

THE FIRST NATIONAL BANK OF CARDIFF AND A TENNESSEE GHOST TOWN

by CHARLES A. DEAN

WHEN you mention ghost towns the thoughts of most people turn to mining towns of the Wild West. Gold and silver mining towns, such as Goldfield and Rhyolite, Nevada; Silver City, Idaho; and Cripple Creek, Colorado, come to mind. Not all ghost towns were gold or silver mining towns and not all are located in the West. As a result of coal or iron mining, there are some ghost towns in the East. Tennessee has one such town, Cardiff, the location of iron mining.

Cardiff was located about 40 miles west of Knoxville, in Roane County Tennessee. The county was carved out of the western part of Knox County by the Tennessee legislature in November of 1801 and was named in honor of Archibald Roane, who was the governor of Tennessee at that time.

Roane County lies in the Great Valley that is bordered on the east by the Appalachian Mountains and on the west by the Cumberland Plateau. The Tennessee River divides Roane County, with Walden's Ridge lying along its western edge.

Prior to 1860 Roane County consisted mostly of small farms and small communities. Most of the farms grew corn or wheat and thus did not need many slaves. Because of this, a majority of the citizens of Roane County were against secession. When the vote on secession came on June 8, 1861, the people of Roane County voted against it 1568 to 454. About 2000 Roane County men backed up their convictions by joining the Union Army.

Roane County, at the beginning of the Civil War, was occupied by the Confederates, but in early September 1863, Union forces under General Ambrose Burnside captured the county and a large part of East Tennessee. There were no major battles fought in Roane County, but there were a number of raids that resulted in many skirmishes. An important discovery took place during the Civil War that was to forever change Roane County. While staying in the area that is now Harriman, Union General John T. Wilder noticed outcroppings of coal, limestone and iron ore. The presence of those minerals, plus the location of the Tennessee River nearby, would make the area an excellent location for iron manufacturing. General Wilder vowed to return to the area after the war.

In 1867 John Wilder and a group of mid-western capitalists organized the Roane Iron Company. In 1868 the company built a town to support their iron operations. The town was named Rockwood, in honor of W.O. Rockwood, a major in the Union Army during the Civil War and the largest stockholder in the company. The first blast furnace was completed in 1868 and a second was added in 1873. In 1879 the Cincinnati-Southern Railroad, passing through Rockwood, was completed from Cincinnati to Chattanooga. The new railroad provided additional markets for the products of the Roane Iron Company.

In 1889 a group of northern prohibitionists decided to build a model industrial city along the Cincinnati-Southern Rail-

road in Roane County. The temperance town was named Harriman, in honor of Walter Harriman, a Union general during the Civil War and governor of New Hampshire from 1867 to 1869. The town, located nine miles north of Rockwood, was staked out on Christmas day, 1889. The Great Land Sale was held on February 26-28, 1890, with about 3000 bidders in attendance. Within ten hours, 573 lots were sold for a total of \$604,000. Harriman was granted a city charter on February 7, 1891. The founders recruited industry for Harriman and 29 manufacturing companies located there.

Banners, flags, and a "circus-like" atmosphere marked the auspicious beginning of the town of Cardiff on April 22, 1890. A great land sale began on that day, with 35 Pullman cars arriving with prospective buyers from New England, all intent on investing in the project, which was organized by the Cardiff Coal and Iron Company. Thousands of people, from all parts of the country, came to purchase property in what was expected to be a "model industrial community of the South and the greatest manufacturing center in the country." The sale was nationally advertised to be held on Tuesday through Friday. The lots sold so quickly that the Cardiff Coal and Iron Company decided to close the sale at noon on Thursday. The last lot went for \$280 a front-foot, the highest price reached during the sale. Over a million dollars was realized at the two and one-half day sale.

Cardiff was named for the mining town of Cardiff, Wales and was located along the Cincinnati-Southern Railroad between Rockwood and Harriman. The new city was chartered on May 21, 1890. By this time, the area was booming with new construction and the air was filled with optimism. One of the largest and most elegant railroad depots in the South was being built on what had been farm land only two months earlier. The Hotel Patterson, with room for nearly 100 guests, had been completed and was offering rooms for \$2 a day. The Hotel Cardiff, the centerpiece of the town, was under construction on Union Avenue, only a short walk from the depot. This elegant hotel was being built, at a cost of \$75,000, in the Italian style and was to cover 15,000 square feet of ground. It was boasted that the Hotel Cardiff, when completed, would rival the Maxwell House in Nashville.

