

RNA News

The Official Journal of the Rochester Numismatic Association

November-December 2019

Continental Currency & Inflation



Continental Currency Sullivan Press Image



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The John Jay Pittman Memorial Library is available at every regular meeting. Members can select from 600 titles with new ones added regularly. See the RNA Librarian to sign for and borrow material. A complete, searchable library inventory is available on the RNA website.



RNA

One of America's Oldest
Local Coin Clubs

Memberships

American Numismatic Association
Branch #2, Life Club #8
Established January 1912

American Numismatic Society
Royal Canadian Numismatic
Association

Token and Medal Society

Meetings

Rochester Museum &
Science Center
- Eisenhart Auditorium -

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RNA Committees

RNA Bylaws designate several committees appointed by the President and Board of Directors.
Below are the current active committees:

Membership

John Bailey
Bill Coe, Chair
Dennis DeYoung
John Stephens

Endowment

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Gerald Vaccarella [2017-2020]
Earl Gurell [2018-2021]
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John Lighthouse
Chip Scoppa
Ted Vaccarella, Chair
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President & Editor Email Addresses

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editor@rochesternumismaticassociation.org

Regular RNA meetings are held from September to June at 7:30 p.m. on the second and fourth Wednesdays of the month (see Calendar for possible schedule exceptions at Thanksgiving and Christmas holidays) at **Eisenhart Auditorium** of the **Rochester Museum & Science Center, 657 East Avenue, Rochester, NY 14607**. The auditorium is the glass front building behind the Museum. **Enter and exit through the door on the right side of the building.** The meeting room is down the stairs on the lower level. For elevator service to the lower level call 585-271-4552 Ext. 601 to speak with the Eisenhart security desk attendant. Entry for the elevator is through the Genesee Community Charter School door.

Rochester Junior Numismatic Association (RJNA) meetings are held at 7:30 p.m. on the fourth Wednesday of each month at Eisenhart Auditorium on the lower level; for more information, contact RJNA advisor Joe Lanzafame at 585-314-1240.

FROM YOUR PRESIDENT

Happy autumn dear members. Fall in Rochester can present itself in so many ways. Some days feel like summer or, alternatively, snow. Hopefully the snow can hold off until at least Christmas. Autumn is the time for our club's annual coin show and sale. This, the 47th annual show, is scheduled for November 2-3 at the Eisenhart Auditorium at the Rochester Museum & Science Center as in past years. Please sign up to volunteer at the show, and of course attend it. The main contacts for the show are Bill Coe and Chip Scoppa. Admission to the show and parking are free. We need exhibitors at the show. A well-thought-out exhibit can be fun to put together and educational to your fellow numismatists and, surprisingly, yourself. It can also spark interest in coin collecting for visitors or new areas of collecting for seasoned collectors. There is a competitive edge to exhibiting a numismatic display. I have set up exhibits for the past four shows and was fortunate to win "Best of Show" twice. If you have any questions about judging criteria just ask John Zabel as he has been a certified professional judge for many years. If you are interested in exhibiting please contact Gerry Muhl about reserving an exhibit case.

As the fall season sometimes represents the passing of life we must now honor the passing of another esteemed member, Michael Jay Wexler. Michael was member Number 34 and was a member of our club since November 1988. He was a pharmacist for over 40 years and passed at the age of 77.

Our club needs to look toward a future of keeping our membership at a robust level. I ask that all members promote our club to people who might be interested. You never really know who might be interested. I have spoken to many people at one of our favorite local coin shops about the RNA and many of them did not know it exists. We need more adult and junior members. Please promote our club and coin collecting to others at coin

stores and in everyday life. There are people teetering on interest and sometimes a short conversation about numismatics can make a big difference. Please also refer people to our wonderful website. Another thing we need is for more members to consider writing articles and giving presentations. The art of numismatics can and should involve learning and sharing your knowledge with others. If any of you would like to write an article or give a presentation but are feeling a little shy or unsure about it, feel free to talk to one of our officers or senior members; they would be glad to help you succeed in these areas.

Looking to winter and the new year, think about attending a local coin show or even a national show. There are several coming up during the next few months that might be worth your consideration. Buffalo, Syracuse and Toronto host nearby shows. The Baltimore Winter Expo this November, New York International Numismatic Convention (NYINC) and Florida United Numismatists (FUN) shows, both in January 2020, are wonderful events. The NYINC involves primarily world and ancient coins while the Baltimore and FUN shows have a mixture of everything. Go it alone or with friends, but go if you can. You just might find something you would not otherwise find for you collection.

