

Cumberland Coins

The Volunteer Coin Club Newsletter

July, 2011

Next Meeting

Our next meeting is Tuesday, the 12th at 6:30 pm. We meet at the 127 Senior Center on Highway 127 (Main Street) South of town. Doors open at 6:00.

We will be finalizing the plans for our annual club picnic in August at this meeting and one of our members will be giving a talk about World Paper Money. We will also have show and tell where you can let everybody see you new or unusual items, our business meeting, raffle, and auction.

Coin Lore

Fractional Currency - A Hard Money Substitute

By Bill Groom

The Civil War resulted in tough economic times wherein circulating coinage was hoarded and became scarce. Private merchants, needing to make change and generate sales, issued more and more private scrip (personalized paper money that they would redeem upon purchase) and tokens, as well. Other forms of “emergency money” like postage stamps were also used. Although fragile, postage stamps carried an intrinsic face value that could be used for mail. One enterprising fellow, John Gault, patented an encasement for stamps, a mica-covered, brass disk that contained a stamp. Advertising was stamped into the brass, giving it a dual purpose in circulation.

The government reacted quickly by issuing fractional (fractional parts of a dollar) paper money. The denominations were 3, 5, 10, 15, 25 and 50 cents. As the public had been using postage stamps as money, some of the earlier fractional notes pictured different stamps. This design probably contributed to the success of fractional notes. Whereas the public had long been skeptical of paper money, given the failure of many banks in the 1830-50’s, the people knew that stamps moved the mail.



This note was issued by Act in March of 1863. The portrait is that of Samuel Dexter, a former Secretary of the Treasury in 1801. Printed signatures are those of Allison and Spinner, then current Register and Treasurer. The 50 cent denomination was the highest issued. Yet, the government also commenced issuing larger “greenbacks” in this era; larger in both size and denomination.

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This note is exchangeable for United States notes by the Assistant Treasurers designated depositaries of the United States in sums of less than three dollars.

Receivable in payment of all dues to the United States less than five dollars, except Customs.



Fractional currency is a very collectible series that is quite affordable in circulated grades. The 3 and 15 cent denominations are moderately scarce. There is a 50 cent note with a fine portrait of Lincoln that is most sought after by collectors. Also, many varieties can be acquired.

The above note will be a prize in this month's club raffle. These notes were originally printed in large sheets that were afterwards cut into individual notes. The reverse printing is misaligned. This could be the start of a colorful type set. Come to the meeting, participate in the raffle and maybe win this interesting piece of history!

COINfucious Says: *"Numismatists who live in glass houses shouldn't throw coins!"*

Area Coin Shows

- July 30, 2011 **Crossville**, La Quinta Inn, Highway 127 North at I-40 exit 317.
- August 6, 2011 **Knoxville Coin Show**, Rothchild Conference Center, 8807 Kingston Pike (I-40 exit #378)
- August 19-21, 2011 Blue Ridge Numismatic Assoc. 52nd Annual Convention, NW GA Trade & Convention Ctr., 2211 Dug Gap Battle Rd, Dalton, Georgia
- September 3, 2011 **Knoxville Coin Show**, Rothchild Conference Center, 8807 Kingston Pike (I-40 exit #378)

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This Month's Raffle Prizes

		Est. Grade
1863	50 cents Fractional Currency Note	VG
1865	CN Three Cent Piece	VG
1895-O	Barber Quarter	G/AG
1895	Indian Cent	AU+
1917	Lincoln Cent	AU

The Door Prize will be an Indian Head 1/10 ounce Silver Round.