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## THE THREE TYPES OF VALUE

By Bob Hartje

What is the highest value for your coin: spending, metal or collecting? Knowing the nuances can help make or break a deal. If you buy and sell coins, particularly if you buy and sell foreign coins, you need to know who the market is and where the market is. And, you need to know the strength and depth of the market. Finally, you need to know the particulars surrounding the three types of value. Most numismatists understand the who, where, strength and depth of the market; however, many lack a working knowledge of the intricacies of value.

### SPENDING (EXCHANGE) VALUE.

Can you spend it? Can it be ex-

changed for money you can spend? In the United States, almost all of our money can be used to buy merchandise. With the exception of limitations placed on the Trade Dollar, we have not experienced demonetization. About the only exception to our spending value is a limit on the amount of small change that can be used to pay for an item. For instance, a car dealer does not have to accept payment for a \$20,000 car if the payment is made with 2,000,000 cents. But, there may be costs associated with some transactions. First of all, if you have a large number of coins, you have to count them yourself, or you can have a machine count them for you, and

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## GNA Scholarships for ANA

The Georgia Numismatic Association is accepting applications from its members for two scholarships to the 2010 American Numismatic Association Summer Seminar. Each scholarship will cover the week long seminar fee and transportation.

The seminar is held on the Colorado College campus in Colorado Springs. Nu-

merous selections of classes are offered for the beginner to the advanced collector. In addition to the daily classes, there are evening mini-seminars available, informative numismatic presentations, and optional tours. To learn more about the American Numismatic Association Summer Seminar,

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## Georgia Numismatic Association

The Georgia Numismatic Association is a nonprofit organization whose purpose is (1) to advance the science, education, and the history of numismatics through the study of coins, paper money, medals, tokens, and other items related to the field of numismatics; (2) to promote numismatics knowledge through the use of educational programs, coin rallies, scholarships, and other suitable methods; (3) to cultivate an atmosphere of numismatics fellowship among collectors and clubs at the local level; (4) to encourage members attitudes which attract young people to the hobby; (5) to advise each member and club of future numismatic activities throughout Georgia; (6) to actively promote the organization of new and strengthen existing clubs; (7) to sponsor one or more annual coin shows for members.

The GNA was founded in 1964 and has a membership of over 400 individuals and 14 clubs. Annual individual memberships are \$10.00. The *GNA Journal* is the official publication of the Georgia Numismatic Association.

For more information contact President Dennis Schafluetzel. All rights reserved. Entire contents Copyright © 2009 by the Georgia Numismatic Association.

## Board of Directors

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## Member Clubs

**ANDERSON, SC**  
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Ladonna Hawkins  
864-296-3462

**Blue Ridge Numis. Assoc**  
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256-852-7015

**ATLANTA**  
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770-394-4103

**Southern Gold Society**  
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dnumisma@charter.net

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**FORT OGLETHORPE**  
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**MARIETTA**  
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770-436-0678

**North Charleston**  
**Low Country Coin Club**  
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RHClark@mayerelectric.com

**ROCKDALE**  
**Rockdale Coin Club**  
David Green  
770-482-1133

**ROME**  
**Rome Coin Club**  
Jerry Howell  
706-234-0760

**STONE MOUNTAIN**  
**Stone Mtn. Numis. Assoc**  
Larry Todd  
770-469-9598

**THOMASVILLE**  
**Rose City Coin Club**  
Paul Puskar  
229-226-3272

**WARNER ROBINS**  
**Warner Robins Coin Club**  
John Byars  
478-923-9903

## Show Calendar

Every effort is made to ensure the accuracy of the information that is contained here at the date of publication however show dates, location, and times do on occasion change. Before traveling to the show please contact the show's promoters for the latest information.

### Greater Atlanta Coin Dealers,

1/17, 2/14, 3/14, 4/11, 5/16, 6/13, 7/11, 8/8, 9/12, 10/10, 11/14, and 12/12, Holiday Inn Select, 4386 Chamblee-Dunwoody Rd, Atlanta, GA, 9 AM-5 PM. Call Bob O'Brien, 770-772-4359, atlcoin@hotmail.com.

### Georgia Numismatic Association Coin Show,

April 16-18, 2010, Northwest Georgia Trade & Convention Center, Dalton, GA, I-75, Exit 333, Call Dennis Schafluetzel, 423-842-5527, dennis@schafluetzel.org.

