

Newsletter

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North Carolina Obsolete Banknotes

By David Boitnott

North Carolina's numismatic history prior to the Civil War is quite rich indeed. North Carolina was the site of the first documented discovery of gold in the newly formed United States (1799) and was the largest domestic producer of gold in the US until 1849.

It was home as well to perhaps the most successful of the private minters — the Bechtler family. And, in 1838, the first United States coinage struck outside of Philadelphia was completed at the branch mint in Charlotte. But this numismatic history prior to the Civil War would not be complete without the telling of the story of the paper money that circulated in the state at the time.

Before the Civil War, our federal government did not issue paper money like we are familiar with today, it issued only coins. The constitution forbid the states from coining or printing money, but the same loophole which allowed the Bechtlers to establish their private mint also allowed private banks and companies to print their own paper money. This interesting

period is now referred to as the obsolete or broken banknote period of United States paper money. It is considered obsolete because the federal government began printing its own paper money during the Civil War in the north and then passed laws in the aftermath of the Civil War that made it very difficult through high taxation for the private printing of paper money to continue. All paper money printed prior to 1866 is obsolete. It is sometimes also called the broken banknote period because many of the banks that issued these notes failed.

Of the twenty-one state chartered banks that issued paper money in North Carolina, all failed. This sad state of affairs was not due to corruption or mismanagement but instead

See *NC Obsoletes* on Page 4

Club Business Page

The Raleigh Coin Club

Editorial Address: PO Box 354
Morrisville, NC 27560
commems@aol.com

Business Address: PO Box 18801
Raleigh, NC 27619

Club Officers

President	Paul Landsberg
Vice President	Harry Corrigan
Secretary	David Provost
Treasurer	Kent Woodson
Sergeant-at-Arms	TBD

Directors (Term Expiration)

Dot Hendrick (2004)
David Boitnott (2005)
Halbert Carmichael (2006)

Club Affiliations

American Numismatic Association
Member #C-79478
Blue Ridge Numismatic Association
BRNA Member #C-3383
Eastern States Numismatic Association
ESNA Member #0026 (Life)
North Carolina Numismatic Association
NCNA Member #C-14 (Life)

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January Meeting Notes

Seventeen club members and two guests attended the January meeting of the RCC.

Kent Woodson provided the Treasurer's Report, and reported that the club treasury totals \$12,362 across all accounts. Kent indicated that a few minor expenses for 2003 still need to be paid, but no major outstanding liabilities exist.

Paul Landsberg expanded upon his "President's Message" in the January newsletter by leading a discussion of ways in which to expand RCC membership. Paul indicated that he had sent out a club mailer to a small subset of the database generated from our last show as his first membership initiative for 2004 — one of the night's visitors resulted from the mailing. Paul stated that he planned to launch a different initiative each month in an effort to attract new members from as many different sources as possible.

Dave Provost initiated a discussion regarding the club's 50th anniversary in 2004. Several ideas were discussed, including a commemorative medal. Bob Schreiner suggested holding a contest for the medal's design. An informal vote indicated that club members were interested in pursuing the medal idea. Dave P. agreed to explore options for the club and to report back at the February meeting.

Dave P reminded members that the club newsletter is available in full color via PDF file sent through email and encouraged members to receive it that way to get the full impact of the images included in each issue.

The Bid Board was set up and featured a nice selection of US and world material. While not all of the offered items sold, a fair number of numismatic collectibles exchanged hands!

See [Meeting Notes](#) on Page 3

President's Message

Hello and welcome to February!!!

Snow and cold and cold and snow...sounds like a great time to start a fire, pour a cup of your favorite brew and enjoy your coins. Hey!! Like hard core collectors need any excuse.

