

# U.S. MEXICAN NUMISMATIC ASSOCIATION



PAUL MUNI & BETTE DAVIS in "JUAREZ"

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*Realized \$8,812*



**MEXICO.** Guadalupe Victoria Silver Medal, 1824. NGC MS-63.  
*Realized \$8,225*



**MEXICO.** 8 Reales, 1863-CeML. NGC MS-61.  
*Realized \$6,462*



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*Realized \$7,050*



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## COVER IMAGE

The cover is a montage of items from Elmer Powell's display of Maximilian memorabilia at our recent convention. The poster is for the 1939 film "Juárez" with Brian Aherne as the Emperor and Bette Davis as the Empress Carlota. This film was conceived as a vehicle for Bette Davis – until Paul Muni, then one of Warner Bros's biggest stars, said he wanted to play Benito Juárez. The film had to be rewritten (and renamed) to sideline the story of the emperor and empress, while a lot of Juárez-centric scenes were hastily shoved in. Nevertheless, the movie is refreshingly true to life, Aherne makes the emperor more sympathetic than probably intended, and Bette Davis gives a moving portrayal of Carlota's descent into madness.

The two pieces of costume jewelry are the Orden Imperial de la Aguila Mexicana and the Orden Imperial de Nuestra Señora de Guadalupe. The former was created by Maximilian on 1 January 1865 as the supreme award for pre-eminent and exceptional service to the state and to the person of the emperor, whilst the latter, originally established by decree of the provisional Imperial government on 30 June 1863 and reformed by Maximilian on 10 April 1865, was for general distinguished and meritorious service to the state. Aherne, as the emperor, can be seen to be wearing both decorations.



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## FROM THE EDITOR

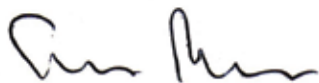
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This issue is almost entirely composed of articles about paper currency. If I had not reproduced the talk given at the convention by Manuel B. Chacón there would have been none about coins. Though two new books, by Brad Yonaka and David Hughes, were on display at the convention, and Dave Busse reports that his, on Republican coinage, is nearly complete, no one in coin world, it seems, despite hectoring, is willing to provide material to sustain this journal. As it is, I have had prematurely to use an (incomplete) article of my own, and I do not think that we should have to rely on vanity publishing.

In the past I have managed to maintain an 80%:20% ratio in favor of coinage, which, given the evidence on the bourse tables, is still an underestimate of the true ratio amongst our members. But not, it seems, in terms of contributions to this journal.

Unless matters improve (or someone else wants to take up the challenge of editorship) I foresee that either we let the journal shrink to whatever is forthcoming, be it just a few pages, or that we give up the effort of maintaining a journal altogether and just post any infrequent contributions as pdfs on the association online library.

Neither option, I think, becomes what is claimed to be a vibrant and meaningful association.



Simon Prendergast  
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## NEWS

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### ***Mexican Paper Money* - New Edition**

The long wait is finally over, as World Numismatics announces the launch of the 2017 edition of the authoritative *Mexican Paper Money*, just in time to make the ideal Christmas gift.

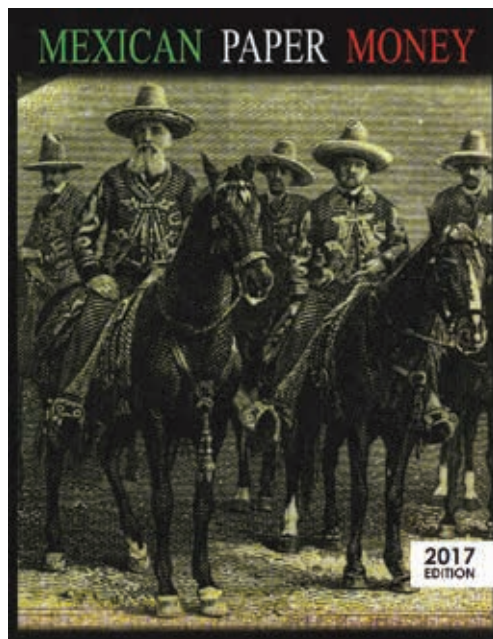
*Mexican Paper Money* has become the industry standard and now contains listings on more than 7,000 items of which thousands are not listed in other catalogs. This edition has more issues, more illustrations, more information, corrects former errors, and updates prices.

This 2017 version is digital. This makes it fully searchable using Adobe Reader. Furthermore, its Table of Contents has links to the corresponding section in the book, so for instance, you can click on Aguascalientes under Bancos and it will take you directly to that section.

As well as being available as a digital download, World Numismatics is also offering a package including a hardcover copy of the 2010 edition. Price are:

Download Only	\$35
2010 Hardcover Only	\$45 Including Shipping
Both download and Hardcover	\$65 Including Shipping

The book is now available on the World Numismatics website ([www.worldnumismatics.com](http://www.worldnumismatics.com)).



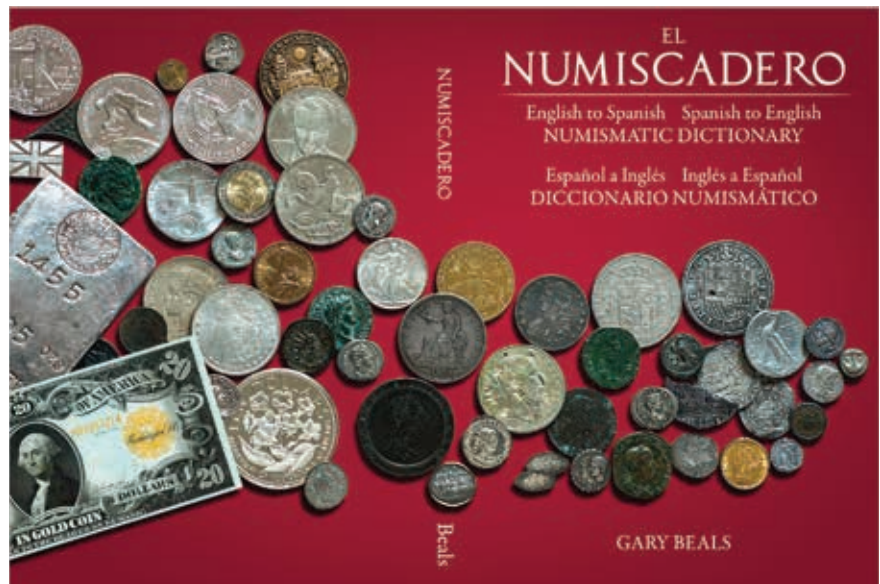
## New Spanish - English Numismatic Dictionary

**Beals, Gary – *El Numiscadero. English to Spanish – Spanish to English Numismatic Dictionary*. Segovia / Spain and San Diego / USA: privately printed, 2016, 354 pp., octavo, heavy card covers.**

by Ralf W. Böppe

Every once in a while there is a book that should find its place in one's numismatic library, not because it is a specialized coin catalog, but because it provides a wealth of information beyond the usually rather narrow realm of one's own collecting interest.

As this book works as a compendium of the terms used in numismatics in English and Spanish, I am clearly stating the obvious that it is of utmost interest to every collector and researcher of Mexican coins. But it is more than just a word-by-word dictionary. It contains a list of definitions of hundreds of terms, including many that are used only regionally or as slang. As a result, it works both ways, as a key for the native English speakers to the many terms employed in the Spanish-speaking world, as well as for those collectors word-wide who regularly get confused by the specialized lingo of US and English numismatists and dealers.



Moreover, there are also several useful lists for quick reference, such as a list of the type of officials and workers in Spanish Colonial mints, a discussion of grading standards, or chronologies of rulers.

If there is somebody best suited for putting together such a work, it would be somebody who has spent his life living and working in both cultures. Somebody rooted in the hobby of numismatics with academic training and experience in writing. Gary Beals brings all this to the table. Some of us may have come across, or may even own, a copy of his 1966 booklet "Numismatic Terms of Spain and Spanish America". That was over 50 years ago, and I do not have to tell anyone that just as the world in general has changed, so has the world of numismatics and coin collecting. The "new edition", if you wish to call it so (and as in fact the author sees it), is definitely reflecting this!

Just as there are notable differences between, for example, British and American English, so are there in the Spanish employed in different parts of the world. Consequently, the book contains many terms that are not universally used. If you are strictly limited to Mexican numismatics, you may be inclined to consider this dictionary to be too broad for your purposes. But nowadays information on Mexican coins – especially those from the Colonial period – comes in from many sources. Auction catalogs, discussion forums, newspaper clips, the odd local numismatic journal article that is now accessible through an online search because somebody put it up on the internet – you never know what you might come across. And even if you manage the basics of the Spanish language, it never hurts to be able to check and verify that specialized technical term you cannot quite find a suitable translation for, be it in your basic dictionary back from your university studies, or be it in the one you find for free on the internet!

A while back I read about somebody who had read a whole encyclopedia and wrote a book about his experience. While I cannot see myself following his example, I did catch myself having kept reading on and on in this dictionary after having only wanted to look up a certain term. I leave it to you to judge Gary Beals' book (or, well, me) from this anecdote.

The book is available through Gary Beals (Segovia.gary@yahoo.com) at \$25 US plus \$3 US for shipping (within the US, books are shipped from San Diego).

## New Mexican coins proposed

A proposed change to the Mexican currency will be as momentous as the change of monetary unit to “new pesos” twenty-five years ago in 1992. The present work is the result of something that was already forecast in the Bank of Mexico’s Institutional Work Program 2015-2016 and, finally, on 5 November 5 2017, its Decree Initiative was published, amending various provisions of the Monetary Law and indicating the characteristics of future fifty centavos and one, two, five, ten and twenty pesos coins.

