

Volume 2 Issue 1



THE KEELBOAT

North Hills Coin Club Presents

Pittsburgh's Premier Numismatic Publication



January 2006

HONEST MONEY

Part 3: Coinage Acts From 1834-1900

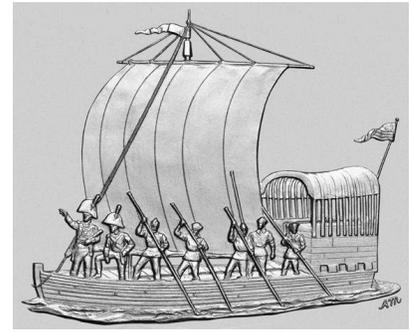


**What to do in
case of a flood or
Hurricane**

**"Freedom Tower" and
"American Mint" Coin
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**North Korea
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THE KEELBOAT



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The third 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 all members who brought items from their collection and their stories to share with all members

From the Editor,

I would like to wish everyone and their families a Happy New Year. I would also like to congratulate our newly elected Officers. As we enter a new year, looking back, the club and all members have accomplished a lot. So, as we enter a new year, looking foreword I see the club expanding and accomplishing new and better things. It was brought up to the group about sponsoring a coin show. I am sure that as we continue to grow and develop many more ideas will be formed.

This months Keelboat Museum includes coins from the website USPatterns.com I have always enjoyed looking at pictures of Pattern Coins. These “coins that never were” are seldom seen. I had the opportunity to see the pattern coins from the Harry Bass collection at the ANA Headquarters in Colorado Springs. It was just a fabulous collection to see. Thanks again everyone and see you at the meetings.

**This Months Presentation
is on \$3 Gold Pieces**

**Congratulations to
Steve L
President**

**Charles “Chick” A
Vice President**

**Ron
Treasurer/Secretary**

**In the Indian Head Cent
series, what two years
produced both rounded and
pointed necklines?**

- 1.) 1859 and 1864
- 2.) 1860 and 1865
- 3.) 1860 and 1864
- 4.) 1860 and 1865

Answer on page 20

North Hills Coin Club

Founded in 2004

Officers and Offices

President

Steve L

Vice President

Charles “Chick” A

Treasurer/ Secretary

Ron

Keelboat Publisher

Dean K.

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

In The News

By David Tirrell-Wysocki
ASSOCIATED PRESS
10:31 a.m. September 5, 2005

CONCORD, N.H. – Here's a small coin that's worth much more than its weight in gold.

The dime-sized gold coin was made with California Gold Rush ore at the San Francisco Mint in 1854.

It was handed down from generation to generation in a northern

California family and has been confirmed by New Hampshire experts as one of only 12 known surviving examples of its type.

The "Quarter Eagle" coin was unknown to researchers until a few weeks ago. When struck, it was worth \$2.50, about a week's salary at the time, and it is expected to sell for more than \$150,000 at auction in Beverly Hills, Calif., Sept. 18.

"The coin is only about the size of a dime and contains just one-eighth ounce of California gold, but I guarantee it will be worth much more than its weight in gold when it's sold at the auction," said John Kraljevich, director of research at American Numismatic Rarities of Wolfeboro, which authenticated the coin, and will auction it.

The Northern California seller who wants to remain anonymous, is a descendent of Chinese immigrants who worked the California gold fields in the mid-19th century. The family has owned the coin since the seller's great-grandfather, a scholar and Tai Chi master, acquired it sometime between 1856 and 1858, said Kraljevich.

The family took great care with the coin, Kraljevich said, and only one of the dozen known examples is in better condition.

Douglas Mudd, curator of the American Numismatic Association Money Museum in Colorado Springs, Colo., said only 246 Quarter Eagles were made in 1854.

"You get a sense of the raw frontier, the 49ers and everything else when you hold a coin like this," Mudd said Monday. "It's really the start of California, what it is today, occurring at that time. It really is a piece of history."

In the Gold Rush days, he said, depositors turned ore into coins for easy shipment and exchange. Many \$10 and \$20 coins were struck, he said, but there was not as much demand for smaller denominations such as \$5 Half Eagles and \$2.50 denomination Quarter Eagles, so far fewer were made.

The other 11 known 1854 Quarter Eagles are owned by collectors.

"These coins have been known and coveted by some of the top, most famous and richest numismatists in the country for pretty much a century," Mudd said.

He called the discovery an important find, and predicted the auction will attract high-end collectors and investors who will push bidding to considerably more than \$150,000.

Rare Gold Rush-era coin fetches \$253,000

September 19, 2005

BEVERLY HILLS, Calif. --A rare Gold Rush-era coin owned by a descendant of Chinese immigrants who worked in the California gold fields sold for \$253,000 at a Beverly Hills auction.

The coin has been confirmed by numismatists as one of only 12 "Quarter Eagles" known to exist from the 246 that were made at the San Francisco Mint in 1854.

The Quarter Eagle is about the size of a dime and was made from Gold Rush ore at the San Francisco Mint just months after it opened. It contains one-eighth ounce of California gold.

The anonymous seller's great-grandfather acquired the coin between 1856 and 1858 while working the gold fields, according to the American Numismatic Rarities of Wolfeboro, N.H., which auctioned the coin Sunday.

"They took exceptional care of this important piece of American history for nearly 150 years," said John Pack of American Numismatic Rarities. "In fact, it is the second finest known surviving example."

The coin, which was expected to sell for at least \$150,000, opened at \$140,000 and quickly jumped in \$5,000 and \$10,000 increments before going to an anonymous collector for the final price.

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This undated image provided by American Numismatic Rarities shows the back of the "Quarter Eagle" a dime-sized gold coin made with California Gold Rush ore at the San Francisco Mint in 1854. The coin sold for \$253,000 at a Beverly Hills auction, Sunday, Sept. 18, 2005. (AP Photo/American Numismatic Rarities, file)

In The News

US seeks Irishman over N. Korea counterfeit cash

By Paul Eckert, Asia Correspondent
Wed Oct 12, 8:22 PM ET

WASHINGTON (Reuters) - The United States is seeking the extradition from Britain of a senior member of an [Irish Republican Army](#) splinter group on charges of conspiring with [North Korea](#) to circulate counterfeit U.S. currency, officials said on Wednesday.

The indictment of Sean Garland, described in U.S. legal documents as the leader of Irish Workers' Party and the banned Official Irish Republican Army, comes as Washington prepares for more nuclear disarmament talks with Pyongyang in November. State Department deputy spokesman Adam Ereli said Garland, 71, has been charged with involvement in counterfeiting hundred-dollar bills. "We will be requesting his extradition from the United Kingdom," he told reporters.

The case was part of a "determined effort on behalf of the United States government to work with our partners around the world to prevent counterfeiting and particularly in cases where that counterfeiting is going to regimes, to fund illicit activity," Ereli said. Washington has cracked down on North Korean criminal activities, including counterfeiting, drug smuggling and weapons proliferation. Pyongyang dismisses such accusations as part of a U.S. plot to topple its communist system.

The U.S. [Department of Justice](#) said Garland and six others were arrested on October 7 in Northern Ireland on charges pending in the United States. The arrests followed a 16-year investigation since the counterfeit bills started appearing in 1989.

