

The Clements of Rutland, Vermont Gave it Two Tries

A BIG SURPRISE IN NOVEMBER 2004, WAS DISCOVERING A Series of 1875 5-5-5-5 certified proof for The Clement National Bank of Rutland, Vermont (Charter #2537) among the BEP proofs in the Smithsonian holdings. What makes the proof special is that the officers of the bank never completed the process of organizing.

However, a later bank with the same title, but Charter #2950, was organized, and first issued Series of 1882 Brown Backs. This is the story of this most interesting proof, the bank, and the Clements.

The Two Clement National Banks

Charles Clement began organizing The Clement National Bank of Rutland, VT, on June 20, 1881. Waldo P. Clement, his youngest son, was listed on the organization certificate as the cashier. The Comptroller of the Currency awarded Charter #2537 to the bank three days later, upon the deposit of \$35,000 in 3.5% bonds to secure their currency, and a \$5 Series of 1875 plate was ordered.

However, something went amiss. The bonds were sold August 1st, and the bank was liquidated that same day. In a footnote in his 1882 Annual Report, Comptroller John Jay Knox stated that the bank "failed to complete organization."

In the meantime, a beautiful \$5 Series of 1875 plate was prepared for the bank, and certified for use. It carried a batch date of July 30, 1881, which is close to when the plate was ordered. It also carried the then current Bruce-Gillfillan treasury signatures.

The Clements came back 21 months later with a second bank bearing the same title. Charles was again the president, but this time he chose an older son, Percival W., as the cashier. They organized on April 21, 1883, and received Charter #2950 on May 14.

By year end they had a respectable circulation of \$76,500. They were in competition with four other banks in Rutland: The Rutland County National Bank (#820), The National Bank (#1450), The Baxter National Bank (#1700), and the very recently chartered Killington National Bank (#2905). All the others were larger, with greater circulations. The Clement bank stayed in business through the rest of the note-issuing era, closing out 1934 with a circulation of \$100,000.

The tale of the two Clement National Banks is extraordinary. It involves the only example we have found of a Series of 1875 plate being made for a bank that never issued. Failing to complete an organization once chartered was highly unusual, if not unprecedented.

Adding to the story is the fact that when the second Clement bank was organized, Comptroller Knox had already taken it upon himself to phase out the Series of 1875. Consequently, the second Clement bank received Series of 1882 notes, specifically 5-5-5-5 and 10-10-10-20 Brown Backs.

This situation would have been interesting regardless of what plates were made, but having the two banks bridge the changeover in series makes this case particularly appealing.



THE PAPER COLUMN

by Peter Huntoon



The Clements

The following biographical sketch of the Clements is copied verbatim, but abridged, from a description of the Clement Family Papers housed in the Vermont Historical Society.

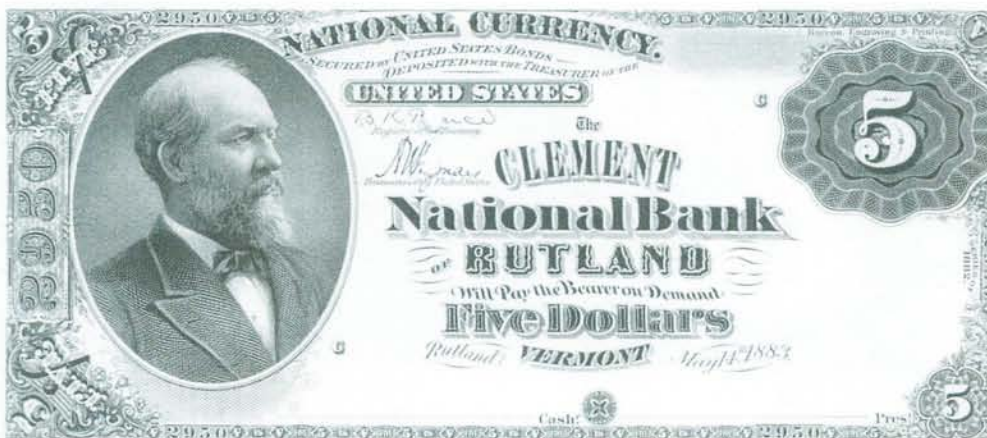
The Clements were a prominent family in business and politics in Rutland, Vermont. Charles Clement had an early interest in marble quarries, operating Clement and Sons with his two oldest sons, Wallace and Percival. He was also part owner of the Rutland Railroad and the Clement National Bank.

Wallace continued his father's businesses after his death in 1893, and Percival carried on the family interest in railroads, while publishing the *Rutland Herald*. He also became active in politics and was elected governor in 1918.

