



THE KEELBOAT

North Hills Coin Club Presents

Pittsburgh's Premier Numismatic Publication

Volume 1 Issue 3



December 2005

HONEST MONEY

Part 2: Silver Standard with a Bimetallic
Coinage System

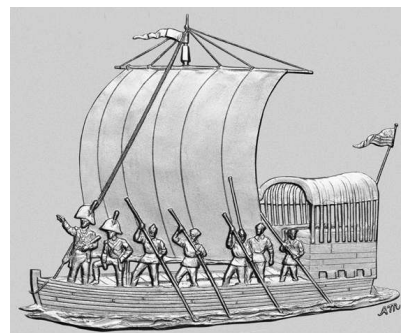
THE NATIONS \$4 COIN



SOLD!!! For \$8.5 Million
Will that be Cash or Check?

The New 2006 Quarters Unveiled

THE KEELBOAT



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Honest Money Part 2

The second of a six part story

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Special Thanks

To the Northland Public Library for the use of their meeting rooms, equipment and facilities.

To Steve L for bringing in the History Channel video about Gold

North Hills Coin Club

Founded in 2004

Officers and Offices

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Acting Secretary
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The North Hill Coin Club is a non-profit organization dedicated to the preservation and education in the numismatic community.

The North Hills Coin Club is a proud member of the American Numismatic Association



www.money.org

From the Editor,

Well, another year is just about over. This month we will be officially electing our club officers. I want to personally thank (and I believe that all members feel the same) Steve L for all of his contributions, filling in for all offices and all that he has accomplished with this club over the past year. The North Hills Coin Club and all members have a great year ahead of them.

I would also like to thank all members for the support, feedback and comments about the newsletter. Thank you very much.

This month's Keelboat Museum features the error coins of Michael Byers of Byers Numismatic Corp www.mikebyers.com. He has some incredible seldom seen errors for sale. I used his photos from his publications called "Mint Error News" so that those collectors who do not collect error coins might be able to see another way to collect.

Have a Merry Christmas and a Happy New Year!!!
See you at the meeting

This Month's Presentation

As per discussion of the last meeting, and because of the elections that will be held, all attending members are encouraged to bring something (s) from their collection and give a short discussion about them after the election.

During the December Meeting

As per article III section 3 of the BY Laws
Election of Club Officers shall be made by written secret ballot or by voice if the office is uncontested.

1909 was the first year the initials VDB was added to the Lincoln cent, they were removed and then added back on the cent in what year?

- 1.) 1910
- 2.) 1911
- 3.) 1915
- 4.) 1918

Answer on page 16

In The News

United States Mint Announces Designs for 2006 Commemorative Quarters

WASHINGTON – The United States Mint today officially released the designs selected for the five new 2006 commemorative quarter-dollar coins in the United States Mint's 50 State Quarters® Program. The new quarters will honor Nevada, Nebraska, Colorado, North Dakota and

South Dakota. The coins will be issued at approximate ten-week intervals beginning early in 2006. The public may exchange their bills for each new quarter in person at the site of the official quarter launches or buy the coins online when they are issued. The new quarters will also be available in circulation.

The United States Mint introduces quarter-dollars in the order in which each state was admitted into the Union. The first quarter released in early 2006 honors Nevada and will be the 36th quarter in the United States Mint's 50 State Quarters Program. Nevada was admitted into the Union on October 31, 1864, becoming our Nation's 36th state.

Nevada's quarter depicts a trio of wild stallions, the snow-capped mountains and the sun, bordered by sagebrush and a banner that reads "The Silver State." The coin also bears the inscriptions "Nevada" and "1864." The Nevada quarter reverse was designed and sculpted by United States Mint sculptor-engraver Don Everhart.

The second quarter released in 2006 honors Nebraska and will be the 37th quarter in the United States Mint's 50 State Quarters Program. Nebraska was admitted into the Union on March 1, 1867, becoming our Nation's 37th state.

In the foreground, Nebraska's quarter depicts an ox-drawn covered wagon carrying pioneers and in the background, Chimney Rock, the natural wonder that rises from the valley of the North Platte River, measuring 445 feet from base to tip. The sun is in full view behind the wagon, and the coin bears the inscriptions "Nebraska," "Chimney Rock" and "1867." The Nebraska quarter reverse was designed by the United States Mint's Artistic Infusion Program (AIP) artist Richard Masters of Appleton, Wisconsin, and sculpted by United States Mint sculptor-engraver Charles Vickers.

The third quarter released in 2006 honors Colorado and will be the 38th quarter in the United States Mint's 50 State Quarters Program. The Colorado quarter depicts a sweeping view of the State's rugged Rocky Mountains with evergreen trees and a banner carrying the inscription "Colorful Colorado." The coin also bears the inscriptions "Colorado" and "1876."

Colorado, which gained statehood less than one month after the 100th anniversary of the signing of the Declaration of Independence, became our Nation's 38th state on August 1, 1876, and is nicknamed the "Centennial State." The Colorado quarter reverse was designed by AIP artist Leonard Buckley of Damascus, Maryland, and sculpted by United States Mint sculptor-engraver Norman Nemeth.

The fourth quarter released in 2006 honors North Dakota. As the 39th state admitted into the Union on November 2, 1889, North Dakota will be the 39th coin released in the United States Mint's 50 State Quarters Program.

The North Dakota quarter depicts a pair of grazing American bison in the foreground while, in the background, a sunset view of the rugged buttes and canyons that symbolize the State's Badlands region. The coin's design bears the inscriptions "North Dakota" and "1889." The North Dakota quarter reverse was designed by AIP artist Stephen Clark of Post Falls, Idaho, and sculpted by United States Mint sculptor-engraver Donna Weaver.

