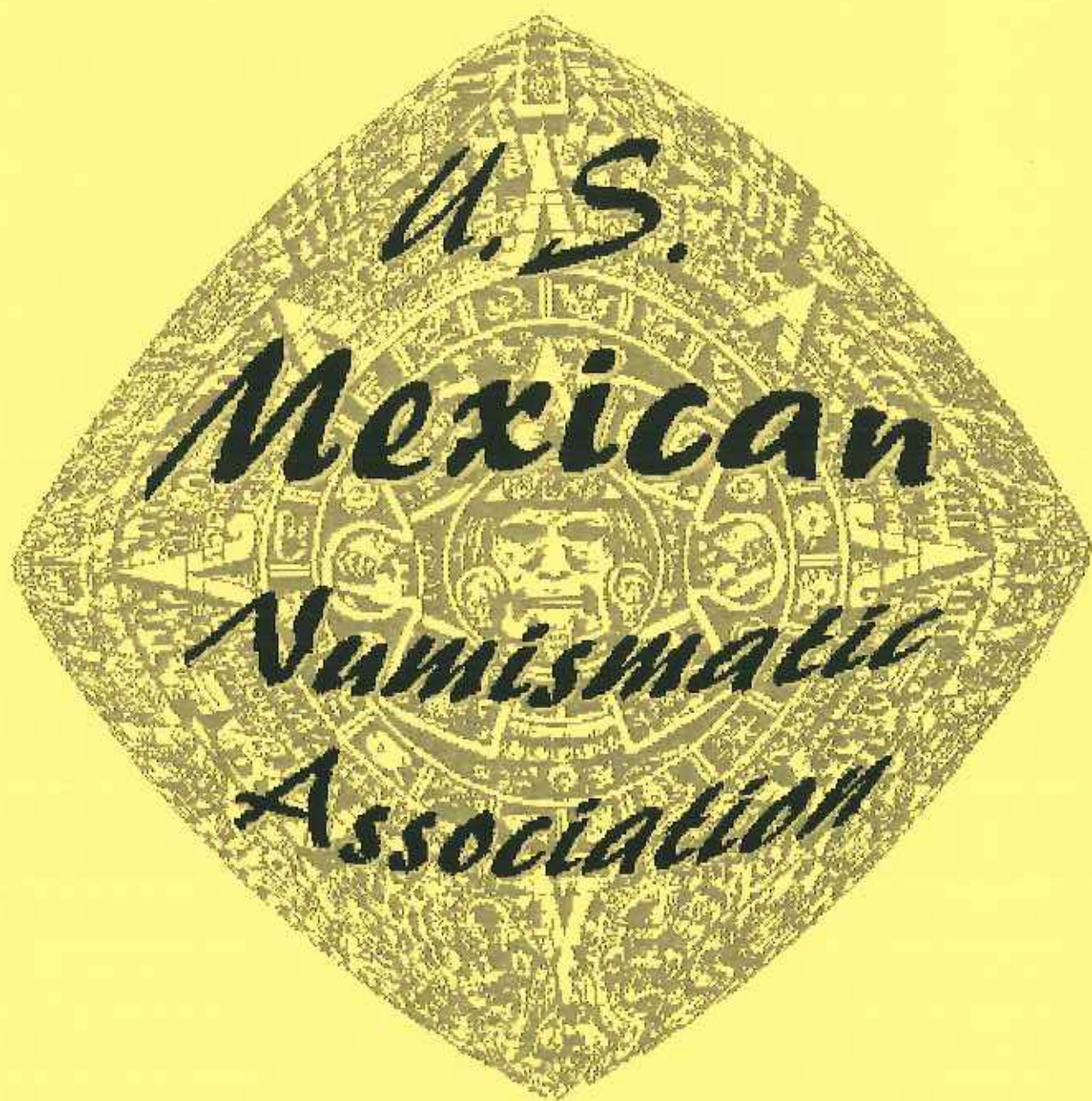


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FIRST ANNUAL USMEXNA SCHOLARSHIP TO BE AWARDED

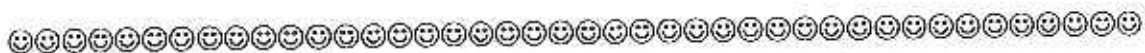
The Association Board has voted to begin awarding a full scholarship to a youth 18 years of age or under that is a full time student to a youth member of the Association or the child of an active adult member.

This scholarship will be for the American Numismatic Association's Summer Seminar that will be held at Colorado Springs, Co. to be held June 30 through July 6, 2001. The scholarship will cover airfare up to \$500.00, room and board, and seminar related expenses. The seminar subject the scholarship is for is the one on Mexican numismatics offered by Richard A. Long, who will be covering "Mexican Eight Reales to Pesos". The rules are as follows:

1. Be a Youth Member, or the son or daughter of an active member of the Association between the age of 13 to 22.
2. Must speak English.
3. Must submit a 500-word essay on a Mexican Numismatic subject. This can be submitted in English or Spanish.
4. The deadline for submitting essays will be December 1, 2000.
5. The essays shall be submitted to the USMEXNA Youth Chairman.

Sal Falcone
1230 Lincoln Ave.
San Jose, CA 95125

The recipient will be notified by January 1, 2001. Any questions should be directed to Sal Falcone at the above address.



CALL FOR HELP FROM THE MEMBERS

Collector is attempting to make a comprehensive die study of the 2 Escudos of the Republic of Mexico. I am seeking good photographs of all the 2 Escudos presently known. With a large enough response from collectors a census of the series can also be made. Will travel to you in order to study and photograph large collections. Even if you have only one please let me hear from you.

Contact:
J. R. Rollo C-124
P. O. Box 293296
Kerrville, TX 78029-3296
(830) 257-7158

THE REVOLUTION CORNER

By Joe Flores C-2

CHIHUAHUA
PESO DEL NORTE

Un Peso from the state of Chihuahua is better known as Peso del Norte, and is a very common coin. It can be found in all grades, but very difficult to find in BU with both engravers, Sevilla on the obverse and Salazar on the reverse. The eagle on this coin is one of my favorites because there is so much detail on the feathers of the eagle's wings. They are struck on silver and copper planchets. The copper coins are Extremely Rare. Photo #1 is of a silver specimen, also known as; HS-55, U-CHI 12; G-CHIH 30 and GB 72 and 73 ---For copper.

I purchased a Uniface Peso del Norte struck on a **BRASS** (Laton) planchet. This trial strike coin is the first one I have ever seen. Other than the Sevilla-Sevilla struck on obverse and reverse side of the coin, they come in almost all metals, but that is another story. Photo #2 is of the newly found trial or pattern strike coin.

Coin Owner

Joe Flores
P. O. Box 4484
Stockton, CA 95204
Fax (209) 462-0759

NEW E-MAIL pepcf@msn.com



Photo # 2

Edge-----Plain

Metal-----BRASS (Laton)

Dia. -----38mm

Thks.-----2min

Wt. ----- 16.10 Grms.



INFLUENCIA DE PLATA GRUESA

By Barbara C. Walfaren

This is the second and final installment of the booklet written under the title of "Money Used In the China Trade", which was written by Verne R. Walrafen's late wife who passed away in 1966. The printing was done with financial support of the then Azteca Numismatic Society, and with the confidence and encouragement of the late Erma Stevens. This publication has long been unavailable, and we felt it worthy of sharing with the membership. Thanks to Verne R. Walrafen, C-4 for allowing us to use this, and we hope you find it as interesting as we did.

