

# YOUR TWO CENTS WORTH

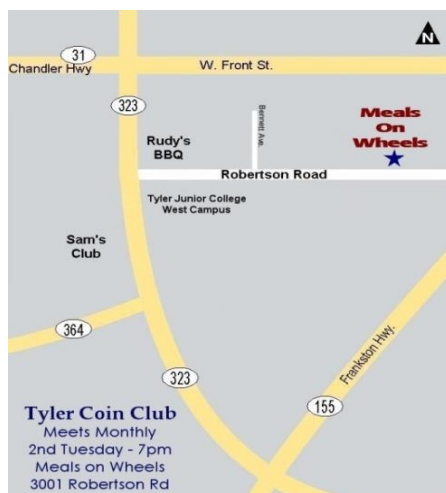
## APRIL / MAY, 2017

### NEWSLETTER OF THE TYLER COIN CLUB



**(Visit the Tyler, Texas Coin Club in person and on the internet at: [tylercoinclub.org](http://tylercoinclub.org))**

The Tyler, Texas Coin Club (TCC) meets on the second Tuesday of each month at 7:00 p.m. in 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. A friendly welcome is to be had by all.



### A Few Words From the Editor

Friends . . . please keep in mind that comments made here by the editor are simply that “comments made by the editor,” representing your editor’s thoughts. With that in mind your editor chooses to share how great it is that our club has a regular agenda which touches us in a variety of ways. We do enjoy fellowship, including some remarkable refreshments, we celebrate events in each other’s lives, we pledge, we pray, we focus on structural things such as business, finance, our club show, etc. Then, at more meetings than not, there is time set aside for a program or some form of numismatic “show and tell.” At our last meeting our own Lane B. offered a marvelous program telling the story of Capped Bust Half Dollars. His collection of these, in specific die matches, etc., is nearly as remarkable as his knowledge of the same. Personally, I went away with outstanding educational insight.

Now to your editor’s way of thinking each of us has something we can share from a particular collecting interest. I encourage each of us to volunteer for a program. One of the many purposes of a strong coin club is what we gain from each other’s numismatic passion. Thanks for “listening.” See you on May 9<sup>th</sup>, if not before. Regards and God Bless . . . Richard

## Sowle Food

### Words of Encouragement from President Dwight



In our April meeting just passed, we welcomed two MORE new members into the club. [I know, this is beginning to sound like a broken record...and I love it!] And, our April meeting saw 42 in attendance; two months in a row with attendance in the 40's! [I love this, too.]

There is one more club meeting – May 9<sup>th</sup> – and then we host our 9<sup>th</sup> coin and currency show. Barry has given this year's show title as the “**Five State Coin & Currency Flag Day *Double Show @ Tyler!***” Now that's a mouth full!

We've mentioned how blessed we are to have Lane Brunner in the TCC, but we are as equally blessed to have Richard Laster as well. Richard is our newly elected 1<sup>st</sup> Vice President, our award winning Newsletter Editor, and is 1<sup>st</sup> Vice President and Coins for A's Chairman of the TNA. Looks like Richard will be moving up into the rank of President of the Texas Numismatic Association following that organization's convention in early June. He's also a very avid and successful collector of and very knowledgeable in Texas and Confederate Currency. It's enjoyable and educational to read his articles in *Your Two Cents Worth* every month.

And, we can't forget to mention Tommy Bennington, our club's remarkably gifted auctioneer. Tom is a member of the Texas Numismatic Association's Board of Governors serving District 12, and oversees the Book Auction at the TNA show every year. Yes, the TCC is very blessed indeed with members such as these along with all our members who are, I might add, some of the finest men and women in numismatics ANYWHERE!

That's it for this 'portion' of Sowle Food. Until next time, remember: “*You can easily judge the character of a man by how he treats those who can do nothing for him.*”—Malcolm S. Forbes

God Bless!!! . . . Dwight

### Minutes of the Meeting of the Tyler Coin Club, April 11, 2017 Respectfully Submitted by Carl S., Tyler Coin Club Secretary

