



Elgin Coin Club Newsletter

August, 1994

Newsletter

August Meeting

Meeting: 7:30pm Wed., August 3
 Trading: 7:00-7:30pm
 Location: VFW Post 1307
 1601 Weld Road
 Elgin, IL 888-9809

Prizes

Regular Member: 1893 Columbian 50¢ BU
 Junior Member: 1950 Franklin 50¢ BU
 Raffle Prizes: 1856-O half dime VF
 1948-D 50¢ MS63
 New Jersey colonial copper
 Door Prizes: Come and see.

Bring a new member or guest!
 Not a member? Come anyway!



Clue One: French Bronze
 Clue Two: Longacre
 Clue Three: Hub number 3
 Clue Four: Third highest price
 Clue Five: San Francisco mint

See the April Newsletter for the mystery coin contest rules.
 The prize for guessing the mystery coin will be an 1896 Silver Dollar.

July Minutes

ECC Meeting 439 — July 1, 1994

Opened: 7:45pm	Closed: 8:40pm
Members: 12	YNs: 0
Guests: 0	
Club account: \$998.37	Cash: \$47.60
Raffle income: 0	

President Doug Nelson called the 439th meeting of the Elgin Coin Club to order at 7:45pm at VFW Post 1308.

Secretary's Report

There was one small change to the minutes as published in the July Newsletter: It was Rich *Eckebrecht*, not Rick Ekeblade, who won in the raffle. The minutes were otherwise accepted as they were published.

Treasurer's Report

Don Cerny was on vacation and, as there was no financial activity during the previous month, no new numbers were provided. We will get a full reading of the treasury status at the August meeting.

August Meeting

The program this meeting will feature a slide presentation of "Axum: the Country and Its Coins" presented by Mike Metras. This slide presentation will show you to a little known part of the world and show you some of the coins made in this corner of Africa between the third and 9th century.

If you bring items to be sold at the regular auction, we'll have an auction, too.

See you at the meeting. Bring something for Collector's Corner to show your friends.

Old and New Business

No old or new business activity was reported (it's still summertime).

Harry Donates Coffee Maker

Harry Westlake donated a 30-cup coffee maker to the club for use at our various functions, in particular for the annual show. Thanks a lot, Harry.

Show Committee

Because no one indicated they would have a sizeable display for the for October show, we have released our option for the extra room.

Collector's Corner

There was no formal Collector's Corner this month, though Harry W. showed several of us his 1993 series \$1 note with the new signatures.

Bring in your things and show us. I love to look at new and different things.

Program

Mike Metras narrated an informative and interesting ANA slide show, "Coins of Special Interest." These included the first coins of Lydia, the silver pieces referred to in the bible, the first coin with the word "dollar," our first dollar (its name was only on the rim), the spanish piece of eight, and many more interesting coins.

July Prizes

Regular membership prize: Dave Vollrath

Junior membership prize: no YN at meeting

Not present to claim membership prize: Ed Gicla, Jeff Reuss, Oscar Reyna

Door prize winners: Marty Krashoc, Mike Metras

Not present to claim door prize: Bob Akin, John Deitrich, Chuck Cerny, Mike Cerny, Lil DeBolt, Joseph Prosser, Dave Snyder, Vincent Zaccardi, David Friedrick

Raffle Winners: No raffle this month

We drew for membership and door prizes. We had the following prizes (not previously announced):

- Membership: 1887 BU Morgan Dollar
- Door: 1913 Indian 5¢ Type I

- Door: 1931-S Indian 5¢

We had forgotten to get the raffle tickets from Don before he went on vacation so we could not have a raffle drawing this month. You can try all the harder next month. The lucky winners are listed in the accompanying box. Notice that the prize box lists eleven of you who were absent and missed out on some prize. I wish you could have claimed something.

The meeting was over at 8:40.

Presented by Mike Metras, Secretary.

Futures

Dick DeRobertis, a South Holland, IL, dealer, will tell us about and show slides on "The Queen's Vignette on Modern Commonwealth Banknotes" during the October meeting.

