



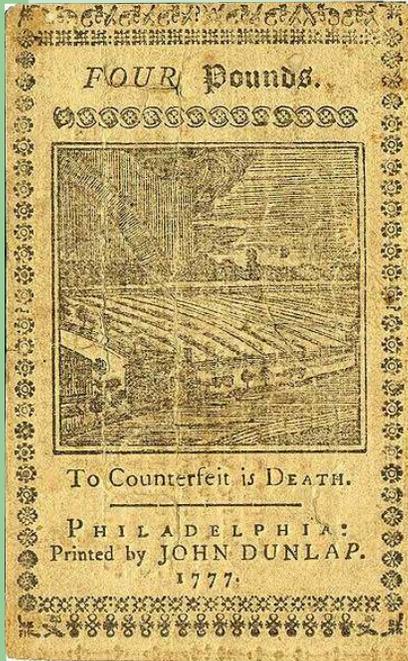
THE KEELBOAT

North Hills Coin Club Presents

Pittsburgh's Premier Numismatic Publication



March 2006



HONEST MONEY

Part 5: History of American Money & Banking

Test Your Knowledge of the Federal Reserve

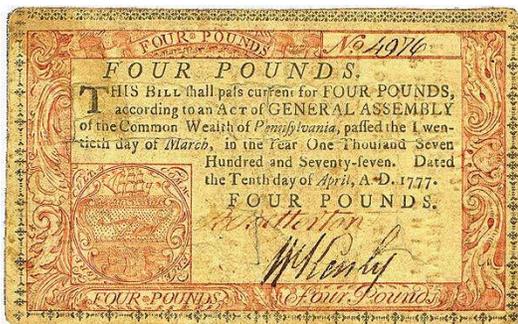
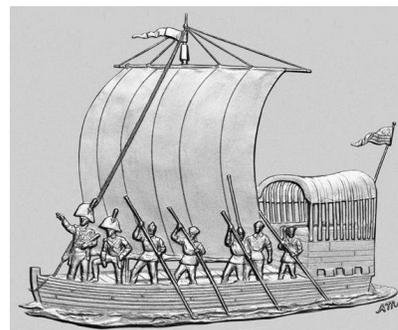
New, More Colorful \$10 Bill to Debut



Happy St. Patrick's Day

In this issue—Everything Green...Meaning Currency

THE KEELBOAT



Page 12

COVER STORY

Honest Money Part 5

The fifth of a six part story

FEATURES

3. Club Officers and Offices/ Special Thanks
4. In The News
12. Honest Money Part 5
15. Die State or Die stage?
17. Test Your Knowledge of the Federal Reserve
19. Calendar of Events
20. Last Month's Meeting/Membership Reports
21. Internet Resource Guide
22. Classified Ads
23. Keelboat Museum
24. Membership Applications

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Special Thanks

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

To Charles “Chick” A on his presentation of Andrew Mellon and Numismatics

From the Editor,

Happy St. Patrick’s Day everyone. This issue is primarily dedicated to everything green. As you see, even the text is green. The majority of the articles deal with currency with the exception of a few.

I have also started writing a new book, like I need more to do and have so much time, hehe. It’s about the Disney Dollars, the “Currency with Character”. I have been doing a lot of researching on the internet and hopefully by the October or November, the book should be completed with pictures of each one and including a value guide. This months Keelboat Museum give you a preview of what some of these Disney Dollars look like. My wife bought me one a few years back and I have been collecting them since. These are great items that can be purchased for a YN. Where can you get them you ask? At any Disney store in a mall for face value.

See you at the meeting in March!!

This Months Presentation is on Foreign Coins by Al H

What year was the First year for the words "In God We Trust" added to a U.S. coin?

- 1.) 1793 2.) 1856
- 3.) 1864 4.) 1880
- 5.) 1909

Answer on page 20

North Hills Coin Club

Founded in 2004

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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

In The News

Backstory: Masters of the mint

In a dying art, engravers handcraft money - including this week's new \$10 bill - to foil counterfeiters.

By Chris Landers | Correspondent of The Christian Science Monitor



WASHINGTON – Chris Madden's job would drive most artists crazy. He works inches away from his canvas - a blank piece of steel - staring through an antique brass magnifier with his left eye, hand carving the lines and dots that form a meticulously detailed picture. Working this way, it takes months to complete a portrait. To make matters worse, his last major work sold for only \$10. Of course, a lot of them were made.

Mr. Madden is a bank-note engraver working out of a heavily guarded seventh-floor studio at the Bureau of Engraving and Printing in Washington. His work is on display, most likely, at a wallet near you. That's his Treasury building, for example, on the back of the new \$10 bill, set to roll out Thursday.

The new 10 spot is the latest salvo in the Bureau's war on counterfeiting. While no bill is counterfeit-proof, it falls to a small group of Bureau engravers and designers to make it more difficult, employing a combination of high technology and old-world craftsmanship. Call them the nation's *real* money men.

An artist by training, Madden joined the Bureau after seeing an ad at Ohio State University, where he received his fine arts degree. In 1988, he began the Bureau's 10-year apprentice program, the last person to do so, although the Bureau recently began recruiting two new apprentices.

Each image for the intaglio printing (intaglio printing uses metal plates, copied from the engravers' originals) on US bills has to be hand-carved, at its final size, by Madden or one of the other engravers at the Bureau. And it has to be done in reverse. Madden specializes in picture and portrait engraving. Others do the lettering.

By introducing a new series of bills every seven to 10 years, Bureau Director Larry Felix hopes to dissuade the "casual counterfeiter," allowing the Secret Service to concentrate on the bigger fabricators. The newest bills feature color-changing ink, security strips, and watermarks visible when held up to the light. They also bear tiny printing designed to be difficult to copy.

Currency expert Gene Hessler points out that one of the best anticounterfeiting measures is the work done by engravers. "If you take a freshly printed bill between your fingers," he says, "you can feel those lines - the ink actually stands up on the paper." Those lines are the V-shaped notches of the engraver's burin, a pointed tool similar to an awl, which no color printer can duplicate. Even after going through the laundry a few times, "you can see that those lines were raised at one time," Mr. Hessler says.

Bills aren't just dreamed up on the easel. They go through a thorough bureaucratic vetting by interagency steering committees, business interests (vending machines, for example, need to be able to read the new bills), and stages of approval, with the secretary of the Treasury getting the final say. Madden describes his work as more craft than art: "Art and government really don't go that well together."

Traditionally, the engraver's art has been passed from father to child along with the specialized tools. Madden was the first apprentice without a family connection: He comes from coal miners. His upbringing, though, inspired his career choice. The Bureau, he notes, is an industrial facility, a factory, which is closer to his blue-collar roots.

When he started at the Bureau, Madden worried about the older engravers staring so closely at their work for so many hours. He still jokingly wonders about the threat to his sanity from so many tiny details, and then introduces his "assistant" - a remote-controlled monkey head on his desk that cackles at the press of a button.

Another item on the desk represents perhaps a bigger threat to the engravers' art - a computer. Madden is six months into a test of new software that allows him to draw the fine lines and dashes of an engraved portrait on the screen. He zooms in to demonstrate his working view - an unrecognizable hash of lines and dots - and erases one with the click of a mouse, something he can't do with a burin on steel.

It's a long way from a century ago, when engravers arrived at work in top hats and tails to practice their most respected of arts. For inspiration, Madden keeps a leather-bound scrapbook of portraits from the heyday of engraving. He points out the different lines that represent hair, steel, or flesh, pronouncing some "gorgeous."

Madden thinks the engraver's art will continue into the computer age. He can't imagine anyone who wasn't a trained engraver creating the delicate lines that come together to form a portrait or landscape in miniature. "The more you do it in its classical style, the more you appreciate it," he says.

Fun Facts DID YOU KNOW?

The beginning of an establishment for the engraving and printing of U.S. currency can be traced as far back as August 29, 1862, to a single room in the basement of the Main Treasury Building where two men and four women separated and sealed by hand \$1 and \$2 U.S. notes which had been printed by private bank note companies. Today there are approximately 2,800 employees who work out of two buildings in Washington, D.C. and a facility in Fort Worth, Texas.

In The News

New, More Colorful \$10 Bill to Debut

By MARTIN CRUTSINGER, AP Economics Writer Thu Mar 2, 10:27 AM ET

WASHINGTON - Just in time for spring, the government infused a little color into the \$10-bill Thursday.

