



Here are two more Confederate Alabama notes. These two appear to be uncirculated. The one on the previous page appears to have been circulated. The 25 ct note is actually more scarce than the 50 ct note.

This 1863 State of Alabama 50 cent bill shown below and issued during the Confederacy is typical of state bills issued both before and during the Confederacy. Prior to the Civil War America had no national currency, as peculiar as it now may seem. A plethora of state issued currencies, unregulated state and local bank currencies and other chits and notes issued by merchants all circulated freely. This necessarily resulted in a patchwork of nonstandard conversion rates and locally negotiated exchanges. All this paper money floated around along with gold and silver coins and gold-backed certificates. The disarray and confusion increased when the Confederacy issued its own paper money. There was some nefarious incentive for the Confederacy to allow these other systems to exist, since the Confederacy borrowed heavily from the states to finance the war. For example, the state of Alabama eventually loaned the Confederacy an amount that covered over 8% of the Confederacy's war debt. Left unchecked, wartime inflation promised the Confederacy could repay these loans with cheaper money. In Alabama's case, the loan was made in state bills like the one shown here. The entire system soon proved to be founded on fictitious values when 1000% inflation rates ravaged the Confederacy and its states. After the war, when the state of Alabama had rejoined the Nation, it fell under the 1863 U.S. National Bank Act that demonetized all state issued currencies. Note that this bill is printed on rough paper and only one side. Paper and inks became scarce in the Confederacy after 1862. The bill is signed by then Alabama Governor John Gill Shorter, who served from 1861 to 1863. The likeness of the person shown on the lower right is unidentified. Printers often put their own or their relatives pictures on their bills.





