Madison County Coin Club of Huntsville, Alabama



Volume 8, Issue 9 October 2008

The President's Corner

This month's meeting is an important one because we will select Club officers for next year. If you would like to run for an office be sure to let me know at the meeting, or you can nominate someone from the floor.

We had an excellent program last month with one of our new members, Mike Ford, as he talked about the history of Seated Dollars. He had a nice presentation that was accompanied by his collection of Seated Dollars. I was amazed at some of the low mintages that can be purchased for relatively low cost compared to Morgan's.

This month's program will be by Club member Arthur Patrick as he talks about "Daniel Boone Commemoratives". As you are aware, Arthur has a complete set of the original 144 Commemorative coins in his collection. Be sure to come for this program.

Don't forget to bring something for "Show and Tell". See you on October 27th.

Bob Jaques

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The Notes of the Transcaucasian Commissariat

By Peter Symes

In March 1917 the revolution in Russia saw the overthrow of Tsar Nicholas II and the assumption of power by the Provisional Government. In July 1917 the coalition government, led by the Menshevik Alexander Karensky, declared the Russian Republic and in October the Bolshevik Revolution launched a civil war that was to last for many years. In the far flung extremities of the former Russian Empire, people were faced with challenges to their allegiances—some supported the former Romanov regime; others opted for one of the socialist parties that formed the Provisional Government; and many supported the Bolsheviks. For some ethnic minorities, another choice was self-determination.

The notes of the Transcaucasian Commissariat remain a distant reminder of the fragile alliances of the peoples of the Transcaucasus and of the turmoil visited upon the region during the transition from Empire to Communist rule.

In Transcaucasia, the political struggle was carried out in much the same way as it was elsewhere in the former Russian empire. Transcaucasia had been an administrative region of the former empire, governed from Tiflis (Tblisi) in Georgia by a viceroy. After the overthrow of the Tsar, in answer to a call by the Provisional Government, the Special Transcaucasian Committee (OZAKOM) was established to look after the legislation and competing interests in the region. In October the Constituent

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Administrative map of Caucasus in USSR, 1952-1991



A map of the "Transcaucasian region" during the Soviet era.



This 250 million ruble banknote of 1924 depicts old wooden oil derricks in the vignette at the upper left and in the Transcaucasian SFR coatof-arms in the center.

Assembly for Transcaucasia was elected and on 30 October OZAKOM was replaced by the Transcaucasian Commissariat (ZAVKOM) a Menshevik-controlled administration that was intended to administer Transcaucasia until the Constituent Assembly could be convened. Leaders in the Transcaucasus believed the Bolsheviks would ultimately be defeated and continued to support the remnants of the Provisional Government.

As the Ottoman forces gained the advantage, soldiers began deserting and it was believed that the ability to feed soldiers and to pay them their wages were two important factors that would stop the fragmentation of the armed forces.

Russia remained engaged in the war against Germany during the rule of the Provisional Government and for the first months of Bolshevik administration, up to March 1918. In Transcaucasia the struggle during this period was against Ottoman forces pressing at the borders of Armenia. With a concentration of armed forces in the region and poor communications with the central authorities, problems arose with the supply of various food stuffs and with the supply of currency. As the Ottoman forces gained the advantage, soldiers began deserting and it was believed that the ability to feed soldiers and to pay them their wages were two important factors that would stop the fragmentation of the armed forces.



Transcaucasian Flag Until the October revolution Transcaucasia

was provided with bank notes by the central government but, by severing its ties with the Bolshevik administration in Petrograd and Moscow, the supply of currency had ceased and the Transcaucasian

Commissariat fell into an unenviable financial situation. The Central Bank and Treasury branches of Transcaucasia consumed their last reserves and were unable to provide the money required by the government institutions to pay their expenses. Neither could they meet the requirements of the army and its related bodies.

Government revenue was also falling, especially with respect to the collection of local taxes, as the administration's power was weakening and they sometimes found it difficult to impose their authority. Where people were prepared to pay their taxes they often found it difficult due to a shortage of cash. Another effect of the monetary crisis was that savings banks had difficulty in meeting the demands of their depositors. The public, facing the chaotic situation, continued to withdraw their money from the banks until, by December 1917, the banks were unable to meet their obligations to their depositors.





