

Money Trouble

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The Civil War affected every aspect of life in the South, right down to the money in people's pockets. Today, we are used to one form of currency: the paper money and coins issued by the national government. This money is accepted anywhere in the United States. We also expect that the dollar bill in our pockets will be worth a dollar tomorrow—and the day after. However, things were not always so simple.

Throughout most of early American history, people preferred to trade with gold and silver coins. During the Civil War, few coins were available. To keep the Southern economy going and pay for the war, the new government of the Confederate States of America began printing its own paper money. At the beginning of the war, people across the South were asked to accept this Confederate money in payment for salaries, goods, services, and taxes.

In addition to more than \$1.5 billion in currency printed by the Confederacy, seceded states' governments produced their own money. The North Carolina legislature issued almost \$8 million of its own paper notes during the war. Most of the notes produced for the state looked plain in design by today's standards because they had to be printed quickly and cheaply. Paper became scarce, so many notes were printed on the backs of recycled notes or on other low-quality paper. The simple designs and inexpensive paper made it easy for dishonest people to counterfeit (or make fake) currency and pass it off as real. North Carolina towns, counties, banks, and insurance companies added to the confusion by printing their own money, too. Some bills carried a face value of only 5 or 10 cents.

We can learn a great deal about the lifestyles and values of Civil War-era North Carolinians by looking at the artwork on their money. For example, most Tar Heels depended on agriculture to earn a living. Many notes feature images of wheat, cotton, and other crops. Images of the trains and ships that exported these products symbolize the progress and prosperity for which North Carolinians hoped. Images of enslaved African Americans appear on both Confederate and North Carolina notes. Many Southerners wanted to portray slavery in a positive light, and as a regular, accepted part of life. Some notes show contented and well-dressed African Americans plowing fields or picking cotton.

Although there was a large amount of paper money available, it lost value with every Confederate army defeat. At the same time, Southerners suffered from shortages of everyday necessities such as food and clothing. A combination of shortages and too much money led to an increase, or inflation, in the prices charged for goods. For example, a pound of bacon that sold in Raleigh for 33 cents in 1862 priced at \$7.50 by 1865. An \$18 barrel of flour cost \$500 by the end of the war. A simple pair of leather shoes cost as much as \$600! Inflation and shortages grew so severe that in November 1862, North Carolina governor Zebulon Vance complained that "flour . . . can now be used only by the rich."

At war's end, suffering and poverty had become a way of life for many Southern residents. Some people lost homes. Many could not pay their bills or properly feed and clothe their families. The paper money that they had was worthless. While many people got rid of the money, others kept it, hoping it would eventually be more valuable. Today, collectors and historians are glad that people kept Civil War currency. The study of this money is fascinating because of the rich history found in each note and what it tells us about life in North Carolina during the Civil War.

**At the time of this article's publication, Linda Jacobson was keeper of the North Carolina Collection Gallery and an assistant librarian in the Wilson Special Collections Library at the University of North Carolina at Chapel Hill. As gallery keeper, she managed over 22,000 museum objects, including an extensive collection of coins and tokens, paper currencies, and other money-related material.*