The fifth and final commemorative quarter to be issued in 2006 honors South Dakota, the "Mount Rushmore State." South Dakota was the 40th state admitted into the Union on November 2, 1889, and the South Dakota quarter will be the 40th coin released in the United States Mint's 50 State Quarters Program. The release of this coin will signal the completion of the eighth year of the ten-year 50 State Quarters Program.

The South Dakota quarter features an image of the state bird, a Chinese ring-necked pheasant, in flight above a depiction of the Mount Rushmore National Memorial, a sculpture that features the faces of four American Presidents: George Washington, Thomas Jefferson, Theodore Roosevelt and Abraham Lincoln. The design is bordered by heads of wheat. The coin's design also bears the inscriptions "South Dakota" and "1889." The South Dakota quarter reverse was designed by AIP artist Michael Leidel of Marietta, Georgia, and sculpted by United States Mint sculptor-engraver John Mercanti.

Customers will be able to purchase the 2006 50 State Quarters in two-roll sets and bags during the approximate ten-week period each is minted by using the United States Mint's secure website, www.usmint.gov, or by calling 1-800-USA-MINT (872-6468).

As an added convenience, customers can participate in a subscription-ordering program in which specific products, such as two-roll sets and bags of each new quarter, are charged and shipped to the customer automatically as each new quarter is released. For more information about this ordering method, please visit www.usmint.gov. Hearing- and speech-impaired customers may order by calling 1-888-321-MINT (6468). A shipping and handling fee of \$4.95 per order will be added to all domestic orders. Quarter bags of 1,000 coins will have an additional charge of \$7.95 per bag because of their weight and size.

Contact: Press inquiries: Michael White (202) 354-7222

Customer Service information: (800) USA MINT (872-6468)



In The News

Coin dealer's missing car found in Lakewood

By [Jonathan Ellis](#)
10/05/2005

Lakewood police have recovered a car that was reported stolen by an Evergreen rare coin dealer who is under criminal investigation.

The 1999 Lexus was found by a Lakewood officer at about 3:15 a.m. Oct. 1 in an underground parking garage at the Sheraton Hotel at 360 Union Blvd. Lakewood police spokesman Steve Davis said the officer was on routine patrol when the car was found.

The Lexus was one of two vehicles that disappeared in June from the home of Michael Storeim. Along with the Lexus, Storeim reported the theft of a Toyota Sequoia, firearms, hundreds of bottles of rare wine and artwork.

The burglary occurred one week after Jefferson County sheriff's investigators seized evidence from Storeim's home and Evergreen business. Storeim is under investigation in the disappearance of two rare coins that belonged to the Ohio Bureau of Workers' Compensation. The coins, valued at \$400,000, were part of a \$50 million investment portfolio of which \$13 million is missing.

The missing coins and assets are at the center of a political scandal in Ohio, a scandal that has led to the conviction of Ohio Gov. Bill Taft for violating the state's ethics laws.

According to a Lakewood report, the vehicle was "very dusty and had to be parked at this location for some time." Lakewood police notified sheriff's deputies, who responded and processed the car for evidence.

The car was locked and there was no sign of forced entry or other damage, according to a deputy's report. The key was in the ignition.

Coin case in search of big tip

Insurer promotes \$100,000 reward.

By JOSH FLORY of the Tribune's

On the trail of a \$4.3 million coin heist, officials at insurance giant AIG are putting a hefty pile of money on the line to attract tips. The AIG Private Client Group, a subsidiary of New York-based American International Group Inc., is offering a \$100,000 reward for the safe return of coins that were allegedly stolen from a rented car parked at a Kingdom City parking lot or for information leading to a conviction in the case.

The offer comes on the heels of a strange series of events in which a rental car with \$4.3 million in coins stowed in the trunk was stolen from outside the Kingdom City Days Inn.

Albert Guilder of Plantation, Fla., reported the theft on Sept. 20 after spending the night at the hotel. Guilder had rented a gray Chevy Impala in Florida and was on his way to Blue Springs, where he planned to buy a house with some of the coins.

Guilder told investigators that the 771 rare coins were in two brown leather suitcases in the car trunk. He said he didn't take them into his room because it was raining, and he didn't want them to get wet.

The car was eventually recovered near a transmission tower for a radio station in Mexico, Mo., but the suitcases and the car's license plates were missing.

Greg Jones, a claims manager with the AIG Private Client Group, said AIG is the insurer for Guilder, although he declined to use the Florida man's name. "Both our clients and AIG have an active interest in recovering the property," he said.

Jones declined to give detailed comments about the case, but Tim Osburn of the Callaway County Sheriff's Department said the insurer is conducting "what you'd almost call a parallel investigation."

"We're actually independent, but we're staying in close contact with each other," Osburn said, adding later that adjusters for the insurer appear to have investigative experience.

Osburn said his department doesn't have anyone in custody but has talked to "quite a few people" during the investigation.

Reach Josh Flory at (573) 815-1719 or jflory@tribmail.com.

In The News



Lewes beachcomber finds 1626 coin

Seaford resident discovers artifacts possibly linked to state's first European settlers

BY MOLLY MURRAY / The News Journal

09/15/2005

Delaware historians first thought relics found on Lewes beach could have come from a land settlement dating to the earliest colonization of Delaware -- possibly with some link to the state's earliest European settlers, the Dutch. As it turns out, that theory was not all that outlandish.

Archaeologists are almost certain the Zwaanendael settlement, the first established in Delaware by the Dutch about 1630, was located along the modern-day Lewes & Rehoboth Canal. An initial look at dozens of pieces of yellow brick and green-glazed earthenware found on the beach seemed to point to a very early site, possibly with ties to Dutch traders.

Now another discovery in the Lewes area suggests more history may be popping up related to that early land settlement. John Clark, of Seaford, was combing the beach near Roosevelt Inlet about four years ago. He remembers it was a cold day, windy, and he was bundled up. As he swept the beach, he heard a beep indicating metal beneath the sand, so he started digging. About a foot down, he found a disc of metal, which he took home and didn't think much about. "I didn't know if it was a coin or a token," he said.