## Value (Cont.)

that machine may charge you for counting (usually 7%). Therefore, if you are buying a collection that includes a lot of “spending money” (for example, Susan Anthony Dollars), you probably can’t afford to pay full face value. After all, it takes time to count and time is money.

Well, what about foreign coins? First of all, you need to know if the coins are still legal tender or if they have been demonetized (no longer accepted as legal tender). Euros, Swiss francs or Great Britain pounds (paper, not coins) can be readily exchanged at an international airport or any bank that has a foreign exchange department. Of course, there may be a charge for this service. There are also dealers who will buy both foreign paper and coins. But, not all foreign coins and currency can be readily exchanged. If you want a good laugh, try exchanging money from Zimbabwe. For many countries, the only way to exchange the currency and coins is to visit the country. And even then, some of those countries will have limits on the amount that can be exchanged (e.g., Marshall Islands). Or, for some countries, you can mail the currency and coins to a specific governmental department for redemption in U.S. funds; however, there may be a time lag of several months.

Even with all of these drawbacks, you can still make a profit on some of these coins. I have often seen Euros, Swiss francs, Great Britain pounds and German marks in “junk” bins. If you know the approximate exchange rates and the discounts for exchange, you may be able to generate a small profit. Or, knowing those rates and discounts may give you a competitive edge when you are bidding on a collection.

### **METAL (BULLION) VALUE**

Bullion value refers to the value of the precious metal in a coin. But, bullion value does not cover the value of non-precious metals.

That is why I use the term “metal” value in place of bullion value. And, with metal prices soaring in recent years, the value of the component metals in a coin has taken on added meaning. For instance, you can still get 95% copper cents in circulation. Yet, with copper at \$2.82 per pound (approximate price on 9/20/09), each of these 95% copper cents is worth about 1.8 cents. That is one of the reasons that the United States government has made it illegal to melt these cents.

But, the law against melting United States cents does not apply to foreign coins. And, there are a bunch of large foreign copper coins out there. Plus, Canadian cents were composed of 98% copper right up through 1996. One can imagine travelling to Canada to melt United States cents, and using the “melt money” to buy Canadian cents to transport to the United States for melting. Now, I realize that the current prices and logistics are not conducive to melting these coins, but there are times when the stars are aligned and melting opportunities exist.

Take the case of the Inco Nickel of Canada strike in the late 1960’s. Nickel is a key component in making stainless steel, and Inco Nickel of Canada was the major source of that nickel. So, when the strike occurred, there was a worldwide shortage of nickel and the price of nickel shot through the roof. Now, it just so happens that for most years between 1922 and 1989, the Canadian five cent piece was composed of 100% nickel. For part of 1942 and all of 1943, the composition was 88% copper and 12% zinc (this composition was called “tombac”). For 1944-45 and 1953-54, the composition was primarily steel. But, for the rest of those years, the composition was 100% nickel. According to Gary Fillers, a long-time Tennessee dealer, the “melt” value of one of those nickel Canadian five cent pieces was right around 10 cents. Gary

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## Value (Cont.)

saw opportunity and was part of a consortium of dealers that travelled the Canadian countryside stopping at banks and buying bag after bag of Canadian five cent pieces. Even with the “tombac” and the steel five cent pieces, the bags brought a hefty profit. After they had literally taken thousands of bags of nickels out of the country, the Canadian government finally passed a law making it illegal to ship any more of the five cent pieces out of Canada. By then, the consortium had made what Gary says was “a lot of money.”

The point is that money can be made from coins composed of non-precious metals as well as precious metals. Just a few years ago, the common pre-1982 BU copper cent rolls were selling at 60-75 cents per roll. When the price of copper went over \$3 per pound, it took a while for the roll prices to “catch up.” I know of a couple of dealers that took advantage of this “no-risk” opportunity by buying several thousand rolls at sixty cents and selling them within a year at over a dollar per roll.

### COLLECTING (NUMISMATIC) VALUE

For most collectors, the first book they buy is *A Guide Book of United States Coins*, also known as the “Red Book.” In time, they (hopefully) realize that this book has loads of wonderful and insightful information, but the price information is not always current or accurate. Most hobbyists eventually realize that the “Red Book” primarily gives “retail” prices. Armed with this knowledge, they then go in search of information that will lead them to “wholesale” pricing. Many of these collectors (and a good deal of dealers) turn to *The Coin Dealer Newsletter*, also known as the “Grey Sheet.”

