



Redesign of the 50 Dollar Bill to Commemorate President Ronald W. Reagan

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Summary

President Ronald W. Reagan, the 40th President of the United States, died on June 5, 2004. Since President Reagan's death, there have been several attempts to pass legislation that would place the likeness of President Reagan on U.S. coin or currency. Similar action was taken after the death of Presidents Franklin D. Roosevelt, Dwight D. Eisenhower, and John F. Kennedy. The portrait of President Roosevelt was placed on the dime, President Kennedy's portrait was placed on the half dollar, and President Eisenhower's portrait was placed on a dollar coin. Current legislation (H.R. 4705, the President Ronald Reagan \$50 Bill Act) would place the likeness of President Ronald W. Reagan on the circulating \$50.

This report discusses the history of the current design of the circulating coin and currency and the statutory requirements for the designs and portrait changes. It reviews what was done after the deaths of the three other Presidents. It concludes with a discussion of the current proposal and describes possible issues raised by the legislation.

This report will be updated as warranted by events.

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Background

Since the inception of a national currency in 1862, the authority to determine the form and tenor of currency has been vested in the Secretary of the Treasury. This includes the current currency, Federal Reserve notes, which are issued under the authority of the Federal Reserve Act of 1913, by the 12 Federal Reserve Banks. All U.S. currency is produced by the Bureau of Engraving and Printing, an operating bureau of the U.S. Treasury Department. Only portraits of a deceased individual may appear on U.S. currency and each bill has the inscription “In God We Trust.” In addition, the notes all have a letter and serial number. The current individuals on U.S. currency were determined by a citizens panel in the late 1920s. Currently, seven denominations are issued: \$1, \$2, \$5, \$10, \$20, \$50, and \$100. The notes have the portraits of George Washington, Thomas Jefferson, Abraham Lincoln, Alexander Hamilton, Andrew Jackson, Ulysses Grant, and Benjamin Franklin respectively. Four denominations have not been printed since 1946: the \$500 (William McKinley), \$1,000 (Grover Cleveland), \$5,000 (James Madison), and \$10,000 (Salmon Chase). The Secretary of the Treasury has the authority to change the design of Federal Reserve notes with the exception of the dollar bill.¹ The Treasury Department has initiated several currency design changes since 1996 as part of an ongoing effort to deter counterfeiting but the individuals chosen in the 1920s have remained on the notes.

The Coinage Act of 1792 established the United States Mint, adopted the dollar as the standard monetary unit, and authorized U.S. coins. The mix, composition, and design of U.S. coins have changed over time. The design, composition, weight, and fineness of U.S. coins are determined by statute. The Secretary of the Treasury is authorized to change the design of an existing coin only after 25 years from the adoption of the design for that coin. The Mint, an operating bureau of the Treasury Department, makes all U.S. coins. Six denominations are currently minted. All carry the inscription “In God We Trust,” and, with the exception of one version of the dollar coin, all portray the image of a past U.S. President. The Abraham Lincoln penny (one cent) was introduced in 1909, the Thomas Jefferson nickel (five cents) was introduced in 1938, the Franklin D. Roosevelt dime (10 cents) was introduced in 1946, the George Washington quarter (25 cents) was introduced in 1932, the John F. Kennedy half-dollar (50 cents) was introduced in 1964, the Sacagawea dollar was introduced in 2000, and the Presidential dollar coin series began in 2007.

There have been several recent coinage design changes, but only the dollar coin has experienced a change in the individual portrayed. All of the portrait changes were authorized by law. The redesigns were undertaken as part of an effort to revitalize the circulating dollar coin. The Susan B. Anthony dollar coin was authorized by P.L. 95-447, enacted on October 10, 1978. The 2000 Sacagawea Golden Dollar was authorized by P.L. 105-124, enacted on December 1, 1997. The new one-dollar coin was a major redesign of the Susan B. Anthony dollar minted in 1979-1981 and 1999. The Susan B. Anthony dollar was not popular with the public and was never widely used.² A major criticism of the Anthony dollar was that it resembled the quarter too closely in size, appearance, and color. The Sacagawea dollar is golden in color and has a distinctive edge. The Presidential \$1 Coin Act (P.L. 109-145) was enacted on December 22, 2005, to promote additional public interest in dollar coins. The act authorized the minting of four coins each year

¹ Redesign of the \$1 note is prohibited by a reoccurring provision in the annual Appropriations Acts for the Department of the Treasury.

² U.S. General Accounting Office, *Limited Public Demand for a New Dollar Coin or Elimination of Pennies*, GAO/T-GGD-90-43, May 1990, p.14.

(beginning in 2007) featuring the images of the nation's Presidents in the order they served. The Sacagawea coin will continue to be minted.

