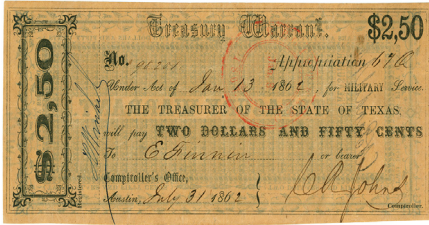


Your Two Cents Worth for March, 2015



(Visit the Tyler, Texas Coin Club in person and on the internet at: tylercoinclub.org)

The Tyler, Texas Coin Club meets at 7:00 p.m. on the second Tuesday of each month. Location is the community room of the Meals on Wheels Building located at 3001 Robertson Road. (Two blocks behind Rudy's BBQ) Club members and friends gather starting at 6:30 p.m. for fellowship. Meeting agenda will always include business and the most spirited auction in Texas. Special presentations and programs are also offered. A friendly welcome is to be had by all. TCC's next meeting is Tuesday, April 14, 2015.



A Few Words from the Editor

Greeting friends . . . your editor has just been making adjustments to his summer calendar trying to put my many opportunities in place. First among them are the birthday parties for both granddaughters who will turn three during the summer months. It is our desire to take a family vacation. I've been hinting about our getaway including a stopover in Memphis for the annual paper money show which this year will be June 18 to 21. We'll see.

I note that there are two "most do" coin shows during the summer months. We are all aware that our own "Tyler Coin Club's Five State Coin and Currency Super Show" is coming our way "full steam ahead," on June 12 and 13. Show coordinator Barry C. has a super gift for making the "Super Show" a reality. Naturally we will all sign up to be of assistance. Our show has the advantage of being one of the larger all volunteer club shows in the region.

Secondly my calendar calls attention to the May 29 to 31 Texas Numismatic Association's Convention and Show. Once again it will be held at the Arlington Convention Center. Speculation is that there will be at approximately 200 tables along with some quality educational events, including a visit from Steve Harper, and opportunities from children and youth. Tom B., our TNA District Governor, has all the details plus the opportunity to invest in raffle tickets good for one of six gold coins which have been supplied to the club by Heritage Auctions. Names of winners will be chosen by drawing on Sunday, May 31.



Sowle Food: Words of Greeting from President Dwight

ONE HUNDRED (English)! 100 (Number)! C (Roman numeral)! CIENTO (Spanish)! CENT (French)! No matter how you say it or spell it, the Tyler Coin Club has hit the 100 mark for members!! WOW!!!! Folks, we are blessed indeed, amen? Exciting things continue to happen for the TCC. It has seen 100 members come through its door since its establishment, on June 12 and 13 the club will host its 7th coin show, now has men and women of all ages as members, has club shirts we are proud to wear, is well known around in the Numismatic world, and it keeps getting better and better. My hat is off to each member for making the TCC the club it is today. Do I hear the possibility of 200 members? **Holy attendance records Batman!!**

Barry has our show shaping up to be the best one yet. He has been working hard and believes we will possibly hit the 80 table mark by the time June 12 rolls around. This too is exciting!! Thank you Barry!

Lately our monthly meetings have had some very interesting show-and-tells presentations, and there are more scheduled throughout the year. AND, we are planning on having a Coin Grading Clinic just before our show. Again, this is exciting!!

That's it for this 'portion' of "Sowle Food." Until next time, remember: ***"Proverbs are in the world of thought what gold coins are in the world of business - great value in small compass, and equally current among all people. Sometimes the proverb may be false, the coin counterfeit, but in both cases the false proves the value of the true."*** ---D. March

God bless,

Dwight

Minutes of the March 10, 2015 Meeting of the Tyler Coin Club

Meeting called to order by President Dwight Sowle with Pledge of Allegiance to the Flag

Attendance: Members: 42 New Members: 3 Guests: 4 Total: 49 **(New Club Record)**

Discussion of Agenda Items (Dwight)

- The club was lead in prayer by John D.
- Please keep families/friends of Elizabeth, Tommy, Danny, Judy, Sandra, and John in your thoughts and prayers
- Introduction/recognition of guests, visitors, and new members
 - a. Welcome 3 newest club members: Ernie Cochran, Amy Starr and son Spencer Starr