In recent months, he showed the coin to Bill Winkler, owner of a nautical-themed store near Ocean View. Winkler offered to send the coin to an expert. As it turns out, the coin is dated 1626 with the marking "Holandia" on it. It is, by far, the oldest coin Clark said he has ever found, and its discovery came years before an Army Corps of Engineers dredge dug into a shipwreck and pumped artifacts onto Lewes beach. Winkler also sent three other artifacts found near Roosevelt Inlet for identification.

One turned out to be the remnants of a military button from the German state of Schwarzburg-Rudolstadt, issued in the 1600s or early 1700s. Two small copper fragments may be from the German state of Mecklenburg on the Baltic. Winkler believes there may be more going on in Lewes than just the shipwreck.

Contact Molly Murray at 856-7372 or mmurray@delawareonline.com.



SENATORS PROPOSE OLD MINT COMMEMORATIVE COINS

10/19/05 11:05 PDT

To celebrate the upcoming restoration of San Francisco's Old Mint, California Sens. Barbara Boxer and Dianne Feinstein, along with Nevada Sen. John Ensign, introduced legislation in Washington, D.C. today to allow the creation of 600,000 coins commemorating the Old Mint.

If the bill passes, 100,000 five-dollar gold coins and 500,000 one-dollar silver coins would be minted and issued. Proceeds from the sale of the coins will go toward the restoration of the 135-year-old building on the corner of Fifth and Mission streets in San Francisco.

"I believe honoring and restoring the San Francisco Old Mint building is an important historic preservation project," said Feinstein in a prepared statement, adding, "I hope my colleagues will join me to support this legislation to help preserve and restore this majestic building and honor the important role it played in rebuilding the great 'City by the Bay."

In The News

Lewes mysteries unraveling

First, the artifacts found on the beach were thought to be from an unknown settlement, then a sunken coastal boat. Now, a new theory is being floated.

BY MOLLY MURRAY / The News Journal

09/15/2005

In February 1762, a cargo ship sailing from Bristol, England, entered Delaware Bay at Lewes, bound for Philadelphia.

It never got there because a storm -- possibly a nor'easter -- drove the ship aground on a series of sandbars called "the Sheers."

Delaware archaeologists think that ship may be the wreck struck last fall by a U.S. Army Corps of Engineers dredge scooping up sand for a beach replenishment job at Roosevelt Inlet.

That ship is one of five or six that are being studied as the possible source of shipwreck artifacts that landed on Lewes beach last fall. "The date's right," said Daniel R. Griffith, project director of the Lewes Maritime Archaeology Project.

Griffith said the Bristol ship has promise because maps of the Delaware Bay prepared in the 18th century identify a series of sandbars just off what is now Roosevelt Inlet as "the Sheers."

At the moment, the identity of the ship is just a theory, one of many that state historians are starting to formulate as they sift through thousands of artifacts found on Lewes beach or during dives to the site of the wreckage several hundred yards offshore.

The search also has led them to plow through old shipping journals, newspaper accounts and insurance records that might refer to a ship and cargo that would match what has been found hundreds of years later.

A consultant's report on the shipwreck site is expected to be completed later this month, but enough evidence has been found to alter some of the initial thinking the emerged soon after beachcombers began finding shards of glass, pottery and other items 10 months ago. Initially, historians thought the relics could have come from a land settlement dating to the earliest colonization of Delaware -- possibly with some link to the state's earliest European settlers, the Dutch.

Research dispels initial thoughts

But state archaeologists in recent months have focused on the theory the artifacts came from the wreck of a ship. First they thought the wreck was a coastal boat, perhaps moving on the Delaware River from Lewes to Philadelphia. Further findings suggest the wreck was an oceangoing vessel.

Divers found that the wreck's keel was at least 71 feet long, and may have been as long as 80 feet, indicating the vessel was an oceangoing ship. The keel from another famous Delaware wreck -- the late 18th century British brig the DeBraak -- was 72 feet long. "This is trans-Atlantic size," Griffith said.

A clearer picture also has emerged from what hasn't been found. There is no anchor, no bell, no rigging, no bits and pieces from a ship (like blocks and shives) that an archaeologist would expect to find, he said.

That leads fellow state archaeologist Charles Fithian to believe the wreck was probably salvaged sometime after it foundered.

Thousands of tiny clues

The search for clues is painstaking work as members try to piece together a puzzle from shards of the mystery ship's past.

In all, some 11,000 to 12,000 items have been recovered, and each must be marked, sorted and, if possible, fit with other pieces.

Much of the investigative work is taking place in an old World War II bunker at Cape Henlopen State Park. Artifacts are soaked in fresh water to help remove more than two centuries of accumulated salt and mineral deposits. Then they are sorted by style and type.

Most of the pieces are just that -- pieces.

The wreck was discovered by accident after the Army Corps pumped 165,000 cubic yards of sand onto Lewes beach as part of a replenishment project that began shortly after Labor Day weekend of last year. Beachcombers started to find artifacts in November.

Since then, state and federal officials have surveyed the offshore sand site, discovered similar intact pottery and glass and found -- buried beneath the sand -- the remains of the foot keel.

They have concluded that the sand-pumping dredge hit a wreck probably dating from between 1760 and 1775. That makes it one of the earliest known shipwrecks discovered in Delaware.

And they now know that the dredge did not actually hit the remains of the ship. Much of the bow was already gone, and the dredge hit the scatter trail from the wreck. Much of the stern end of the ship is intact in the sand, Griffith said.

Some of the key findings so far are a collection of millstones and about a dozen softball-size ingots that show the wooden marks from a mold. They are heavy, so heavy that they appear to be lead.

"Antimony," Griffith said. Antimony would have been mixed with tin and copper to make pewter. It also was sometimes mixed with lead to make letters used in printing presses.