We are seeking members to fill three important positions: librarian, treasurer and *RNA News* editor. Gerry Muhl has graciously agreed to act as interim librarian for the remainder of the year and Ted Vaccarella continues to act as interim treasurer. Our current editor, George Fekete will be stepping down as newsletter editor on June 30, 2020. If you have an interest in filling any of these roles or have any questions about them please feel free to talk with any of these gentlemen. This would be a great time to ease into one of the positions as all three incumbents are more than willing to train their successors.

Scott Annechino



Photo by Scott Annechino

RNA Online Resources



WWW.ROCHESTERNUMISMATICASSOCIATION.ORG



WWW.FACEBOOK.COM/GROUPS/21533643632



[@ROCCOINCLUB](https://TWITTER.COM/ROCCOINCLUB)

Social Media Chair: David Gottfried

Webmaster: John Zabel

INFLATION IN THE AMERICAN REVOLUTION

by Gerry Muhl, 67th RNA President

One problem Congress wrestled with over 200 years ago is still a challenge to Congress today. That problem is inflation and, although we have the wisdom of John Maynard Keynes and Milton Friedman to tell us how to control it, it still occasionally breaks its economics chains and threatens to devour those hard-earned savings so many Americans have in their nest eggs. But what of two centuries ago?

One week after George Washington was appointed Commander-In-Chief of the Continental Army in June 1775 Congress issued two million dollars worth of bills of credit on the faith of the national government. As a form of indirect tax, the states were pledged to redeem these notes in proportion to their populations. Thus the largest state, Virginia, would be required to shoulder the largest burden. No account was taken as to the proportion of those persons within a state remaining loyal to King George and those loyal to General Washington. Thus the larger the loyalist population the greater the burden each patriot would have to cover.

With the first Continental issue of paper currency patriotism was still strong and merchants accepted the fiat money at par with gold and silver: one paper dollar buying one silver dollar. By November 1776 however, Gresham's Law which says "bad money will drive out good" was being felt and virtually all hard money had disappeared. Some was sent to Europe in heroic efforts to buy needed war supplies, but most disappeared into mattresses or a hole in the ground.

To raise needed specie Congress in 1776 issued 100,000 lottery tickets at the price of \$15 per ticket. The prizes to lucky ticket holders were treasury certificates payable in five years at 4 percent interest. As people began to mistrust the certificates and the common folk wanted to claim their prizes immediately Congress later offered merchandise or money obtained from the sale of captured enemy goods and sailing ships.

As the war dragged on the Continental Congress was forced to approve 37 different emissions of paper money for a total of over \$240 million backed only by the shaky promises of the government. Over \$140 million in notes were issued in 1779 alone! With more and more paper in circulation the buying power of individual bills declined. By 1779 it took \$38.50 to buy one silver dollar. By January 1781 the ratio was 100:1.

As an example of how this inflation of currency could be converted to more understandable terms note that when Thomas Jefferson became governor of Virginia in 1779 his salary was set at 4,500 pounds of tobacco. By 1781 we find James Madison complaining about having to pay \$21,000 for room and board in a Philadelphia lodging house for six months. Thomas Paine paid \$300 for a pair of woolen stockings and Jefferson \$356 for three quarts of brandy. Flour sold in Boston for over \$1,500 a barrel and Sam Adams paid nearly \$2,000 for a hat and suit of clothes!

Prices were rising so fast that most states were forced to declare the Continental currency legal tender with subsequent enactments branding people "enemy of the country" if they did not accept paper money. Even so, George Washington is said to have complained that part of his misfortune at Valley Forge was due to the reluctance of locals to accept his paper money in exchange for food. Those who had earlier in the war attempted to protect their investments by converting land holdings into the "safer" currency were ruined by inflation. Things got so bad that Congress admitted publicly to only 11 emissions of currency - even though there were in reality over three times that number - hoping that the average person would not notice the increase in circulating paper.

From 1777 to 1779 the government called upon the states to send \$95 million in currency to pay for the revolution; they received under \$55 million. In 1781 Congress asked for \$10 million in gold and silver from the states but received less than \$2 million! Thus Congress began asking for payment in kind. Quartermaster certificates were issued in exchange for blankets, food and other provisions for the beleaguered army.

Not everyone, however, saw the surge in inflation as inherently bad. Investors could make a killing by buying on credit and repaying loans with inflated currency - that is if they could find someone willing to sell on credit. Such credit sales were usually forced upon loyalists caught behind patriot lines or upon the estates of loyalists who happened to be absent and living in England for the duration of the war. Ben Franklin saw inflation as a tax on the wealthy levied in direct proportion to the amount of Continental currency held by them and for the duration it was held. It was this inflation "tax" he contended that paid for the revolution.