Numismatically speaking, January was a good month for me. Through the oddest of coincidences I scheduled a five-day family weekend up in New York City at precisely the time of the New York International show. I only got to spend five hours at the show but a fantastic five hours it was. The most eye popping event at the show for me happened as follows: I stopped by a high-end coin dealer who I very very rarely buy coins from. One piece on display was magnificent. A late Roman silver coin, it was at least as large as a US quarter and in at least VF condition. Shaking with fear of dropping such a coin, I viewed both sides. I had to ask — just had to — “How much?” Answer: 22K\$. OUCH!!

To complete this journey into the stratosphere of ancient coin collecting, I noticed a bronze right next to this piece. It was equally breathtaking but in different ways. A stunning coin, high grade, and from an extraordinarily scarce empress. The only answer I got to “how much” was “more, much more.” I guess “brother can you spare a dime” doesn't even begin to address this situation.

Enough rambling!! As I spoke of last meeting, I hope that we can attract some new visitors to the meeting and we will once again make a special effort. I would also like to find out if we can get sufficient volunteers together to man a “Raleigh Coin Club” booth at the flea market for one or two days in order to reach out to coin, currency, and medal collectors. Please consider if you are able to spend a few hours some time in March.

As always, share some recent acquisitions or even just some interesting items in your collection for our monthly “Show 'n' Tell.”

See you at the meeting!!

Meeting Notes

Continued from Page 2

Show-and-tell items included a polymer note from Brazil (Alex L); several error coins, including a pair of “after-market” rotated die Kennedy half dollars (Roger B); a ten-cent note and a \$10.00 note from NC (Leon); several coins and medals struck by the Paris Mint (Dave P); and a Persian siglo from 450-400 BC (Paul L).

The evening's program was “Colorized and Holographic Coins of Canada;” it was presented by Dave P. In addition to a slide set, Dave also brought a selection of the pieces for hands-on inspection. The holographic pieces garnered the highest praise of the pieces available for viewing.

Pail L. volunteered to bring the refreshments for February.

SHOW CALENDAR

- | | |
|-----------|---|
| Feb 13-15 | Charlotte, NC
Charlotte Coin Club 34 th Annual Show
Merchandise Mart
800 Briar Creek Road |
| Feb 21-22 | Burlington, NC
Heart of Carolina Coin and Paper Money Show
Best Western Hotel
Exit 141, I-40/85 |
| Mar 6-7 | Raleigh, NC
Carolina Coin & Stamp Show
NC State Fairgrounds
Holshouser Building |
| Mar 12-14 | Baltimore, MD
Baltimore Coin & Currency Convention
Baltimore Convention Center |

North Carolina Obsoletes

Continued from Page 1

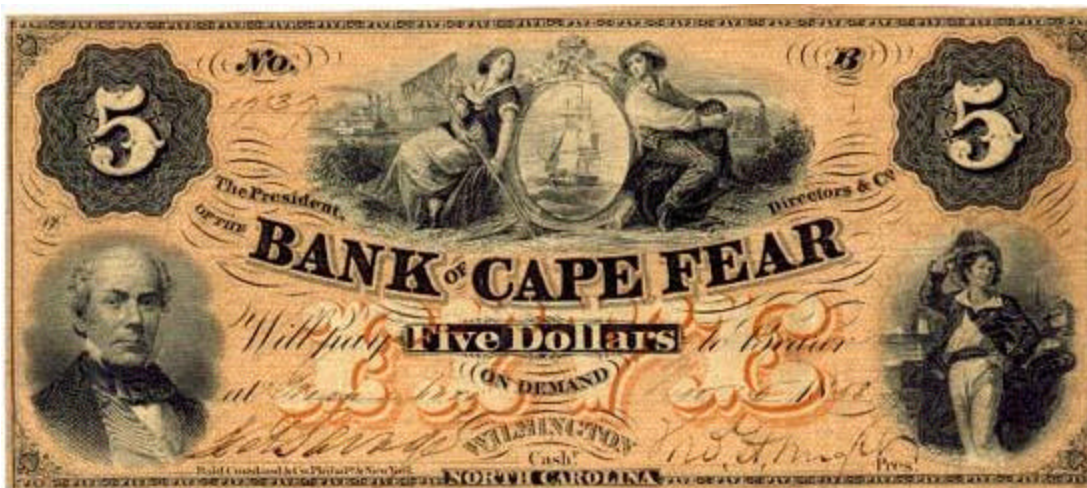
due to patriotism. North Carolina was rich in gold prior to the Civil War and its banks were financially strong. The state in 1861 cast its lot with its southern neighbors and joined the Confederacy. With the outbreak of hostilities that year the need for hard money to finance the war effort was felt throughout the south. When the war did not end quickly as everyone had hoped the drain on southern wealth accelerated. The banks transferred their hard money and gold to the state and Confederate governments to be used to procure war supplies from Europe, in exchange for war bonds. As the war dragged on for four long years the south was not only bankrupted of its young men but also its wealth so when the surrender finally came the banks were left holding worthless paper issued by a defeated government.

