

# Manhattan Coin Club Minutes

April 11, 2018

A good attendance as President Randy called the meeting to order.

The club welcomed two visitors, Tom and Brennen and his son.

## Old Business

Randy reviewed the minutes from February. Randy and Nick put together a display for the 95th annual National Coin Week, April 15-21, 2018. "Connecting Cultures: From Many, One" is the theme. Alan, Doyle, and Dave also contributed materials for the display. They were all thanks for their hard work.



Randy brought up again the House of Delegates Taxation Committee bill 2421 (HB2421). The legislation would exempt gold and silver bullion, along with other precious metals and some coins, from state sales and compensating use tax. No work has happened on the bill. You can find your representative here: <http://www.knea.org/home/312.htm>.

## Treasurer's Report

Treasurer Dave reported a club balance of \$2,600.31.

## Auctions

Doyle reviewed upcoming auctions. You may find a listing of auctions at: <https://kansasauctions.net/calendar/>.

## New Business

Promoting the club was discussed with Guy bringing up submitting the minutes to the Mercury. The club felt the size on the minutes would not allow them to be printed.

Matt discussed the results of the survey solicited at the Club's coin show. He received 27 responses. There were 12 collectors and 3 first timers identified. Most people heard about the show on-line followed by hearing it from Dave. There were two who learned about it from Numismatic News and 3 from just the marquee. The majority felt that our current date, the 3<sup>rd</sup> Sunday of the month, was the best date for the show. Some comments for improving the show were to have more of them, more security, and better coffee!

The Coin show made money on food sales taking in \$161 and spending \$129. The raffle made \$310 at a cost of \$150.

Matt was thanked for his hard work and effort.

Matt also said he was doing two one-hour coin collecting programs for Boy Scouts the 3<sup>rd</sup> and 4<sup>th</sup> Mondays in September. He was looking for volunteers. Those interested should contact Matt.

Ray gave us an update on Larry C. The club wishes Larry the best and looking forward to his return to the meetins.

## Program



Mark and Jess gave the program on Jefferson Nickels and Buffalo Nickels.

Randy won the door prize of a small and Brennen's son won the child's door prize. Following the silent auction with no further business the meeting adjourned.

## A Brief History of the Nickel from Various Sources

The nickel wasn't always worth five cents. In 1865, the U.S. nickel was a three-cent coin. Before that, "nickel cents" referred to alloy pennies.

It turns out that even the name "nickel" is misleading. "Actually, nickels should be called 'coppers,'" says coin expert Q. David Bowers. Today's so-called nickels are 75 percent copper.

Those aren't the only surprises hidden in the history of the nickel. The story of America's five-cent coin is, strangely enough, a war story. And 150 years since it was first minted in 1866, the modest nickel serves as a window into the symbolic and practical importance of coinage itself.

To understand how the nickel got its name, you have to go back to an era when precious metals reigned supreme. In the 1850s, coins of any real value were made of gold and silver. In the event of a financial crisis—or worse, the collapse of a government—precious metal coins could always be melted down. They had intrinsic value.

But in the spring of 1861, southern states began to secede, and Abraham Lincoln was sworn in as President. Soon shells were falling on Fort Sumter in Charleston, South Carolina. America was in crisis, and so was its currency. "The outcome of the Civil War was uncertain," says Bowers, an author of several books on coin history. Widespread anxiety led to an important side-effect of war. "People started hoarding hard money, especially silver and gold."

Coins seemed to vanish overnight, and the U.S. Mint couldn't keep up with demand. "The United States literally did not have the resources in gold and silver to produce enough money to meet the needs of the country," says Douglas Mudd, the director of the American Numismatic Association. "Even the cent was disappearing." In the South, this problem was even worse. The limited supply of gold and silver was needed to purchase supplies from abroad, which meant the Confederacy relied almost exclusively on paper currency. Minting new coins might not seem like a priority in a time of war. But without coinage, transactions of everyday life—buying bread, selling wares, sending mail—become almost impossible. One Philadelphia newspaper reported that the local economy had slowed to a crawl in 1863, citing that some storekeepers had to cut their prices "one to four cents on each transaction" or refuse to sell products outright because they were unable to get a hold of money.

