

Corporation of Richmond Virginia Currency Notes of April 19th 1861

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Richmond Virginia has a storied history as a place where revolutions intermittently begin or end. It should have been no surprise that when the Richmond City Council met on April 19th 1861, not even a week since the commencing of violence at Fort Sumter, that it would soon find itself in a situation to add to the list. Two days before, after voting against it less than two weeks earlier, the Virginia Secession Convention had voted to end the state's 72 year association with the United States of America. Governor John Letcher had then let it be known that "whatever Virginia does she is not going to be dragged out of the union at the tail of a Southern Confederacy." Although the state had yet to announce an alignment with the Confederate States, the Richmond City Council could see the writing on the wall, and the financial and social problems that would come with secession. As the fire breathing increased, all of the Richmond banks suspended specie payment by Nov. 22 1860, and by 1861 specie had all but disappeared from circulation. By the time the violence erupted, currency used in the City of Richmond was notes of the various banks of the state (and elsewhere, particularly known solvent banks of North Carolina). Gold and silver coins were now hoarded by the banks, and when coin was found, it circulated at a significant, up to twenty percent, premium. The recently issued Treasury notes of the Confederate Government, which had started to circulate, were of little help since they had no place of redemption, and the local banks refused to take them on deposit.

When the Richmond City Council was called to order on April 19th 1861, Council member Peachy Ridgway Grattan spoke to the necessity of having sufficient funds to meet the present and prospective needs of the city. In an attempt to procure the same, he submitted *An Ordinance For the Issuing of Notes By the City*. It was unanimously adopted the same day, with the *Richmond Daily Dispatch* commenting about the "wise acts of our council" and claiming "the propriety and necessity of the ordinance at this time cannot be questioned." This measure allowed for a local currency receivable for taxes, water and light bills or any debt due or payable to the City of Richmond. These small change notes were also to be paid out for any debt due by the city and were to be exchangeable for any money or bank notes taken by the local banks. In a letter to the Council in November of that year, City Council President David Saunders, who had served in the role since 1857 and would continue to serve until Federal troop occupation on April 3rd 1865, stated that he had been authorized to contract with some entity to print the notes. He chose the Richmond lithography firm of Hoyer & Ludwig, Germans who had relocated to Richmond in the 1840's and who would become well known during the war for their State of Virginia currency as well as currency of Virginia localities and other entities. They would become one of the first and most prominent issuers of the Confederate States of America government currency up until their refusal to relocate to Columbia, South Carolina in 1862. Relocation was ordered by Confederate Treasury Secretary Christopher Memminger as Union General George McClellan closed in from the eastern peninsula in an eventual failed attempt to siege and capture Richmond. As recalled by Saunders, Lewis Hoyer himself traveled to the sympathetically Southern city of Baltimore where the paper for the notes was purchased for just over \$700. Although there is no record of when the notes were received from the printers, it was clearly a very short process since the notes began to be signed on May 1st 1861, less than two weeks after the issue had been approved by the Council.

The original ordinance had called for \$300,000 worth of notes. These were to be signed as needed to avoid having over \$10,000 worth at any time in the possession of Council Chamberlain Thomas Lawson, who was in charge of finances. The \$300,000 would be the combined value of denominations of one dollar, fifty-cent and twenty-five cent notes. This was allocated as \$200,000 in one dollar notes and \$50,000 each of the fifty-cent and twenty-five cent notes. Three days later, with the Council's approval of a two dollar note, the amounts were altered to \$100,000 each of the one and two dollar denominations, and the number of fifty and twenty-five cent notes staying the same. The twenty-five cent note was never issued.