The story of obsolete banknotes in North Carolina begins December 17, 1804 with the state charter of the first two banks in North Carolina - **The Bank of New Bern** and **The Bank of Cape Fear**. **The Bank of New Bern** located in the coastal seaport of New Bern only issued two notes, a five and a ten, early in its existence, both of which are quite rare. **The Bank of Cape Fear** located in the port of Wilmington on the mouth of the Cape Fear River was just the opposite. **The Bank of Cape Fear** had branches in the towns of Ashville, Fayetteville, Greensboro, Raleigh, Salem, Salisbury, and Washington and a type set of notes from this bank alone would number about 57.

In 1810, the General Assembly chartered a bank in Raleigh called the **State Bank of North Carolina**. Although a private bank the state did hold stock in this institution. It operated until the 1833-1834 General Assembly chartered the **Bank of the State of North Carolina** to replace it. This bank operated with branches in Charlotte, Elizabeth City, Fayetteville, Milton, Morganton, New Bern, Tarboro, Wilmington, and Windsor until it too was replaced by the General Assembly in 1859. Many of its notes are only known from the backs of Civil War issue state notes and bonds. The next iteration of this institution was **The Bank of North Carolina** chartered in 1859. The branches from the previous entity were kept except for the closure of the Elizabeth City branch and the opening of one in Salisbury. This bank closed in 1866 after the Civil War.

In addition to branches of the **Bank of Cape Fear** and the various "State" banks most major towns of North Carolina had banks of their own. Wilmington, in addition to being home to the **Bank of Cape Fear**, also had the **Commercial Bank** chartered in 1847 and the **Bank of Wilmington** chartered in 1855. Further up the Cape Fear lay the town of Fayetteville. It was important as the furthest inland port on that river and was an early capital of North Carolina. It boasted a branch of the **Second Bank of the United States**, the

P P P



Bank of Cape Fear \$5.00 Note issued 1858-59

Bank of Fayetteville chartered in 1849, and the **Bank of Clarendon** chartered in 1855. Another important port of North Carolina was New Bern. In addition to the aforementioned **Bank of New Bern** there was the **Merchants Bank** chartered in 1833 and **Bank of Commerce** chartered in 1859. Continuing with the coastal port towns there was the **Bank of Washington** chartered in 1851 located in "little" Washington and the **Farmers Bank of North Carolina**, which was located in Elizabeth City. This bank eventual moved to Greensboro and was reconstituted as the **Farmers Bank of North Carolina at Greensboro**.

Other important non-port towns in North Carolina also had note-issuing banks. Charlotte had the **Bank of Charlotte** chartered in 1852. There was the **Bank of Lexington** chartered in 1859 that operated a home office in Lexington and a branch in Graham. The Town of Murphy boasted the **Miners & Planters Bank** also chartered in 1859. Roxboro had the **Bank of Roxboro** chartered in 1861 that issued two varieties of five-dollar notes that are quite rare today. Three more banks shared the name of their hometown. They were the **Bank of Wadesborough** chartered in 1851, the **Bank of Yanceyville** chartered in 1852, and the **Thomasville Bank** chartered in 1861.