STANDARD INGOT WEIGHED ABOUT 50 TELS AND THE SILVER IT CONTAINED WAS CALLED ...SYCEE... FROM THE CANTONESE PRONUNCIATION OF ...HSI SSU... , FINE SILK. THE TERM ORIGINATED IN THE FIVE NORTHERN PROVIDENCES (CHIH LI, SHANTUNG, SHANSI, SHENSI AND HONAN). WHEN THE SHANSI BANKERS MELTED SILVER INTO INGOTS, AFTER IT HAD BEEN LIQUIFIED AND POURED INTO THE MOLD, AND BEFORE IT HAD AGAIN SOLIDIFIED, THE MOLD WAS LIGHTLY TAPPED. THEN THERE APPEARED ON THE SURFACE OF THE SILVER FINE, SILKLIKE, CIRCULAR LINES. THE HIGHER THE ...TOUCH... OF THE METAL, THE MORE LIKE FINE SILK WERE THOSE ...CIRCLINGS... ON THE SURFACE OF THE SILVER. HENCE INGOTS OF FULL QUALITY WERE CLASSIFIED AS ...SYCEE...³⁴

IN 1890 KWANGTUNG PROVINCIAL MINT STRUCK SILVER DOLLARS AND SILVER FRACTIONAL COINS BEARING A DRAGON DESIGN. THE MOST COMMON FRACTIONAL COINS WERE THE 10-CENT AND 20-CENT PIECES. OTHER PROVINCES AND THE CENTRAL GOVERNMENT LATER ISSUED SILVER DOLLARS AND FRACTIONAL COINS WITH SIMILAR DESIGNS. DRAGON DOLLARS, ALTHOUGH VARYING SLIGHTLY IN WEIGHT AND FINENESS AT THE DIFFERENT MINTS HAD APPROXIMATELY THE SAME FINE SILVER CONTENT AS THE FOREIGN SILVER DOLLARS AND GENERALLY CIRCULATED ON A PARITY WITH THEM.³⁵ THE COINAGE LAW OF 1914 PROVIDED FOR THE COINAGE OF A SILVER DOLLAR, OR ...YUAN... , APPROXIMATELY EQUAL IN THE FINE SILVER CONTENT TO THE SILVER DOLLARS ALREADY IN CIRCULATION. THE CHINESE DOLLAR BORE THE HEAD OF YUAN SHIH-KAI AND LATER THAT OF SUN YAT-SEN. THIS CAME CLOSER TO PROVIDING CHINA WITH A NATIONAL CURRENCY THAN ANYTHING BEFORE.³⁶

34 SIR JAMES H. STEWART LOCKHART, ...THE STEWART LOCKHART COLLECTION OF CHINESE COPPER COINS... , HONG KONG, KELLY AND WALSH, LTD., 1915, P. XI.

35 ...PROJECT OF LAW FOR THE GRADUAL INTRODUCTION -----... , OP. CIT., P. 46.

36 IBID., P. 46-47.

TRADE THROUGH CANTON BROUGHT IN SPANISH OR ...CAROLUS... SILVER DOLLARS. WITH THE OPENING OF OTHER PORTS IN THE MIDDLE OF THE NINETEENTH CENTURY IT WAS FOLLOWED BY THE MEXICAN DOLLARS, AND SUBSEQUENTLY BY MANY OTHER SILVER COINS, INCLUDING THE AMERICAN TRADE DOLLAR, THE JAPANESE YEN, THE BRITISH ...STANDING MAN... DOLLAR, THE SAIGON DOLLAR AND DOLLARS OF SEVERAL SOUTH AMERICAN COUNTRIES. ALL OF THESE COINS HAD APPROXIMATELY THE SAME FINE SILVER CONTENT AS THE CAROLUS AND MEXICAN DOLLARS AND GENERALLY CIRCULATED ON A PARITY WITH THEM, AND ALL WERE COMMONLY KNOWN AS ...MEXICAN... DOLLARS. THESE DOLLARS TOGETHER WITH THE SILVER BULLION IN THE FORM OF SHOES KNOWN AS SYCEE, WERE THE PRINCIPAL CURRENCY IN THE PORTS OF CHINA AND GRADUALLY PENETRATED INTO THE INTERIOR AND CAME TO BE USED MORE AND MORE THROUGHOUT CHINA. PETTY TRANSACTIONS OF THE LARGE PART OF CHINA'S MILLIONS CONTINUED TO BE CARRIED ON IN CASH UNTIL THE TIME OF WORLD WAR I WHEN THE HIGH PRICE OF COPPER AND THE LARGE ISSUES OF COPPER COINS CONTAINING MUCH LESS BULLION IN PROPORTION TO THEIR MONEY VALUE DROVE MOST OF THE CASH INTO THE MELTING POT.

37

THE SPANISH DOLLAR WAS THE PRINCIPAL FORM IN WHICH SILVER FIRST ENTERED CHINA. AT FIRST, IT WAS ACCEPTED BY THE CHINESE ONLY BY WEIGHT, BUT AS THE COINS BECAME MORE FAMILIAR AND WERE FOUND TO BE OF UNIFORM WEIGHT AND FINENESS, THEIR CONVENIENCE WAS RECOGNIZED AND THEY CAME INTO USE AS A MEDIUM OF EXCHANGE AT CANTON. A CUSTOM, PARTICULARLY CHINESE, GREW UP OF ...CHOPPING... COINS. THAT IS, THE HOLDER OF A DOLLAR STAMPED HIS NAME ON IT WITH A METAL STAMP OR ...CHOP... , WHICH BIT DEEPLY INTO THE SILVER, MAKING A CHARACTER 1/8 TO 1/4 INCH SQUARE. THIS SERVED THE SAME PURPOSE AS THE ENDORSEMENT ON A CHECK AS

IT GUARANTEED THE GENUINENESS OF THE COIN AND GAVE SUBSEQUENT HOLDERS RECOURSE TO THE ENDORSER. DOLLARS WERE FREQUENTLY CHOPPED MANY TIMES SINCE EACH RECIPIENT WOULD REQUIRE THE PAYER TO CHOP THEM. THIS PROCESS NATURALLY MUTILATED THE DESIGN OF THE DOLLARS AND GRADUALLY REDUCED THE WEIGHT AS BITS OF SILVER BROKE OFF. SOME DOLLARS WERE CHOPPED SO MUCH THAT THEY WERE DISTORTED INTO THE SHAPE OF A BOWL. THE ...SPECTACLE... DOLLAR ALSO WAS FOUND WHERE THE WHOLE CENTER OF THE COIN HAD BEEN PUNCHED OUT. NEVERTHELESS, A REASONABLE NUMBER OF CHOPS WAS A GUARANTEE AND ONLY CHOPPED DOLLARS WERE ACCEPTABLE IN MANY TRANSACTIONS.³⁸ THE SPANISH CAROLUS DOLLAR WAS INTRODUCED INTO CHINA VIA THE PHILIPPINES IN THE SIXTEENTH CENTURY. FOR MANY YEARS IT WAS THE CHIEF FOREIGN CURRENCY ACCEPTED BY THEM.³⁹ THE CAROLUS DOLLAR WAS THE RESULT OF THE VAST FLOOD OF SILVER FROM THE MEXICAN MINES. THE SPANISH HAD THE SILVER MINTED INTO COINS AS SOON AS POSSIBLE AS IT WAS EASIER TO HANDLE AND TO KEEP TRACK OF IN THAT FORM. DURING THE CENTURIES THAT FOLLOWED ITS OPENING THE MEXICO MINT POURED OUT A FLOOD OF COINAGE, ESPECIALLY IN SILVER. THE MOST IMPORTANT COIN WAS THE EIGHT REALES. THE ...PIECE OF EIGHT... PROBABLY ENJOYED WIDER CIRCULATION THAN ANY OTHER COIN IN HISTORY. ITS EXPORTATION TO EUROPE ENCOURAGED THE STRIKING THERE OF LARGE SILVER PIECES. IN THE FAR EAST THE ...PIECE OF EIGHT... WAS THE STANDARD OF VALUE. ALREADY IN THE SIXTEENTH CENTURY SPANISH TRADE MOVED THROUGH MEXICO, VIA THE PORTS OF VERACRUZ AND ACAPULCO. EXOTIC GOODS FROM CHINA AND THE PHILIPPINES WERE PAID FOR BY THE EXPORTATION OF COINED MONEY FROM MEXICO.⁴⁰ THE