FIRST MENTION OF NORTH

Garland "operated a years-long scheme to obtain, transport, sell, and pass as genuine, highly deceptive counterfeit \$100 United States Top of Form 2

[Federal Reserve](#) Notes, sometimes referred to as 'Supernotes,'" according to the indictment.

The notes "were manufactured in the Democratic People's Republic of Korea and under auspices of the government and transported worldwide by North Korean individuals acting as ostensible government officials," the Justice Department said in a statement.

North Korean defectors have said Pyongyang uses its embassies as conduits for contraband and North Korean diplomats have been caught with goods ranging from hashish to banned wildlife parts, since the 1970s.

The "Supernotes" first appeared in Ireland in the early 1990s and redesigned after the United States modified its currency to improve security, the Justice Department said.

Garland and co-conspirators, none of whom are North Koreans, are accused of trying to buy, transport and sell fake \$100 bills in quantities of up to \$1 million.

The pursuit of North Korean crime was not a part of nuclear arms talks among the two Koreas, Russia, Japan, China and the United States, Ereli said.

The six parties agreed last month to principles under which the North would dismantle its nuclear arms programs in return for energy and economic aid. The next round of talks is scheduled for early November in Beijing.

Ereli described a multi-pronged U.S. approach to North Korea, in which "their involvement in illicit activity is one, their human rights practices are another, their weapons programs is a third."

11/25/2005 | 11:49

Ancient Coins found in Iceland

Morgunbladid reports that two coins from the 11th century reign of Norwegian King Haraldur which were found in the ruins of three houses which were discovered last year at Háls at Kárahnjúkar have now been examined.

The house ruins are almost 600 metres above sea level. Páll Pálsson, farmer at Adalból, found them, and Landsvirkjun (the National Power department) decided to have them examined, a process that was only completed this year.

According to Anton Holt, a coin expert at the Sedlabanki Íslands coin collection, these coins are very rare. He says that today there are only 33 other known specimens of this coin.

The value of the coins was not mentioned.

Fla. Man Finds Rare Gold Coin

POSTED: 1:19 pm EST November 21, 2005

PANAMA CITY, Fla. -- A Panama City man has no idea what to do with a rare coin that is now worth big bucks.

Larry Lee is the owner of Coin and Bullion Reserves in Panama City. He found the coin when he bought an estate in Alaska.

The one of a kind gold piece was worth \$10 in the 1800's. It's now valued at more than \$150,000.

Lee is still debating whether to sell it to a collector in a private deal or if he should auction it off in Orlando at a public event in January.

Either way, Lee says he's excited to have come across the coin and show it off.

There were only 762 of the minted coins in Carson City, Nevada.

This is the only one known to still exist.

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In The News

Freedom Tower" and "American Mint" Coin Scams Halted

October 19, 2005

A New York court has ordered the promoters of the "9/11 Freedom Tower" coin scam to pay nearly \$370,000 in penalties and a Pennsylvania-based mail order house has been ordered to refund \$25,000 in payments for phony commemorative coins.

New York Supreme Court Justice Thomas McNamara ordered National Collectors Mint (NCM) to pay civil penalties totaling \$369,510 in connection with its marketing and sale of its "Freedom Tower Silver Dollar." The company has already refunded more than \$2 million to consumers who fell for the scam.

"I'm pleased that the court agreed with our contention that this firm impermissibly exploited public sentiments concerning the tragic events of September 11 and defrauded the public," New York Attorney General Eliot Spitzer said. "The significant penalty ordered by the judge should deter such unlawful conduct in the future."

In September 2004, NCM began an extensive advertising campaign for the "Freedom Tower" coin on television, in magazines and on its website. The ads depicted the coin as a "legally authorized government issue silver dollar" and as a "U.S. territorial minting" from the Commonwealth of the Northern Mariana Islands.

In fact, the coin is not a government-issued silver dollar at all, but was manufactured and issued by a private company. The Commonwealth of the Northern Mariana Islands uses U.S. currency and is not authorized to mint legal tender.

The ads also claimed that the coin was made of pure silver from silver bars recovered at Ground Zero during recovery operations. Spitzer's lawsuit showed, however, that the medallion is not made of pure or solid silver, but is an inexpensive metal alloy plated with approximately one ten-thousandth of an inch of silver valued at approximately 1.4 cents.

The question of whether the silver used in the medallion is actually from Ground Zero was not involved in the lawsuit.

Soon after the advertising campaign began, Spitzer obtained an order from the late Justice Joseph Cannizzaro in State Supreme Court in Albany halting the scam. In a subsequent decision, Justice Cannizzaro ordered the company to send corrective letters offering refunds to all consumers who had purchased or ordered the coin. Consumers received \$2.2 million as a result of refunds and cancellations pursuant to that order.

American Mint

In Pennsylvania, a mail order business will issue refunds and pay more than \$25,000 for allegedly billing and attempting to collect payments from consumers for commemorative coins and other collectible items that failed to arrive, were never ordered, or were returned and not credited.

The legal action follows an investigation by the Pennsylvania Attorney General's Bureau of Consumer Protection into more than 100 complaints from consumers throughout Pennsylvania and 36 other states.

Attorney General Tom Corbett said an "Assurance of Voluntary Compliance" was filed in Cumberland County Court against American Mint LLC of Mechanicsburg.

The action resolves alleged violations of Pennsylvania's Consumer Protection Law; Federal Trade Commission's Trade Regulation Rule Concerning Mail or Telephone Order Merchandise; FTC Rule Concerning Prenotification Negative Option Plans; Federal Truth in Lending Regulation Z and other state and federal acts pertaining to the Mailing of Unordered or Unsolicited Merchandise.

The settlement requires American Mint to pay more than \$25,000 in fines and investigation costs, issue refunds to consumers who come forward and file a complaint before November 7, 2005 and dramatically alter the way it conducts its mail order business in the future.

According to investigators, the company between 1999 and 2005 promoted the sale of numerous coins and other items commemorating American history, American presidents, Aviation & Air Force One, and other significant events or occasions.

The items were advertised on television, the Internet or through direct mail. The items ranged in price from an initial \$5 introductory offer to subsequent shipments of merchandise that cost \$49.99 plus shipping and handling.

The unsolicited sales offers that were mailed to consumers typically promoted the merchandise as "strictly limited edition" or "unique" commemorative collector pieces.

The sales offer included a "reservation form" that listed the reservation number, payment options, signature and e-mail requests and "reservation conditions." The offers urged consumers to respond, in some cases, before the 10-day deadline due to the "expected high demand" of the particular item.

Continued on next page

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

In The News

Many consumers who made an initial purchase complained that they began to receive subsequent shipments of similar but more expensive items that they never ordered. The purchases appeared in some cases as unauthorized charges on their credit cards.

Consumers who filed complaints sought refunds that ranged between \$4 and \$948.

Those who received bills for the unwanted items and refused to pay were notified that their past due account including late fees would be forwarded to a collection agency. Still others claimed that the company attempted to collect on accounts even though the items were returned. Additionally, some consumers failed to receive the items and were billed for the purchases.

According to investigators, American Mint is accused of failing to adequately inform consumers at the time of purchase that they were enrolling in a membership program and agreeing to receive subsequent shipments of similar merchandise.

To be removed from the mailing lists, some consumers claimed that American Mint told them they must contact the Direct Marketing Association on their own.