The reasons given for the changes are firstly, that handling the current currency, composed of both very small and light and very large and heavy coins, is complicated; secondly, the circulation of a large number of pieces of different denominations (ten, though the lowest three have ceased to be of practical use) and the similar appearance of some coins hinders and slows down daily operations; thirdly, the international prices of the component metals have shown volatility; and finally, in the vast majority of the coins, the predominant graphic element is the numeral of the denomination to the detriment of aesthetics. The new coins will also have new security features such as the electromagnetic signature (for the recognition and authentication of coins in automated equipment).

The coins will have the overall purpose of being more economical, safer, practical, efficient and sustainable; while being aesthetic, introducing new technologies and materials, such as the case of coated alloys and designs in various colors. The Executive proposes new designs and features for 50 centavos and 1, 2, 5, 10 and 20 pesos, reducing the pre-eminence of the numeral of the corresponding denomination and enhancing the artistic designs with various characters, buildings, shields, outstanding personalities in the country’s historical and cultural life (which are already part of the iconography of the Mexican banknotes) as well as cultural landscapes.

Below is a breakdown of the characteristics of the new currencies: for metals various options are proposed.

Value	Shape	Diameter	Edge	Weight	Metal / alloy	Design
50 c	Circular	19mm	Fluted	4.8 to 5.26 gm	1. Stainless steel alloy 2. Nickel-coated steel 3. Zinc-coated nickel	Cave paintings of the Sierra de San Francisco, Baja California Sur
\$ 1	Circular	21mm	Smooth	3.83 to 4.54 gm	1. Steel coated with brass 2. Aluminum bronze alloy 3. Nordic gold (copper, bronze, tin) 4. Brass 70/30 (copper, iron, zinc)	The Temple of Kukulcán of Chichén Itzá, Yucatán
\$ 2	Dodecagonal	23mm	Smooth	4.71 to 5.17 gm	1. Stainless steel alloy 2. Nickel-coated steel 3. Zinc-coated nickel	Aqueduct of Padre Tembleque, Hidalgo and México states
\$ 5	Circular	25.5mm	Smooth	7.07 to 8.4 gm	1. Brass coated steel 2. Aluminum bronze alloy 3. Nordic gold (copper, bronze, tin). 4. Brass 70/30 (copper, iron, zinc) 5. Zinc covered with brass	Puerta de Tierra of the Fortified City of Campeche, Campeche. Electromagnetic signature and a floating image
\$ 10	Circular	28mm	Striated	11.04 to 12.45 gm	Core: 1. Bronze / aluminum 2. Nordic gold 3. Brass 70/30 Ring: 1. Stainless steel 2. Alpaca silver (copper, nickel, zinc) 3. Cupronickel	Palacio de Bellas Artes, Mexico City Electromagnetic signature, bimetallic constitution, and latent image
\$ 20	Dodecagonal	30mm	Discontinuous Striated	12.67 to 13.29 gm	Core: 1. Stainless steel 2. Alpaca silver 3. Cupronickel Ring: 1. Bronze / aluminum 2. Nordic gold 3. Brass 70/30	The Baluarte Bicentenario Bridge, Durango and Sinaloa states Electromagnetic signature, bimetallic constitution, latent image and micro text

Thanks to Pablo Luna Herrera for providing this information



# LETTERS TO THE EDITOR

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Dear Editor,

In his article on the Banco de Coahuila in the September journal Pablo Luna Herrera mentions that the bank was one of those to issue a \$10 note produced by Bouligny & Schmidt during the Revolution. It is well known that these less professional issues were susceptible to counterfeiting and readers might be interested to know of such a counterfeit of the Banco de Coahuila note.



*a genuine \$10 Banco de Coahuila note*



*a counterfeit \$10 Banco de Coahuila note*



Elmer Powell

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Fellow Association members,

Some of you may remember me from the article published in the October 2010 journal about my ridiculous quest to acquire a complete set, by SERIE and Subseries, of the Banco de México Azteca Peso notes. For those who do not, the issue in question is available on the association's website ([www.usmex.org](http://www.usmex.org)).

Stated briefly, I set out to collect the complete series of 1,997 notes in 2003 assuming it would take a year or two to accomplish. When I presented the article in 2010 I was still in need of 241 notes to reach my goal, and now, some seven years later, I still lack 23 of them.

Needless to say, at age 74, I am again in doubt of my sanity, but am still hoping to finalize the collection in this lifetime. If anyone can help out, please do.

At right is the list of notes I still need. If you have any of the SERIE/Subseries listed to sell please let me know by email, snail mail, or telephone. I would certainly be willing to purchase them.

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SERIE	SERIAL#	SERIE	SERIAL#
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FA	N.....	HU	W.....
FZ	N.....	HU	X.....
FZ	S.....	HW	V.....
GB	T.....	IR	M.....
GE	T.....	IY	M.....
GV	U.....	BDF	J.....
GZ	L.....	BDL	X.....



## 2017 CONVENTION AND EDUCATIONAL FORUM REPORT

The 2017 Convention and Education Forum maintained its reputation as a lively, informative gathering. Ute Wartenberg Kagan, the Executive Director of the American Numismatic Society, said the USMEXNA convention was her favourite show of the year, because of its lectures, while Peter Dunham singled out the sense of community. Throughout the two and a half days people could be seen clustering around tables in the restaurant or on the patio, renewing friendships, trading coins and currency or sharing information. Cory Frampton, our Executive Director, was very pleased with the turnout, even though some members and dealers from California could not make it because of the wildfires, and even with these absences activity on the floor was better than previous years.



*Augi Garcia-Barneche of Danial Frank Sedwick LLC, Carlos Jara of World Numismatics, Paulina Jara, and Chris Bierrenbach of Heritage Auctions*



On Thursday after the set-up and early entry, the Welcome

Party was held on the pool area patio just outside the convention rooms. Appetizers were sponsored by Chris Bierrenbach, whilst members viewed the Silent Auction and made their bids. There were 26 different lots in the Silent Auction. The highlights were an 1850 Durango Plate coin, donated by Mike Dunigan that fetched \$1,000, an early engraved map of Mexico, donated by Dan Sedwick, that went for \$250 and a framed chart of the Gulf of Mexico, from John Pullin, that raised \$200. NGC, PCGS and ANACs again offered grading certificates.

Books included

the recently published *A Variety Guide to the Fractional Pillar Coinage of Mexico City 1732-1771* from Brad Yonaka and *The 1914 Revolutionary Coinage of Durango Mexico* from David Hughes, as well as Mike Dunigan's *Resplandores* and two books cataloging the Florida collection (Cory Frampton). Coins included a 1739 8 reales and 1906 gold 5 pesos (Chris Bierrenbach), a 1899 20 centavos and a 1914 one peso (Stephen Album) and a 1986 peso pattern (Rick Ponterio). Eight litres of Allan Schein's mead went for \$400 and in all the auction raised \$4,160 for the organization.

As the sun went down Kent Ponterio and Cory Frampton hosted the awards ceremony, beginning with awards for the 2016 speakers. This year the literary awards were

Best Article - Spanish Colonial to Kyle Ponterio for "Philippines Overstrikes and Countermarks: Concerning Mexican Coins"

Best Article -War of Independence & Imperial to Ricardo de Leon Tallavas for "The Unknown Independence Coin Stamping of Monterrey in 1814"

Best Article – Revolution to David Hughes for "Estado de Durango 1 and 5 centavos"

Best Article - 20th Century Modern to Scott Doll for "A Study of the Mexico Colorized and Gilded One Ounce Silver Libertads"

Best Article - Paper Money General to Pablo Luna Herrera for "El Banco de Coahuila"



*Sanjay Gandhi, Kent Ponterio and Eric Hess of World Numismatics*

Best Article - Revolutionary Paper Money to Cedrian López-Bosch for "The vales of the Comisión Monetaria: a brief paper money issue after the chaos of the revolution"

whilst the Best Overall Article went to Kyle Ponterio.



David Hughes



Scott Doll



Dan Sedwick



Allan Schein

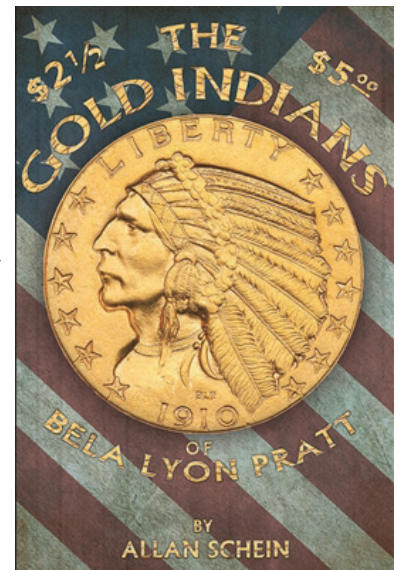
The 3rd Annual Richard Doty Award was given to William Lovett and the 3rd Annual Jed Crump Award went to Allan Schein. In his address Kent praised Allan for the many different ways he had helped the association over the year.

Incidentally Allan has just published a new book, *The \$2½ and \$5 Gold Indians of Bela Lyon Pratt*, the first comprehensive book ever written about a popular and unique American coin series. The book was judged the best U.S. coin book of the year by the Numismatic Literary Guild and Allan's research is the cover story of the November issue of *The Numismatist* magazine.

Elmer Powell won the award for best exhibit with an outstanding display of memorabilia from the reign of Emperor Maximilian, including documents, coins, medals and even swords. Elmer had another display of proofs of currency planned for Huerta's abortive attempt to

recapture power in 1915. Kyle Ponterio had a display of Mexican coins - imitations, counterfeits and modern concoctions whilst David Hughes showed off the Durango coins that are the subject of his book.

All in all a very pleasant evening but possibly surpassed on the Saturday when Kent Ponterio invited everyone back to his house for food and drink, laying on a couple of buses to shuffle people back and forth. In addition to a lavish offering of food and drink, Kent threw open his games room with its pinball and arcade video games and a full size pool table. Delicious food, endless wine and beer and a great atmosphere meant that some stayed into the early hours and were conspicuous by their absence on the Sunday morning.