1918 Transcaucasian 50 roubles banknote

The Transcaucasian assembly, through initiatives suggested by finance commissar Khachatur Karjikian, desperately sought alternatives to lessen the seriousness of the situation, even if only temporary solutions might be found. The first attempt to address

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the problem, which lasted for only one week, was the introduction of the 'Cheques Liquidation System'. This was intended to improve the shortage of banknotes in circulation and while it had some success, the system was only implemented in Tiflis. A similarly unsuccessful attempt was the application of previously issued government loans as a 'debt payable to order', as a means of payment to government contractors. The assembly, after examining all alternatives reached the conclusion that it would not be possible to provide enough money through the various schemes attempted and resolved that the only solution was an issue of paper money.

Because the political leaders in Transcaucasia believed that Russian territorial integrity would be restored in the coming months, they reasoned that all capital investments should be of a temporary nature, so that the interests of the 'temporarily dissolved' government should not suffer. Both a specially convened committee of experts and finance commissar Karjikian were of the opinion that Transcaucasia should not have its own particular currency system and that any paper money issued should be a temporary issue until the restoration of the Russian government.

Thus the finance commissariat considered the printing and issuing of paper money as an extraordinary and temporary measure with the understanding that the issue of the paper money would not violate the Russian currency system. Moreover, the finance commissar demanded that the local currency should be printed to the value of Russia's financial obligations to Transcaucasia. Those obligations were calculated to be about 100 million roubles.

Why not bring a friend to the next meeting?



1920 TRANSCAUCASIA 10000 ROUBLES

It was therefore understood that the paper money authorized by the Commissariat would have such a status that, if the expected political changes occurred, the Russian government would back the paper money. This view was supported by both the Armenian and other ethnic financial and industrial interests of the region.

At first there was an inclination to place the responsibility for printing the paper money with the Tiflis Autonomous Civic Authority, but this was ultimately seen as unsuitable. It was then decided that the production of the paper money would be authorized by the Transcaucasian League of the Cities. On 4 December 1917 at the Sixth Assembly of the Deputies of the League of the Cities, the decision was taken to release, in the name of 'League of the Cities', 50 million roubles in small bonds. (The motion to introduce the bonds was instigated by the Commissariat.) The bonds were to be guaranteed by the properties and possessions of the civic autonomous administrations.

The bonds served as legal tender and were decreed to be of equal value with Russian credit notes, which continued to circulate.

A few days after the decision by 'the Assembly of the Cities' it became known that Baku's civic autonomous authority had undertaken to print its own banknotes and that Baku refused to participate in financial and business dealings with the other cities of Transcaucasia. This stand weakened the Assembly's position and the Transcaucasian Commissariat,

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concerned at the measures implemented in Baku, decided to release the bonds in the name of Commissariat, believing this would cause Baku to refrain from its separate policy.

From 2 January 1918 the Commissariat began preparation of the bonds, although the official decision to issue them was made on 29 January. Legislation authorizing their issue was published on 4 February and the bonds began circulating on the same day.

According to the legislation the Finance Commissariat was given permission to release paper money valued at 100 million roubles as 'Transcaucasian Commissariat Bonds', for which acceptance was compulsory within the boundaries of Transcaucasia. The bonds served as legal tender and were decreed to be of equal value with Russian credit notes, which continued to circulate. In the legislation it was emphasized that the bonds were only a temporary measure, released until the reasons that caused the currency crisis in Transcaucasia were rectified.

The Transcaucasian Federation, of Georgia, Armenia and Azerbaijan, was ill-conceived, with each of the participating states having differing allegiances.

At first, the Commissariat regarded
Transcaucasia as an inseparable part of Russia and
the solution of all important problems was dependant
on the overthrow of the Bolshevik regime. However,
within a short time the Transcaucasian Seim, i.e. the
Constituent Assembly, was established and public
opinion on the relationship with Russia beginning to
change. The people and their leaders began
discussing the possibility of separating from Russia.

