



# Museum of American Finance

## **AUDIO GUIDE TOUR**

### 1

#### **48 Wall Street/Murals**

The largest object on display at the Museum of American Finance isn't the bull and bear statue or the statue of Alexander Hamilton. You're actually standing **INSIDE** the largest object! In 1797 Alexander Hamilton's Bank of New York laid the cornerstone for its first building right here at 48 Wall Street. You can see the cornerstone outside where William Street meets Wall Street. Hamilton founded the Bank in 1784 not long after the last of the British troops left American soil for good. The current building is the third Bank of New York headquarters on this site. It opened in 1929 and was active until the Bank acquired the Irving Trust Company and moved into its towering art deco skyscraper at 1 Wall Street in 1988. Like many bank buildings from this era, the architect Benjamin Wistar Morris designed the Grand Mezzanine to convey a sense of strength and power, both in its size and its extensive use of marble and limestone. These materials invoke a sense of security, making the building look like a solid fortress, protecting clients' money at all costs. Remember, FDIC insurance didn't come along until 1933.

If you look up at the north and east walls of the Grand Mezzanine, you'll see eight murals painted by J. Monroe Hewlett, an accomplished turn-of-the-century muralist. Alexander

Hamilton is front and center in the murals on the north side. These depict scenes from the Bank of New York's history. The five murals on the east wall show scenes of industry and commerce in New York City.

In late 2006, the Museum of American Finance began renovating three floors of 48 Wall Street and returned the Grand Mezzanine to its original 1929 grandeur. The Museum opened in its new home at 48 Wall Street on January 11, 2008—the 251<sup>st</sup> anniversary of Alexander Hamilton's birth.

## 2

### Wells Fargo Stock Certificate

Before financial records were stored and transferred electronically, printed stock certificates played an important role in the financial services industry. Much like paper money, stock certificates were secure financial documents, so they included many of the same design features we continue to see in our currency today. These include ornate, complex borders, as well as detailed images—called vignettes—that were intricately designed, engraved and printed. These elements made the certificates more difficult to counterfeit and also resulted in a distinct art form. Today, the hobby of collecting these beautifully-engraved documents is called “scripophily.” The Museum houses more than 10,000 certificates in its permanent collection—a sampling of which you can see here.

This Wells Fargo stock certificate was issued in 1860, eight years after the company was founded in San Francisco to provide banking and express mail services during the California Gold Rush. The lock, ID badge and messenger bag displayed here are all artifacts from the company's days of delivering gold bullion and mail across the country in its famous stagecoaches. The business split its express and banking services in 1905, and today, Wells Fargo & Company, with its trademark stagecoach logo is one of the largest multinational banking and financial services companies in the world.

# 3

## Bernie Madoff Stock Certificate

The first financial scandal in American history took place in 1792, with a colossal securities market crash. The cause was speculative activity and the culprit was William Duer. Duer was a former member of the Continental Congress and a former deputy at the US Treasury under Alexander Hamilton. Since then, scandals have periodically made headlines, damaging public trust in the financial industry and sometimes spurring reforms and regulations.

This stock certificate—issued by Vogue Instruments—is particularly interesting. It was issued to Bernard Madoff, a Wall Street legend who became infamous for committing the largest financial fraud in US history. While this security was legitimate, Madoff will NOT be remembered for his company's legitimate holdings. Madoff ran an investment fund valued at approximately \$36 billion, but in fact it was nothing more than a Ponzi scheme. A Ponzi artist creates the illusion of high returns by paying existing investors generously out of funds from new investors. Inevitably, money from new investors can't keep up, and the scheme collapses. Madoff ran his scheme for more than two decades before it imploded. When he admitted to the fraud, tens of billions of dollars were gone, ruining individuals and institutions, including many well-known charities. Madoff is currently serving 150 years in prison.

# 4

## “Stock Market Crisis Over” Newspaper

The great Stock Market Crash of 1929 actually took place over several days starting on Black Thursday, October 24, 1929, and continuing through the next week, ending on Black Tuesday, October 29. The front page of the *New York Daily Investment News* on Friday, October 25, tells a story that transcends the words on the page. The headline “Stock Market Crisis Over” followed one of the most hectic days in stock market history, with stocks opening down 11%, but closing only down 2%, as several large Wall Street banks

coordinated to stem the panic with purchase orders during the day. That action led this newspaper to convey a sense of optimism by declaring that the worst of the panic was over. We know now that this couldn't have been further from the truth. The day we now know as "The Crash of '29" —or Black Tuesday—occurred the following week – on October 29. The combined losses on October 28 and 29 exceeded \$30 billion and almost 25% of the stock market's value. The financial lesson here: when you're in the midst of a market crisis, even the experts have a difficult time predicting the bottom.

If you look below the newspaper, you can also see an extremely rare strip of ticker tape showing stock prices at the opening bell and the price fluctuations during first 45 minutes of trading on Black Tuesday.