The new bill — featuring shades of orange, yellow and red — joined colorized versions of the \$20 bill and the \$50 bill as the Bureau of Engraving and Printing attempts to stay ahead of counterfeiters and ever-more sophisticated copying machines. The Federal Reserve on Thursday began shipping the first of 800 million of the new \$10 bills to commercial banks. In the next few days, those bills will start showing up in

cash registers around the country.

Officials of the U.S. Treasury, the Bureau of Engraving and Printing, the Federal Reserve and the Secret Service participated in a spending ceremony at the National Archives.

That location was selected because the new bill, which is still largely green, will feature in red letters the phrase "We the People" from the Constitution, which is housed at the Archives.

"Staying ahead of would-be counterfeiters is a top priority of the U.S. government and in order to do that our currency will need to be redesigned every seven to 10 years," said U.S. Treasurer Anna Escobedo Cabral.

Cabral stood next to Michael Lambert, assistant director for the Fed's payment system, who got the honor of spending the first new \$10 bill at the Archives gift shop, where he purchased a copy of the U.S. Constitution.

Lambert said a few people could see the new \$10 bill as early as Thursday, but the timing will depend on when commercial banks order supplies of the new bills.

He stressed that the older design will continue to be valid currency for as long as it is in circulation.

The new \$10 bill still features Alexander Hamilton, the nation's first Treasury secretary, on one side, and the Treasury building on the other side. But those two images are joined by the Statue of Liberty's torch and "We the People" in red along with small yellow 10s and a subtle orange background.

The colorized \$20 note went into circulation in 2003 and it was followed in 2004 by the newly designed \$50 note.

The \$100 bill is the next denomination scheduled to receive a dash of color. However, the introduction of that bill has been delayed while the government conducts a search for additional security features to protect the denomination that is the most frequently counterfeited outside of the United States.

Larry Felix, director of the Bureau of Engraving and Printing, said his agency expected to receive recommendations this summer for what types of additional security features should be included on the \$100 bill.

"It has to be a feature that the public can use," he said in an interview with The Associated Press. "It must work with the eyes and light so that it stands out."

The hope is to introduce the \$100 bill in 2007. There are no plans to colorize the \$1 bill or the \$5 bill. On the Net:

Bureau of Engraving and Printing currency site: <http://www.moneyfactory.gov>



At a publicity event to announce a new \$10 version, U.S. Treasurer Anna Cabral, left, and Michael Lambert, center, a Federal Reserve official, present a redesigned \$10 note to Djakarta Jacobs, right, the manager of the National Archives gift shop in Washington, Thursday, March 2, 2006. That location was selected for the event because the new bill features in red letters the phrase 'We the People' from the Constitution, which is housed at the Archives. Alexander Hamilton, the nation's first Treasury secretary, remains as before on the updated version which joins colorized versions of the \$20 bill and the \$50 bill as the Bureau of Engraving and Printing tries to stay one step ahead of counterfeiters and ever-more sophisticated copying machines. (AP Photo/J. Scott Applewhite)



The new \$10 _ featuring shades of orange, yellow and red _ is displayed by Djakarta Jacobs, the manager of the National Archives gift shop in Washington, Thursday, March 2, 2006. The new bill joined colorized versions of the \$20 bill and the \$50 bill as the Bureau of Engraving and Printing attempts to stay ahead of counterfeiters and ever-more sophisticated copying machines. (AP Photo/J. Scott Applewhite)



In a photograph released by the U.S. Treasury, the newly designed \$10 bill is shown Wednesday, Sept. 28, 2005. The \$10 bill note became the third bill denomination to be jazzed up with colors as part of the government's effort to thwart counterfeiters. The Federal Reserve will begin shipping Thursday March 2, 2006 the first of 800 million of the new \$10 bills to commercial banks. In the next few days, those bills will start showing up in cash registers around the country. (AP Photo/U.S. Treasury)



In a photograph released by the U.S. Treasury, the back of the newly designed \$10 bill is shown Wednesday, Sept. 28, 2005. The \$10 bill note became the third bill denomination to be jazzed up with colors as part of the government's effort to thwart counterfeiters. The Federal Reserve will begin shipping Thursday March 2, 2006 the first of 800 million of the new \$10 bills to commercial banks. In the next few days, those bills will start showing up in cash registers around the country. (AP Photo/U.S. Treasury)

In The News

Our Hometown: The U.S. Mint

artists rendering, clay, and some pretty, well, dated technology."The design of the machines is about a hundred years old so the technology has been around for a pretty long time," said Robidoux. Once the design is approved by the secretary of the treasury, the money making begins!It's all starts with a flat sheet of metal fed into a machine. In there, the metal is cut into appropriately-sized circles called "blanks." "And then they have to be heat-treated to soften, and then there's a rim put on," said Robidoux. From there, the coins need to be stamped on both sides -- a head and a tail, so to speak. "The blanks come down, and they're fed down a track, and they're struck between the two dies horizontally. So at one time, we put the image on both sides of the coin. One die stays stationary, and the other comes in like a hammer and puts the imprint on both sides," said Robidoux.If all goes well in the process, a coin is born. "They'll take and look at it under a magnifying glass, look close for any defects on both sides," said Robidoux. Only mint condition will do. And for one brief moment I could dream!But don't dream about stumbling on this bag of money filled with \$50,000 worth of new quarters. Even if you wanted to take it, you couldn't lift it. It weighs a ton. Literally. (© MMVI, CBS Broadcasting Inc. All Rights Reserved.)

Coin dealer sues to disqualify county's judges from criminal case

ANDREW WELSH-HUGGINS Associated Press Posted on Tue, Feb. 28, 2006

and elect Republicans for 20 years. "I consider every judge on the bench to be a genuine political enemy, on the one hand, or a political client and/or close personal friend, on the other hand," Noe said in the suit filed Monday. Federal prosecutors last year charged Noe with illegally funneling \$45,000 to President Bush's re-election campaign, and he has pleaded not guilty.

Earlier this month, state authorities charged Noe with stealing at least \$1 million from an \$50 million investment in rare coins he received from the state insurance fund for injured workers. A county judge named in the lawsuit would be hearing those charges. The allegations against Noe have Republicans nervous in an election year and Democrats hoping to use the scandal to break a 14-year GOP lock on statewide offices. A message was left with Lucas County Prosecutor Julia Bates seeking comment. In his 27-page court filing, Noe says he considers the judge presiding over his case, Democrat Thomas Osowik, a political enemy he has long opposed. Noe said he and his wife, Bernadette, supported Osowik's 2004 re-election opponent and are now supporting Osowik's opponent for a seat on the state appeals court. Of Judge Denise Ann Dartt, another Democrat, Noe said, "I consider Judge Dartt to be a political enemy and I have made extraordinary efforts over the years to prevent her from winning election to her judicial office."

Of Judge Ruth Ann Franks, a fellow Republican, Noe noted that she is close to his wife's family and as an assistant prosecutor was assigned to the courtroom of Judge Francis Restivo, Noe's father-in-law.

"I consider Judge Franks to be a close, personal friend, and she is even closer to my wife and her family going back several years," Noe said. To bolster his case, Noe also pointed out that five Supreme Court justices whose campaigns he supported voluntarily removed themselves from a public records case involving the coin investment because they received donations from Noe.

The justices took such action because of Noe's "ferocious dedication to unseat Democratic judges and to elect Republican judges is so extraordinary and notorious," the court filing said.

In the lawsuit, Noe makes no secret of his dislike of Democrats and the lengths he's gone over the years to force them from office.

He eagerly describes several of his favorite tactics, including splitting Democratic votes by running an independent candidate and frequent legal complaints against Democratic candidates alleging election and campaign finance violations.

Noe also used a public affairs television program, "Upfront Toledo," to attack Democrats, as well as looking for ways to create infighting among Democrats.

"It was our strategy to endorse Democrats for the purpose of sowing divisions within the Democratic Party," Noe said in the lawsuit.

ON THE NET

Lucas County courts: <http://www.co.lucas.oh.us/CommonPleas/>

Ohio Supreme Court: <http://www.sconet.state.oh.us/>

PHILADELPHIA Quarters, dimes, nickels and pennies -- no, not from heaven. They're created right here in Philadelphia -- 30 million coins a day. It's the largest U.S. Mint in the world, sitting on five acres in Center City. I just had to find out, how do they make all that money?

