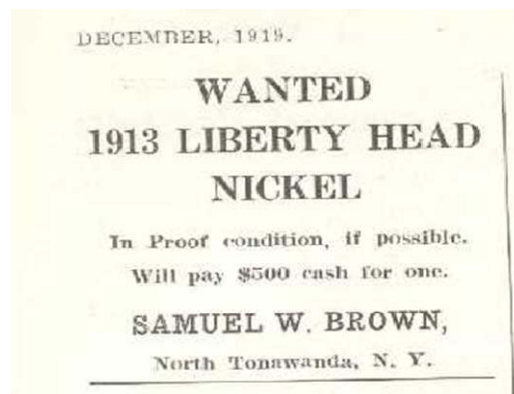


The Mysterious 1913 Liberty Nickel

By Brian Schneider, NLG

In 1996, numismatic history was made as Jay Parino paid over 1 million dollars for the Eliasberg specimen of the 1913 liberty nickel. This was the first coin to break the million-dollar barrier, with a final hammer price of \$1,485,000 after a 10% buyer's fee was added. This amount surpassed the previous record paid, set in 1989, of \$990,000 for the Dexter specimen of the 1804 Dollar and the \$962,500 paid for the Reed Hawn Specimen of the 1913 Liberty Nickel. The mystery surrounding this coin is that, while there are 5 known specimens, there is no record at the mint of any being produced. Here lies the mystery.

The existence of a Nickel with the Liberty design dated 1913 was not known until the ANA convention in 1920, and even speculation of such a coin was not even thought of until the following ad was placed in the December 1919 issue of the Numismatist.



Even with this ad, no specimens had ever been seen, it was not until the 1920 ANA convention that a 1913 Liberty nickel had been seen. This caused a lot of questions to be asked. The following was in the October 1920 issue of the Numismatist about this event.

Samuel W. Brown of North Tonawanda, N. Y., was present for a short time on Monday. He had with him a specimen of the latest great rarity in U. S. coinage—the nickel of 1913 of the Liberty Head type. It was among the exhibits the remainder of the Convention, with a label announcing that it was valued at \$600, which amount Mr. Brown announced he is ready to pay for all proof specimens offered to him. An explanation of its rarity is that at the close of 1912, the mint authorities not having received orders to use the dies of the buffalo type nickel at the beginning of 1913, prepared a master die of the Liberty Head type dated 1913, and from this master die a few pieces—believed to be five—in proof were struck. None of these are believed to have been placed in circulation.

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The Mysterious 1913 Liberty Nickel

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Little was heard of these nickels until this ad was placed in the January 1924 issue of the Numismatist. The asking price for the set of 5 coins was said to be \$2,000.



FOR SALE.

Five (5) Five-Cent Liberty
Head 1913 Coins. Proof.

The only Five-Cent Liberty Head
Coins of this design and year in
existence.

AUGUST WAGNER,
31st and York Sts.,
Philadelphia, Pa.



Just what makes the 1913 Liberty Nickel so valuable. It is not the rarest of all coins, the 1870-S Half Dime and the 1873-CC Without Arrows Dime are unique. There are other rarities, like the 1894-S Dime and the 1870-S Dollar, but few have garnered the attention of the 1913 Liberty Nickel. Much of the popularity goes to B. Max Mehl who advertised to pay \$50 for one in his *Star Rare Coin Encyclopedia*. Of this, Walter Breen writes in his *Encyclopedia*:

"During the Great Depression, the Fort Worth, Tex., dealer B. Max Mehl carried on a years-long newspaper advertising campaign (which he later admitted had cost him over a million 1930s dollars!), offering to buy for \$50 apiece any 1913 Liberty head nickels offered. This offer was not bona fide, being merely a come-on to promote sales of his *Star Rare Coin Encyclopedia*, which went through over 30 editions despite being of no numismatic value. The major effect of Mehl's publicity was threefold: It made Mehl very wealthy through peddling his worthless book; it made the 1913 Liberty head nickel one of the most famous of American coins; and it stimulated the ungodly to make thousands of altered dates (mostly from 1903, 1910 or 1912) pretending to be 1913's."

The 1913 Liberty Nickel is one that has been surrounded in mystery since its discovery. The mystery of just how they came to be will probably never be known. It is known that dies had been produced for a 1913 Liberty Nickel, as the decision had not been finalized to produce the Indian Head Nickel. Breen assumed that someone in the coiners department struck the examples for Brown, who then waited until the "right" people had either retired or died before pretending to buy his examples. Gloria Peters and Cynthia Mohon, in their book *The Complete Guide to Shield and Liberty Nickels* quoted an article that appeared in *Coinage* that states that

"It is intriguing - and possibly instructive - to note that 1920, the year when Brown announced his "discovery," marked the expiration of the seven-year statute of limitations for prosecuting anyone who might have removed the coins from the mint in 1913."

