

FIVE GREAT HOARDS OF MICHIGAN MINING SCRIP

by Lawrence Falater and Dave Gelwicks

Scope

Collectors of mining scrip have very few resources to help find the records, details or documents summarizing the types or variations of scrip printed, issued, cashed or cancelled. This article will describe how one such resource found and purchased *FIVE GREAT HOARDS OF MICHIGAN MINING SCRIP*.

America Moves West

As statehoods developed in the early 1800's, Ohio and Michigan were contesting some 468 square miles of land known as the "Toledo Strip" on the southwestern shore of Lake Erie. The solution assigned this acreage to Ohio. Michigan was assigned 9000 square miles of land from the Wisconsin Territory, described by one legislator as "a barren and valueless tract in the land of perpetual snows."¹

As these "valueless tracts" were explored (mid-1840) and understood, they became famous for both copper and iron mining as well as huge forests for timbering. This area today is known as Michigan's Upper Peninsula.



Figure 1 Map of the Upper Peninsula of Michigan²

The growth in America continued westward from the original eastern cities of Boston, New York and Philadelphia. The affluent families settling in America were looking to spend their wealth and the news of the discovery of copper and iron in Michigan was spreading.

Claims for Michigan land were easily obtained at this time and explorers and miners with grandiose ideas were flocking to find eastern financiers. Most of the money invested in the early copper mines came from family money from the three named eastern cities. Since the money and banking were from the east, most of the corporate offices remained in there. Most stock certificates and scrip were printed in the eastern print shops near the booming financial and banking districts, and sent to the mines.

The archives at each eastern corporate office had a great influence on what old or historic mining paper items would be available to the philatelic and scrip collectors after the mines ran their respective tenures to closure. Finding such items intact is another challenge.

Copper and Iron Mining in Michigan

There are many resources and a seemingly infinite number of books, literature and reports available to tell the history of the mining escapades in Michigan’s Upper Peninsula. The five mining companies presented in this article have a brief history, a display of at least one note and a Lawrence Falater quote regarding the purchase of each hoard of notes.

Copper was found in the northernmost portions of the Keweenaw Peninsula that juts into the southern boundary of Lake Superior. The iron mines were centered approximately 100 miles to the southeast of the copper mines, also near the Lake Superior southern shore.

Copper mining and smelting maximized in the pre-industrial era, as copper was needed for the bottom of ships, eventually for electrical components and then for armaments for the wars. Following the Civil War and WWI, the miners were pushed for record productions to keep up with growth and expansion everywhere.

Michigan copper production slowed greatly after WWII as copper was discovered in the western United States. Western copper mining development, available at lower costs per ton, contributed to lowering copper prices nationally. The Keweenaw copper mines all eventually closed, the pumps were turned off and the mines filled with groundwater throughout the last 150 years.

The Marquette Iron Range remains active today with iron ore still shipping throughout the lake freighter season from the Marquette loading dock. Only one company, Cleveland Cliffs, still operates today, (further details are presented below).

As the mines closed, their paperwork was sent to their respective corporate eastern offices, was destroyed or became historical archives somewhere. Some records were left in the desks and buildings of the mining companies as owners shut the doors and walked away. Some were taken by former employees to their homes and have been disposed of or sold by their children or grandchildren who know of no use for these often damp, moldy, unorganized mining records of grandpa’s past.

Finding Michigan Mining Scrip

Each serious collector of anything has a mentor, supplier or vendor to whom they turn for that next prized possession or bit of knowledge about an item the collector has just “discovered.” Initially, unbeknownst to the collector, the supplier may have owned that piece previously or knew the person(s) who did! That is exactly how these two authors were introduced as supplier and customer thirty years ago.

Most, if not all, mining scrip collectors in Michigan know of Lawrence Falater. One could safely say that, if you have a piece of scrip similar to those shown below, it may have been owned by him at one time.

Supplied by Falater, customer Dave Gelwicks’ collection of, and interest in, Michigan mining scrip continued to grow. Falater took annual trips to the Upper Peninsula towns, looking for pieces of history which he either kept for his own personal collection or took to the market via his relentless mail and phone marketing efforts or his small-town auction Saturdays held long before eBay’s founders were born.