38 DICKSON H. LEAVENS, OP. CIT., P. 95.

39 LIEN-SHENG YANG, OP. CIT., P. 48.

40 THEODORE V. BUTTREY, JR., ...A GUIDE BOOK OF MEXICAN DECIMAL COINS 1863-1963... , RACINE, WISCONSIN, WHITMAN PUBLISHING CO., 1963, P. 12.

CAROLUS DOLLAR BORE THE HEAD OF THE REIGNING KING ON THE OBVERSE AND THE SPANISH ARMS WITH THE PILLARS OF HERCULES ON THE REVERSE. THE ...PILLAR DOLLAR... AS IT WAS ALSO CALLED HELD VERY CLOSELY TO ITS ORIGINAL WEIGHT AND FINENESS DURING THREE CENTURIES AND BECAME PRACTICALLY A WORLD CURRENCY. IT WAS LEGAL TENDER IN THE UNITED STATES UNTIL 1857, AND WAS LONG THE PRINCIPAL MEDIUM OF EXCHANGE IN MANY PARTS OF ASIA. AFTER ITS COINAGE WAS STOPPED BY THE INDEPENDENCE OF THE SPANISH AMERICAN COLONIES THE DOLLARS OF CAROLUS IV CONTINUED TO BE SOUGHT AFTER IN CHINA WHERE THEY ACQUIRED A SCARCITY VALUE WELL ABOVE THAT OF THEIR BULLION CONTENT. OCCASIONAL SPECIMENS WERE TO BE FOUND IN CIRCULATION IN THE INTERIOR OF CHINA WELL INTO THE TWENTIETH CENTURY.⁴¹ SO SCARCE DID THIS DOLLAR BECOME AND SO INSISTENT WERE THE CHINESE UPON HAVING IT THAT THE SITUATION WHICH DEVELOPED AFTER 1854 FORMS AN INTERESTING EXAMPLE OF THE EFFECT OF CUSTOM UPON EXCHANGE RATES. IN 1856 COINS OF IDENTICAL SILVER CONTENT WERE WORTH IN EXCHANGE, FOR ENGLISH MONEY, 4S. 11D. IN CANTON AND 7S. 9D. IN SHANGHAI. IN OTHER WORDS, 374 1/2 GRAINS OF FINE SILVER IN THE FORM OF A CAROLUS DOLLAR WAS WORTH 696 GRAINS OF FINE SILVER IN THE FORM OF SYCEE, OR SHOES OF SILVER, SUCH WERE COMMONLY USED IN CHINA. IN 1857 CAROLUS DOLLARS WERE NO LONGER TO BE FOUND.⁴² PRODUCTION OF THE SPANISH COIN IN MEXICO AND ELSEWHERE IN THE SPANISH AMERICAS WAS INTERRUPTED BY THE REVOLUTIONS WHICH BEGAN IN 1810 BUT CONTINUED SPASMODICALLY THROUGHOUT THE REVOLUTIONARY PERIOD.⁴³ MEANTIME, THE MEXICAN MINTS WERE BACK IN FULL PRODUCTION, HITTING AN AVERAGE VALUE OF 22,000,000 PESOS PER YEAR. BETWEEN THE HEAVY DEMAND IN CHINA AND MEXICO'S ABILITY TO MEET

41 DICKSON H. LEAVENS, OP. CIT., P. 3-4.

42 C. F. REMER, ...THE FOREIGN TRADE OF CHINA... , SHANGHAI, THE COMMERCIAL PRESS, LTD., 1928, P. 21-22.

43 JOHN M. WILLEM, JR., OP. CIT., P. 41-42.

THIS DEMAND AT THE SAME VALUE, THE NEW MEXICAN COIN LITERALLY FORCED ITS OWN ACCEPTANCE.⁴⁴ THE MERCHANTILE PREJUDICE AGAINST ANY DOLLAR BUT THE CAROLUS WAS HARD TO DISPEL EVEN IN THE FACE OF GROWING COMMERCIAL DISTRESS AND THE ADMISSION THAT THE INTRINSIC VALUE OF THE MEXICAN DOLLAR EXCEEDED THAT OF THE OLD FAVORITE (OFTEN REDUCED SEVERAL GRAINS BY USE AND MUTILATION). FINALLY NATIVE MERCHANTS CAME TO REALIZE THAT FOREIGN TRADERS COULD NOT SECURE MORE OF THE CAROLUS COINAGE. RATES WERE TOO HIGH TO PERMIT SATISFACTORY BUSINESS OPERATIONS.⁴⁵ A CIRCULAR OF TEN FOREIGN CONSULS (OCTOBER 4, 1853) CALLED A PUBLIC MEETING OF THE CANTON FOREIGN COMMUNITY TO EFFECT AN UNDERSTANDING ABOUT PUTTING THE MEXICAN OR REPUBLICAN DOLLARS AT PAR. THE CHINESE MERCHANTS HAD ALREADY CIRCULATED PAPERS THROUGHOUT THE SUBURBS DESIGNED TO SECURE ADOPTION BY NATIVE PERSONS IN BUSINESS OF RECIPROCAL ENGAGEMENTS TO RECEIVE AND PAY REPUBLICAN DOLLARS AT PAR. BY OCTOBER 22 MOST OF THE FOREIGN MERCHANTS WERE AGREED ON THE USE OF ALL DOLLARS EQUALLY ACCORDING TO PURITY.⁴⁶ THE NEW MEXICAN COIN HAD TO EARN ITS WAY IN CHINA. IN DESIGN IT BORE NO RESEMBLANCE TO THE SPANISH BUT IT RECEIVED A BIG ASSIST FROM THE FACT THAT IT WAS MEXICAN FOR IT WAS A WELL KNOWN FACT THROUGHOUT THE WORLD THAT A MAJOR PROPORTION OF THE SPANISH DOLLARS WERE COINED OF MEXICAN SILVER AND IT CONTINUED AS A PIECE OF EIGHT REALES. THE FERDINAND DOLLARS OF SPAIN WERE THE LAST MINTED IN MEXICO IN 1821. THEN CAME THE TRANSITIONAL EIGHT REALES ITURBIDE PIECE FROM 1822 TO 1824 TO BE FOLLOWED BY THE REGULAR EIGHT REALE OF THE REPUBLIC OF MEXICO.⁴⁷ IN 1869 IT WAS

