



# SCHWARTZ *Report*

DIRECT: 302-234-5202 • OFFICE: 302-239-3000  
www.charlieschwartz.com

November, 2022

## A TALE OF TWO VALLEYS

**A**pril's issue discussing legal tender brought you a treatise on the greenback dollar and the origins of that label during the American Civil War. While the terms greenback and dollar are often used interchangeably, the dollar's origin as the name for our money actually goes back further than that and has its origins in silver rather than paper -- and not on this continent either.



I reiterate here that paper money has never been widely viewed as "money of intrinsic value" like gold or silver or the coins made from these precious metals. Being more durable and long-lasting, coins also have the ability to tell a story and remain a store of value. The paper dollar evolved from coinage and its evolution is geographically tied to the discovery of one of our evolutionary ancestors as well.

Let's start with the evolution of one of the longest-serving coins in history. Originally minted during the reign of Maria Theresa of Austria (1740 - 1780), coins bearing her likeness were produced from silver mined near the Bohemian mountain town of Sankt Joachimsthal (Saint Joachim's Valley). These coins went by the name of "Joachimsthaler" (or coins from Joachim's Valley). That handle got shortened in time to "thaler". Because of their fine silver, they began to circulate ever more widely and their name evolved with those travels. Thalers became Dalers in low-German and Dutch and, when borrowed into English, became dollars. They continued to circulate long after Maria Theresa's death with her visage and the year of her death, 1780.\* They found their way into North Africa and the Middle East and parts of the New World as well often appearing in the former American colonies. Here, it is said, they inspired the U. S. Dollar.

Now the German word for valley is "thal" as in Joachim's

Valley. I'll diverge from discussions of the dollar to another German valley which provided an important link to the evolution of man mentioned above. Wow, you say, the early hominid species Neanderthals were unearthed with stashes of thalers. Not quite\*\*. In 1856, the first fossils to be identified as

"Homo neanderthalensis" were discovered in a limestone cave in Germany's Neander Valley. That valley was named after a 17th century hymn writer, Joachim Neander, who frequented this bucolic dale seeking inspiration. Part of the final syllable of our ancestor's name is also thal, making Neander's Valley "Neanderthal". The Victorians harbored a low view of this new species, considering them not to be a new man but sub-human. Not wishing to be too closely associated with the Neanderthal fossils, one 19th century zoologist, Ernest Haeckel, gave them the name "Homo stupidus". This sort of degradation contributed to the typecasting of our Neanderthal ancestors as brutish cave men or slow-witted primates lacking in basic intelligence.

Lest you think that I am being "stupidus", I'd like to make a closer connection between our ancestors and our money. By sequencing the Neanderthal genome, scientists have determined that a wide swath of present day humanity has about 2% of its DNA inherited from the Neanderthals. It could be that this 2% is not evenly spread across the globe. Perhaps higher concentrations of that DNA might exist in certain populations and locales which might also correspond most closely with the seats of government. It is no great leap, given the recent inflationary spiral, to view those charged with the future health and safety of our currency: Congress, the Federal Reserve, the Treasury, et al as lacking in nuance. Inflation is at a 40-year high! Mortgage rates hit a 20-year high the last week in October with the bell weather 30-year fixed rate mortgage averaging 7.08% according

to Freddie Mac. A year ago it was just over 3%. All of this is a great shock to the real estate finance market. Many newcomers to the real estate business have never seen a mortgage rate with a six or a seven in front of it.

The Federal Reserve has been attempting to bludgeon significant sectors of the economy, particularly the housing market, to spend less. Meanwhile other Neanderthals have declared war on production in the energy and transportation sectors. They would replace Adam Smith's "invisible hand" of self-centered random economic activity with the central planning ham-fistedness of government. In his forthcoming book on Janet Yellen's tenure as Treasury Secretary, Jon

Hilsenrath puts it this way: "Some researchers argue that markets can't be left to their own devices because human foibles and cognitive biases make markets prone to miscalculation and overreach. It turns out that policy makers themselves, and the economists advising them, are prone to these same problems." You see, it's in the DNA.

\*Incidentally, Maria Theresa was also the mother of Marie Antoinette, that ill-fated queen of France.

\*\*See Ben Zimmer's October 8, 2022 Wall Street Journal column "Word on the Street".



Charles E. Schwartz II, CRB  
7234 Lancaster Pike, 100A  
Hockessin, DE 19707  
302-234-5202  
Fax 302-234-5212  
cschwartz@psre.com  
www.charlieschwartz.com

**Visit my website**  
[www.charlieschwartz.com](http://www.charlieschwartz.com)  
for a detailed overview of the current real estate markets in New Castle, Kent & Sussex Counties, DE, S. Chester County, PA and Cecil County, MD.

PRSR STD  
U.S. POSTAGE  
PAID  
Patterson-Schwartz  
Real Estate

**\*FIXER UPPERS\***  
Bargains, lowest prices. These homes need work. Call for a free computerized *list with pictures*.  
*Free recorded message*  
**1-888-322-5252 ID #1048**  
Patterson-Schwartz Real Estate



If your home is currently listed for sale, this is not intended to be a solicitation.

FREE HOME VALUATION REPORT

# What's Your Home Worth?

Email [realinfo@psre.com](mailto:realinfo@psre.com), call toll free 1.888.322.5252, or scan the QR code to get started.