

Bank of Chattanooga Obsolete Notes

Bank of Chattanooga, Tennessee obsolete bank notes from its short 9 year history (1854 – 1863) provides a fascinating study of this major southern rail center prior to and during the civil war era. The Bank of Chattanooga was chartered by the State of Tennessee in 1854 with capitalization of \$500,000. This was reduced to \$212,000 in 1856. The bank was located on Market Street near Third and was owned by the same owners as the Bank of Memphis.

Paul E. Garland lists 77 Bank of Chattanooga obsolete notes listed in his standard reference book, "The History of Early Tennessee Banks And Their Issues". These notes can be organized into seven issue periods with 27 major design types. This article depicts the 25 types I have accumulated over the past 3 years. All these notes are scarce. Even the most common notes have fewer than a few hundred specimens extant. At major currency show, fewer than a dozen such notes generally appear in dealer's inventories. However, most of the notes are not expensive, \$10 - \$35 for common low grade notes and \$100 - \$500 for higher grade and scarce notes, if you can find them. [This article was published in *Paper Money* SPMC journal May/June 2000. Prices reflect that time.]

Bank of Chattanooga Initial Types 1854

Prior to the War Between the States the Federal government issued copper and silver coinage up to \$1 as well as gold coins up to \$20. Private or state chartered banks issued currency. The first Bank of Chattanooga currency types consisted of \$1, \$2, \$3, \$5, \$10, \$20, \$50 and \$100 dollar denominations, dated 1854 to 1861. Danforth, Wright & Co. of Philadelphia and New York printed these notes. The \$1, \$2 and \$3 dollar notes must have been issued in very limited numbers or recalled because only one note of the three types was known to Garland to have survived. Since his book was published, a second surviving note has been found, and luckily it was offered to me. It is shown in Figure 1. The surviving \$3 note main vignette is a Steamboat, with a road scene at right and a train moving under an arched bridge at left listed as G-76 (R-14). Garland also listed the \$2 as G-75 (R-14), raised to a \$20, with an Allegorical figure on each side of Calhoun with the state seal at right and Arms in an oval at left but indicated its existence is unlikely. Garland also listed the \$1 as G-61 (R-14) Train vignette with Justice at right and a cotton plant at left. Two Proof sheets with two \$1, a \$2 and a \$3 were sold from the American Bank Note Company archives in recent years.

William D. Fulton who was the cashier for the whole time the bank was in existence signed the notes. The president, William Williams, one of the early mayors of Chattanooga², or John Overton, who succeeded him in 1858, also signed the notes. The \$5, \$10, \$20, \$50 and \$100 notes are shown in figures 2 to 6.

Bank of Chattanooga Obsolete Note Types

- 1. Initial Types**
- 2. Redeemable Bank of Memphis**
- 3. Initial Civil War Issues**
- 4. Notes overprinted over Bank of E. TN**
- 5. Fractional Currency 1862**
- 6. High Quality Notes of 1863**
- 7. Fractional Currency 1863**
 - a. Fall of Chattanooga Dooms Bank, Signatures**
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Figure 1

Bank of Chattanooga \$3 (G-76, R-14) Steamboat with road scene at right and train at left



Figure 2

Bank of Chattanooga \$5 (G-91, R-1) Allegorical figure reaching up to an angel

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Figure 3

Bank of Chattanooga \$10 (G-96, R-8) Allegorical females at right



Figure 4

Bank of Chattanooga \$20 (G-105, R-8) Sailor & Mechanic standing over Industry & Education

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Figure 5

Bank of Chattanooga \$50 (G-110, R-11) Portrait of young lady with dove.



Figure 6

Bank of Chattanooga \$100 (G-115, R-11) Liberty seated with shield & eagle

Varieties of these types consist of notes stamped with REDEEMABLE AT THE BANK OF MEMPHIS and notes with the denomination overprinted in red. The \$10, 20 and 100 notes illustrate the over-stamp. The \$5, \$10 and \$20 bill show the red overprint denomination. The \$50 or \$100 notes are scarce (R-11) with only with only 16 to 20 known.