The variety of denominations and designs on these notes are tremendous! Many denominations unheard of today are represented. Would you believe three, four, six, seven, eight and nine dollar notes?! With many different banks and branches operating simultaneously in many towns, plus any out of town notes that might be circulating locally, it must have been quite confusing. The danger of altered and counterfeit notes was always present. Many notes traded at a discount and any new notes in an area were looked upon with great suspicion. Counterfeit detectors were published and sold to merchants to aid them in protecting their business and profits from discounted and worthless paper. Despite all the problems, this is how the economy of North Carolina and the nation operated prior to the Civil War. Although the country expanded greatly during this time, one wonders if a better, more secure and more centralized economic system would have accelerated the country's growth. Today, we can only speculate, but regardless, many beautiful and interesting collectibles were created!

US Numismatic Events for February

February 3

- 1690 The Massachusetts Colony issued the first government authorized paper money in the western world.

February 9

- 1793 Congress authorized the use of foreign coins as legal tender in the United States.

February 10

- 1870 The Carson City Mint delivered its first silver dollar coins for release into circulation.

February 11

- 1964 The Bureau of the Mint began producing the Kennedy half-dollar coin.

February 12

- 1873 The Coinage Act was passed, which authorized the Treasury Department to place the motto "In God We Trust" on all United States coins.

- 1873 The Coinage Act established the Bureau of the Mint under the Treasury Department. Prior to that, it was an independent agency.

February 20

- 1895 An Act of Congress designated the Assay Office in Denver, Colorado, as the Denver Mint.

February 21

- 1853 An Act of Congress authorized production of a three-dollar gold coin.

February 25

- 1791 The Bank of the United States received its first charter.

February 28

- 1878 The Bland-Allison Silver Purchase Act was passed by the Congress. It provided for the issue of silver certificates and authorized the coinage of silver dollar coins.

The Three-Dollar Gold Piece

by Robert Leonard

Suppose the government were to issue a \$37 coin. If there was such a coin, you could take it to the Post Office and buy a sheet of 100 first-class stamps. You'd pay for your stamps with your \$37 coin, and the postal clerk wouldn't have to make change. That sounds like a crazy idea, doesn't it?

Well, the government essentially did this way back in 1853. Two years earlier, the first-class postage rate was reduced — yes, reduced — from five cents to three cents. The same act of Congress that lowered the postal rates authorized a 3-cent coin, as well, to make it easier to pay for the stamps. Remember — this was a time when there were shortages of coins, and making change wasn't always easy.

But just suppose someone wanted to buy 100 3-cent stamps? They'd need a \$3 coin — and Congress gave them one of these, too. The \$3 gold coin was authorized 151 years ago this month (February 21, 1853). The coin was struck for 35 years, and was the same size as today's nickel.

The coin portrayed a Native-American princess wearing a feathered headdress on the front side, surrounded by the words, "United States of America." On the reverse side were the words, "3 Dollars" and the date the coin was minted, all within a wreath of agricultural products — tobacco, corn, cotton, and wheat.



Reverse of \$3.00 Indian Head Gold Coin

The edge was reeded, like our dimes and quarters. The \$3 gold coin was never very popular, and it's easy to understand why...there was already a \$2-1/2 gold coin and a \$5 gold coin in circulation.

As you might expect, the \$3 coin is scarce today, and most surviving specimens are the prized possessions of American coin collectors. Prices start at around \$600 each, and go well up into the thousands for those in choice condition.

Editor's Note: This article is a transcript of an ANA "Money Talks" broadcast that originally aired in February of 1993. It is reproduced here in its entirety with only minor edits to reflect 2004 updates. The copyright to this "Money Talks" script is owned by the American Numismatic Association.



