

The Bank of North America

The Romance of a Bank Note

By Clyde F. Mackewiz



There are many hobbies to choose from nowadays. One of the most interesting but least known is a branch of numismatics—collecting paper money, especially obsolete currency. Such bank notes haven't circulated since the early reconstruction years after the Civil War, and today are seldom, if ever, shown to any great extent by private collectors. Most of them have found permanent homes in museums and banking institutions such as the Smithsonian Institution in Washington, D. C., the Philamatic Museum of Boys Town of Omaha, Nebr., and the Chase Manhattan Bank in New York City.

These notes are beautiful and interesting pieces of Americana and masterpieces of the engravers' tools. The exquisite designs of the early notes are unsurpassed in portraiture, allegories, scrollwork and similar features. In viewing these large-sized notes, you can again relive a by-gone era when paper money was as colorful as the people who lived in those eventful years.

There are still many pieces extant that would appeal to even the most discriminating collector, ones which he would be proud to display among his most cherished coins. The field is unlimited, with such specialties as various bank note companys' engravers, different states, counties, cities, and vignettes of famous people, places and paintings. There is literally a story to go with every bank that issued notes, be it wild cat, spurious or one with an interesting background of achievement. This, then, is the story of one bank in its early years reflected on a piece of currency.

Depicted on the note shown here is a splendid historical picture of George Washington in Revolutionary Army uniform, mounted on a white stallion, surrounded by his soldiers, amidst cannon and tents. Directly above this scene appears the name of America's first banking institution, "The Bank of North America." Directly below appears the legend, "Chartered by Congress 1771."

The Bank of North America was the only bank to receive a charter by the Continental Congress, that being granted on the very last day of the year, December 31st. This bank had its humble beginning in a small store

located on Chestnut Street in Philadelphia. Records show that the store's proprietor, Tench Francis, became its first cashier. Thomas Willing, who had been mayor of that city, became the first president. With these men and a staff of six people, the bank was prepared for business. The New Year was just a week old when its doors were opened. The reception it received from the public was as cold as the January morning.

People, as they passed by that day, had conflicting emotions about the solidness of this new venture. Some mumbled to themselves about Robert Morris and his money-making scheme, while others, pulling their coats about them to shield themselves from the cold wind, thought about the Revolutionary War being in its seventh year and the end nowhere in sight. Many retired to their favorite ale-house, and, with tankards full, entered into lengthy discussions about Morris, its founder, and the men who had joined him in this scheme to make money. Several in the tavern walked over to form a small group by the log-burning fireplace and started earnest conversations about the merits of the other men who had joined this man Morris.

True, Morris was a successful businessman, and had been one of the signers of the Declaration of Independence, but perhaps he *had* used his influence as Superintendent of Finance to sway Congress in granting the charter. A mustered-out soldier mentioned Alexander Hamilton and what a wonderful job he was doing on Washington's staff by serving the general as private secretary and confidential aide. This war-weary soldier was the center of attention as he spoke of some of the battles in which he had participated—Harlem Heights, White Plains, Monmouth—and of the young lieutenant from Virginia, James Monroe, who had commanded him and was now one of the subscribers to the bank. Some others mentioned Thomas Jefferson, governor of Virginia, John Paul Jones, Commodore Barry, and the revered Benjamin Franklin who, with a septuagenarian's eloquence, could instill in others faith in the future of the country and this new banking business. These, then, were some of the men who were the bank's original sub-

scribers and had advanced about four hundred thousand dollars to start it. Little did the people realize that day to what heights of immortality history would raise these men.

If doubt still existed in the minds of a few skeptics about the legality of the charter granted by the Continental Congress, it was allayed when application was made to the Assembly of Pennsylvania and a state charter was forthcoming on April 1, 1782. The bank soon started a series of campaigns to raise funds for the Continental Army to supply it with the necessary guns, ammunition, food and other supplies so that the war could be brought to a speedy and successful conclusion. It advanced sums to business people for growth and expansion, and loaned money to the city of Philadelphia. A loan of \$80,000 was made to the state of Pennsylvania so that it could meet its war quota to the central government.

The war that had lasted so long finally ended, and the people, with their newly won independence from England, started to voice their protests loud and strong about the bank, forgetting all too soon the part that the bank had played only a few years earlier in the war. Some thought that there had been undue lobbying by the bank to advance its interests, that it had been too friendly with state officials, etc.

