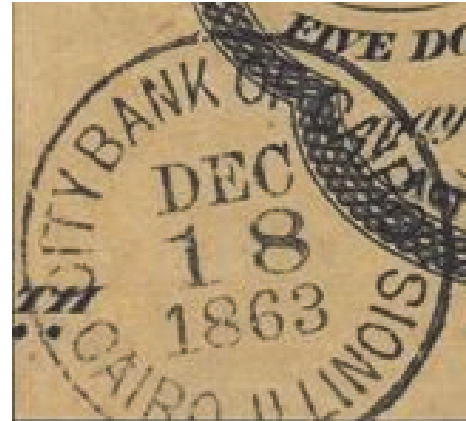
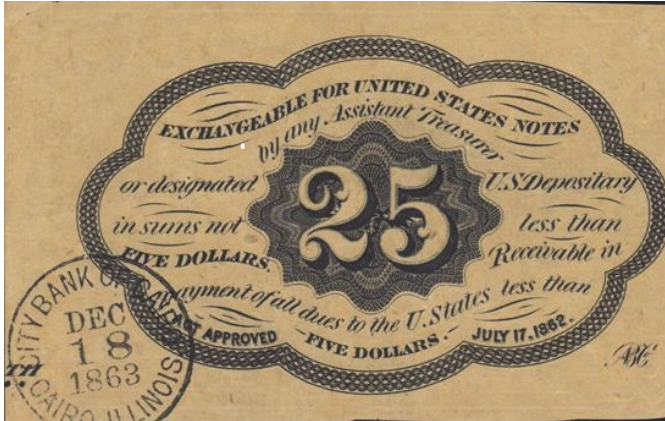


POSTAGE CURRENCY NOTE WITH CAIRO, ILLINOIS BANK STAMP

By Rick Melamed

I recently came across a fractional (1st issue 25¢ postage note – Fr. 1281) with a vivid bank stamp from the City Bank of Cairo, Illinois. The stamp is dated December 18, 1863. Banks frequently stamped currency to show that the note had been received in deposit. These are scarce on fractionals since the denomination is so small, but they do occur from time to time. In the past, I have seen bank cancellation stamps on fractional currency from some far-flung locations such as Australia and Germany.



CAIRO HISTORY

Cairo (pronounced “care-o”) is the southernmost city in Illinois and is the county seat of Alexander County. It was founded in 1818 and was named after the Egyptian capital. Cairo is located at the confluence of the Ohio and Mississippi Rivers. It served as an important port city for steamboats coming to and from New Orleans. During the Civil War the city became a major military hub for the Union Army and Navy with training facilities and a large supply distribution center.



Late 19th Century Cairo, Illinois

At the start of the Civil War, Union General Ulysses S. Grant and Admiral Andrew Foote surveyed Cairo with plans to build military headquarters. Being such a strategic site and a very short distance to the Confederate state of Kentucky, the city was an ideal location. By June 1861, 12,000 Union soldiers were deployed in the Cairo area and another 38,000 soldiers within 24 hours. The soldiers built Fort Defiance to protect the confluence. There were many supporting businesses in Cairo for the War effort (stables, hospitals, drug stores, post office gun shops, blacksmiths, harness shops...as well as some unseemly businesses such as brothels, gambling houses and saloons). General Grant relied heavily on Cairo as a supply chain as he pushed forces deeper into the Confederacy. Though never engaging in direct battle, the fortified city quickly gained national attention, drawing many reporters to observe the military presence. The *New York Times* referred to Cairo as “the Gibraltar of the West”¹.



Fort Defiance – Union Stronghold During the Civil War

With the buildup of railroad supply lines to Chicago, Cairo lost some of its trade importance after the War. As more railroads converged on Chicago, which developed at a rapid pace; stockyards, meat processing, and heavy industries took root in the Windy City. Lighter industries now dominated the Cairo economy. Still Cairo had robust businesses supporting the shipping lanes on the rivers. So much so that the U.S. Government built a Customs building in Cairo. The Civil War dramatically altered the city's cultural landscape as many runaway slaves took residence. While a majority went back south after the Civil War when work became scarce, 3,000 African Americans remained and took permanent residence.