Charles Clement was born in Haverhill, Massachusetts, May 1, 1807. He married Elizabeth Wood (1807-1904) in Sherburne, Vermont, in 1831. They had eight children: Wallace Charles (1835-1921); Frederic Percival (1838-1841); Anna Elizabeth (1840-1876); Melville Wood (1842-1843); Herbert Rogers (January, 1844-June 1844); Percival Wood (1846-1927); Fayette Rogers (1849-1850); Waldo Park (b. 1851). Charles Clement died in New York City, November 24, 1893.

The Clement National Bank received Charter #2537 in 1881, but the Clements failed to complete its organization. However, this attractive plate was made for the bank just days before it was formally liquidated.

The Clements received \$5, \$10, and \$20 Series of 1882 Brown Backs as their first issues upon perfecting their second bank, Charter #2950, in 1883. The 21-month hiatus between the two organizations bridged the gap between the Series of 1875 and 1882.



Charles Clement and Elizabeth Wood, after their marriage in 1831, moved west to Evansville, Illinois, where Charles tried to set up a business. Some members of the Wood family also moved to Illinois where there are several deeds for land in Tazewell County, Illinois, bearing their names. Charles and Elizabeth returned to the east coast in 1839.

Charles became involved in the Rutland marble business in 1851,

forming the firm of Clement and Son which eventually included two of his sons, Wallace and Percy. He also founded the Clement bank in 1883; it too became a family concern. Charles also had an interest in the railroad business and became part owner of the Rutland Railroad in 1882.

Source of Clement Biographic Information

Vermont Historical Society Library, Clement Family Papers 1798 1968, Documents 187 194, accessible on the web at <http://www.vermonthistory.org/arccat/findaid/clementf.htm> [.]

Acknowledgment

This work was supported by a grant from the Currency Club of Long Island. James Hughes, collections manager, National Numismatic Collection, Museum of American History, Smithsonian Institution, provided access to the certified proofs from the National Bank Note plates. ♦

True story! One of my friends related this story to me recently By Bob Cochran

THE \$2 BILL -- EVERYONE SHOULD START CARRYING them! I am STILL laughing!! I think we need to quit saving our \$2 bills and bring them out in public. The younger generation doesn't know they exist.

This is a true story, just as told to me:

On my way home from work, I stopped at a fast food emporium for a quick bite to eat. In my billfold were a \$50 bill and a \$2 bill. I figure that with a \$2 bill, I can get something to eat and not have to worry about anyone getting irritated at me for trying to break a \$50 bill.

Me: "Hi, I'd like one seven-layer burrito please, to go."

Server: "That'll be \$1.04. Eat in?"

Me: "No, it's to go." At this point, I open my billfold and hand him the \$2 bill. He looks at it kind of funny.

Server: "Uh, hang on a sec, I'll be right back." He goes to talk to his manager, who is still within my earshot. The following conversation occurs between the two of them:

Server: "Hey, you ever see a \$2 bill?"

Manager: "No. A what?"

Server: "A \$2 bill. This guy just gave it to me."

Manager: "Ask for something else. There's no such thing as a \$2 bill."

Server: "Yeah, thought so." He comes back to me and says, "We don't take these. Do you have anything else?"

Me: "Just this fifty. You don't take \$2 bills? Why?"

Server: "I don't know."

Me: "See here where it says legal tender?"

Server: "Yeah."

Me: "So, why won't you take it?"

Server: "Well, hang on a sec." He goes back to his manager, who has been watching me like I'm a shoplifter, and says to him, "He says I have to take it."

Manager: "Doesn't he have anything else?"

Server: "Yeah, a fifty. I'll get it and you can open the safe

and get change."

Manager: "I'm not opening the safe with him in here."

Server: "What should I do?"

Manager: "Tell him to come back later when he has real money."

Server: "I can't tell him that! You tell him."

Manager: "Just tell him."

Server: "No way! This is weird. I'm going in back."

The manager approaches me and says, "I'm sorry, but we don't take big bills this time of night."

Me: "It's only seven o'clock! Well then, here's a two dollar bill."

Manager: "We don't take those, either."

Me: "Why not?"

Manager: "I think you know why."

Me: "No really, tell me why."

Manager: "Please leave before I call mall security."

Me: "What on earth for?"

Manager: "Please, sir."

Me: "Uh, go ahead, call them."

Manager: "Would you please just leave?"

Me: "No."

Manager: "Fine -- have it your way then."

Me: "Hey, that's Burger King, isn't it?"

At this point, he backs away from me and calls mall security on the phone around the corner.

I have two people staring at me from the dining area, and I begin laughing out loud, just for effect. A few minutes later this 45-year-oldish guy comes in.

Guard: "Yeah, Mike, what's up?"

Manager (whispering): "This guy is trying to give me some (pause) funny money."

Guard: "No kidding! What?"

Manager: "Get this ... A two dollar bill."