Continued on next page

In The News



Research assistant Susan Ritter magnifies a brass watch key, from the 1760 and 1775 era, found with artifacts on the Lewes beach.

The paper recorded stories of murders, accidents, shipwrecks, even unusual events such as rainbows and parhelion. It covered news events from Philadelphia and its trading cities, such as Cape Briton, London, Barbados and Lewes.

"Sunday, Oct. 31, 1731," one entry about another shipwreck reads. "In a violent storm, the ship Bristol Merchant, Capt. Maynard was drove ashore near our Capes near Lewes. She was a new ship, outward bound. Tis said the vessel is lost but most of the cargo will be saved."

It is pre-Revolutionary War period, during Lewes' trading heyday, that state officials believe the ship ran into trouble.

Griffith said the vessel probably foundered during a storm, but was close enough to shore to make it easy to salvage. "It's a very interesting story," he said.

More answers lay buried

So far, federal officials have spent \$98,000 for the first two phases of study of the shipwreck.

Griffith said state officials are awaiting the consultant's report before they decide what to do next. There are many remaining questions, he said, such as: "What type of vessel was it, why did it sink, its origin and destination, any lives lost, how was the cargo hold loaded?" Griffith would like to see the underwater site stabilized and additional survey work to find out more about what is there.

"There are a lot of questions that are still offshore," he said.

Contact Molly Murray at 8567372 or mmurray@delawareonline.com.

Dutch influence in goods

As the sorting has progressed, state researchers have run into a language barrier. No one on the team speaks Dutch, and many of the items and fragments are Dutch and German.

"More and more, as we look at this stuff, it's a very northern European collection," Griffith said.

In recent weeks, researchers ran across fragments of wine bottles that say "Constantia Wyn," a company that was bottling in South Africa during the period. Griffith said South Africa would have been under the control of the Dutch.

"All of the references are written in Dutch," he said. "We've got to get a Dutch-English dictionary."

The research continues to paint a story of Colonial trade.

"Part of the whole English system was to carefully control trade to the colony," he said.

Once the size of the keel was discovered, the researchers redirected their records search from small coastal vessels to larger ships, such as collier brigs, brigs and sloops.

One of the places they are looking is in the pages of the Pennsylvania Gazette, the newspaper started by Benjamin Franklin.

Now you can access the
North Hills Coin Club on-line at
<http://groups.yahoo.com/groups/NHCC>

Now you can get automated announcements of future meetings, post messages, chat room is available, post pictures, download this Newsletter and much, much more. Signup today, it's FREE

The approximate weight of a currency note, regardless of denomination is (1) one gram. There are 454 grams in one (1) U.S. pound, therefore, there should be 454 notes in (1) one pound(Avoirdupois system). If the troy system were used, there are (12) twelve ounces in (1) one pound; therefore, if one note weighs approximately (1) one gram, then (1) troy pound contains approximately 375 notes.

In The News

Fabled King of Siam Proof Set Purchased For Record \$8.5 Million

- November 3, 2005

four years ago.

"I watched this extraordinary set sell at two auctions over the years, and I always wanted to own it because it's a national treasure. It is history, adventure and artistic beauty," said Contursi.

Ira Goldberg and his cousin, Larry Goldberg, issued a joint statement about their role as brokers on behalf of their unidentified client: "It has been our dream to handle the sale of the King of Siam proof set ever since its existence was first made known to the numismatic world in 1962. We are proud that we've sold it three different times over the past 15 years, twice at public auctions and now by private treaty. This was the most exciting sale because it shattered the previous record. It's the number one numismatic treasure."

The set includes the original, custom-made yellow leather and blue velvet case that housed the coins when U.S. State Department envoy, Edmund Roberts, presented it during an overseas trade mission on behalf of President Jackson to King Ph'ra Nang Klao (Rama III) of Siam in April 1836. The King's son, Rama IV, was the subject of the book, "Anna and the King of Siam," and the famous Broadway musical, "The King and I."

The King of Siam set was minted sometime in late 1834. Roberts took it with him on a voyage aboard the *USS Peacock* in 1835 and arrived in Siam in the spring of 1836. Included in the sale to Contursi was the ship's original log from the voyage of the Peacock in 1835.

"In the annals of American numismatics, nothing can compare with the legendary presentation set of United States coins that was given to the King of Siam," said Kenneth E. Bressett, a former President of the American Numismatic Association and co-author of a reference book about the set, "The Fantastic 1804 Dollar." He served as a consultant to Contursi in this transaction.

"No other group of coins can boast of a more absolute pedigree, or such an illustrious past. Measured in terms of collector appeal, rarity, romance and value, this set is unparalleled and will forever hold its place as one of the most desirable numismatic items in the world. New price records have been broken with each sale of comparable individual items that are included in this set, and it is likely that all records may be shattered with the sale of this monumental set," said Bressett.

It is believed the King of Siam's son, Rama IV, later gave the coin set to his British governess, Anna Leonowens, who died in 1915. More than 120 years after their presentation to the King, two descendants of Leonowens sold the coins to a London, England dealer in the late 1950s. The existence of the King of Siam set was announced to the astounded numismatic world in 1962, according to Bressett. The set contains one of the eight original "Class 1" 1804 silver dollars along with other numismatic treasures struck in 1834. It is believed that four sets were originally assembled as gifts to world dignitaries, but only two were ever delivered before emissary Roberts died. The other sets were returned to the United States Mint and eventually broken up.

The set also contains an 1833 gold medal depicting President Jackson. Although believed to be part of the set when delivered to the King of Siam in 1836, the half dime and Jackson medal were not included when the set turned up in London a half century ago. The two present replacements were included by subsequent owners more than a decade ago to fashion the set as it probably looked when presented to the King.