At the beginning of April, the authorized allocation of 100 million roubles was consumed and the Seim once again found itself in difficulties. Not only did government expenditure require more currency, but the requirements of retreating troops from the front greatly concerned the Seim. The government could not ignore the troops, because increasing Bolshevik agitation amongst the soldiers presented a significant

danger to Tiflis. The only remedy was a new issue of bonds and the Commissariat, on 4 April 1918, presented the Seim with a project which was immediately approved, authorizing the Finance Commissariat to issue bonds worth 200 million roubles.

Faced with the civil war in Russia and a belligerent Turkish army, Transcaucasia was declared an independent federation on 22 April 1918. The federation consisted of the three states of Armenia, Georgia and Azerbaijan. Despite the intention that Commissariat bonds would be issued at par with the Russian state credit notes, they were quickly trading at a discount. In March 1918 there was a 5% difference in the value between the Commissariat bonds and state credit notes. The variation increased to 15% on the day following the declaration of Transcaucasian independence

By the middle of July 1918 Armenia and Georgia were in a deep financial crisis, both unable to provide the minimum needs of the newly founded republics.

The Transcaucasian Federation, of Georgia, Amenia and Azerbaijan, was ill-conceived, with each of the participating states having differing allegiances. The Armenians were terrified of the Turks, having witnessed the Armenian genocide of 1915, while the Azerbaijanis had a common heritage with the Turks. Georgia was aligning itself with the Germans and encouraging their influence in the region. So, it was no surprise that on 26 May, just one month after the federation was created, Georgia withdrew from the federation and declared its independence. Armenia declared its independence a day later and Azerbaijan declared its independence on 28 May. Despite the separation, the three republics remained on good terms.

By the middle of July 1918 Armenia and Georgia were in a deep financial crisis, both unable to provide the minimum needs of the newly founded republics. It was therefore agreed by the three republics to issue a further 200 million bonds and the issue of bonds continued under joint agreements for another year.

Meanwhile, the three republics had initiated the printing of their own banknotes—Azerbaijan from October 1918, Georgia from June 1919, and Armenia from August 1919. Notwithstanding these circumstances, the circulation and acceptance of the Transcaucasian bonds remained compulsory within the three republics and the Transcaucasian bond was of equal value with the locally produced banknotes. Under the agreements by which the Transcaucasian bonds were issued, each republic had the right to reduce the circulation of the bonds in their respective republics, on the condition that only the amount which was allocated to that republic could be withdrawn from circulation.

The final agreement for the issue of bonds was on 4 July 1919 and the delivery of the notes authorized under this agreement was completed in early September 1919. Following this issue of bonds the role of the Transcaucasian Commissariat was completed. The total amount of bonds issued under the various agreements is summarized in the following table.

Initial agreement of Transcaucasian Commissariat and Seim	300 million roubles
20 July, 1918	200 million roubles
6 September, 1918	80 million roubles
15 November, 1918	160 million roubles
12 February, 1919	320 million roubles
7 March, 1919	200 million roubles
4 July, 1919	100 million roubles

The 300 million roubles printed by the decrees of the Commissariat and Seim were used for the needs of the Transcaucasian government, liquidation of the troops at the front, and for the Georgian government (during the first month following the declaration of the republic). The remaining 1060 million roubles were divided among three republics, with Georgia receiving 380 million roubles, and Azerbaijan and Armenia each receiving 340 million roubles. Thus the distribution of the bonds was not connected to the population, or the size of each republic, or the industrial output of the republics.

By 1919, 1-, 3-, 5- and 10-rouble notes were being complemented with low value notes issued by each of the three republics.

The following figures show the value of the bonds in circulation during the period of their issue (figures are in millions of roubles).

Date (At the beginning of)	Total amount of bonds in circulation	Value measured by gold roubles
April 1918	92	16.7
June 1918	195	30.0
Sept 1918	402	57.4
Oct 1918	447	56.0
Dec 1918	634	52.8
June 1919	706	54.3
Feb 1919	768	46.6
March 1919	855	42.8
May 1919	1080	30.0
June 1919	1178	28.3
July 1919	1273	27.4
Sept 1919	1360	27.2

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* The charts in this article are extracted from 'The Bonds of the Transcaucasian Commissariat' by Grigor Djaghetian. On 10 March 1924 Russia introduced a monetary reform where 1 Gold Rouble replaced 5,000 Roubles. The bonds were placed into circulation when roubles were the currency but Djaghetian's article was written in 1927 after the monetary reform, which is why he compared the value of the bonds to gold roubles.