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Types Redeemable at the Bank of Memphis 1959

The Tennessee State General Assembly of 1859-1860, enacted a bill, at the request of the bank owners, to withdraw the Bank of Memphis' charter and establish in lieu thereof, a branch of the Bank of Chattanooga in Memphis. The parent bank in Chattanooga and the branch bank in Memphis issued common notes starting in 1859 in denominations of 10, 20, 50 and \$100. All the notes of this period, figure 7 - 10 have a red die with REDEEMABLE AT THE BANK OF MEMPHIS printed on it. The American Bank Note Company printed these notes. W. D. Fulton, cashier, and John Overton, president signs all of the notes of this type.



Figure 7

Bank of Chattanooga \$10 (G-97, R-9) Train

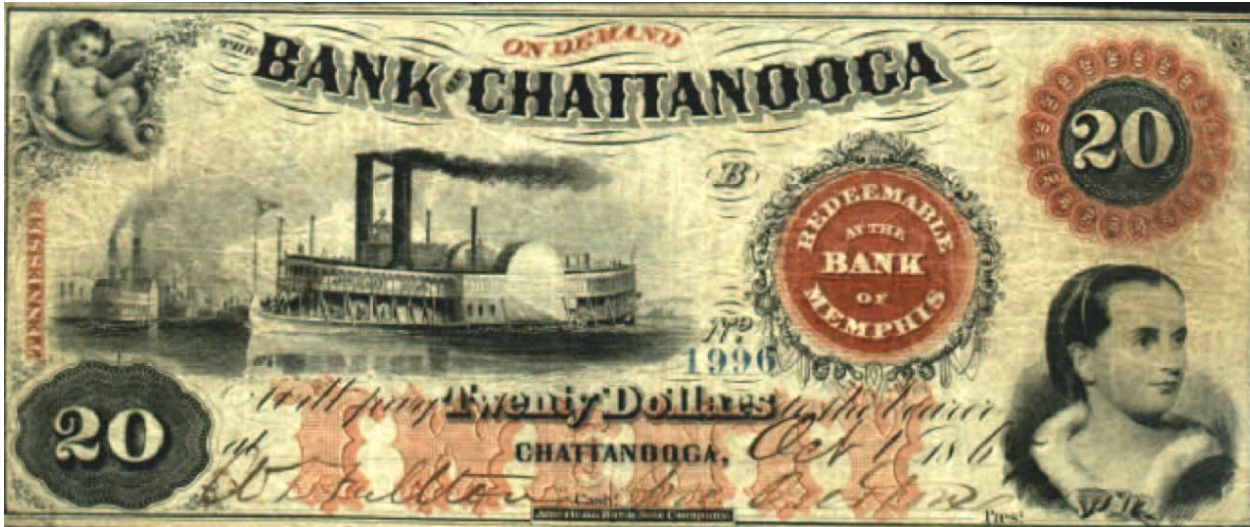


Figure 8

Bank of Chattanooga \$20 (G-108, R-7) Large Steamboat, young lady right

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Figure 9

Bank of Chattanooga \$50 (G-111, R-10) Oxen pulling wagon of cotton



Figure 10

Bank of Chattanooga \$100 (G-117, R-9) Battle of New Orleans

Varieties of this type include \$10 notes with various railroad names on the boxcar and different dates of issue. Four \$10 notes were printed on a single sheet. Witness the position letter “A” printed near the top right of the Memphis & Charleston note in figure 7. Other notes have the position letters “B,” “C,” and “D” that corresponds to the railroad name on the boxcar listed below.

<u>Position Letter</u>	<u>Railroad Name on Box Car</u>
A	Memphis and Charleston
B	Memphis and Ohio
C	Memphis and Little Rock
D	Mississippi and Tennessee

Bank of Chattanooga Obsolete Notes

Initial Civil War Issue 1861-1862

Shortly after the war broke out silver and gold coins were hoarded because the metal content was more valuable than the face value of the coins. Starting in 1861 the Confederate States of America issued notes in denominations of \$5 and up to \$1000³. Because \$5 was the smallest denomination with the shortage of silver and gold coins, a great need for notes under \$5. To meet this crying need in the marketplace, the first notes printed by the Bank of Chattanooga during the war were \$1, \$2 and \$3 notes (Figure 11-13).

