5, 10, 50, 100 and 1000 pesos/condores, were overprints on government notes. In 1927, notes marked as "*Billete Provisional*" were issued in denominations of 5, 10, 50, 100, 500 and 1000 pesos/condores. Inflation left fractional coins in disuse, until 1955, when a legal ruling established that obligations must be paid in whole pesos. Regular banknotes were introduced between 1931 and 1933, in denominations of 1, 5, 10, 20, 50, 100, 500, 1000, 5000 and 10,000 pesos/condores. The 1 and 20 pesos/condores notes stopped production in 1943 and 1947, respectively. The remaining denominations continued production until 1959, with a banknote of 50,000 pesos/condores added in 1958, which it became the highest denomination in the history of Chile.

For over 35 years, Chile kept this dual currency on its banknotes. Probably, it became the longest multiple denomination in the Latin American history. The Peso/Condor was replaced by the "Escudo" on January 1st, 1960 at the rate of 1 Escudo equal to 1,000 Pesos or 100 Condores. In 1975, the Chilean Pesos replace the Escudo.

DOMINICAN REP.

1-100 Pesos/Dollars (\$151-157)

In 1903, the Dominican debt reached 15 times the annual government budget and various European countries who had had loaned money to the republic sent warships to menace and deter the Government from attempting to default. In order to protect the Monroe Doctrine without having to go to war with an alliance of European naval powers, President Theodore Roosevelt offered to guarantee the Republic's debts.

Meanwhile, the United States had expanded its commercial interests in the Dominican Republic (and the entire Caribbean region), and it had replaced Europe as the republic's major



trading partner. However, U.S. and European investors became alarmed by the republic's deteriorating financial situation. In 1905 the United States began to administer the Dominican Republic's customs agency, using it in part to pay off the republic's European

creditors, who had threatened to collect on their debts. Relative stability returned when Ramón Cáceres became president in 1906, but his assassination in 1911 led to widespread disorder and eventual American intervention. The United States assumed complete control of the nation's government in 1916 after its fragile political structure collapsed again.

Under the administration of the President Eladio Victoria, the *Banco Nacional de Santo Domingo* was established on January 31, 1912 in Santo Domingo with a capital of 2,500,000 U.S. dollars. Initially, American citizens like Franklin J.R. Mitchell and James M. Sullivan were associated with New York financiers who controlled the National Bank of Santo Domingo, an institution hoping to become the depository of funds collected by the receiver general of Dominican customs. Sullivan later resigned after a State Department investigation disclosed his deficiencies. This bank issued notes with dual currency expressed in pesos and dollars in the following denominations: 1, 2, 5, 10, 25, 50 and 100.

All the notes have a seated allegorical woman on front with the following descriptions: reclined allegorical woman at center on 1 peso/dollar; seated allegorical woman facing left at right on 2; seated allegorical woman facing right on a circle frame with two little angels at center on 5; seated allegorical woman at center on 10; seated allegorical woman with globe at left on 25; seated allegorical woman at center on 50 and allegorical women seated at left and at right with denomination '100' at center. Also, the legend in Spanish between the denomination that reads: "Oro Americano o su Equivalente" which means "American gold or its Equivalent" and the coat of arms on back.

These notes dated January 31, 1912 have the signatures of 'H.S. Brandt' and 'Frank J.R. Mitchell,' which were engraved on all banknotes. Over 178,000 notes were printed in New York by American Bank Note Company. Also, other banknotes were printed by Franklin-Lee Bank Note Company (Type II). Today only specimens are known and its are considered extremely rare. Dimensions are 180 x 87 mm.

PUERTO RICO

5-200 Pesos/Dollars (P41-46)



On August 13, 1898, the Spanish-American War ended with Spain ceding Puerto Rico to the United States. The *Banco Español de Puerto Rico*, which was founded in 1888, was renamed Bank of Porto Rico and issued bills equivalent to the United States dollar, creating the Puerto Rican dollar. In 1902, the First National Bank of Porto Rico issued banknotes in a parallel manner. Two more series were issued until 1913. After Puerto Rico's economy and monetary system was fully integrated into the United States' economic and monetary system, the Puerto Rican dollars were

redeemed for those issued by the United States Treasury. The peso and dollar have been followed by other contemporary issues, including commemorative banknotes and private currency.