Elgin Coin Club

A.N.A. 29457

P.O. Box 561

I.N.A. 1299

South Elgin, IL 60177

President – Doug Nelson

Treasurer – Don Cerny

Vice President – Harold Hunt

Secretary – Mike Metras

Regular Meeting: First Wednesday 7:30pm
VFW Post 1307 708-888-9809
1601 Weld Road
Elgin, IL

Board Meeting: Third Wednesday 7:00pm
Gas Light Collectibles 708-695-7030
395 East State
South Elgin, IL

Visitors are always welcome!

Club Dues: Membership dues in the Elgin Coin Club, payable before the end of February each year, are:

- \$15 for the first adult and \$7.50 for each adult after the first
- \$5 for junior members (YNs) under 18.

Club Auctions: The Club gets 5% of the sale ("hammer") price of all items sold at club auctions unless other rules are explicitly stated before the auction.

Newsletter editor: Mike Metras

Submit all items for publication to Mike or any other officer at any club meeting or send them to the above address.

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Train To ANA Convention

In case you get this in time I have repeated the schedules to Detroit for the ANA Summer Convention at the end of July.

<u>Chicago to Detroit</u>		<u>Detroit to Chicago</u>	
<u>Leave</u>	<u>Arrive</u>	<u>Leave</u>	<u>Arrive</u>
7:00am	1:24pm	6:47am	11:35am
3:35pm	10:04pm	noon	4:45pm
6:15pm	12:40am	5:13pm	9:45pm

Cost is \$58 on Friday and Sunday, \$44 on other days. The trains depart Union station on Canal St in Chicago and arrive at the new Detroit station at 11 W. Baltimore, at the corner of Woodward and W. Baltimore.

Continuing Call for Vidzo Projektor

Can anyone borrow a video projector for our meetings? Until we can locate one somewhere, we will be getting slides from the ANA rather than videos. Not that slides are lower class citizens; rather there are some rather nice videos out there, too. We'll keep looking from our side. Let us know if you can help.

Coin of the Month 1964 Peace Dollar

During my visit to Colorado Springs and the Denver mint in July, I learned the following about the test minting of silver dollars at Denver in 1964.

In order to begin using the stock pile of silver, several million 1964 Peace Dollars were made at the Denver Mint in the "trolley building" across the street to the west of the current mint building. They were coined in great secret only during the day shift. One day the workers came to a locked up work place and were forced to sign an affidavit indicating that they had never worked on this project and knew nothing about these '64 Peace dollars—in effect, that their work of several days (weeks?) never happened.

All of the '64 Peace dollars were supposedly melted down. Though security was much less then, a mint official who was working on the project at that time thinks that very few ever left the building. However this official does believe that some got out into the hands of various officials like senators, etc. because, "There were often calls from senators and state officials, and others like the mayor of Denver, and people like that, seeking copies." The official said he feels there are "probably 6 or so" somewhere out there that were not melted. Others have said that there are as many as a 2 or 3 bags. How would you like this peace dollar in your collection?

The Minting Process

© Mike Metras

This is the first installment of a series of articles describing some of the things I learned during an American Numismatic Association (ANA) class I attended July 9-15 on the minting process. The class was taught in two sections. First Dick Doty, the curator of the Smithsonian numismatic collection, covered the history of the minting process from the beginning through the mid-19th century. Then Tito Rael, the chief of exhibits and public sales for the Denver mint, covered the current operations of the Denver mint. This article describes many of the things Tito told us. Tito Rael has worked at the Denver mint for more than 30 years. He started at the bottom job, counting and bagging, and worked his way through the system to his present position. He has worked on all sides and shows it with a good understanding of how things work from all angles.

The US Mint opened its doors for assay operations in 1904. With the beginning of coinage in February, 1906, the facility became a branch mint. In its first year, the Denver mint produced 167 million gold and silver coins. On July 13, 1994, it produced 43 million on just that day and more than 7 billion coins in a year.