Jules Manouvrier in New Orleans printed the low quality lithography notes. This is the same printer³ who was contracted to print \$5 (Type 12) and \$10 CSA notes in 1861. When he shipped the initial supply the \$10 CSA notes the packaging came apart in transit and some of the notes were stolen. Because of this the \$10 notes were not issued and are not known today. This caused J. Manouvrier to lose his printing contract with the CSA.



Figure 11

Bank of Chattanooga \$1 (G-49, R-2) One Dollar on gray bar, title arched above



Figure 12

Bank of Chattanooga \$2 (G-65, R-7) Commerce seated by cornucopia above ships in distance

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Figure 13

Bank of Chattanooga \$3 (G-78, R-8) Commerce by shield bearing cotton plant

Varieties of this type include notes with and without the value overprinted in red, and blue-green. The \$2 and \$3 notes displayed has the value overprinted.

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Notes Overprinted over Bank of East Tennessee 1862

The \$1, \$2 and \$3 notes of August of 1862 were reduced in size and printed over un-issued Bank of East Tennessee sheets of notes because of the shortage of good bank note paper. Bank note paper was imported from Great Britain until the Union blockade severely limited its supply. There were two types of \$3 notes one with a ship vignette and one with a train like the \$1 and \$2. These notes were the first ones from the Bank of Chattanooga to indicate they would be redeemed in Confederate Treasury notes.

The reverse of the Bank of East Tennessee notes that were printed in red can be seen, oriented 90 degrees, on the obverse of the \$1, \$2 and the two \$3 notes shown in figures 13-16. The right side of the \$1 note shows the HREE of the red three; the left side of the \$1 note shows 5 on a red die. The \$3 (Train) shows the right side of the Bank of East Tennessee \$3 and \$5 reverse design. The \$2 and \$3 (Ship) notes show the middle and left side of the \$5 and \$10 red reverse design from the Bank of East Tennessee. Compare the notes to the issued \$3, 5, 10 and 20 Bank of East Tennessee notes in figures 17-20.

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Figure 13

Bank of Chattanooga \$1 Train(G-53, R-3) printed over Bank of East Tennessee \$3 & \$5



Figure 17

Bank of East Tennessee \$3 Reverse (G-120, R-4)



Figure 18

Bank of East Tennessee \$5 Reverse (G-123, R-1)

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Figure 14

Bank of Chattanooga \$2 Train (G-66, R-3) printed over Bank of East Tennessee \$10 & \$20



Figure 15

Bank of Chattanooga \$3 Train (G-80, R-3) printed over Bank of East Tennessee \$3 & \$5



Figure 19

Bank of East Tennessee \$10 Reverse (G-125, R-5)

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Figure 20
Bank of East Tennessee \$20 Reverse (G-127, R-7)



Figure 16
Bank of Chattanooga \$3 Ship (G-79, R-3) printed over Bank of East Tennessee \$10 & \$20

Varieties of this type include notes with the word GOOD, the written denomination and the Arabic denomination printed in black or red.

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Fractional Currency of 1862

As the war continued copper coins as well as silver coins were hoarded because they were worth more than the rapidly inflating paper currency. By the time these fractional notes were issued in September of 1862 it took 25 Confederate dollars to buy one \$10 U.S. gold coin³. Starting in 1862 fractional currency was printed in quarter and half dollar denominations to fill the need for small change. These notes shown in figure 21-22 have a harp and book vignette in the top center. Varieties of these types were printed on un-issued Bank of Chattanooga notes.