In February 1901, Series E was introduced subsequently. The banknotes for this issue were bilingual, featuring the bank's name both in Spanish and English. This was one of the earliest and possibly the first instance of bilingual currency in the world. Early specimens for Series F were produced in 1907, but they never reached circulation. All these notes printed in New York by American Bank Note Company.

On face appears different allegorical vignettes at center on the denominations of 5, 10, 20, 50, 100 and 200 pesos/dollars. Over the denomination the bilingual legends says, for instance in Spanish: "*Pagará al portador y a la vista 5 cinco pesos*" at left and in English "Will pay to the bearer on demand of 5 five dollars" at right. The size of these banknotes vary according to the denomination.

On back of these notes appears the Paschal lamb, which had continued being used since the days of the *Sociedad Anónima de Crédito Mercantil de Puerto Rico* and *El Banco Español de Puerto Rico*. In the Roman Catholic Church, an *Agnus Dei* is a disc of wax stamped with a representation of Jesus as a lamb bearing a cross and blessed by the Pope as a sacramental.

By the records, these banknotes were printed in February 1901; but a record dated April 1904, asking the company to erase the signature title of "*El Gobernador*" and replace it with the signature title of "*El Presidente*" on all denominations was found in the archives. Most likely the original order was held back by the American Bank Note Company as a bank request (the Bank of Porto Rico only issued banknotes with signatures titles of "*El Presidente*"). All these notes have three signatures, as follow: the interventor, the president and the cashier.

The remaining exemplars of Puerto Rican currency have gathered significant value with the years, particularly in the United States. The value of them within the collectors of that country is due to the special nature of the post-1898 issues. Since they were issued under the same Spanish provincial charter, the Bureau of Engraving and Printing classifies them as "territorial" currency, this being the only unit of exchange of this kind that is recognized by the U.S. States Department of the Treasury. The Puerto Rican peso/dollar that were collected by the government, were burned between January 16-24, 1925, drastically reducing the amount of surviving notes from the Bank of Puerto Rico.

VENEZUELA

5 Pesos/Dollars (\$185)

In Venezuela, the Federal Wars then ground on until 1863. Gen. José Antonio Páez's forces lost to a caudillesque coalition headed by Juan Crisostomo Falcón, a marshal whose success can be partly attributed to his associate and adviser, Gen. Antonio Guzmán Blanco, son of the famous Liberal propagandist Antonio Leocadio Guzmán.

As soon as the Federalist assumed the power, Falcón as president and Guzmán as vicepresident, started a long process to get a loan from the British government. Initially they were asking for a million and half of sterling pounds to create a bank, among other things. Then *El Banco de Londres y Venezuela, Limitado* was established at Caracas on January 1, 1865 with a capital of 500,000 sterling pounds.

The Bank of London and South America (BOLSA) was incorporated in England on September 27, 1862 as the London, Buenos Ayres, and River Plate Bank, originally to operate in Buenos Aires. It soon opened branches elsewhere in Argentina, and changed its name to the London and River Plate Bank in 1865. The bank expanded over the years to have operations in Brazil, Chile, Peru, Uruguay and Venezuela.

Venezuela had adopted 'peso' as its currency since 1811. The republicans authorized notes August 27, 1811 (released November 18): 1, 2 4, 8, and 16 pesos. A supplement of November 27, 1811 authorized 20,000 pesos in small cardboard notes of 2 reales. The peso notes were counterfeited extensively, so a second issue of new design was authorized February 7, 1812. A third issue, authorized December 31, 1812 appeared just before the royalists occupied Caracas. The royalists recovered as many notes as possible and had them burned in La Victoria, Aragua State.