Plant manager Rob Robidoux showed me around. It all begins with an

COLUMBUS, Ohio - The coin dealer at the center of Ohio's government corruption scandal has asked the Ohio Supreme Court to disqualify all Lucas County judges from hearing his case, saying they are either personal friends or political enemies.

Tom Noe, a rare coin dealer and prominent GOP fundraiser now facing state and federal charges, says in a lawsuit that he has ferociously and persistently worked to unseat Democratic judges

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

Royal Canadian Mint Issues New Products Featuring Coins from Popular Series

OTTAWA, February 27, 2006 -- Today the Royal Canadian Mint officially released its newest line of collector products, featuring new issues from popular series. These ongoing series include the 99.999% Pure Gold coin series, the smallest gold coins produced by the Royal Canadian Mint

series, the National Parks of Canada series, and the Mint's Golden Flowers series.

Featured products in the Mint's new collection include the 2006 Pure Gold coin- Iris Versicolor, the 2006 1/25 oz Gold coin- Cowboy, the 2006 National Parks coin- Nahanni, and the 2006 50-cent Sterling Silver coin- Golden Daisy. Also part of the new line are the 2006 Architectural Treasures- CN Tower coin and the 2006 Coin and Stamp Set- Sable Island Horse and Foal.

"This latest collection of exciting numismatic products is comprised of series that have a broad appeal and special meaning to collectors," said Marguerite F. Nadeau, Q.C., Acting President and C.E.O. of the Royal Canadian Mint.

Here are some of the featured coins that are part of the Royal Canadian Mint's newest collection.

2006 PURE GOLD COIN- IRIS VERSICOLOR

Past and Present Bloom Together- The Blue Flag

This coin features Quebec's official floral emblem, the Iris versicolor, a springtime flower that is native to the province. The flower, appropriately called the Blue Flag, has the distinctive shape and arresting blue tones that make it the perfect floral emblem for Quebec. The province officially adopted it in 1999.

The coin, bearing a 350-dollar face value, is the ninth in a series of provincial flowers that began in 1998. The coin is crafted in 99.999% pure gold and hand polished to proof perfection. The coin is limited to a reduced worldwide mintage of 2,006, and is available for \$1,295.95 CND.

2006 1/25 OZ GOLD COIN- COWBOY

This coin showcases an original design by Canadian artist Michelle Grant that depicts a contemporary saddle bronc with a rider and a stylized maple leaf underneath. The coin design celebrates not only the past, but also the modern cowboy that remains a vital part of today.

This 99.99% pure gold coin bears a face value of 50 cents, and has a limited worldwide mintage of 25,000. It is the third coin in the series of smallest gold coins ever produced by the Royal Canadian Mint. The previous two coins in the series were the 2004 Moose coin, which sold out at the Mint, and the 2005 Voyageur coin. It is available for \$69.95 CND.

2006 NATIONAL PARKS- NAHANNI

This coin features a grizzly bear roaming the Nahanni National Park Reserve of Canada, a remote wilderness treasure located North of the 60th parallel in the Northwest Territories. The coin also features superior sculpting that captures the powerful beauty of the reserve's Virginia Falls, characterised by a vertical drop almost twice that of Niagara Falls.

The Nahanni coin, which is the fourth coin in a series depicting Canada's National Parks, is composed of 99.99% silver. It has a face value of 20 dollars and is limited to a worldwide mintage of 15,000. The coin is available for \$69.95 CND.

2006 50-CENT STERLING SILVER COIN- GOLDEN DAISY

"Loves me... Loves me not..."

This coin features the Ox-eye Daisy (*Leucanthemum vulgare*), a perennial herb found throughout the world. The daisy is known for both its healing properties as well as for its reputation as an undesirable weed that has spread to 40 countries from its native Europe. Despite these concerns, there is nothing quite like a crown of daisies or a vase full of its cheerful blooms.

This 50-cent coin is composed of sterling silver with selective gold plating. It was minted with the same artistic flair and technical precision as the other coins in this series, such as the 2005 Golden Rose, and the 2004 Easter Lily. The Golden Daisy coin has a worldwide mintage of 23,000 and is available for \$36.95 CND.

The Architectural Treasures- CN Tower coin is available for \$69.95 CND, while the 2006 Coin and Stamp Set- Sable Island Horse and Foal is available for \$49.55 CND.

All coins feature the portrait of Her Majesty Queen Elizabeth II by Susanna Blunt on the obverse.

All of the Mint's products are available directly from the Mint by calling 1-800-267-1871 in Canada, or 1-800-268-6468 in the US, by visiting the Mint's online boutique at www.mint.ca, by visiting the Mint's boutiques in Ottawa and Winnipeg, or through the Royal Canadian Mint's global network of dealers and distributors.

The Royal Canadian Mint, an ISO 9001-2000 certified company, is the Crown Corporation responsible for the minting and distribution of Canada's circulation coins. The Royal Canadian Mint is recognized as one of the largest and most versatile mints in the world, offering a wide range of specialized, high quality coinage products and related services on an international scale. For more information on the Royal Canadian Mint, its products and services, visit www.mint.ca.

In The News

MPC find creates FUN buzz

From Bank Note Reporter by Fred Schwan

cent replacement had been found!

After Seelye confirmed the note, we began a multiple-day negotiation that finally resulted in a record-breaking sale. You'll have to take my word for it, though, as the price is not disclosed.

In photo: Fred Schwan, left, and David Seelye conclude negotiations over the discovery Series 591 25-cent replacement on the bourse of the FUN show.

The transaction took place on Saturday afternoon (Jan. 7). Seelye approached me with collectors shadowing him to witness the deal. I must say the audience added to the pressure of the situation, but we were able to make the transaction. Bank Note Reporter editor David Harper was also there and photographed the transaction.



The serial number of the discovery piece, G00256102, establishes that the note was from sheet number 102. This indicates that at least about 8,500 replacements were issued of the total regular-issue printing of 4,704,000 notes. Of the 90 issued types of MPC, all but three had been confirmed to exist in collections, and this was one of them. The two that remain unreported are \$5 certificates of Series 481 and Series 651. Collectors have been recording replacement serial numbers for about 30 years and have listed nearly 3,000 pieces.

The new find will be on display at MPCFest VII March 3-5 courtesy of the

collector who owns it.

For information about the MPCFest, which is scheduled for March 3, you can contact me by e-mail at the following address: [fredschwan@yahoo.com](mailto:fredschan@yahoo.com).

Excitement spread through the Military Payment Certificate community at the Florida United Numismatists convention in early January with the rumor that a previously unreported replacement had been found.

David Seelye confirmed that the rumor was true: a Series 591 25



House Approves Coin to Commemorate Braille

Tue Feb 28, 5:51 PM ET

WASHINGTON - Louis Braille, the inventor of the most widely used reading and writing method for the blind, will be featured on a commemorative U.S. silver dollar.

Under a House bill passed by voice vote Tuesday, the U.S. Mint will issue 400,000 silver dollars commemorating Braille in 2009, the bicentennial of his birth. Funds raised from a \$10 surcharge will go to the National Federation of the Blind to promote Braille literacy.

"Blind people today would be far less likely to achieve the goals of independence and productive living without the positive contribution of Louis Braille," said Rep. Bob Ney, R-Ohio, a co-sponsor of the bill.

The front of the coin would depict Braille, and the reverse would include the word "Braille" written in Braille code.

Braille, born outside Paris on Jan. 4, 1809, lost his sight in a childhood accident. He later built on a nighttime code used by the French Army to create the pattern of raised dots that is named after him.

Similar legislation introduced in the Senate earlier this month has 23 co-sponsors. This type of legislation requires 67 Senate co-sponsors, according to Senate Banking Committee spokesman Andrew Gray.

Text of the legislation, H.R. 2872, can be found at <http://thomas.loc.gov/>

In The News

Cybuski counts 1,000th FRBN star

From Bank Note Reporter

notes by denominations and districts with grades and current prices realized. The 1929 FRBN Star Census is published every two years and its next issue is due out in January of 2007.

"Over the years I've had many dealers and collectors call or e-mail me with new discoveries," Cybuski said. "Without this information, it would have taken a much longer time."

Cybuski says of all the denominations, there are 185 \$5, 340 \$10, 269 \$20, 128 \$50 and 78 \$100 FRBN stars reported.

The Dallas district is the rarest district with a total of only eight known while the New York district is the most common with 212. Of the 60 possible districts by denominations, 13 have not reported any star notes.