American Mint is accused of violating the FTC Rule Concerning Prenotification Option Plans by failing to clearly and conspicuously disclose the material terms of the plan including that it is a membership program.

The terms must also include the minimum purchase obligations, the cancellation procedures, methods to reject merchandise and whether or not the price includes shipping and handling fees.

Under other state and federal laws, consumers are not required to return unsolicited or unordered merchandise that is mailed to their home or business.

"Consumers were not sure what to do with the unwanted items and even less certain about how to stop additional packages from arriving," Corbett said. "Even more frustrating, were numerous instances where consumers paid to return the merchandise, yet continued to receive bills or past due notices. Our legal action provides restitution to consumers who paid for the unwanted items and shipping fees, and also bans this business practice in the future while requiring full disclosure about any membership programs."

Prior to the legal action, the Bureau of Consumer Protection obtained nearly \$7,700 in refunds for consumers who either paid for the unwanted merchandise or paid the shipping and handling costs to return the items.

Under the terms of the agreement, American Mint admits no wrongdoing and agrees to:

Issue full refunds to eligible consumers who have not yet filed a complaint with the Attorney General's Office and who submit a complaint before November 7, 2005. Complaint forms can be obtained by calling 1-800-441-2555

Provide an opportunity for consumers to cancel their orders and receive refunds or request delivery of the pre-paid merchandise that they have not received within the time stated in the solicitation or within 30 days of the order.

Clearly and conspicuously notify consumers that they are joining a membership plan to include subsequent shipments of similar merchandise.

Pay \$25,000 in civil penalties and investigation costs.

Comply with all applicable state and federal laws.

Man Charged In Alleged E-Bay Scheme

Oct 20, 2005 - A Peoria man is accused of defrauding e-Bay customers out of approximately a million dollars.

A federal grand jury today charged Anthony McEnroe with wire fraud, mail fraud and money laundering.

The indictment alleges that McEnroe sold coins on the internet auction site but never delivered the coins.

McEnroe faces up to fifty-years in prison and millions of dollars in fines if he is convicted on all charges.

Our present sized currency measures 2.61 inches wide by 6.14 inches long, and the thickness is .0043 inches. If each currency note printed was laid end to end, they would stretch around the earth's equator approximately 24 times. Larger sized notes in circulation before 1929 measured 3.125 inches by 7.4218 inches.

Have you ever wondered how many times you could fold a piece of currency before it would tear? About 4,000 double folds (first forward and then backwards) are required before a note will tear.

In The News

BY JENNIFER MUIR

The Orange County Register

California man makes largest single coin transaction in U.S. history

Posted on Thu, Nov. 17, 2005

"I feel like it's a coup we own this thing," Contursi said, chuckling during a telephone interview from his Laguna Beach, Calif., home. "The last few times it became available, I didn't have the wherewithal to buy it. The historical significance of the coins - it's very exciting."

The 19th-century coins were purchased from an anonymous California collector, who bought the set in 2001 for more than \$4 million, said Contursi, president of Rare Coin Wholesalers. A Beverly Hills, Calif., collectors firm brokered the deal.

The highlight of the collection is a U.S. silver dollar marked with the year 1804 - one of eight known "Class I" U.S. silver dollars. They were dated 1804 but actually made in 1834. Contursi values that one coin at \$7 million.

"The history is so rich and the reason why the coin was made is so valuable that it definitely is the Holy Grail of coin collection," said Contursi, 53.

Rare-coin historian Kenneth E. Bressett knows its importance.

"Because of its pedigree, we can trace it back to the very day it was made. It's very unusual to trace back a coin. Most are sold and spent," said Bressett, 77.

The set also includes a copper half-cent, a \$10 gold Eagle and an 1833 gold medal depicting Andrew Jackson.

The coins were made as a diplomatic gift for King Ph'ra Nang Klao (Rama III) and were presented in 1836 during a trade mission to Siam, now Thailand. The king's son, Rama IV, who was depicted in the Broadway musical "The King and I," was among those who inherited the coins.

They likely make up the first set of proof coins made in the United States, Contursi said.

The purchase Nov. 8 represents the largest single coin transaction in U.S. history, he said. The previous record was a 1933 \$20 gold piece that sold for \$7.6 million in 2002.

Contursi's collections haven't always been so pricey. He began collecting coins when he was about 10, filling up cardboard collectors' folders with coins he earned on his paper route in the Bronx. In high school, he discovered that he could buy coins from one New York coin broker and sell them at a profit to another across town.

He sold his childhood coin collection after graduating from college. He got about \$8,000, which became half of a down payment on his first house. He then opened a coin kiosk in Columbia Heights, Minn., on Jan. 1, 1974.

"I never looked back," Contursi said.

His collection includes the first U.S. silver dollar, struck by the U.S. Mint in 1794, and the first gold coin made in the U.S. - the 1787 Brasher Doubloon.

So what compels Contursi to collect?

"The hunt. The chase. Always looking," Contursi said. "It's kind of like an Indiana Jones thing - always looking for something new you haven't seen yet and that you haven't been able to acquire."

You can check out Contursi's latest acquisition at its first public viewing at the Long Beach, Calif., Coin, Stamp & Collectibles Expo in February.

And after that?

"It will definitely be a money-making venture," he said.

Other valuable coins

1933 St. Gaudens: \$20 gold piece sold for \$7.6 million in 2002

1804 silver dollar: Sold for \$4.14 million in 1999

1787 Brasher Doubloon: Gold coin sold for \$2.99 million in 2005

1913 nickel: Sold for \$4.15 million in 2005

Sources: Steven L. Contursi and numismatic Web sites

Honest Money Part 3: Coinage Acts From 1834-1900

by Douglas V. Gnazzo

COINAGE ACTS FROM 1792 - TO 1834

The various monetary acts from 1792 until the act of 1834 were not of any important consequence and did not stray far from the original constitutional plan. Most of the acts had to do with "regulating" the value of foreign coinage with our own coin. The first act of major importance was the Act of 1834.

COINAGE ACT OF 1834

As stated within the Constitution, Congress has been granted the power to "coin money" and to "regulate the value thereof". The Original Coinage Act of 1792 established the ratio of silver to gold at 15 to 1.

The Coinage Act of 1834, in keeping with the Congressional authority to regulate the "value" of coinage, set new "values" for domestic coins - redefining the eagle as 232 grains of pure gold.

Due to the workings of Gresham's Law, one metal had become dearer and the other farther, as gold coin had almost ceased circulating for several years. The reason being that although the exchange value of the metals had been fixed in regards to coinage, the market value of the metals as commodities continued to change.

The commodity price of gold appreciated relative to its exchange value as currency, this caused gold to stop circulating as coin and to be melted down and or exported for profit. Congress thus raised or regulated the exchange ratio to attempt to stop this problem.

The Act of 1792 had set the weight at 247-1/2 grains of pure gold, or at 15 to 1 ratio with silver. The Act of 1834 set the weight at 232 grains, or at a 16 to 1 ratio.

Congress did this to "regulate" the value of silver to gold according to the then current and prevailing free-market exchange ratios of the two metals.

As we have previously seen, this is one of the inherent complications or problems with a bimetallic system of coinage that "fixes" a statutory exchange ratio between silver and gold, as opposed to letting the free market forces of supply and demand determine the correct ratio.