The individual items in the set were authenticated, graded and certified by Professional Coin Grading Service (PCGS) in June 2004: 1804 \$10 Plain 4, PCGS PR 64 Cameo 1834 \$5 Classic Head, PCGS PR 65 Cameo 1834 \$2.50 Classic Head, PCGS PR 64 Cameo 1804 \$1 Class 1, PCGS PR 67 1834 Half Dollar, PCGS PR 65 1834 Quarter Dollar, PCGS PR 65 1834 Dime, PCGS PR 67 1834 Half Dime, PCGS PR 66 1834 Large Cent, PCGS PR 66 Red/Brown 1834 Half Cent, PCGS PR 66 Red/Brown 1833 Andrew Jackson gold medal, PCGS PR 63 Cameo

The King of Siam coin set was exhibited at the Smithsonian Institution in 1983 and for a year at Mandalay Bay Resort in Las Vegas when it opened in 1999. Contursi plans to publicly exhibit the King of Siam set at the Long Beach, California Coin, Stamp & Collectibles Expo in February. Earlier this year, Contursi paid \$3 million to buy the first gold coin made in the United States, a unique 1787-dated "Brasher Doubloon," and he also owns what is believed by many experts to be the first silver dollar struck by the United States Mint in 1794.

The previous record for the world's most valuable single coin or set was \$7.6 million for a 1933 U.S. \$20 denomination gold piece purchased in 2002.

(Beverly Hills, California) -- The fabled King of Siam proof set, originally given as a diplomatic gift on behalf of U.S. President Andrew Jackson to the King of Siam (now Thailand) in 1836, was purchased for a record price of \$8.5 million by Steven L. Contursi, President of Rare Coin Wholesalers of Dana Point, California on November 1, 2005. The set was sold by Ira & Larry Goldberg Coins & Collectibles of Beverly Hills, California on behalf of an anonymous owner described as "a West Coast business executive" who purchased it for over \$4 million

Honest Money Part 2

by Douglas V. Gnazzo

Part II: Silver Standard with a Bimetallic Coinage System

The Standard and the Coinage System

As we have seen, the Constitution along with the Coinage Act of 1792, established by statutory decree that the dollar was the unit of account and also declared that a dollar or unit was "each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four sixteenth parts of a grain of pure silver, or four hundred and sixteen grains of standard silver".

According to statute, the United States was on the silver standard. However, as we have seen, Congress also decreed that gold coins were to be minted and circulated along side of silver coins, and fixed the statutory valuation of silver to gold at 15 to 1. In other words, Congress had "fixed" the exchange rate between the two metals. Thus the United States was on a silver standard, but it was also on a bimetallic system of coinage, that included gold to be circulated at a "fixed" exchange rate to the silver standard.

Such a system can present problems, however, as the free market exchange rate between gold and silver can diverge from the statutory or legally fixed exchange rate - necessitating the adjustment of the other metals legal value up or down to conform to the statutory fixed rate of exchange.

In other words, Congress was trying to make two different types of metal coinage equal in purchasing power. This was not a good idea and would have been better left undone.

This also raises the very interesting question as to whether or not this "fixing" was an accidental mistake, by very learned men, well acquainted with this exact monetary issue, as the discussions of such are in the Congressional records.

Past historical monetary writings also address the issue in detail. Perhaps such was not a mistake, but was very much intended and planned, although unknown by most but a select few. We will trust the reader with making such determinations, as the following discussions occasion.

Legal Tender and Purchasing Power

Involved in the issue of "fixed" exchange, are the ideas of legal tender and the concept of purchasing power.

Legal tender has to do with distinguishing between the legal or juristic meaning of money, and the purely economic meaning and use of money. The term legal tender refers to the medium of payment that is designated as the legally accepted settlement of debts, especially debts due and owed to the government.

Money in the purely economic sense is commonly referred to as the medium of exchange or that which the common man uses to exchange one good for another to facilitate commerce and trade.

In a free market environment, whatever is determined to be the legal medium of payment (legal tender) must first naturally evolve as the accepted medium of exchange. Man by free choice determines what is to be money - the most commonly accepted or marketable medium of exchange.

A truly free society or government will only declare as legal tender, that media that society has already chosen as the accepted medium of exchange by its own free will.

As we have seen with the development of our Constitution and its monetary policy, the dollar was the unit or medium of exchange that was the most accepted then current medium - a specific weight and fineness of silver - the "silver dollar".

Any alteration in this Constitutional dollar, both as the medium of exchange and the medium of payment or legal tender - without a Constitutional amendment - would not be the workings of a free society or government, but one of forced obedience.

This also goes to the point that the legal intrinsic value of the dollar is the physical amount of silver or gold as measured against the "standard", which in the case of the U.S. dollar is a specific weight of silver.

However, the economic value or purchasing power of the medium of exchange is not "intrinsic", as it is not based on an objective determination or standard, but on the subjective valuations of the market participants. Some refer to this as the subjective theory of value or the theory of declining marginal utility.

It is exactly this difference - between the legal intrinsic value of money based on an objective standard or defined weight of metal - versus the subjective value of the medium of exchange that changes according to the supply and demand of the marketplace - that precludes any system of bimetallic coinage, that sets one metal as the standard, and then declares the other metal to be "exchangeable" for the standard metal at a "fixed" rate of exchange - to be inherently doomed to fighting free market forces and laws of supply and demand, continually requiring "regulatory" legislation and "adjustment". Such is not the workings, of a truly free market, but of a contrived or fixed market.

Although in the strict technical and statutory sense, the standard was silver and the system of coinage was bimetallic - in all practical applications or according to the prevailing "populist" views - the system was a duometallic system that reciprocally recognized and exchanged one metal for the other. As will be shown, however, the system fluctuated back and forth from one metal to the other, and with good cause - the purposefully contrived reasons of power and influence: all in the pursuit of profit and gain.

Gresham's Law

Establishing fixed exchange rates allows "Gresham's Law" to enter the picture, whereby an artificially overvalued money tends to drive an artificially undervalued money out of circulation.