Figure 21

Bank of Chattanooga \$0.25 (G-41, R-5) Harp and Book



Figure 22

Bank of Chattanooga \$0.50 (G-44, R-5) Harp and Book

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High Quality \$1, 2 and 3 Notes of 1863

The \$1, \$2 and \$3 notes were printed on high quality paper at Keatinge & Ball, Columbia S.C. The printer, founded in 1861, did the engraving and design work for almost all of the Confederate States of America notes starting with the December 2, 1862 issue³. The \$1 Train & Mechanic, the \$2 and \$3 are shown in figures 23-25



Figure 23

Bank of Chattanooga \$1 (G-58, R-2) Train, Mechanic with hammer & anvil



Figure 24

Bank of Chattanooga \$2 (G-74, R-11) Ceres seated by shield, bale of cotton & sacks of money

[Link to Modern Reproduction \\$2 Bank of Chattanooga](#)

Bank of Chattanooga Obsolete Notes

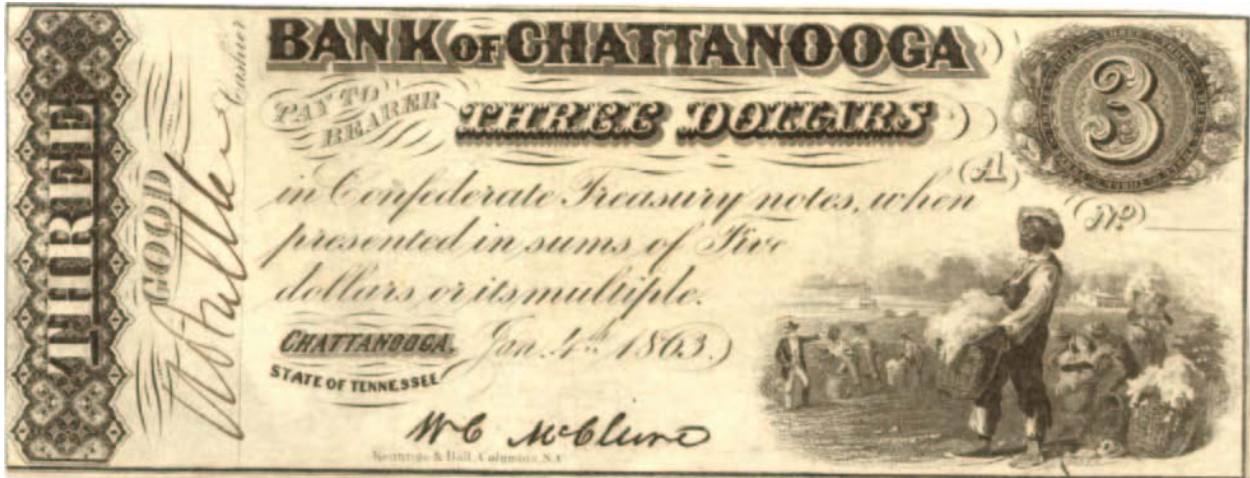


Figure 25

Bank of Chattanooga \$3 (G-87, R-2) Picking Cotton

Varieties of these types exist with printed vs. signed cashier or president's signature and with and without the state printed.

Bank of Chattanooga \$2 Civil War Reproduction Banknote

The two \$2 Bank of Chattanooga notes below are common modern reproductions/replicas. They are made of parchment paper that is stiff and crinkles. This type of paper was not invented until the late 1800s much after the date of this note. These notes are sold in the Civil War battle field souvenir shops near Chattanooga a pack of them for less than \$5. They have no collector value. The genuine note of this design was printed on cotton fiber paper and is soft even when unused by comparison.



The reproduction notes printed after 1968 are required by federal law to have COPY printed on them. The note above does not have Copy printed on it. The one below has the word COPY obliterated with a marking pen below the end of W. C McClure's signature. Genuine notes of this period are nearly always hand signed in brown ink. The signatures in both notes are printed (same color) further indicating a fake note.