The House Select Committee even debated this exact issue on the floor of the house. It was noted that the real purpose of the mint is only to assure that the coin stamped was of a certain weight and fineness. If that weight were stamped in figures or numbers - as opposed to "dollars" - it would be all that is needed - the free market could then be left to decide the appropriate exchange ratios.

. As representative Gorham stated, "go into the market; there the average of demand and supply would be accurately fixed, and there only". If Congress had followed his advice, there is the strong possibility that we would not have the present monetary mess of irredeemable paper fiat currency that we currently have.

Which begs the questions we have previously mentioned: why didn't Congress listen to such wise advice? And why did Congress ever construct and allow a bimetallic coinage system that included such an inherent flaw? Was it just an oversight - or sight deceptively focused? And once again - who was doing the focusing? And on what "mark" or goal?

COINAGE ACT OF 1837

The Act of 1837 changed the purity ratio of both silver and gold coin to 900:1000 or 9/10ths purity. The new ratio changed the total metal grains of a silver dollar coin to 412.5, but did not alter the original silver content of 371.25.

The Eagle at 9/10ths purity of 258 total grains was 232.2 grains of pure gold, keeping it within .086% of its value of the Act of 1834.

Note that up to this time, although the above two acts did cause gold coin to once again circulate as currency, especially when coupled together with the California gold rush - technically or statutorily the Nation was still on the constitutional silver standard - although a "populist" gold standard was beginning to be "favored" and used.

COINAGE ACT OF 1849

The Coinage Act of 1849 created the first true "gold dollar" which contained 25.8 grains of total metal and maintained the purity ratio of 900:1000. The Act also created the famous Double Eagle or \$20 gold piece.

However, although a gold dollar now existed, as well as a \$20 dollar gold piece - the United States was still on the Constitutional Silver Standard - which *cannot* be changed without a constitutional amendment.

Congress had been very careful in their wording of this act *not* to change the constitutional definition of a dollar as being a specific weight of silver, as the act reads: the new "gold dollar", not as a "dollar", or the "dollar", but as being "of the value of one dollar". It must be admitted - they were clever.

Once again, the above is not mere semantics; it is about the explicit definitions of very important and subtle issues - issues of constitutionality - issues as to just what "money" and "dollar" refer to, according to the Constitution. It is by such subtle changes, that certain "interests" have gained control of our monetary system - ever so slowly, ever so methodically, ever so deceitfully, and ever so destructively.

Thus the Constitutional definition of a dollar was still in effect, but now there was a gold dollar that had the *value* of the original constitutional dollar, which was still defined as the silver dollar of 371.25 grains of silver. The battle between silver and gold was heating up.

COINAGE ACT OF 1853

The act provided for a new "half dollar" of 192 grains, 9/10ths pure silver. This meant that two coins contained 345 - 3/5 grains of pure silver - 93.1% of the "value" of the original constitutional silver dollar. However, Congress limited the full legal tender of these coins to payment of debts not exceeding 5 dollars.

Thus Congress had placed these "subsidiary" coins "not on the same footing" as the other coins. The given reason for minting these new half dollars was that since the coinage act of 1834 had changed the legal exchange ratio between silver and gold to 16 to 1 (from 15 to 1), gold coin had re-entered into circulation as planned.

However, it was originally believed that gold would also continue to appreciate against silver. With the advent of the large discoveries of gold in California and Australia more supply came onto the market and gold depreciated compared to silver. Moneychangers could make easy profits by melting down silver coins, and exporting the resulting bullion abroad. Silver coins were now ceasing to circulate. In an attempt to alleviate this situation, Congress minted the new "subsidiary" silver half dollars. This type of legislation provides more hints that behind the scenes or halls of Congress, was lurking the idea of moving to a "gold standard". Discussions in the Congressional Records from this time support such a view. First gold had been forced out, now silver was under attack.

CONCLUSIONS OF COINAGE ACTS TO DATE

From 1792 up until the advent of the Civil War, Congress had fairly consistently followed the monetary policy of the Constitution. Although several changes had been made to the original system as stated in the Coinage Act of 1792, some of the changes being obviously questionable in regards to both their common sense and intent, still none had parted too far astray from the original policy of 1792.

Congress had followed the directive to coin money: of silver, gold and copper metal. The standard and definition of the dollar remained the Silver Dollar, as expressed by its intrinsic value in weight and fineness - 371.25 grains of silver.

But very subtle changes can be seen taking place, changes that would bear the bitter fruit of even greater and graver consequences: of irredeemable paper fiat and never-ending debt.

THE 1869 ACT TO STRENGTHEN THE PUBLIC CREDIT

This seldom discussed Act, when coupled or taken together with subsequent Coinage Acts of 1873, 1878, 1890 and 1900 (as will be shown), is so revealing of the prevailing collusion between government legislation and the elite moneyed interests; and of their behind the scene efforts to create a credit based system of commerce and industry, by funding the currency with interest bearing bonds; thereby creating a permanent public debt, with a perpetual interest rate debt service stream to enrich themselves, at "We The People's" peril and loss; that a quote of the entire Act is called for:

"In order to remove any doubt as to the purpose of the government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold or silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

What this Act does, is to enhance the value of the Treasury Bonds that Congress had issued in 1862-1864 to fund the Civil War (soon to be examined), that were sold at a deep discount of upwards to 50%, because of their sale and redeemability in Greenbacks. Furthermore, the Act raises the value of the Greenbacks, by pledging to redeem them in coin - as opposed to the original Greenback issuance, that although they stated, "payable to bearer", were *not* actually redeemable in coin, as the government had *suspended specie redemption* until 1875-79.

When taken together with the above referenced monetary Acts, it is evident that the elite moneyed interests were having their cake and eating it as well - while the common man paid the tab. As will shortly be shown, the elite international banking cartel was the buyer of most of the bonded debt, using one August Belmont - the Rothschild's American agent, as the middleman.

Of particular interest, is that at this time, Mr. Belmont was the Chairman of the National Democratic Committee; and became involved in the very messy issue of what amounted to the very purposeful and intended "defrocking" of their Presidential candidate, just weeks prior to the election.

The resulting (and intended, at least by the money powers) elected candidate was none other than President Grant. It is one of the most amazing coincidences in history, that the new President's *first* official act, signed into law, upon being sworn into office, was: The 1869 Act To Strengthen The Public Credit! It should have been named, The 1869 Act To Enrich The International Banking Cartel.

COINAGE ACT OF 1873

In the Coinage Act of 1873, Congress for the very first time stated that gold coins of the "one-dollar piece", which contained 23-22/100 grains of fine metal - "shall be the unit of value."

As previously shown, however, the Constitutional "dollar" was a specific silver coin of a standard weight and fineness.

Without a Constitutional amendment to change the original standard, the Coinage Act of 1873 that purports to effect such change, is undeniably unconstitutional.

The Act also stopped the minting of Silver Dollars, which is beyond question an unconstitutional act - once again, requiring a constitutional amendment authorizing such change. Now, on the face of it, it would appear that this act demonetized silver coinage, although unconstitutionally; and placed the new gold dollar at the head of the class as the standard - but did it?

Well, not exactly - as it seems that "someone" thought of covering their butt - for the following verbiage is part and parcel of the Act: "...this act shall not be construed to affect any act done, right accrued, or penalty incurred, under former acts, but every such right is hereby saved", even if such "acts done" and "rights accrued" were "inconsistent" with the 1873 Act.