To get a copy of the census, to report new FRBN star notes, or for further information about the census, contact Jhon Cybuski via Web site jhoneycash.com; telephone (214) 769-9936; e-mail cybuski@comcast.net.

Currency dealer and collector Jhon Cybuski of Jhon E Cash Rare Currency, Ltd., says he has recorded his 1,000th 1929 Federal Reserve Bank Note star. He says it is a newly discovered 1929 \$100 Minneapolis star note, the third known, reported by currency dealer Tim Kyzivat. The Jhon E Cash 1929 FRBN Star Census lists all 1,000 FRBN star

Thieves steal a mint from coin collectors

THE ASSOCIATED PRESS

ORLANDO - Thieves stole \$450,000 worth of rare coins after trailing collectors from a convention, breaking into their cars while they ate dinner and robbing one at gunpoint more than 100 miles away. "We haven't seen anything of this scale or this violent in years," Coin World editor Beth Deisher said of the thefts and robbery linked to the Jan. 5-7 gathering at the Orange County Convention Center. Crime reports list nine victims in five cases; Coin World said there may be a 10th victim. The biggest haul happened two hours from Orlando after the coin show closed, when at least three men followed a dealer. William Dominick had stopped at a Waffle House in Bradenton, where armed robbers smashed out the windows of his silver Mercedes sedan while he sat in the driver's seat, according to law enforcement. Popping open the trunk, the robbers grabbed two steel cases plus a briefcase and ran toward a black luxury car with tinted windows. An intervening homeless man hit one of the robbers, who dropped and left behind the largest case, reports show. "It had \$700,000 to \$800,000 inside," Dominick said Thursday of the recovered case. The contents included an 1879 U.S. gold coin worth \$150,000 and a \$10,000 bill valued at \$75,000, he said. "The blessing is that that homeless guy was there," said Dominick, who gave the man a \$100 bill. The missing briefcase and the second steel case, which weighed about 30 pounds, held \$250,000 in merchandise, Dominick said. "I've offered a \$100,000 reward," said the dealer, who runs Westwood Rare Coin Gallery in Naples and a New York suburb. "I'll do whatever's needed to get these guys in jail." The thieves also struck while three collectors ate dinner Jan. 5 near the convention, Orange County sheriff's reports show. Dinner guest Daniel Bandish lost \$35,000 in Morgan silver dollars and \$10,000 cash in the burglary. Dealer and collector Charles Hager lost \$66,000 worth. "Never in 40 years have I even left my valise in an unattended car before," Hager said. "I came out. The windows were broken, and you get that feeling when your heart drops into your stomach." Like many dealers, Bandish said he was not insured. They say it can be hard to get insurance because inventory often turns over quickly. "It could have been a lot worse. I sold \$40,000 of platinum during the show. Thank God I took a check," he said. "They must have been following me around because I was making some purchases with cash." Crime reports list nine victims in five cases. Dealers and Coin World said there may be a 10th victim, a coin dealer from Branson, Mo.44

Old Roman coins dug up in field

A handful of ancient Roman coins have been dug up in a playing field in West Wickham, near Bromley, south London.

The artefacts may have been thrown into water for good luck by superstitious Romans, an archaeologist suggested.

They were discovered at the Sparrow's Den field during work by Thames Water to reduce flooding risk from sewers.

The low denomination coins, two of which depict Roman emperors Constantine and Diocletian, are said to date back to the Third and Fourth Centuries.

Loose change

The artefacts were found together with two Georgian coins, a medieval silver penny and military badges from World War Two.

They were discovered alongside the route of a dried-up stream that used to flow into the nearby River Ravensbourne.

"This cluster of coins suggests that travellers along the road used to throw their loose change into the stream to bestow their journeys with good luck or, perhaps as an offering to the gods," said archaeologist Geoff Potter.

A Thames Water spokesman said the coins will be cleaned and are expected to be placed on display at the Bromley Museum later this year. The coins were found alongside the route of a dried-up stream



In The News

Bank Note Clinic: Even \$1 FRNs challenge

From Bank Note Reporter by Alan Herbert

had stopped paying out silver dollars almost five years earlier.

Was there a bank note printer in Woodrow Wilson's family?

Wilson's father, a J. Wilson, is listed as printer of a series of fractional notes dated 1817 for the Jefferson Bank of New Salem, Ohio. The Wilson printed notes were in denominations of 6-1/4, 12-1/2, 25 and 50 cents.

What would you call my Series 1977 note?

It has the face print on the back, as if the ink had soaked through the paper.

Almost invariably people who discover notes with this appearance blame it on the ink soaking through the paper, but that's not how it happened. This is known as an offset print. When a sheet of notes failed to feed into the printing press the ink intended for the face side of the sheet instead went onto the pressure plate or roller. When the sheet did feed properly, the fresh ink was transferred to the wrong side of the sheet. The first few sheets will get a fairly strong impression, with the ink fading out after that, so the strength of the inking has a bearing on the value of this mistake as well as the size of the area of the offset and the grade of the note.

Who is the person known as the "Father of Paper Currency" in the United States?

Abraham Clark, one of the signers of the Declaration of Independence, was awarded the title by contemporary writers because of his activities in connection with the issuing of the Continental Currency. Clark was opposed to the unrestricted issue of paper money but was apparently unable to influence the handling of the issue, which quickly got a bad name for itself.

What was the so-called "George Smith Money"?

Scotsman George Smith started what amounted to a bank in 1839 in the Chicago-Milwaukee area. Banks were outlawed by both Illinois and Wisconsin at the time, so the firm was chartered as the Wisconsin Marine and Fire Insurance Co. The company did almost no insurance business, possibly writing only a single policy to establish its charter, but its certificates of deposit were as "good as gold," and redeemable in that metal during the period up to the Civil War, earning an unblemished reputation as a currency in the region. The story is told that the capture of a counterfeiter of Smith's paper by one Allan Pinkerton – at the time a barrel maker in Dundee, Ill. – led to his forming the present detective agency that bears his name.

Address questions to Bank Note Reporter, 700 E. State St., Iola, WI 54990. Due to space limitations, we are unable to publish all questions. Include a loose, 39-cent stamp for reply. Write first for specific mailing instructions before submitting numismatic material. We cannot accept responsibility for unsolicited items. Send e-mail inquiries to Answerman2@aol.com.



I'm a new collector. I decided to start with small-size \$1 Federal Reserve Notes, but then I find they go back only to 1963. Why?

Before then, the \$1 denomination was filled by the Silver Certificate, which was itself technically a substitute for a silver dollar. By 1963, the rising price of silver put an end to the arrangement and the \$1 Federal Reserve Note was authorized. Silver Certificates ceased being redeemed for silver June 24, 1968, though they are still legal tender. The Treasury

BEP site crash mars sellout

From Bank Note Reporter

"We sincerely apologize," said Kevin Brown, marketing manager for the Bureau of Engraving and Printing, about the crash of its Web site Jan. 24 at the beginning of order taking for 500 \$50 Premium Federal Reserve Sets.

As the result of its Web host system crash and the failure of the time-stamping function, the BEP received orders for 890 sets before it could cut them off and there is no way to determine the order in which they were received, Brown explained to **Bank Note Reporter**.

As a consequence, all orders for three to five sets will be cut back to two sets and all orders for two sets will be trimmed to one. All orders for one set will be honored, he said.

Serial numbers of the sets would be assigned randomly, falling in the range between 00000351A and 00000850A.

The sets were priced at \$1,095 each and were also made available over the counter at the Washington, D.C., and Fort Worth, Texas, visitor centers. A total of 44 sets were sold that way.

Brown said it would take up to three weeks to work out the problems, issuing credits and refunds.

Persons who ordered five sets were entitled to the bulk-rate price of \$1,050 each, Brown said, and that price will be charged to those individuals whose orders were cut from five to two.

The set contains 12 Series 2004 \$50 Federal Reserve Notes, one from each district. Brown said BEP is working to prevent a recurrence.

The BEP's next offer, Series 2004A \$10 sheets, is to coincide with release of the new \$10 Federal Reserve Note March 2.

In The News

Early finds of '06 coins indicate good year

By David C. Harper

pleasure. A colleague here in the office, Fred Borgmann, our new issues editor for world coins, received a 1944-S war nickel in change from a machine in our breakroom the day before this was written. This is not a new issue, but it adds incentive to keep looking at your change if you need one.