Public opinion being what it was, the inevitable happened on September 13, 1785, when the state charter was annulled. However, the bank continued to function and serve the people under the original charter granted to it by Congress. It knew that the aftermath of any war left a country weak, physically and financially, for many years. With the state there was a bit of political sawing—give, annul, give—and the state charter was once again granted to the Bank of North America on March 17, 1787.

The bank had prospered for over three decades when the War of 1812 erupted. As it had done earlier, it lost no time in rendering aid to the government through a series of loans and the circulation of Treasury Notes and aiding the businessmen of Philadelphia in raising funds to equip a ship to run the British blockade. After this conflict ended, it had proved beyond any reasonable doubt that its creed was to serve the nation and its people in war as in peace.

Numerous other banks had come onto the scene since the birth of the Bank of North America, but because of over-extension of credit, the Panic of 1837 and the uncontrolled banking system, they had shut their doors permanently, paying little, if nothing at all, on the dollar. In sharp contrast to many of the bank failures, the Bank of North America continued to pay regular dividends to its depositors. With a trust bestowed upon it by the government and the people, it continued to grow and prosper up to the dark days of the Civil War.

The bank once again was called upon to serve the nation and did so in such an impressive manner that when our National Banking Act was passed in 1863, it was granted special recognition by being permitted to retain its original name. This is the only bank in the nation that did not have to add the word "national" to its title, the special authority being granted by the Honorable Hugh McCullough, Comptroller of Currency.

So this bank, the Bank of North America, with a fine record of achievements in war and peace, rich in the traditions of this country, and a past it could be proud of, closed only one of its early chapters in the financial structure and growth of this country. It is small wonder, then, that any bank notes bearing the title "Bank of North America" are much sought after and highly prized pieces to the collector of paper money.

REFERENCES:

The First Pennsylvania Banking & Trust Co., a history published by this bank, 1957.

D. C. Wismer descriptive list of obsolete bank notes of Pennsylvania.

Paper Money, Old Series, by F. A. Limpert.

Friedberg Award to Wm. Philpott

At the meeting of the Professional Numismatists Guild in Chicago on Aug. 15, 1966, in connection with the American Numismatic Association convention, SPMC member William A. Philpott, Jr., was presented with the Robert Friedberg Award by the Lewis M. Reagan Memorial Foundation. This award is given for outstanding contributions to the science of paper money collecting.

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2. State of Louisiana rare sheet of 6 notes dated and signed printed on the back of a complete sheet of Exchange Office, Holly Springs, Miss. notes. La. Notes are 2-\$1, 2-\$2 and 2-\$3; Miss. notes \$5, \$5, \$10, \$20. \$45.00
3. Canal and Banking Co. \$5, \$5, \$5, \$5, (vignette of Franklin) Rawdon, Wright, Hatch & Edson, New Orleans. \$ 9.00
4. Canal Bank \$5, \$5, \$5, \$5, (Washington & Lafayette) Toppan, Carpenter & Co. \$ 9.00
5. Citizens' Bank of Louisiana \$5, \$5, \$5, \$5, or 5 Piastres denom. Bi-lingual sheet. Blue back. Rawdon, Wright, Hatch and Edson, New-Orleans. \$10.00
6. Citizens' Bank of Louisiana \$5, \$5, \$5, \$5, Patented 30 June 1857. American Bank Note Co. Green overprint, shrimp colored reverse. \$10.00
7. State of Louisiana \$5, \$5, \$5, \$5, 1875, signed with 4 interest coupons at right of each note. Green Back. Western Bank Note Co. 'B' \$12.50
8. Canal Bank \$10, \$10, \$10, \$10, (Eagle) National Bank Note Co. \$15.00
9. Canal Bank \$10, \$10, \$10, \$10, (Bldg.) Rawdon, Wright, Hatch & Edson. \$ 9.00
10. Citizens' Bank of Louisiana - Shreveport - \$20, \$20, \$20, \$20, American Bank Note Co., green overprint. Salmon colored reverse. Sheet has hardly noticeable slit at top center. Price is only \$10.00
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12. Canal Bank \$50, \$50, \$50, \$50, (sailing ships) R. W. H. & E. N. Orleans & N. Y. \$15.00
13. Canal Bank \$50, \$50, \$50, \$50 (large 50) Toppan & Carpenter Phila. & N. Y. \$18.00
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17. Citizens' Bank of Louisiana \$100, \$100, \$100, \$100, green and black. American Bank Note Co. Orange reverse, beautiful \$25.00
18. State of Louisiana, Parish of Concordia. Sheet of 10 - \$20 notes. Dec. 1, 1862 signed. Obverse red overprint. Green rev. B. Duncan \$50.00

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