Obverse of \$3.00 Indian Head Gold Coin

Thomas Alva Edison US Commemorative Coin



The United States Mint has announced that it will begin selling the 2004 Thomas Alva Edison Commemorative Coin on February 11, 2004, at 12:00 noon (Eastern). The silver dollar coin commemorates the 125th anniversary of Edison's invention of the light bulb and his many other contributions.

"It is impossible to imagine the world without the contributions of Thomas Edison," said United States Mint Director Henrietta Holsman Fore. "His practical application of scientific principles resulted in thousands of products we see in use today."

As authorized by Public Law 105-331, the United States Mint will produce a maximum mintage of 500,000 silver dollar coins in proof and uncirculated condition. Equal portions of the surcharge proceeds from the sale of these coins are authorized to be paid to the Museum of Arts and History (Port Huron, Michigan), the Edison Birthplace Association (Milan, Ohio), the National Park Service (West Orange, New Jersey), the Edison Plaza Museum (Beaumont, Texas), the Edison Winter Home and Museum (Fort Myers, Florida), the Edison Institute (Dearborn, Michigan), the Edison Memorial Tower (Edison, New Jersey), and the Hall of Electrical History (Schenectady, New York). The surcharge proceeds are to be used for the expansion of educational programs, construction of a museum, and preservation of materials.

The obverse of the coin, by United States Mint

sculptor/engraver Donna Weaver, features a portrait of the great inventor in his laboratory, holding an early experimental light bulb. The reverse design, by United States Mint sculptor/engraver John Mercanti, features a rendering of Edison's 1879 light bulb, with rays emanating from it. The image is encircled above by the inscription "125th ANNIVERSARY OF THE LIGHT BULB" and below by the inscriptions "1879-2004," "United States of America," "One Dollar," and "E Pluribus Unum." The composition of the coin is 90% silver and 10% copper.

During the program's pre-issue sales period – February 11 to March 26, 2004 – the proof coin is \$33, and the uncirculated coin is \$31. To qualify for pre-issue prices, orders must be postmarked no later than March 26, 2004. After the pre-issue period, the proof coin is \$37 and the uncirculated coin is \$33. The price of each includes a \$10 surcharge, and both the proof and uncirculated coins will bear the mint mark of the United States Mint at Philadelphia.

Customers can purchase the 2004 Thomas Alva Edison Commemorative Coin online through the United States Mint's secure website at www.usmint.gov, or by calling toll-free 1-800-USA-MINT (872-6468) 8:00 a.m. to midnight, seven days a week. Mail orders may be sent to United States Mint, P.O. Box 382618, Pittsburgh, PA 15250-8618 (Attention: Order Processing). A shipping and handling fee of \$4.95 will be added to each order. Please allow four to six weeks for shipping.

North Carolina Numismatic Showcase

By Dave Provost

Remembering Iwo Jima and the *USS North Carolina*

The battle for Iwo Jima began on February 19, 1945 (the famous American flag raising took place five days later on February 23rd). Participating in the assault on the Japanese-controlled island base was the *USS North Carolina*. The much-decorated battleship (she was awarded 15 battle stars during her World War II career) bombarded Iwo Jima for four days (Feb. 19-22) and expended 855 16" shells and 2,753 5" shells during her assault.

The battle for the strategically important island included approximately 60,000 Americans and 20,000 Japanese. Nearly 7,000 Americans lost their life in the battle, with American forces suffering more than 20,000 casualties. The battle represents the highest number of casualties in Marine Corps history.

Capitol Medals (High Point, NC) struck a medal to honor the *USS North Carolina*, now berthed on the Cape Fear River in Wilmington, NC, producing pieces in platinum, silver, bronze and aluminum. The medals are 1-17/32" in diameter and were produced in 1967.

The obverse of the medal depicts the battleship on maneuvers somewhere in the Pacific, while the reverse features the Great Seal of the State of North Carolina.

