

The Planchet

A Publication of the Indianapolis Coin Club

Issue # 455

Newsletter

November 2004

Membership numbers: ANA C-131170, CSNS L-600, ISNA LM 243

The Meetings of the Indianapolis Coin Club are held the fourth Monday of each month at the Nora Library at 8625 Guilford Avenue in Indianapolis, Indiana. The Meetings consist of a business session, an intermission, educational program, and a numismatic auction. Doors open at 6:00pm, meeting will begin at 7:00pm.

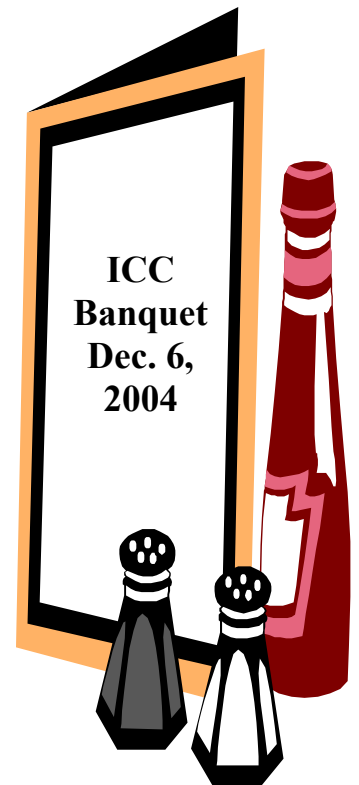
The next meeting will be Monday November 29, 2004

NOTE: This is the fifth Monday of November and not the fourth!!!

Join the Indianapolis Coin Club for its annual Christmas Banquet on December 6, 2004. This year's banquet will be held at the Hometown Buffet located in the Southern Plaza at I-465 and U.S. 31 (East Rd). Exit 2B off I-465.

This is an all-you-can-eat buffet that will cost approximately \$10.00-\$13.00 per person. There will be a sign up sheet at the November Meeting so we can get an estimate on how many people will be attending.

**ICC
Banquet
Dec. 6,
2004**



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**The 2004 Indianapolis Coin Club
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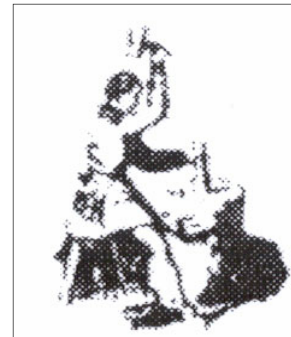


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The First U.S. Cent or How Much More Can Go Wrong?

By Michael Schmidt

After the end of the Revolutionary War, one of the early concerns of the Congress was to provide the new country with its own national coinage. Under the Articles of Confederation, each of the states were permitted to strike their own coinage and several of them did. But, it was desirable to also have a government coinage which would be acceptable in all of the states.

On April 21, 1787, Congress took the first step with the passage of legislation for the coinage of cents. Rather than being struck at a government mint, this first coinage would be a contract coinage. This had advantages for both sides. The government would get their coinage without the expense or trouble of setting up a mint, and the coiner would profit from the difference in value between the cost of the copper and expense of coining, and the face value of the coins. In the early competition for the contract, the apparent choice for contractor was Gen. Matthias Ogden, owner of Rathway Mills in New Jersey who submitted examples of his *Immunis Columbia* coppers to show the quality of his workmanship. In the end, though James Jarvis was chosen to receive the contract on the strength of his submission was a \$10,000 bribe paid to Col. William Duer, head of the Board of the Treasury.

Now that Jarvis had the contract he had a few problems he had to overcome. For starters, he didn't have a mint! He took care of that in June of 1787 when he purchased controlling interest in the New Haven Mint in New Haven, Connecticut. This gave Jarvis both the mint he needed and the added bonus that the New Haven mint also held the contract with the State of Connecticut for the production of that state's coins. His next problem was that he didn't have the 342 tons of copper he needed to strike the coins called for in the contract. Col. Duer of the Treasury came to his aid though with the sale, on

credit, of 32 tons of government copper to Jarvis at 11 1/4 pence per pound (about 22 1/2 cents). Since Jarvis would be striking 44 cents from each pound of copper and making a profit of nearly 22 cents per pound he should have no problem paying off the debt.

Once Jarvis had his mint up and running producing Fugios, he left the country for England to try and procure the rest of the 310 tons of copper he needed for his contract. Unfortunately, the merchants in England were not as accommodating as Col. Duer. No one there was willing to deal with Jarvis on anything other than a cash basis, so eventually Jarvis returned to America.

During Jarvis' absence his mint had produced some 398,577 Fugios. These coins were delivered on May 21, 1788 as the first installment. This was the first and last delivery of Fugios. This mint continued to operate, but Samuel Broome who had been left to run it had decided that there was a lot more profit to be made from the government copper by using it to strike Connecticut coppers at 55 coins to the pound rather than Fugios at 44 to the pound. So Broome embezzled the copper to produce some three million Connecticut coppers. So when Jarvis got back home he found his mint idle, the workers and the copper gone and the government wanting to know when they would be getting the



next shipment of cents. So Jarvis skipped the country, Broome sold the mint and its equipment to the Machins Mills mint and he took it on the lamb as well. The government was left holding some four tons of Fugios and a court judgement against Jarvis for \$10,842.24 cents that they would never recover.