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Fractional Currency of 1863

The last notes issued by the Bank of Chattanooga are the fractional currency issued in April of 1863. The notes were \$0.25 figure 26, \$0.50 figure 27, and \$0.75 figure 28 with the denomination spelled out and in Arabic numbers printed in red. The 50 cent note has two varieties one with a long top bar on the 5 and one with a short bar. The \$0.75 is a scarce R-13 (5-10 know) note. Paul Garland said he once had 4 of these notes.

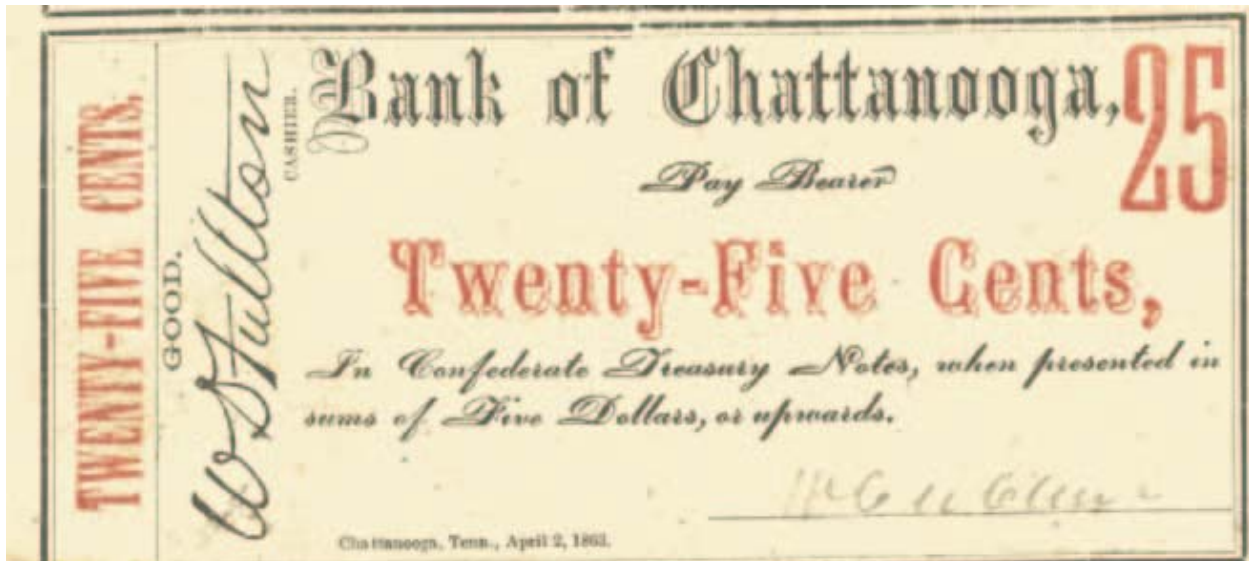


Figure 26

Bank of Chattanooga \$0.25 (G-43, R-4) TWENTY FIVE CENTS in red

Bank of Chattanooga Obsolete Notes

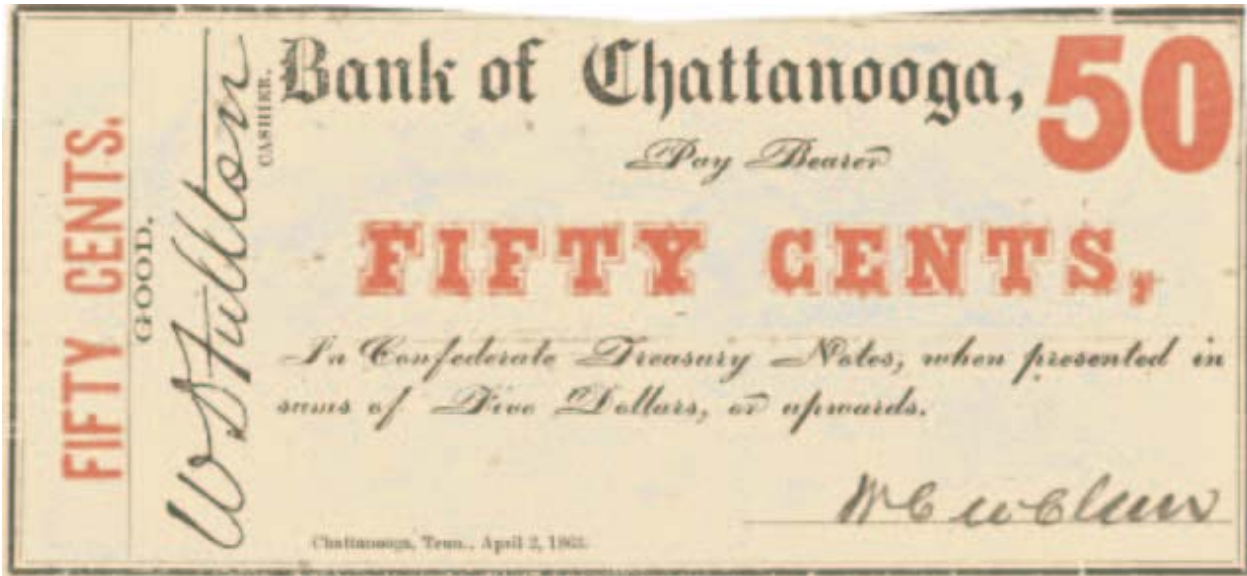


Figure 27

Bank of Chattanooga \$0.50 (G-46, R-4) FIFTY CENTS in red

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Figure 28

Bank of Chattanooga \$0.75 (G-48, R-13) SEVENTY-FIVE CENTS in red

Fall of Chattanooga Dooms Bank

Major General Rosencrans commanding the Union army of the Cumberland pursued the Confederate army of Tennessee commanded by General Bragg to the important railroad center in Chattanooga in the summer of 1863. Rosencrans divided his army into 5 pieces to encircle Bragg in Chattanooga, Bragg sensing the trap withdrew to a strong position in northern Georgia, where he planned to finish off one piece of the divided Union army at a time. The two sides met September 19, 1863 at Chickamauga Creek. The Confederate forces won the battle and Rosencrans withdrew back to Chattanooga. Bragg was unaware of the retreat because Thomas ("The Rock of Chickamauga") protected the rear. As a result Bragg missed the opportunity to follow up and eliminate the Union army of the Cumberland. The Union army attacked Lookout Mountain November 24th and Missionary Ridge the next day and won both battles, despite the superior positions held by the Confederate army.⁴

The Bank of Chattanooga was probably closed when the Chattanooga fell to the union forces. It may have been moved with the Confederate army but there is not any record of the banks' existence after the fall of Chattanooga. Further research is necessary to clarify this.

Signatures

William D. Fulton signed as cashier for the entire life of the bank. Table 1 lists the people who signed as the president or for the president of the Bank of Chattanooga. William Williams was the first president and he was succeeded by John Overton in 1858. Paul Garland's book¹ indicates John Overton was the president until 1866 when the bank closed. However, a pamphlet issued by the Hamilton National Bank in 1925 titled "A History of Banking in Chattanooga" indicates J. Holt, W.E. McClure and J. C. Warner were subsequent presidents. The notes with Warner's signature in August 1861 and Holt's signature in January 1862 are clearly signed "for" the president. I have one note signed by Warner in August 1862 that is not followed by "for" the

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president, indicating he may have been president then or he left off the “for” inadvertently. W.E. McClure signed numerous bills as the president from September 1862 to April 1863. I also have a few bills signed by what appears to be A. Wbisehim, figure 15, and I. R. Schulland, figure 16, from bills issued in August 1862. The spelling of these names may be incorrect.

