

A newsletter from

Joseph's Jewelry

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By Joseph Mirsky, Gemologist and Proprietor

www.jewelrynewsletter.com

Your community Jeweler since 1987

Hard Liquor

Scientists have made diamond from tequila. It turns out that 80 proof tequila is perfect for making thin diamond films.

The tequila is heated to 536° to vaporize it, then the vapor is heated to 1470° to break down the alcohol molecules and the carbon in them is deposited as nano-size diamond crystals in a thin film.

Diamond films are used to coat cutting tools and semiconductors.

The fate of the worm was unknown.

Oeconomia est, O Asine!

An article with the above title in the last newsletter detailed the panic of 33 in ancient Rome and how it had eerie parallels to today's economic mess.

You'd think that in the age of the Internet it wouldn't be hard to come up with the Latin translation of "It's the economy, stupid".

Googlius Rex was no help. There are a number of English to Latin sites and all were perfectly useless. And darned if I could find a native speaker. I called Mel Brooks, the 2000 year old man, but he said he had forgotten all his Latin. Well, it was a long time ago.

I participate in a forum for the software I use to bring you this newsletter and also the web site. I posted a call for anyone who could help me with Latin. The forum is headquartered in England. A man from Wales was able to contact a friend in Yorkshire who is a Latin scholar and she provided the translation.

Asine, ass or donkey, was the colloquial first century Latin word for a stupid person. Our word asinine is derived from it.



Ring in 14 karat with pink sapphire, .51 carat and diamonds, .37 carat total. \$950. See it in color on the web.

Late Edition

No, the postman or the dog didn't eat the Fall newsletter. You didn't get one because I didn't send you one.

As I told you in the last newsletter, it's expensive to do these newsletters. The Great Recession has taken its toll. The result is this combined Fall/Holiday newsletter. We'll see how it goes next year. If you want to help, you can buy more stuff, sell more gold, or buy the book of the newsletters.

Big Gulp

A New Mexico man decided on a surprise proposal to his girlfriend. The couple and a group of friends went to a Wendy's for Frosties. The man put the engagement ring into the milkshake, counting on a pleasant surprise.

The friends were in on the surprise and the women in the group challenged the bride-to-be to a chug-a-lug race to speed things up. She won the race, but there was no ring in the bottom of the cup.

After a trip to the hospital, the man proposed on bended knee holding the X-ray of the ring.

After a day of eating prunes and high-fiber cereal, the ring arrived the following morning.

Cosmetology

Now you can dust your face with gold. "The first special occasion powder to contain real gold. Precious metals in makeup, at last! Yes, Jane Iredale use [sic] real gold and food-grade at that!"*

You get 1.8 grams of face powder with 24 karat gold dust in it for \$12. How much gold is in that 1.8 grams isn't specified. 1.8 grams of 24 karat gold would cost about \$64 so it must be seriously diluted. I doubt that it contains more than \$3.00 worth of gold. That would be .08 gram and would make the powder .04% gold, or about 1 karat.

I guess the food-grade gold is in case the dog, baby, or man licks your face.

* You can eat pure gold. See the mildly vulgar article about chopsticks with gold flakes between them that drop into the food when you break them apart in the Fall '07 newsletter or on p.61 of *Ornamentally Incorrect*, the book of the newsletters.

Gold to Go

If you happen to be passing through the Frankfurt, Germany airport, you can pick up a little gold from a vending machine.

The prototype Gold to Go machine offers a 1 gram or 10 gram bar and gold coins at 30% over the gold price. The gold comes in a presentation box with a certificate of authenticity.

The machine is connected to the gold market and updates the price every few minutes.

The machines will be installed at 500 locations across Germany. The Germans in particular have an interest in holding gold in hard times since they have lost everything twice in the two world wars and went through the hyperinflation of the Weimar Republic. In 1923 prices were doubling every two days and the mark fell to 4.2 trillion to the dollar.