Today production is divided so that Denver and Philadelphia produce all circulation coins and some of the commemorative coins and special coin sets. San Francisco produces all manner of proof coins save gold. West Point produces gold bullion coins and gold commemorates.

Since 1972 when the Denver mint was added to Denver's list of historic landmarks, the mint has opened many areas traditionally closed to the public. The public tour has been continually improved right up to this year in order to better serve the more than 200,000 that visit each year.

The mint is in the middle of a noise abatement project aimed to protect their employees from hearing loss and to eliminate the need for ear protection all together. Each machine is enclosed in sound-proof housings. If they accomplish this one, it will be a feat—it was astonishingly noisy when I was there on the production floor in 1993. These are pounding machines; their task is to slam metal into metal with significant force. To calm the resulting noise is a formidable task.

Currently Philadelphia and Denver are making 37 million cents each per day and they still have only about one day's worth on the floor. No one seems to know where they are going. Looking at the numbers, the mint believes every household probably has more than \$50 in cents in their dresser drawers and bottles. That is a lot of buying power laying around that could at the very least drawing interest (more than \$100 million interest per annum at 2.5%). A mint official during our tour said, "Keep saving those pennies, I like the overtime."

Seventy per cent of the mint production is making cents. At the same time 70% of the Bureau of Engraving and Printing (BEP) is making paper dollars. No wonder the workers unions of the mint and BEP have significant lobbies pushing for keeping the cent and paper dollar. Cutting production would cut jobs in the long run, though it would take a while to catch up with the replacement dollar coins and, probably, two dollar bills.

Tito indicated that they have tested various formats for a potential dollar coin and that if there is one it will be "between a nickel and quarter in diameter and a quarter inch thick." His statement sounded quite final, but I think congress may have something to say about it yet.

The Susan B. coins will never be melted as is since they have been accounted for in seigniorage already. If they are melted, they will be melted coin for coin as new dollars are made. Make one new one and melt one old one. That way the new coin simply replaces the old one in the vaults for accounting purposes.

Historically robberies are few and far between at the Denver mint. In 1920 an employee with a wooden leg smuggled 80,000 coins out in his vest pocket (he walked stooped over). In 1925 an armored car was robbed in front of the mint just after a pickup. Other than that, there has been a lot of small employee thefts with 8 of the last 10 cases involving the very security guards that are supposed to be guarding against this sort of thing! Twenty seven years ago there was virtually "no" security; today it is "like a prison."

Normally the reverse die is the hammer die—the one being pushed down onto the planchet and into stationary obverse die. This doesn't always work. The only way they could strike a good copy of the 1986 Ellis Island half dollar was by reversing the dies, making the obverse the hammer die.

With new dies the mint strikes several trial strikes and sends them to Washington which returns ten as standards to bracket what is acceptable. The Quality Assurance (QA) chief, Joe Lopez, referred to similar standard pictures on his walls saying, in effect, they were often unreal expectations in the real world of day to day production.

When a die is replaced because it is broken or otherwise rendered unusable, its mate is saved as a "pinch hitter" to be used somewhere else later. A full new set is placed in the press. Currently the dies are being used very much so that you will see some weak ones.

The gold held in the Denver mint is black! It is not refined. There is 56 million ounces of this unrefined gold held on the books at \$56 per ounce—that is, \$3,136,000,000 in gold several floors under that building.

There has been no foreign coin production in the past several years at any of the US mints. The approach of the past few

administrations has been to pass such business off to private mints.

My article in the January, 1994, issue of the Elgin Coin Club Newsletter describes much of the details of the current minting process at Denver. I'll only add some notes here to clarify things already recorded there.

The coils used to stamp out the nickel, dime, quarter, and half dollar planchets come in rolls that are from 1,100 to 7,000 pounds and are about 1,300 feet long. After the coils are assayed, they are stored for later use. After the planchets are cut by the "cookie cutter" punch press the left over "webbing" is chopped into little pieces and returned to the contractor for reprocessing. Depending on its length each coil yields about 50,000 blanks.