Meeting called to order by President Dwight S. with pledge to the flag

**Attendance:** Members: 38 Visitors: 2 New Members: 2 **Total: 42**

### **Discussion of Agenda Items (Dwight)**

- The club was lead in prayer by Curtis S.
- Please keep Randy, Kenny, David and their families in your thoughts and prayers.
- Introduction/recognition of guests, visitors, and new members.
- Recognition of members with birthdays and anniversaries in month of April.
- Dwight presented the club financial statement for year ending December 31, 2016.
- Answers for the ANA National Coin Week Club Trivia Challenge are due April 24<sup>th</sup>. Larry V. got a jump start already answering the first 5 – Thank you Larry!
- Club membership fees for 2017 are now due.
- Barry provided brief update on the 2017 coin show.
- Please bring collectable items to May meeting for donation to Raffle at June coin show.
- Books and magazines from the Corbin estate were on display for member consideration.
- Signup sheet for Workshops, Prayer Leaders, and Refreshments was circulated to members.
- Dwight distributed a 2010 cent piece along with a blank cent planchet, courtesy of the ANA, to members who were not present to receive these at the March meeting.
- Meals on Wheels (MOW) donations for April - \$51.
- Next meeting is Tuesday, May 9<sup>th</sup>.

### **Presentation – Collecting Capped Bust Half Dollars (Lane B.)**

- Lane gave a very informative presentation on Capped Bust Half Dollars which included the history of the series, major die varieties, and die states. Lane covered several ways one might collect including type coin, year set (1807-1836 without the 1816), Redbook set, Overton set, over-date set and die state set. Bust half dollar die varieties were organized into a catalog, in 1967, by Al. C. Overton called: *Early Half Dollar Die Varieties 1794-1836*. Overton numbers are used to identify die combinations. Thank you Lane for an outstanding presentation!

### **Club Auction (Tom)**

- 40 auction items sold - \$1,459.50

### **Refreshments**

- A big Thank You to Royce for providing refreshments!

## **Grading for the Rest of Us offered by Lane B.**

### **A Brief History of Coin Grading, Part Seven**

### **“Progressing Toward the ‘90’s”**



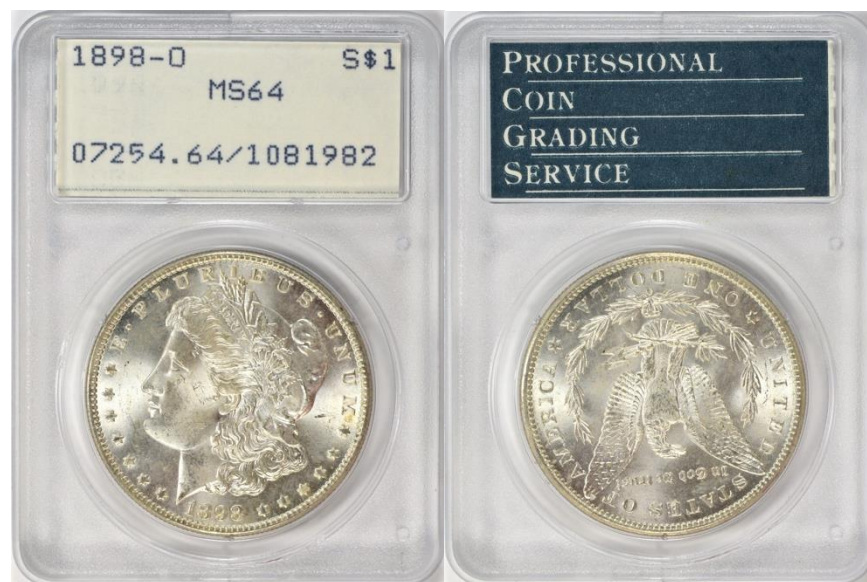
As the 1970s came to a close, the general public became more aware of numismatics. This awareness was not due to the United States Mint or a cable shopping program, but as the result of three brothers from Texas. In January 1979, silver languished around \$6.50 per ounce. As the Brothers Hunt continued to aggressively try to corner the world

silver market, the spot price of silver peaked just above \$50 per ounce in January 1980 (and then promptly crashed back to earthly levels). This meteoric rise in price captures the public's attention and soon people were scouring their closets and attics looking for silver coins to "cash in" on the madness. The public has a reinvigorated interest in coins as investments, even if only for their precious metals content. This renewed interest would catalyze the start of several new grading companies, some of whom would refine and market numismatic coins as investment commodities. It was only a matter of time.

By the mid-1980s, only a few third-party grading companies were in business: American Numismatic Association Certification Service (ANACS); Numismatic Certification Institute (NCI); International Numismatic Society (INS); and Accugrade. Even as the hobby recognized the value of encapsulation (*i.e.* slabs), ANACS, NCI, and INS would continue to use photo certificates through 1989.