Inflation
FROM LEXTRA.BUSINESS



Currency Gold & Silver Value
FROM BREEDSHILL.ORG

To make economic matters even worse the British government began counterfeiting Continental currency to undermine confidence in the money and thereby the credit of their enemy. As early as January 1776 a printing press on board the H.M.S. Phoenix, a ship of forty-four guns lying in New York harbor, was turning



\$30 Continental Currency Note
Heritage Auctions Image

out counterfeit of the United Colonies (the name of the country was not changed to United States on money until April 1778) \$30 bill of the issue of May 1775. When British General Howe finally landed his troops in New York City

the counterfeiting press began turning day and night. So open was the business that New York newspapers in April 1777 carried the following announcement:

Persons going into other colonies may be supplied with any number of counterfeit Congress-Notes for the price of the paper per ream. They are so neatly and exactly executed that there is no risqué in getting them off, it being almost impossible to discover that they are not genuine.

Tens of thousands of bogus notes reached the hands of unsuspecting patriots but at least in the case of two loyalists the indication printed on the reverse of the notes - "Tis death to counterfeit" - was carried out to the fullest extent of the law. David Farnsworth and John Blair were arrested in Danbury, Connecticut for passing "New York City Notes" and after their trials and convictions were executed in Hartford. Another counterfeit passer was luckier. William Stark, brother of the hero of the Battle of Bennington, John Stark, after being indicted for counterfeiting in New Hampshire, chose to forfeit his bail and fled to the British in New York.

Every one of the eleven issues of Continental currency was speedily copied by the British. The New York City printers were in such a hurry to get one issue out that when they heard from their spies in Congress that a particular issue was to be released with the date November 22, 1775 they went immediately into

production. To the chagrin of the British, Congress delayed the date of issue of those notes by seven days and thus dated the originals November 2, 1775. Undaunted, the British issued their improperly dated bills anyway!

Wholesale counterfeiting and the unrestrained emission of currency brought about such a tremendous depreciation in the value of paper money that George Washington wrote to John Jay, "a wagon-load of money will scarcely purchase a wagon load of provisions." In reaction to spiraling inflation an angry crowd in May 1781 paraded the streets of Philadelphia with paper money in their hats as cockades and with a dog tarred and plastered with paper dollars of Congress.

In March 1780 Congress issued new notes with a redemption date of September 1785. These notes were to be exchanged for the older Continental notes at a rate of one new note for forty old ones. In effect, the national debt was reduced at a ratio of 40:1. With this new effort at stabilizing the currency, with Ben Franklin getting loans of gold from France, Spain and Holland, and with the war showing the foregone conclusion of an American victory, after 1782 the currency crisis began to ease. States redeemed notes of Congress, merchants abandoned a barter system and, except for a few flare-ups (Shays Rebellion in Massachusetts being one of the worst), the economy began to progress to a solid footing.



Shay's Rebellion Poster
Granger - Fine Art America

For at least one immigrant Western New Yorker, however, the phrase "not worth a Continental" continued to ring true long after the peace treaty was signed ending the revolution in 1783. In an anonymous trunk purchased at an area auction and donated to a local museum still can be seen hundreds of unredeemed Continental notes not neatly stacked and banded but pasted with flour glue to the inside walls of the trunk as a lining. The money that financed our independence as a country was laid ingloriously to rest after its duty was done.

Club News & Notes

RNA Official Documents

RNA bylaws and related written procedures and practices are available online at our website in the Members Only section under Archives>Official Documents. In addition to our bylaws there are job descriptions for officers, guidelines for meeting agendas,

awards and other honors as well as mission statements for our association, collection and library.

Annual Dues Deadline

RNA annual dues are payable by July 1 and are considered past due as of November 1 when access to the Members Only section of the RNA website is denied.

MR. EASTMAN - WHAT HAVE I GOT?

by Mark Benvenuto

I don't know if I'm the longest distance member of our IRNA or not but I've certainly lived north of Detroit for many years and made it back to my boyhood home too infrequently during that time. Yet Rochester still has a certain pull, and one of the fond memories I keep is long past visits to the George Eastman House.

Recently I was able to acquire a George Eastman medal in that enormous, never-ending bargain basement that is eBay. The medal is huge, three inches across and one-eighth inch thick at the field. You can see from the photo that dear Mr. Eastman is the only thing on it, face and name. I have included no photo of the reverse, simply because there is none. It's a uniface medal. Admittedly, there is some sort of residue on the back that makes me think this was once attached to something, perhaps a plaque. Very curiously, on the reverse at the two o'clock position, or the ten o'clock position on the obverse, there is a scrape or dig in the metal that further makes me think this was attached to



George Eastman Medal Obverse
Photo by Mark Benvenuto

something, and that this mark is a remnant of someone trying to pry it off. There is a dig at the nine o'clock position on the obverse as well but this just strikes me as bad handling by someone at some time in the past. The seller had an address in India which makes me wonder what strange, fascinating journey this medal took in making its way all around the world. And yet, the only other message this medal carries besides Mr. Eastman's name are the tiny words, engraved on the edge at about six o'clock: "Medallic Art Co. - Danbury, CT - Bronze."