*Part of Elmer Powell's display of Maximilian memorabilia*



*Elmer and Diane Powell*



*David Lisot of Coinweek with his partner and Carlos, Felicia and Bob Briggs from Guadalajara*



*Bob Briggs pits his wits against Rob Zombie's Spookshow*



*Members get down to the serious business of the convention*



Back in the convention hall David Lisot of Coinweek had a stall selling DVDs of the presentations from previous conventions and also video-recorded this year's speakers.

In addition to the ever popular counterfeit detection seminar run by Kent Ponterio, Dan Sedwick and Mike Dunigan there were five guest speakers. Each was an acknowledged expert in his field and gave an informed, well-illustration presentation that invariably stimulated a debate among attendees.

**Brad Yonaka's** talk was entitled *The Pillar Fractionals of the Mexico City Mint – Varieties and Abundances* and covered the subject of his recent book *A Variety Guide to the Fractional Pillar Coinage of Mexico City 1732-1771*. Brad has been accumulating data for over ten years and his research is based on over 5,000 studied examples. By his own admission his book is history-light while its emphasis is on abundance and die-matching.

These coins were the first attempt by Spain to make machine-struck coins in the New World with a milled edge as a security feature. They were authorized by Philip V's decree of 9 June 1728 and lasted until Charles III changed to the bust type, and slightly devalued the content, in 1771. Brad's work covers the four lower values as the 8 reales has been heavily documented.

On the question of rarity, we only have the total weight of coined silver per year reported and most will have been used for 8 reales, so we have to resort to guesswork based on recent market abundance and inferences based on the number of die pairs (with a presumption that there was an average of 25,000 coins per die pair before they ran out). As for type of varieties, Brad, following Gilboy, lists all the noticeable differences such as changes in date or king's name; overdates and 'over-kings' (punching of one king's name over another); changes in mintmark type; changes in assayers' initials and 'over-initials'; changes in the crown on the left pillar; the addition or loss of pellet stops and addition, loss, or switches in the use of plain crosses, cinquefoils and rosettes as stops; misspelling of words or use of incorrect letter such as inverted V for A, and several other varieties.

The frequency of overdated dies show which years were having the biggest problems: the toughest years were in the beginning when the dies did not last long. A pair of interesting types are the 1736 half real assayer F with the obverse die recycled from 1733 (three examples observed, same die pair) and the 1750 2 reales with the obverse recycled from 1747 or earlier (Philip V died in 1746) (seven examples observed, same die pair).

Brad used charts to show how well coin abundances square with die pair abundances and found an average of two coins per die pair. He also charted the abundance of the different denominations, and found a similarity between the ½ real and 2 reales, so generally for every ½ real struck a 2 reales was struck.



Brad demonstrated some curious discoveries, such as a 1748 FRD/PHS 'overking', along with 8/7 overdate, and then debunked certain reported varieties. The 1746 6/5 is actually a repunched 6/6: the 1764 6/5 is also a repunched 6/6 and the 1758 1 real listed by Gilboy as 8/5 and 8/3 is in reality 8/7 (the obvious overdate as a subsequent year). Brad also debunked as a contemporary counterfeit the 1739 misspelt Philip.

with I for P (illustrated right). The style of the 2 and shape of the mintmark Mo shows that it is counterfeit.



*Courtesy Soler y Llach*

Finally, Brad said that he had found 60 new varieties, and discounted an equal number for lack of proof but it would be welcome if they could be proved.

**Bill Sigl** told a very personal story of collecting Spanish proclamation medals, which, he claims, has given him the most enjoyment in 40 years of collecting. He became interested in these after he was offered the chance to purchase a collection of 160 medals. He spent a year studying the available references, some of which such as Herrera's *Medallas de proclamaciones y juras de los reyes de España* and Medina's *Medallas de proclamaciones y juras de los reyes de España en América* are in Spanish, and familiarizing himself with the market, combing catalogues for all incidences and assembling the asking and sales prices into a spreadsheet. From images he could pedigree the medals in the collection, recognize which were extremely hard to come by, and determined that the asking price was not cheap, but fair.

In the five years since he bought the collection he has continued to collect data and built a "Proclamation Rapid Attributer", a spreadsheet that quickly identifies medals (correcting the errors in Grove's *Medals of Mexico vol. 1 Medals of the Spanish Kings* and an excellent tool to enable him to be fast on his feet at shows and auctions. From his study he believes that common proclamation medals are priced too high, whilst high grade vary in price, with there being





greater demand and higher prices for medals listed in the NACAP and Krause catalogues as speculators and those lacking confidence stick with those. The market is dominated by type collectors and speculators with very few people building a proclamation medals collection. Consequently rare proclamation medals, that are not known to be rare, go for low prices, whilst known rarities command high prices. Incidentally, he believes that about 1 in 15 slabbed medals are misattributed by the slabbing companies.

There is a difference between the strict European definition of a proclamation medal (relating to swearing allegiance to a new king) and the wider American one (encompassing other celebrations). There were 742 different proclamation medals from New Spain and the Captaincy of Guatemala and 300 would be a world class collection.

Bill distinguished six categories of medals, based on who made them and for what purpose. Four conform to the strict definition, namely

1. those made by an important individual, almost invariably named on the medal, which were either (a) given to important people or (b) thrown to the crowd. Their purpose was to enhance the status and increase the recognition of the individual.
2. those made by localities, so without a named person. These are generally of very high quality. They were also thrown to the crowd, though most good examples were sent to Spain (to be distributed to important people) so still survive.
3. those made by an institution or office, such as the Archbishop of Mexico, the Bishop of Guadalajara or the clergy of Chihuahua, and
4. those issued by industrial and commercial groups, for example, the loyal miners of Guanajuato.

The other two categories are

5. the commemoration of events, such as the birth of royal twins or the birth of Ferdinand VII.
6. Battles, such as the battle of Las Cruces in October 1810, or extraordinary events, such as the restoration of Spanish rule in 1814.

Bill remarked that throwaway medals listed as Mexico City were probably distributed throughout the country, and twice Durango medals were delivered after the proclamation ceremonies. Mexico City medals were produced within tight tolerances so it was known that they would be circulated as money. Bill also told of the 1798 Carlos III medal produced by the University of Mexico. 107 gold, 168 bronze and silver medals were sent to Spain but captured en route by a British privateer and sold as booty (for further information, see "A Rare and Important Mexican Colonial Medal" by Carlos Jara in the March 2013 Journal).

**Manuel Chacón**, the curator of the Bank of Costa Rica's museum gave a fascinating talk about Mexican coins that were used in Costa Rica, due to the trade through Panama and the lack of coins in Costa Rica. He illustrated the various counterstamps that were applied to such coins during the first years of independence. Manuel's talk forms the basis of an article in the current issue of the journal.

**Peter Dunham** continued the themes of his two previous talks, on the historical images on Mexico's first currency (2012) and Montezuma banknote vignettes of Mexico (2016) by discussing the \$1 note of the Banco Minero of Chihuahua, first issued in 1889, with the vignette of a native princess.

Peter said that, *pace* others, the first archaeological representations on a Mexican banknote dates not to the





revolution but to Porfirio Díaz, with the image intended to present a particular ethnic or political identity.

This \$1 is a low value note so the audience for its 'message' will have been the lower classes, rather than the upper classes who used the higher denominations for banking and commercial transactions. The image in question is in the primary position (on the front left, using the entire vertical field, with a partial cartouche and golden halo) and is much larger than the vignette of Commerce, whilst the bank's headquarters are relegated to the back of the note. The image had been interpreted by Vazquez as an allegory of Ambition but has two elements, a seated native-looking woman with a feathered crown and palm frond, an idol under her right hand and fruit and sugarcane at her feet, on a carved stone throne. Thus it

joins indigenous and archaeological themes.

The woman has an unspecified native air with no specific ethnic features but with a bare torso, long locks and bare feet. As for her status, she wears a generic native-looking crown, but again nothing specifically Aztec. However, the details of the throne mark it as Aztec. It has a transverse anthropological figure in low profile, with a feathered headdress, studded ear, nose piercing, carrying a shield or standard with a central concavity, and holding what looks like a sceptre or orb but is in fact a spear thrower (*atlatl*).

Peter has tracked down the origin of this image. It is a *tepetlacelli*, an Aztec sacred carved stone box (8" high, 12" wide and 9" deep, so far smaller than a throne), currently housed in the Musée de Quai Branly in Paris, though in the nineteenth century it was in the Louvre and was described in the Latour Allard collection c. 1830. Though his attributes such as the nose-peg and *atlatl* the figure has been identified as the powerful Aztec god, Mixcoatl, though this would not have been recognised at the time.



This is not the first time that the image had appeared on notes. It was used for a Banco Mercantil Mexicano 500 pesos note of 1881 that never circulated. There the image is again on the left but the *tepetlacelli* is obscured by the value. It was also used on foreign notes, a Dominican Republic note of 1886, a Colombia note of 1880 and a Peru note of 1873, but in each case the *tepetlacelli* was either cropped or covered by other features. So the vignette dates back to the National Bank Note Company in 1873, before it was taken over by the American Bank Note Company. It is not based on a photographic reproduction but likely modelled on previously published illustrations as in Kingsborough's *Mexican Antiquities of Mexico* (1831), Menzel (1857) and Lützwow und Lübke (1858).



Peter suggested that the vignette personifies Mexico and signals her rebirth with the restoration of Mexican government after the French intervention. The orb is the renovated Mexican sun, the palm victory and the fruit prosperity. He even ventured the irony that the image was from the premier French collection: this was hardly known so it may have been an intentional snub.

Peter is an archaeologist by profession and, by popular demand, he spent the last part of his session, telling of his experiences in his many years discovering and excavating Mayan towns in Mexico and Central America. These included amusing, but terrifying, anecdotes about encounters with gun-wielding drug growers and the time (days) and effort needed to capture a few seconds of spectacular footage in a *National Geographic* documentary.