- b. The Tyler Coin Club reaches 100 members!!!
- Recognition of members with birthdays and anniversaries in month of March
- Members that do not have a new club shirt, a few extra were ordered and are available
- The new club logo patch is available. Two color schemes available. Cost is \$5 each (includes installation)
- The 2014 financial statement was available for member review. Statements will be issued on a semi-annual basis for member examination
- Club members were polled to see if they prefer a membership card each year or to keep the original card which was issued when they became a member. Members stated a new card each year was not necessary
- Dwight asked members if there was any interest in attending a coin grading class. Member response was an overwhelming, yes. The class will be scheduled sometime before the next coin show. Details to follow
- The sign-up sheet for refreshments was circulated; need volunteers for May, July, August and November
- The 2015 TNA Coin Show is May 29-31. Club member, Andrew, will have a Young Numismatist booth at the show (his 3rd year). Tommy brought TNA Gold Coin Raffle tickets for members; \$1 each
- Dwight reminded members about the donation box for Meals on Wheels for use of their facility.
- Richard is seeking additional participation for the “Getting to Know You” section of the newsletter
- Meals on Wheels (MOW) donations for March - \$50
- Next meeting is April 14th

Special Presentation (Lane B.)

- Member, Lane B., gave an exceptional presentation on the United States Twenty Cent piece. Lane has researched this series for over 20 years and is coauthor of *Double Dimes – The United States Twenty-cent Piece*. Lane’s in-depth presentation included discussion on earlier attempts at the series, debunking common myths, and Nevada senator John Percival Jones; his support of silver coinage, mining interests, association with U.S. Mint director Henry Linderman, and passion for pattern coins. Lane’s presentation included a PowerPoint with images of patterns, varieties, and mintage/pricing information for the series.

Club Auction (Tom)

- 37 auction items sold - \$648.75
- Includes 4 donated items - \$76.50

Door prize winners

- David, Sue Ann, Terry, Scott, Tracy

Refreshments

- Lane

Minutes respectfully submitted by Carl S.

Computers Grading Coins by Lane B.

Computers have invaded nearly every aspect of modern life. From cars, to phones, to toasters, computers enhance what we do through their ability to process millions of instructions repeatedly and accurately. And at one time, computers were even grading coins.

The late 1980s and early 1990s seemed to be the time to start a commercial grading company. The Professional Coin Grading Service (PCGS) and the Numismatic Guarantee Corporation (NGC) proved that “slabbed” coins were acceptable and there was a strong market for these professionally graded coins. While most of these upstarts used experienced dealers to grade coins, one took the novel approach of using computers to do the grading work.

In 1991, Compugrade became the first coin grading company to use computers to grade coins commercially. Focusing primarily on mint state Morgan dollars, the Compugrade software would map the marks, luster, strike, and other features of a coin and assign a numeric, decimal grade. That’s right, there were 101 mint state grades, from MS 60.0 to MS 70.0. The idea was that the computer would have greater precision and accuracy in grading than a human. And, if a coin were submitted again and again, it would receive the same grade, again and again. Thus there was the promise of an *exact* grade for a coin.

A human verifier was used to ensure the computer was doing its job appropriately. However, it turned out the Compugrade software was not up to the task as the grading reproducibility was very poor. As such, the grading was not as good as with the human experts. Compugrade went out of business after a few months of operation and today, coins in Compugrade holders are rare and command a strong premium with those who collect unusual slabs.

Around the same time, PCGS was developing its own computerized grading system, called PCGS Expert. They use robotics, image enhancement, image processing with an online image database for its integrated computer system. Similar to Compugrade, PCGS Expert would create and store a *digital fingerprint* of the coin. Thus the submitted coin can be compared with hundreds of coins already contained in the database.

The plan was for PCGS Expert to start with grading Morgan dollars and then move into other popular coins, such as Saint-Gaudens double eagles and Walking Liberty half dollars. PCGS Expert would also use a human verifier.

PCGS Expert never got off the ground, at least commercially. Similar to Compugrade, the software could not accurately or precisely reproduce coin grading as well as humans.

The key issue causing both systems to fail was the inability of the computer software to account for the most important factor when determining the grade of mint state coins: eye appeal. Technical grading was not the issue, it was the inability to “see” a coin in its entirety and factor in its luster, toning, and overall appearance as part of the final grade. To this day, no computer software is able to provide a grade where eye appeal is a factor. Looks like the humans will still have a job for the foreseeable future.