I'll beat the machine. I'll sell you all the gold you want at only 25% over the market.

Where Will Gold Go?

Most investors in gold don't actually take possession of it. Shipping, storing, guarding, insuring...what a pain! They buy shares in gold exchange traded funds which mirror the price of gold. You buy the shares, the funds buy the gold and store it for you, mostly in Switzerland, of course.

And a lot of people are investing in gold. That's why the price is so high. It sure isn't because people are buying a lot of gold jewelry.

Unfortunately, the Swiss are running out of space to store the gold. You can't just put it in the basement. People want to steal it, so it has to be stored in ultra-secure vaults. I wouldn't tell anyone where the vault is, either.

One Swiss bank reports that it had to move out some of its silver bullion to make room for the gold.

Deep Thought
Bumper sticker slogans won't
fix car wreck problems.

Bulletin From the Department of Good and Evil

I am altering the deal. Pray I do not alter it any further. — Darth Vader

Thanks for transferring all that money from your other credit cards to Chase with our special offer. The low interest rate we gave you will never change, like we promised. But we hope you didn't figure the usual minimum payment in your budget. We just raised it 2½ times. We can do that because we can do anything we want whenever we want for any or no reason. We sent you a notice about that, remember? It was in the fine print.

Ok. Close the account, roast in hell, goodbye. That way you'll lock in the old minimum payment, right? Wrong. It doesn't matter. You can't opt out. You're stuck.

Chase sent a notice to hundreds of thousands of Chase cardholders raising the minimum payment from 2% to 5%, without the usual option to reject the new terms, close the account and keep the old terms.

You transferred money from other cards to park your debt at 4%. You paid a 3% fee to do it but you're saving 10% so it pays for itself in a few months. You were paying the standard 2% on the other cards so your payment didn't change. But now, instead of paying, say, \$200 a month, you have to come up with \$500. What does that do to your budget?

Chase initially tried to charge an extra \$10 a month service charge on all the low-interest balance transfer accounts, a sneaky way to raise the interest rate without raising the interest rate, but New York Attorney General Andrew Cuomo made them back down and refund the money.

So they increased the minimum payment instead.

Is this legal? Chase thinks it is. Some other people think it isn't — I found two lawsuits on the Internet and I read that there are 13. Meanwhile, that doesn't do you any good. You still have to come up with that 500 bucks.

If you plead poverty, they may or may not transfer you to someone in some country who will ask you intrusive questions about your finances so you can prove you're too poor to make those payments and then may or may not give you a lower fixed payment, a payment that will not go down as the balance declines.

Outrageous, sleazy, immoral, unfair, unethical. It's all those, but this crosses the line into **Evil**. This will force many people into default, and they know it. Then they'll jack up the interest rate to an astounding 30% plus penalty fees. Chase is trying to dump its low interest accounts ahead of new rules that go into effect in 2010.

Chase got \$25 billion of your money last year but paid it back this June. But they still need to come up with a couple of billion to buy back warrants the company issued to the government when it got your money. The warrants allow the Treasury to buy the bank's stock at a fixed price any time in the next 10 years. That way if the stock goes up you'll make a few bucks for risking your money.

Banks are hot to buy back the warrants (cheap, of course) so they can get out of the TARP (bank welfare) program. That way they're out from under government restrictions on, among other things, executive pay.

Chase CEO Jamie Dimon said that the government should cancel half the warrants "out of fairness". Dimon made \$35.7 million in 2008, or \$1,298,181 for each 1% Chase stock declined. What a rip-off. I would have run the company into the ground for the 1%.

Chase did this to 800,000 people. Some of them had transferred a lot of money with their low interest offer to consolidate debt and now find it impossible to make the new minimum payment. If banks can do this, they can do anything. Maybe they'll make the payment 10% or 100%. Who will stop them? There is no prohibition against this in the new credit card rules that go into effect next year. If Congress does not rise up in righteous anger to smite the evil banks, smite the Congressmen with your ballot.