From these figures it is seen that the total value of the bonds in circulation, measured against the value of the gold rouble, steadily increased during the first eight months of their issue and reached a maximum value of 57.4 million gold roubles in September 1918.

Thereafter, in a period of five months, with some fluctuation, the value remained around 50 million roubles. But, from the spring of 1919, when political factors imposed themselves and the Transcaucasian foreign trade balance slowly reduced, the value of bonds, in comparison with gold roubles, rapidly decreased to 27.2 gold roubles in September 1919.

The bonds of the Transcaucasian Commissariat were printed in the denominations of 1, 3, 5, 10, 50, 100 and 250 roubles. The final breakdown of all notes issued is as follows.

1-rouble bonds	3.0 million
3-rouble bonds	12.6 million
5-rouble bonds	22.6 million
10-rouble bonds	41.4 million
50-rouble bonds	226.0 million
100-rouble bonds	358.4 million
250-rouble bonds	696.0 million

By 1919, 1-, 3-, 5- and 10-rouble notes were being complemented with low value notes issued by each of the three republics. Although there was initially a strong demand for these notes, following the devaluation of the bonds and local currency the low value notes entirely disappeared from circulation.

While some of the bonds share common characteristics, there are variations in design. The title

of the issuing authority is on each note in the following phrase: 'Bond of the Transcaucasian Commissariat'. On the lower denomination notes (1, 3, 5 and 10 roubles), the word 'Bond' is in large letters, whereas for the higher denomination notes the word is the same size as the rest of the phrase.

There are four basic designs for the notes issued by the Commissariat—the 1- and 3-rouble notes use the same vertical design; the 5- and 10-rouble notes use similar designs; as do the 50- and 100-rouble notes; while the 250-rouble note uses a design unique to that denomination. The designs are principally patterns of an organic nature, displaying intricately woven lines, with leaves appearing as major design elements. On each note is a frieze, reminiscent of carved woodwork, and on all but the lower two denominations two doves appear in the frieze. On the 5- and 10-rouble notes, each dove looks over their shoulder and a leaf is placed between them. On the three higher denomination notes, the two doves face each and between them is a small tree.

The denomination, in numerals and words, appears on the front of each note, below which is written a declaration as to the validity of the bonds, which reads: 'To circulate equally with state credit notes'. The year of issue, 1918, appears at the bottom of each note. There are two signatories for each bond, the 'President of the Commissariat' and the 'Finance Minister'.

The signature at the left is of the 'President of the Commissariat', Evengii Gegechkhori. Aligned with the Menshiviks, Gegechkhori was a major political figure in the history of Georgia. He had been elected to the Third State Duma (Parliament) representing Kutaisi in 1907 and, although he was re-elected in the Fourth State Duma, he was disqualified on a technicality. After his tenure as President of the Transcaucasian Commissariat, he appears to have fallen into the milieu of Georgian politics, becoming Foreign Minister when the defeat of the Germans led to the resignation of the German-leaning foreign minister. After the Bolsheviks took control of Georgia he escaped to France, where he lived in exile.

The signature at the right is of Khachatur Karjikian, the

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Jersey Copper 1/26th of a Shilling

By Harold Fears

Continuing our discussion from the last two issues about the early copper coins for Jersey, this month we take a quick look at the 1/26th of a shilling coins issued from 1841 thru 1861. The following table lists the year and the mintages for the copper 1/26th of a shilling:

MINTAGES FOR THE COPPER 1/26TH OF A SHILLING

1841-1861

1841	232,960
1844	232,960
1851	173,333
1858	173,333
1861	173,333



Striations are visible on most issues

One item of interest is that striations are visible on nicer specimens in the series. Striations are the lines

on the obverse die resulting when a reverse die strikes the obverse die without a planchet between them. This phenomenon can be seen on most 19th century Jersey coins and all of the coins in this series. On some coins, not only are the striations caused by the lines of the shield are visible, but sometimes even the outline of the shield is present.