All of which basically means that we were still technically (statutorily) on the Constitutional Silver Standard, but practically (as in usage) on the new gold standard - so although the powers that be were trying to make it appear, through illusion and delusion, that silver had been demonetized - in truth it had not.

However, such false beliefs or lies, when told often enough, for long enough - end up becoming the accepted state of how the general public perceives things to be, which was the intended goal of those that were manipulating the "appearances", by the various "changes" we have seen implemented throughout our monetary history - showing that our monetary policy has devolved, not evolved, and that unseen hands were guiding such change.

Of particular interest in regards to the Coinage Act of 1873, which arguably has the infamous distinction of being the first unconstitutional coinage act passed by Congress, is the question as to who was the "author" or guiding hand behind the act?

None other than Senator John Sherman. But was he under the influence of "others?"

THE BATTLE FOR SILVER

Under the Constitutional system of free coinage of silver and gold coin, the elite international banking cartel could not control the money - and thus could not control the country.

The life blood of the international bankers is credit, debt, and interest - as issued by paper money and debt obligations - *especially* government debt obligations that can be monetized and circulated as the currency in use.

The moneyed interests of London and New York viewed silver as a powerful enemy. New discoveries of large Western silver mines worried the elite bankers: that a proliferation of silver coin would deny them, what they believed, was their inherent birthright: to control the People's money. Such beliefs run rampant in the blueblood of "royal" aristocracy, providing toxic effects that poison the unwary host, with delusions of superiority over his fellow man.

Subsequently, the position taken by this monopoly was a conspiracy to demonetize silver. This would enable the moneyed interests to maintain their grasp on the property of the people. And this war was not being fought just in our country, but in Europe as well - home to the cartel's place of birth and origin.

Part of this plan entailed a fight to be waged against the standard silver dollar, which was correctly seen to be the symbol and standard of Honest Money; in order to sustain the supremacy of the London and New York bankers as the great moneychangers and powerbrokers of the world.

"We The People" retain an inalienable right to create and control our own medium of exchange, through our elected representatives in the Congress of the United States, as established by the Constitution of The United States. When the British challenged such rights, the Colonists went to war.

But the war for supremacy and control of the money did not end with the Paris Peace Treaty at the climax of the Revolutionary War. The battle has raged on and continues to this very day.

It is no longer a battle fought with cannons and guns, but with stealth weapons of mass destruction: paper fiat, structured finance, collateral debt obligations, mortgaged backed securities, GSE's, futures and options, SDR's; and the ultimate tool of devastation: derivatives, which carry the seed of self-destruction within its womb.

SENATOR SHERMAN

From 1862 until 1873, senator John Sherman was the chairman of the finance committee. Through his hands passed the legislation that controlled the finances of our country. He was unquestionably the predominating financial powerbroker within the government at the time.

Napoleon III, the Emperor of France, on the 4th of January 1867, extended an invitation to all the powers, including the United States, to hold a conference in Paris, for the purpose of extending the principles of the Latin Union throughout the commercial world.

Senator Sherman, upon receipt of the invitation of the Emperor Napoleon, visited London in the spring of 1867, just prior to the convening of this monetary conference. After consulting with the London bankers and financiers, he went to Paris where the conference was to be held.

In a letter to a Mr. Ruggles, the U.S. representative appointed by the Secretary of State to attend the Paris conference, Senator Sherman had this to say:

"Our gold dollar is certainly as good a unit of value as the franc, and so the English think of their pound sterling. These coins are now exchangeable only at a considerable loss, and this exchange is a profit only to brokers and bankers. Surely each commercial nation should be willing to yield a little to secure a gold coin of equal value, weight, and diameter, from whatever mint it may have been issued.

As the gold 5-franc piece is now in use by over 60,000,000 of people of several different nationalities, and is of convenient form and size, it may well be adopted by other nations as the common standard of value; leaving to each nation to regulate the divisions of this unit in silver coins or tokens.

If this is done France will surely abandon the impossible effort of making two standards of value. Gold coins will answer all the purposes of European commerce. A common gold standard will regulate silver coinage, of which the United States will furnish the greater part, especially for the Chinese trade."

It would seem that the good Senator was strongly in favor of a gold standard, as opposed to the constitutionally mandated silver standard, which without a constitutional amendment would be unconstitutional - all as a ways and means towards an *international* standard of money.

At the Paris financial conference, the international bankers, using the influence of England and the United States, through the personage of John Sherman, succeeded in defeating the adoption of a bimetallic standard, and a single standard of gold was agreed upon by the conference.

Upon returning to the United States, Senator Sherman introduced bill # 217, titled "A Bill in Relation to Gold and Silver" to the fortieth Congress. Within the first draft of the bill, Sherman recommended that silver be demonetized and a new gold standard be put in place. The bill was shot down and never passed. The year was 1867.

On April 28, 1870, Senator Sherman introduced a new bill to Congress. It was never stated that the bill proposed any major changes in the coinage system - let alone changing the constitutional standard from silver to gold, which it did propose. Instead, it was euphemistically called: "A bill revising the laws relative to the mint, assay office, and coinage of the United States."

I will not bore the reader with all the details of the passage of this bill, which included amendments, changes, the renumbering of sections of the bill to confuse the contents; to the contrived agreement *not* to read the final bill before the House, but to waver having the bill read; and to simply vote on its passage, as the bill was purposefully not brought up for discussion and vote until the end of the session.

The following words of William S. Holman sums it up most concisely: "I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House was a `colossal swindle.' I assert that the measure never had the sanction of this House, and it does not possess the moral force of law."

There is much more that could be said on this one subject - enough to fill a book, suffice it to say that what has been offered is sufficient evidence that a battle between the moneychangers and powerbrokers of the world for control of the People's money and possessions has been and still is - raging on; and that their influence had infiltrated the halls of Congress.

The demonetization of silver will be seen to be just one part of the plan to place the United States and the world on a gold backed standard, to be followed by a totally fiat paper system; all carefully planned and orchestrated steps to bring about a global system of paper currencies; with the final goal of a one world fiat currency - founded and based on a system of perpetual credit and debt of "We The People" - a system no less oppressive, then the bondage of feudal slavery and tyranny.

The idea was borne in infamy, by the elite international bankers, and then pedaled to the United States, Germany, France, and the rest of Europe. The war reparations that France had to pay were involved, as well as foreign trade with India and China, and other eastern nations that were on a silver standard, and the effects all this had on foreign "exchange" and trade, especially to the international elite of England and Lombard Street. As Baron Rothschild once said, "I care not who is King or Queen, as long as I control the money."

COINAGE ACT OF 1878

The Coinage Act of 1878 authorized Congress to restore the coinage of the standard silver dollar of the weight of 371.25 grains of silver, and to make it legal tender, as stated in the Act of 1837. However, there were some distinct and most curious additions written into the statute.

The Act mandated that *Congress was to purchase* the silver to be minted, in stated amounts on a monthly basis. This is *not* free coinage as established in the Constitution. And such actions beg the question: buy the silver with what?

From the Coinage Act of 1878 we read:

"Be it enacted, etc, That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412 - 1/2 grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

And the secretary of the treasury is authorized and directed to purchase, from time to time, silver bullion at the market price thereof, not less than \$2,000,000 worth per month nor more than \$4,000,000 worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the treasury, as provided under existing laws relative to the subsidiary coinage: Provided, That the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed \$5,000,000; And provided further, That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section 254 of the Revised Statutes."