Free markets and supply and demand being what they are, inevitably the market values one metal over the other. Eventually one metal is driven out by the other. This process is oft times referred to as "demonetization". But remember, bimetalism under a fixed standard is not necessarily a completely free system.

Starting slowly in the 1780's, the market value of silver slid downwards, steadily continuing down through the 1790's, up until about 1804-1805; mainly in response to the increased supply of silver from Mexico and the diminishing supplies of gold from Russia; while at the same time, its mint price remained the same, thereby causing silver to be overvalued in relation to gold.

Gold coins started to flow out of our country and ceased to circulate, while silver coin flowed in and was abundant. Gold coin was melted down and exported abroad. From 1800 to 1834 only silver coin circulated as the currency of choice. Gold had been driven out - but by what force? Might there be an unseen "guiding hand"?

First gold was driven out of circulation, and then over time silver became the lackey, until eventually both metals were driven into exile and buried beneath a mountain of worthless paper debt and hollow promises to pay: that is our now current system of paper fiat - a mere shade of its former self. But such events beg the question: a lackey of whom or by what power?

Congress would have been better off to have simply minted gold Eagles without fixing a dollar value on them, thereby allowing the free market forces of supply and demand to regulate their exchange rate value. This would help prevent the "authorized" control by other than free market principles or by "others".

Because of this flaw in a bimetallic system of coinage that has one metal as the standard and then fixes the exchange rate between the two metals, and the resulting "crying" up or down of the value of one metal in regards to the other - our monetary history was one where first one metal was dear and the other shunned, and vice versa, on several different occasions.

Conclusions So Far

It has been shown that the both the Constitution and the Original Coinage Act of 1792 established the monetary standard to be silver, in conjunction with a bimetallic system of silver and gold coinage.

- The definition of a "dollar" has been found to be a specific weight and fineness of silver; commonly referred to as the silver dollar: 371.25 grains of silver.
- The silver dollar was the unit of money or account that the Constitution and the Original Coinage Act of 1792 established.
- Silver was exchangeable with gold at the rate of 15 to 1.
- Neither the Constitution nor the Original Coinage Act of 1792 mentioned or established a gold dollar.
- A U.S. gold dollar did not exist at this time in history and did not appear until 1849.
- The gold eagle coin was of the value of ten dollars - the dollar being defined as the standard weight of silver of 371.25 grains of silver.
- Gold exchanged for a dollar at 24.75 grains of gold (10 x 371.25 divided by 15), however, there was not any actual gold dollar coin.

The Constitution established that the States could not accept anything but gold and silver coin as legal tender and that Congress had the authority to mint silver and gold coins, but not the authority to print or emit bills of credit or paper money.

Now that we have discovered just what the Constitution and the Original Coinage Act of 1792 established as our monetary standard and system - the standard being a defined weight of silver with a bimetallic coinage system of silver and gold coins - let's now look and see how the various and subsequent monetary acts brought forth, by the process of devolution, our present system of irredeemable paper fiat currency.

Douglas V. Gnazzo

Douglas V. Gnazzo is CEO of New England Renovation LLC, a historical restoration contractor that specializes in restoring older buildings that are vintage historic landmarks. He writes for numerous websites, and his work appears both here and abroad. Just recently he was honored by being chosen as a Foundation Scholar for the Foundation of Monetary Education (FAME).

The nation's \$4 coin

By Tom LaMarre (*Coins Magazine, October 2005*)

Several prominent men from different fields were involved in the development of the rare U.S. gold \$4 piece known as the Stella, the Latin name for the large, five-

pointed star on its reverse. The coin's purpose, design, and metallic composition were all innovative. But the beautiful Stella never made it past the experimental stage, instead becoming more famous as a collector's item.

An International Monetary System

Throughout the late 1800s, there was intense interest in an international coinage system that would facilitate world trade. The Stella reflected that interest.

Meeting in Paris in 1867, 20 nations agreed to adopt a gold standard based on the French franc. In England, in 1868, a report from the Royal Commission on International Coinage summarized the situation:

"In the early ages of European States, silver was the general coin and standard, but as gold came into more general use, gold coins were more extensively introduced, and the value for which they were to pass current being fixed by the government of each country, from time to time, probably without any anticipation of the effect that would follow from so doing, a double standard of value was generally introduced. It is still retained, according to law, in Belgium, France, Greece, Italy, Russia, Spain, Switzerland, and the United States.... "As with a double standard of two metals, only coins made of one of them can be retained in circulation, the countries in which it exists are liable not only to a change in the standard of value, but also to a change in the coins which practically form the great mass of the circulation.

"Coins of small value cannot be conveniently made of gold, nor large coins of silver. If silver coins form the great mass of the circulation there is generally a deficiency of the means of conveniently paying large sums in coin; and if gold is retained, there is a deficiency of the means of obtaining convenient coin for small payments." In the United States, interest in an international coinage resulted in the striking of patterns such as the \$4 Stella, approximately equal in value to the coins of several other nations, and participation in several international conferences.

But with an ongoing political battle involving the Free Silver Movement, and attacks on the gold standard itself, there was little hope of reaching an agreement internally, let alone one with other countries. Maurice Muhleman, in his 1896 book *Monetary Systems of the World*, wrote, "The much-to-be-desired international unit or coin remains still a thing of the future." Never having passed beyond the pattern stage, the Stella survives as an example of what "might have been."



John A. Kasson

Born in Vermont in 1822, John A. Kasson graduated from the University of Vermont in 1842 and studied law in Massachusetts. Eventually he moved to Iowa. In 1861, President Abraham Lincoln appointed him Postmaster General.