The annealing furnace heats the coins to 1700 degrees Fahrenheit to soften them and make them more receptive to the striking process. After heating the blanks are dropped into water containing soap and then moved to a tank for rinsing and brightening. Finally they are dried.

The upsetting mill then squeezes the edges of the coins about ten thousandths of an inch to raise their edges and make them the correct diameter.

According to Tito's notes the coins require between 30 and 100 tons to produce an acceptable coin. "Nickels require 50-55 tons of force." In some cases silver commemorative coins require over 1000 tons of pressure. When we asked what tonnage was used to stamp the various coins, both the head die setter and the head engineer at Denver indicated that the Bliss machines do not accurately report the tonnage. In fact, setting the tonnage the same on two different machines often results in very different results. They are trying to correct this, trying to make the gauges say what is happening. In practice, the experience of the die setter and the appearance of the product, the coin being produced, tell how to set a particular machine, tell if the machine is set to the "correct" tonnage. The numbers we see reported in books are all fine and good, but when it comes down the task of setting a die it is the art of a man who has been on the job for four or more years using his very unscientific feeling and eyeball.

In the actual striking with the vertical dial-feed system (Bliss machines), the top die ("hammer die") comes down on the bottom die to strike both sides of the coin at once. Three things happen during the strike:

1. The hammer die comes down while the bottom remains stationary.
2. When the hammer die raises, the bottom die also raises pushing the coin out of the collar.
3. The dial moves the new coin away while setting new blanks into the die for the next cycle.

During counting, an electric eye checks for incorrectly sized coins. Though an odd sized coin can get through if it

happens to be just at the right angle as it passes the light, most bad ones are rejected.

Denver is currently shipping coins to all Federal Reserve Banks in the country while Philadelphia is only supplying the east coast banks.

The Denver mint currently has 24 Schuller presses (horizontal stroke) that are running 24 hours making 700-725 coins per minute. In time they will be getting these up to 800 per minute.

The Bliss machines (vertical stroke) now do 200 strokes striking four coins at a time. They are testing a 230 per minute version of the collar and injection dial that may soon be put into production. The machine is theoretically able to do 250 strokes per minute, but the floor cannot take that rate!

The mint is currently scheduled to make a billion coins a month for at least the next three months. On July 13, the day before we were there, the mint made 43 million, not a lot less than their current theoretical maximum, 46 million.

When they discover errors with a batch of coins, they condemn and remelt the entire batch in order to avoid possibly letting bad product out the door. This can be as few as a few coins in the first output of a new set of dies or the new run on a shift. If the error is not detected early and gets to the counting floor before it is found, it can be as many as the largest the production manager could remember, 6 million. Of course, you know, they are going to put someone in quite hot water for that one.

The mint does only a very limited amount of remelting, basically just to prevent the coin blanks and errors from getting out to the public. They originally returned the errors to the manufacturer to be remelted only to find unstruck blanks getting into the collector market—no more.

This remelting at the mint is only to change the form of the errors and blanks. All refining to recover and remanufacture the blanks is done by the vendor. The process is almost as simple as distillation: Heat the metal to one temperature and the copper melts, heat it to another and the nickel melts, to another and zinc melts. Presto, you have separate metals to be recombined into their correct proportions. Oh, I'm sure there is more to it than that, but this gives you the basic idea.

(To be continued next month.)

Shows—Shows—Shows

Specific Dates

I found no special shows beyond the standard monthly shows.

Monthly

- First Sunday—Elmhurst KC, York Road, Elmhurst.
- Second Sunday—Pawaukee Coin Show, Pawaukee Motor Inn, 1090 S. Milwaukee Ave (Rt45 by airport), Wheeling, IL.
- Third Sunday—N.O.I.S.E., 400 E. Ogden, Westmont.
- Forth Sunday—Stamp and Coin Browse, Holiday Inn, I80-94 & Torrence Av., Lansing.
- Forth Sunday—Woodfield Stamp and Coin Show, Holiday Inn, Rts 62 & 53, Rolling Meadows, IL.

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