I have not received a 2006-dated coin in my change yet here in Iola, Wis., but I expect I will soon, judging by reader responses.

We are now in the eighth year of the state quarter program. Can you believe it? It seems like it just started. The nickel has a new design this year and the Mint has gotten a good response with its offer of Return to Monticello pieces to collectors. It is clear from the sales numbers that the new nickel design is popular among collectors. How long will it take to make its way to Iola and other out-of-the-way places across America when it is released? I don't know. What I do know is that I talked to my father a couple of days ago. He is not a collector. He brought up a coin topic to me, which is unusual for him. What was it? He had received one of last year's Buffalo nickels in change. The funny thing is he hadn't even noticed the buffalo. What caught his eye was the offset portrait of Thomas Jefferson.

What does this prove? I think it proves two things. One is that it has taken a long time for the new nickel designs to make their way into everyday use. The other is that noncollectors somewhere are taking notice of things even if it is more slowly than active collectors. Both of these factors influence how the hobby grows.

One of the aspects of new dates on coins that I try to evaluate is whether the coins are appearing early or late. Since reports from readers date back to the first few days of the new year, it would seem that new coins are entering circulation rapidly in 2006. This is usually an indication of good economic times. (It can also be an indication of good Mint inventory control.) In bad times, coins tend to enter circulation more slowly and inventory can build up and take a while to work off. A booming economy generates more economic transactions and more coins are demanded in commercial channels.

Last year this indicator did not work very well. Reader reports seemed to indicate a bit of a slow release pattern. Economic statistics say 2005 was a pretty good year, with the Gross Domestic Product rising 3.5 percent. The Mint's coin output rose.

We have gone from just over 12 billion coins produced in 2003 to just over 13 billion in 2004 to just over 15 billion in 2005. The improvement coincides with a general uptrend in the economic data. However, we are a long way from the 28 billion coins produced in 2000, which was the concluding year of incredible economic boomtimes.

It is conceivable that coin demand is in a permanent state of decline and we will not soon (or ever) reach the 2000 highpoint. This theory depends on new coin spending and use patterns made possible by greater acceptance of technology in the form of debit and credit cards and Internet bill payments. There is also the growing use of coin counting machines in various commercial locations.

Since we haven't gone through a complete economic cycle since the 2000 coin production peak, there is still room for doubt. This leaves room for me to write that coin circulation patterns at this stage in the year indicate stronger economic growth, which seems to run counter to the wisdom of the economic pundits. We will see.

In the meantime, look at your change and report what you find. My e-mail address is david.harper@fwpubs.com. You will satisfy my curiosity and, I am sure, that of other readers.

Fricke compiles new Confederate note book

From Bank Note Reporter

Collecting Confederate Paper Money is a brand-new reference for Confederate Currency collectors by Pierre Fricke.

Edited by Stephen Goldsmith and published by Smythe, proclaims on the cover that it is "A Complete and Fully Illustrated Guide to All Confederate Note Types and Varieties."

Established CSA note collectors will enjoy poring over the varieties Fricke identifies, as well as the thorough price and census information he provides. The pricing is based on known transactions, Fricke said, and on what he termed "normalized grading," which he said is an attempt bring disparate grades from various sources to a current common ground, one collector-oriented rather than market-oriented.

Newcomers to the CSA note field will be greatly aided by the introductory full-color pictorial section that illustrates each type.

"This will give you the tools to help you survive on the bourse floor," Fricke said, referring to cherrypicking. He said it's great to have at hand when scouring Confederate offerings on online auction sites like eBay, too.

In a brief interview at the St. Louis paper money show, Fricke said he began collecting in 1969, starting with large cents and moving on to Bust half dollars and general silver dollars. He began participating in Civil War reenactments and was turned on to seriously pursuing Confederate Currency, starting with type around 2000. About a year into it he began to love varieties. He met the late Douglas Ball at Smythe in 2002 and thus was born the book now published.

Fricke said he sees the Confederate Currency field as very similar to that of large cents years ago, perhaps around the 1940s, and said that he modeled his system somewhat on that of John Wright's in **The Cent Book**.

New to Fricke's work is the rarity scale. He does not use the Criswell scale, choosing instead the Sheldon scale of rarity.

Price for the book is \$49.50 each, plus shipping.

To order, contact Smythe, 2 Rector St., 12th Floor, New York, NY 10006-1844; telephone (800) 622-1880 or (212) 943-1880; e-mail info@smytheonline.com; Web site www.smytheonline.com.

Honest Money Part V: History of American Money & Banking

by Douglas V. Gnazzo

COLONIAL MONEY

During the 17th century, American settlers were starting to grow from small colonies and villages into larger towns and cities. Barter was the earliest method of trade, the direct exchange of one good for another. Soon certain commodities became most favored, such as furs and tobacco. In Virginia, warehouse receipts for bales of tobacco circulated as money.

As the colonies grew in size, so did their need for trade and commerce. The increased division of labor naturally progressed from direct exchange (barter), to indirect exchange: the use of a common medium - money. The discovery of new ports increased the number of ships from distant lands, bringing with them foreign gold and silver coins. English coins, French coins, and especially Spanish coins were becoming the money of choice.

Many authors have written about a shortage of money in colonial times. There was a deficiency of sound money, due to specific reasons, but a lack of money there was not. By the 1700's, Colonial money included a diverse selection of media: gold and silver coins; book-credit; various commodity money substitutes, and several different types of paper notes.

EARLY PAPER MONEY

During the mid to late 1600's, Massachusetts would often send expeditions to the French settlements in Quebec to loot and plunder. These raids were usually quite successful and productive. The soldiers would return home, sell their booty for profit, and be content.

In 1690, after a particularly disastrous raid, soldiers returned to Boston in a foul mood - demanding to be paid. The government, not being in possession of the needed goods or coin, came up with the idea of printing paper notes, supposedly redeemable in gold and silver, to be procured from up and coming tax receipts. No further paper money was to be printed until the first issue had been paid off in specie.

Within a few months time the issue ran short, and the government printed another series of notes. It was quickly found out, that the purchasing power of the notes was rapidly declining compared to gold and silver coin. The people realized the paper would never be redeemed as promised.

What did the government do to solve the dilemma? They resorted to one of the King's favorite prerogatives: forced legal tender laws. Paper money was declared compulsory for all debts, and a 5% discount was offered for all government debts paid in paper.

Suddenly nearby States of Connecticut and Rhode Island began to issue paper money. The race was on. In 1716, Massachusetts decided to form a government land bank, and to issue notes backed by the land.

Prices on everything began to rise dramatically. The purchasing power of paper kept falling. Silver and gold coin had all but disappeared. This is the scarcity so often referred to, but it was a man-made scarcity of specie, caused by the excess emission of paper money, mandated to be legal tender for all debts. It was not a natural scarcity due to free market laws of supply and demand, but one of contrived government intervention.

By 1740, paper money had depreciated to near worthlessness compared to gold and silver coin. Massachusetts's exchange rate was 11 to 1; Connecticut's was 9 to 1; Carolina's 10 to 1; and the infamous "winner" was Rhode Island - with the unbelievable rate of 23 to 1. Inflation had come full circle in just 50 years.

The following year, Parliament passed an act to restrict the various schemes within the American Colonies that involved paper money. In 1751 and 1764, Parliament passed acts to regulate and restrain bills of credit from being declared to be legal tender, in any of his Majesty's Colonies.

BANK OF NORTH AMERICA

The Bank of North America was chartered in 1782; the first government sanctioned central bank. Its home was Philadelphia. This was the first organized public institution of the elite moneyed interest. Robert Morris was appointed Financial Agent (Secretary of the Treasury) of the United States, so as to be able to oversee the operation of the Bank.

The government authorized the Bank of North America's notes to be receivable for all duties and taxes for all governments; and they were to exchange at par with specie. No other bank of issue was permitted. In return for the government's unprecedented largess of such limitless power of monopoly, the Bank of North America did what all patriotic bankers do: they offered to loan the government all the money it needed to finance the public debt with - while the American taxpayers paid the bill.

Robert Morris was an elite collectivist. He dreamed of a centralized government, with the power to tax its citizens, creating a system of perpetual government debt; all to be monetized by the fractional reserve lending of paper money. He submitted his plan to Congress and they approved, issuing the charter for "his" bank.

This was a wealth transference system of the elite collectivists, which in Morris's own words would be a windfall to speculators of public debt - at the expense of the taxpayers; that would cause "wealth to flow into the hands that could render it most productive".