This supplier/customer relationship soon grew in respect of each other’s knowledge and talents in the collecting arena, leading to mentorship and an ever-evolving friendship. Surely there are others with similar relationships with supplier Falater.

From this relationship, Gelwicks heard stories of ***FIVE GREAT HOARDS OF MICHIGAN MINING SCRIP*** and kept asking more and more questions. The questions then became multiple annual requests (years) to put the history of acquiring these hoards in writing. Falater’s 2019 personal thoughts are presented below, indented in bold italicized print and marked *LF*.

Five great hoards of Michigan mining scrip appeared during the 20th century from the following companies:

***Central Mining Company
Delaware Mining Company
Iron Cliffs Company***

***Pennsylvania Mining Company
Quincy Mining Company***

The company headquarters for these mines were located in the eastern United States, primarily in Boston, New York and Philadelphia, where these archives were each accumulated. Eventually these archives were dispersed, long after mining activities ceased. These hoards each entered the philatelic marketplace due to Internal Revenue stamps bought and placed on much of the scrip. The numismatic currency market had to wait until the philatelic market had been satisfied. LF-1



Figure 2a-OFFICE OF THE Iron Cliffs Company, NEGAUNEE, L.S. MICH. May 3, 1870 Sight Draft No. 357 Size: 8.5" x 3.5"



Figure 2b- Cancelled revenue stamps from Figure 2a. 85¢ of tax stamps covered \$1700

Notes with revenue stamps (Figures 2a and 2b) would have earned a higher selling price in the philatelic market. However, many notes were not stamped and were of less interest to the philatelists but of great interest to Michigan mining scrip collectors.

President Lincoln signed the Tax Act of 1862 creating the Office of Internal Revenue, leading to revenue stamped paper. This tax payment could be shown on the check by adhesive stamps, stamped paper, vellum or parchment. Initially the tax was 2¢ per each \$20 on checks of \$20 or more.³ This particular tax ended in 1883. Revenue stamps are affixed to the notes in Figures 2a, 5b, 6a, 6b, 7, 9, 11 and 12. From age and mishandling, many revenue stamps have been lost from their respective notes. Glue residue remains, and can be seen, in the revenue stamp box shown in Figure 8.

CENTRAL MINING COMPANY

During the 1950's I was employed by Earl Schill, a downtown Detroit coin, stamp and paper money dealer. I can recall selling the common \$5 and \$10 notes for \$3.00 each. He did not have any of the other denominations (\$1, \$2 or \$15) for sale. The person selling these to Schill apparently wanted more money for these scarcer denominations so he did not purchase any. There were mixed bundles of the \$5 and \$10 denominations of both the large- and small-sized notes as shown in Figures 3a, 3b, 4a and 4b. I believe these notes were wholesaled at \$100.00 per bundle of 100.

Unfortunately I was not yet keenly interested in Michigan paper as I was very engrossed with my large cent collection and my recently completed Indian Head cent collection.

Apparently no stock certificates were available in this archive. There are only two known stock certificates existing from this mine. LF-2



Figure 3a- THE CENTRAL MINING COMPANY Eagle Harbor, Mich. January 1, 1864 Sight Draft No. 5751 Size: 6" x 2.5"



Figure 4b- THE CENTRAL MINING COMPANY Eagle Harbor, Mich. June 27, 1868 Sight Draft No. 4428 Size: 7" x 3"



Figure 4a- THE CENTRAL MINING COMPANY Eagle Harbor, Mich. December 30, 1865 Sight Draft No. 775 Size: 6" x 2.5"