Kasson resigned to take a seat in Congress from 1863 to 1867. He was the U.S. postal commissioner at the international Paris conferences of 1863 and 1867. In 1877, after another four years in Congress, Kasson was appointed U.S. Minister to Austria. Aside from its intended role in international trade, the Stella reflected Kasson's belief in the metric system. In 1866, he wrote in a report of the Committee on Coinage, Weights, and Measures, of which he was chairman:

"The metric system is already used in some arts and trades in this country, and is especially adapted to the wants of others. Some of its measures are already manufactured at Bangor, in Maine, to meet an existing demand at home and abroad.

"The manufacturers of the well-known Fairbanks scales state: 'For many years we have had a large export demand for our scales with French weights, and the demand and sale is constantly increasing.' Its minute and exact divisions specially adapt it to the use of chemists, apothecaries, the finer operations of the artisan, and to all scientific objects. It has always been and is now used in the United States coast survey.

"Yet in some of the States, owing to the phraseology of their laws, it would be a direct violation of them to use it in the business transactions of the community. It is therefore very important to legalize its use, and give to the people, or that portion of them desiring it, the opportunity for its legal employment, while the knowledge of its characteristics will be thus diffused among men.

"Chambers of commerce, boards of trade, manufacturing associations, and other voluntary societies, and individuals, will be induced to consider and in their discretion to adopt its use. The interests of trade among a people so quick as ours to receive and adopt a useful novelty, will soon acquaint practical men with its convenience.

"When this is attained—a period, it is hoped, not distant—a further act of Congress can fix a date for its exclusive adoption as a legal system. At an earlier period it may be safely introduced into all public offices, and for government service."

The Metric Act of 1866, also known as the Kasson Act, legally recognized the metric system of measurement in the United States, although popular acceptance proved to be another matter.

Still, metric pattern coins like the Stella reflected Kasson's ideal, even if they were far ahead of their time. The obverse of the Stella has an inscription expressing its metallic content in metric terms—six grams of gold, three-tenths of a gram in silver, and seven-tenths of a gram of copper. This was far different than the inscription on another coin, the Trade dollar, with its silver content stated in the traditional English system of grains.

Alexander H. Stephens

Championing the gold \$4 piece was congressman Alexander H. Stephens, former vice president of the Confederate States of America. It was Stephens who suggested the name "Stella" for the coin.

Stephens was a small man, weighing only 100 pounds, but he cast a large shadow in the political world. Although he opposed Georgia's secession, he agreed to serve as vice president of the Confederacy. In that position, he often opposed the policies of Jefferson Davis, an example being Stephens' attendance at the Hampton Roads Peace Conference, where he met Abraham Lincoln.

After the Civil War, Stephens was imprisoned for six months at Fort Warren in Boston Harbor. He was paroled in October 1865, and Northerners and Southerners alike cheered him as he returned to his Georgia home.

Stephens was elected to the U.S. Senate in 1865 but was denied a seat because Georgia had not satisfied all of the requirements for readmittance to the Union. In 1870, after a sweeping amnesty act was passed, Stephens was elected to the U.S. Congress.

The April 1879 issue of the American Journal of Numismatics reported Stephens had prepared a bill for a new gold coin "worth 400 cents, of the metric system, for which he proposed the name of Stella (star). The value of this approximates more uniformly to the gold coin of the metric system in the European countries than our five-dollar gold piece.

"The Committee on Coins, Weight and Measures of the last House favored the adoption of the Stella. Mr. Stephens has apparently accepted the metric system wholly for our coinage in place of the Troy system of weights...."

Although the Stella never made it into regular production, Stephens had other successes, including his election as governor of Georgia in 1882. He died in 1883.

William W. Hubbell

According to A Guide Book of United States Coins, the pattern Stellas suggested by Stephens came into existence through the efforts of William Wheeler Hubbell. In 1877, Hubbell obtained a patent for goloid, an alloy of gold, silver and copper that was intended to replace the normal 90 percent silver and 10 percent copper alloy used to make denominations from the dime to the dollar. Many pattern goloid dollars were struck in 1878-1880.

But there were problems with goloid, including the fact that only an experienced chemist could tell the difference between goloid and the regular alloy. As a result, goloid coins could easily have been counterfeited of silver, and few people would have known the difference. This was one of the reasons goloid was never used in circulating coinage. The \$4 Stella was a separate situation from the goloid question, and would have been made in the normal alloy for American gold coins—90 percent gold and 10 percent copper.

Designs and Mintages

Stellas were struck with two different obverse designs—one depicting Liberty with Flowing Hair, and another portraying her with Coiled Hair, a popular style of the day. The Flowing Hair design was the work of engraver Charles Barber. George Morgan was responsible for the Coiled Hair design.

Beginning in 1879, pattern Stellas were struck in a variety of metals—gold, copper, aluminum and white metal. Over the years, many of the Stellas that had been struck in non-precious metals were plated with gold.

In early 1880, members of the congressional Committee on Coinage, Weights, and Measures requested additional Stellas. "We should be gratified to learn for what purpose these patterns will be used in such great quantities," the American Journal of Numismatics said, "and just how long the committee men will be able to retain them after their constituents hear of this."

Hundreds of Stellas were made available to congressmen and other insiders, creating a furor in the numismatic world. To avoid further criticism, the Mint struck additional Stellas and made them available to collectors.

No one knows exactly how many Stellas were struck, but estimates put the number of 1879 Flowing Hair originals at around 15 and the restrikes at as many as 700 or so—by any standard, a very large quantity for a pattern. Additional Flowing Hair Stellas were struck in 1880, but they were not openly distributed. Around 20-30 were made.

The Coiled Hair Stellas, made in 1879 and 1880, were another matter. They were struck without publicity and were not made available to either congressmen or coin collectors. As with the 1880 Flowing Hair Stella, about 20 to 30 were made.

Values

Back in the days when there were no coin collecting publications available at newsstands, and annual price and reference guides were not yet published, many people were unaware the Stella existed.