On the Road Again

How'd you like a free Bentley? Just buy a set of four Asanti wheels encrusted with 1100 carats of diamonds for \$1 million and you get the car free.

The car costs \$150,000, so the wheels are \$850,000. That works out to \$773 per carat including labor. At that price they have to be using diamonds under .07 carat (2.7 mm) and are either using lousy diamonds or are not making much money.

But at least the stones are real. See *Rolling Stones* from the Spring '05 newsletter, right.

Rolling Stones

Can't get no satisfaction because your Rolls doesn't stand out from the pack? Accessorize with cubic zirconia-studded wheels. If you can afford the \$332,750 Rolls Royce Phantom they're designed for, what's another quarter million bucks?

There are 21 CZ's per spoke in the 5 spoke wheels. It all adds up to 63,000 carats or a little under 28 pounds. That's only 4 bucks a carat. Cheap!

One would think that flashy wheels would clash with the old-world elegance

11/16/09 11/17/08 11/16/07

Gold	1130	734	790
Silver	17.74	9.50	14.45
Platinum	1424	814	1450

You can get live precious metals prices on the web site.

Cash for Clunkers

With gold over \$1100*, now is the time to get rid of all that old jewelry you never wear. I was already paying top dollar, but I raised the price I pay by 5%. That's about the limit to make it worthwhile for me.

* Gold is now at an all-time high. But on Jan. 20, 1980, gold peaked at \$850, which is \$2200 adjusted for inflation.

On Nov. 16, 2001, gold was \$275.

Cash for Dentures

Believe it or not, gold teeth and bridges are salable for scrap gold. I get them occasionally. They're 16 karat gold. Unfortunately they usually come with the false teeth part still attached which has to be broken off with a hammer. If you're squeamish about it, I'll do it for you.



Pennywise

A penny made from precious metals would be worth:

- Pure gold.....\$252
- 14 karat gold.....\$96
- Platinum.....\$344
- Sterling silver.....\$1.94

Revenge Dept.

I reported to you in the Fall '06 newsletter, and again in Fall '08, about how I was able to use a credit card's low interest life of the loan balance transfer offer to lower the interest rate on the same card. That was a Chase card

I paid off the entire balance with a loan check from another card. Then right after the billing cycle closed, I used the Chase balance transfer check to pay back the the other card. I wound up with the same balance on the Chase card at 11% less interest, sticking it to them with their own offer.

(See *The Debtor Strikes Back* on p.15 of *Ornamentally Incorrect*.)

appeal of a Rolls, but they're designed for Rolls' most important customers, hip hop kings of bling. In fact, in that world, they're considered conservative.

As they say. there's no accounting for taste. In cars or music.



Earrings in 14 karat white gold with cultured black South Sea pearls, 8.5 mm. Diamonds, .02 carat total. \$389. See it in color on the web.

Bon Appetit

Nieman Marcus will sell you 150 mg of 23 karat edible gold flakes to sprinkle on your food for \$40. 150 mg, or .15 gram of gold is worth \$5.31 at \$1100 gold.

"Crafted in Italy", the gold meets FDA guidelines for edibility and is certified kosher. What would non-kosher gold be?

The Hole in the Wall Gang

A mining company in China knocked two holes in the Great Wall of China looking for gold.

300 feet of one of the oldest parts of the wall, built in the third century B.C. in Inner Mongolia, was irreparably damaged. This part of the wall is low and built of earth and stone, unlike the part of the 4000 mile wall tourists visit in Beijing.

Police are investigating the incident. Last year five miners went to jail for damaging another part of the wall in Inner Mongolia.



It's the Economy, Stupid

Alan Greenspan, the Chairman of the Federal Reserve from 1987 to 2006, believed that markets would regulate themselves and acted accordingly. He championed deregulation of banks. We all know how that worked out.