Figure following top of next page: An 1883-CC Morgan dollar in a Compugrade holder. Note the fractional mint state grade of MS 62.9. It turned out that the fractional grades were not as accepted as was anticipated and were quickly removed from the label. Another version of the slab looks the same, but with the fractional grade replaced with a whole number.



NUMISMATIC EDUCATION: A Visit From Dr. Coyne

Questions for Dr. Coyne

- 1) What is a “wire rim” and how does it occur?
- 2) How much weight does a coin lose in circulation?



- 3) How many different sub-types complete a set of Three Cent Nickels
- 4) Which “No Motto” Seated Liberty Dollars are the most common?
- 5) What is “straight” or “fully graded” slab grade?
- 6) Was wood pulp ever used as an ingredient in U.S. paper money ?
- 7) Is this piece a U.S. coin?



Dr. Coyne Responds

- 1) A wire rim is the result of an unintended error in setting up the coining press or in the making of one or both coinage dies. It gets its name from the “wire” or “fin” that is formed along the edge of the coin at the moment of striking when metal flows between the face of the collar die and the edge of the obverse or reverse die under high pressure. If the striking pressure is right, and the collar closely fits the obverse/reverse dies, no wire rim forms. The \$20 St. Gaudens gold pieces are the most famous coins to commonly come with wire rims.

2) The 1841 Seated Liberty Dollar shown has been worn down to ag-3 condition, according to PCGS. The rims on the reverse are worn into the lettering. Perhaps surprisingly, the coin has only lost about 4% of its birth weight. Buyers of “junk silver” of pre-1965 issue typically use .715 pure ounces per dollar of face value. They are protecting themselves from buying bags of nearly worn-out coins where they might find circulation abrasion to total 7% or so on the worst coins. Uncirculated pre-1965 U.S. dimes, quarters, and halves were minted with .723 ounces of pure silver per dollar of face value. Naturally, small coins like dimes have more surface area compared to volume than do large coins. Even for dimes, Dr. Coyne thinks that at 8% loss there would be no design left at all; a slick.

3) The Three Cent Nickel series was all struck from a single design type. The only deliberate variations are in the date (1865-1889). All were coined at Philadelphia.



4) According to the Red Book, the most available Seated Liberty Dollar is the 1860-0. This date also has the highest original mintage among the “No Motto” dates of 1840-1865. At least five bags of uncirculated coins came out in the Treasury releases in 1962-1963. This specimen was one of them. They typically have bag-marked surfaces but good luster.



5) A straight graded or non-details slab is the product of a third party grading company in which the coin was determined to be genuine, and the TPG firm gives its opinion of grade. The TPG also sees no problems (such as hairlines from cleaning) which preclude it being graded as an unimpaired coin would be. A straight graded slab is the kind of coin price guides (for coins over about \$200 anyway) are listing. Coins which cannot qualify for straight grading and are noted “genuine only” sell for prices lower than listed in price guides.

6) U.S. currency has generally been made from a mixture of linen (25%) and cotton (75%) for the 136 years that Crane Paper Company of Dalton, Massachusetts, has been the sole supplier of paper for currency to the Bureau of Printing and Engraving. Some experiments have been made with other materials, but wood pulp has never been a major ingredient. The properties leading to strength and long life of the paper in our notes is attributed to the absence of wood pulp. Wood pulp is the primary ingredient in newsprint and other common papers.



(One of the “experiments” of which Dr. Coyne speaks above came about in 1944. The Bureau of Printing and Engraving experiment with a different paper type. Your editor couldn’t find the exact details, perhaps one of those government secrets. Test results were deemed “inconclusive.” Approximately 2.4 million notes were released during the test period. The note on the top displays a red “R” for “regular” paper. The one on the bottom displays a red “S” indicating it was made of “special” paper. These notes were issued in equal quantity.)

7) The “1804” Large Cent shown is a concoction made outside the mint about 1860 by private parties. An obverse die for 1803 Large Cents was found among discarded trash (or metal sold for scrap). The date on the die was changed to “1804” as that is a rare date. A similarly discarded reverse die from 1820 was paired with the reworked obverse (now broken, causing the circular mark). It was impossible to remove the rust pits in the devices. An unknown quantity of restrikes was made and sold to collectors. This piece, and a similar “1823” cent have become legitimate collectibles.

