

## VI. COMPOUND INTEREST TREASURY NOTES

These notes are really Legal Tender circulating notes, which for a period of three years, bore interest at six per cent, that was compounded twice a year. The Acts of Congress of March 3, 1863 and June 30, 1864 authorized the issue by the Treasury Department of these notes. It should be noted that the time of issue was late in the Civil War when the financial position of the Treasury was precarious and the country was almost bankrupt because of the cost of carrying on the war. Money was very rare and the issue of these Compound Interest Treasury Notes was an attempt to alleviate this pressing problem.

They were issued in denominations of 10, 20, 50, 100, 500 and 1,000 Dollars, and were legal tender at their face value. The date of issue is printed in red on each note and the full interest was payable only at the end of the three year period after date of issue.

The reverse of each denomination shows in tabular form what the interest and redemption value was at the end of each six month period for the three years.

For the redemption value of each denomination, please see the text.

The obverse of each note is surcharged in large gold letters with "Compound Interest Treasury Note" and the numerals of the denomination.

All notes of this issue are very rare today and are seldom seen. The 50 and 100 Dollar notes are of extraordinary rarity. Also, all denominations are extremely rare in really choice condition.

The obligation on these Compound Interest Treasury Notes is as follows, "Three years after date the United States will pay the bearer..... dollars with interest at the rate of six per cent compounded semi-annually ... By Act of Congress, this note is a legal tender for..... dollars but bears interest at six per cent compounded every six months though payable only at maturity as follows ... This sum \$..... will be paid the holder for principal and interest at maturity of note three years from date."

All of these notes have a small red treasury seal with spikes and the signatures of either Colby and Spinner or Chittenden and Spinner. The 50 and 100 Dollar notes are of great rarity and have been counterfeited extensively.

### 10 Dollar Notes

#### DESIGN 3 5

(Notes 190–190b)

Head of Salmon P. Chase, Secretary of the Treasury under Abraham Lincoln, 1861–1864. At the center, an eagle. At the right, a female allegory representing Peace.



#### Design 3 5 Reverse

Redemption value \$.

The note illustrated is from the collection of the American Numismatic Association, no. 1988.0017.0139.



No.	Act of	Overprint Date	Signatures	VG8	F12	VF20	EF40
190.	1863	June 10, 1864	Chittenden Spinner				
190a.	1864	July 15, 1864	Chittenden Spinner				
190b.	1864	Aug. 15 - Dec. 15, 1864	Colby Spinner				

## 20 Dollar Notes

### DESIGN 3 6

(Notes 191–191a)

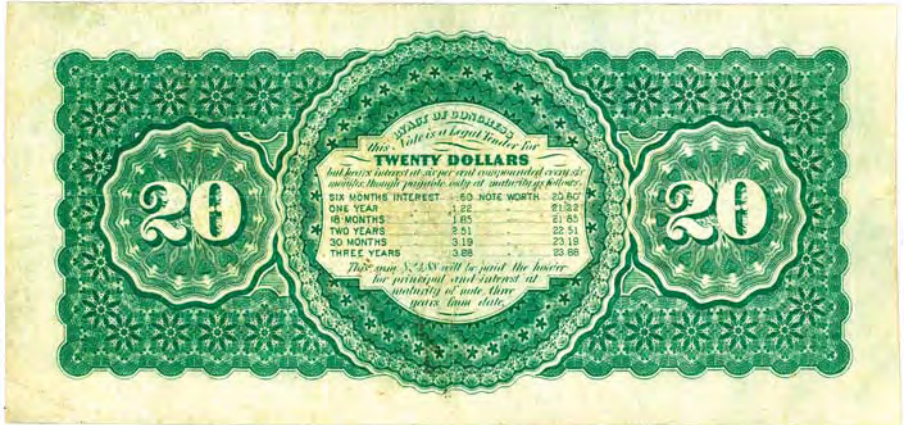
Head of Abraham Lincoln. The female allegory at the left represents Victory. At the lower center is a mortar firing.