If silver coins can be treated as an investment commodity, then it's reasonable that numismatic coins can also be treated as an investment commodity. This idea was a founding principle of a group of professional numismatists who would go on to form one of the most successful business ventures in numismatics, the Professional Coin Grading Service (PCGS). While the concept of numismatic coins traded purely as commodities never materialized—after all, not all MS-64 Morgan are equal—the concept of third-party grading would be refined and marketed to investors as well as collectors with great success. The formation of PCGS in 1986 would forever change how we traded in coins.

PCGS employed a new concept to third-party grading; coins must be submitted through a network of authorized dealers. The use of authorized dealers was to pre-screen coins so only "problem-free" coins would be sent in for authentication and grading. PCGS also used consensus grading. A coin would be graded by one to three graders and reviewed by a seasoned numismatist who would assign the final, single grade for the coin. This process was claimed to provide consistent, unbiased grading opinions. Although Accugrade was the first company to encapsulate graded coins, PCGS would quickly begin to be the leading third-party grading company.



(One of the first coins graded by PCGS in 1986. Notice the white label and serial number 1081982 [the first serial number series]).

The third company to encapsulate graded coins was the Photo-Certified Coin Institute (PCI). Owned by the numismatic dealer Chattanooga Coin Company, PCI used a similar size and style as Accugrade by encapsulating the coin along with an image and commentary on grading. Coins in these holders are known for being graded conservatively as compared with coins graded today.



(The first type of holder used by the Photo-Certified Coin Institute beginning in 1986. Note the grade superimposed upon the coin image on the front of the holder.)

The Numismatic Guaranty Corporation of America (NGC) was founded in 1987 and followed many of the same principles of PCGS. NGC started encapsulating coins in September and quickly began gaining market share. Whereas PCGS used a transparent holder, NGC went in a different direction. Through the recommendation of a marketing consultant, NGC encapsulated its first coins in an elegant holder with a black insert. Interestingly, the label was placed on the back of the holder (with the coin's reverse) and NGC's logo was placed on the front along with the coin's obverse. The marketing consultant convinced NGC that it is critical to have the company's logo on the front of the holder. This presented an interesting choice for displaying these holders. The dealer had to choose between the NGC logo or the information label. Ironically for NGC, the logo lost and holders were displayed with the coin's reverse and label.

Another problem was quickly noticed. Gold and silver coins displayed nicely against the black insert, but brown copper coins were almost invisible as were silver pieces that were heavily toned. NGC quickly moved to rectify these issues making NGC's first holder quite rare and highly sought after today. Many coins encapsulated in black holders were cracked out and resubmitted when NGC created their next generation holder.



(The NGC black holder. This holder is highly collectible and trades at prices well above the value of the encapsulated coin. To date, only a few dozen are known to have survived.)

As PCGS, PCI, and NGC were establishing themselves in the marketplace, several other companies were being formed. Some would survive, but many would not last out the end of the decade.

# NUMISMATIC EDUCATION

## A Visit with Dr. Coyne

- 1.) Is a grocery store pound heavier than 12 troy ounces of silver?
- 2.) How was the reeded edge applied to 1794-1836 U.S. silver coins?
- 3.) When was A. J. Matula most active as a Houston coin dealer?
- 4.) When was the first federally authorized circulating paper money issued?
- 5.) Do Third Party Grading companies slab Daniel Carr fantasy overstrikes?
- 6.) What dates (years) of U.S. half dollars do not exist (none struck)?
- 7.) Is this piece a U.S. coin?