Table 1

Summary of President Signatures & Date on Bank of Chattanooga Notes

William Williams	1/5/55	7/1/58				
John Overton	6/24/58	7/1/58	9/1/59	9/1/60	10/1/60	8/28/61
J. C. Warner for Pres.	8/28/61	1/4/62				
J. C. Warner	8/62					
W. E. McClure	9/1/62	1/4/63	4/2/63	4/23/63		
A. Wbisehim	8/62					
I. R. Schulland	8/62					
J. H. Holt for Pres.	1/4/62					

Table 2 shows the relative rarity of each of the Bank of Chattanooga type notes. The rarity scale (R-1 100+ to R-15 unique) is the same scale Paul Garland used in his book, as shown in Table 4. The rarity of each type was calculated by adding up the number know (based on Garland’s rarity) for all varieties of the type. The \$1 Train / Justice, \$2 with Calhoun on each side and the \$3 Steamboat are listed as R-14, rare. The \$1 and \$2 are unknown there is one \$3 that exists so they should be listed as R-15. The 75 cent note listed as R-13, scarce.

Table 2

Rarity of Bank of Chattanooga Type Notes

	<u>Before the War</u>		<u>During the War</u>		
	<u>Chatt.</u>	<u>Memphis</u>	<u>1861</u>	<u>1862</u>	<u>1863</u>
\$ 0.25				R-2	R-4
\$ 0.50				R-4	R-1
\$ 0.75					R-13
\$ 1.00	R-14		R-1	R-1	R-1
\$ 2.00	R-14		R-1	R-1	R-1
\$ 3.00	R-14		R-5	R-1	R-1
\$ 3.00				R-3	
\$ 5.00	R-1				
\$ 10.00	R-2	R-1			
\$ 20.00	R-4	R-3			
\$ 50.00	R-8	R-7			
\$ 100.00	R-8	R-6			

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Table 3
Summary Bank of Chattanooga Types vs. Garland numbers

<u>Bank of Chattanooga initial types 1854 -</u>	<u>Garland Number</u>
\$1	61
\$2	75 Listed as altered to \$20
\$3	76
\$5	89-92
\$10	93-96
\$20	101-106
\$50	109-110
\$100	114-115
<u>Types Redeemable at Bank of Memphis 1859 –</u>	
\$10	97-100
\$20	107-108
\$50	111-113
\$100	116-117
<u>Initial Civil War Types of 1861-1862</u>	
\$1	49-51
\$2	62-65
\$3	77-78
<u>Types Overprinted over Bank of East Tennessee 1862</u>	
\$1	52-57
\$2	66-71
\$3	79
\$3	80-85
<u>Fractional Notes of 1862</u>	
\$0.25	41-42
\$0.50	44-45
<u>High Quality Notes of 1863</u>	
\$1	58-60
\$2	72-74
\$3	86-88
<u>Fractional Notes of 1863</u>	
\$0.25	43
\$0.50	46-47
\$0.75	48

Table 4
Rarity Number vs. Number Estimated Outstanding

R-1	100 - 110	R-6	51 - 60	R-11	16 - 20
R-2	91 - 100	R-7	41 - 50	R-12	11 - 15
R-3	81 - 90	R-8	31 - 40	R-13	5 - 10
R-4	71 - 80	R-9	26 - 30	R-14	2 - 4
R-5	61 - 70	R-10	21 - 25	R-15	1 - 1

The author is developing a list of the outstanding notes from the Bank of Chattanooga. Please send a copy or a list of the note type, variety, grade and serial and plate number. (The overprinted and the fractional notes do not have serial numbers.) The author is also collecting information on which Bank of Chattanooga varieties are printed over which Bank of East Tennessee notes for a future article. Send information to Dennis Schafluetzel, 1900 Red Fox Lane, Hixson, TN 37343 or dennis@schafluetzel.org.

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References

¹ Paul E. Garland (1983) The History of Early Tennessee Banks and Their Issues, Hampton, VA Multi-Print Inc. pp. 10-18.

² A History of Banking in Chattanooga (1925) Chattanooga, TN, The Hamilton National Bank of Chattanooga, TN pp. 7-8

³ Grover C. Criswell (1996) Comprehensive Catalog of Confederate Paper Money, BNR Press, Port Clinton, OH

⁴ Paul M. Angle (1967) A Pictorial History of the Civil War Years, Nelson Doubleday, Inc., Garden City New York, NY