44 IBID., P. 43.

45 ELDON GRIFFIN, ...CLIPPERS AND CONSULS... , ANN ARBOR, MICHIGAN, EDWARDS BROTHERS, INC., 1938, P. 212.

46 ELDON GRIFFIN, OP. CIT., P. 213.

47 JOHN M. WILLEM, JR., OP. CIT., P. 41-42.

DECIDED BY THE MEXICANS TO ADOPT THE MODERN DECIMAL TYPE OF COINAGE AND THE BALANCE SCALE DESIGN WAS USED. THIS NEW COINAGE WAS EQUAL IN WEIGHT AND FINENESS TO THE EIGHT REALE COINS BUT WAS VIEWED WITH SUSPICION BY MOST ORIENTAL MERCHANTS AND WAS DISCOUNTED 3 TO 4 PERCENT. THIS FORCED MEXICO TO AGAIN RESUME MINTING EIGHT REALES FROM 1873 TO 1879.⁴⁸ SINCE THE EXPORT OF COINED SILVER ACCOUNTED FOR A SUBSTANTIAL PART OF MEXICO'S FOREIGN TRADE, REJECTION OF THE NEW PESO ABROAD MADE ITS WITHDRAWAL IMPERATIVE. IN 1873 THE OLD TYPE, READING ...BR... WAS REINSTATED. THE ALTERATION WAS NECESSARY TO SATISFY FOREIGNERS, NOT MEXICANS.⁴⁹ IN 1898 MINTING OF EIGHT REALE COINS WAS STOPPED AND A NEW PESO WAS MINTED. THE EIGHT REALE COIN WAS SO WIDELY ACCEPTED IN THE ORIENT THAT IN 1949 THE CHINESE GOVERNMENT, THROUGH ITS CENTRAL BANK, HAD 10 1/4 MILLION ...LIBERTY CAPS... MINTED FOR THEIR PEOPLES USE. THE COINS WERE STRUCK IN THE UNITED STATES MINT IN SAN FRANCISCO BUT BORE THE DATE 1898 AND THE ...MO... MINT MARK. DUE TO ECONOMIC AND POLITICAL PRESSURES ONLY 2,526,978 PIECES WERE DELIVERED TO THE REPUBLIC OF CHINA. THE MAJORITY OF THE BALANCE OF THE COINS WERE⁵⁰ MELTED FOR THEIR BULLION CONTENT.

DURING THE LAST HALF OF THE NINETEENTH CENTURY THERE CAME INTO CHINA OTHER FOREIGN DOLLAR COINS WHICH TRIED TO COMPETE WITH THE SPANISH AND MEXICAN DOLLARS. THESE WERE THE BRITISH HONG KONG DOLLAR COINED FROM 1866 TO 1868, BUT THEY WERE NOT POPULAR AND WERE ABANDONED QUICKLY. THE JAPANESE ISSUED ABOUT 165,000,000 SILVER YEN FROM 1871 UNTIL SHE ADOPTED THE GOLD STANDARD IN 1897. ABOUT TWO THIRDS OF THESE WERE EXPORTED AND COMPETED WITH THE MEXICAN DOLLAR IN CHINA AND

48 NEIL S. UTBERG, ...THE COINS OF MEXICO... , PRIVATELY PRINTED, 1963.

49 THEODORE V. BUTTREY, JR., OP. CIT., P. 13.

50 DR. A. F. PRADEAU, (PERSONAL CORRESPONDENCE TO ERMA C. STEVENS).

SOUTHEASTERN ASIA. THE AMERICAN TRADE DOLLAR WAS MINTED FROM 1873 TO 1887. THE SAIGON DOLLAR WAS ISSUED BEGINNING IN 1885 BY THE GOVERNMENT OF FRENCH INDO-CHINA. A BRITISH DOLLAR, ISSUED FROM THE INDIAN MINTS FROM 1895 ON, CIRCULATED IN HONG KONG AND IN PARTS OF CHINA. SPANISH ...ALFONSINO... PESOS, COINED IN SPAIN IN 1897 FOR THE PHILIPPINES, AND THE FIRST AMERICAN PHILIPPINE PESO, COINED FROM 1903-1906, ALSO CAME TO CHINA, AS DID THE FIRST STRAITS SETTLEMENT DOLLAR OF 1903 TO 1906. THE MEXICAN DOLLAR HOWEVER MAINTAINED ITS PREDOMINANCE UNTIL THE END OF THE NINETEENTH CENTURY.^{51,52} THESE DOLLARS ALL APPROXIMATED THE SPANISH AND MEXICAN DOLLAR STANDARD. THIS LEGALLY WAS 417.8 GRAINS, 0.902 65/72 FINE, CONTAINING 377.14 GRAINS OF PURE SILVER, BUT PRACTICALLY WAS ABOUT 416.5 GRAINS, 0.898 FINE, CONTAINING 374 GRAINS OF PURE SILVER. THE OTHER FOREIGN DOLLARS VARIED SLIGHTLY FROM THIS. THUS THE AMERICAN TRADE DOLLAR, THE JAPANESE YEN FOR A FEW YEARS, AND THE ...PIASTRE DE COMMERCE... (SAIGON DOLLAR) FOR THE FIRST TEN YEARS, WEIGHED 420 GRAINS, 0.900 FINE AND CONTAINED 378 GRAINS OF FINE SILVER WHICH CAUSED THEM TO BE CULLED OUT AND MELTED SINCE THEY PASSED FOR NO MORE THAN A MEXICAN DOLLAR IN ORDINARY TRANSACTIONS. SOME OF THE OTHER DOLLARS WERE SLIGHTLY UNDER THE MEXICAN IN SILVER CONTENT BUT NEVERTHELESS PASSED AS A DOLLAR. IT WAS A VERY NICE POINT IN CHINA JUST HOW MUCH UNDERWEIGHT A COIN COULD BE AND STILL PASS AT ITS FACE VALUE. OFTEN IT MIGHT BE ACCEPTED IN ONE MARKET AND REJECTED IN ANOTHER.⁵³

SILVER CAME INTO EXTENSIVE USE AS CURRENCY UNDER THE MING DYNASTY AND SINCE THE ESTABLISHMENT OF THE MANCHU DYNASTY MOST LARGE TRANSAC-

51 LIEN-SHENG YANG, OP. CIT., P. 48.

52 DICKSON H. LEAVENS, OP. CIT., P. 96-97.

53 DICKSON H. LEAVENS, OP. CIT., P. 96-97.

TIONS AND TREASURY OPERATIONS HAVE BEEN CONDUCTED IN SILVER. A GREAT DEAL OF THE SILVER STOCK IN CHINA CAME FROM FOREIGN COMMERCE. DIRECT FOREIGN TRADE WITH THE WESTERN COUNTRIES BEGAN AT CANTON IN 1516 FIRST WITH THE PORTUGUESE. DURING THE EARLY YEARS THIS TRADE WAS LARGELY ONE-SIDED. THE WEST WANTED SILK AND TEA FROM CHINA BUT THE CHINESE WANTED NO MERCHANDISE FROM THE WEST. THEY WOULD, HOWEVER, ACCEPT SILVER AND THUS, EXCEPT FOR A VERY LIMITED AMOUNT OF MERCHANDISE, SILVER WAS THE PRINCIPAL CARGO CARRIED TO CHINA BY WESTERN NATIONS. DURING THE SEVENTEENTH AND EIGHTEENTH CENTURIES THE TEA AND SILK TRADES BROUGHT INTO CHINA A STEADY IMPORTATION OF SILVER. THIS WAS LARGELY IN THE FORM OF SPANISH DOLLARS. MR. H. B. MORSE ESTIMATED THAT THE IMPORTS OF GOODS NEVER EQUALLED THE EXPORTS OF TEA AND SILK DURING THE EIGHTEENTH CENTURY AND THAT SUCH IMPORTS NEVER AMOUNTED TO EVEN ONE-FIFTH OF THE TOTAL EXPORTS. THE BALANCE WAS ALWAYS PAID IN SILVER. HIS ESTIMATE FOR THE TOTAL IMPORTATION OF SILVER INTO CHINA FROM 1700 TO 1830 WAS 500,000,000 DOLLARS.^{54,55}