On May 4th, three days after they began to be signed, the one dollar Corporation of Richmond notes began to circulate. Local newspapers encouraged the population to get all the notes they wanted from the Chamberlain as "no one need be victimized a cent for silver." When the fifty cent notes began to circulate five

days later, the City Council, in a move no doubt related to the recent release of city currency and at the urging of General Robert E. Lee, then in command of Virginia state troops, approved an appropriation of \$500,000 for the defense of the city, the first time the Council would contribute to the fortifications then being built. In late May the *Richmond Whig* wrote that when the notes were released, the demand was so great that some notes were introduced to the public in sheets, with the receiver left to cut the notes apart. Although the original ordinance stated that President Saunders and Chamberlain Lawson must sign the new currency, Saunders son and another Council member, Moseley L. Stratton, were later approved to sign them. The demand for the local currency was so great that in mid-July two more Council members, David Judson Burr and Peachy Ridgway Grattan were approved for note signing duties. In early August the council approved \$10,000 for the use of the Committee on the Defense of the City, with the loan to be paid in small Corporation of Richmond notes that the *Richmond Examiner* said were very much needed to make change in the State Quartermaster's Department. Shortly thereafter the *Daily Dispatch* reported that "twenty-five cent notes for making change are badly wanting in this city," and expressed a belief that the Council had authorized that denomination. Nevertheless, the Council repealed the authorization for twenty-five cent notes, and authorized an additional \$50,000 in two dollar notes, bringing to \$150,000 the total approved value of all two dollar issues. The Council also permitted redeemed notes termed not fit for circulation to be destroyed. While even in October signs were still seen in barrooms cautioning that change would not be given, the notes had been successful, a temporary economic savior for the city. That same month, with the number of issued notes resulting in a higher number of hands and time needed to sign them, the Council decided to have the Finance Committee look into a "reasonable compensation" for the signing and numbering of city notes.

Throughout the spring and summer of 1861, Richmond's military units received clothing, tents and other supplies from city funds, allowing the city to a large extent take care of its own troops. Such actions were funded in significant part by the Council's issue of notes. But this came to an abrupt stop in early November when the Circuit Court of the city indicted Saunders, Lawson and the city itself for misdemeanors. The Court ordered Saunders to stop issuing city currency. The Council had run afoul of a Virginia law making it unlawful to issue notes in denominations under five dollars. The city had been chartered as a Municipal Corporation and in its charter had been given "all the rights, franchises, capacities and powers appertaining to municipal corporations" including the right that "the council of the city may in the name and for the use of the city contract loans, and cause to issue certificates of debt or bonds." With this legal authorization in mind, the Council had issued their currency under the name of the "Corporation of Richmond" as opposed to the "City of Richmond" as would be seen on later city issues of 1862. Saunders immediately went to work to save his scrip, campaigning for a state legislature act to legitimize what the city had already issued. He created a list of how \$188,231.33 of the proceeds from the \$278,542.50 worth of notes already issued had been spent:

- \$100,000 for equipping Richmond's volunteer troops in service of the Confederacy.
- \$50,000 loaned to the Confederate States of America central government.
- \$15,000 for defenses around the city (noting the total required would be about \$100,000).
- \$7,000 for the cash payment on the "Confederate White House" bought for Jefferson Davis.
- \$7,942.34 for the furniture in Davis's house.
- \$5,000 for the support of the wives and children of the volunteers in service.
- \$3,288.99 for Davis's stay at the Spotswood hotel before the house was ready.

On November 4th the city suspended the issuing of notes and officially asked for the Convention of Virginia, later to be known as the Secession Convention, and in session to draft a new state constitution, to legalize their act. While other local issuers such as the Southern Manufacturer's Bank scurried to call in and redeem their currency, hoping to avoid charges, the Council drafted their case to the State. They noted the banks' withdrawal of a large portion of circulating gold and silver, with that not being hoarded commanding a large premium. In late April, in an attempt to provide circulating currency, banks had been authorized to issue notes in denominations of under five dollars, although few had. Reissuing previously circulated small banknotes was also a problem since The Farmers Bank of Virginia was the only local institution with the "good sense" to retain any of their redeemed currency. The Council pleaded that they were being proactive when faced with the impending war and the unwanted title of the Capital of the Confederate government, and that they were compelled to entertain all possibilities to provide funds for imminent expenditures. Richmond banks, they argued, had begun accepting small change notes of "the thousand and one banks of the other states," institutions the solvency of