Mudd puts the problem in more familiar terms. "It's like, all of a sudden, not being able to go to 7-Eleven because [the cashier] can't make change," he says. "And if [they] can't make change, the economy stops." It was in this economic vacuum that the United States tried a series of monetary experiments. In 1861, the government began paying Union soldiers with "Demand Notes"—also known as "greenbacks." Meanwhile, stamps were declared legal tender for small purchases; a round metal case was developed to keep them intact. "It looked like a coin with a window on it," says Mudd.



*Demand notes, Series 1861, were issues by the Unites States in \$5, \$10, and \$20 denominations.*

For the duration of the war, the American economy pattered along with all kinds of competing currency. Even private banks and businesses were releasing their own notes and coins. Shopkeepers could give coins, stamps or bills as change. The war finally ended in 1865, but it took many months for precious metals to trickle back into circulation. "It's not until after the Civil War that coin production resumes at full capacity," says Mudd. As the United States turned its attention to rebuilding, not all metals were scarce. War production had expanded America's industrial capacity, and nickel was available in huge quantities. The advantage of nickel lay in what it wasn't. It wasn't scarce, which meant the government could print millions of coins without creating new shortages. And it wasn't a precious metal, so people wouldn't hoard it.

In fact, some cent coins had already been minted using nickel-and as one Pennsylvania newspaper pointed out, "the hoarding of them is unwise and injudicious. "There's no sense in hoarding a coin whose value comes from a government guarantee.

Only after a bizarre 1866 controversy about paper money, however, did nickel coins finally conquer everyday life. At the time, the National Currency Bureau (later called the Bureau of Engraving and Printing) was led by a man named Spencer Clark. He was tasked with finding a suitable portrait for the five-cent note. Clark's selection was a proud- looking man with dark eyes and a thick white beard. The public was not amused. "He put his own image on there, "says Mudd. "There was a rmajor scandal."

Fractional Currency was introduced by the United States Federal Government following the Civil War, and were issued in 3, 5, 10, 15, 25, and 50 cent denominations.

"Clark put his own head on the currency without any authority whatever," declared an angry letter to the New York Times. Reporting by the Times depicted Clark's bearded portrait as an assault on the dignity of American money. Another letter-writer chimed in: "It shows the form of impudence in a way seldom attempted before. It is not the first time, however, that men have made a strike for fame, and only achieved notoriety." While legislators were making speeches in Congress denouncing Clark's portrait, an industrialist named Joseph Wharton was busy prodding legislators to find an alternative to paper money. In the early years of the war, Wharton had bought up nickel mines in New Jersey and Pennsylvania, so his suggestion should come as no surprise. He wanted coins to be made out of nickel.



Two months later, five-cent notes were quietly retired. And as Philadelphia's Daily Evening Bulletin reported in May of 1866, a new coin was to immediately take its place. "The President [Andrew Johnson] has approved a bill to authorize the coinage of five cent pieces, composed of nickel and copper," said the article. "There are to be no more issues of fractional notes of a less denomination than ten cents."

The new coin was decorated with a shield, the words "In God We Trust," and a large "5," surrounded by a star and ray design. That year, the government minted a whopping 15 million five-cent nickels—more than 100 times the number of silver half-dimes minted the year before.



As far as the future of the nickel was concerned, the timing was perfect. The postwar economy began to gather steam again. “The supply was there, and the demand was there,” says Mudd. “People wanted coins.” The nickel caught on for a few reasons. First of all, after years of coin shortages, nickels flooded the economy. Nearly 30 million were printed in 1867 and 1868. “The nickel was the coin from 1866 to 1876,” says Bowers. Even after that, as dimes and quarters rose in prominence, nickels were the coin of convenience. Bottles of Coca-Cola, which entered the marketplace in 1886, cost a nickel for 73 years.

The shield nickel was produced until 1883, when it was replaced due to manufacturing issues by the “Liberty Head” nickel.



The decades that followed saw a succession of new designs, starting in 1913 with the Buffalo nickel and followed in 1938 by the initial Jefferson nickel. (Ironically, during World War II, nickel was so essential for war production that nickels were produced without any nickel.) The most recent update, in 2006, revised Jefferson’s image from a profile to a frontal portrait.