Proof silver medals, struck in a serially-numbered limited edition of 5,000 pieces, were sold for \$10.00. Oxidized bronze pieces were available for \$2.50 each. Aluminum pieces were originally two for \$1.00.

Medals produced by Capitol Medals feature the company name on the obverse. I've seen examples of this medal without the "Capitol Medals" imprint and am unsure of the manufacturer of these pieces. These pieces are available at the *USS North Carolina* memorial for \$5.75 in bronze.

While not readily available, the original pieces do surface from time to time and are well worth the pursuit for the North Carolina collector.



**Obverse of the USS North Carolina
Commemorative Medal**



**Great Seal of NC reverse of the
USS North Carolina medal**

RCC Membership Dues for 2004 are now due!

Please see Kent Woodson at the February meeting or mail your dues check to the club's Post Office box. (See page 2 for address information.)

Adult membership is \$7.00
YN membership is \$3.00
Family membership is \$10.00

NUMISMATIC NEWS FROM OUTSIDE THE TRIANGLE

Royal Canadian Mint Releases 2004 Commemorative Silver Dollar

The Royal Canadian Mint has officially unveiled its 2004 Silver Dollar. This year's coin commemorates the 400th anniversary of the first French settlement in North America (1604-2004).

Designed by Canadian artist Robert-Ralph Carmichael, the coin depicts a 17th century ship and Champlain's drawing of the island settlement. The obverse features the portrait of Her Majesty Queen Elizabeth II by Susanna Blunt.

"As Canadians prepare to celebrate the establishment of the first French settlement in the New World, this coin will serve as a lasting reminder of the significant contribution of the region's Acadian community to Canada's rich culture and history," said the Honourable Stan Keyes, Minister of National Revenue and Minister of State (Sport).

"The Acadian people make up an integral part of the vibrancy of New Brunswick," said The Honourable Herménégilde Chiasson, Lieutenant Governor of New Brunswick. "I believe this coin represents the successes – and the struggles - of all Acadians. My hope is that it serves to educate Canadians about this important anniversary, and all we have achieved since 1604."

Sainte-Croix lies in a river that serves as a natural border between New Brunswick and Maine, it is a modest island that yielded significant influence on North American history. Founded in June of 1604 as Île Sainte-Croix by Samuel de Champlain and Pierre du Gua, sieur de Monts, it was home to the first settlement that France established in order to claim its rights to this region of the New World.

By late September, the settlement was built just in time for the snow that began to fall a few days later. The river quickly filled with ice floes, cutting the colony off from the mainland. They were surrounded by salt water, with very little food or

firewood for heat. When spring finally arrived, only 44 of the original 79 men remained alive. The settlement was relocated, but the historic impact of this small island would endure for centuries to come.

"The Mint takes great pride in commemorating unique moments in Canadian history," said David C. Dingwall, President and C.E.O. of the Royal Canadian Mint. *"We are proud to offer a stunning design for the 2004 Silver Dollar that celebrates the epic pursuit of the New World."*

"I am pleased with the decision of the Royal Canadian Mint to commemorate the historic 400th anniversary of the first French settlement in North America in a very special way," said Percy Mockler, Minister of Intergovernmental and International Relations and the Minister responsible for the 2004 Celebrations. "The Celebrations provide an excellent opportunity for each and every one of us to rediscover the cultural wealth of New Brunswick and all of Canada."

The Silver Dollar is available in Proof or Brilliant finish, contains 99.99% silver and is available for \$33.95 CDN (Proof) or \$24.95 (Brilliant) with an unlimited mintage.



Reverse of 2004 commemorative silver dollar

February Meeting Notice

Thursday, February 12, 2003
7:30 PM

Program

US Paper Money (Specific Topic TBD)

Presented by

Harry Corrigan

Dave Provost
RCC Newsletter
PO Box 354
Morrisville, NC 27560