which a large portion of the population was ignorant. Surely a local, Council sponsored currency was safer than that. The Council was at a loss to understand how a law, however wise when enacted, could stand in the way of the resources that were needed to protect homes and defend against an enemy. Even Governor Letcher, while speaking out against the proliferation of individuals and institutions now issuing local shinplasters, had sanctioned the issue of the city's currency, calling the city "generous in their appropriations to aid in providing for our volunteers and their families." Some of the Council's laundry list of good intentions read as a scolding as they chided "and now are we to be told that the families of our volunteers, now standing in defense against invasion, shall suffer for bread to eat and a fire to warm them, rather than the City of Richmond shall issue a one dollar or a two dollar note, as good and safe a currency as any bank in the state can issue." If the state could still not see their point of view they added "it is whilst we have thus been exerting ourselves to guard the business interests of the city, to provide for the comfort of our volunteers in the camp and their families at home, to prepare Richmond itself for defense against our enemies, that we find ourselves arraigned as malefactors subject to fine and imprisonment for the adoption of the only measures within our power for the accomplishment of these objectives." They enumerated uses that the noted had found, in being called for in large quantities for payment to troops and banks having no choice but to pay them out at their counters, stressing that bank notes had gladly been exchanged for them as "they are at least as safe as the notes of any bank in this state or elsewhere." This assertion would be validated by February of 1863 when the Council's yearly report showed just less than ninety percent of the notes awaited redemption, demonstrating not only the necessity of the notes but also the public faith in them. They ended by respectfully asking the Convention to legalize their past actions and permit the notes. The letter stating the above arguments was approved by the Council on November 11th and it was decided that 200 copies would be printed for distribution.

Meanwhile, in the same session, the Council recommended specific payment to members for signing the currency. Eight people were to be paid for their part in signing and issuing of notes. The recommendation took care to point out that the Finance Committee had doubts about paying anyone at all, and that there was no suggestion of payment for future services or extra labor. The proposed payment evidently caused a stir, with the *Daily Dispatch* reporting the members in considerable discussion with one another. Some members willing to add more pay and some members were unwilling to provide any additional compensation for what many outside the Council saw as duty related to their appointment and already sustained by their current salaries. The *Richmond Whig* reported that Saunders had inquired at the Richmond branch of the Farmers Bank of Virginia, which held the majority of the City's assets, and was told that clerks there received \$1.25 for signing every one hundred sheets and \$2 for numbering one hundred sheets. These payments were based on four-subject sheets. According to Saunders calculations, if the same rates were paid for signing and numbering the Corporation of Richmond notes, three members would be due significantly more money than was already offered. He was no doubt referring to himself as signing the notes had occupied him six months and two weeks, "to the almost total neglect of his private business."

On November 29th the Virginia Convention declined to act on the Council's plea to legitimize their currency. They stated that they were determined not to act on any subject that may be acted on by the General Assembly, which was about to be in session. In December the *Daily Dispatch* noted that while the populous was opposed to the endless variety of shinplasters being issued by irresponsible private parties, they were "almost clamorous for the convenient currency furnished by the corporation," whose notes were known to be "good and useful." The Council resolved to present the petition to the General Assembly. On March 19th & 29th 1862 the Legislature of Virginia passed an act validating the Corporation of Richmond currency notes of April 19th 1861, unburdening the City Council from spending any more time on the matter. Prices had started to skyrocket and for the first time the city sensed its own mortality. Although the banks that had been closed during McClellan's advance would reopen on August 6th of 1862, thus allowing Chamberlain Lawson to no longer secure the city treasury in his office, Richmond's economic situation would continue to spiral downward.



50 Cent Corporation of Richmond April 19th 1861
Featuring Richmond City Hall in center
Amount issued: \$44,741.50 (89,483 notes)
Signers:
For Chamberlain: Moseley L. Stratton
For President: David Saunders Jr.