To dispose of the new cents, they were sold on July 7, 1789 to Royal Flint and a silent partner, for \$3,970. One third of this was paid up front and the rest was on credit. And how did he get such favorable terms? Well, probably through the influence of the partner, our old friend Head of the Treasury, Col. Duer. This time though Duer's timing was bad. Less than two weeks later the large numbers of underweight coppers in circulation resulted in a "copper panic" that saw the value of all copper coinage drop by over 75%. The Fugios were now worth less than the initial payment had been, and they were unable to use the coins. They were also unable to pay off their debt to the government for the coins. Royal Flint was promptly put in debtors prison. Col. Duer managed to avoid it awhile longer, but was eventually imprisoned in 1792.

So to review, we have the government out 28 tons of copper to Jarvis (they got back 4 tons as coins), and three tons of coins to Royal Flint (one ton was paid for). Jarvis was out the \$10,000 bribe, the New Haven Mint, and had to flee the country to avoid prison. Samuel Broome also had to flee the country to avoid prison. Royal Flint and Col. William Duer were not so lucky and both went to debtors prison. Is it any wonder that the next time the government decided to create a national coinage they ruled out the idea of a contract coinage?

But, what of the coins themselves? The Fugio designs were created by Benjamin Franklin and first used on Continental Currency. The obverse side shows a sundial with the sun shining down, FUGIO appears to the left of the sundial and the date is on the right. Below is the motto Mind Your Business. The combination of the words and symbols create a rebus, a "riddle" combination of pictures and words that creates a single coherent thought. Rebuses were very popular during this period. Fugio literally means "I fly" and the sun and sundial represent time, so the obverse design can be seen as "Time flies, so mind (attend to) your

business". The reverse is symbolic of the unification of the separate colonies into a single country. Thirteen linked rings represent the thirteen colonies (on the original pattern die, each ring had a colony name on it) around a central ring labeled United States. In the center of that ring is the statement We Are One. The whole reverse resonated with the message of unity.

Fortunately for collectors today, the fugio is readily available in all grades and a decent lower grade coin should be within the reach of most collectors. Higher grades are also available for those willing to reach a bit more.

Uncirculated fugios are unusually available because of a fortunate accident that occurred in 1788. A full keg (~5,000 coins) of uncirculated fugios was deposited at the Bank of New York.

After the copper panic that caused their circulation value to drop, the bank merely kept them on the books at their face value and the keg remained undisturbed



until 1856 when it was discovered and opened. Bank officers kept some as souvenirs and the bank would sometimes distribute them to VIP's or favored depositors. This practice continued through at least 1957 (in 1948 the bank still had 1,641 pieces on hand from the keg.) Unfortunately, although this has made them more available, it has not made them cheap.

But, it isn't the end of the fugio's story. According to newspaper clippings from 1879, in 1860, Major Horatio Rust, who was living in New York, learned that the fugio cents had been struck in nearby New Haven and he decided to "spend a day there learning what he could about them and possibly see if he could find the dies". (After eighty years have passed?) Well late that evening Rust supposedly found a pair of the dies in an

office of a hardware being used as paperweights. From somewhere he acquired a second set and one odd die. Rust reports that he took the dies to Waterbury Connecticut and struck one piece in gold and several in silver as well as several hundred in copper. These he traded with other collectors for coins for his collection. Eventually he sold the dies to a collector in Philadelphia. There are some serious problems with Rust's accounting though. There are two known gold strikings not one, and the restrikes known today come from more dies than he claims to have had. But the biggest problem is that Rust's restrikes are not "restrikes" at all, but pieces struck from privately made completely hubbed dies, something that the Jarvis Mint was never able to do. The five "dies" which survive today are nothing like dies that were used back then, and, in fact could never have been able to strike coins at all.

The "New Haven Restrikes" can easily be told from genuine fugios by looking at the rings on the reverse. On the genuine coins the rings are flat and broad, while on the "restrikes" they are rounded and very narrow.

So this is the legacy of the first U.S. Cent, intended to provide a circulating medium for a new country they instead left a trail of corruption, bribery, and theft that ended in fantasies made for private gain.



Secretary's Report - October 25, 2004

President Dove opened the meeting at 7:00pm with 39 persons attending. Secretary and Treasurer reports were approved as presented by Jim Goaziou and Tom Ferwerda. The November meeting night has been changed from Nov. 22 to Nov. 29 at 7:00pm at the Nora Library. This will be the last regular meeting of 2004.

Allen Dove reported that the Banquet will be held at 6:30pm on December 6 at Old Country Buffet on the South side of Indianapolis.

Charles Alber has invited members to his 80th birthday celebration Sunday, October 31 at 1600 Mooresville Rd. from 2-4pm.

Bill Stogsdill and Ken Hall joined the club as our newest members. Bill is a former member.