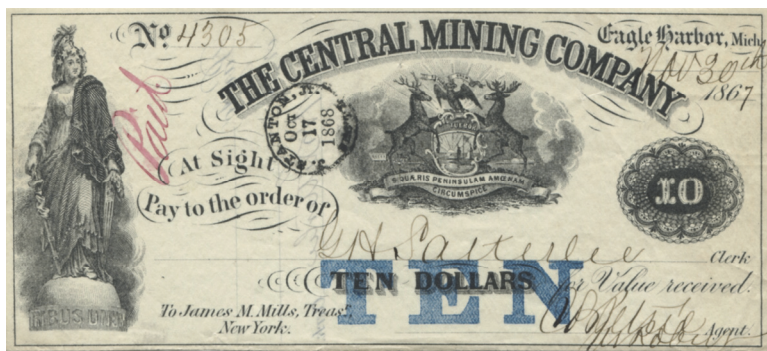


Figure 4b- THE CENTRAL MINING COMPANY Eagle Harbor, Mich. November 30, 1867 Sight Draft No. 4305 Size: 7" x 3"

The Central Mining Company had its mine in the Eagle Harbor area of Michigan's Keweenaw Peninsula, known to many as the Copper Country.

John Robinson, a Central stockholder, led the 1855 expedition to dig their first pit mines deeper than 500 feet in lands surrounded by the Winthrop, Northwestern and Copper Falls Mining Companies. During their operations, large pieces of native copper were found in masses of almost pure copper. Their production peaked at some 2,000,000 pounds of copper in 1882. The once copper-rich Central land was picked clean; the town and mine closed in late 1898 and never re-opened.⁴

A collector of both, Falater referenced both scrip notes and stock certificates in his comments. Some of the referenced archives, which contained hoards of mining scrip, also had some stock certificates but they were only found sparingly, not in hoard quantities and not detailed in this article.

DELAWARE AND PENNSYLVANIA MINING COMPANIES

Both of these archives were at one time in the possession of a very prominent revenue stamp collector named Joyce. His vast holdings included both of these hoards as the Delaware was a reorganization of the financially troubled Pennsylvania Mining Company. His holdings were also dispersed to the revenue stamp enthusiasts. Eventually, after all the philatelists had purchased the desired pieces, California coin dealer John Helleva acquired the remaining scrip and sold it to me.

Stock certificates of both Pennsylvania and Delaware Mining Companies, as well as a few from the Conglomerate Mining Company (the successor to the Delaware), were also part of this hoard. The stock certificates were sold to prominent revenue stamp dealer Eric Jackson, who advertised them for sale. I purchased quite a few of each and sold them very quickly. When I attempted to order more, I was told that they had all been sold!

There were also a very few pieces of La Belle Smelting Works and Wyoming Mining Company scrip included. LF-3.



Figure 5a-PENNSYLVANIA MINE MICHIGAN. Keweenaw (sic) County. February 9, 1864 Sight Draft No. 1402 Size: 7.5" x 3.25"

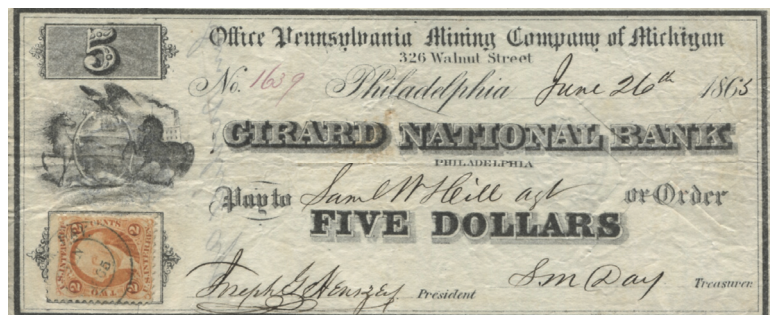


Figure 5b-Office Pennsylvania Mining Company of Michigan. GIRARD NATIONAL BANK PHILADELPHIA. June 26, 1865 Check No. 1639 Size: 7.25" x 3"



Figure 6a-Delaware Mine MICHIGAN. Keweenaw County. June 23, 1865 Sight Draft No. 1138 Size: 7.5" x 3.25"



Figure 6b-Office Delaware Mining Company of Michigan. WESTERN NATIONAL BANK PHILADELPHIA. May 23, 1865 Check No. 178 Size: 7.25" x 3"



Figure 7-OFFICE OF THE LA BELLE SMELTING WORKS. Mendota (Lac La Belle), Mich. March 22, 1866 Sight Draft No. 206 Size: 7.75" x 3.75"



Figure 8- Wyoming Mine MICHIGAN. Keweenaw County. August 10, 1865 Sight Draft No. 11 Size: 7.5" x 3.25"

In 1861 a group of Philadelphia investors acted quickly to purchase all assets of the Northwestern Mining Company, becoming the Pennsylvania Mining Company of Michigan. The former company owned much of the land surrounding the Central Mining Company described previously.