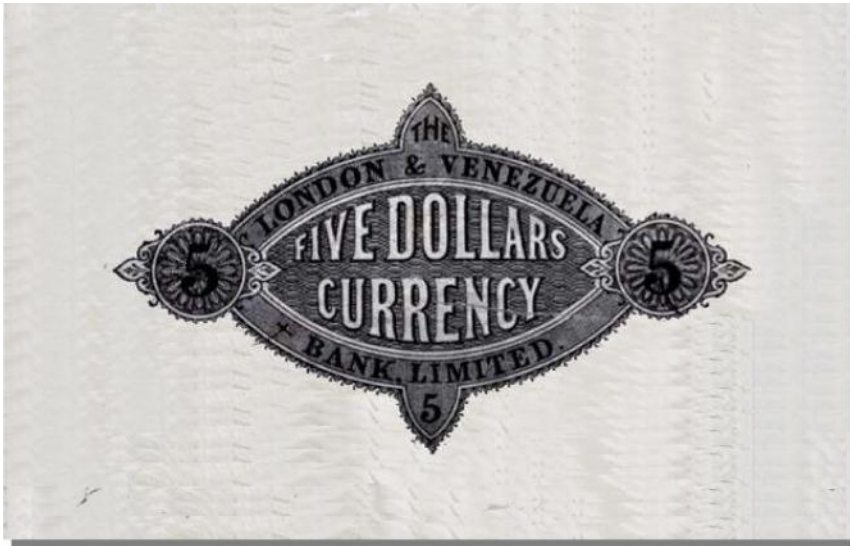


John Williamson, a diplomatic representative of the United States to Venezuela (1835-1840) encouraged the use of paper money, suggesting it could aid in rebuilding the Venezuelan economy. At the same time he advocated full specie backing, and cautioned against issuing paper money on mere credit. Undoubtedly his opinions were shaped by his own experiences with paper money in his home state of North Carolina.

At the end of the American Civil War, many Southerners decided to colonize many Latin American countries, such as: Mexico, Brazil, Honduras, Peru and Venezuela. Most of the emigrants were from the states of Alabama, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Texas, and Virginia.

Dr. Henry M. Price, one of Virginia's many sons disappointed with the outcome of the war, secured from Venezuela in 1865 a grant of 240,000 square miles of land to be selected anywhere in the state of Guayana (today Bolivar State). Dr. Price created the Venezuelan Emigration Company, which operated on 69 Canal Street, New Orleans.

In December 1865, the first group of Confederate officers and his families arrives on board



of the steamboat *Elizabeth*. After six weeks' voyage winds brought the half hundred to *Ciudad Bolivar* (former *Angostura*), a town close to the Orinoco River with 5,000 inhabitants, which the great revolutionary patriot Simon Bolivar had made known to the world a half century before. The president of Venezuela, Juan

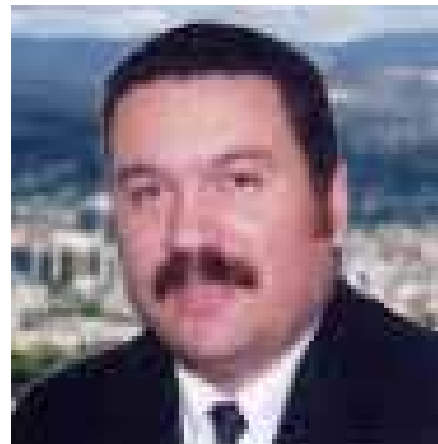
Crisostomo Falcón (1863-1870), the U.S. Ambassador, John Dalton and people of the state led by the Governor organized a cordial reception for them.

Meanwhile *El Banco de Londres y Venezuela Limitado* started operations at the end of 1864 and issued notes on black over green underprint for "5 pesos sencillos" (face, in Spanish) or "5 dollars currency" (back, in English). At the top of this note appears the emblem of City of London, which is the St. George's Green Cross on a white field and along side the emblem of the City of Caracas on oval arms at center. There is a legend in Spanish says: "*Pagará a la presentación y al portador la suma de 5 pesos sencillos en dinero efectivo*" ('Will pay to the bearer the sum of five simple pesos by cash') on front with the signatures below of the Director and the Cashier. Also, appear the word Caracas with date filled in by hand.

On the back appear the legends of "The London & Venezuelan Bank Ltd." and "Five Dollars Currency" in oval at center. There is no evidence if the denominations of 1, 10 and/or 20 pesos/dollars were issued. This banknote of 5 pesos/dollars is considered extremely rare and was printed in England. Dimensions are 210 x 125 mm.

The Bank of London and Venezuela Ltd. was in operations for over two years until a voluntary liquidation in 1867. Finally, on March 31, 1879, under second presidency of Gen. Antonio Guzman Blanco, "*Bolívar de Plata*" ('Silver Bolivar') was adopted as currency unit of Venezuela.

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