THE BRITISH EAST INDIA COMPANY BROUGHT THOUSANDS OF CHESTS OF TEA AND PAID FOR IT IN SILVER BULLION AND COINS, USUALLY SPANISH DOLLARS. THERE WAS SO MUCH TEA BUYING THAT WESTERN MERCHANTS FOUND THEMSELVES IN NEED OF SILVER AND COINS WITH WHICH TO PAY.⁵⁶ THE EAST INDIA COMPANY WAS REQUIRED DURING THE EIGHTEENTH CENTURY TO CARRY FROM ENGLAND AT LEAST ONE-TENTH OF THE VALUE OF ITS CARGOS IN GOODS. THIS THEY SUCCEEDED IN DOING, WITH DIFFICULTY, UNTIL 1730 WHEN THE ATTEMPT WAS ABANDONED AND FOR SOME YEARS THE CARGOS OUTWARD BOUND FROM ENGLAND CARRIED AS HIGH AS NINETY-EIGHT PERCENT OF THE VALUE OF THE CARGO IN

54 WEN PIN WEI, ...THE CURRENCY PROBLEMS IN CHINA... , NEW YORK, COLUMBIA UNIVERSITY, LONGMANS, GREEN AND CO., 1914, P. 34-35.

55 DICKSON H. LEAVENS, OP. CIT., P. 87.

56 EMILY HAHN, OP. CIT., P. 12.

SILVER. THE VALUE OF SILVER BULLION AND COIN SENT TO THE WHOLE OF THE EAST DURING THE YEARS 1602-1620 WAS 548,090 ENGLISH POUNDS AND FOR THE FIFTY YEARS 1710-1759, IT WAS 26,833,614 ENGLISH POUNDS. THESE SUMS WERE SENT IN THE GREATER PART IN SPANISH DOLLARS.⁵⁷

THE AMERICANS FACED THE SAME PROBLEM WHEN THEY BEGAN TO TRADE WITH THE CHINESE. THE ...EMPRESS OF CHINA... , THE FIRST AMERICAN SHIP TO REACH CANTON, CARRIED CARGO OF THIRTY TONS OF GINSENG, A VARIETY OF OTHER ITEMS AND A CONSIDERABLE NUMBER OF SPANISH DOLLARS.⁵⁸ IN ORDER TO OBTAIN THE SPANISH DOLLAR, AMERICAN PRODUCTS WERE SHIPPED TO EUROPE AND SOLD FOR SPANISH DOLLARS WHICH WERE THEN SHIPPED TO CHINA. OR THE SHIP MIGHT BE ENGAGED IN CARRYING TRADE BETWEEN PORTS IN EUROPE UNTIL SHE HAD ACCUMULATED ENOUGH SPANISH COINS WITH WHICH SHE THEN SAILED FOR CANTON. TEA AND SILK WERE SHIPPED BACK IN EXCHANGE FOR THESE COINS.⁵⁹ IT HAS BEEN ESTIMATED THAT FROM 1800 TO 1834 SIXTY PERCENT OF THE GOODS BROUGHT TO CHINA BY THE AMERICANS WAS IN THE FORM OF SILVER AND THAT FOR THE FIRST YEARS OF THE NINETEENTH CENTURY THIS PERCENTAGE WAS AS HIGH AS SEVENTY-FIVE.⁶⁰ FROM THE PERIOD FROM 1805 TO 1833, AMERICAN SHIPS BROUGHT IN SPECIE TO THE AMOUNT OF 88,650,000 DOLLARS, AN AVERAGE OF 3,056,000 DOLLARS A YEAR AND GOODS TO THE TOTAL VALUE OF 50,349,000 DOLLARS, AN AVERAGE OF 1,735,000 A YEAR. FURS WERE THE BIGGEST SINGLE ITEM BROUGHT IN.⁶¹ SPECIE CARRIED TO CHINA WAS PACKED IN CHESTS, 4,000 COINS TO THE CHEST AND THOSE COINS PASSED INTO CHINESE HANDS BY WEIGHT IN TAEELS, MODIFIED

57 C. F. REMMER, OP. CIT., P. 21-22.

58 RAYMOND A. RYDELL, ...CAPE HORN TO THE PACIFIC... , BERKELEY, UNIVERSITY OF CALIFORNIA PRESS, 1952, P. 24.

59 WEN PIN WEI, OP. CIT., P. 40-41.

60 C. F. REMMER, OP. CIT., P. 24.

61 JOHN M. WILLEM, JR., OP. CIT., P. 30-31.

BY THE TOUCH, OR DEGREE OF FINENESS OF PURE SILVER.⁶² AMERICAN MERCHANTS FOUND IT PROFITABLE TO IMPORT TEAS AND SILKS EVEN WHEN PAYING FOR THEM WITH SO EXPENSIVE A COMMODITY AS SPECIE. IN SOME YEARS SPECIE WAS IN SUCH DEMAND THAT A PREMIUM HAD TO BE OFFERED IN THE UNITED STATES TO OBTAIN ENOUGH FOR A CARGO. MOST OF THE SPECIE WAS IN THE FORM OF SPANISH DOLLARS.⁶³ THE SUPPLY OF UNITED STATES MONEY IN THE ORIENT WAS NOT LARGE BUT IT WAS FORTUNATE FOR AMERICANS THAT THEIR MONETARY SYSTEM WAS RELATIVELY SIMPLE AND THAT THEIR DOLLAR (412.5 GRAINS OF SILVER 0.900 FINE) BORE A FAIRLY CLOSE RELATION TO THE SPANISH, MEXICAN AND OTHER DOLLARS WHICH THE ORIENT DRAINED FROM THE WEST.⁶⁴

EVENTUALLY THERE AROSE A CHINESE DEMAND FOR OPIUM AND AS A RESULT THE TRADE BECAME LESS ONE-SIDED. BEGINNING IN 1773, WHEN THE FIRST SHIPMENT REACHED CANTON, OPIUM BECAME A MEDIUM OF EXCHANGE. SO GREAT DID THE DEMAND FOR OPIUM BECOME THAT THE CHINESE NOT ONLY BARTERED THEIR SILKS AND TEA FOR OPIUM BUT SILVER AS WELL.⁶⁵ THE CHINESE APPETITE FOR OPIUM BECAME ALMOST INSATIABLE, SPREADING UPWARD TO THE EMPERORS OFFICIAL FAMILY AND DRAINING AWAY MUCH OF THE FOREIGN EXCHANGE GAINED BY EXPORTING TEA AND SILK. THE ALARMED EMPEROR ISSUED A DENUNCIATION OF THIS "...VILE DIRT OF FOREIGN COUNTRIES..." IN 1796 AND FOLLOWED IT WITH A LONG SERIES OF EDICTS AND LAWS INTENDED TO STOP THE OPIUM TRADE.⁶⁶ THERE WAS EVEN AN ATTEMPT MADE TO SUPPRESS THE USE OF FOREIGN COINS TOGETHER WITH THE IMPORTATION OF OPIUM SHORTLY BEFORE THE OPIUM WAR. THE PROVINCIAL TREASURER SENT A PROTEST TO PEKING