**Kyle Ponterio's** talk on world countermarks on Mexican coins presented an engaged audience with the wide range of areas where Mexican coins played a big part, from cobs to the Republic and everything in between, with copious amounts of illustrations. Kyle covered the where, when and why these issues circulated and the role they played in each of the respective countries, where they were able to circulate freely. Such as in Brazil where a shortage of specie



forced the government to raise the face value above the intrinsic value so that the coins would stay in country and the government could make a nice profit; or in Costa Rica where a counterfeiting ring had produced false gold coins in León, Nicaragua, causing the government to assay and countermark genuine pieces. In Madras, India, bust 8 Reales had their edges shaved down, were re-edged and were completely overstruck. In Scotland, with the Marchant countermarks, silver and copper coins were marked for use during the Industrial Revolution, again to raise their face value. In Thailand the Royal seal and Chakra were applied to Cap & Ray 8 Reales giving an exchange rate of three 8 Reales to five Baht. In Timor the mark of the Order of Jesus Christ our Lord and Savior was applied to all genuine Cap and Ray 8 Reales. In New Orleans War of Independence 8 Reales were cut into quarters and countermarked by Planters Bank between 1811 and 1815, and in the West Indies silver, gold and copper coins were mutilated to circulate at a higher rate to stay on the island.

Kyle covered several other locations, time periods, varieties and forgeries.

Participation from the audience came in the form of jokes and questions. Dan Sedwick, for example, asked whether there were any known countermarks on Maximilian issues and was told the answer was yes, there does exist an example of a peso with a Cuba Key countermark.

Kyle's research in the area of cut and countermarks is ongoing with new discoveries found all the time.

A **meeting of the association's board** was held on the Saturday morning. Diane Powell reported that the association's finances were sound, with income, half of which came from the convention and especially the Silent Auction, exceeding expenses and a bank balance as at 30 September of over \$21,000.

Cory reported on the organization's administrative needs. Though several people had volunteered to help with tasks, fragmentation had caused problems and his company had to date been expending a lot of staff time and resources. It was agreed that in future the association should pay World Numismatics to carry out various financial, administrative and promotional tasks.

The Board discussed marketing the organization. It was felt that for the present Terry Zimmerman should continue working on revitalizing our website ([www.usmex.org](http://www.usmex.org)), but consideration should be given to search optimization and making the site fully searchable and mobile-friendly. If necessary, the board could hold a teleconference meeting later in the year to discuss this further. As for promotion the organization should ensure that it issued press releases before and after the convention, and have flyers at the major shows, but otherwise directors felt that the best method was "word of mouth". Chris said that Heritage Auctions would help with producing PR material, whilst Phil said that the organization could reciprocate with the Fleet Society on publicity etc.

Directors stressed the advantages of keeping the current community feel of the convention and Chris stressed that at a bourse it is the quality, not the quantity, of attendees that mattered. Directors felt that an effort should be made to encourage participation from south of the border. Directors also felt that we needed to maintain the quality of the guest lecturers, and could help with their costs.

The journal editor made his usual appeal for more contributions for the journal, and Directors vowed to spread the message among their associates. It was decided in future to include Spanish-language books and articles in the online library.

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# THE LOWER CALIFORNIA COMPANY AND ITS BANK OF LOWER CALIFORNIA

by Ron Thompson



A good chunk of the fun in collecting obsolete currency is coming across something weird and unexpected. The bulk of United States obsolete currency was issued and used from the American Revolution to just after the end of the Civil War.

I was online checking out various auction lots when I came across a ten cent bank note. What caught my attention was the bank name, The Bank of Lower California Trust and Loan Association. I had never seen that name before so I looked at the lot image closer and discovered the bank was located in Magdalena, Lower California. Where was Magdalena?

The scrip was also exchangeable into gold coin if ten dollars or more was presented for redemption in New York or San Francisco. I immediately assumed this was some sort of scam. During the period of obsolete currency many con artists would set up banks and issue currency that was payable in faraway places at well-known institutions. In most instances they would not have accounts at those institutions so the currency was worthless even if you ever traveled to redeem it. The gold was added to enhance and entice a mark to accept the currency.

At the bottom left corner of the scrip was the legend "N. B. This currency is temporary issue for use until engraved notes are prepared and agencies established in Mexico and Europe." What does that mean? Why would agencies be needed for scrip? The scrip also noted that the Bank was organized under Charter from the Lower California Company.

From research I have discovered that this note was produced at a time when Americans were interested in pursuing recent mineral discoveries in Sonora and the northern part of Baja California and Mexico was eager to encourage settlement by granting floating colonial grants of vast tracks of land to companies willing to promote settlement in the region. The most noteworthy of these attempts was that of the filibuster William Walker while the second major effort to colonize Baja California was undertaken by this Lower California Company.

The company was formed to take over a land grant contract originally negotiated in 1864 from President Benito Juárez by Jacob P. Leese. It was incorporated by the State of New York in May 1867, with General Benjamin F. Butler as president, Drake De Kay as secretary and Samuel L. J. Barlow as counsel. Captain J. B. Isham was designated general superintendent.

The Baja California peninsula runs from about latitude 23° N to 33° N, just below San Diego, whilst the grant covered the land from 24° 20' N to 31° N, so almost the whole of the peninsula. The company's plan was to bring 11,000 Chinese immigrants to their grant area to exploit it for the company's benefit. During the California gold rush and the development of the intercontinental railroads a large number of Chinese came to California so the idea had already been tested and worked. Contrary to in the United States these immigrants were to be granted citizenship and all rights under the Mexican constitution. In addition, they would not be required to serve in the army for five years.



Advertisement showing the territory granted to the company

The company enlisted John Ross Browne and a group of scientists for a mission to survey the peninsula. Browne was responsible for several excellent promotional pamphlets including *Lower California: Its Geography and Characteristics, with a Sketch of the Grant and Purposes of the Lower California Company* with an insert map, which was the first modern depiction of the peninsula



An advertisement for the 'Sarah', one of several schooners that made scheduled trips to Magdalena

and provided the first graphical depiction of its interior and commercial prospects, including the potential for yet to be exploited harbors, mines and fisheries.

The headquarters of the company were located at Magdalena, a large bay about two thirds of the way down the peninsula, and it operated for a few years, including producing its own newspaper, *The Lower Californian*, published at the (projected) City of Cortes, Magdalena Bay, Lower California, and distributed from San Francisco.

However, the report from the scientists was largely unfavorable and the Lower California Company ultimately had its grant rescinded by the Mexican Government in July 1871, for failure to attract sufficient settlers to the region. The company ignored the order to suspend colonization and evacuate, whereupon the Mexican government sent troops to enforce its decree. There occurred a military confrontation between the company's local staff and the Mexican troops, which resulted in the colony being forcibly closed down. Drake Dekay, the signatory on the note, had by this time become U.S. Consul at Magdalena and he sought to obtain official American intervention "to protect American lives and property."

To date I have seen a total of three 10 cents notes (all remainders) offered for sale from the time I came across the first one and in August 2016 acquired what I believe to be the best of the three. In January 2017 I also acquired a one dollar note from the Heritage auction of the Eric P. Newman collection. Unlike the ten cents remainders this has a serial number, 48396, which suggests that the notes were intended for use.



Certainly more remains to be learnt about this American enterprise and its use of scrip, either as promotional items or as true currency.



# WORLD & ANCIENT COIN AUCTIONS

## Cap & Rays 8 Reales from the Collection of an Engineer Coming to Auction Spring 2018



Republic 8 Reales 1863 Ce-ML AU.  
DP-Ce01.



Republic 8 Reales 1866 Ca-JG UNC.  
DP-Ca42.



Republic 8 Reales 1847 C-CE AU.  
DP-Cn02.



Republic 8 Reales 1874 Do-JH XF.  
DP-Do56.



Republic 8 Reales 1828 EoMo-LF AU.  
DP-EoMo01.



Republic 8 Reales 1851 GC-MP UNC.  
DP-GC07.



Republic 8 Reales 1864 Ho-FM AU.  
DP-Ho04.



Republic 8 Reales 1863 Oa-AE UNC.  
DP-Oa11.



Republic 8 Reales 1859 Pi-MS VF.  
DP-Pi41.

\* Coins not yet third-party graded

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# MEXICAN COINS IN COSTA RICAN NUMISMATICS

by Manuel B. Chacón Hidalgo

With the arrival of the Spaniards and the process of conquest and colonization a new spatial planning, political, economic, cultural and social order was established in Costa Rica: also, a monetary system made of coins in gold, silver and, to a lesser extent, copper was imposed. Costa Rica had no mining of precious metals or mint, so the few coins that circulated entered through trade with other colonies in the Spanish Empire with products such as food supplies, pigs, biscuits, feed, leather, cacao, tobacco and livestock as well as payment received for civil and ecclesiastic officials. Given the shortage of coins in this period, barter was also practiced for transactions and, from 1709 and until the late eighteenth century, cacao seeds were officially used as coins.

Costa Rica used coins minted in other parts of America, such as Lima, Potosí, Guatemala and Mexico, among other places – and Spain as well.

With the proclamation of independence in 1821, one of the first concerns the leaders of the emerging state of Costa Rica had was to organize its monetary system and create the conditions needed for producing its own currency. This was not possible until 1825, so that, at the beginning, Costa Rica continued to use the system and coins inherited from the colony and other recently independent colonies, counterstamping them to legalize their use. Costa Rica counterstamped coins at different times over one hundred years, largely due to a shortage of its own coinage.

The first Costa Rican counterstamp came into use in 1822. A few months after independence, in July, the Supreme Governing Board authorized the importation of “strong” round pesos as provisional currency from Panama. These coins were called “American Insurgents”.

To verify that it contained the required amount of silver and to guarantee its quality, the coin had to be assayed, and if it was found to be of legal proof an imperial crown was engraved on it as a counterstamp, to legalize its circulation. This work was carried out by silversmiths dedicated to producing items of silver.