The obverse of the copper 1/26th of a shilling



The reverse of the copper 1/26th of a shilling

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'Finance Minister'. Karjikian was an Armenian politician and a member of the Armenian National Council in 1916 before becoming the minister of finance in the Transcaucasian Commissariat. While he was serving in the Commissariat he was also leader of the Dashnak party (i.e. the Armenian Revolutionary Federation). He later served as minister of finance for the Armenian Republic before being assassinated in November 1918.

All text on the front of the notes, including the signatures, is in Russian. Serial numbers are used only on the five higher denomination notes, and consist of two Cyrillic letters and four numerals. On the back of the notes, the denomination again appears in numerals and Russian text. In the lower portion of each note is a warning to counterfeiters, which may be translated as: 'In counterfeiting bonds the guilty will undergo punishment as though they had counterfeited credit notes'. The back of each note also carries the validity clause, which appears on the front of the note (i.e. 'To circulate equally with state credit notes'), in Armenian, Georgian and Azerbaijani texts.

The notes issued by the Transcaucasian Commissariat appear with and without watermark. It is assumed that the continued printing of the bonds in large numbers meant that some economies were made and the loss of watermark was one of the sacrifices to increased production. While the notes continued to be used in Azerbaijan, Georgia and Armenia after separate note emissions by the independent republics, they appear to have ceased to circulate after the Bolsheviks took control.

The notes of the Transcaucasian Commissariat remain a distant reminder of the fragile alliances of the peoples of the Transcaucasus and of the turmoil visited upon the region during the transition from Empire to Communist rule. Critics might say that the notes are unattractive, and it is true there is nothing particularly noticeable about the notes, but once the notes are placed in their historical context they become significant relics of a moment in history.

Note: Much of this article is based on material in 'The Bonds of the Transcaucasian Commissariat' by Grigor

Djaghetian, written in Armenian and published in 1927. The author is grateful to Y. T. Nercessian for making the article available and to Vardkaz Mardiroussian for translating sections used in this study.

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About the author:

Peter Symes is a publisher of books and articles on world paper money. Many have been published in the International Bank Note Society Journal. To learn more about his books available for sale, please visit his home page at http://www.pjsymes.com.au/.■

Inclement Weather Notice

If the Huntsville City Schools are closed due to inclement weather, then the Huntsville Senior Center is closed. There will be no club meeting if the Huntsville Senior Center is closed. Local TV and radio stations will give notice of any Huntsville school closure. ■

Jersey Copper 1/26th of a Shilling continued from page 8

These coins are relatively inexpensive and specimens range in price from \$5 for circulated examples to ~\$150 for uncirculated specimens.

Some Scenes from the September Meeting











Members' Notices

Rules for users of the member notice page: All notices are free and should be directed to the editor of the Madison County Coin Club newsletter (see back page for address). Notices will be limited to a maximum of 8 lines, including the name and contact information. The person entering the notice must answer all responses to notices. Preference will be given in the following order to notices when the page is oversubscribed in a single month:

- 1. Research Notices
- 2. Wanted Items
- 3. Trades Offered
- 4. For Sale Items

Looking for world coins or tokens with sailing ships, or dragons. Interested in crowns, and smaller denominations. Silver, Cupero-Nickel, bronze, Aluminum and the like. Contact Mark at TheLarsens@bellsouth.net

Looking for Alaskan Medals and Tokens. Contact: Richard at ANALMRJ@gmail.com or 256-337-5092

Looking for numismatic information concerning the Island of Jersey, Channel Islands. Especially interested in magazine or newspaper articles. Contact: Harold at hkfears@knology.net or 256-881-6268.

The Cincinnati Half Dollar

This is a very curious coin because it seems to have an inappropritate subject and design. Why not come to the October meeting and learn about how and why this coin was produced?