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The Mysterious 1913 Liberty Nickel

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David Bowers, in his cataloguing of the Eliasberg Collection, notes several scenarios in which the nickels could have been legally struck. He also notes the Brown was noted as an upstanding citizen and held many public positions, including mayor. Brown never acted as if the coins were illegal to be owned. What really happened to bring about these coins will probably always remain a mystery.

The next mystery is who actually owned each one of these nickels at any given time. It is still unclear if Wagner obtained his coins directly from Brown, and exactly who had the coins between Wagner and Green.

Scandinavian Copper Money—1600 AD to 1700 AD

Sweden in the 17th century was not the peaceable country of today. The Swedes were masters of a considerable and now mostly forgotten European empire. In the early 17th century revolution in (Dutch) Amsterdam had caused the citizens to gain control of the issue of coinage. The seafaring Dutch were returning precious metals by the boatload as a result of their dominance of worldwide trade. The Swedes presumed that the inflow of this bullion was related to the Dutch's ability to coin money privately.

So in 1604 an equivalence of (silver) bullion to coined money was enacted in Sweden, but it established a 15% premium on coins. This was a steep cost and it made the scheme ineffective. Swedish silver bullion simply exited to Amsterdam to be coined by Dutch banks into Florins, which were used to buy trade goods which were in turn sold back in Sweden. Sweden's silver reserves quickly disappeared overseas.

A follow up enactment by the Swedish king Charles IX in 1607 decreed that silver could be deposited ounce for ounce in return for redeemable dalers, the Swedish currency. The invitation was not widely taken up, presumably because the public understood the value of custody. Nonetheless an unlimited statutory right existed to coin privately owned bullion. It became known as a "Patent of Free Coinage". In effect there was now a two-way capability of transfer between bullion and coin in unlimited amount - even if there was still little in the way of precious metals in Sweden.

There were still more silver depletions through the treaty of Alvsborg, under which the Swedes paid pretty much everything they had in ransom for the return of a fortress lost to the Danes in war. Thereafter, in the absence of anything better, and because Sweden controlled the world's best copper mines, an old currency of highly overvalued copper coins started to circulate.



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Scandinavian Copper Money—1600 AD to 1700 AD

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The Swedes may have been running on empty as regards precious metals, but they were still a mighty military force, and these copper coins were further issued in large numbers by Gustavus II in 1625 to finance war against the vengeful and expansionist Ferdinand II of Germany. It was Sweden's Gustavus who destroyed Ferdinand's catholic armies in four campaigns and finally secured northern Europe for its predominantly protestant population.

But now the military debts of the state combined with a substantially overvalued copper coinage and a legislative structure designed for commodity money to launch Sweden into an absurd copper currency system. Copper came in, was minted to achieve its overvalued status, and promptly sunk the money to its commodity production cost - which in a country rich in copper mines was tiny. The monetary reserves of the majority of the population were wiped out.

Gustavus' daughter Christina who ascended the throne aged 6, had 12 years of childhood to comprehend these monetary mysteries before her majority at 18, whereupon she instructed the issue of copper backed exchequer bills called assignats which circulated as money, and then a bank was incorporated which took in copper and issued receipts called transport notes which were the origin of the modern banknote. The notes were pleasing to use and easy to forge.

To begin with this popular paper filled the bank with copper. But the paper lost credibility and demand swerved back to the solidity of metal. So the copper was cut into sheets, stamped not very elegantly, and issued back into circulation as money in lumps weighing as much as 15 kilograms [the example shown, from the British Museum, is dated 1658 and about 65 cm long]



People had to walk the streets carrying these great slabs balanced on their heads. It was only inconvenient at first, but then the world market dumped the commodity copper price as Swedish mines lost their dominance and the money became useless as well. It eventually fell to Baron George Heinrich de Goertz to offer his services as central banker to this copper-rich, but otherwise now poor country.

He minted a representative currency in copper, validated with the kings head and a legal tender face value of a daler. He did not limit the issue, nor ensure the quality of the coins which were beneath the technical capabilities of the day. Moreover he attempted this exercise on behalf of an administration which had lost virtually all financial credit with its population, and compounded the error by allowing to develop a widely held belief that at some unspecified time in the future collectors would refuse the coins as legal tender payment of taxes. In other words he broke every rule in the central banker's book. The coins were detested and the Swedish economy depreciated rapidly.

Goertz had been a successful minister in other areas of government and he never profited from the debacle, but he was still blamed for the financial misery and the associated evaporation of Swedish power.