One of the main provisions to corroborate the weight and legality of Insurgent coins was to compare or contrast them with Spanish coins from Mexico and Guatemala. To distinguish those of good and low legal weight, they were authorized with two types of counterstamps each.



*1822 counterstamp*



*A provisional issue from Zacatecas with a 1822 counterstamp*

The 8 Reales coins that complied with the weight would only be marked with the Imperial Crown counterstamp and, in the case that the analysis determined that its intrinsic value was of 6 and 7 Reales because of its low weight, it would be counterstamped with the Imperial Crown and the corresponding number (6 or 7).

An 1825 document sheds light on the type of coin to which (in 1822) the counterstamp was placed. In view of the circulation of coins of different origins in Costa Rica, José María Peralta noted in that document that the so-called provisional coins were still in circulation, which consisted of American coins of diverse provenances.

With respect to the identification of so-called provisional or Insurgent coins, Carlos Jara Moreno conducted a study finding an 8 Reales coin from Zacatecas with the counterstamp of the Imperial Crown. Only this example is known until today, which must be considered the first coin of Costa Rica.

In Costa Rica, these coins were circulating until 1833 when the mint of Costa Rica amortized and restruck them. Some of these restruck coins show marks in the place where the Crown counterstamp was located, and others have remnants of the base coin engraving, some of them also identified as Zacatecas.

In 1824 Costa Rica joined the Central American Federal Republic, consisting also of Guatemala, Honduras, El Salvador and Nicaragua, which set out the characteristics required of Central American coins. That same year the first Costa Rican mint was founded; provisionally located in Alajuela, it was known as the Ingenio San José de los Horcones. It was there that Costa Rica began, starting in 1825, to mint its own coins in gold. This mint operated for a short time only,



closing down in 1825 due to a lack of machinery and trained personnel, and because of the poor quality of coins it was producing.

In 1828 the Costa Rican mint was created, located in San José: it managed to stay in operation until 1949. In spite of this, from 1825 to 1889 the mint could not supply all the coinage needed to handle the growing number of transactions of goods and services.

Different government administrations thus found themselves forced to legalize the circulation of colonial and foreign coins for use in commercial transactions, together with the country's own currency. A problem with many of these coins was their quality was quite poor, basically due to their gold or silver content, or because they had been counterfeited. As a result of this situation orders were issued at different times for various types of foreign coins to be counterstamped before circulating. These counterstamps consisted of engravings of stars, trees, volcanoes, lions and women's busts, among other designs – some of which represented the country's coat of arms at the time the coins were counterstamped.

Starting in the decade of the 1840s, circulating coins were too few in number for the economy's needs. This shortage was due to the mint's limited production capacity, as well as to the scarcity of metal used for coinage. Additionally, there was increased demand for metal, a demand that resulted from the rise in the industry of coffee beans, which were raised and processed for sale as a cash crop.

In 1841, the second counterstamping took place during the second administration of Chief of State Braulio Carrillo (1838-1842), who laid down provisions for the new symbols and legends to be used on coins, namely, to have a shield engraved on the obverse in the shape of a six-pointed star, symbolizing the existence of a free and sovereign state no longer linked to the Federal Republic.

In November 1841, due to the shortage of currency and the circulation of low-grade coinage, the Carrillo administration ordered legalization, by means of a star-shaped counterstamp, of all foreign silver coins in circulation with values of  $\frac{1}{2}$ , 1, 2, 4 and 8 reales. This was the first time the new national coat of arms had been minted on coins to guarantee their quality and identify them as belonging to the Costa Rican state. In addition, a cone-shaped perforation was made in them to extract a portion of metal to be kept by the government in payment for their legalization.



1841 counterstamp



8 reales, Carlos III, 1772, México, with 1841 counterstamp



8 reales, Carlos IV, 1791, México, with 1841 counterstamp



$\frac{1}{2}$  real, Carlos III, 1771, México, with 1841 counterstamp



8 reales, Ferdinand VII, 1821, Guadalajara, with 1841 counterstamp





1 real, 1828, Guanajuato, with 1841 Costa Rica counterstamp



1 real, 1828, Guanajuato, with 1841 Costa Rica counterstamp



8 reales, 1828, Guanajuato, with 1841 Costa Rica counterstamp



8 reales, 1840, Guadalajara, with 1841 Costa Rica counterstamp

In 1842, Francisco Morazán overthrew Braulio Carrillo to reestablish the Central American Federation, and as a result the design and coinage of the Federation period came back into use. Although Francisco Morazán was overthrown in turn in 1842, succeeding administrations up to 1848 kept the Federation's design and currency in the hopes that it would once again return to life.

Nevertheless, although coins from 1828 to 1837 were in circulation and new ones were issued with engravings from that period, the money supply was insufficient. For this reason, in 1845 and 1846 the circulation of coins from other nations was once again legalized by means of counterstamps.

The 1845 counterstamp was stamped on Spanish 2 real coins, called pesetas; on the obverse was the torso of a woman with the inscriptions "Costa Rica" and "2 R;" on the reverse was a circle with a tree in the center and the inscription "Habilitada por el Gob" (Authorized by the Government).



2 reales, Felipe V, 1744, México, with 1845 Costa Rica counterstamp

The 1846 counterstamp was applied to *macuquina* (cob) coinage. On the obverse was a circular counterstamp of three volcanoes, with an inscription reading "Repúb. del Cent. de Amér. 1846;" the reverse had an engraving of a tree and the inscription "Habilitada en Costa Rica JB" (Authorized in Costa Rica JB).



1846 - 1849 counterstamp





*1 real, Carlos y Juana, 1536 - 1556, México, with 1846 Costa Rica counterstamp*



*1 real, Carlos y Juana, 1536 - 1556, México, with 1846 Costa Rica counterstamp*



*1 real, Felipe II, 1585 - 1598, México, with 1846 Costa Rica counterstamp*



*1 real, Felipe III, México, with 1846 Costa Rica counterstamp*



*1 real, Felipe III, 1620 - 1630, México, with 1846 Costa Rica counterstamp*



*1 real, México, with 1846 Costa Rica counterstamp*

On 31 August 1848, during the administration of José María Castro Madriz, Costa Rica was proclaimed a sovereign, independent republic, and the country began establishing diplomatic relations with different European nations and the United States. With this measure, any possibility of Costa Rica returning to the folds of the Central American Federal Republic disappeared.

As part of the new set of symbols adopted for the Republic of Costa Rica, President José María Castro Madriz decreed the creation of a flag and coat of arms, which was engraved on coins in 1850.

In 1849 and 1850, however, gold and silver coins were minted with Federation symbols, due to the necessity of providing the economy with currency for transactions while dies were ordered for producing coins with the new engravings.

The 2 real, 1 real and ½ real silver coins issued in 1849, as well as those issued in earlier years for the last two denominations, were counterstamped that same year with the figure of a walking lion enclosed in a 5-millimeter diameter circle and the legend "Habilitada por el Gobierno." The 1842 ½ real coins with the star-shaped shield were also counterstamped.



1849 counterstamp

Later, in 1850, English one shilling coins, equivalent to 2 reales, and six-pence coins, equivalent to 1 real, were counterstamped with the image of a 6-millimeter walking lion.

In 1857 this counterstamp was also applied to gold ½ escudo and 1 escudo Central American Federation-type coins.

There are also some unauthorized coins that were counterstamped by error and they are very rare.

There are some counterfeits too, which consist of applying the legitimate counterstamp on other coins not authorized by the government.

These counterfeits were made by a jeweler in the 1950s who got a punch of the walking lion. Most of the base coins used were United States coins in denominations of 50 cents and others of Costa Rica in denominations of 1 real (1847, 1849, 1850). It is possible that this counterstamp has been placed on Mexican coins of the colonial period too.

However, there is a difference in the application of the counterstamp, because the legitimate was applied with machine and the false with a hammer. The false is characterized by not being so clear. In addition, the punch used had a fault in the part corresponding to the lion's tail so that in the falsly countermarked coins there is missing a small part of the lion's tail.



In the 1980s a famous collector from Costa Rica bought the punch from the jeweler to prevent further counterfeiting.

*Manuel B. Chacón Hidalgo is the Curador de Numismática of the Museos Banco Central de Costa Rica*



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# MAKING A BANK NOTE: A STUDY OF EL BANCO DEL ESTADO DE CHIHUAHUA BROMIDE PROOFS

by Connor Falk



The history of El Banco del Estado de Chihuahua (the Bank of the State of Chihuahua) is brief and steeped in the turbulent times of the Mexican Revolution. It was founded on 12 December 1913, as decreed by General Francisco “Pancho” Villa, military governor of the state of Chihuahua and commander of the División del Norte, an armed revolutionary faction. The bank’s stated purpose, in addition to issuing currency, was to “facilitate loans on properties that fully guarantee capital, especially to poor farmers who need pecuniary elements to cultivate their lands.” The bank’s capital was 10 million pesos, to be distributed in bank notes backed by gold.

Work began quickly to locate a designer and printer for the bank’s notes, and after several unsuccessful forays, El Banco del Estado de Chihuahua contracted with the American Bank Note Company (“ABNC”). Design work began in September 1914 with bank representatives choosing the vignettes to be used.

A lot in Dan Sedwick’s Treasure Auction 22, in November 2017, represents an interesting look at the bank note design process. The lot is a unique set of fourteen photographic proofs (also known as bromide proofs) made in 1914 by the ABNC when designing notes for El Banco del Estado de Chihuahua. These prototypes consist of both obverses and reverses of all seven denominations issued by the bank, including the rare 1 peso denomination.

A variety of obverse vignettes were used for the notes; the reverse vignettes, with minor variations, feature the seal of Mexico. The obverse of the 500 pesos features an allegorical design of two women, “Work” and “Knowledge,” with two young boys and El Banco del Estado de Chihuahua’s monogram in the center. The obverse of the 100 pesos depicts an armored Ceres seated with two men representing agriculture and industry in front.