Visit us on the web at http://mccc.anaclubs.org/

2008 CALENDAR OF EVENTS

All meetings are held at the Senior Center in Huntsville in the Ceramics Room. We meet on the fourth Monday each month except for May and December. Meetings start at 6:30 and typically end around 8:30. The Thomas W. Davidson, Sr. Senior Center is located at 2200 Drake Ave. SW, Huntsville, AL 35803.

JANUARY 28

Speaker: Bob Jaques

FEBRUARY 25

Charles Cataldo presents "The State of the Coin Market"

March 24

Speaker: Dennis Schafluetzel, President of Georgia Numismatic Association, presents "Carpetbagger Promotes, Combines and Rebuilds and Bankrupts AL & Chattanooga Railroad"

APRIL 28

Speaker American Numismatic Association (ANA) Governor Radford Stearns.presents "The History of the Western World in 28 Coins"

JUNE 23

Annual potluck and bourse night.

JULY 28

Speaker Richard Jozefiak presents "The Modern Sovereign and Half-Sovereign: Gold Coins of the British Empire From 1817 to Today"

AUGUST 25

Speaker Harold Fears presents "The 1813 Jersey Tokens"

SEPTEMBER 22

Speaker Mike Ford talk is "Seated Dollars"

OCTOBER 27

Speaker: Robert Patrick discusses the "Daniel Boone Commemoratives."

NOVEMBER 24

Annual Thanksgiving Celebration.

October is Quarter Month

October is quarter month. So whether you wish to trade, sell, or buy some key dates, the coin club's October meeting is the place to be!





CLUB OFFICERS

PRESIDENT: Bob Jaques (rjapilot@charter.net)

VICE PRESIDENT: <u>Harold Fears</u> (hkfears@knology.net)

SECRETARY: <u>Richard Jozefiak</u> (analmrj@gmail.com)

TREASURER: Mike Campbell (mcampbell7@juno.com)

BOARD MEMBER: Mark Larson (thelarsens@bellsouth.net)

FIRST COMMEMORATIVE PENNIES **ARE COMING!**

Bob Jaques

Next year, our Country will celebrate the 100th minting anniversary of the Lincoln cent, which was first introduced in 1909, and remains the longest continually minted U.S. coin in history.

The U.S. Mint will set a new precedent next year as they make the first commemorative penny in U.S. coin history. Not only one penny, but a total of four pennies each with a different reverse will be minted. One new penny will be released each guarter until the set of four have been completed.

The four reverses will reflect the major period's in Lincoln's life. They are his birth and early childhood in Kentucky; his formative years in Indiana; his professional life in Illinois; and his presidency in Washington, D.C.

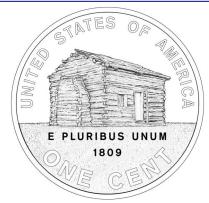
The first penny will be released on February 12, 2009, the bicentennial of Lincoln's birth. These new reverse designs are the first changes to the Lincoln penny since 1959 when the older "wheat" style gave way to the "memorial" reverse.

The Lincoln penny collection from 1909 to the present has produced some rare dates and mint marks. Of course. the "key" penny is the 1909-S VDB with a total mintage of only 484,000. The next lowest mintage penny is the 1931-S with a total of 866,000. The 1922 plain penny is rare but there are no mintage figures for this error coin.

There have been several die varieties such as "large dates" and "small dates", and several error versions of this famous penny. The best known and rarest is the 1955 Double Die. Then there are several "double date" varieties throughout the minting of this coin of the last 100 years. For a listing of these collecting varieties consult the Red Book of United States Coins.

In addition to these four commemorative pennies, the Abraham Lincoln Commemorative Coin Act of 2006 also authorizes 500,000 proof and uncirculated 90% silver dollars.

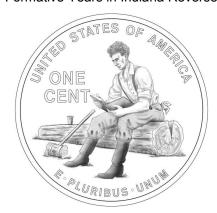
Look for 2009 to be an exciting numismatic adventure as we look forward to these four Lincoln commemorative pennies.



Birth and Early Childhood in Kentucky Reverse



Formative Years in Indiana Reverse



Professional Life in Illinois Reverse



Presidency in DC Reverse

Madison County Coin Club 14047 Camden Circle Huntsville, AL 35803

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