Upcoming Collector Events

Cowtown Coin Show – April 10– 12 . . . Forest Hill Convention Center – 6901 Wichita St., Forest Hill, Texas (Fort Worth area)

Texas Coin Shows – May 8– 10 . . . Grapevine Convention Center – 1209 S. Main, Grapevine, Texas

Texas Numismatic Association’s 57th Annual Convention – May 29 – 31 . . . Arlington Convention Center – 1500 Convention Center Dr., Arlington, Texas

Tyler Coin Club’s Five State Coin and Currency Super Show – June 12 – 13 . . . Lone Star Event Center – 4036 FM, Tyler, Texas (Mark your calendar now for a great show then!!)

Memphis International Paper Money Show – June 18– 21 . . . Cook Convention Center – 255 N. Main, Memphis, Tennessee (200 tables of paper money)

Texas Coin Shows – July 10– 12 . . . Grapevine Convention Center – 1209 S. Main, Grapevine, Texas

Shreveport Coin, Stamp, and Card Show – July 25 – 27 . . . Bossier City Convention Center – 620 Benton, Bossier City, Louisiana

Cowtown August Coin Show – August 28 – 30 . . . Forest Hill Convention Center – 6901 Wichita St., Forest Hill, Texas (Fort Worth area)

Our Next Time Together

The Tyler Coin Club will meet again on Tuesday, April 14, 2015. See you at 7:00 p.m. Come enjoy a positive numismatic experience, along with great fellowship and the most spirited numismatic auction in Texas. Members and friends of the club are encouraged to gather at 5:00 p.m. on the evenings of the meeting to enjoy a dinner together at Rudy’s BBQ.

A Visit to Your Editor's "Coin Cabinet"

During the American Civil War one of the greatest challenges on the home front, particularly in the south, was that of finance. All available funds were needed for the war effort including every form of tangible fiscal items. This practice resulted in very little coinage in circulation therefore even basic commerce became a challenge. Because of the distance of Texas from the seat of Confederate government, even Confederate paper money, which was printing in abundant quantity especially during the last years of the war, was not to be found.

A majority of the states in the Confederacy had laws allowing for the printing and issue of state currency. Today notes from states such as North Carolina, Alabama, Louisiana, Mississippi, Florida, and Georgia can be found at reasonable, even low prices. But the legislature of Texas, probably in part remembering the fiasco of Republic of Texas paper money, a recollection of only fifteen years prior to the founding the Confederate States of America and the start of the Civil War, made the decision to keep Texas away from any official state currency.

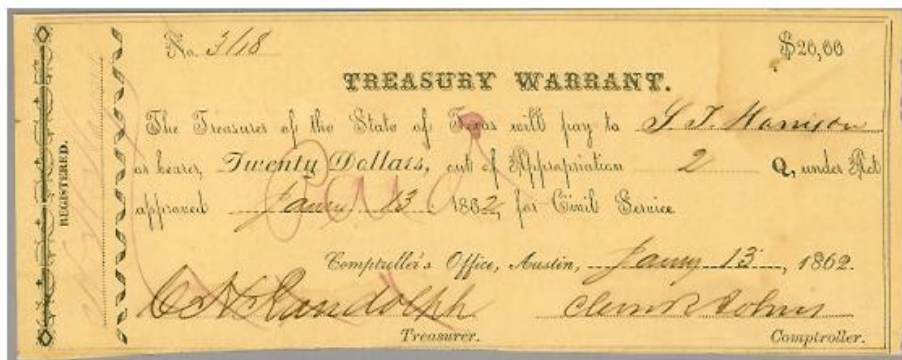
In order to cover basic needs the congress did allow for the printing and distribution of "Treasury Warrants." These pieces of paper were issued, as we would write checks, to pay for various claims against state government for both "civil" and "military" purposes. The catch came down to the fact that there was no way for these paper "checks" to be redeemed except for more paper. So the practice developed early during the war years for these Treasury Warrants to pass from person to person, starting with the first payee and moving forward from hand to hand, and thus becoming a de facto form of circulating fiscal paper, aka currency.

It is interesting to note that even though each note does carry a line for payment these are never seen with payee endorsement signatures on the back. Your editor wonders if this was by intent so that the warrants looked more like currency and less like checks.

Texas Civil War era Treasury Warrants exist in three distinct series. Each one has a blank for payee, for date of issue, for the appropriation which granted approval for the covered expense, and a blank for the appropriation date. In all three series there are notes which have set denominations as well as one in each which is intentionally left blank in order to fill in odd amounts in dollars and cents.