As a boy, I was a camera geek, took pictures for the McQuaid Jesuit yearbook, bought new Kodak cameras whenever I could and liked going to the Eastman House when my mom decided my sister and I needed the cultural infusion. But I have no memory of seeing any plaques or awards with "George Eastman" prominently displayed on them during those visits. So, with this long wind-up I'll ask: what have I got?

Is this part of an award? Is it a front piece from a national or international Kodak award, or George Eastman House award? Is it part of some long-term service award to the company? Is it something else entirely? I'd be happy to hear from any of our club members, and will laugh at myself if the answer is one that is so obvious it was under my nose all along. Thank you!



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EAGLE OR GOOSE?

by Gerry Muhl, 67th RNA President

Just before the striking of the first U.S. silver dollars in 1794 a heated debate broke out in Congress as to what should grace the reverse of the coin. General opinion favored a majestic bald eagle. The eagle was known as the “king of birds.”

At that suggestion a Southern member of the House expressed his bitter opposition. A king whether a bird or a man should not be represented on the nation’s coins. He went on to say the bird was unsuitable in a nation whose institutions and interests were wholly opposed to monarchical forms of government.

House member Judge Thatcher rose and playfully

replied that perhaps a goose might suit the gentleman “as it was a rather humble and republican bird.” He went on to say the goslings could be considered for dimes.

At this point the Southerner took the humorous rejoinders as an insult and challenged Judge Thatcher to a duel. The judge promptly declined. The Southern gentleman then asked, “will you be branded a coward?” “Certainly, if he pleases,” replied Thatcher. “I was always one and he knew it or he never would have risked a challenge.”

Eventually peace was restored, the irritable Southerner concluding there was nothing to be gained in fighting with one who fired nothing but jokes.

Thus it is that the eagle appears on the reverse of every U.S. silver dollar, except one. Can you name it?

Eagles on U.S. Dollars Through the Years



Flowing Hair
1794-1795



Draped Bust
1795-1798



Draped Bust
1798-1804



1804 Dollar
1804



Gobrecht
1836



Liberty Seated
1840-1873



Trade
1873-1885



Morgan
1878-1921



Peace
1921-1935



Eisenhower
1971-74, 1977-78



Susan B. Anthony
1979-1999



Sacagawea
2000-2008



A NEW CODE FOR BORROWING RNA LIBRARY BOOKS

1. Almost any book may be signed out of the RNA John Jay Pittman Memorial Library. The library will be open before meetings for a half-hour.
2. To borrow a book or magazine, list your name, publication title and date along with your phone number on a 3x5 card.
3. The borrowed item is due the following club meeting. If you don't finish the book in two weeks bring it back at the meeting after you signed it out and renew it for another two weeks.
4. Books and magazines may be borrowed only when

- the librarian or designee is present.
5. If you have any questions please leave a message for Gerry Muhl, acting librarian, at 585-336-9459.

Let's see a lot of activity with the library. Let us know if you need a title we don't have. Remember that with your American Numismatic Association membership you can borrow books from the ANA library. They are very helpful and may even offer suggestions for other books. The ANA can be contacted Tuesday-Saturday at 719-632--2646 from 10:30 a.m.-5:00 p.m. Mountain Time or at LIBRARY@MONEY.ORG.



Gerry says... The 1870-S three-dollar gold coin is believed to be unique. Only one coin of that denomination, date and mintmark was officially struck. It resides inside the cornerstone of the old San Francisco mint. Are there any other unique coins struck by our seven mints? If you find a reference bring the information to an RNA meeting

RNA Events Calendar

- Forty-Seventh Annual Coin Show and Sale** (at RMSC) **November 2-3**
- RNA Meeting** *The Alphonse Kolb Best of Show Award, Rest in Peace Jesse Shaffer* by Andy Harkness ... **November 13**
- RNA Meeting** **November 27**
- RJNA Meeting** **November 27**
- RNA Meeting** *Early U.S. Banknotes* by Gerry Muhl **December 11**

RNA & RJNA Meetings at the RMSC are held on Wednesday from 7:30-9:30 p.m. unless otherwise noted.

* Members are welcome to attend RNA Board meetings.

☛ ☛ ☛ *See the RNA Website for Additional Event Details* ☛ ☛ ☛

Ontario County Coin Club

First Sunday, Monthly	Canandaigua Elks Club
Meeting at 2:00 p.m.	19 Niagara Street
(Doors open at 1:00 p.m.)	Canandaigua, NY 14424



RNA News Deadlines

January-February 2020 Submissions December 25	March-April 2020 Submissions February 23
January-February 2020 Publication January 1	March-April 2020 Publication March 1

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