In the late 1890s, the Cincinnati Enquirer reported “a curiosity” in the form of a gold \$4 coin had been turned in at the local subtreasury. The coin was brought there from the Fifth National Bank of Cincinnati, where a depositor had taken it to find out what it was worth. The bank’s tellers were unable to answer the question, so the Stella was taken to the Cincinnati Federal Building.

According to the article in the Enquirer, “...no one there would accept it for the Treasury for its face value.” George F. Heath, founder of the American Numismatic Association, saw the story and sent a clipping to the superintendent of the Philadelphia Mint, asking for his comments. The superintendent responded that only “a few” Stellas had been struck and that they were worth up to \$10 as collectors’ items.

What may have been the first published photos of both dates and designs of Stellas appeared in the March 1911 issue of *The Numismatist*, accompanying an article by gold-coin expert Edgar H. Adams. “No United States pattern or regular gold pieces seem to have acquired anything approaching the interest and popularity of the Stella,” Adams wrote, “and that this popularity is not diminishing by the advance of time is well proved by the steady increase in the premium that is paid for specimens, no matter how often they are put up for sale.”

In October 1935, at the sale of the Richard De Silva Santos collection and other collections at the J.C. Morgenthau Galleries in New York City, an 1879 gold \$4 piece described as a Brilliant Proof sold for \$127. That does not seem like much today, but in 1935 it was considered a newsworthy price and was written up in the *New York Times*.

At Heritage’s Long Beach sale in 1998, an 1879 Flowing Hair Stella graded Proof-64 by Numismatic Guaranty Corp. realized \$61,900. In September the same year, at Heritage’s Long Beach sale, an 1879 Coiled Hair gold \$4 piece, graded NGC PR-63, brought \$161,000. Even a very low grade Stella can be expected to sell for \$50,000 or more

- Vignette on the Back of the \$100 Note Since Series 1928, the \$100 note has featured an engraving of Independence Hall in Philadelphia. The former State House of Pennsylvania, Independence Hall is often called the birthplace of our Nation. Within its walls the Declaration of Independence was signed and the Constitution of the United States was drafted.

There is no record that the man and woman standing in front of the hall close to the building are embracing. The hands of the clock on the hall are set at approximately 4:10. There are no records explaining why that particular time was chosen.

Calendar of Events

December 2005

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9 Baltimore Show 12/9-11	10 Baltimore Show 12/9-11
11 Nickel Trader Show	12 Meeting 7 PM	13	14	15	16	17
18	19	20	21	22	23	24
25 Merry Christmas	26	27	28	29	30	31 New Years Eve

January 2006

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5 FUN Show	6 FUN Show	7 FUN Show
8 FUN Show	9 Meeting 7 PM	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

LAST MONTH MEETING/ MEMBERSHIP REPORTS

Meeting held at the
Northland Public Library
Meeting Room
300 Cumberland Road
Pittsburgh, PA 15237

Second Monday of Each
Month

Directions to Northland Library from the North

Take Route 19 South towards Pittsburgh. After you pass through the Wexford business district, Route 19 will separate into Truck 19/McKnight Road (the right lane) and Route 19/Perry Highway (the left lane). Follow Route 19/Perry Highway to the third light and turn left onto Cumberland Road. The Library is located on the right side of Cumberland across from St. John's Church.

Direction to Northland from the South

Take 279 North to the McKnight Road exit. Follow McKnight Road past Ross Park Mall and Northway Mall. Make a left at the eleventh light onto Cumberland Road. The Library is located on the left side of Cumberland across from St. John's Church.

Answer to question on page 3

The correct answer is 1918

How did you do?

INTERNET RESOURCE GUIDE

[Currency Universe](http://www.currencyuniverse.com)

www.currencyuniverse.com

On-line price guide, message board etc.

[Numismedia](http://www.numismedia.com)

www.numismedia.com

Price guide for US Coins

[US Patterns](http://store.yahoo.com/uspatterns/)

<http://store.yahoo.com/uspatterns/>

Great website listing all US Pattern coins including photos and much much more.

[Internet Encyclopedia and Price Guide of US Coins](http://www.coinfacts.com)

www.coinfacts.com

Great site with info on ALL coins, history of the mint, how to grade coins etc.

[Coin World](http://www.coinworld.com)

www.coinworld.com

The Numismatic publications website. Includes a reading room on current events, first report finds and more.

Fun Facts

DID YOU KNOW?

The first \$2 notes (called United States Notes or "Legal Tenders") were issued by the Federal Government in 1862 and featured a portrait of the first Secretary of the Treasury, Alexander Hamilton (1789-1795).

A stack of currency one mile high would contain over 14½ million notes.

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No Date Double struck Mercury Dime



Lincoln Cent struck on Bow Tie scrap



1978 Cent dies struck multiple times over an 1976 Commemorative coin date 1974



IKE Dollar struck on a Dime



1861 Indian Head Cent with a Deep die cap



No Date Bust Dollar struck 15% Off Center



1920 Buffalo Nickel Off Center struck on a Cent PCGS MS 64 BN



1924 Standing Liberty Quarter Double Struck

Do you want to have some of your coins pictured on the Keelboat Museum Page?

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NORTH HILLS COIN CLUB

MEMBERSHIP APPLICATION

Please Print

Name: _____

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Birth Date: _____ Age: _____

Phone Number: Home (____) _____ Work (____) _____

E-Mail: _____

Occupation: _____

Business Address: _____

Coin Specialty: _____

Signature of Applicant: _____

Sponsor: As a member in good standing, I hereby recommend this applicant for membership in the North Hills Coin Club

Signature of Sponsor: _____ Member #: _____



(Please return this form to the club Treasurer with your initiation dues).

DO NOT WRITE IN THIS SECTION, FOR CLUB USE ONLY

Initiation Fee: \$10.00 Membership Number _____

First Reading Date _____ Second Reading Date _____

Membership Approved Yes No

Treasurer _____