- 1.) A grocery store pound is indeed heavier than a precious metals pound. A grocery store pound of 16 ounces (avoirdupois) is equal to 454 grams. The precious metal ounce is 31.1 grams, and there are twelve troy ounces in a troy pound. Thus the troy pound totals 373 grams.
- 2.) For many years, U.S. numismatists believed the conventional wisdom that the edge treatments on all early U.S. coins were applied using a Castaing machine (sliding parallel bars) on the planchet before striking with the obverse/reverse dies in a human powered screw press. Certainly that remains the case with all the lettered edge coins (half cents, cents, half dollars, dollars). But the latest research, led by Brad Karoleff, is that the reeded edge silver coins (half dimes, dimes, quarters) were struck in a one-piece collar having the reeds engraved on the surface facing the coin's edge from the very start of mint silver operations in 1794! The best evidence for this theory comes from research on off-center mis-struck coins, none of which show any reeding on their edges. If the edge reeding had been pre-applied, it would be present even on off-center struck coins. Correspondingly, no one can find examples of skipped (interrupted) reeding or overlaps with double reeding. These defects are relatively common on coins whose edge treatment was applied on a Castaing machine. Additionally, the reeded edge coins which have come down to today's collectors are more nearly perfectly round than the pieces which had their edge treatments applied via Castaing machine and were then struck using an open collar.
- 3.) Mr. A. J. Matula was an active coin dealer in downtown Houston in the 1950's and 1960's. He was perhaps best known for his claim to "control over a quarter of the mintage" of 1950-D nickels. This popular modern scarcity seemed to reach its height of popularity during the roll-and-bag boom which ended in 1964. Prices on the 1950-D took over 50 years to again reach 1963 levels. Matula's claim of "quarter of the mintage" would equate to around a half

million nickels, or \$10,000 face value. It remains unsaid what connections he exploited to line them up.

4.) The Third Party Grading services have taken differing approaches to encapsulating the products of the Moonlight Mint. ANACS has been an early adopter and a strong supporter with all manner of Carr overstrikes to be found in their holders. There has been mention on the blogs that PCGS may soon begin to accept certain issues, such as the 1964-D Peace Dollars, but they have not done it yet. NGC has taken a wait-and-see attitude, though many regard NGC as the leader in encapsulating many kinds of medals from around the world.

5.) The earliest federal currency would be the Continental Currency issues of May 1775. Lacking sufficient specie, our infant federal government financed the Revolutionary War with nearly a dozen issues, all of which became severely depreciated and out of circulation by 1783. The era of state chartered and private bank issues then followed. Again in 1861 Congress found it necessary to issue federal notes, led by the Demand Notes which helped finance the Civil War. Following the end of hostilities, it took until 1876 before sufficient specie was returned to circulation to consider retiring all federal notes. But by then the populace had found convenience and trust in federal currency, and we have had a growing body of issues ever since then.

6.) U.S. half dollars cannot be found with the dates: 1798, 1799, 1800, 1804, 1816, 1922, 1924, 1925, 1926, 1930-32, 1975. Did you miss the 1975? (a year when Bicentennial coins were struck, but dated 1776-1976). Since 2002, Kennedy half dollars have been issued every year, but not for circulation. The 1816 is related to a fire at the mint. The 1930-32 omission is a result of reduced demand during the depression.

7.) The illustrated piece purports to be a 1792 half dime, which would be a U.S. coin. Were it authentic, it could be argued that it is the first U.S. mint product which reached circulation. The latest scholarship indicates the first batch of the real coin was made in the basement of John Harper's saw shop in Philadelphia in July, 1792 on equipment that would shortly be installed in the first U.S. Mint, but in summer 1792, the mint buildings were not yet ready. Latest research also indicates a second batch of 1792 half dimes was made in the new mint in December. No one seems to be able to tell if a given coin came from the first batch or the second batch, but the total mintage is solid at 1500 specimens. Too bad (for Dr. Coyne) that the illustrated coin is a fake made about 1862. It was part of the collection for many years before its true status was revealed.

### **Upcoming Collector Opportunities**

**Cowtown Coin Show** – May 19 – 21 . . . Forest Hill Civic and Convention Center – 6901 Wichita St., Forest Hill, Texas

**Texas Numismatic Association Annual Coin Show** – June 2 – 4 . . . Arlington Convention Center – 1500 Convention Center Dr., Arlington, Texas

**Five State Coin and Currency Flag Day Double Show @ Tyler** – June 9 – 10 . . . Magnuson Grand Hotel – 3310 Troup Highway, Tyler (Yep . . . our show!!)

**Texas Coin Show** – July 7 – 9 . . . Grapevine Convention Center – 1209 S. Main, Grapevine, Texas (Also September 2 – 4 and November 17 – 19)

**Ark – La – Tex Coin Show** – July 29 – 30 . . . Bossier City Civic Center . . . 620 Benton Rd., Bossier City, Louisiana

**Cowtown Coin Show** – August 4 – 5 . . . Forest Hill Civic and Convention Center – 6901 Wichita St., Forest Hill, Texas

## Our Next Time Together

The Tyler Coin Club will meet again on Tuesday, May 9, 2017. See you at 7:00 p.m. Come enjoy a positive numismatic experience, along with great fellowship. Members are encouraged to gather at Rudy's BBQ at 5:00 p.m. for a pre – meeting dinner and fellowship. See you then. Bring friends!!