In defense to the charge of "ruining public credit with imaginary money" he put up a brave and articulate defense, on his own behalf, because he was denied counsel. It was not enough. He was the modern world's first central banker to be beheaded, on March 3rd 1719, and the punishment was popular.

August Club News

The August meeting was called to order at 6:45 PM. We had 27 members, 8 new guests and 2 old guests. The Pledge of Allegiance was led by Ryan Petersen. Rob Pahl was drawn for the \$3 membership prize but was not present. The second drawing was for Jesse Stallings, who took his \$2 in raffle tickets. The minutes of the July meeting and the Treasurer's report were approved.

ANNOUNCEMENTS

Garn A.—Our September meeting will be on the normal day, 9/9, but the October meeting will be on 10/7, not the 14th due to scheduling problems.

Jack vB.—Merger medals are available for sale.

Steve D.—Coin Shows—Arcadia 8/27-28, Anaheim 9/12 & Long Beach 9/23-25.

NEW GUESTS

I Ching C. (sp?)—Recently moved to Santa Monica from New Jersey. Found us via the Internet. He is interested in Chinese coins and currency.

Lady (name ?)—Collects old silver coins. Came to see what they were worth. Saw notice in Daily Breeze.

Bill H.—Saw our club listed in the Daily Breeze.

4 Boy Scouts and a lady troop leader—each stood up, gave their names and what they were interested in the field of numismatics. The scouts are working on obtaining their Coin Collecting merit badge.

SHOW AND TELL

Jack vB.—A \$4 Continental United Colonies obsolete currency noted printed by Hall & Sellers in Philadelphia in 1776. He purchased it on eBay for \$74.

Anthony L.—A flyer about contacting your Congressmen to repeal the 1099's for coin sales over \$600.

Scott S.—Four slabbed state coppers. They are coins issued by the states shortly after the Declaration of Independence.

Steve R.—Two 1972 Brazilian coins in a case and a Belgian 2 Franc coin that used the same planchet as the 1943 steel cent.

Steve D.—Brought in a stereo scope that is used for grading. He plugged it in for us to see coins under the magnification.

Grant (guest)—A folder containing all of the 50 state quarters.

Ryan P.—A Boy Scout commemorative coin and a presentation about the coin.

PROGRAM—PHIL IVERSEN

Phil started out by telling us that he collects everything but dust! (great start) And he starting collecting coins at a young age as a Boy Scout. He feels that you should collect what you like because you can't afford to collect it all. Also, you will have a problem storing all of your "stuff". Once he even had to move because he didn't have enough room to store all of his "stuff".

Phil enjoys giving programs and offered to come back in October and other dates to give additional programs.

He proceeded to give us a run-down of coin collecting 50 years ago—in 1960. He told us about the various coin publications in existence in 1960. Such as, the Red Book, The Numismatist, The Bank Note Reporter and The Numismatic Scrapbook. Nowadays, coin publications are prolific. He now has between 300-400 books in his library.

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August Club News-Continued

Coin World (a weekly publication) started publishing in April of 1960. Phil has a complete set of CW's for 1960 in his collection. He showed us the original issue. The one year subscription cost \$3. Coin World had 53,000 subscribers by the end of 1960 and 175,000 by 1965.

The ANA (American Numismatic Association) declared its own National Coin Week in 1960, which became an official designation by Congress in 1983.

The 1960 proof set sold 1.7 million sets, a 1955-double die sold for \$75, the San Fernando coin club held an election of officers, 1950-D nickels sold for \$175-200 per roll, the West Valley coin club held a coin show where they expected 5,000 attendees. In November of 1960 the ordering procedure for 1961 proof sets used IBM punch cards and the orders were limited to 100 per order. A couple in the US found their 37th 1909-S VDB Lincoln cent in change. A medal was issued for the USS Enterprise, the first nuclear powered aircraft carrier. Phil purchased his first 1950-D nickel for \$6. Hawaii statehood medals were released from the mint. 1943 steel (silver) cents were still in circulation.

Phil proceeded to show us various numismatic material that he brought with him—the 2,000 issue of Coin World, a JFK inaugural medal, a Bay Cities Coin Club Silver (25th) Anniversary memento that had two Washington quarters—1944 & 1969.

BREAK

Jack von Bloeker & Garn Anderson brought the refreshments. Jack vB. brought homemade fudge brownies and cinnamon coffee cake and some Costco miniature cream puffs. Garn brought a veggie tray w/dip, chips and sodas. Eric Petersen added a large container of various rolls and a chocolate cream cake. I don't think anyone went home hungry. Thanks.

AUCTION

We had 14 lots from four groups that were auctioned off.