### Design 3 6 Reverse

Redemption value \$

The note illustrated is from the collection of the American Numismatic Association, no. 1976.0163.0023.



No.	Act of	Overprint Date
191.	1864	July 15, 1864
191a.	1864	Aug. 15, 1864 - Oct. 16, 1865
192.	1863	June 10, 1864

Signatures	VC8	F12	VF20	EF40
Chittenden Spinner				
Colby Spinner				
Chittenden Spinner				

Extremely Rare(2007 auction VF35)

## 50 Dollar Notes

### DESIGN 3 7

(Notes 192–192b)

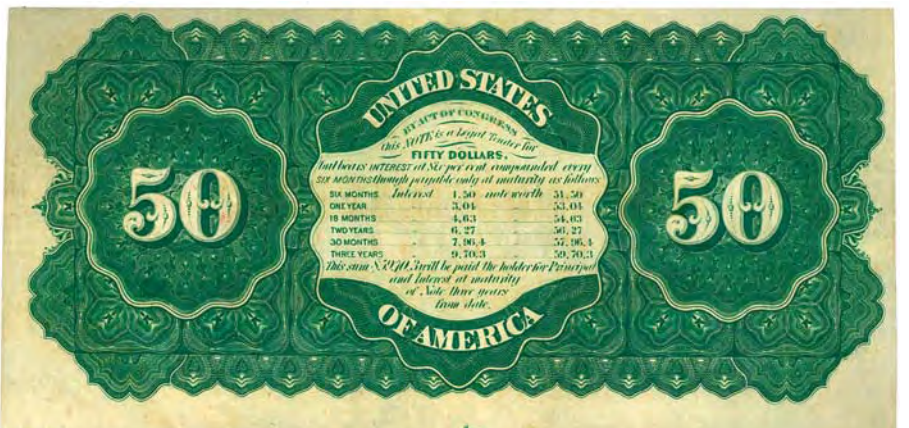
Head of Alexander Hamilton. At the left is a female allegory representing Loyalty.



### Design 3 7 Reverse

Redemption value \$

The note illustrated is from the collection of the American Numismatic Association, no. 1988.0017.0142.



192a.	1864	July 15, 1864
192b.	1864	Aug. 15, 1864 - Sep. 1, 1864

Chittenden Spinner
Colby Spinner

Unknown (all reported specimens are counterfeit.)

## 60 100 Dollar Notes

### DESIGN 3 8

(Notes 193–193b)

Standing figure of George Washington between female allegories representing The Guardian, left, and Justice, right.



### Design 3 8 Reverse

Redemption value \$

Illustration courtesy Heritage Auction Galleries.



No.	Act of	Overprint Date	Signatures	VG8	F12	VF20	EF40
193.	1863	June 10, 1864	Chittenden	Spinner	Two known (2006 auction F12)		
193a.	1864	July 15, 1864	Chittenden	Spinner	Unique (2005 auction VF20)		
193b.	1864	Aug. 15, 1864 - Sep. 1, 1865	Colby	Spinner			

## 500 Dollar Notes

### DESIGN 3 9

(Notes 194–194-b)

Vignettes of the ship *New Ironsides* and *The Standard Bearer*.

Redemption value \$

No.	Act of	Overprint Date	Signatures	Spinner
194.	1863	June 10, 1864	Chittenden	Spinner
194a.	1864	July 15, 1864	Chittenden	Spinner
194b.	1864	Aug. 15, 1864 - Oct. 1, 1865	Colby	Spinner

## 1,000 Dollar Notes

### DESIGN 4 0

(Notes 195–195-a)

Vignettes of *Liberty* and *Justice*.

Redemption value \$

No.	Act of	Overprint Date	Signatures	Spinner
195.	1864	July 15, 1864	Chittenden	Spinner
195a.	1864	Aug. 15, 1864 - Sep. 15, 1865	Colby	Spinner