He was grilled by Henry Waxman, chairman of the Congressional Committee for Oversight and Government Reform, in October, 2008 and admitted that he had been wrong in this view. "I found a flaw in the model that I perceived as the critical functioning structure that defines how the world works."

Ask a cop how people do regulating themselves. Duh! I refer you to the *Deep Thought* from the Fall '05 newsletter: *Wisdom is knowing when smart people say dumb things.*

Treasure Hunt

Times are tough in Spain, too. Their budget is about \$90 billion in the hole.

The good news is that they have \$140 billion in gold and silver to cover it. The bad news is that it's at the bottom of the ocean.

When the Spanish blitzed the Incas and the Aztecs in the 16th century, they looted all the gold and silver and shipped it back to Spain. But a lot of the ships didn't make it. The Spanish government has ordered the navy to begin sonar surveys off the southern coast of Spain to locate the wrecks.

Everybody Out of the Pool!

Did you ever see what happens to a rubber band in old age? It gets stiff and doesn't stretch any more (like you will in old age).

The same thing happens to the rubber and plastic seals in your watch. That means that your water-resistant watch won't resist water any more.

Water can get in in three places: the back, the crystal, and the crown (the knob you pull out to set the time). The back has a rubber O-ring that is easily replaced. The crystal has either a plastic seal or is glued in. Both can deteriorate. The crown has a rubber seal inside, but usually the whole crown has to be replaced.

An old water-resistant watch can be re-water-resisted by replacing the seals and the crown. However, this won't work if the case is pitted or the plating is worn off, leaving minute gaps for water to get in. It also won't work if your watch wasn't water-resistant in the first place.

I hate to tell you this, but if your watch just says "water resistant" on the back, it isn't really water resistant. It's splash resistant. Don't shower or swim with your watch unless the "water resistant" is followed by "50 meters" or more.


Figure \$40-60 to replace the crown and seals and pressure test a watch.

Recycling Dept.

With the gold price so high, you're not the only one coming in to sell your jewelry.

Garbagemen and laundromat owners come in occasionally with jewelry they've found. It's mostly 10 karat gold, understandable for the laundromat, since I suppose the less affluent use it, but mystifying for the garbagemen. I would think that jewelry accidentally thrown out would not be karat specific.

Spotting the Fakes

When you're going through your old gold chains to cash them in, any chain with a tag on the end that looks like this is costume jewelry.  Genuine metal is the technical term.

It's Google Time

Here are the latest searches that brought people to the web site.

how do i prevent my imitation jewelry turning black

Buy real jewelry

how much would something in sterling silver weigh in 14 karat gold 25% more.

how many karats of gold make an ounce?

What percent of a liquid is in a gallon?

how many pennyweights to an ounce in 18 karat gold

How much high-test gas is in a gallon?

oxymoron in the diamond as big as the ritz

You'll find it in the larger half of the book.

what is price paid for 22 pennyweight of 14k gold

22 times the price for 1 pennyweight.

do diamonds turn black over time

No, but they do get dirty.

what does a jewelry newsletter look like

Behold!

Gold Hoarders

Governments hold about 20% of the world's gold. The U.S. Has about a third of that, 261,498,899 ounces, worth about \$288 billion at current prices.

But the treasury books its gold at \$42.22 an ounce, the price in 1973. That would be only around \$11 billion

It doesn't really matter. We have the gold no matter how it's valued. If the Treasury had to update its balance sheet every minute when the gold price changes the accountants would go nuts.

And we ain't gonna sell it. If we did, it might drive the price back down to \$42.



Pendant in 14 karat with fiery opal, 2.80 carat, and diamond, .04 carat. \$850. See it in color on the web.

Under the Gun

Ray-gun, that is. I had an eye-opening demonstration of what isn't in a lot of the old gold you sell — enough gold.