## 5

### Bull & Bear Statue

Everybody loves a bull market. But why? And why DON'T people like bear markets? A bull market is when overall stock prices are trending upward, and a bear market is when stock prices are falling. But how did these two animals become the face of stock market trends? There are lots of legends about how and why the bull and bear rose to financial stardom, but most historians believe that it's based on the two animals' combat styles. The bull charges with his horns pointing up when it attacks, while the bear swipes down at its prey with its claws. Isadore-Jules Bonheur created this bronze statue of the bull and bear in the early 1920s. From 1924 to 2006, it sat outside the luncheon club at the New York Stock Exchange. Each day, traders and exchange employees rubbed the bull's horns for luck as they passed by. You can see how different the bronze on the front horn looks from all the touching. Go ahead—rub the bull's horn for good luck! But be careful NOT to touch the bear. That's BAD luck. The most recognizable bull statue in the world is located at the tip of Bowling Green Park just across from John D. Rockefeller's Standard Oil building.

# 6

## Edison Universal Stock Ticker

Thomas Edison's Universal Stock Ticker is perhaps the single most iconic piece of Wall Street technology. But, Thomas Edison was NOT the ticker's original inventor. That distinction goes to Edward Calahan of the American Telegraph Company, who invented the ticker in 1867. The original stock ticker looked similar to Edison's model, but with a major distinction. Calahan's model had one large wheel that printed both letters and numbers. Edison—always eager to improve on other people's inventions—realized he could increase the ticker's speed by adding a second wheel. With two small wheels spinning simultaneously—one for letters and one for numbers—its speed nearly doubled. Edison's ticker hit the market in 1871 and quickly became the industry standard.

Edison's ticker is perhaps most famous—and infamous—for its use during the Stock Market Crash of 1929. On Black Tuesday, October 29, stock tickers couldn't keep up with the increased trading volume as Wall Street panicked. The information coming out of the tickers lagged behind the actual transactions happening at the New York Stock Exchange by several hours. Not having accurate stock prices made most investors and brokers very anxious, which exaggerated the sense of panic. One of the few good things that came out of the Crash of '29 was a redesigned ticker in the early 1930s. Between the 1930s and the 1960s, several new models appeared on the market, but then the electronic age quickly rendered mechanical tickers obsolete.

# 7

## The Washington Bond

The document you're looking at is the most important piece in the Museum's collection, and arguably one of the most important documents in US financial history. Known as the "Washington Bond," this 1792 certificate is from the first-ever federal bond issue and represents the birth of the US national debt. Alexander Hamilton, our first Secretary of the Treasury, conceived of a plan to assume the various state debts from the Revolutionary

War into one, easier-to-finance federal debt. This started the new nation on a sound financial footing by establishing America as a credit-worthy country. This particular bond was issued to—and signed by—President George Washington. It represents his Virginia state debt, which was assumed. By investing his own money in the Federal debt, our first President showed his faith in Hamilton’s plan for the nation’s newly-created economic system. Many historians believe this bond also includes the first use of the dollar sign as we know it on a US federal document, which you can see on the bottom left of the certificate with the price of \$185.95.

## 8

### Disney Certificate from WWII

If you look closely at this charming certificate featuring 22 of Disney’s most popular characters, you’ll notice that it’s not a corporate bond at all, but a type of government WAR bond! During World War II, the Walt Disney Company issued these certificates to investors who bought US Treasury War bonds. They were distributed by banks and a group called the war finance committee, which promoted bond sales and aimed to build civilian morale during the war. The committee’s main goal was to entice American families to contribute to the war effort, and what better way to encourage their participation than through the characters their children and grandchildren knew and loved? This was just one of many incentives used during World War II to entice individuals to buy war bonds.

Today, these certificates are very popular on the collector’s market, but they’re also commonly counterfeited. The best way to check if the certificate is real is to look into Donald Duck’s eyes. If they’re made up of tiny light blue dots, the certificate is likely genuine. If they’re solid dark blue or purple, it’s probably a fake.

# 9

## US National Debt Clock

“A national debt—if it is not excessive—will be to us a national blessing.” These are the words of Alexander Hamilton, America's first Secretary of the Treasury and CREATOR of the national debt. One of the key elements of Hamilton’s plan for the fledgling US economic system was to assume the Revolutionary War debts of the individual states into a single national debt. The combined debt would be easier to finance AND it would help establish the creditworthiness of the new nation, putting it on sound financial footing. The United States has had a fluctuating public debt since its inception, except for about a year between 1835 and 1836 during the presidency of Andrew Jackson, when the debt was all but eliminated.

The first National Debt Clock appeared in New York—one block from Times Square—in 1989. At the time, the debt stood at \$2.7 trillion. The booming US economy during the late 1990s actually resulted in the clock running BACKWARDS for a period between 2000 and 2002. But since it wasn’t designed to run backwards and wasn't intended to paint a positive picture of the national debt, it was draped with an American flag. In 2004, an updated clock capable of running backwards replaced the original clock. However, on September 30, 2008, when the national debt hit \$10 trillion it ran out of digits! Today, as the US national debt exceeds \$19 trillion and continues to climb, there aren’t many people who would say that it’s NOT excessive!