COIN RAFFLE

- | | |
|--|--|
| 1.) 1933-D—Lincoln 1c-Eric P. | 10.) 1935-S—Washington 25c-Guest |
| 2.) 1893-P—Indian 1c-Danny R. | 11.) 1927-S—St. Liberty 25c-Steve D. |
| 3.) 1911-P—Liberty 5c-Garn A. | 12.) 1951-P—Washington 25c-Bernie M. |
| 4.) 1929-S—Buffalo 5c-Eric P. | 13.) 1908-D—Barber 50c-Garn A. |
| 5.) 1943-D—Jefferson 5c-John R. | 14.) 1943-?—Walker 50c-Danny R. |
| 6.) 1907-P—Barber 10c-Eric A. | 15.) 1862—Fract. Currency 25c-Scott S. |
| 7.) 1943-S—Mercury 10c-??? | 16.) 1976—200 yrs. of Freedom medal-Ryan P.
(donated by Lou B.) |
| 8.) 2 Mercury dimes-Gordon W.
(donated by Jack vB.) | 17.) Lincoln's Gettysburg Address—Guest |
| 9.) 1938-?—Roosevelt 10c-Guest | 18.) CCCC 50th & BCCC Silver medal-Gordon W. |



Meeting adjourned-8:55 pm



President's Message

Have any of our members been able to find newly minted rolls of business strikes at their local banks? Apparently, the U.S. Mint has been reporting increased production of coins over the last several months. Increases of 40% to 50% in some months. But still coin enthusiasts are not finding an increased availability of the new coins at their banks. Does anyone in the club have an idea of what is going on who can explain it to us at the next meeting?



As I've said before, I love reading Numismatic News. I learn something new about coin collecting from every weekly issue. Here is just a sampling of a few of the interesting and unusual things I have learned since our last meeting just a couple of weeks ago.

Has anyone heard of an Off-Metal 1999-D Lincoln Cent error? This is an apparent planchet of white metal of aluminum-steel alloy being fed into a press and struck in error. The planchet is of unknown origin and weighs 2.2 grams.

Do you know the cause of the misspelled 1796 LIHERTY large cent? When the die maker cut the "B" in Liberty into the die, he cut it backwards. When he discovered his mistake, he tried to correct it by re-cutting the "B" facing the right way. The result is a letter that looks more like an "H" when coins were actually struck with the die.

Why is the "Full Head" designation used for Standing Liberty Quarters? Every die design has defects. The most common defect on the Standing Liberty series is a lack of enough coin metal to completely strike Liberty's head. For a coin to be graded as a "Full Head" coin, it must have three mandatory markers. First, the most important marker is a full, unbroken hairline from Liberty's brow down to the jaw. Second, the three leaves on her head must show. And third, there should be an indentation (a hole) where the ear is.

And finally, have you ever heard of an 1828 25/50 coin? It is actually a quarter. But the error was an engraving mistake, not from an overstrike or a restrike. When the die was initially being made, the engraver accidentally cut the 50-cent denomination into the die. Upon discovering his mistake, he attempted to correct it by re-cutting the 25-cent denomination on top of the initial cut. But he apparently didn't eliminate all remnants of the initial cut error. When the die was used to strike coins, they appeared as a "25 over 50".

It fascinates me the number of times and frequency with which errors occur today as well as decades earlier. With our high-tech capabilities, it seems like the more things change, the more they stay the same. It's things like these errors that help to humanize the minting process and continue to make coin collecting more interesting.

I look forward to seeing everyone at our next meeting on September 9th. Until then...

Collect Early and Often

GARN



The Boy Scouts at our August Meeting

Ryan Petersen organized a group from his Boy Scout troop to attend our August meeting as one of the requirements needed for obtaining their Coin Collecting merit badge. Thanks, Ryan.

(left to right) Cathy Ross, Jack von Bloeker, Brandon Tappan, Ryan Petersen, Eric Petersen, Grant Ross and Jack Hierro

Refreshments

September—Carol Craft, John & Valentijn Rosselot **October**—???

Member Program

September—Tyler Gobble **October**—???

Coin Shows

Sep 12 Anaheim

Embassy Suites Hotel, 3100 Frontera St. (91 Fwy @ Glassell)

Hrs: Sun. 10AM-4PM FRE Free parking

Sep 23-25 Long Beach

Long Beach Convention Center Hall A, 100 S. Pine Ave.

Hrs: Thu. & Fri. 10AM-7PM, Sat. 10AM-5PM ADM

Official Mailing Address:

Bay Cities Coin Club
c/o Steve Demmer
P.O. Box 813
Culver City, CA 90232

Meetings are normally held at the El Segundo Library,

111 West Mariposa Avenue, El Segundo, CA 90245

Next meeting is on Thursday, September 9th @ 6:30

2010 OFFICERS

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Garn Anderson

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Items of interest for this newsletter
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