An interesting side note: Morris was unable to raise the required specie reserves for the bank. As one of the prominent members of Congress and the Government's Financial Agent, Morris was able to appropriate specie on loan from France to the United States, and invested it "for the government" in "his" own bank.

This meant that the majority of specie capital for Morris's bank came from government accounts. These funds were then borrowed back by Morris from the bank, under the ruse of being the Government's Financial Agent; funneling the money into government contracts with his own personal business associates, to provide war provisions to the government. Why he wasn't charged with embezzlement boggles the mind, and defies the most basic ideals of jurisprudence. By the end of 1783, the first experiment with a central bank had ended - badly, and the Bank of North America was closed down. Morris convinced his Philadelphia connections to issue him a state banking charter, and he quickly changed the bank over to a private commercial institution.

FIRST BANK OF THE UNITED STATES

The First Bank of the United States was the brainchild of Alexander Hamilton, although not his first. In 1784, Hamilton had started the commercial Bank of New York, one of only three commercial banks in the country: the other two being Morris's bank in Philadelphia and the Bank of Massachusetts in Boston. The strategic geographical location of the three banks was not by coincidence. This was the second public display of the elite moneyed interest.

Cut from the same cloth as Morris, Hamilton was a statist who believed in a centralized form of government that controlled all aspects of the country - especially money, banking and trade. Hamilton's true reasons for wanting a central bank were revealed when he wrote:

"All communities divide themselves into the few and the many. The first are rich and wellborn, the other the mass of the people. The people are turbulent and changing; they seldom judge or determine right."

This aristocratic indifference to the lower orders of his fellow man is the signature of the elite collectivist, who views the masses as a tool to be used in their selfish quest for riches. Europe provided the spawning grounds for such elite ideology, purveyors of which included: Lord Rothschild and Adam Weishaupt; soon to be followed by Cecil Rhodes, Oxford Professor John Ruskin, and Lord Milner.

Under Hamilton's direction, Congress chartered the First Bank of the United States in 1791. The First Bank was granted the monopoly of the coveted power to issue notes. The charter was for 20 years and no other national bank was permitted. The former partner of Robert Morris, Thomas Willing, was appointed president of the Bank.

Central banks attain their influence from the government's sanction to emit paper bank notes that circulate as legal tender. This is key to their power. By establishing a central bank based upon fractional reserve lending, a system is created that allows for the use of book-entry loans and hence - money, a number of times greater than the actual money the bank has in reserves. In other words, they get to loan out money they do not have. By the magic powers of credit, money is created - from out of nothing, but the want, thereof.

In 1811, the charter for the First Bank of the United States expired. President Madison, another of the elite guard, fought hard to recharter the bank. Congress failed by only one vote to reissue a new charter. Thus ended the First Bank of the United States.

SECOND BANK OF THE UNITED STATES

Shortly after the closing of the First Bank of the United States, America found itself in the War of 1812. The sinews of war being money, huge sums were suddenly in demand. Private banks began to spring up overnight, issuing hoards of bank notes to pay for badly needed war supplies. Although the banks issued paper money, it was supposedly redeemable in gold and silver. But the costs of war were overwhelming, and the banks succumbed to the excesses of the printing press: issuing notes they could neither honor or redeem.

Congress made the fatal mistake of allowing the banks to suspend payment in specie for over two years, until 1817. The suspension of the redemption of paper in gold and silver set an evil precedent that still haunts our country to this very day - the curse of dishonest banking: the breaking of one's contractual obligations and promises. Further suspensions occurred in 1819, 1837, 1839, and 1857.

Soon it was seen that the banking system was in total chaos. Something had to be done. Either banks had to honor their obligations and contracts, or a central bank was needed as a lender of last resort: the fall back guy that the state banks could rely on for credit, when the going got tough.

The honorable choice was the first option, but such was not to be, and the Second Bank of the United States was founded, in 1816. The Second Bank's charter was fairly close to the First Bank's: both were to issue paper currency redeemable in silver and gold, to purchase a large portion of the government debt, and to be the depository for Treasury funds.

President Madison guided the Second Bank through Congress with the help of the rich Philadelphian lawyer and Secretary of the Treasury, Alexander J. Dallas, his close friend John Jacob Astor, and another rich Philadelphian lawyer by the name of Stephen Girard (reputed to be one of the two wealthiest men in America). The president of the bank was William Jones, a close friend to Dallas. This was the third public institution of the moneyed interests.

The Second Bank's real expansion of power came under the presidency of Nicholas Biddle, another Philadelphian in the royal line of descent.

Biddle headed the Bank from 1823 to the repeal of its charter in 1836, building it into the most powerful banking house in the country. After the repeal of the bank's charter by President Jackson, Biddle continued to operate the bank under a Pennsylvania State charter for several years.

The alleged reason for another National Bank was to curtail the inflationary problems caused by excessive note issue, originally redeemable in gold and silver; but as we have seen, redemptions had been suspended, causing further depreciation in the purchasing power of paper currency.

So what did the Second Bank of the United States do to stop the flood of paper money? Initially the bank was to raise \$7 million in specie as reserves, it never acquired more than 2.5 million. In 1818, the Bank had 2.36 million in specie on reserve, and 21.8 million of notes and deposits on record.

Within one and half years the bank had added 19.2 million to the Nation's money supply; pyramiding at a ratio of 9.24 times reserves, which gave a reserve ratio of .11 - a mockery of inflation control and sound monetary policy.

Such a huge increase in the money supply caused a boom to occur - prices skyrocketed. The bank was in danger of not being able to honor redemptions in specie, so it had to contract the money supply. In one year (1818) the money supply decreased from 21.9 million to approximately \$11.5 million - a reduction of 47%. Bankruptcies, defaults, and an overall bust of the economy resulted; a textbook example of the boom and bust cycles that paper money and fractional reserve lending can create. The only way to stop deflation is to prevent the inflation that leads to it.

JACKSON VERSUS THE BANKS

The devastating effects of inflationary excesses followed by deflationary contractions, were two of the most compelling reasons behind Andrew Jackson's battle against central banking. Several times throughout the 1830's - 1850's the country was shaken by similar events, the worst being the deflations of 1839 and 1857.

Jackson was an advocate for hard money, according to the constitutional system of honest weights and measures of silver and gold coin. He opposed the banks monopoly of the power to issue paper money based on the national debt. Jackson was against government intervention in the markets; and he believed in Thomas Jefferson's laissez-faire philosophy of free markets and the right to private property.

President Jackson methodically disestablished the Second Bank of the United States beginning in 1833 and ending in 1836, by removing the Treasury deposits from the bank and placing them in state banks. Nicholas Biddle didn't give up easily, however, as he actually got the bank's charter renewal passed through Congress: but Jackson remained undaunted - he vetoed the bill.

Biddle then used his crony Philadelphian associates to secure a Pennsylvanian State banking charter; and the Second Bank of the United States became the United States Bank of Pennsylvania, a commercial state enterprise. Even after the disestablishment of the Second Bank of the United States, the battle of the hard money Jacksonians raged on against the soft money interests; including Nicholas Biddle and his Philadelphian cohorts, but now the fight was on the State level.

Whenever the banks got into trouble, the government allowed them to suspend redemption of their bank notes in specie. This is one of the most destructive faults of a fractional reserve paper system - the moral hazard of not honoring one's contractual obligations.

But the greatest evil of fractional reserve banking is that bank reserves primarily consist of government bonds or the public debt; the base upon which the banks are allowed to pyramid notes and deposits - "bonding" for the Treasury Notes. The more government bonds the banks purchase, the more money it can create and issue, which means the greater the public debt - the greater is the supply of money. Monetization of public debt is synonymous with money creation: a pestilence sent by Typhus "that walketh the Earth in darkness."

SUMMARY TO THE END OF CIVIL WAR

Both the Constitution and the Original Coinage Act of 1792 defined and set the standard of our monetary system to be the unit of a dollar: a specific weight of silver that was exchangeable for a specific weight of gold. The emission of bills of credit or paper money was forbidden by the Constitution.

However, this was all on the National level of Government, none of which applied to private banking; and there were plenty of private bankers ready and willing to issue a plethora of paper bank notes, and they did.