I buy your old gold and sell it to be melted down for a small profit. Instead of schlepping into the city which wastes most of a day and paying for the ferry, parking, and wear and tear on the car, I sell it to someone who comes to the store. I get only 1% less than if I made the trip, so it's well worth it.

These guys work on 2½% profit, 1% from me and 1½% more they get for high volume. They are paid not on how the jewelry tests, but on the actual amount of gold that is returned after refining. So if your stuff turns out to have just a little less gold than it should have, they get wiped out.

One guy spent \$32,000 to buy a ray-gun, an x-ray analyzer that looks like a large price gun you see in the supermarket.

A piece of jewelry is placed over a small window at the business end of the gun and it gives a readout of the percentage of every metal in the piece to 3 decimal places.

My stuff turned out good that time, but he showed me jewelry stamped 14K he had bought from other jewelers that ranged from 8 karat to 13 karat.

I'm sure you're shocked!, shocked! to learn that some of your gold may not be up to snuff. There are laws against that, aren't there? Yes there are. It's called cheating or, less charitably, fraud.

As I explained before, jewelry made prior to 1981 can be as low as 13 karat, 4% less than 14 karat, and still be legal. After that, it's supposed to be within .7% of par, 58.3% for 14 karat. Do you think cheating has stopped because of a new law against cheating?

I test your gold by rubbing it across a stone to get a streak of the metal, then put a drop of acid, a different acid for each karat of gold, on the streak. If the streak dissolves it is a lower karat than the test acid. Sometimes, it doesn't dissolve but turns kind of brown and fades a bit instead of staying strong. If that happens, the gold is subkarat and I will buy that piece at 2 karats less, 12 karat instead of 14 karat. After all, I'm under the gun.

Remount

In honor of the 50th anniversary of Harry Winston donating the Hope diamond* to the Smithsonian, the 45.52 carat deep blue stone has been removed from its setting. It will be displayed as a loose stone until May of next year, when it will put in a new setting. The necklace was chosen from three designs by the Harry Winston company in an online poll. The Hope will then be returned to its original platinum setting in late 2010, 100 years after Pierre Cartier designed it for Washington socialite Evalyn Walsh Mclean.

* He sent it registered mail in a plain brown box. See *You've Got Mail* in the Holiday '03 newsletter or on p. 18 of *Ornamentally Incorrect*.



Original Cartier setting. It was hung from a chain of 45 diamonds



New Harry Winston setting

Do You Have Broadband?

If you have one of those real big men's watches with the real wide strap, bring it in before the strap dies.

Standard men's watchbands are 16-20 mm in width. Those big watches take 22 or 24 mm (7/8 - 1") and I don't stock them. I don't get enough call for them. I can order them, though, but there will be a limited selection and they will be more expensive.

You have to get the right width or the band will slide back and forth and the leather will grab the pin and it will pop off. (See "Low Bandwidth Causes Timeout Error" on the web site.)

But I do stock 22 mm plastic straps for digital watches.

HOURS

MON - WED 10 - 6

THU - FRI 10 - 8

SAT 10 - 6

SUN 12 - 4

Closed Sunday

Memorial Day to Labor Day

Holiday Hours

Joseph's will be open until 8:00 from Monday, Dec. 21 through Wed. Dec. 23. And Christmas Eve until the last desperado comes in, usually around 5:30.

And in sports news

Welsh Outsmurf Irish 2 to 1

In June, the Welsh Smurf team blitzed a nightclub in Swansea, Wales with 2510 Smurfs, smashing the Guinness world record for smurfing.

British online costume seller Jokers' Masquerade organized the record attempt, mostly by nearby university students. Each Smurf had to be checked to make sure no skin showed through the blue to comply with strict Guinness rules.

By 11:00 there were under 2000, but a last minute surge of Smurfs after the bars closed settled the record at 1 A.M.

This doubled the previous record of 1253 smurfs set by Castleblayney, Ireland last year.

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