62 IBID., P. 31.

63 JOHN M. WILLEM, JR., OP. CIT., P. 32.

64 ELDON GRIFFIN, OP. CIT., P. 209.

65 JOHN M. WILLEM, JR., OP. CIT., P. 29.

66 GENE GLEASON, "...HONG KONG..." , NEW YORK, JOHN DAY CO., 1963, P. 17-18.

(1836) AGAINST SUCH AN ACTION AND DECLARED THAT THE COINS WERE OF GREAT CONVENIENCE AND UNLIKE THE OPIUM COULD NOT PRODUCE THE SLIGHTEST INJURY TO CHINA. THE OFFICIAL SHOWED THAT THE COINS HAD AN EXTENSIVE CIRCULATION IN THE FOUR COAST PROVINCES IN THE SOUTHERN PART OF CHINA. AFTER THE WAR ALL THE DIFFERENT KINDS OF FOREIGN COINS WERE DECLARED⁶⁷ LAWFUL MONEY IN CANTON. IN 1834 THE OPIUM TRADE HAD GROWN SO THAT A CHINESE OFFICIAL MAINTAINED SILVER WAS ACTUALLY BEING SENT OUT OF THE COUNTRY TO THE AMOUNT OF ...TEN AND SOME ODD MILLIONS... OF OUNCES⁶⁸ ANNUALLY. IN 1837 OPIUM WAS DRAINING ABOUT 40,000,000 DOLLARS IN SILVER OUT OF THE EMPIRE EVERY YEAR, WHEREAS PREVIOUSLY SILVER HAD FLOWED INTO CHINA FOR THE PURCHASE OF TEAS AND SILKS.⁶⁹

IF THE OPIUM TRAFFIC HAD NOT GROWN UP CHINA MIGHT HAVE CONTINUED TO BE AN ABSORBER OF SILVER FROM THE WEST BUT BY 1834 OPIUM HAD TAKEN⁷⁰ ITS PLACE. THE EAST INDIA COMPANY NEVER SHIPPED ANY OPIUM ON ITS OWN ACCOUNT, NEVERTHELESS IT PROFITED ON THE SALE OF OPIUM IN INDIA. AT A TIME WHEN IT WAS DIFFICULT TO OBTAIN SILVER IN LONDON IN SUFFICIENT QUANTITY FOR THE CHINA TRADE, THE COMPANY WAS ABLE TO OBTAIN SILVER IN CANTON FROM OPIUM IMPORTERS IN EXCHANGE FOR ITS BILLS ON CALCUTTA OR LONDON. THUS, THE OPIUM TRADE RELIEVED THE DRAIN OF SILVER FROM EUROPE.⁷¹ THIS OPIUM TRADE GAVE THE BRITISH AN ADVANTAGE OVER THEIR AMERICAN COMPETITORS. OFTEN THE AMERICANS HAD NOTHING TO BARTER WITH THE CHINESE BUT HAD TO BUY THEIR TEAS AND SILKS WITH SILVER DOLLARS AND THE BRITISH OPIUM DEALERS SAILED AWAY WITH THESE SAME DOLLARS.

67 WEN PIN WEI, OP. CIT., P. 42-43.

68 C. F. REMMER, OP. CIT., P. 26-27.

69 HALLETT ABEND, ...TREATY PORTS... , GARDEN CITY, NY, DOUBLEDAY, DORAN AND CO., 1944, P. 20.

70 C. F. REMMER, OP. CIT., P. 26.

71 DICKSON H. LEAVENS, OP. CIT., P. 88.

AMERICANS WERE IN THE OPIUM TRADE BUT WERE NEVER SERIOUS COMPETITORS AND NEVER HAD MORE THAN 6 PERCENT OF THE TRADE.⁷² THE AVAILABLE STATISTICS SHOW THAT DURING THE YEARS 1818-1834, FIFTY MILLION DOLLARS IN SILVER WAS CARRIED FROM CHINA BY BRITISH SHIPS. DURING THE SAME YEARS IT IS ESTIMATED THAT THE AMERICANS BROUGHT TO CHINA AT LEAST SIXTY MILLION DOLLARS. FROM ABOUT THE BEGINNING OF THE NINETEENTH CENTURY CHINA BEGAN SENDING OUT SILVER IN HER BRITISH AND INDIAN TRADE BUT THE AMOUNTS SENT FROM CANTON WERE MORE THAN COVERED BY THE AMOUNTS BROUGHT IN BY THE AMERICANS.⁷³ THE OPIUM TRADE BECAME SO PROFITABLE THAT THE AMERICANS CAME TO TAKE SOME SHARE IN IT. HOWEVER THIS TOOK PLACE IN THE METHOD OF MAKING PAYMENTS. IMPORTS OF SILVER INTO CHINA BY AMERICAN SHIPS BECAME MUCH SMALLER AFTER THE YEAR 1827. THE AMERICANS WERE NOW ABLE TO MAKE USE OF THE INCREASING IMPORTS OF OPIUM INTO CHINA AND OF THE INCREASING EXPORTS FROM THE UNITED STATES TO EUROPE FOR FINANCING THEIR PURCHASES IN CHINA. THIS THEY DID BY SENDING BILLS OF EXCHANGE ON LONDON TO CANTON WHERE THE PROCEEDS OF THE SALE OF THESE BILLS WERE USED FOR THE PURCHASE OF CHINESE GOODS. IN 1832 AMERICAN MERCHANTS IN CANTON SOLD BILLS ON LONDON TO THE VALUE OF 2,480,871 DOLLARS AND IN 1833, 4,772,516 DOLLARS. THE INDEBTEDNESS IN LONDON WAS MET BY THE EXPORT OF AMERICAN GOODS TO ENGLAND.⁷⁴

CHINA AFTER 1800 DEMANDED SUCH QUANTITIES OF OPIUM THAT THE IMPORT OF SILVER GRADUALLY DIMINISHED UNTIL IT PRACTICALLY CEASED FOR A FEW YEARS. AFTER THIS THE CHINESE DEMAND FOR OPIUM WAS MET BY INCREASING SUPPLIES OF THE DRUG GROWN WITHIN THE COUNTRY SO THAT SOME IMPORT OF SILVER WAS A CHARACTERISTIC OF THE TRADE THROUGHOUT THE

72 HALLETT ABEND, OP. CIT., P. 20.

73 C. F. REMMER, OP. CIT., P. 24-25.

74 C. F. REMMER, OP. CIT., P. 25.

REMAINING YEARS.⁷⁵ STATISTICS ON THE INFLOW OF SILVER PRIOR TO 1889 ARE LACKING BUT IT IS PROBABLE THAT THERE WAS A CONSIDERABLE INWARD MOVEMENT TAKING THE PERIOD FROM 1834 TO 1889 AS A WHOLE. THIS WAS ESPECIALLY TRUE DURING THE TIME OF THE TAIPING REBELLION WHEN WESTERN DEMAND FOR CHINESE GOODS CONTINUED BUT WHEN THE CHINESE BECAUSE OF DISTURBED CONDITIONS BOUGHT LESS FROM THE WEST AND HOARDED SILVER.⁷⁶ CHINA, THEREFORE, RECEIVED SILVER FROM THE WEST DURING SEVERAL HUNDRED YEARS OF TRADE. FROM 1871 TO 1921, THE MOVEMENT OF SILVER WAS TOWARD CHINA FOR A TOTAL IN NET IMPORTS OF AN ESTIMATED 360 MILLION HAIKWAN TAELS FOR THAT PERIOD.⁷⁷ DESPITE THE DRAIN OF SILVER DURING THE EARLY DAYS OF THE OPIUM TRADE THERE WAS A NET IMPORT OF SILVER DURING THOSE YEARS.