Such was a *far cry* from the constitutional free coinage system that simply provided a government mint, whereby silver and gold bullion were converted into coin - silver and gold that was already owned and the property of the *private* individuals that brought the metals to the mint - *not* silver and gold purchased and *owned* by the *government*.

This meant that the *government held title to the silver*, and had paid for it with the issuance of government debt or notes - which basically means that "We The People" were indebted or obliged to pay the tab. Things were starting to get very interesting, to say the least - ever so subtly, ever more boldly, ever more effectively.

Not only were the rules being changed as to the ownership of the silver (government held title), but now there were also minimal and maximum limits as to the amount of silver to be purchased by the Treasury. At the lower limit of \$2,000,000 worth of silver being purchased per month, such would give a yearly total of \$24,000,000. Adding the \$5,000,000 the Act allowed to ever be held in bullion at any one time, prior to minting into coin; a limited total of \$29 million worth of silver was possible.

This effectively meant, that the Treasury, when and if it wanted to, could *limit* the minting of silver to \$29 million. Also, the yearly production of silver at this time was almost *twice* this amount. This placed the fox in charge of guarding the chickens; by granting control to the Treasury, of the limits of the supply and demand factors of silver; and hence the price of silver.

Without doubt, this was *not* in keeping with *free* coinage of the Constitution. But why would the Treasury want to do this? - The plot thickens; the waters are becoming even more clouded and murky.

The Treasury also issued silver certificates for not less than ten standard silver dollars. This was the first issuance of silver certificates, and arguably an unconstitutional act of emitting bills of credit, as nowhere does the Constitution grant Congress the power of acting as a deposit bank.

The Act also authorized the President to confer with foreign governments to adopt a common ratio between gold and silver, for the purpose of establishing an international system of money. The idea of an *international* monetary system is most thought provoking, especially as The Constitution does not mention it anywhere.

As always, Senator Sherman seemed to raise more questions or issues than he ever answered. One such question is why did Sherman, while Secretary of the U.S. Treasury in 1878, authorize the sub-treasury department (a dept. of the U.S. government that held federal deposits) to become a member of the Clearing House Association, which was the organization of the major national banks of the elite moneyed powers; knowing as he did, that the Clearing House Association did *not* accept silver dollars or silver certificates in settlement of balances due from member banks?

Another provocative question is why did Secretary Sherman, in late 1878, issue an executive order to various parts of the United States, directing them to accept as payment for duties on imports, both Treasury Notes and U.S. Notes - knowing that the Act of 1862 that issued them - *prohibited* such? It would appear, that unseen hands were providing "guidance" - but towards what end?

All in all, although silver had rightfully been returned to its place as the standard, it also seems that yet another turn had been taken down the road to perdition - of monetary devolution towards our present state of irredeemable paper fiat - all acts being but precursors for a new world order of money and power. The art of illusion and delusion is seen to be the weapon of choice, as the ever subtle, ever destructive changes keep adding up, slowly draining the life blood of Honest Money, as originally stated in the Constitution.

SILVER PURCHASE ACT OF 1890

The Silver Purchase Act of 1890 continues further down the slippery path of the debasement of our monetary system. Although it appeared to be less radical than the previous Act of 1878, by repealing portions of the Act of 1878, the Act of 1890 actually contained even more questionable legislative provisions, especially in regards to their efficacy to succeed upon implementation; which provides yet more evidence that they were *not* intended to be put into successful practice at all, but were intended to "*fail*", so as to dishonor the use of silver coinage.

The Act stated that the Secretary of the Treasury was authorized to purchase silver bullion to the aggregate amount of 4,500,000 ounces, or as much thereof as would be offered in each month at the market price, not exceeding \$1 for each 371.25 grains of pure silver.

Treasury notes of the United States were to be issued in payment for such purchases. The Treasury notes so issued were redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and, when so redeemed, could be reissued.

But the Act also stated: "but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, *then held in the Treasury purchased by such notes.*"

Further on the Acts says, "That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the first day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for."

So, when we put these two provisions together we find that the government is to purchase silver bullion, from which silver coins were to be minted, said bullion to be purchased with Treasury Notes, and said silver coins were to be *held in the Treasury for the redemption of such notes.*

Once again, this is not the *free* coinage of the original Constitutional system - the government is buying the silver with the People's money by issuing Treasury bonded debt, and furthermore, the silver was being held on account for redemption of the notes, which meant that most of the silver would *not be put into circulation as currency.*

Also, note in the first section where it says, "purchase silver bullion... not exceeding one dollar for each 371-1/4 fine grains". So an *upper* price limit has been set, but not a *lower* price limit. Maybe that's why the next section mentions, "any seigniorage arising from such coinage is to be paid into the Treasury."

And finally there is the section that reads, "Redeem such notes in gold or silver coin, at his (Treasury Secretary's) discretion". Note the use of the word "or", as opposed to "and."

I will leave it up to the reader to decide if this sounds like it was silver friendly free coinage for "We The People", or something else of a more sinister nature, as what affect would and did such policy have? Was silver being purposefully, albeit clandestinely, tarnished in gold's favor?

COINAGE ACT OF 1890

The coinage act of 1890 called for the prohibition of the minting of the one dollar gold piece, stating, "the piece shall not be struck or issued by the Mint of the United States." The provisions of the act also stipulated that the current circulation of the coins was to be called in and withdrawn and that "all laws and parts of laws in conflict with this act are hereby repealed."

Essentially, not only did this act demonetize the gold dollar, but it also repealed and ended the gold dollar as being "the unit of value", or statutory standard of the monetary system of coinage - hence ending the short lived "gold standard", as declared in the coinage act of 1873.

Yet another 180 degree turn in the long and winding road of our monetary history, intended to confuse and hide the final destination. What could possibly lie ahead?

COINAGE ACT OF 1900

Once again, Congress turned 180 degrees and now defined by statute that the standard of our monetary system was to be the gold dollar, stating:

"Be it enacted... That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

This is the "gold standard" usually mentioned in most (but not all) writings and articles on the subject. Congress declared that "the dollar consisting of 23-22/100 grains of fine gold, as established by the Coinage Act of 1873", was to be the "standard unit of value".

So once again Congress declares the gold dollar to be the standard. Buried within the many provisions of the Act of 1900, however, are several issues that raise perhaps more questions than they answered.

In section III we read: "That nothing contained in this Act shall be construed to affect the legal tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States".

Elsewhere it was stated, "all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard."

In light of the above two sanctions the following provisions are most curious. We find it stated that the United States Notes (Greenbacks) and Treasury Notes are no longer to be redeemed in either silver or gold coin, but only in gold of the new standard, thus excluding silver.

Next - what basically amounts to a general refunding of the national debt is stated - as existing outstanding bonds that were previously payable "in coin" (both silver & gold) - were now to be exchangeable for new bonds that were payable in gold only.

And finally, the act also authorized the issuance of silver and gold certificates, however, once again we find a most curious and puzzling provision - the prohibition of the gold certificates from being used for private debts.

If the purpose was to confuse the understanding - by illusion, delusion and pure deceit - the guiding hand was most adept. And who provided the guiding hand of this Act - none other than Senator Nelson Aldrich - whom we will see also guided the Federal Reserve Act into fruition.