## A VISIT TO YOUR EDITOR'S COIN CABINET



(Your editor acknowledges that the note pictured above is, shall we say, not in the best of collectible form. Some might even say that, speaking numismatically, it is “just plain ole’ ugly.” Truth is both descriptions are fair however there is something unique about this piece, and four other Confederate notes in such, and even worse, condition which is your editor’s point of “show and tell” for this issue. Incidentally, two other notes from the “archive” of my consideration are featured on the first page. They too are “ugly,” but in a good kind of way.)

Like so many other experiences shared in this brief presentation space this one begins with a multi – year pull in the direction of acquiring a particular, and somewhat unique, item for your editor’s collection of paper. As I know you recognize from previous such articles here in this newsletter, I do NOT follow conventional collector practices and enjoy what one person from whom I purchase every now and then calls “odd stuff.” I “resemble” that remark for sure!

Back some years ago your editor became aware of a distribution of Confederate currency from, of all places, the United States Treasury. The details are quite simple. The American Civil War was finally over and citizens on both sides of the political and geographical line were in the process of heading home in order to get back to their lives and come to whatever point of “new normal” which was awaited them. It was in essence time to move on and for many signs of the struggle were not welcome sights.

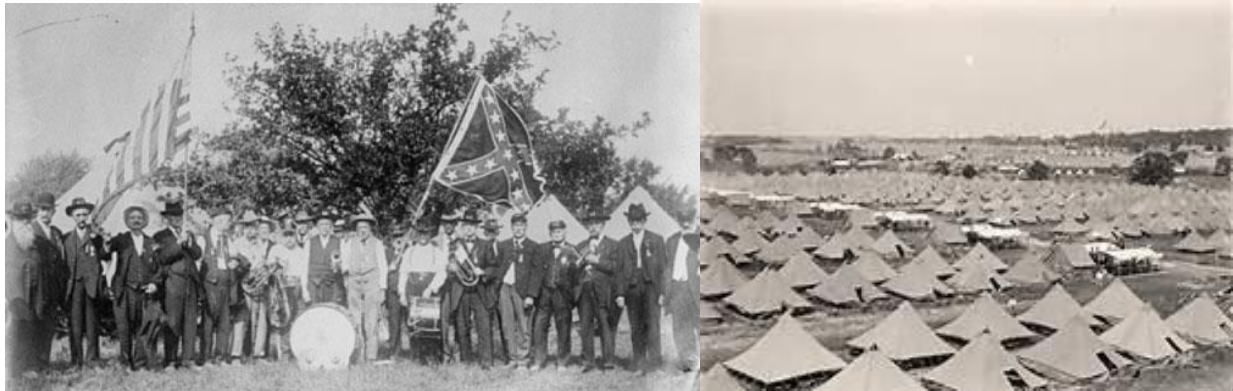
On the Southern side a variety of relics remained including a stack of paper money which had been issued by the Confederate government from 1861 to 1865. As members of the Union Army moved throughout the South they came across currency in very large quantities in banks, stores, and homes. Because Confederate States of America currency was a sign of the struggle, and what had been, there were very few folks who felt the call to maintain more than a limited holding of pieces of CSA paper money as souvenirs. Truth is the post-war stack of old paper money grew to epic proportions claiming space throughout a variety of U.S. Army facilities.

A sort of solution came about in 1867 when all of the currency was consolidated into one place under the care of the U. S. Treasury Department. As your editor understands the story, this oversized collection of Confederate fiscal challenge remained virtually untouched for several decades. These same notes were victims of time, the elements, critters, and honest, emotional neglect.

Scroll ahead nearly fifty years. By this time, starting in 1911, the scars and hurt of the Civil War had been replaced by a sense of euphoria and nostalgia. Those who were once enemies were now combining their reunions, so it wasn’t uncommon for Grand Army of the Republic veterans (Dang Yankees!!) to “tent” in the vicinity of and in partnership with members of the United Confederate Veterans. One such opportunity came in July of 1913 when nearly



sixty thousand Civil War veterans representing both Union and Confederate forces, from 46 of the then 48 states, gathered to honor the fiftieth anniversary of the Battle of Gettysburg. According to an original report of the day men from both camps were seen “with clasped hands and they buried their faces into each other’s shoulders.”