The obverse vignettes on the lower denominations depict scenes rather than allegorical designs. The 50 pesos features a train pulling into a station, the 20 pesos illustrates a harvesting scene, the 10 pesos shows a rancher driving cattle, and the 5 pesos displays a miner using a pneumatic drill.

Of interest is the 1 peso obverse, which features a logging scene as the central vignette. The same scene is found on the Canadian Bank of Ottawa 5 dollars note from 1906 (Charlton 565-20-06). The later issues from 1913 (Charlton 565-22-02 and 565-26-02) feature a similar scene with the bottom row of logs removed, possibly to avoid cluttering a smaller vignette space than the 1906 issue. However, for the Chihuahua peso, ABNC designers removed six loggers that were standing on the log pile. On the bromide, this was achieved by pasting the reworked scene directly over the original vignette. Why this change was made is unknown, though it is possible the six loggers, who are white, looked out of place on what was to become a Mexican bank note.



*logging scene on \$5 Bank of Ottawa*



Other examples of “vignette sharing” were commonplace for ABNC notes. The following issues share vignettes with El Banco del Estado de Chihuahua notes:

- Canada, Union Bank of Canada, 5 dollars, 1903-1912, SCWPM-S1493 and S1495, same obverse vignette (harvest scene) as the Chihuahua 20 pesos
- Haiti, Republique d’Haiti, 1 gourde, 1914, SCWPM-131, same reverse vignette (harvest scene) as on the obverse of the Chihuahua 20 pesos
- Venezuela, Banco de Venezuela, 20 bolívares, SCWPM-S286, S291, S301, and S311, 1910-1936, same obverse vignette (rancher scene) as the Chihuahua 10 pesos

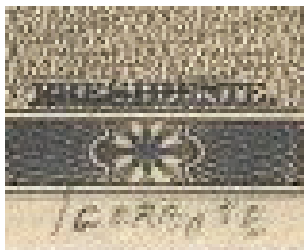
This is not an exhaustive list and I encourage others to provide more examples.

The other interesting aspect about the 1 peso note is its rarity. Although initial plans called for printing one million 1 peso notes, bank officials put the denomination on hold. Instead, an additional two thousand of the 500 pesos note were printed to cover the one million peso shortfall. Although ABNC received word that plates should be prepared for the denomination, none were ever printed. Just three proofs as well as the bromide in this set are known. What should have been the most common note in the series became the rarest one instead.

The other denominations are more common, and this bromide set provides insight into their design process. Edits were made on the notes throughout production. The 500 pesos obverse bromide displays this best. Above the central vignette, a banner with the decree date reads PAGARA AL PORTADOR EN EFECTIVO SEGÚN DECRETO DEL 12 DE DICIEMBRE DEL MIL NOVECIENTOS TRECE. The second “DEL” should be “DE”; the ABNC designers realized this and greyed out the erroneous “L.” On the printed notes, the sentence reads correctly and the letters are slightly shifted to fill in the space.



*erroneous L of DEL greyed out*



Another design change on the 500 pesos is the change in signatories. Spaces are available for the Interventor del Gobierno (government controller), the Cajero (cashier), and the Presidente (president of the bank); however, Presidente is crossed out and Gerente (manager) is written below. All printed notes display Gerente printed in place of Presidente.

A major change between the working copies and the printed notes is the valuation. On 14 September 1914, the valuation of the 10 pesos read ORO MEXICANO. The 5 pesos bromide displays a similar valuation stating VALOR ORO MEXICANO, but by 1 October 1914, this was changed to VALOR ORO NACIONAL, as seen on the rest of the bromides as well as the finished printed notes.



*Denomination on bromide*



*Denomination on issued note*

Although the notes were printed and delivered in early 1915, El Banco del Estado de Chihuahua would not exist much longer. Because of the depreciation of Villa’s currency after his defeat at Celaya in April 1915, within a year the bank found it could no longer operate. By 23 November, the bank had closed, having never issued the notes both the ABNC and bank officials had worked hard on. Instead, the series found new life first as advertising and novelty items, and now as numismatic pieces to be bought, sold and researched.

#### Acknowledgement

A full history of El Banco del Estado de Chihuahua written by Simon Prendergast can be found online at [www.papermoneyofchihuahua.com](http://www.papermoneyofchihuahua.com).



# PRIVATE ISSUES OF PAPER CURRENCY AND THE TIENDA DE RAYA

by Simon Prendergast

This essay studies some of the paper currency issued by private Mexican firms. It details the different formats and suggests differences between the reasons for such issues in companies, factories and haciendas.. It also considers the relationship between such issues and the concept of the *tienda de raya* (company store).

The *tienda de raya* has often been portrayed as a device used by employers to exploit their labour force. It is held that the store sold products of low quality to workers at higher prices than those that would have existed in a competitive market and that they maintained this monopoly because wages were paid in company scrip, or *vales*, which could only be exchanged at the company store and/or because it was explicitly prohibited for workers to buy elsewhere. Through the company store, it is alleged, workers incurred heavy debts that bound them endlessly to the hacienda or company. This essay attempts to analysis this suggestion, specifically with the help of information about the paper currency of Mexico.



*The archetypical store note: issued by the tienda de raya of a foreign-owned mining company, denominated in reales, exchangeable for goods, and with a simple vignette of a (jolly, American) miner*



*An 1891 \$1 note from the Batopilas Mining Company, payable to the bearer within seventy days of its presentation in Batopilas in legally taxed silver, for its value, or amortizable in quantities of one hundred pesos or more*

There are several private issues listed in the 2010 edition of *Mexican Paper Money*. If we discount notes that from the wording or date of issue appear to have been a response to a temporary shortage of fractional currency, or again from their wording or denomination appear to have been used as local medium of exchange rather than to pay wages (e.g. various notes from Yucatán for fifty or one hundred pesos, of no use to the average worker, or notes of the Batopilas Mining Company payable in seventy days of their presentation (unless this was an elaborate deception to suggest that the notes were legally not paper money), we are left with 38 issues that could be considered company

scrip. To these we can add notes that have appeared since the catalogue's publication and also various references from newspapers or official reports (though I have ignored most references to *boletos/boletas* (see below) and those that do not explicitly refer to paper): together these give us a limited population of 45 issues from 33 locations in 12 states.

Even if we do not want to go so far as to argue that these are just the tip of an iceberg, these must be a very small sample. No one had any incentive to leave scrip behind and little survived. Indeed, the main party interested in such scrip, apart from the issuers, was the local authorities who had to administer the laws against it. With the exception of unissued remainders, many of the surviving pieces are unique examples that surfaced in the García auction in 1974. This suggests that they were assembled by one person, perhaps a contemporaneous collector or possibly someone who was in a position in later years to detach them from the reports from local officials that had accumulated in state archives. Current data is skewed towards mining companies, especially in the northern state of Chihuahua, and textile factories that experienced industrial disputes and so are of interest to students of social history. More trawling of local newspapers and company and official documents would certainly produce more examples. Such further discoveries might easily alter our findings and enterprises that issued currency during the Revolution, such as the many mining companies in Guanajuato or the numerous haciendas in Michoacán and Jalisco, may have been drawing on an established tradition and should be considered. Finally, this article considers only paper currency, not the more numerous different types of metal tokens, though they should also contribute to any discussion on the *tienda de raya*.

Nevertheless, we can draw a few conclusions from the surviving notes themselves.

## Location

Most notes were issued by mining companies, especially in Coahuila, Chihuahua, Sonora and Durango. In northern Mexico, as elsewhere, mining and timber enterprises were often located in isolated mountainous areas with low population densities significantly distant from commercial centres. Mining entrepreneurs, therefore, had to deal

with a lack of infrastructure - no streets, no churches, no schools, no residences, no utilities, and no banks or financial intermediaries - and the specialized industries that might otherwise have provided these services were dissuaded from doing so by the high start-up costs and the enduring uncertainties of dealing with low-income communities that might be there today and gone tomorrow. Mining companies, therefore, built residences, churches, schools, and water works, ran the local government and police, and opened company stores or commissaries.

The other states currently represented are Guanajuato, Jalisco, Michoacán and Yucatán. It has been remarked that factories were often built near to a water-supply (for power) and away from commercial centres whilst haciendas, by their very nature as large, self-contained institutions, lent themselves to the need for a company store.

## Issuer

In our population of 45 22 (49%) are from mining companies, eight (18%) from stores, eight (18%) from textile factories, six (13%) from haciendas (cattle, and agricultural, including one henequen), and one (2%) from a timber company. Three of the mining issues and the hacienda notes specially mention the *tienda de raya*, and from their format, reveal the method of use (see below).

Scrip could also be classified as to whether it was issued by the employer, a third party operating under a concession (whereby the employer was responsible for deducting workers' debts to the store from their weekly wages and, in compensation, received a



*Note from the Compañía Minera de Batopilas, authorizing Francisco Larriva y Compañía to provide the bearer with 25c worth of goods*



*25c note from Becerra Hermanos, Urique, Chihuahua, payable in banknotes or in taxed silver with an 8% charge*

percentage of what the workers spent at the store), or an independent operator, working either with or without the permission of the employer.

The store notes can indicate use in several locations. For example, the notes of the Becerra brothers, issued in several series over several years, have stamps from Urique and from Guazapares.

## Date

Of the datable notes, a few are from the 1870s (four notes, 10%), the majority from the 1880s (17 notes, 43%) and 1890s (four notes, 10%), with others are from the first (13 notes, 32%) and second (two notes, 5%) decades of the twentieth century.

## Design

Most of the notes are monochrome, though some have a touch of colour. To the left is a well-designed note produced by the American Bank Note Company for the Fabrica de Tunal, Durango. There were four values in this single surviving issue from a textile factory.

