

The Rise of the State and the Decline of Coins

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The history of a country is well reflected in the history of its coins. Though the United States never had a true free market currency system, central banks were short-lived and in general eschewed until the Federal Reserve was created in 1913. Once the Fed gained control of the monetary system, it was inevitable that the government would use its new powers to devalue the dollar and inflate the money supply, thus enabling it to fund its welfare/warfare state and tax the people in a manner previously impossible. Of course, the transition from relatively sound currency to pure fiat had to occur slowly, until the last vestiges of a metal standard disappeared in 1971. Aside from the composition of coins, an interesting aspect of the evolution of the money is the symbols on the coins.

In the 1800s, coins were truly beautiful works of art. Specific individuals were not idolized on them, but rather they bore depictions and symbols of liberty. The most common design was of the goddess Liberty, radiant and representative of the great ideals of natural rights, free trade, and sound currency. Perhaps the most impressive design of the century was that of the Morgan silver dollar, which was minted from 1878 to 1904 and then again in 1921. The coin, like all dimes, quarters, and halves at the time, was composed of nine parts silver to one part copper. It became the most respected silver piece in the world, and the strong artwork of Liberty on its obverse was made to rival the power of ancient Greek coins. Comparing this coin, as well as the other coins of the time, to the designs on today's coins is like holding the Mona Lisa next to a typical modern "art" piece.



In 1907, the most beautiful coin ever minted was put into circulation, the Saint Gaudens twenty dollar gold piece (see photo). Liberty stands tall, facing the viewer in a flowing gown and holding the torch of light. The piece is truly awe-inspiring, and one can only imagine the power a consumer felt exchanging it for goods and services. Coins were once valuable because of their contents, the artwork on them, and the fact that they were minted into specific weights; now they are valuable because the government tells us they are. In the 1900s, the quality of the coins paralleled the rise of the State. Along with becoming another tool for stealing from the people through inflation, they became another medium of propaganda for the government.



By 1909, forces were conspiring to deliver the currency into the hands of a central authority. Before the creature from Jekyll Island would awaken to wreak havoc on liberty, the great symbols on the coins were already starting to change. Theodore Roosevelt pressed for a new design on the cent piece, which had previously held an image of an Indian. Who better to embody the now desired symbol of state authority than Abraham Lincoln? His ugly visage appeared

in 1909 and has plagued the cent ever since. This event marked the first change in the process of changing the coins from embodiments of liberty and individual sovereignty to representations of government power. In 1916, the Mercury dime was introduced, which though it held Liberty on the obverse, displayed a fasces on its reverse. The fasces was a bundle of sticks containing an axe that were once carried in Roman imperial processions. Bystanders who touched fasces-bearers were sentenced to death. The new message was that liberty was bestowed upon by the sovereign government, and that the power of the State was not to be questioned or fought.

In the 1930s and 1940s, the dominant trend was government expansion and intrusion into the liberties of the people. The New Deal brought with it socialism previously unseen in the country, and the welfare/warfare state kicked into high gear with the aid of the Federal Reserve. In 1933, privately held gold was confiscated, and the silver one could redeem with a Fed silver certificate decreased. It was no coincidence then that in these two decades, the depiction of Liberty was removed from all of the remaining coins, including the nickel, dime, quarter, and half (the silver dollar was discontinued after 1935). George Washington was introduced on the quarter in 1932, and Thomas Jefferson appeared on the nickel in 1938. Though not the worst of people who could have appeared on the coins, neither would have appreciated being symbols of government power. Adding insult to injury, Franklin Roosevelt, one of the primary orchestrators of government expansion in history, made his way shortly after his death onto the dime in 1946. Liberty was finally given an agonizing death in 1948, when the beautiful Walking Liberty Half was replaced by Benjamin Franklin.

Once the symbols of liberty had fallen off of the coins, the only thing left for the government to do was devalue them. In 1965, the dime and quarter were changed from silver to their current clad composition of three parts copper to one part nickel, and the half was changed to 40 percent silver until 1971. Even the cent, which had always been composed of 95 percent copper, was devalued in 1982 by making it zinc with a thin copper coating.

The coins that are used now are practically worthless, and most people would not even bother to pick up a penny on the ground. It is quite fitting then that the only coins now to depict Liberty are minted by private organizations. The NORFED Liberty Dollar, for example, bears an obverse that could have easily been adopted a century ago. Even if it is not accepted by everyone, the one-ounce silver piece certainly elicits positive reactions from young people who have never used silver and wistful looks from old-timers who still remember when coins were valuable. With the rise of many alternative currencies, one can only hope that sound money will one day replace government fiat and with it the fraudulence and oppression that are intrinsic to the State's money.