Men named Henszey, Day and Hill were chosen to run the mine. Day and Hill were prior employees who spoke so highly of the land and area that a huge stamp mill was built at La Belle Smelting Works before a pound of copper was produced.

By 1863, 720 acres and 4000 shares were divided among stockholders in a new company called the Delaware Mining Company under the same management. This group also created the following companies: New Jersey Mining Company (1863), Maryland Mining Company (1864) and Wyoming Mining Company (1866), all on their Keweenaw County lands.⁵

A close comparison of the Pennsylvania, Delaware and Wyoming sight drafts and checks shows their similarities. At least three (Figures 5a, 6a and 8) were printed by T. Sinclair's lith. Phila.

By 1876 expenses greatly exceeded income and this group of companies was absorbed by the bondholders and reorganized again in 1881 as the Conglomerate Mining Company.

Within a period of 34 years, the Delaware Mine lands were worked by five different companies: North-West Mining Association, North-West Mining Company of Michigan, Pennsylvania Mining Company of Michigan, Delaware Mining Company and Conglomerate Mining Company.⁶

The Delaware Mine remains open for public tours.⁷

IRON CLIFFS COMPANY

This archive is believed to have been acquired by Baltimore philatelist Robert K. Richards as late as the 1970's. Philatelists sought out the many scarcer varieties of revenue stamps or imprinted revenue impressions on the drafts. There were a great number of varieties, some of which were quite valuable. I recall Richards sending me quite a few with minimal costs. My good collector friend Charlie Verhooven, a former Monroe, Michigan banker, and I appreciated Richard's generosity.

Unfortunately, it appears that no Iron Cliffs stock certificates were included in this archive. LF-4

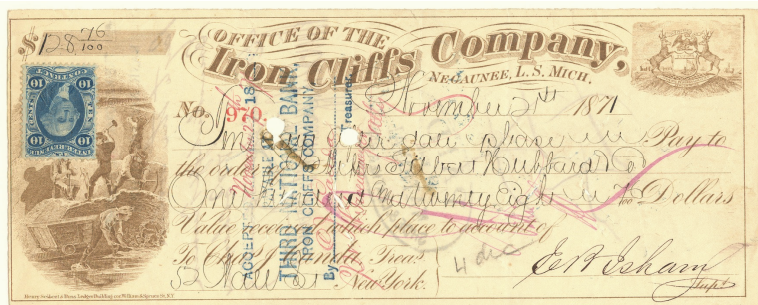


Figure 9-OFFICE OF THE Iron Cliffs Company, NEGAUNEE, L.S. MICH. November 21, 1871 Sight Draft No. 970 Size: 8.5" x 3.5"

Iron Cliffs Company was organized in 1865 by a group from New York lead by Samuel Tilden, opening their first shaft as the Barnum Mine in Marquette County near Negaunee, Michigan. By 1879 the "New Barnum Shaft" was dug near Ishpeming, Michigan, renamed the "Cliffs Shaft" in the late 1880's.

During this same period, men from Cleveland, Ohio formed the Cleveland Iron Company and a group from Jackson, Michigan formed the Jackson Iron Mining Company.

In 1891 under the leadership of W.G. Mather, the Iron Cliffs, Cleveland Iron and Jackson Iron Mining Companies merged to form the Cleveland-Cliffs Iron Company. The mine became the largest hematite producer in the United States and is still known today as the publicly traded company CLF. ⁸

In 2018 Cliffs broke ground in its largest monetary endeavor to produce hot briquetted iron, from the same Marquette ore shipped to their latest facility on the southern shore of the Maumee River in Toledo, Ohio.