The Buffalo Nickel (sometimes called the Indian Head Nickel) is a U.S. five-cent coin that was designed by sculptor James Earle Fraser in 1912. It was part of the Mint’s campaign to beautify American coinage and featured a realistic portrait of a Native American on one side and an image of a buffalo on the other. It was produced at the Philadelphia, Denver, and San Francisco Mints from 1913 to 1938.

In 1904, President Theodore Roosevelt had decided that U.S. coins needed an artistic upgrade and asked the Mint to hire Augustus Saint Gaudens, the famous sculptor, to redesign as many coins as was legally possible. (Federal law required most coin designs to continue in circulation for at least twenty-five years before being redesigned.) Saint Gaudens created two new coin designs, the eagle (a ten-dollar gold piece) and the double eagle (a twenty-dollar gold piece). After Saint Gaudens’s death in 1909, other sculptors continued on with

new, more artistic designs for the cent, the quarter eagle (a gold piece worth \$2.50), and the half eagle (a five-dollar gold piece).

It was now time for a redesign of the 26-year-old Liberty Head Nickel. Charles Barber, the Chief Engraver of the U.S. Mint and designer of the Liberty Head Nickel, created several designs for a possible new “Washington Nickel,” but that coin was never approved. Instead, the Mint Director, Abram Andrew, became enthusiastic about designs that had been submitted by James Earle Fraser, a sculptor who had worked as an assistant to Saint Gaudens. Fraser’s designs had originally been for a one-cent piece, but with Andrew’s support (and the support of the next Mint Director, George Roberts), the design was adapted in 1912 to a five-cent coin that became the Buffalo Nickel.

As was the case with many coins, the Buffalo Nickel was the subject of controversy before it even went into production. Several coin-operated machine manufacturers asked for more information to help them adapt their machines to the new coin. Treasury Secretary Franklin MacVeagh assured the manufacturers that there would be no change in the size, shape, or weight of the nickel. The Hobbs Manufacturing Company, which manufactured a machine to detect counterfeit nickels, was not satisfied with this assurance and immediately began demanding changes to the new coin. For the last half of 1912 and into 1913, Fraser, the Mint, and the Treasury Secretary tried to work with the Hobbs Company’s increasingly unrealistic demands, but as that became more and more difficult, eventually the Mint and the Treasury Department finalized the coin design over the Hobbs Company’s objections.

As was learned later, the Hobbs Company had misrepresented the accuracy of its counterfeit detection machine, and it had never worked very well, even with the existing Liberty Head Nickels. In fact, the Hudson and Manhattan Railroad Company, named by the Hobbs Company as one of the biggest satisfied users of their device, was already in the process of removing it from use because its performance had been so “unsatisfactory.”

The first Buffalo Nickels were struck on February 22, 1913. They were unofficially introduced into limited circulation at the groundbreaking ceremony for the National American Indian Memorial in Staten Island, New York. Forty new nickels were sent to the ceremony to be distributed by President Taft to the attending Native American chiefs. (Despite the groundbreaking ceremony, the National American Indian Memorial was never actually built.)

The Buffalo Nickel was officially introduced into circulation on March 4, 1913, and within a week Chief Engraver Charles Barber was expressing concern about how quickly the dies were wearing out during production. According to his estimates, Buffalo Nickel dies were wearing out and breaking more than three times faster than the Liberty Head Nickel dies. Barber and others at the Mint also believed the Buffalo Nickel would not hold up very well to ordinary wear and tear, and that in particular the date and the “FIVE CENTS” marking would wear away completely. To correct these problems, Barber prepared several revisions to the design, Fraser approved them, and this slightly revised Buffalo Nickel went into production right away. Oddly, the dies wore out even faster after Barber’s revisions, and the changes didn’t help with the wear problem, either.

In 1937 a worker at the Denver Mint polished a Buffalo Nickel die to remove “clash marks” — the marks and scratches that occur when dies are stored in direct contact with each other. Unfortunately, this worker did his job too thoroughly and not only removed all the clash marks, but one of the buffalo’s legs as well. Amazingly, this mistake was not caught until after thousands of these “three-legged nickels” had been minted and put into circulation.

The Buffalo Nickel was in production for the mandatory twenty-five years, from 1913 to 1938. In 1938, as soon as was allowed by law, the Mint announced a competition to design the Buffalo Nickel's successor. The Jefferson Nickel began circulating in November 1938.