IT IS AN INTERESTING FACT THAT DURING THE YEARS WHEN CHINA WAS BEING FLOODED WITH SPECIE THERE WAS REALLY NO USE FOR THE VERY LARGE PORTION OF THE SILVER IMPORTED INTO THE COUNTRY.⁷⁸ FOR A NUMBER OF YEARS MORE THAN TWO-THIRDS OF THE EXPORTS WERE PAID FOR IN SPECIE AND BULLION, FOR WHICH THE CHINESE HAD A LIMITED USE, EXCEPT, FOR HOARD-⁷⁹ING. IT HAD LONG BEEN THE CUSTOM FOR THE PEASANTS IN ASIA TO STORE THEIR WEALTH IN THE FORM OF SILVER COINS OR ORNAMENTS. MONEY TO THE AVERAGE PEASANT MEANS SILVER IN SOME FORM OR OTHER IF IT IS AT ALL OBTAINABLE.⁸⁰

75 C. F. REMMER, OP. CIT., P. 28.

76 DICKSON H. LEAVENS, OP. CIT., P. 89.

77 C. F. REMMER, OP. CIT., P. 215.

78 SRINIVAS R. WAGEL, ...FINANCE IN CHINA... , SHANGHAI, HORTH-CHINA DAILY NEWS AND HERALD, LTD., 1914, P. 96-97.

79 IBID., P. 79.

80 A. W. PINNICK, OP. CIT., P. 26.

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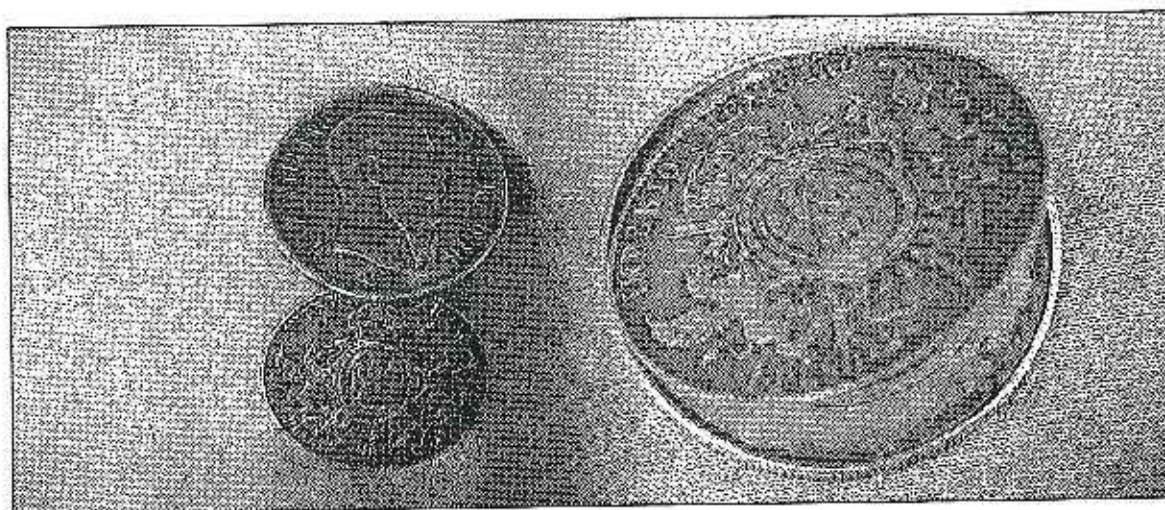
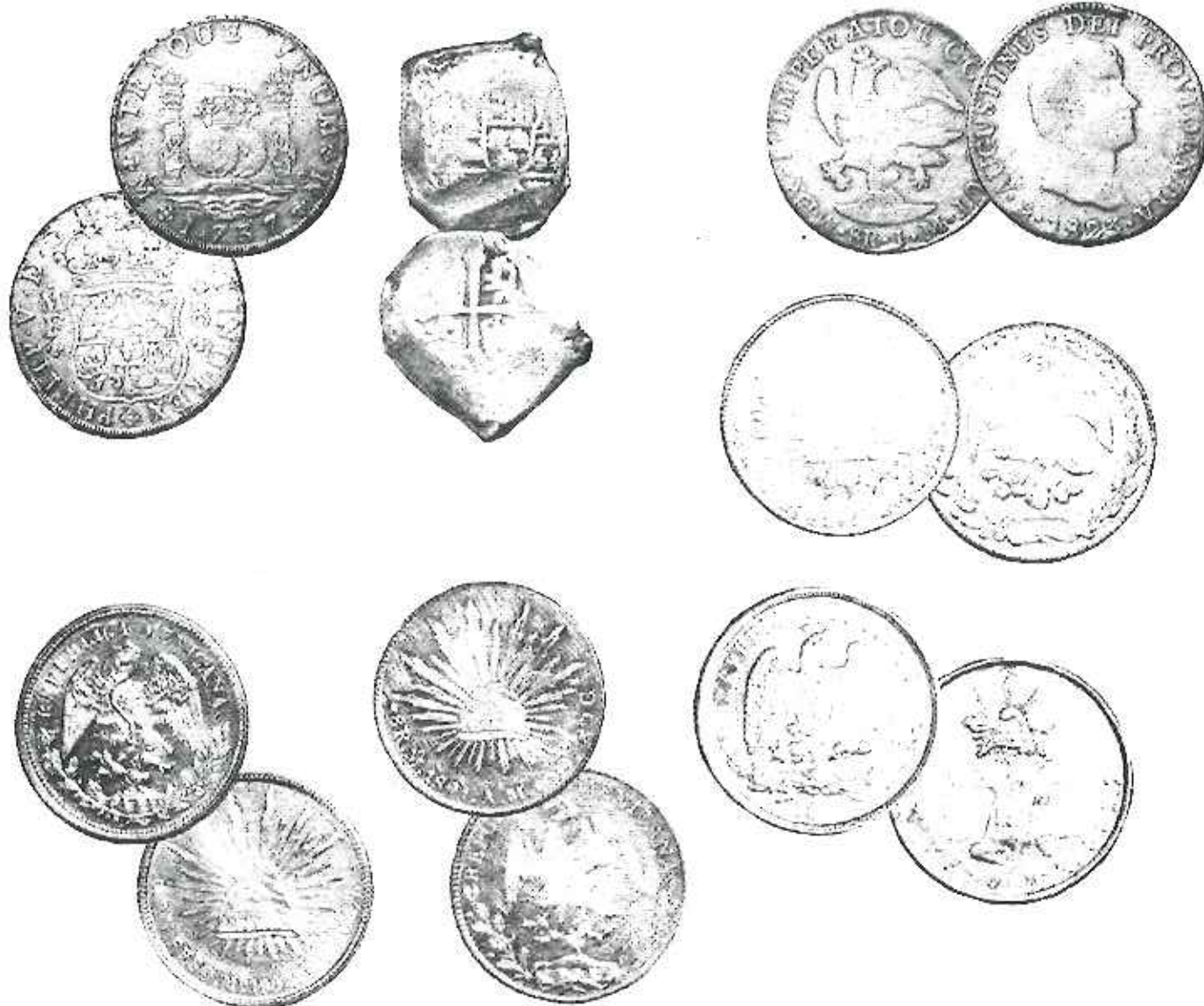
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An 1866 MAXIMILIAN PESO MADE INTO A BOX COIN.
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THE 1840/38/31 DURANGO 8 REALES AS AN ILLUSTRATION OF MEXICAN MINTING METHODS IN THE NINETEENTH CENTURY

By Michael E. Ontko R-201

A number of years ago I acquired an example of this coin at the Long Beach Coin Show. Since then I have bought and sold many 8 Reales; many of them rarer and more expensive, but this one remains a favorite. Through it is not a rare or exotic variety, it exemplifies most of the challenges facing Mexican coiners in this period.

