

2017 Membership Dues

Thanks to those who already paid their dues for 2017. However, we still have many of our long time members that have not yet paid. 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 should also give you a discounted meal at the Christmas party. If you have not paid, or if you're not sure you have paid, see Jim Jeska at the next meeting.

Legal Tender Notes

At the beginning of the Civil War, Union costs to prosecute the war far exceed available receipts (almost exclusively tariffs). Therefore, Congress authorized the issuance of \$50 million of Treasury Notes in July 1861 which were described as payable on demand. These Demand Notes were paid to creditors directly and to meet the payroll of soldiers in the field. While issued as federal debt obligations, these Demand Notes were intended to circulate as currency and were of the same size as banknotes, closely resembling them in appearance. However, in late 1861 due to rising war costs and the disappearance of specie, the government ceased redeeming the Demand Notes in coinage. This led to the Demand Notes rapidly deteriorating in value.

To prevent a soldier mutiny, Congress authorized the Treasury to issue \$150 million in United States Notes. These notes were to circulate as currency and were not redeemable in specie on demand. However, they carried a statement that the note was "legal tender for all debts public and private", with no collateral backing but the "full faith and credit of the United States".

The United States Notes, also known as Legal Tender Notes were first used to retire Demand Notes, and then future was costs. To complicate the situation, the new Notes were virtually identical to the Demand Notes except for removal of the words "On Demand", and addition of a red Treasury seal. No wonder Legal Tender Notes were known popularly as "greenbacks", a name inherited from the earlier greenbacks, the Demand Notes that they replaced during 1862. Various denominations were initially issued from \$1 to \$1,000. In 1878, a \$5,000 and \$10,000 note were added.



Surprisingly, they gained general acceptance, probably due to the complete lack of specie in circulation. By war's end in 1865, a total of \$447.3 million in Legal Tender Notes had been issued and were outstanding.

Due to the strong belief that currency was prohibited by the Constitution and that the issuance of the Notes had been an emergency measure, Congress commanded the Treasury to begin retiring the Notes as funds were available. By 1878,

that balance had been reduced to \$346.7 million, but remained at that level for almost 100 years.

United States Notes were issued in the large-size format before 1928. Starting in 1928, Notes were issued in small-size format, but denominations were limited to \$2 and \$5. They are very similar to contemporary Federal Reserve Notes with the distinction of having red Treasury Seals and serial numbers in place of green ones.

In 1933, \$1 Series-1928 Legal Tender Notes were printed, but not distributed. These appear to be Silver Certificate "Funnybacks" with red Treasury seals and serial numbers (instead of blue). These Notes were released in Puerto Rico in 1948 in emergency response to a devastating hurricane.



In 1966 the Treasury issued a \$100 note which was used primarily to redeem other existing Legal Tender Notes. These \$100 Notes then were held by the Treasury and did not widely circulate. All production stopped in 1971. In 1994, the Treasury's stock of \$100 Notes was destroyed.

Today, the small-format bills (except the \$1 1928 series) are generally not expensive and collectors should strive to locate uncirculated examples. Large-format bills above \$2 are generally rare and quite expensive.

Special Meeting Activity Calendar

- September** – Show and Tell Night
- November** – Veteran's night,
Officer/Director elections
- December** – Christmas party

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

Upcoming Local Coin Shows

- August 4-6** – Cowtown Coin Show, Forest Hill Civic/Convention Center. \$3.
- August 12** – Texoma Coin Show, Sherman Municipal Bldg., Sherman. Free.
- September 9** – Waco Fall Coin Show, Bellmead Civic Center, Bellmead. \$2.
- September 22-24** – Texas Coin Show, Grapevine Convention Center. \$3 or free with NETCC membership.

July New Members: Andy Mesaros.

July Time Visitors: Andy Mesaros (who joined), Ken Horn, J.D. Folkz, Nathan Folk, Steve Hatchett, Jeff Erickson.