Mark Eberhardt presented the evenings educational program about interacting with a coin dealer at a coin show. He provided advice for persons intending to look at or purchase coins on a bourse floor.

Election of officers will be held at Nov. 29 meeting. Those nominated are: President - Vinton Dove, Treasurer - Tom Ferwerda, Newsletter - Amy Eberhardt, Sgt. at Arms - Jim Warden, 3 different positions will be voted as well.

The dealer bourse was manned by John Sundt, Rolland Kontak, Mark & Amy Eberhardt, Bill Stogsdill, Ken Hall, Jim Fuson, and Sam Taylor.

The auction was called by Mark Eberhardt assisted by Vinton Dove and Allen Dove.

The meeting was adjourned at 8:40 pm.

Respectfully Submitted,
J.W. Goaziou, Secretary

REMINDER - - - -

**The next ICC Meeting is November
29th, which is the fifth Monday.
Please mark your calendars and plan
on attending!!!**

Educational Program for November

**"Numismatic Research
Opportunities on the
Internet"**

**by
Wendell Wolka**



Treasurer's Report - September 2004

Income:

Membership	\$36.00
50/50	<u>\$18.00</u>
	\$54.00

Expenses:

Newsletter Postage	\$22.00
Newsletter Printing	\$ 9.22
Nickels for Distributing	<u>\$ 3.50</u>
	\$35.42

Net Monthly Gain	\$18.58
Checking Account Balance	\$4,608.91

Respectfully Submitted,
Tom Ferwerda, Treasurer

Letter To the Editor

State Coin Show held

Many familiar faces were seen at the ISNA Annual Coin Show on November 4th and 5th. Richard Kinnett manned the ICC's table both days for most of the hours the show was open. Also manning the table were Bob and Jim Fuson. More members worked the table, but I was not there much of the time due to illness.

Inside the bourse area, ICC members Coz Raimondi, Larry and Anna Hylton, and Amy and Mark Eberhardt rented dealer tables again this year and many dazzling coins could be found at almost every dealer's table.

Again this year, the Club sold display cases and lights for the ISNA. The final sales results will be announced at the November 29th meeting.

Vinton Dove



Treasurer's Report - October 2004

Income:

Membership	\$24.00
50/50	<u>\$23.50</u>
	\$47.50

Expenses:

Newsletter Postage	\$22.20
Newsletter Printing/supplies	\$22.45
IA-P Quarters for distributing	\$12.00
Refreshments	\$ 1.84
Coin Books - Children's Program	<u>\$71.64</u>
	\$130.13

Net Monthly Loss	(\$82.63)
Checking Account Balance	\$4,526.28

Respectfully Submitted,
Tom Ferwerda, Treasurer

SPECIAL NOTICE TO MEMBERS

The club has received several Indianapolis Coin Club Bronze 50th Anniversary coins and one silver coin and bronze coin set from the estate of our late life member, Don Hudson.

Marvin Mericle was kind enough to think of us and sent them our way.

At this point in time, it is our intention to put the silver set in the club's monthly auction. It is a very nice set, and includes one .999 fine silver coin and one bronze coin, each in a plastic holder, both contained in a blue jewelry-type case.

Nominations for 2005 Officers

The Nominating Committee has provided the following slate of Officers for the November election:

President - Vinton Dove
 Vice President - Mark Eberhardt
 Secretary - Jim Goaziou
 Treasurer - Karl Kreck
 Sgt-at-Arms - Jim Warden
 Editor - Amy Eberhardt

Board Members:

Allen Dove
 Don Black
 Dave Reid

The following members of the Board were elected for two year terms last November and will not run for election until next year:

Coz Raimondi
 Lawrence Wisthoff
 Charles Alber

The thirteenth member of the Board is Past President, Jim Luckey.

The election will be held at the November 29th (fifth Monday!!) monthly club meeting, as required in the Club's by-laws.

Anyone else desiring to run for office should bring a letter nominating themselves, signed by three members of the Club (besides themselves).

Signed,

The Nominating Committee (Dave Reid, Tom Ferverda and Vinton Dove)



Some items that will be in the November Auction

<u>Item</u>	<u>Condition</u>	<u>Min. Bid</u>
1960 Prf Set	Proof	\$15.00
1961 Prf Set	Original plastic	\$10.00
1962 Prf Set	Original plastic	\$10.00
1963 Prf Set	Original plastic	\$12.00
1964 Prf Set	Original plastic	\$10.00
1958 25c	MS-67 ANACS	\$23.00
1971-S \$1	PR69CAM PCGS	\$39.00
25 coins from Turkey		\$ 1.00
4 English coin Paperweight		\$ 1.00
1922 \$1	Nice UNC	\$ 6.00

Be sure to bring your money - these are just a few of the lots you will see.

If you would like to list your items in the newsletter prior to the meeting, please email your items to the Editor by the 10th of the month, or give to Amy at the ICC meeting.

DON'T FORGET



Your ICC Membership for 2005 is now due. Regular membership is \$12.00 and Youth membership is \$5.00.



HAPPY THANKSGIVING TO EVERYONE!