SUMMARY OF THE STANDARD OF 1900

- The one dollar gold coin was by statute the "standard", meaning a "gold standard."
- All forms of money (which would include the silver dollar) were to be kept at a parity of value with the new standard.
- This meant that 23-22/100 grains of fine gold (the new one dollar gold standard) was at parity (equal) to the original silver dollar of 371-1/4 grains of silver.

Essentially what this meant was that Congress by statute had "changed" the standard from silver to gold and kept their value equal or at parity; and that although a populist or practical usage of gold had been put in place, the original constitutional standard of silver was still in effect; as without a constitutional amendment, which has never been passed - "an unconstitutional act or law is as if it never occurred or had been passed - and is null and void."

So the "gold standard" of 1900 was not the monometallic gold standard that many claim or believe it to be. It was just another form of what had always been a very "back and forth" duometallic standard of silver and gold. But as we have seen, this was by subtle design - not by mistake or accident. The intended goal of a pure paper fiat currency that monetized all government debt was lurking in the shadows, waiting to be unveiled.

Of intriguing interest and particularity, are the discussions and provisions within the act dealing with Treasury Notes and Bonds and United States Notes. It seems like an awful lot of talk about paper and debt was involved for an act that was purported to establish a "gold standard". What was all this "talk" really about?

Senator Bate seemed to know what all the talk of notes and bonds was about, as he had this to say during the Congressional debates on the Act of 1900:

"It was essentially provided in the National Bank law that they should take these bonds of the United States - not State bonds or corporation bonds, but bonds of the United States - upon which they are to base their operations. That is now essential. They had, exclusive of the (1894-95) bonds, \$685,000,000. How many banks are there in the United States? More than 3,500, with a paid in capital of more than \$605,000,000. So when the bonds due in 1907 are taken up, there will be but little left to bank on. **Therefore the banks must have more bonds.**

They seek in this bill to renew the life of the bonds. They make it a bond for thirty years longer. **It is the renewal and extension of the life of the bonds they are after**, so that the national banks may flourish under existing laws. *That is one of the main secrets of this bill. The banks are at the back and bottom of it.*"

BY DESIGN OR MISTAKE

We have seen that our original constitutional standard was silver with a bimetallic coinage system of gold and silver. The original constitutional "dollar" was a silver dollar.

Over the course of our history, we have also seen that Congress went back and forth from favoring first one metal and then the other - with acts to demonetize one metal and then the other. Upon close scrutiny it "appears" to be quite a confused and misunderstood and applied system - adopting first one set of rules and then another, then returning back to the original and so on. But appearances can be deceiving.

All of which indicates that either none of our elected representatives for almost 200 years understood monetary theory and how to apply it to implement a workable monetary policy; or - what other choice are we left with? Perhaps there is an explanation that works, but the question is: for whom does it work?

We have seen that "We The People" established and ordained the Constitution, which in turn created Congress, granting them certain explicit delegations of power in order to form a more perfect "Union": of and for - "We The People."

But we have also seen that there is an elite moneyed interest that is always at odds with the Constitution and the People - and continually tries to, and does, circumvent the Supreme Law of The Land; in order to establish *its order* over and above the People, by slowly gaining control of monetary policy and then all trade and commerce. So just exactly "who are these guys?"

We have thus far only seen their minions at work, as "they" choose to remain in the shadows. Let's cast some light on the shadows and see who is lurking therein. First we will examine the most important Treasury note issuances, as this will provide additional background for an easier understanding of the unseen guiding hands. As has been said - follow the money.

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).

Any hope for coins in hurricane's path?

By Richard Giedroyc

What do you do when your collection suffers water or moisture damage? This is a serious problem for collectors who were unfortunate enough to be in the path of the two devastating hurricanes that made landfall recently in the region of Louisiana and Texas, but it is a problem for all of us as well.

Triage is an immediate requirement. Try to salvage the valuable stuff first. Ignore the low-value stuff and recognize that paper and cardboard packaging material can never be restored.

Remember also that coins and paper-related numismatic items (paper money, souvenir cards, etc.) that have suffered water or moisture damage can never be quite fully restored to their original state. They may, however, be salvageable to a point where only a professional can tell something was done, depending on the amount of damage, the extent to which the collector is willing to go to restore the damaged items, and the extent to which the collector is willing to absorb costs relating to restoration.

The former value of the collectibles is paramount, as is the potential value of the items if restored versus if they are not restored. Coins and paper money of low value are likely not worth considering for restoration, whereas a coin or paper numismatic item of some significant value may be worth rescuing.

If you have a complete collection of Lincoln cents that is now waterlogged following a recent hurricane your concentration should logically focus on the key date coins. Those 1909-S, 1909-S VDB, 1914-D, and 1922 No "D" cents are going to be a lot more costly to replace than are the common dates that complete the set. Common sense should tell you that the 1909-S VDB should be assessed for damage and restoration first.

If any of the key coins have been graded by third-party services, contacting the service is a good place to start. Ask their advice regarding at the very least having them re-examine the coins and their encapsulations. In some situations the coins may be fine. In other cases it may be safer to have the coins reslabbed. Let the professionals make this decision. They know what they are looking for. You don't want your Mint State 65 Red 1909-S VDB Lincoln cent to turn brown and perhaps become spotty at some later date.

Professional restoration may be the logical option at this point. Cleaning is a dangerous task, especially when it is done by persons who do not know how to do it properly. More value can be lost than restored by an improper cleaning.

If you are like most collectors, most or all of your coins are in their raw unslabbed state. That means you might feel you are pretty much on your own.

Whereas under normal circumstances cleaning is a no-no, it may become the only option following a disaster, but remember that this is not a riskless task. If you are inexperienced and unsure, but still determined to go ahead and try cleaning, perhaps reverse triage should be your goal. Experiment first on the low value coins to see how you do. You may at that point then reconsider your decision not to pay professionals to do it for you.

If your collection appears to have been exposed to water or to excessive moisture, the first thing that must be considered is the composition of the damaged collection. Do you have gold, silver, or base metal composition coins? Do you have paper money? Do you have proof and mint sets, or something else in which the paper composition original packaging is important to the value of the collectible itself? Was your collection housed in a paper-composition coin album?

Each of these four substances requires a different form of restoration, assuming the collectible will be subjected to restoration.

Gold is amazing. It is treasured for its colorful beauty, but it is also prized because of its durability. You can bury it in the ground and dig it up at a much later date only to find it has survived unscathed by the foreign elements around it. It is a noble metal, that is, it is unlikely to discolor.

Regarding collector gold coins that have been subjected to water or excessive moisture the greatest problem may be with foreign objects such as dirt and debris that have now made contact with the coins. This will likely be the case when there has been flooding or a hurricane. The only damage the gold coins may experience will be from the contact with such foreign materials, not from corrosion resulting from contact with water or moisture.

Such contact may have left the coin surfaces dirty, or in some situations may have left marks on the surfaces due to the natural malleability property of gold.

A delicate bath mix of non-abrasive liquid detergent and warm water may be all the treatment a formerly submerged gold coin may need. Any scrubbing should be avoided at all costs since this will likely leave hairlines (scratches) on the coinage surfaces. Judicious brushing may be necessary to remove grit, but remember that gold is soft. Any contact with a brush or friction caused by the elimination of foreign particles may result in hairline scratches.