In a letter to John Taylor in May of 1816, Thomas Jefferson stated:

"The system of banking we have both equally and ever reprobated. I contemplate it as a blot left in all our constitutions, which, if not covered, will end in their destruction ... I sincerely believe, with you, that banking establishments are more dangerous than standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale."

Elsewhere Jefferson said:

"I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. The issuing power should be taken from the banks and restored to the government to whom it properly belongs."

What was the "blot" left on our Constitution that Jefferson was referring to, which if not covered would end in its destruction? This is a question of the gravest importance, which should receive the undivided attention of our elected representatives, as our freedom and liberty hang in the balance.

The blot that Jefferson spoke of is exactly what we have seen: the legal crack in the Constitution that left the door wide open for the international bankers to gain access to our monetary system; and the resulting implementation of fractional reserve lending of paper bills of credit, their modis operandi; all precipitated by the inherent weakness of a bimetallic monetary currency, where one metal is set as the standard, and the exchange rate is fixed between the two metals, allowing Gresham's Law to do the dirty work.

Once the culprits had squeezed through the door, they continued to expand their influence and dominance over the financial system. The first central banks grew in size and power, which was deftly wielded to persuade members of Congress to join the "ranks".

Up until the Civil War and the legal tender Greenbacks, private banks had issued all paper currency, either by the First and Second Banks of the United States, or state banks. With the printing of the Greenbacks, banking entered a new era. Congress had failed to follow the constitutional disability not to issue paper bills of credit.

The United States went off of the specie redemption standard in 1861, and did not go back on it until the Resumption Act was officially implemented in 1879. During the years of 1819, 1837, 1839 and 1857, gold and silver redemption was also suspended.

Further suspensions would be forthcoming in the financial panics of 1884, 1893, 1907, 1909, and 1921, with the final coup in 1934: Roosevelt's Gold Reserve Act that outlawed private ownership of gold. Any allusion to a gold standard or any other metallic standard actually being contractually honored and practiced during these times is mere illusion and the stuff of fairy tales.

Only the banking business is allowed to dishonor or suspend their contractual obligations in this way. Any other type of business that operated in this unredeeming manner - would be investigated for allegedly committing fraud, extortion, and embezzlement, and most likely face legal prosecution. Greed knows no limits; the innermost recesses of the soul are not immune to its poisonous effects.

'Die state,' 'die stage' terms may confuse

posted 1/24/06
By Eric von Klinger
COIN WORLD Staff

Whether there is, or ought to be, a difference in meanings attached to the terms "die state" and "die stage" could probably remain an unresolved question in all-night discussion among advanced numismatists.

The chief distinction cited by some can be useful in regard to some coins, or it can be confusing and somewhat pointless in other circumstances.

The discriminating student will say, with Alan Herbert in his *Official Price Guide to Mint Errors*, that "die state" should be used in reference to the amount of wear, possibly excessive use, and possibly even abrasion from "cleaning" that a die has endured. A "die stage," on the other hand, is reflected in the emergence of new "die markers": signs of damage or break-up. Most often, these are cracks, chips or larger breaks in the die surface, which translate into raised corresponding marks on coins struck by that die.

The big complication, what makes the distinction so often seem pointless, is that dies are more liable to start breaking up precisely when they are old and worn generally.

'Early' to 'late'

Collectors speak mainly in terms of "early," "middle" or "late" die state. There may be more or less advanced "markers" within any of these broad classifications, so it is not unusual to see terms such as "early middle state" or "latest" or "terminal" state. (That last term would describe a die on which a crack or break had advanced clear across, from rim to opposite rim, putting the whole die at imminent risk of splitting.)

The development of "markers" is illustrated in the 1823 Coronet cent on this page. The examples are all Newcomb variety 2, so identified in Howard R. Newcomb's *United States Copper Cents 1816-1857*. This is the variety with "normal" date, not the 3/2 overdate.

One photograph shows a die break at the rim, extending to the fifth star from the left on the coin.

This development could be called early late die state, because in the fully developed "late" state, the break grows to extend to the sixth star.

It is the contours of this break, on this state of 1823 N-2, that helps researchers identify this as the same die recovered from Mint scrap and used to make "private restrikes" outside the Mint. (The fabricators retooled the hair, ear and other details, and "restrikes" show raised lumps from rust pits that came to afflict the die. Late "restrikes" have a heavy die crack that bisected this obverse, northwest to southeast, rendering the die state "terminal.")



THESE EXAMPLES OF 1823 Coronet, Normal Date cents illustrate (left, obverse and reverse) an early die state and, center, a late die state in which a rim break extends from fused dentils over Stars 5 and 6. At right is the "private restrike" made using the salvaged genuine 1823 die; the die break has now extended to the top of the obverse, and die cracks have developed, including a terminal one bisecting the die.

'Specific status'

You have just gone by an important secondary meaning that some give to "die stage." On its Web site, Professional Coin Grading Service notes that "die stage" is commonly used as a synonym for "die state" but adds that some use the term for "the specific status of a certain die state." Thus, the 1823 Coronet cent illustrated here with a beginning die break could be termed an early "stage" of the "late state" for the die.

Walter Breen, in his 1988 *Complete Encyclopedia of U.S. and Colonial Coins*, entered only "die state" in his glossary. The term covered "any discrete stage" in a die's history and could include wear or damage, he indicated.

In the period up to 1836, when steam production of coinage was introduced, die making was very laborious for the U.S. Mint. Many design elements, such as numerals or stars, had to be punched into individual working dies, with a result that many positional varieties and even blunders were produced.

From the time that coin collecting became a serious pursuit for many Americans in the 1850s, great attention has gone into identifying and assembling numerous "die varieties." Note that the difference is in the dies themselves when newly made, not in wear or damage occurring after the dies were placed into production.



1964-P ROOSEVELT DIME was struck from an obverse die in so late a state that collectors refer to it as a "fatigued die," showing heavy distension lines.

Continued on next page

'Subvarieties'

It was a next logical step to begin identifying die states for the varieties. In publishing *A Register of Half Dollar Die Varieties and Sub-Varieties in 1929*, researcher M.L. Beistle made clear that by "sub-varieties" he meant coins from dies with "defects" such as cracks that occurred after the making of the die.

At the same time, he paid inordinate attention to clash marks, which are impressions that obverse and reverse dies make on each other when they come together in the coining press without a planchet between them. (He said it was "necessary" for him to coin the word "akcidefects" for these marks; the word never caught on.) Although clash marks sometimes appear dramatic, they usually fade fairly quickly with further use of the dies.

He also seemed to think that all "re-cuts" were later modifications, whereas today it is commonly supposed that repunchings to strengthen some elements were routinely done at the time the die was being turned out.

Sheldon's commentaries

When William H. Sheldon produced his masterwork *Early American Cents* in 1949 (later revised as *Penny Whimsy*), he commented on "die break variations" for every variety he cataloged. He regularized what D.W. Valentine, in his 1931 *The United States Half Dimes*, and Newcomb, in his 1944 book on later large cents, had attempted to accommodate in their works: a system of accounting for such "subvarieties" in a way that could be easily followed. Valentine had appended a letter such as "A" to his catalog number for a variety when a die had been modified. Newcomb sometimes confused matters by identifying dies as new when they were simply modified.

Such differences continue; Al C. Overton, for instance, carried on in the Valentine tradition with added letters when his *Early Half Dollar Die Varieties 1794-1836* appeared in 1967.

Some recent auctions

The importance that some advanced collectors place on die states, especially among early low mintages of U.S. Mint coins, was perhaps typified in two auctions in as many years recently. In January 2005, the sale of Wes Rasmussen's large cents produced a catalog that was almost a textbook on "subvarieties." And in January this year, die states filled many catalog descriptions as the Jules Reiver Collection crossed the block.

Mark Borckardt cataloged both auctions for Heritage Galleries and Auctioneers. He also edited *Walter Breen's Encyclopedia of Early United States Cents 1793-1814*, published in 2000 and built on Sheldon's work. (Breen had been a collaborator, with Dorothy Paschal, in *Penny Whimsy*.)

Borckardt refines

Borckardt has refined die state identification further. New events such as die cracks are placed in sequence and given Roman numerals. Growth of an already identified crack is referred to as an intermediate state.

There are some limits to this science. Borckardt notes that multiple cracks sometimes appear to arise simultaneously; the order of Roman numerals in these cases may be only an approximation.

So it is that for a Sheldon 59 1794 Liberty Cap cent, for instance, Borckardt catalogs die states from I through VI, the last involving a heavy rim break on the reverse die.