Previous Coin Tributes

During the 20th century, three Presidents, Roosevelt, Eisenhower, and Kennedy, were honored shortly after their deaths by their images being placed on circulating U.S. coins. Each circumstance was different. Franklin Delano Roosevelt was the nation's only President elected to four terms. He was first elected in 1932. President Roosevelt died while serving his fourth term on April 12, 1945. The second World War was coming to an end. Congress and the American public wanted a memorial to the President. Before Congress acted with legislation, the Treasury Department announced plans to place Roosevelt's image on the dime. The image on the obverse side of the dime at that time was a winged liberty head "Mercury." The Mercury dime was first issued in 1916, so the 25-year requirement had been met and the Treasury could act without legislation. The dime was chosen as a tribute because President Roosevelt had helped to establish the "March of Dimes" fundraising campaign to combat polio. The President had himself suffered from polio. The new design was completed and the new dime was minted by January 30, 1946, the late President's birthday and the date for the kick off of the 1946 March of Dimes campaign.

President John Fitzgerald Kennedy was elected to office in 1960. On November 22, 1963, the President was assassinated. Many memorials and tributes to President Kennedy were planned after his death; the idea to place his likeness on a coin was an early suggestion. In December of 1963, President Johnson sent a message to Congress requesting legislation to authorize the minting of 50-cent coins with the image of President Kennedy. The image on the obverse side of the half dollar at that time was of Benjamin Franklin. The likeness of Benjamin Franklin had been on the coin since 1948, so the 25-year requirement had not been met. There was some debate in Congress about removing Benjamin Franklin's image and whether more time should pass before the decision was made to put President Kennedy's image on a coin. Nevertheless, legislation (H.R. 9413) was quickly passed in both the House and Senate. On December 30, 1963, P.L. 88-256 was enacted authorizing the coinage of the Kennedy half dollar.

President Dwight D. Eisenhower was a two-term President first elected in 1952. President Eisenhower had been the commanding general of the victorious forces in Europe during World War II. The President died on March 28, 1969. At the time of his death, there was no circulating dollar coin. The previous dollar coin was minted between 1921 and 1935. It was called the Peace dollar; the obverse side had the image of the Statue of Liberty's head. Legislation (H.R. 14127) to place the likeness of President Eisenhower on a dollar coin was introduced in the fall of 1969. The legislation was passed as Title II of the omnibus Bank Holding Company Act, P.L. 91-607, enacted on December 31, 1970. Debate about the coin addressed its composition and specifically whether to include any silver. Old silver dollars were taken out of circulation because their metal value had become greater than their face value. Title II provided for the coinage of completely silverless coins for all circulating denominations. It did permit the minting of silver-clad coins for sale to collectors.

Current Legislation

Many tributes and memorials have been proposed to honor President Reagan. Several years before his death, a private group (the Ronald Reagan Legacy Project) was formed to honor the

legacy of President Reagan.³ One goal of the project is to name “significant public landmarks” after the 40th President in more than 3,000 counties nationwide. Some of the landmarks already named required federal legislation to re-name them.

The project is in favor of redesigning circulating currency to incorporate the likeness of the late President. Legislation introduced in previous Congresses did not pass.⁴ Legislation introduced in the 111th Congress, H.R. 4705, would change the \$50 note. H.R. 4705, the President Ronald Reagan \$50 Bill Act, was introduced on February 25, 2010, by Representative Patrick T. McHenry and others, and referred to the House Committee on Financial Services. The bill would redesign the \$50 note by replacing the portrait of President Ulysses S. Grant with the image of President Reagan. President Grant was a two-term Republican President first elected in 1868. President Grant is best known as the Union general who led the North to victory over the Confederate South during the American Civil War. To date hearings have not been held on the current legislation. The Secretary of the Treasury has the authority to make the proposed change without federal legislation.

Several issues have been raised in the past concerning the proposals to redesign currency to commemorate President Reagan and these concerns are likely to be raised again. Some may characterize the legislation as premature. Placing the image of President Reagan on currency might invite a partisan fight. In addition, because the portraits on the U.S. currency have been consistent since the 1920s, there may be concern that a Reagan note would cause confusion and be assumed to be counterfeit. Finally, President Reagan’s image will eventually be on the dollar coin as part of the ongoing Presidential dollar coin series.

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³ For information about the project, see <http://www.reaganlegacy.org>.

⁴ Four bills were introduced in the 108th and 109th Congresses to redesign circulating currency with the image of President Reagan. H.R. 4528, introduced on June 8, 2004, and H.R. 329, introduced on January 25, 2005, would have placed the image of President Reagan on the \$10 note. H.R. 4563, introduced on June 14, 2004, would have redesigned the \$20 note. H.R. 766, introduced on February 10, 2005, would have placed the image of President Reagan on the \$50 note. No hearings were held on any of the four bills.

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