\$1 Corporation of Richmond April 19th 1861
Amount Issued: \$83,801 (83,801 notes)
Signers:
President: David Saunders
For President: Peachy Ridgway Grattan (P.R. Grattan)
Chamberlain: Thomas Lawson
For Chamberlain: David Judson Burr (D.J. Burr)
Note: Contemporary Counterfeits exist with printed signatures of Burr and Grattan.
Some of these also have printed serial numbers.



\$2 Corporation of Richmond April 19th 1861
Featuring Governor John Letcher in center
Amount issued: \$150,000 (75,000 notes)
Signers:
President: David Saunders
Chamberlain: Thomas Lawson
Note: Contemporary counterfeits exist with printed signatures of Saunders and Lawson.
Some of these also have printed serial numbers.



It is interesting to note the frequency in which these notes are seen with contemporary backings. In this authors opinion it is a testament to the vast circulation that these notes found in the harsh military and civilian life. This backing would seem to show the owner having more faith in the value of the Corporation of Richmond note than the Confederate States of America currency that it is backed with.

Cast of Characters:

David Judson Burr (1820-1876) – Born in Richmond and a Yale University graduate. After graduating he had returned to Richmond and studied law under fellow Council member Grattan. Investing into different industries, he co-founded the manufacturing firm of Spiller & Burr. This company would secure the first Confederate Ordnance Department contract for pistols, producing a Navy revolver that is highly sought after by collectors to this day. Burr served on the City Council for seven years, from 1859-1866. He was concurrently a member of the Virginia House of Delegates from 1863-64 and founded the Richmond Chamber of Commerce in 1867. Signer of the \$1 notes. He is buried in Hollywood Cemetery in Richmond.

Peachy Ridgway Grattan (1801-1881) Home schooled, he moved to Richmond in 1835 to study law and by 1840 he was a reporter for the State Court of Appeals. He served in this position until his death, becoming author of the reports of the Court known as the "Grattan Reports". As a practicing lawyer he was prominent in the political as well as civic affairs of the city and state. Elected to the City Council in 1858, he served this role until 1863. In 1865 he was again elected to the City Council as well as the Virginia House of Delegates. Signer of the \$1 notes. He is buried in Hollywood Cemetery in Richmond.

Thomas Lawson (died 8/7/1864) - As Chamberlain of the City Council he was in charge of city finances, serving in this role since 1855. He resigned his position on December 9th 1861 due to ill health. Signer of the \$1 and \$2 notes.

David Jason Saunders Sr. (1811-1873) Moved to Richmond in 1833 and worked as a grocer. He served on the City Council for 18 years starting in 1847. Ten years later in 1857 he was elected Council President, being continuously reelected in this position until Federal troop occupation in April 1865. He was also elected to the Virginia House of Delegates three times during the war years. During Federal occupation, in June 1865 he was appointed Provisional Manager of the City by the Governor. In July he was reelected to the Council and soon became the Council-elected Mayor, serving until a proper election could be held in 1866. He was then again reelected to the Council until being removed by Federal authorities in 1868. Having always been active in the financial community, he served both the Bank of Virginia and the Farmers Bank of Virginia in the bankruptcy proceedings following the war. Signer of the \$1 and \$2 notes. He is buried in Hollywood Cemetery in Richmond.

David Jason Saunders Jr. (1838-1872) Son of Council President David Saunders Sr. Shortly after selling his grocery business in 1860, he was elected 2nd Clerk in the City Auditor's office, resigning this office in October 1862. Signer of the 50 cent notes. He is buried in Hollywood Cemetery in Richmond.

Moseley Ligon Stratton (1802-1863) Register of the Richmond City Water Works until being elected City Auditor. He served five years in this position until his death in June 1863. Signer of the 50 cent notes.