It should not be thought from all this discussion of early dies that questions of die state are not alive in our own day.

One group that pays special attention is CONECA, the Combined Organizations of Numismatic Error Collectors of America. It keeps a master listing of 20th-century doubled die and repunched Mint mark varieties on its Web site, www.conecaonline.org. A standard part of descriptions is identifying "Stage A," "Stage B" and "Stage C," identified further as early, middle and late die states (EDS, MDS, LDS). In some cases, only middle and late states, or just a late state, have been identified, and an appeal will be posted that an example of an earlier die state is desired for examination.

1963-D doubled die

The importance of die state can be illustrated by the 1963-D Lincoln, Doubled Die Obverse 1 cent variety. The CONECA listing identifies MDS and LDS examples and notes one die scratch on the obverse, but the chief difference is in the 3 in the date. On the MDS example, an extra lower curve can be seen beneath the main 3, as well as an extra, lower cusp, within the lower loop, in the middle of the numeral. On the LDS examples, only the central extra cusp is visible. This is a case in which the MDS example is clearly more desirable and is valued higher.

1922 'No D' cent

Die state is crucial in identifying the 1922-D Lincoln, No D cent. All cents that year were minted at the Denver Mint, but the "Plain" cent (as it is nicknamed) entirely lacks any sign of a D Mint mark. For years, collectors were confused by other cents with an exceedingly weak "D." Researchers have come to conclude that the "Weak D" examples not only are from a highly worn obverse die but also are always paired with a weak reverse. "Strong reverse," by contrast, has become shorthand for the true no-D variety.

Being able to distinguish between the various 1922-D Lincoln, No D cents is important, for the version with the strong reverse is the one listed in standard price guides as carrying a premium.

Test Your Knowledge of the Federal Reserve

By The Associated Press Mon Jan 30, 11:44 AM ET

How much Federal Reserve trivia do you know?

1. What year did Congress establish the Federal Reserve?

A: 1935

B: 1860

C: 1913

2. Which chairman was the longest serving at the Federal Reserve?

A: Alan Greenspan

B: William McChesney Martin

C: Paul Volcker

3. Which first lady wrote a glowing review of the Federal Reserve's headquarters building?

A: Hillary Clinton

B: Nancy Reagan

C: Eleanor Roosevelt

4. Which Fed chairman once dressed up as the Jolly Green Giant to attend a Washington costume party?

A: Alan Greenspan

B: Paul Volcker

C: Arthur Burns

5. What does the Federal Reserve do?

A: Raises or cut taxes

B: Decides spending for federal agencies

C: Raises or lowers interest rates

6. How many regional banks does the Federal Reserve have?

A: 50

B: 12

C: 25

7. How many presidents has Fed chief Alan Greenspan served under?

A: 4

B: 3

C: 5

8. Which Fed chairman ratcheted up rates to levels not seen since the Civil War?

A: Alan Greenspan

B: Paul Volcker

C: G. William Miller

9. Which Fed regional bank president always has a vote when the Fed meets to decide the course of interest rates?

A: The president of the Federal Reserve Bank of Philadelphia

B: The president of the Federal Reserve Bank of San Francisco

C: The president of the Federal Reserve Bank of New York

Answers on next page

1. (Correct answer is C)

Congress passed the Federal Reserve Act in 1913, which created the Federal Reserve — the central bank of the United States. The legislation was signed into law by President Wilson on Dec. 23, 1913.

The law was set up to give the country a safer and more stable financial system. During the 19th century and the beginning of the 20th century, financial panics plagued the United States, leading to bank failures and business bankruptcies that disrupted the overall economy. An especially bad crisis erupted in 1907 — prompting Congress to create a commission to come up with proposals to prevent or help limit fallout from such financial upheavals in the future.

2. (Correct answer is B)

William McChesney Martin was appointed by President Truman and served nearly 19 years at the helm — from April 2, 1951, to Jan. 31, 1970. Martin — who worked under five presidents — is regarded as the creator of the modern Fed who worked hard to make sure the central bank made decisions based on economic considerations rather than political pressure.

"Our purpose is to lean against the winds of deflation or inflation, whichever way they are blowing," he said at his 1956 nomination hearing in the Senate. To figure out which way the wind is really blowing, the Fed must be free from political pressure.

Martin also famously said it was the job of the central bank "to take away the punch bowl just when the party gets going."

3. (Correct answer is C)

Eleanor Roosevelt wrote: "I think the building exterior is very beautiful and have admired it often, but I was equally impressed by the interior ... I gathered they had, perhaps, been criticized for thinking too much about beauty and too little about utility. Surely, this country had learned that we must meet both needs in public buildings"

4. (Correct answer is B)

Volcker. The costume selection was influenced by the fact that Volcker stood six feet, seven inches tall. In high school, Volcker played varsity basketball. He also played at Princeton University, where he graduated in 1949 summa cum laude with a bachelor's degree in economics. He earned a master's degree at Harvard. Although he spent a year at the London School of Economics, he never completed his dissertation.

5. (Correct answer is C)

The Federal Reserve adjusts interest rates in an effort to influence overall economic activity. In general, it will be inclined to raise its key rate, the federal funds rate, to slow the economy and fend off inflation. It will lower the funds rate to combat economic weakness.

Changes to the federal funds rate — the interest banks charge each other on overnight loans — influences a range of other interest rates charged to consumers and businesses.

If borrowing costs go up, consumers and businesses are less inclined to spend and invest and thus slow the economy and lessen inflation pressures. If borrowing costs go down, people and businesses may be more inclined to spend and invest, thus boosting overall economic activity.

6. (Correct answer is B)

The network of 12 regional Fed banks are the operating arms of the central banking system. The banks carry out a variety of duties, including operating a nationwide system for payments, distributing the country's paper money and coins, and supervising and regulating member banks. Each regional bank is responsible for a particular geographic area.

The 12 banks are in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

7. (Correct answer is A)

Greenspan, a Republican, was first chosen by President Reagan. He was renominated by Presidents George H.W. Bush, Clinton and George W. Bush. Clinton is a Democrat, the other presidents Republicans.

8. (Correct answer is B)

Volcker pushed interest rates to the highest levels since the Civil War in what turned out to be a successful campaign to end a decade-long bout of high inflation. Greenspan and other economists believe that Volcker's success in fighting inflation laid the foundation for a more stable price climate well after his departure.

9. (Correct answer is C)

The Fed's board of governors (including the Fed chairman) and five of the Fed's 12 regional bank presidents are voting members of the Federal Open Market Committee, the group that sets interest rate policy in the United States. Each year, there's a rotation of four of the five voting Fed presidents. The president of the New York Fed is always a voting member.

The New York Fed president, currently Tim Geithner, carries out the FOMC's interest rate decisions by buying or selling Treasury securities and thus is always a voting member.

Calendar of Events

March 2006

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4 Hagerstown Maryland
5 Hagerstown Maryland	6	7	8	9	10 York, PA March 10-11	11 Indiana, PA March 11-12
12 Nickel Trader Show	13 Meeting 7PM	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April 2006

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2 Greentree, PA show	3	4	5	6	7	8
9 Nickel Trader Show	10 Meeting 7PM	11	12	13	14	15
16	17	18	19	20	21	22
National Coin Week "A Penny Saved Is History Learned"						
23	24	25	26	27	28	29
30						

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, 1864 was the first year for the words In God We Trust to appear on a US Coin...It appeared on the 2 cent piece.

How did you do?

INTERNET RESOURCE GUIDE

The Federal Reserve of San Francisco

<http://www.frbsf.org/index.html>

The Federal Reserve of Atlanta

<http://www.frbatlanta.org/>

The Federal Reserve of Cleveland

<http://www.clevelandfed.org/>

The Federal Reserve of New York

<http://www.newyorkfed.org/>

The Federal Reserve of Kansas City

<http://www.kc.frb.org/>

The Federal Reserve of Dallas

<http://www.dallasfed.org/>

The Federal Reserve of Philadelphia

<http://www.phil.frb.org/>

Fun Facts

DID YOU KNOW?

The obverse and reverse of the Great Seal of the United States appeared in a currency design for the first time when the \$1 Silver Certificate, Series 1935, was issued. The Seal dates back to 1782 -- before the Constitution.

Contrary to popular belief, the automobile pictured on the back of the \$10 note is not a Model "T" Ford. It is merely a creation of the designer of the bill.

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