(Above are two famous photos from the Battle of Gettysburg’s Fiftieth Reunion Encampment held in July of 1913. Note on the left the presence of flags representing both Union and Confederate forces. The picture on the right is a scene of the proliferation of tents in place for use by the veterans. By this time most of the surviving veterans were in their seventies or quickly progressing in that direction.)

During this same period of years, the Semi – Centennial of the Civil War, now over one hundred years ago, there were those who were finally open to acquiring souvenirs of the Civil War. Such an attitude gave the Treasury Department of the United States a chance to relieve itself of some of their currency holdings. Someone in the Treasury Department, your editor cannot find out who, made the suggestion that the stacks of Confederate paper money locked away in storage should be distributed for “historical” purposes. Letters written over the signature of then Secretary of the Treasury Franklin MacVeagh, dated early in 1913, were prepared for various institutions in the country such as schools, museums, fraternal organizations, veteran’s organizations, etc. These letters were arbitrarily mailed out in government envelopes to such institutions all over the nation. Included within each envelope was a quantity, usually four or five pieces, of time-held Confederate Currency, such as the one at the beginning of this article, tow more on the first page of this newsletter, and a couple of examples pictured just below.

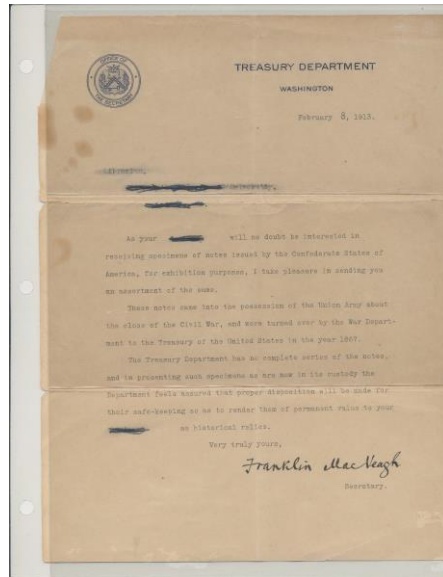
Several years ago, from the dealer who first identified your editor as the one seeking “odd stuff,” your editor acquired another such letter, along with the original envelope and four cancelled Confederate notes. This small archive was addressed to a Grand Army of the Republic group in Oklahoma. The one which entered my life just recently contains a letter worded a slight bit differently than the first. Even though some of the personal attributions have been marked over it is still possible to know that this letter, and I am assuming the five notes that came with it, was sent in 1913 to a university library. Wish I could identify which library.

Because these were sent out sort of “blind” there is no way of knowing how many were made available through the mail to various institutional collections and the quantity of these which found their way into personal hands and, heaven forbid (!), into local landfill or were in other ways destroyed as trash. Through the years your editor has viewed or read about a handful of sets. They do come up occasionally in sales and auctions. Having two is a real treat, especially since the letters for distribution are slightly different.

Your editor wonders how many sets remain in the original institutions to which they were sent. At the least it is good to recognize that by 1913 the causes which were central in the division which ignited the American Civil War had mostly passed on. From what I have read the Semi – Centennial was quite an event one which did, indeed, affirm that enemies were friends.



(Two more “ugly” notes from the archive mentioned above. Your editor has yet to see a note attributed to this distribution which isn’t cut cancelled or in other ways worn, damaged, or defaced.)



(A sized down copy of the original 8 ½ by 11 letter on United States Treasury Department watermarked paper, signed by Franklin MacVeagh, describing the content of little packages of Confederate Currency sent to institutions throughout the United States in 1913.)

The letter tells the story:

**“As your *library* will no doubt be interested in receiving specimens of notes issued by the Confederate States of America, for exhibition purposes, I take pleasure in sending you an assortment of the same . . . These notes came into the possession of the Union Army about the close of the Civil War, and were turned over by the War Department to the Treasury of the United States in the year 1867 . . . The Treasury Department has no complete series of the notes and in presenting such specimens as are now in its custody, the Department feels assured that proper disposition will be made for their safe – keeping as so to render them of permanent value to your *library* as historical relics . . . Very Truly Yours . . . Franklin MacVeagh . . . Secretary”**



(If in full size the piece pictured above is a “big ole’ honkin,’” and quite heavy, United States mint medal featuring the likeness of U.S. Secretary of the Treasury Franklin MacVeagh, who served as such from 1909 to 1913. It is McVeagh’s signature which adorns the letter documented above.)