QUINCY MINING COMPANY

The Quincy Mining Company group was the last archive I acquired. It came from an eastern stamp dealer whose name escapes me today. It probably consisted of a fraction of the original hoard. Included were \$10 and \$20 denominations in color. Also there were drafts with a small mining scene vignette on the left in multiple varieties with various written amounts. I probably only acquired a small portion of the original archive. LF-5



Figure 10-QUINCY MINING CO. Hancock, Mich. March 25, 1870 Sight Draft No. 13855 Size: 7.5" x 3". Q.M.Co. watermark in white

Figure 11- QUINCY MINING CO. Hancock, Mich. February 25, 1870 Sight Draft No. 13156 Size: 7.5" x 3" Q.M.Co. watermark in white

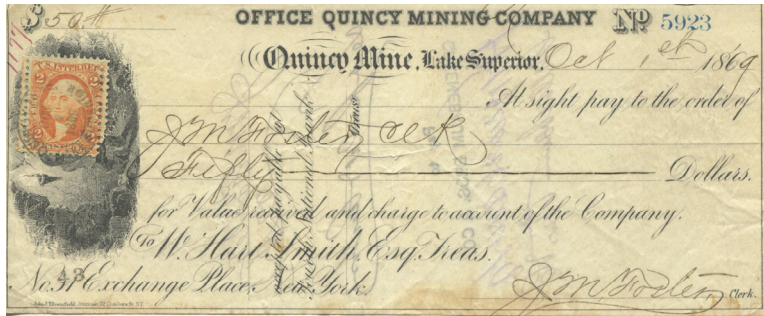


Figure 12-OFFICE QUINCY MINING COMPANY Quincy Mine, Lake Superior. October 1, 1869
Sight Draft No. 5923 Size: 7.5" x 3.25"

Struggles continued for almost ten years following the 1846 organization of this company that became known as “Old Reliable” because of its continuous string of dividend payments after its precarious start.

The mine is located on Quincy Hill in Hancock, Michigan on the ground containing the Pewabic Lode of copper. In the mid-1800’s many companies were organizing to gain the mineral rights of lands known to contain portions of the Pewabic Lode. Over the next 62 years, the Quincy Mining Company would purchase the following mining companies: Pewabic (1891), Pontiac (1895), Mesnard (1897) and Franklin (1908).⁹

Quincy mined copper from 1856-1947. Underground tours are still offered today by the Quincy Mine Hoist Association.¹⁰

There were undoubtedly other archives or partial archives dispersed but the facts are lost to history. Approximate quantities which I acquired included:

- 4,000 Delaware Mining Company*
- 4,000 Pennsylvania Mining Company*
- 3,000 Quincy Mining Company*
- 11,000 notes total*

Other than a few pieces in my personal collection, about 25 pieces remain available for sale or trade. LF-6

Authors’ Summary and Challenge

The authors attempted to preserve one small piece of history as remembered from a senior currency collector. What story, or personal history, do you have which should be documented for future reference? Please get the details and document them this year, as we do not know the time or the hour. Regards, LF & DG

Notes and References

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MICHIGAN MINING SCRIP

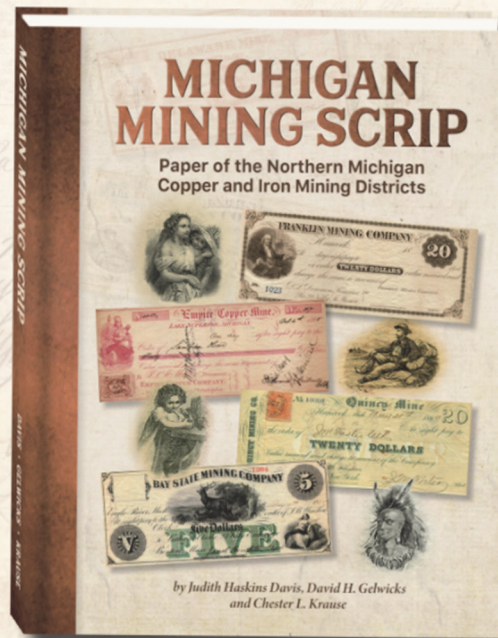
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Take a journey with the authors as they present a colorful and informative reference of various documents from Michigan's historical copper and iron mining eras.

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