Texas Treasury Warrants are available in a reasonable quantity today. Even though in proportion to other types of Texas scrip these are relatively inexpensive, the value of Civil War era Texas Treasury Warrants is on the increase as they are being discovered by collectors.

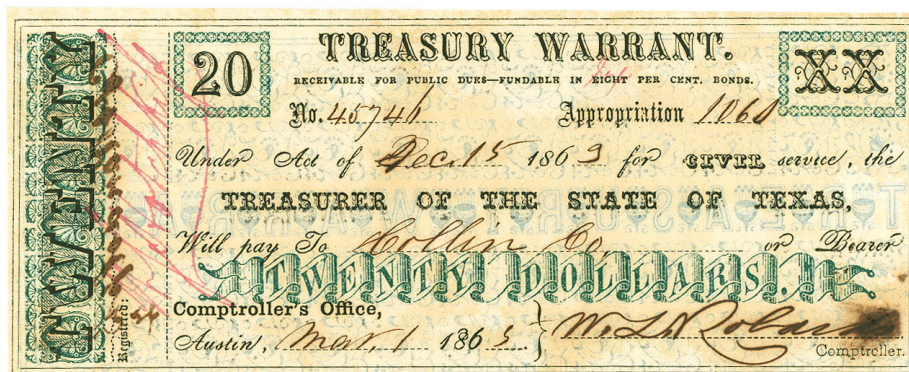
Following are examples of one note from each of the three unique series of Texas Treasury Warrants plus a piece of lagniappe. These images are scaled down for space sake. In actuality Texas Treasury Warrants from the Civil War era are the size of Large United States paper money.



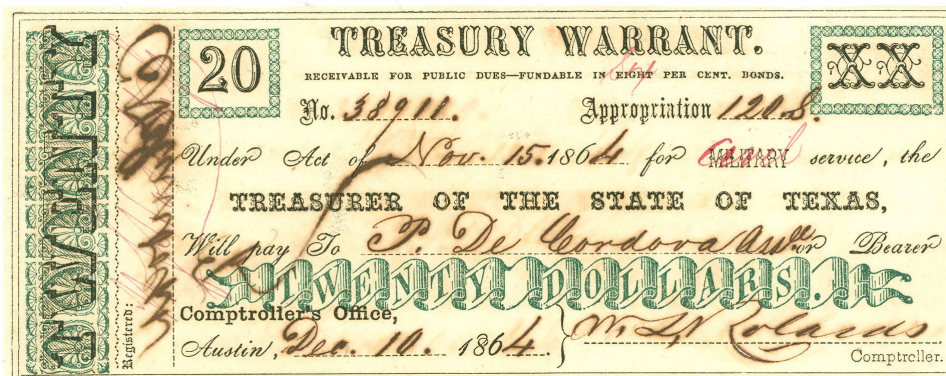
(First Series of Treasury Warrants were hastily printed using simple type-set procedure. Note the lines for payee, appropriation, appropriation date, and warrant issue date. The above example, for Twenty Dollars, was issued for "Civil" purposes. All Civil warrants are countersigned in red ink.)



(The Second Series features notes with colorful overprint. The warrant pictured above is for “Military” purposes. All Military notes are countersigned on the left in blue ink.)



(Notes of the Third Series bear basic features in black type along with some figures and design features in green overlay. The reader can see a shadow of a reverse design. Note the blue shadow images just under “Treasurer of the State of Texas.” Also notice the adjustment on the promise of interest to be paid from “eight” to “six” percent.)



(And just about the time you’ve got the pattern sort of figured out here comes a hybrid. Note the adjustment on the purpose for issue. On this piece of obsolete paper a warrant for “Civil” purposes was needed and one was not available. The solution was taking a “Military” warrant and making a minor adjustment from “Military” to “Civil” with the convenient stroke of a pen. Hybrids such as the note above command a premium when collector value is considered. The heavy endorsement at the left is that of the government’s redeeming officer and signals the return of each warrant to the treasury.)

Your Two Cents Worth is a publication of the Tyler, Texas Coin Club. For comments and to submit articles to the publication please contact the editor at: pastorlaster@etex.net.

Be sure and visit the Tyler Coin Club on the first Tuesday of each month
and online at: tylercoinclub.org

The Tyler Coin Club is sponsor of the **Five State Coin and Currency Super Show**
Show dates for 2015: June 12-13