# 10

## Solid Gold Monopoly Set

San Francisco-based jewelry artist Sidney Mobell transforms everyday items into dazzling gold and jeweled artworks. This stunning, one of a kind gold Monopoly set is in the Guinness Book of World Records as the world’s most valuable board game, with an estimated value of \$2 million. Mobell designed the set in 1988 for the World Monopoly tournament in London, and British Prime Minister Edward Heath was photographed with

it at the opening ceremonies. The entire playing board is plated with 24-karat gold. All of the pieces and cards are made of solid 18-karat gold. Precious gemstones correspond with the original Monopoly property colors and—appropriately—the houses are crowned with emeralds and the hotels are topped with rubies. Even the paper money contains genuine gold—it gets its golden color from real gold dust.

The set was later donated, along with 18 of Mobell's other works, to the Smithsonian Institution, where it became a part of the permanent collection at the National Museum of Natural History in Washington, DC. It has been on loan to the Museum of American Finance, a Smithsonian affiliate museum, since 2010.

# 11

## Alexander Hamilton Statue by Carl Conrads

Founding Father. War Hero. Innovator. Renaissance Man. Genius. All of these words describe our first Secretary of the Treasury, Alexander Hamilton. So do the words orphan, impoverished youth and immigrant. Hamilton's life story is so unexpected and empowering that it inspired Lin-Manuel Miranda to write one of the most successful musicals in Broadway history.

Hamilton was born on the Caribbean island of Nevis in 1757. His Scottish father, James Hamilton, would later abandon the family. Hamilton's mother, Rachel Faucette, died when Hamilton was only 13 years old. The orphaned teen became the apprentice to a merchant, Thomas Stevens. Stevens and the town leaders were so impressed by Hamilton's abilities that they raised scholarship money to send him to Elizabethtown Academy in New Jersey to further his education. Hamilton went on to attend King's College in Lower Manhattan, which would later become Columbia University.

The Revolutionary War would interrupt Hamilton's studies. He served four years as General George Washington's chief staff aide, or aide de camp, during the war. The young Lieutenant Colonel brilliantly wrote nearly all of Washington's correspondences and military orders, but he craved military glory. Washington finally gave him a field command in 1781, leading a battalion in the successful Battle of Yorktown.



With the war drawing to a close Hamilton resigned his commission to enter the field of politics as a New York delegate to the Congress of the Confederation. He supported a strong central government and, along with James Madison and John Jay, authored the Federalist Papers. When George Washington became President, he asked Hamilton to serve as the nation's first Secretary of the Treasury. As such, Hamilton was the architect of America's financial system. Among his many financial achievements, Hamilton established the US Mint, the Revenue Cutter Service (today's Coast Guard) and perhaps most importantly convinced Congress to assume individual states' debt from the Revolutionary War into one easier to finance national debt.

Hamilton resigned as Secretary of the Treasury in 1795 to return to private law practice. He returned to the service of his country, however, in 1798 as a Major General and *de facto* head of the Army as a possible war with France loomed. When that scare passed, he returned again to the law.

His private life became very public in 1797 when an extra-marital affair he had with Maria Reynolds six years prior became known to the public. In the nation's first political sex scandal, Hamilton admitted to the affair but refuted and proved that he had not compromised or misappropriated funds from the Treasury Department, as he had been accused of doing. His greatest notoriety, however, would come on July 11, 1804. Aaron Burr, the country's sitting Vice President under Thomas Jefferson, challenged Hamilton to a duel. Burr and Hamilton were longtime adversaries dating back to their college days. While there are many theories about the duel, Aaron Burr shot Hamilton in his abdomen and, at 47 years old, Alexander Hamilton died the following day.

In 1880, Hamilton's son, John C. Hamilton, commissioned artist Carl Conrads to create a statue of his father. The granite statue was a gift to the city of New York and is located in Central Park. In 1999, the Museum of American Finance acquired the plaster study for that statue, which stands before you.

# 12

## High Denomination Notes

Do you know what US bill is the highest denomination in circulation today? The \$500, the \$1,000, the \$5,000, the \$10,000? Wait a second—do those bills even exist? They do still exist among currency collectors, but the US Treasury hasn't PRINTED anything higher than a \$100 bill since 1969. Why did they stop? People weren't using the large notes much and, when they were, it was mostly for illegal activity because it's a lot harder to carry a suitcase full of hundreds than a small bag of 5,000s!

The Treasury once even issued a \$100,000 bill. BUT, only Federal Reserve Banks could use them to transfer funds to other Federal Reserve Banks. Even though you can't get a bill larger than a \$100 from your bank today, it's interesting to note that the US government has never devalued any of the money it's issued. That means if you come across a bill larger than a hundred, you can still deposit it at your bank or exchange it for smaller denominations. But, you'd be better off selling it on a collector's market. The rarity of these notes makes them worth much more than their face value. Try searching for them online!