What many numismatists fail to realize is that these price guides are just guides. They

are not the final word, and they do not tell the whole story.

First of all, these guides get their information from “contributors.” These contributors are usually dealers and quite often experts and/or “market makers.” Although some series of coins will have many contributors, other series (usually the less-collected ones) will have as few as one contributor. You might ask, how does the Red Book decide on which varieties to include? And, who has the ear of the Editor? And, who exactly are these contributors? Just as importantly, you need to ask, what is the agenda of the contributors. If a contributor is loaded with inventory and wants to sell, will that affect the prices they provide to the publisher of the Grey Sheets? What if they are in a buying mood? So, when you read these price guides, please be aware that there may be outside factors that are influencing the prices that are listed.

Another factor to consider is the strength and depth of the market. In a soft market, prices will generally be south of the quotes in the price guides. But, how do you know if it is a soft market? To answer this, you need to take the pulse of the market. Visit a show and ask the dealers if they are having a good show. Check the attendance and try to ascertain whether the attendees are buying or if they are just “tire-kickers.” Check the strength of auction prices (however, be aware that these prices can sometimes be manipulated). What is the sell-through rate? Compare the prices realized with previous years. Can you detect a pattern? And be cognizant that most of the price guides will attempt to paint a rosy picture even in a down market. Check it out. Go to [Kitco.com](http://Kitco.com) and try to find an article stating that gold is not a great investment. Just as it is in the

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gold brokers best interests to promote gold, it also is in the best interests of the price guides to paint a rosy picture. So, in a down market, the decreases may be slow to be printed.

In addition to remembering that the price guides are not the final word, please understand that there are areas of numismatics in which the market is very thin. That means that there are very few buyers. In fact, there are some areas of the market for which there may be virtually no market. And, these do not have to be esoteric areas. For instance, try finding a market for a 1918 Lincoln Cent in Extra Fine. The guides will give you numbers, but those are primarily selling numbers. Most dealers will either be “not interested in buying” or will be way south of the published numbers. This coin lists at \$3.25, yet you will be hard-pressed to find any dealer that will pay as much as \$1.00 for this coin. They will readily sell the coin for Grey Sheet bid, but it is a different story if they are buying.

The pendulum swings both ways.

There are coins listed in the Grey Sheets that simply are not available at the prices listed in the guides. You need to ask, how often do I see this coin? What are some of the actual prices realized? If I don't buy it now, how long before I see it offered again? A prime example is the price listed for better date Liberty Seated coins. Grey Sheet prices go out the window when you are searching for these elusive coins. Often, these coins will bring multiples of Grey Sheet bid from dealers. And, if they are put on ebay, they can elicit bids of ten times the listed price.

So, next time you are buying or selling, remember the three types of value, ask a lot of questions and try to get a “feel” for the market that goes deeper than the price guides.

## GNA Show Presentations and Meetings

By Norman Thomas

It is hard to believe but the 2010 GNA show is only five months away and will be here before we know. I have volunteered to head up the educational program for the convention and I am looking for some help and ideas. Instead of doing a pre-convention educational seminar we are going to have some educational presentations throughout the convention. I am looking for people to do these presentations and for ideas for the presentations. What would you like to hear about?

My plans are to put the program together in the next couple of months and then publish the schedule of programs in the winter and spring issues of the GNA Journal and in some of our other pre-convention advertising. If you have a suggestion for a topic or better yet would be interested in presenting a

program please contact me. The presentations should be about 20 to 30 minutes long and will be followed with a question and answer period. We are also interested in hearing from numismatic organizations that would be interested in holding a meeting during the convention.

If you have any ideas, would like to do a presentation or represent a group that would like to have a meeting, please contact me so that we can make arrangements. I can be reached at ganormt@yahoo.com or by phone at 678-859-3611. Email is preferred and please put GNA presentation in the subject line. To be able to get the information in the winter issue of the GNA Journal I need to hear from you by early January. Thank you.

## Penny Machines at U.S. Space & Rocket Center

By Richard Jozefiak

Where can you make elongates of a space vehicle? Why at Alabama's number one tourist attraction: The U.S. Space & Rocket Center, located in Huntsville, AL. Huntsville's nickname is "The Rocket City." Huntsville is located in the north part of Alabama, very near the Tennessee Stateline.