Again, as is to be expected, earlier issues are quite primitive, with simple fonts and vignettes, especially when they were produced locally. Later issues were more sophisticated, but the vignettes were more American than Mexican, which, as with early banknotes, is to be expected when the note were produced in the U.S. rather than in Mexico. Though miners and mining scenes, and stock devices such as dogs (for Trust or Security) predominate, there are some curiosities. For instance, the Compañía Minera in landlocked Uruachic, Chihuahua, has a personification of Hope and a harbour scene.







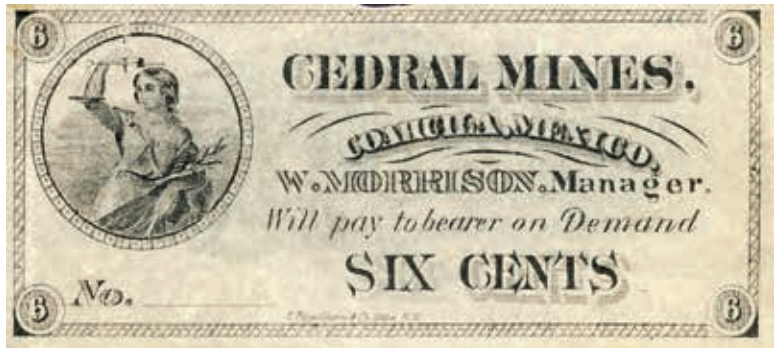
A \$5 note from Vallado y Escalante, Mérida, Yucatán.  
The Indian is decidedly un-Mexican



\$1 note of the Rascon brothers in Uruachic, Chihuahua, payable in cash or in taxed or bullion silver, at the company's discretion



The reverse of a one real note from the  
Negociación de Santa Eduwiges, Jesús María,  
Chihuahua with a vignette of a dog and a safe



A note from an American owned company with English text

Most have the issuer, value, method of payment, and simple numeration and needed hand signatures to be valid. They all presume a certain degree of literacy and numeracy, though reports (as below) did question the literacy of workers.

### Denomination

Early notes are for reales (eight reales to the peso) or denominated in both reales and centavos as though the Mexican peso was formally decimalized in the 1860s, the real hung on until the 1890s: later notes are for pesos and centavos. Values range from five centavos to ten pesos, but most are for less than one peso.

Some notes are for a discrete amount in goods (*efectos* or *mercancías*) but most are for cash. Earlier notes mention that they are payable in silver that has been legally taxed (*plata quintada*), legal tender (*moneda corriente*), silver coinage (*pesos fuertes* or *moneda de plata*) or banknotes (*billetes*), sometimes in multiples of pesos. Often the options of silver or banknotes are offered at a discount (8% appears the normal rate). The discount for banknotes could reflect the fact that banknotes in the 1880s were subject to a discount when exchanged for hard cash but then, logically, the holder should get more in banknotes, not less. So the discounts are more likely (a) to cover the cost and risk of transporting specie to remote areas, (b) to cover the commission paid to independent suppliers, or (c) to act as a disincentive.



Another archetypical note from the Hacienda  
de Canutillo, Durango, demonstrating the  
onesidedness of any contract, as it is payable in  
goods from the hacienda's tienda at the prices  
established therein



2 reales note of the Negociación de Pinos Altos,  
Chihuahua, payable in legal tender (*moneda  
corriente*)



25c note of the tienda de pago in Palmarejo, Chihuahua, payable in legal tender (moneda corriente) or silver pesos (pesos fuertes) with an 8% charge



A 12½ centavos (one real) note from Angel Almada & Compañía, Alamos, Sonora payable in silver coin with an 8% charge for conversion and 1% charge for administration (situación de esta plaza)

### Method of exchange

There are various ways that a *tienda de raya* operated but the common factor appears to be supplying goods on credit (hence the name *de raya*). A company store would want to know that the potential purchaser was owed wages by the company, and so a running tally was maintained, whilst an independent store might have to take a risk in offering credit (and so levied a charge).

### The boleta system

This could be a mere book-keeping exercise. One account from Sonora states:

*The superintendent generally keeps a store near the mine to supply the miners, and the law prescribes a system of bookkeeping between them. Instead of figures they use signs, adopted by legislation, and which, for the illiterate miner, is a protection.*

The scale is briefly thus: — equals three cents. ∩ equals half a bit. ⊖ equals a bit, or 12½ cents.

⊥ equals half a dollar. ⊕ equals one dollar. ∨ equals five dollars. ✕ equals ten dollars.

*At the opening of every month each hand is furnished a boleta, or bill in blank, upon which the superintendent, under the miner's eye, places the price of everything purchased at the time, and also charges it on his books. This boleta is kept by the miner in a hollow stick, or quill, and protects him from false charges. So if, at the end of a month, a miner's boleta stands thus:*

∨ ∩ / ✕ ∩ ∩ . ∨ ∩ ✕ / ⊥

*he knows that he owes \$33.40½, and if the bookkeeper has more charged it cannot be collected. If the miner is receiving \$30.00 per month, the excess of \$3.40½ is carried on to the boleta for the second month, and he is to that extent a peon, and belongs to the creditor till it is paid. Or, more properly, the creditor has a lien upon his person for the debt.*

It is noteworthy that this account presumes the worker is in debt. The author continues:

*If he runs away he may be arrested anywhere in the republic, and returned to the creditor, who adds the charges and expenses to the debt owing by the peon, to be worked out, or his life spent in the effort. In the hands of shrewd, unprincipled men they generally do the latter. The system is fine – at least, for the owner of the store. For the peon it is quite another question. The Mexican legislator, perhaps, reasons that the laborer has his boleta to show him his financial latitude and longitude, and if he puts his head in the halter it's his own affair.*

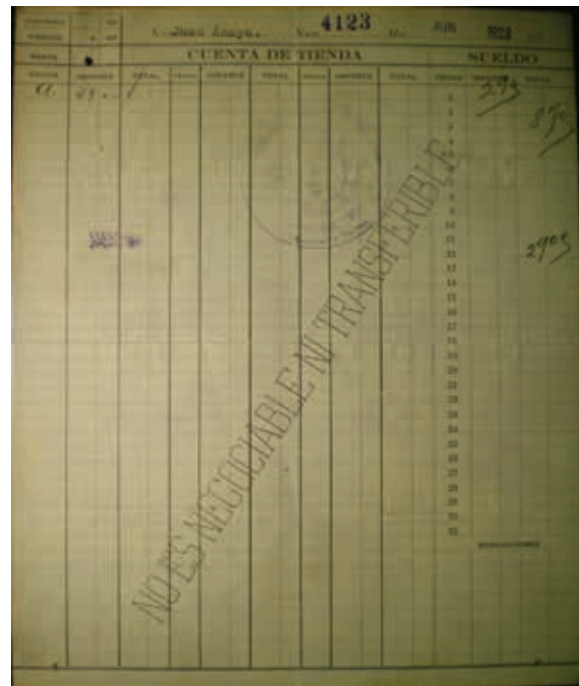
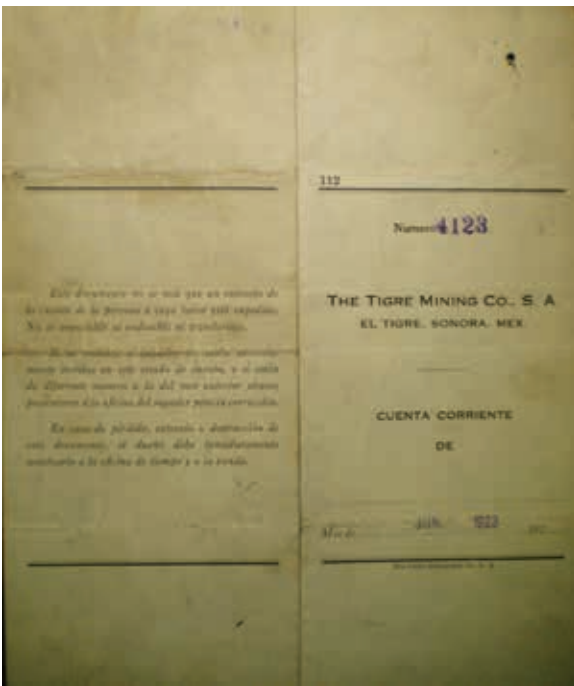
However, as discussed below, this was not always the case.



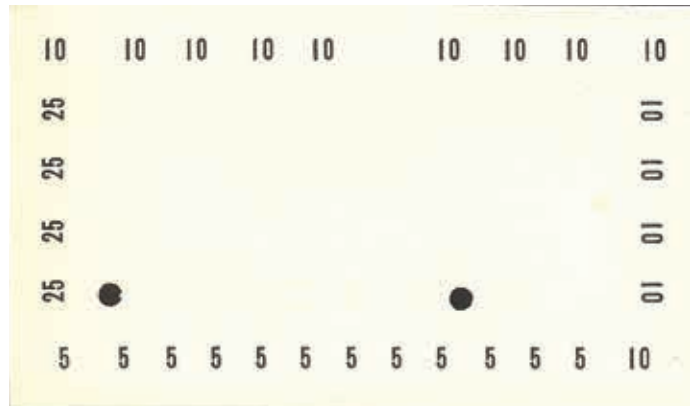
Early 25c note from Uruachic, Chihuahua, payable in taxed silver or its equivalence in legal tender (moneda corriente) with the local discount



A later (1923) example of such a *boleta*, from the The Tigre Mining Company, in Sonora, is illustrated below.



This system could be adapted. For example, the Cananea Consolidated Copper Company, in Sonora, called its notes *boletos* and had the wording drawn up by a lawyer to try to show (unsuccessfully) that they did not breach the law.



