



## **Civil War Coins**

### ***Silver Dollars***

Silver dollars were minted from 1794 through 1803, and then were abruptly halted. Except for a small number of restrikes made for diplomatic missions and influential collectors, no further silver dollars were struck until 1836 (Seated Liberty design). The Heraldic Eagle reverse shown here is based on the Great Seal of the United States, which can be seen on the back of any current U.S. \$1 bill.

### ***Money and Tokens of the Civil War (1861-1865)***

The Civil War brought many changes in the money used throughout the country. In the North and East, silver and gold coins were hoarded, leading people to use tokens, stamps, encased postage, and fractional currency. The federal government issued paper currency in the form of demand notes and legal tender notes, as well as gold certificates and some interest-bearing notes. A new national banking system was established that issued national bank notes. In the West, new gold discoveries led to issues of private gold coins, while in the South, the Confederacy issued its own paper money.

### ***\$1 Legal Tender (1862)***

In 1862 Congress began issuing legal tender notes, also called U.S. notes, to finance the war. Legal tender notes, as their name implies, could be used to pay all debts, public and private (except for customs duties). They were also nicknamed greenbacks. America's first \$1 bill featured an engraving of Salmon P. Chase, President Lincoln's Secretary of the Treasury, who was responsible for the words "In God We Trust" on U.S. coins. The \$10 legal tender note, however, featured Lincoln's portrait, as did the \$10 demand note. This is the only time U.S. currency honored a President during his term of office.

### ***\$5 Demand Note (1861)***

Congress initially authorized demand notes in 1861 as an emergency measure at the beginning of the Civil War. Not backed by silver or gold, these notes were the first federal paper money since the continental currency of the Revolutionary War. Demand notes came to be called greenbacks. This nickname—still used today to refer to currency—came from the green ink used to print the backs of these notes.

### ***Civil War Tokens***

The hoarding of all types of U.S. coins caused merchants to issue their own 1-cent-size private tokens that circulated widely. Over 10,000 different kinds were issued, some with patriotic themes (known to collectors as "patriotics") and the rest with advertisements (often called "store tokens").

## ***Encased Postage***

Because of the shortage of coins during the Civil War, people began using postage stamps to make change. But with frequent use, the stamps wore out quickly. They also stuck together when the humidity was high. An inventor patented a round metal case with a clear mica window to make it easier to use postage stamps as money. Merchants embossed their advertisements on the backs of these metal cases.

## ***Fractional Currency***

To provide an alternative to using postage stamps during the coin shortage, the U.S. began to print fractional notes in small denominations. The first issue followed the postage stamp theme by using engravings of postage stamps to make currency in 5-cent, 10-cent, 25-cent, and 50-cent denominations. Later issues used more traditional currency designs.

## ***Confederate Currency***

The only facility that could produce coins for the Confederacy was the New Orleans branch of the U. S. Mint. When New Orleans was re-captured, all hope of minting coins for the Confederacy died and only paper currency could be issued. Over 72 major types of Confederate notes were issued between 1861 and 1864, but all became worthless at the war's end.

## ***National Bank Notes***

In 1863, Congress enacted the National Banking Act to standardize the nation's currency. Banks were granted a national charter authorizing them to issue notes labeled "National Currency" with their own name and charter number. The notes were backed by government bonds on deposit with the Treasury. A bank's charter lasted 20 years and was renewable. Notes had varying designs, even within each charter period. The note shown is from the original charter period (1863-1882).

## ***National Bank Notes***

After 1877, all national bank notes were printed by the Bureau of Engraving and Printing. Even so, designs for these notes varied, particularly on their reverse sides. President William McKinley appears on this note from the third charter period.

## ***National Gold Bank Notes***

Because of the California gold rush and Westerners' preference for conducting business transactions in gold, Congress in 1870 authorized the creation of 10 National Gold Banks. These gold banks were granted the right to issue currency redeemable in gold in denominations ranging from \$5 to \$500.