The U.S. Space & Rocket Center displays many historic U.S. government space and rocket artifacts that date from the early days of the U.S. Space Program (1950's)



*Above are the designs from the main gallery*

through the Space Shuttle of today. At the U.S. Space & Rocket Center space hardware is displayed in a number of galleries, and on displays outside. There is also an IMAX theater, gift shops, food service, and other activities at the center.

There are two Penny Machines, each with four designs on the die. Each machine is a hand crank model, and costs 51 cents to make an elongate. One Penny Machine is currently located in the main museum gallery, and the other one is located near the entrance. Both Penny Machines are made by the CTM Group ([www.ctmgroupinc.com](http://www.ctmgroupinc.com) and

[www.pennycollector.com](http://www.pennycollector.com)).

The Penny Machine by the entrance has the following designs:

1. Saturn V Rocket
2. Astronaut in space
3. Space Academy logo
4. Astronaut in Moon Buggy on moon

The Penny Machine in the main museum gallery has the following designs:

1. Apollo 13 capsule
2. NASA logo
3. U.S. Space Camp logo
4. Space Shuttle launch



*Four pennies from penny machine at Museum entrance*

A visit to the U.S. Space & Rocket Center takes a full day to see all the galleries and tour the grounds. For museum hours and location information, go to [www.spacecamp.com/museum/](http://www.spacecamp.com/museum/).

## Scholarships (Cont.)

visit their website at [www.money.org](http://www.money.org).

You must be age 13 or older and a member of the Georgia Numismatic Association to be eligible for a scholarship. The deadline for completed applications is January 31, 2009. The recipients of the scholarships will be contacted no later than January 31, 2010 and announced in the spring issue of the GNA Journal.

To obtain more information and scholarship applications, members should write the Georgia Numismatic Association, Scholarship Committee, P.O. Box 76161, Atlanta, GA 30358-1161 or visit [www.gamoney.org](http://www.gamoney.org).

## *Journal Advertising*

Attention to all GNA members and dealers: Due to the increasing cost of printing and shipping the GNA Show Journal, effective for the 2010 GNA Coin Show, there will be a 13% increase in the cost of all ad spaces and sizes. If you have any questions or concerns please contact Nathan Mahan, Editor, at [nfmahan@live.com](mailto:nfmahan@live.com) or by mail at PO BOX 97 Baldwin, GA 30511.

## Board Nominations

As president, according to the GNA Bylaws I call for additional nominations for the GNA board members who are willing to take responsibility for activities to benefit the GNA for the next 2 year term. I have the following nominations for election to the GNA offices:

President – Dennis Schafluetzel  
 Vice President – David Crenshaw  
 Secretary – Todd Cofer  
 Membership Chairman – Ron Wichman  
 Treasure – Greg Ison  
 Governor – Chip Cutcliff  
 Governor – Carl Lester  
 Governor – Joe Meyers  
 Governor – Bob Hartje  
 Editor – Nathan Mahan

Any GNA member can nominate any GNA member. Additional nominations need to be accepted by the nominee and submitted by February 15th to the GNA; P. O. Box 76161; Atlanta, GA 30358-1161.

## *Have an Article?*

The GNA Journal would not be what it is today without the support of you, the reader, and with the continued support I know it will continue to grow. I encourage you to continue to submit your articles and photos. They can be about anything: from a review on a book you read, to a collection, a neat find in your change, or how you cherry-picked a rare variety at a recent show. When you are ready to submit your article, please send it to Nathan Mahan at:

(1) Send an electronic copy in either PDF or Doc format to [nfmahan@live.com](mailto:nfmahan@live.com)

(2) Send a copy to P.O. Box 97, Baldwin, GA 30511

**WE'RE ON THE WEB!**  
[www.gamoney.org](http://www.gamoney.org)

## Application for Membership

(check one category)  
 Regular  Junior/Student  3-Year  Club  Life

Name (please print)	Phone No.
Street	
City	State Zip Code
E-Mail	

I herewith make application for membership in the Georgia Numismatic Association, subject to the By/laws of said Association. I also agree to abide by the Code of Ethics adopted by the Association.

Signature of Applicant	Date
Signature of Parent or Guardian (required for Junior/Student applicants)	

### Membership Dues

Regular (age 18 or older)	\$10
Junior/Student (age 17 or younger)	\$5
3-year (individual)	\$25
Club	\$15
Life (individual)	\$200
Life (age 65 or older)	\$100
Life (club)	\$150

Mail completed application and payment to:  
GNA, P.O. Box 76161, Atlanta, GA 30358-1161