History Of The Challenge Coin by Michael Emerson

During WWI, American volunteers from all parts of the country filled the newly formed flying squadrons. Some were wealthy scions, attending colleges such as Yale and Harvard, who quit mid-term to join the war.

In one squadron, a wealthy lieutenant ordered medallions, struck in solid bronze, and presented them to his unit. One young pilot placed the medallion in a small leather pouch that he wore about his neck. Shortly after acquiring the medallions, the pilot's aircraft was severely damaged by ground fire. He was forced to land behind enemy lines and was immediately captured by a German patrol. In order to discourage his escape, the Germans took all of his personal identification except for the small pouch around his neck.

He was taken to a small French town near the front. Taking advantage of a bombardment one night, he escaped. However, he was without personal identification. He succeeded in avoiding German patrols by donning civilian attire and reached the front lines. With great difficulty, he crossed "no man's" land. Eventually, he stumbled onto a French outpost. Unfortunately, saboteurs had plagued the French that had been posted in the sector. They sometimes masqueraded as civilians and wore civilian clothes. Not recognizing the young pilot's American accent, the French thought him to be a saboteur and made ready to execute him. He had no identification to prove his allegiance, but he did have his leather pouch containing the medallion. They delayed his execution long enough for him to confirm his identity. Instead of shooting him, they gave him a bottle of wine.

Back at his squadron, it became tradition to ensure that all members carried their medallion or coin at all times. This was accomplished through challenge in the following manner — a challenger would ask to see the medallion. If the challenged could not produce a medallion, they were required to buy a drink of choice for the member who challenged them. If the challenged member produced a medallion, the challenging member was required to pay for the drink.

This tradition continued throughout the war and for many years thereafter, while members of the squadron were still alive. In fact, the Challenge Coin tradition survives today. Approach a veteran and ask to see his Challenge Coin. But, be prepared to buy a drink or two.