Of the fourteen mints that produced 8 Reales, Durango is considered a second tier mint, after Mexico City, Guanajuato and Zacatecas. However, in the 1830s and 1840s Durango was a very prolific mint and 8 Reales from that time are readily available. *The Standard Catalog of World Coins* lists the 1840/38/1 Do at \$50 in Extremely Fine and \$125 in Uncirculated. The mintage is not given, but the price is in accord with other 8 Reales of the period.

Those familiar with the series will know that Durango used an eagle peculiar to that mint. Unlike the scrawny bird found on coins from other mints, the Durango eagle is a majestic symbol worthy of a great nation. This eagle, together with the delicacy of the lettering and the finely modeled cap and rays on the obverse, has led many to conclude that the master dies are of European, likely French origin. The eagle will be found on the other silver and gold denominations and on many different dates, so the variation was intentional.



The 1830s saw the introduction of steam machinery to the U.S. mint. The Mexican mints, being leased to European Firms (the Durango mint was leased to M. Bras-de-Fer and J. A. Pescador during 1829 - 44), were not far behind, though I am uncertain of the exact date in which steam presses were installed at Durango. Dunigan and Parker state in *Resplandores* that the first steam coin press in Mexico was installed at the Guadalupe y

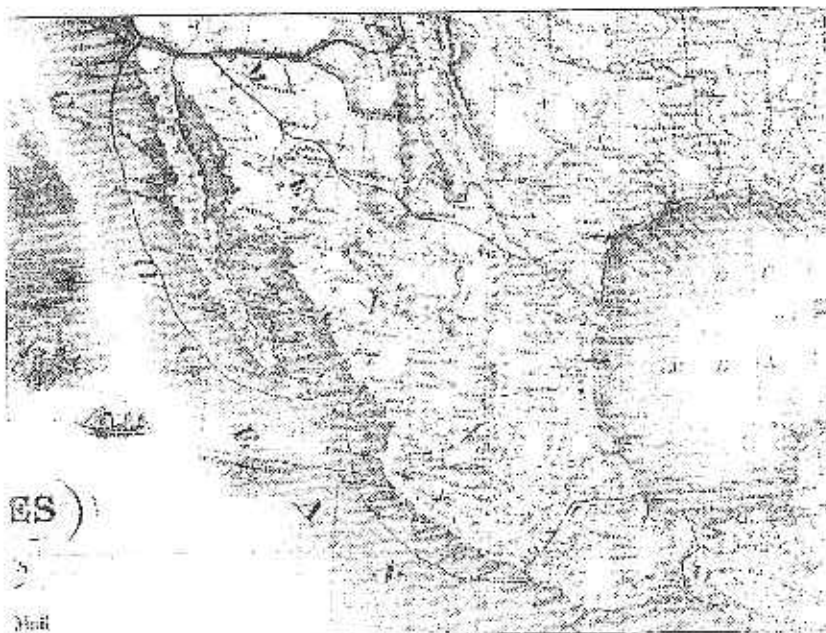


Calvo mint in 1847. Prior to steam, a screw press, powered by animals or human sweat, would have been used. It is likely that the replacement of screw presses by steam machinery was gradual. The Philadelphia mint maintained a screw press for striking proofs and medals until the 1880s, perhaps longer. The U.S. mint first used a closed collar to hold the blank in 1828 to strike dimes. The last U.S. coin to be struck without a collar was the half-dollar of 1837. The innovation was slow to catch on in Mexico and was not used extensively until the

decimal coins of 1869. While the closed collar permits the striking of perfectly round, perfectly centered coins, it does not permit the use of lettered or ornamental edges (the

segmented collar, used to impact a lettered edge to St. Gaudens double eagles, is a later invention). Perhaps this is why it was never used on cap and ray 8 Reales, whose corded edges are the feature most difficult to counterfeit. The specimen shown here is typical of coins struck in an open collar. It is slightly out of round and slightly off center. It is also likely that the dies were misaligned slightly.

The branch mints were supposed to get their dies from the central mint in Mexico City, but the chaotic state of government and society in general doubtless left the branch mints to their own devices for extended periods of time. The 1840s were marked by a number of coups, counter-coups, provisional governments and military *promunciamientos* unusual for Mexican history. The confusion and anarchy in Mexican government was a major cause of the Mexican-American of 1846. For example, General Antonio Lopez de Santa Anna of Alamo fame was President of Mexico on seven different occasions during his checkered career.



In 1840, there were two Presidents of Mexico, Anastasio Bustamente (April 1837 to October 1840), and Nicolas Bravo (July 1840 to September 1841). Frequently, government or rebel armies (a distinction of little relevance to the victims), desperate for ready money, would descend upon the mints and seize whatever inventory was on hand.

The manufacture of dies was the most difficult process at the mint. Today, mints use 52100 steel to make dies, a 1% carbon, 1.45% chromium steel that can be heated to high hardness. After tempering to improve impact resistance and chrome plating to improve wear resistance, dies last for hundreds of thousands of strikes. Back then, steel was a magical substance that sometimes lasted forever or sometimes shattered on the first strike and nobody really knew why. If the blacksmith got lucky and made a good die, the mint would use it as long as possible. If the year ended, one annealed the die, stamped a new digit, hardened it and kept on using it. The specimen shown here has a double overdate; the 1838 is clearly visible under the 1840, but under the 8 are the remnants of a 1



While overdates are very common in Mexican coinage, double overdates are unusual. A look through *Resplandores* and Krause-Mishler shows only three other occasions in the 8 Reales series (1833/2/1 GaFS, 1835/3/1 DORM and 1856/5/4 MoGF). Mintmasters (RM on this coin, for Ramon Macarenas, mintmaster 1830-48) frequently changed mid-year; to avoid scrapping large numbers of dies, the new mintmaster's initials were often stamped over the old. In addition, there are prominent raised lines crossing the coin on both sides; these are die breaks indicating the terminal stages of the die. Soon after this coin was made, large chunks of die steel would have broken away, rendering the die useless. This die would have shattered before it became very worn; in other cases, dies were used until they were extremely worn, with denticles missing and letters distorted.

All coins tell a story; that is what makes them fascinating. Few comprise as complete an encyclopedia of history as the 1840/38/1 Do 8 Reales.

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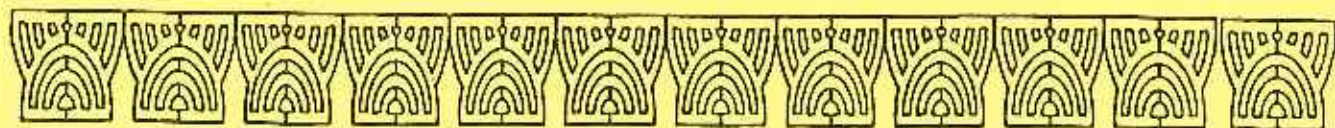
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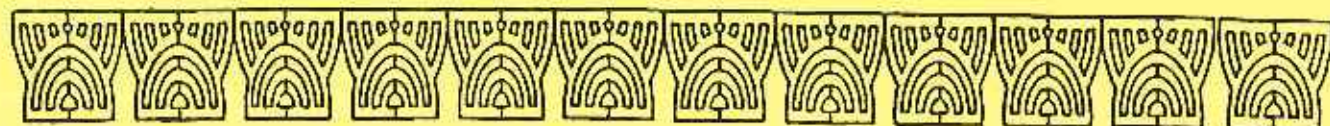
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