Towards the latter half of the 19th Century, Cairo's economy continued to do well, and commercial enterprises found Cairo's convenient geographic location, abundant natural resources, and large labor pool attractive. The river routes and 7 railroad lines into the city bolstered their economy.

Things changed in 1905, when a railroad bridge was completed across the Mississippi River at Thebes, a small town northwest of Cairo. This dealt a heavy blow to Cairo's status as a railroad hub and adversely affected businesses. As traffic shifted to the new bridge in Thebes, it eliminated the ferry operations over the Mississippi resulting in decreased commerce for the entire town. From that point forward, Cairo economic fortunes never fully recovered to its halcyon days. With deeply rooted segregation, the worsening local economy resulted in contentious race relations. Throughout the 20th century, the city had been marred by racial tensions, often leading to protests and violence. Any attempt at integration was usually met with fierce opposition. This was especially prevalent during the turbulent 1960s where African American boycotted white owned business and repeated arson destroyed several commercial properties. In one extensive essay on Cairo's history, the subtitle was labeled: "*Death by Racism.*" However, there are still a few worthwhile attractions in Cairo. The Custom House, Cairo Public Library, Riverlore Mansion (built in 1865) and Magnolia Manor (a 14-room postbellum mansion built in 1869 that's on the *National Register of Historical Places*) are four architectural achievements. Those historical buildings aside, a walk down one of the main streets today (such as Commercial Avenue) would be met with storefronts either razed, closed or boarded up. As of the 2010 census, the population is under 3,000, less than one-fifth of what it was a century ago. A sad coda to a once vibrant community.

CITY BANK OF CAIRO CURRENCY

The City Bank of Cairo was organized in 1858 by Mr. Lotus Niles of Springfield, Illinois. The bank President was James C. Smith, and Alfred B. Safford was the cashier. Shown are examples of two rare obsolete notes in a \$3 and \$5 denomination. They are undated and not signed. Knowing what we do about when obsolete notes were printed and the short tenure of the bank under its original name of City Bank of Cairo, we can reasonably conclude that they were likely printed between 1858-1862. After 1862, obsoletes were not being widely produced; replaced by U.S. issued National Bank Notes and Demand Notes.



City Bank of Cairo continued until 1865, when it became the City National Bank of Cairo; a result of the federal charter underwriting the banks who deposited money into Federal bonds. Commonly known as National Bank Notes, Cairo National Bank issued NBN's from the Original series of the program through the 1902 series. They are extremely rare; only a few appear in currency auction archives. Four are shown below: An Original Series 1865, two from Series 1882 and one from Series 1902. The bank did not survive long enough to print Series 1929 National Bank Notes. In 1907 the bank ceased operations.



The historical context of currency discoveries with an inscription is sometimes poignant often telling stories of love or loss. Notes with bank stamps often convey interesting histories. In this case, the story associated with the City of Cairo initially showed a city growing with hope and prosperity only to suffer a decline due to a poor economy and a marginalized population adversely affected by segregation. For more on the city's history, I recommend an award-winning documentary on Cairo called "*Between Two Rivers*." It is available for viewing on YouTube. Thanks to Heritage and Stacks Bowers for the use of their archives for the currency images. Also, a big thank you to my son, David Melamed, for his excellent editing skills.

Footnote:

1. Gibraltar is a peninsula, overlooking the Mediterranean Sea, in the southeastern part of Spain and has been a British territory since 1713. The British used Gibraltar as a fortified military location which was an important naval outpost during many conflicts including the Crimean War 1853-56; a few years before the American Civil War (1861-65). Fort Defiance in Cairo was called the "Gibraltar of the West" because it was also a military outpost overseeing a strategically important waterway.