An exposition building was under construction next to the railroad. An electric light panel was in operation and a dummy railroad line was being graded. A lumber mill was in business, a brick manufacturing plant was turning out 100,000 bricks per week and a water company was in operation. Businessmen were opening a variety of stores every day. Promoters of Cardiff believed that the town would triple in size in the next month. Some people even believed that one day it would be the home of 2 and one-half to 3 million people!

The *Cardiff Herald*, a weekly newspaper, was first published on April 23, 1890. A one-year subscription was offered for \$2

paid in advance. The first issue was printed in a leaking shack at the auction site. Each issue extolled the virtues of Cardiff.

The May 21, 1890 issue of the *Cardiff Herald* announced the birth of Cardiff's first child. A girl was born to Mr. and Mrs. Henry C. Young. Mr. Young was a vice-president of the Cardiff Coal and Iron Company.

The Cardiff Bank and Trust Company was organized on June 21, 1890, with a capital of \$50,000. On June 25 the Cardiff State Bank opened for business.

The 1890 census of Cardiff was completed by June 30. It showed that there were 203 families with a total of 1,235 people living in Cardiff!

The Cardiff Coal and Iron Company started in business with \$2 million in its treasury, all of which was designated for the establishment of various manufacturing plants in Cardiff. A 150 ton blast furnace was planned, as were 1,000 coke ovens, the largest blooming mill in the South and a nail plate mill with 1,000 nail machines.

The First National Bank of Cardiff, with a capital of \$50,000, was granted charter 4303 on May 8, 1890. J.F. Tarwater, of Rockwood, was elected president. Mr. Tarwater was a partner of the firm of Tarwater & Brown, an iron mining company in the area. E.C. White, of Michigan, was elected cashier. M.M. Duncan, Robert Pritchard, of Chattanooga, W.P. Rice, of Fort Payne, Alabama and Henry C. Young served as directors, along with J.F. Tarwater.

The First National Bank set up temporary offices in the Exposition building. The Exposition building was 100' by 60' in size and was located next to the railroad on the west side. Massachusetts Avenue was on the west side of the Exposition building, Dover Avenue was on the south, and Erie Avenue was on the north. The First National Bank was to have a permanent office in a three story company building to be built on the east side of the railroad. The financial statement of October 2, 1890 listed bank resources of \$74,815.96 and deposits of \$14,182.30.

First National Bank

—OF—

CARDIFF, TENN.

OFFICE IN EXPOSITION BUILDING.

Receive deposits, buy and sell Exchange
and do a general banking business.

J. F. TARWATER,
President
E. C. WHITE,
Cashier

DIRECTORS.—W. P. Rice, J. F. Tarwater,
H. C. Young, M. M. Duncan, Robt. Pritchard.

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Advertisement of the First National Bank of Cardiff in the January 7, 1891 issue of the *Cardiff Herald*.

The directors of the First National Bank met on Friday, January 16, 1891 and elected E.C. White as president and L.C. White, Jr., as cashier. A bank advertisement of January 21, 1891 listed W.P. Rice, E.C. White, H.C. Young, W.E. McElwee, and

L.C. White, Jr. as directors. A financial statement of February 28, 1891 showed that deposits had dropped to \$4,385.02.

An article in the *Cardiff Herald* of April 8, 1891 said that L.C. White, Jr., the cashier of the First National Bank, had left Cardiff the previous week to go to Windsor, Vermont to accept a position at the Windsor Savings Bank. This was probably a wise move, because by that time the First National Bank was on its last legs. F.A. Walker took over the position of cashier of the First National Bank.

On May 25, 1891 the First National Bank of Cardiff was placed in voluntary liquidation. Bank advertisements of April 1891 still listed the offices of the bank as being located in the Exposition building. I doubt that the First National Bank ever got to move into its planned three-story building. The bank that had started with so much promise had only lasted for twelve and one-half months.

The town of Cardiff went bust almost as fast as it had boomed. The town was founded mostly on hype and speculation. When the Panic of 1893 hit, the Cardiff Coal and Iron Company went into bankruptcy. After surviving for several decades, the company gradually faded out of existence, as did the town that the company had created. Nothing remains of the town of Cardiff today. The buildings have all disappeared. Some were torn down and others burned. Some of the better houses were moved to Rockwood or Harriman. The College Plaza Shopping Center and the Roane County Industrial Park now occupy the town site.