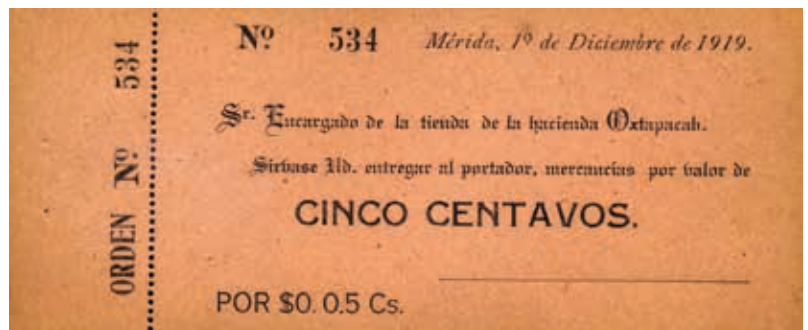
A note of the Cananea Consolidated Copper Company, entitling a named employee to draw three pesos in goods from the tienda de raya

Reverse of the Cananea notes, showing how the three pesos of value could be checked off over time

## Coupons

Another method was coupon books, whereby an employee signed for a sheet or book of coupons, the value of which was deducted from his pay. When the employee bought goods from the company store, he paid in coupons, just as he would pay in cash, and the coupons were kept and counted the same as cash.

However, such booklets could also be kept by the paymaster who would write the recipient's name on the counterfoil.



A late \$5 coupon note from the Hacienda de Oxtapacab, Mérida, Yucatán

## Scrip

The simplest form of scrip were the handwritten chits, for a certain value, given to a named employee for credit at a local store. However, this article concentrates on printed documents, for a discrete amount. Although these could be made out to a specific person, most were *al portador* (to the bearer).

As we have seen above, there were several permutations:

1. scrip exchangeable for goods in the company store;
2. scrip exchangeable in goods in a specified store, which would have had an arrangement with the company. Often company stores were run under commission by outside contractors;
3. scrip exchangeable in a number of local independent stores (or with local peddlers). Francisco Almada records that the Negociación de Santa Eduwiges issued scrip payable in cash in Jesús María and Chihuahua and accepted by nine stores (*casas comerciales*) in Jesús María.



A 'loan' of four reales in goods to a named worker, from the Hacienda de Nueva Australia, Cerro Colorado, Chihuahua

## The reasons for the use of scrip

There seems to have been a difference in the rationale for scrip among the northern mines and in the haciendas and factories further south. For the former the advantages of the scrip system to the operator were:

1. the company could pay almost its entire payroll in company scrip, requiring only a few pesos of actual working capital. As it was costly and dangerous to transport specie to remote areas, in the earlier days this was particularly advantageous: Alexander Shepherd of the Batopilas Mining Company secured permission from the Chihuahuan state government to issue his own notes for this very reason.
2. even when local banknotes appeared, in outlying areas notes issued in the state capital were not accepted or heavily discounted. At Pinos Altos, Chihuahua, the company kept an account with the Banco Mexicano and every month brought in as much paper money and hard cash as it thought necessary, but occasionally the notes 'ran out' before the stage arrived and at other times it was necessary to delay the stage. So the company issued its own paper, redeemed periodically, at par, with Banco Mexicano notes when the stage arrived from Chihuahua.
3. scrip was one perquisite an owner could offer to attract labour into a somewhat unattractive environment. By issuing scrip against future wages the employer provided commercial credit with virtually no interest charges to the borrower.
4. in addition, it has been suggested that scrip was a sumptuary device used to ensure labour productivity through control of drinking.

It has been suggested that miners were paid almost entirely in scrip. In reality, miners were generally paid in cash monthly or every two weeks. Scrip was an advance on wages due the following payday, which was negotiable at full value at the company store. Given that periodic paydays were an institutional feature of employment, scrip was a convenience that offered miners the opportunity to draw wages as they were earned, but the practice made store patronage practically compulsory. However, the extent to which scrip raised the percentage of miners' earnings spent at the store may have been small. Given the slight differences in the prices at company stores and nearby independents and the company store's more convenient location, miners might have spent similar amounts at the store had they been paid entirely in cash.

There were good reasons for a company to run its own store since this lowered the information and enforcement costs of providing credit and allowed them to monitor the type and quality of goods on sale. If the company had a quasi-monopoly on basic goods, it could charge what it liked and reports vary from companies being accused of exploitation, selling low-grade goods at exorbitant prices, to being praised for subsidising the cost of living. At Pinos Altos, Chihuahua, the directors believed that the low prices helped to draw labour to the town. A 1907 article in *El Tiempo*, however, promoting the shares of the Negociación Minera del Carmen y Anexas, in Topia, Durango, after explaining how rich the mines were, stated "it is possible to install a *tienda de raya* for the payment of workers, which is a second mine, since that renders very good profit." Though it could have been both profitable and non-exploitative.



It has also been argued that not only could employers exploit their workers, but also by keeping them indebted, they could prevent their work force from moving into other jobs that could offer them better conditions. This is more likely to have happened, however, on haciendas or ranches rather than in the mines, where they was generally free movement of labour.

Again, though it has been charged that the prices at the store were too high and that stock of an inferior quality was carried., in the majority of cases, the reverse seems to have been true, the employee being able to secure from the company store as good, if not better, articles for the same or a less price than would be charged by an independent store. Generally, it appears from US data that in normal or tight labour markets, company- store prices were at most slightly higher than prices at nearby independent stores. Store prices at more isolated mines were higher, in part due to higher costs of transporting goods, but wages there may also have been higher.



*An earlier piece from scrip from a Negociación Minera in Topía, Durango*

Since scrip prices were the same as cash prices, the miner had little incentive to buy goods with cash if he could draw scrip. Most of the stores business was paid for with scrip or on a charge account.

Where other stores (or peddlers) accepted the company's scrip they did so at a hefty discount (they were in turn charged by the company when they redeemed the scrip). Some companies tried to keep peddlers and nearby independents from delivering goods; other companies allowed peddlers but carefully checked that they transacted only their stated purpose.

Shepherd at Batopilas could argue that his scrip prevented exploitation: "The company has five stores in operation at the five principal mines and at Hacienda San Miguel, where the men can purchase at fixed rates the year round and not be subject to discount on the *vales* of the company. This was found to be necessary to prevent extortion by persons who discounted *vales* at 20 to 30 per cent. and the plan has worked perfectly".

Again, it has commonly been believed that factory workers were paid mostly in scrip. In fact, in the Orizaba textile mills, workers were paid most of their wages in silver coins *Vales* were an advance on wages due the following payday. It was negotiable at the company store at its full value if it was traded for merchandise, or at 70 percent or 80 percent of its value if it was exchanged for money. On the following Saturday, the amount advanced to workers in scrip during the week was deducted from their wages and paid to the company store, after deducting five percent commission.

It is possible that in some textile mills workers were fully paid in scrip, since several newspaper articles denounced this practice, yet no study has yet found evidence in hacienda or company records of such a case.

Several studies of haciendas or ranches suggest that the *tienda de raya* differed strongly in Mexico depending on the particular region, just as labour conditions did. More empirical data would be needed to permit a well-founded general judgment on this issue. The data available, however, point out that *tiendas* had frequently been run by leaseholders and not by the hacienda administration, that *tiendas* did not habitually sell overpriced goods, and that in some areas they were absolutely necessary to supply hacienda personnel with goods." It was the rate of pay, rather than the format, that led to generations of "debt peonage".

### **The "myth" of the *tienda de raya***

So far it has been suggested that the *tienda de raya* could be an instrument for benevolence or one of oppression. It is true that complaints about the *tienda de raya* play a decisive role in all writings about the Porfirian period. In a famous speech to the Mexican Congress in December, 1912, Luis Cabrera summarized them when he stated that "the *tienda de raya* was not a simple abuse of the hacendados; but an economic need of the system of management of a hacienda". He considered it part of the system of perpetual indebtedness and "the economic death of our poor classes". Essentially it was alleged that the company store fulfilled three functions: (1) It was to a great extent there that peons became indebted to the hacienda or company, (2) It provided a large supplementary margin of profit to the hacendado who arbitrarily set the prices often selling low quality merchandise at inflated prices. and (3) the hacendado saved money by not paying cash but selling products manufactured on the hacienda. This greatly reduced his dependence on outside markets.

Aurora Gómez-Galvarriato has shown that this black legend of Porfirian company stores was in a large extent formed by the protests during the Rio Blanco "strike" (actually a lockout) of 7 January 1907 where several company stores were



*A Posada cartoon showing the owner of the tienda de raya taking the shirt off the back of a poor peon. The textile mill operated by the Compañía Industrial de Atlixco, at Metepec, Puebla was one where the workers complained about being paid in vales*

sacked and burned, and dozens of workers killed. Company stores became easy scapegoats that could be pointed out by the media in order to relieve the industrialists' unfair lockout and the government's role in it of their responsibility. Gómez-Galvarriato argues that most historiography on the Río Blanco 'strike' and on the *tiendas de raya* was based on very few sources, most of which can be traced back to newspaper articles written in the days following 7 January 1907. For example, on 15 January, *El Diario* published an article stating that it was urgent that the system of company stores was modified. The worst damage caused by company stores was that they gave credit to workers through the system of *vales*. This was terrible since credit "was very dangerous when given to individuals not very reflective and of a light temperament, as our workers frequently are." Thus the largest share of wages never went to the workers but entered directly to the company stores who charged higher prices on the "advanced" merchandise and high discounts (of between 12 percent and 25 percent per week) on *vales* as interest rate. Even worst was the fact that the debts that workers held with company stores were mostly due to buying alcoholic drinks, the most profitable part of their business.

Research based on hacienda and company documents shows that it is very difficult to support this view of *tiendas de raya*, but the creation of the *tienda de raya* 'myth' was very important for the enactment of laws and regulations by the Revolutionary regimes, that gradually put an end not only to *tiendas de raya*, but also to the other manoeuvres carried out by haciendas by which many workers were actually tied to them by debt.

## Conclusion

More research is needed but it seems we must distinguish between the use of scrip in mining companies, factories and haciendas; that they were often a bureaucratic convenience when labourers invariably needed credit between paydays, and that this need could lead to exploitation, but could also allow employers to demonstrate a paternal attitude (whilst reducing their costs and establishing their dominance).

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Mike Dunigan and J.B. Parker

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