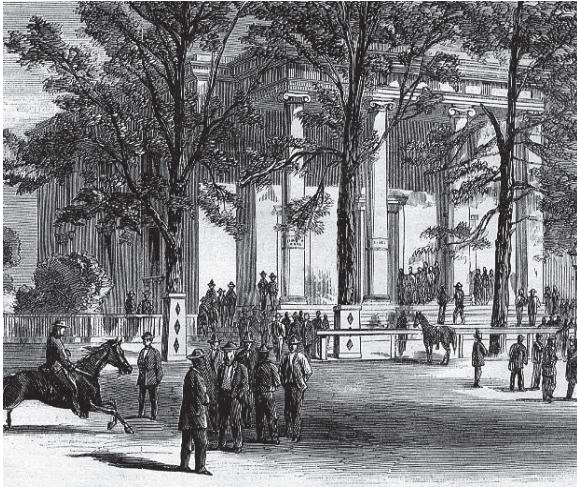
Timeline:

- 4/12/1861- Hostilities commence with the battle at Fort Sumter, SC.
- 4/15/1861- President Lincoln calls for 75,000 troops to put down the rebellion in South Carolina.
- 4/17/1861- The State of Virginia secedes from the United States of America.
- 4/19/1861- Richmond City Council passes ordinance for issue of 1861 notes.
- 4/22/1861- Richmond City Council amends note ordinance, regarding amounts and denominations.
- 4/23/1861- Major General Robert E. Lee accepts command of all Virginia forces.
- 4/24/1861- The State of Virginia votes to join the Confederate States of America.
- 5/1/1861- Corp. of Richmond notes begin to be signed.
- 5/4/1861- Corp. of Richmond \$1 notes first appear in circulation.
- 5/9/1861- Corp. of Richmond 50 cent notes first appear in circulation. Richmond City Council appropriates \$500,000 for the defense of the city.
- 5/13/1861- David Saunders Jr. and Moseley L. Stratton approved to sign notes.
- 5/29/1861- Jefferson Davis arrives in Richmond and resides at the Spotswood Hotel at city expense.
- 6/6/1861- All Virginia forces are transferred to the command of the Confederate States government.
- 7/13/1861- Richmond City Council passes ordinance allowing Burr and Grattan to sign notes.
- 7/21/1861- First major Civil War battle happens at Manassas Junction, VA.
- 8/12/1861- Richmond City Council appropriates \$10,000 for use of the Committee on the Defense of the City. Loan to be paid in small Corp. of Richmond notes which are very much needed for change in the Quartermasters Department.
- 8/26/1861- Richmond City Council repeals issue of 25 cent notes, allows for another \$50,000 of \$2 notes to be issued, now totaling \$150,000 in \$2 notes. Council also passes ordinance allowing redeemed notes that are termed not fit for circulation to be destroyed.
- 10/14/1861- Richmond City Council has Finance Committee look into reasonable compensation for signing and numbering city notes.
- 11/1/1861- Superior Court of Richmond orders city to stop issuing notes.
- 11/4/1861- Richmond City Council suspends any further issue of notes.

11/11/1861- Council drafts letter to State Convention in support of its issuance of notes. Council approves pay for signers of notes.

11/29/1861- Virginia Convention declines to act on the Council's plea to legitimize their currency.

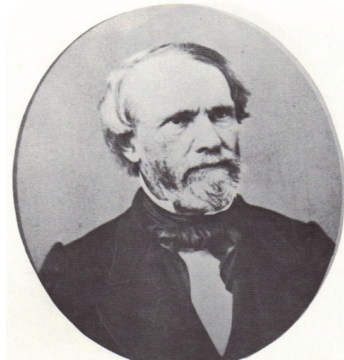
3/29/1862- VA General Assembly passes act allowing certain localities to issue currency notes of less than \$1, to an amount not exceeding \$500,000. Any notes already in circulation to be included in this amount.



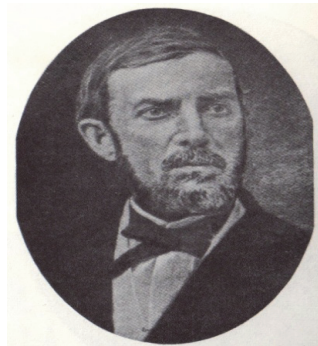
Richmond City Hall in July 1865.



Richmond City Hall, April 14th 1865.



**Peachy Ridgway
Grattan**



David Judson Burr

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