MAKING MONEY

That's what the First National Bank of Cardiff has been doing the past week. We peeped through the grating (from the outside) and saw President Tarwater and Cashier White signing long sheets of crisp new bank notes, after which Clark Shaw cut the sheets apart into separate bills with a long pair of shears. In answer to our inquiries we learned something about the work of organizing new banks that may be of interest to our readers.

Every national bank is provided with currency by the United States government. To get this currency the bank deposits with the government U.S. bonds to the amount of \$12,500. The government then prints for the bank, bills of the new bank amounting to 90 percent of the amount deposited, which gives them \$11,250 in crisp, new bank notes for their circulation. The government being secured by bonds for the amount of the bank's bills stands sponsor therefor. The bills come in sheets, four in a sheet. The Cardiff National's currency was in \$5 bills, making 2,250 separate bills. These are signed by President Tarwater and Cashier White and a portion is now in circulation.

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"Making Money" is a first hand account of the issuing of \$5 Second Charter Brown Backs by the First National Bank of Cardiff. This article appeared in the July 30, 1890 issue of the *Cardiff Herald*.

CHART I

First National Bank of Cardiff
 Charter 4303
 Chartered on May 8, 1890
 Placed in Voluntary Liquidation on May 25, 1891
 National Bank Notes Issued
 Second Charter Period
 Brown Backs

\$5-\$5-\$5-\$5 Plate	Serial 1-613
Total number of notes issued	2452
Total amount of circulation issued	\$12,260
Amount outstanding at close	\$11,250
Amount outstanding in 1910	\$ 115

known to have survived from all Tennessee national banks. Over 70% of the surviving \$5 Brown Backs are from the large banks in Jackson, Knoxville, Memphis, and Nashville.

The short life of the First National Bank, the small amount of outstanding circulation in 1910, and the fact that very few \$5 Brown Backs have survived from Tennessee banks, all combine to make the odds of a national bank note surviving from Cardiff extremely remote. If such a note ever surfaces, it will certainly rank in the very top tier of desirable Tennessee national bank notes.

Sometimes in the early morning mist, as you drive along U.S. 27, if you look out to the west, you can almost see the ghosts of Mr. Tarwater and Mr. White signing the uncut sheets of \$5 Brown Backs, as Mr. Shaw waits with shears in hand ready to separate the notes. Maybe, just maybe, someday one of these notes will appear.

CHART II

The Boom Era Banks of Roane County

City	Charter No.	Chartered	Capital
First National Bank of Rockwood	4169	12-3-1889	\$50,000
First National Bank of Cardiff	4303	5-8-1890	\$50,000
First National Bank of Harriman	4501	1891	\$50,000
Manufacturers National Bank of Harriman	4654	1891	\$75,000

No national bank notes are known to have survived from the First National Bank of Cardiff. As seen in Chart I, over 99% of the national bank notes issued by the bank had been redeemed by 1910. The short life of the First National Bank also works against the odds of any national bank note surviving. Conventional wisdom says that the longer a national bank stays in business, more time is available for someone to put away a national bank note from that bank.

There were 196 national banks in Tennessee that issued national bank notes. Of these banks, 69 issued Brown Backs, but only 31 issued \$5 Brown Backs. In Tennessee Brown Backs, \$10s are the most common, followed by \$20s, with \$5s being the rarest. At the present time, only 24 \$5 Brown Backs are

I am interested in hearing about any surviving documents from the First National Bank of Cardiff, such as checks or savings books. You may contact me at P.O. Box 140262, Nashville, Tennessee 37214.

SOURCES

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- Kelly, D.C. (1985). *National Bank Notes: A Guide with Prices*, Second Edition. Oxford, OH: The Paper Money Institute, Inc.
- Cardiff Herald, Volume 1, Nos. 1-52.
- Special thanks to James C. McLoughlin for his assistance.

ROYAL FAMILY (Continued from page 79)

526 203 40 528 603 40
 528 203 40 525 803 40



A total of six notes are known at this time, although there were 12 notes from a cut sheet in the Grinnell sale, part 7, lots 5696-7, Nov. 30, 1946.

The Princess of Errors

4. New York, Series 1950-A, H-638, FR. 2011, Block BD, \$10 Federal Reserve note face with a \$1 silver certificate back, from an 18-subject sheet:

This is exceptionally rare, with only four notes known at this time. Also, it is the only "double denomination" error with a face and back of different obligations and series.

Note: A transparent plastic tube was placed on a mirror and the note rested on top of the tube, to produce the photos showing the face and back of the notes.

Bibliography

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