In the 20th century, one other shift cemented the nickel as an indispensable coin of the realm: the rise of coin-operated machines. Nickels were the ideal denomination for vending machines, jukeboxes, and slot machines. It also cost five cents to attend a “nickelodeon”—that is, a nickel theater. (Odeon comes from the Greek word for theater.) “Nickels went into the mainstream,” says Bowers.

Nickels have come full-circle since their roots in the gold and silver shortages of the Civil War. One hundred and fifty years ago, coins made of nickel seemed convenient because they were made of cheap metals. These days, nickel and copper prices are high, and our beloved 5-cent coin costs around 8 cents to produce. Maybe it's time to bring back the five-cent note.

## Technical Information

### Full Steps and Gems

The most important aspect of Jefferson Nickels, no matter what date, mint or variety or if a proof or business strike, is the steps on the reverse of the Monticello. We're talking value here and FS (full step) Jefferson Nickels are choice struck coins and command a higher premium than the weak steps.

Determining if the steps are fully struck is problematic for beginners but easier as your experience grows. Below is an image of an FS Jefferson.



It's usually the bottom steps that are not fully struck and some dates and mints are very rare with Full Steps. So, keep every possible FS nickel you find. I provided an image, left, of a full step example for your reference.



Also, there's two types for the steps called, Reverse Of 38, and Reverse of 1940. The reverse of 1938 and 1939 are wavy or referred to as "soft" and the 1940 steps are straighter and clean-cut. Also, there's 1940 with reverse of 39' and 1939 examples with reverse of 1940. Here's an image of the 1938 Soft Reverse.



The next important aspect of collecting Jefferson Nickels thing is higher grade examples with FS and MS64 and up is a good grade to begin. You can find an image of an MS64 Jefferson Nickel [here](#). It's important to learn how to grade mint state nickels because this is where the higher premiums begin for common dates. You can still find gem, FS, nickels in mint sets so that's my first choice for cherry picking grades and FS examples. Also, don't pass up an original roll or mint sealed bag either. You just never know what you might find in bags and rolls. However, you must be weary of any unsearched rolls or bags and make sure you can trust the dealer.

Unsearched coins are still on the market but so are dealers who either don't know they were searched before or don't tell the complete truth about the matter. In addition, it's not easy finding FS nickels that will grade MS64, but don't despair. Their rarity determines their value, so it's a good thing that it will take some time in searching.

#### Silver War Time

If you collect silver Jefferson Nickels don't disappoint here either. The commonly called War Time Silver Nickels were minted from 1942-P-1945-S and all of them have a large mint mark, on the reverse, and above the Monticello Dome. Their planchets are composed of 35% silver, 56% copper and 9% manganese so they even have copper content as well.

#### Proofs and Matte Finish

This leads us to proof Jefferson Nickels from 1956 and earlier because most of them are extremely low mintage. However, they can be purchased at reasonable premiums compared to other coin types with similar mintages. Also, DCAM (Deep Cameo) proofs demand a higher premium as well.

A further note, the Matte Finish nickels for 1994 and 1997 are valuable, and the 1997 has a mintage of only 25,000! Now that's rare for any coin series, but you can still buy an example for around \$250. A basement bargain value for such a low mintage.

The Special Mint Set (SMS) 1965-1967 Jefferson Nickels that have FS and or Cameo or DCAM are highly sought after and can still be discovered if you find sets that haven't been cherry picked. One reason for this is that no proofs were struck for these years and SMS sets are the only way to get proof-looking examples.

#### Varieties

Finally, you should look for varieties like D/S or S/D since there's many different for several dates and mints. The 1949-D D over S, 1946-D/Horizontal D, 1942-D Over Horizontal D, are the most sought after and valuable of the RPM or repunched mint marks, and in that order.

Also, there's doubled dies that command a high premium and the most famous is the Doubled Monticello which is actually a DDR or doubled die reverse. You can see doubling on the letters from Monticello, the denomination letters and United States of America.



There's other doubled dies to collect, for examples, the 1943-P Doubled Eye, 1945 DDR. Plus, one over date 1943-P 3 over 2, then you have the no mint mark proofs of 1971, very rare!

NOTE: In researching "blue" and "Black Beauty" nickels there is not much specific evidence about the cause. The ANA says now that proof coins such as Mark displayed that are toned are defined as an Improper Alloy Mix. This would be an interesting topic to research more.