Silver is a different problem. Water-damaged silver coins are well known to coin collectors since many of them have been salvaged from shipwrecks over the centuries. Unfortunately, unlike gold, silver will react with water with which it comes into contact. This may be household moisture, moisture from having been buried, water contact from submergence, or even from a hurricane.

Silver tarnishes even when left alone. Some collectors like toned coins while others prefer them white. Nobody prefers them with indications of water damage. Once again, liquid soap and warm water may be all that is required to restore a coin that has literally gone through a hurricane. If this appears to be true, be careful not to use any abrasive detergent or a cloth. Once again, hairlines may otherwise appear. Water spots are another potential problem when coins are not patted dry but are wiped dry with a cloth.

Unlike with gold, when silver needs to be cleaned there will be evidence of the cleaning no matter how careful the collector may be. Silver coins will look artificially bright and silvery regardless of how little the toning and original mint luster have been disturbed.

The worst problem regarding water or moisture damage appears on copper and bronze coinage. Silver, like gold, has noble properties. When moisture and soil mix with copper or bronze an electrolyte that conducts electricity resulting in what is called electrolytic corrosion is caused by soluble salts in the soil that have been dissolved. This natural electric cell saves gold and silver by corroding the less noble metal – typically being copper if we are talking about a coin. Since the copper is alloyed with other metals that may have better noble properties this corrosion will impact those metals and the total coin as a result.

When copper composition or alloy coins are subjected to moisture or water, such as from the waters accompanying a hurricane, distilled water or pure olive oil and a soft bristle toothbrush may be the best tools. Mechanical methods of cleaning coins showing signs of water damage will likely leave scratches. Dirt and clay can be removed using distilled water or olive oil, while removing the harmful soluble salts at the same time.

Olive oil is popular for cleaning ancient coins once these coins have been unearthed. Olive oil is reliable, but it takes a significant amount of time (several months) to soak a coin in the oil effectively. The only way to speed up the process is to heat the oil. This must be done carefully, using a thermostatically controlled cabinet. Olive oil should not be heated above a handleable temperature. Olive oil is flammable. For this reason, gas burners and electric hotplates should be avoided as heating sources. Use a closed container and change the oil on a monthly basis. If water is your weapon of choice, remember it needs to be distilled water, since tap water contains significantly more minerals. These minerals may create unsightly spots on the surfaces of a coin you are trying to rescue. When drying a coin first cleaned with distilled water, either air dry it or pat it dry. Do not rub the coin – it will leave marks.

Water damage to such numismatic paper products as bank notes, coin albums and the official packaging in which modern collector coins may come is the other problem. Although the thrust of this article is towards what to do with a collection that just went through a hurricane, water damage can also come from burst water pipes or even from improper exposure to air conditioning.

Not only the composition, but the age and condition of the paper determines the rate at which it will absorb water. Paper manufactured after 1840 typically absorbs moisture up to an average of 60 percent of that paper's weight.

Coins in government packaging, such as proof and mint sets, need to be carefully removed from their packaging and individually restored as has been suggested above. The packaging itself may be too damaged to salvage. Where possible, restore the packaging just as you would any other paper product reviewed in this article. The most unfortunate thing about the damaged packaging is that collectors are purists – they like to have all the packaging original and undamaged. Coins and other numismatic collectibles that are no longer in their original packaging, or are in damaged packaging, command lower prices than do like items that are not damaged.

Once a hurricane or other environmental problem has done its damage to your numismatic paper products, your first priority becomes stabilizing the damaged items. Pockets of stagnant moist air must be avoided. Expect mold to appear within 48 hours of the water-related damage. Although freeze or vacuum drying are options, most likely air drying will be the method used to recover water damaged numismatic items.

When air drying something airflow, not a higher temperature, becomes important. A dehumidifier or fan may speed up the drying process while a fungicide may prevent mold.

Pressing bank notes, coin albums and the like may remove water more quickly, but it will cause paper to stick to other paper it has contact with. Since water damage to bank notes is particularly serious, prioritize which notes to dry first in case not all can be saved. Where possible, place the wet paper products in a constant 18.3-degree Celsius, 50-percent humidity environment.

Since the objective is to lower the humidity of where you have your water damaged notes, albums, or coin packaging stored remove the wettest items from that area where possible.

Water damage unfortunately is permanent. Once a numismatic item has been in contact with water or excessive moisture due to a hurricane, flood, or other disaster, its value and quality will be impacted. By being aware of what can be done to reclaim what has been damaged, your collection may not sustain as much damage as might occur if no action is taken at all.

The lesson for those of us who did not suffer hurricane damage is to take preventive measures. Is your collection stored in an environment safe from fire, floods, storms and other threats? Is it properly insured? Think about these questions now and you will that much further ahead should you ever experience the unthinkable as collectors in the Gulf region have.

Calendar of Events

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 Nickel Trader Show	9 Meeting 7PM	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2006

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4 South Hills Coin Show
5 South Hills Coin Show	6	7	8	9	10	11
12 Nickel Trader Show	13 Meeting 7PM	14	15	16	17 OH Coin Expo	18 OH Coin Expo
19 OH Coin Expo	20	21	22	23	24	25
26 Greensburg Coin Show	27	28				

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
3.) 1860 and 1864**

How did you do?

INTERNET RESOURCE GUIDE

[Coppercoins](http://www.coppercoins.com)
www.coppercoins.com

Great website on all copper coins espically Lincoln Cents varieties. Contans Chat Room, Message boards, tons of photos and more.

[Coinmasters](http://www.coinmasters.org)
www.coinmasters.org

Contains a cybrary, auction, newsletter, chat etc.

[NGC](http://www.ngccoin.com)
www.ngccoin.com

Certified coin services, gallery

[Full Horn Buffalo Nickels](http://www.geocities.com/RodeoDrive/4044/fullhorn.html)
www.geocities.com/RodeoDrive/4044/fullhorn.html

Information on Buffalo nickels

[U.S. Coin Quantities Minted](http://www.stanford.edu/~clint/q/)
www.stanford.edu/~clint/q/

Get the quantities of US coin mintages

Fun Facts

DID YOU KNOW?

If you had 10 billion \$1 notes and spent one every second of every day, it would require 317 years for you to go broke.

Currency paper is composed of 25% linen and 75% cotton. Red and blue synthetic fibers of various lengths are distributed evenly throughout the paper. Prior to World War I the fibers were made of silk.

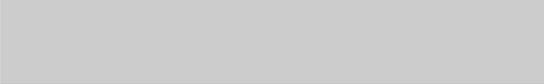
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Judd 1407, Pollack 1550 1875 Twenty Cent Piece



Judd 80, Pollack 87 1838 Half Dollar



Judd 124, Pollack 144 1850 Cent



Judd 137, Pollack 164 1852 Gold Dollar



Judd 645, Pollack 717 1868 Dime



Judd 306, Pollack 371 1863 2 Cent Piece



Judd 1704, Pollack 1908 1883 Five Cents



Judd 615, Pollack 1811 1879 Morgan Dollar

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

Contact Dean K
 overdate@yahoo.com
 Subject: The Keelboat



NORTH HILLS COIN CLUB

MEMBERSHIP APPLICATION

Please Print

Name: _____

Address: _____

City, State, Zip: _____

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 _____