



\$10 face by Danforth, Wright, with negative TEN.

A Brief History of the Farmers and Merchants Bank of Greensborough, Md.

by Larry D. Howard

In the decade preceding the Civil War, a tremendous increase had been seen in the formation of banks in what was then the United States. By 1857, there were 1,416 banks in the U.S. with a banknote circulation of \$215,000,000. It was in this period of time that the Farmers and Merchants Bank of Greensborough, (now Greensboro) Md. was formed. On March 10, 1854, a charter was granted by the State of Maryland for its organization. Stock was to be issued on the bank to the amount of \$100,000, with the issuance of banknotes not to exceed double the capital paid in.

The bank probably did not actually start operation until 1855, for on March 9th of that year it purchased property in the town of Greensborough. This was a lot of approximately one-third acre in the heart of town, with improvements, for \$1400. In fact, even long after the bank had closed its doors, this lot continued to be known as the "Bank Property" or the "Greensborough Banking House".

Due to its relatively short existence (13 years), the bank only had one set of officers and directors. President was Spencer Hitch, with A.E. Warner as Cashier. Directors of the bank were John F. Dawson, George W. Kugler, James Madison Passapae and Henry Straughn.

All of the directors were prominent men in the community. John F. Dawson, although only 21 years of age at the time, had considerable property holdings. He later was elected to the State Legislature of Maryland several times, and served in the State Senate from 1890 to 1894. He also served as a Caroline County School Commissioner and County Auditor, reaching the peak of his career in 1903 when he became Chief Judge of the Orphans Court of Caroline County, a position he held until his death.

George W. Kugler came to Caroline County from Hunterdon County, N.J. Like Dawson, he also was a large land owner. In fact, in the 1860 census record of Caroline County, he is listed as owning \$10,000 worth of land and

\$2500 in personal property, which was considered a very large amount at that time. Included in these holdings were both a grist mill and a saw mill on the Choptank River in the town of Greensborough. He also served as a tax collector for Caroline County from 1861 till 1863.

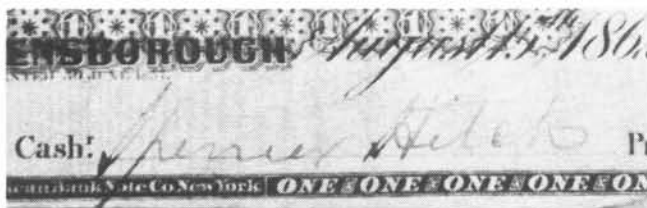
James Madison Passapae was the druggist in the town of Greensboro and operated his apothecary shop out of the home of Dr. Henry Roussett, a prominent physician in Caroline County.

Henry Straughn was the oldest of the directors at 50 years of age and was another large land owner. He served as a Caroline County Commissioner from 1866 to 1868.

The president of the bank, Spencer Hitch, was apparently a man of modest means, owning only a moderate amount of property in the area. He was almost 60 years of age when he became president.

Of A.E. Warner, the cashier of the bank, I have been able to find no information whatsoever.

On February 25, 1863, the National Banking Act was passed and National Banks came into existence. Unfortunately for the Farmers and Merchants Bank of Greensborough, as well as for numerous other banks across the country, this act also imposed a tax of 10% on the banknotes issued by private and state chartered banks. This placed too much of a financial burden on the bank, and on



Signatures on \$1 notes — Henry Hitch, president (top) and A. E. Warner, cashier (bottom).



September 16, 1865, the last of its property was sold, for \$2500, and the doors of the Farmers and Merchants Bank of Greensborough, Md. were closed permanently. The state charter was formally repealed on March 18, 1867.

Notes issued by the Farmers and Merchants Bank of Greensborough are found in \$1, \$2, \$3, \$5, and \$10 denominations. The \$1, \$2, and \$3 notes were all printed by the American Bank Note Co. of New York. Danforth, Wright and Co. of New York and Philadelphia printed the \$5 and \$10 denominations, although a variety of these last two notes does have the ABNCo monogram, indicating that some of these were printed by both companies together.

Note Types Issued by the Farmers and Merchants Bank of Greensborough, Md.:

101 \$1 green and black, August 15, 1862, black and



\$1 face by ABNCo.

