



## 2017 Membership Dues

Jim Jeska will start receiving 2017 dues at the January meeting. Membership dues are \$15.00 for Adults and \$5.00 for Juniors, and are a major support for club activities.

Membership not only qualifies you for the monthly progressive door prize, but also gives you a discounted meal at the 2017 Christmas party.

## Civil War Demand Notes

After the debacle with paper money during the Revolutionary War (losing 99% of its value), Congress only authorized coinage, usually with metal content close to its intrinsic value. States were prohibited by the Constitution from issuing paper money, but there were privately issued bank notes, which frequently ended in loss of value for holders.

The succession effort and Ft. Sumter attack in 1861 led to a call for 100,000 Union troops to put down the insurrection. Unfortunately, revenue sources were quite limited, as federal income taxes were not lawful until 1913. Treasury bonds had been only sporadically issued, and were not easily sold due to their poor credit quality. Hence, Lincoln had to either find another funding source, or see the Confederate states go their own way.

In July 1861, Congress authorized borrowing totaling \$250 million, of which \$50 million would be circulating non-interest bearing notes payable on demand. These were called Demand Notes to distinguish them from the interest-bearing Treasury Notes.

Between August 1861 and April 1862 the Treasury issued \$5, \$10 and \$20 notes. Because the Bureau of Engraving and Printing did not exist at the time, the American Bank Note Company and National Bank Note Company were contracted to create these Demand Notes.

\$5 Demand Notes feature a portrait of Alexander Hamilton and the "Statue of Freedom" that sits atop the US Capitol Building (strange, since the "Statue of Freedom" was a work not even completed, and was not placed atop the Capitol dome until 1863). \$10 dollar Demand Notes feature a portrait of Abraham Lincoln and an allegorical figure representing art, as well as a bald eagle perched on olive branches. \$20 Demand Notes feature a



feminine allegory representing Liberty, with a sword in her right hand and a striped shield in her left.

Because of the distinctive green ink on their reverse, and because state-chartered bank and Confederate notes of the day typically had blank reverses, the Demand Notes were nicknamed "greenbacks", a name later inherited by Legal Tender and Federal Reserve Notes.

The promise to pay specie "on demand" was a new obligation for the Treasury, and would allow the cash-strapped government to use the notes as a currency to pay creditors directly. The notes were to be redeemable only through Treasury offices in Philadelphia, Boston, and New York.

Initially, various merchants, banks and especially the railroad industry accepted the notes at a discounted rate or did not accept them at all. As the war effort finally turned to the Union's advantage, acceptance slowly became more common.

In 1862, Congress authorized \$150 million of the new Legal Tender Notes which in part were to replace the existing Demand Notes as those were redeemed.

Demand Notes are no longer found in circulation, but are instead in the hands of well-heeded collectors.

## Special Meeting Activity Calendar

- November** – Veteran's night,  
Officer/Director elections
- December** – Christmas party
- April** – Donation Auction
- May** – Quiz Night
- June** – Youth Night

We need volunteers to give programs in 2017. Contact Kevin Kell if you have an interest.

## Upcoming Local Coin Shows

- November 4-6** – Ft. Worth Coin Club Coin Show, Forest Hill Civic/Convention Center. \$3.
- November 18-20** – Texas Coin Show, Grapevine Convention Center. \$3 or free with NETCC membership.
- December 1-3** – 60<sup>th</sup> Annual Houston Money Show, George Brown Convention Center. \$3.
- December 16-18** – Cowtown Coin Show, Forest Hill Civic/Convention Center. \$3.
- June 2-4** – TNA Coin and Currency Show, Arlington Convention Center. \$3 or free with TNA membership.

October New Members: Giles Hartenbower.

October First Time Visitors: Karl King.