- white horses upper left, girl's portrait lower right. Signed Warner and Hitch. ABNCo.
- 102 \$2 green and black, August 15, 1862, seashore scene above, anchor lower left, girl lower right. Signed Warner and Hitch ABNCo
- 103 \$3 green and black, August 15, 1862, Eagle above, bull lower left, girl's head lower right. Signed Warner and Hitch. ABNCo.
- 105 \$5 red and black, 1863, Three vignettes above, left, right. Signed Warner and Hitch. Danforth, Wright and Co.
- 105A \$5 Same as above except Danforth, Wright and Co. and ABNCo.
- 110 \$10 red and black, 1863, wheat threshing scene above, vignettes left and right. Signed Warner and Hitch. Danforth, Wright and Co.
- 110A \$10 Same as above except Danforth, Wright and Co. and ABNCo.

(All of the above have blank backs.)



\$2 counterfeit, with signature of S. H. Hazard.

I also have in my collection two items that I believe to be counterfeit notes on this bank. They are as follows:

- 201 \$1 Same as 101 except signed by J. Hignutt and S.S. Hazard, printed signatures, back has fancy design.
- 202 \$2 Same as 102 except signed by J. Hignutt and S.H. Hazard, printed signatures, back has fancy design.

\$3 face by ABNCo.





\$5 face by Danforth, Wright, with negative FIVE.



\$5 face by Danforth, Wright, with positive FIVE.

References:

Clerk of Court's Office, Caroline, Caroline County Courthouse, Denton, Md.

"Maryland Bank Register, 1790-1964"; Meeks, Harney, Eugene; Baltimore, 1966

Laws of Maryland, 1854, 1867

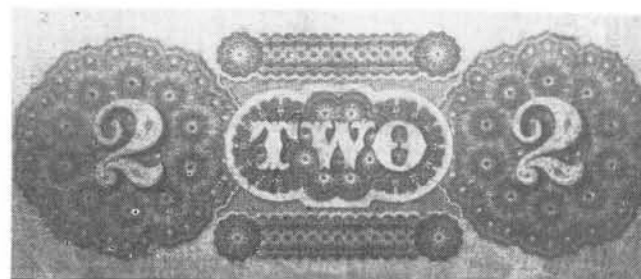
"Historical Statistics of the United States, Colonial Times to 1970"; Dept. of Commerce, 1975

Notes of the Farmers and Merchants Bank of Greensborough, Maryland:

\$2 face, counterfeit.



\$2 back, counterfeit.



Resume of SPMC 1977-78 Awards

Larry Adams has noted that by an oversight caused by last year's transfer of editorship, the list of SPMC awards for the years 1977-78 were omitted from *Paper Money*. They are as follows:

1977

NATHAN GOLD MEMORIAL AWARD:

Presented by Numismatic News, Iola, Wisconsin
Michael A. Crabb, Jr. of Memphis, Tennessee, for his work in chairing the First Paper Money Convention in Memphis, June 4-5, 1977.

AWARD OF MERIT:

George W. Wait of Glen Ridge, New Jersey, for his book *NEW JERSEY'S MONEY*.

LITERARY AWARDS

Best 1976 Articles in PAPER MONEY:

FIRST: Joseph R. Lasser of New York, New York, for *Members of the Continental Congress Who Signed Continental Currency*, in #63, May/June, 1976.

SECOND: Peter W. Huntoon of Laramie, Wyoming, and W.K. Raymond of Riverside, California, for *Basic Plate and Overprint Varieties on the First and Second Charter National Bank Notes*, in #66, November/December, 1976.

THIRD: Gene Hessler of New York, New York, for *New York's First Currency Printer*, in #64/65, July/August-September/October, 1976.

JULIAN BLANCHARD MEMORIAL AWARD:

Walter D. Allan of Oakville, Ontario, Canada

1978

NATHAN GOLD MEMORIAL AWARD:

Presented by Numismatic News, Iola, Wisconsin
George W. Wait of Glen Ridge, N.J. for his numerous contributions to the paper money hobby over the years.

AWARD OF MERIT:

Doug Watson of Scandinavia, Wisconsin, for his graphic improvements to *PAPER MONEY*, and new membership brochure.

LITERARY AWARDS

Best 1977 articles in PAPER MONEY:

FIRST: Roger H. Durand of Lincoln, Rhode Island, for *Psst, Got Change for an Eight?*, in #69, May-June, 1977.

SECOND: Samuel L. Smith of Freeport, Bahamas, for *The Bahamas Government Treasury Notes of 1868-1869*, in #72, November-December, 1977.

THIRD: Walter Breen of Berkeley, California, for his series on large size Legal Tender Notes — *New Looks at Old Notes*, in #64-65 July/August/September/October, 1976, #67, January-February, 1977, #69, May-June, 1977, and #71, September-October, 1977.

JULIAN BLANCHARD MEMORIAL AWARD:

Walter D. Allan of Oakville, Ontario, Canada