

The Augusta Coin Club Meets on the 3<sup>rd</sup> Thursday of the Month at America's Best Value Inn on Washington Road

## The Augusta Coin Club since 1959

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THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

November, 2010

**Our Next Meeting is Thursday, November 18, 2010 from 6:30 to 9:30 PM**

# Gold crosses the \$1,400 an ounce threshold Is this trend good or bad for the collector?

## Club Meeting Calendar for 2010

Jan. 21	May 20	Sep. 16
Feb. 18	June 17	Oct. 21
Mar. 18	July 15	<b>Nov. 18</b>
Apr. 15	Aug. 19	Dec. 16

## Gold and the Collector

With gold trading either at, above or slightly under the \$1,400 an ounce mark, the predictions of a number of bullion soothsayers have become a reality. Most economists believe that the continual rise in the value of gold since 2005 has been the result of an increase in the US debt combined with a continual weakening of the value of the dollar. Since January 2009 when gold flirted with the \$1,000 mark but was unable to sustain it gold has risen by \$500.00. To put the value of the yellow metal in greater perspective, back in 1999, gold was trading at around \$255 an ounce. The other day a specialist in commodity trading predicted on CNN that gold will continue to rise until it reaches the lofty position of \$5,000 an ounce.

How does the rise in precious metals affect the collector? So far, one has observed little increase in the price of obsolete type coins since 2008. If anything, there has been a slight decrease as the Recession has forced some collectors to sell items from their collection thereby providing an increase in the availability of some desirable type coins; excluding gold of course. On the other hand, if collectors wish to add a common date Saint-Gaudens \$20.00 gold piece to their collection, say an 1908 *no motto*, or a 1924 *with motto* specimen; dates that sold for \$600 in MS-64 back in 2005 will now cost around \$1,850. People who bought gold coins on a continual basis from 1999 through 2009 can sell their common date pieces acquired during the first five years of this period at 2010 prices and use the net profits to purchase better date type coins that heretofore were unaffordable. In order to do this however, they may have to attend larger shows or go on line since many of the local dealers in cities around the country are earning their income in mostly bullion trading while stocking fewer type coins for collectors.

## James Longacre's Coins by Arno Safran



James Barton Longacre served as Chief Engraver of the US Mint from 1844 until his death in 1869, a quarter of a century. He is credited with designing more US coins than any other Chief Engraver yet remains a controversial figure even today among numismatic scholars. His detractors thought his designs were mediocre at best while his supporters admire his fortitude and productivity. One could assemble a short set that would include all nine of his obverse designs.

## Collecting a Type Set of Longacre's Coinage Designs



**1857 Flying Eagle, 1859 & 1860 CN Indian, 1875 Bronze Indian**  
[Use 3X glass or magnify to 200% to view details.]

While the cent was not the first denomination Longacre was to design, both the Flying Eagle and Indian Head types are arguably his most popular with collectors. All four cent types shown above are actually the same size, 19 mm in diameter. The Flying Eagle cent at left was the first of Longacre's approved cent designs. It lasted three years (1856 thru 58) before giving way to the Indian Head design in 1859, a one year sub-type. In 1860, the Laurel wreath was replaced by the Oak wreath with Shield. In 1864 the alloy was changed from copper-nickel to bronze where it remained through 1909. All types are collectible.

(Continued on page 2, column 1)

### Collecting Longacre's Coins

(Continued from page 1, column 2)



Sarah Longacre at 12

On the other hand, there is a painting of Longacre's wife Eliza that dates from 1835 which could have served as the source used for the Indian Head cent and the earlier gold coins.

For years, it was believed that Longacre's daughter, Sarah at age 12 posed in an Indian headdress for the Indian Head Cent but since Sarah was born in 1828 she would have turned 31 in 1859, the year the cent was first issued.



Eliza Longacre in 1835



Longacre's sketches for the gold coins and Indian Head Cent



1849 (I), 1854 (II) & 1856 (III) \$1.00 gold coin types  
Shown in actual sizes

[Use 3x power glass or magnify to 200% to view details.]

The earliest of Longacre's coinage designs was the \$1.00 gold piece first issued in 1849. This was the Coronet Liberty Head design and the smallest US coin ever produced, having a diameter of just 13 mm. That same year a single \$20.00 gold piece or Double Eagle with ostensibly the same Coronet Liberty obverse was struck. (*Sufficient numbers of the \$20.00 gold coin were produced for circulation the following year, 1850*). The 1849 \$1.00 gold coins produced at the Philadelphia Mint are fairly common. The second type was issued in 1854 and was slightly larger in diameter, 15 mm and known as the Indian Princess "small head" type. The third type was produced two years later in 1856 and is referred to as the "large head" type.

The coin has the same diameter but due to the greater ornamentation around the head may appear larger to the eye. The Philadelphia Mint issues of the three dates shown are available to collectors.



An 1851-O 3¢ silver piece graded AU-55 shown in actual size  
[Use 3x power glass or magnify to 200% to view details.]

After gold was discovered at Sutter Mill, not far from Sacramento, CA in 1848--and the subsequent gold rush that followed--the value of silver rose in relation to gold. As a result the silver in our silver coinage made the coins more desirable as bullion than their face value. Soon silver coinage began to disappear from circulation. To fix the problem the government authorized a 3¢ silver coin with a ratio of 75% silver and 25% copper as opposed to the 90% silver and 10% copper that had been the standard. The post office had recently reduced the price of first class mail from five cents to three cents, so the idea seemed practical. The new "trime"--as it later came to be called--was first issued in 1851 at both the Philadelphia and New Orleans Mints; *the only year it would be issued at the Louisiana facility and coined through 1873*. At 14 mm (*just one millimeter more than the type I gold dollars*), it represented the smallest US silver coin ever produced. The design was simple enough. The obverse had a six pointed star with a shield in the center surrounded by the legend UNITED STATES OF AMERICA and the date below. The reverse had a large ornate C with a Roman numeral III for 3¢ surrounded by thirteen stars. Aesthetically the type is not very artistic but the coin temporarily provided change until Congress could act anew in 1853 by reducing the amount of silver weight in the half dime, dime, quarter and half dollar

### Another Gold Issue

The Act of February 21, 1853 also authorized a new denomination; the \$3.00 gold piece. The rationale for this proviso was to facilitate the purchasing of one hundred 3¢ postage stamps with the new coin. The first \$3.00 pieces were released in 1854.



An 1878 3¢ Gold Piece graded AU-58 by NGC shown in actual size  
[Use 3x power glass or magnify to 200% to view details.]

For the new denomination, Longacre introduced the same obverse that he would later use on the Type III \$1.00 gold coin of 1856. Though never very popular, the denomination would go on to have a fairly extensive run (1854-1889). Only three dates are common, 1854, 1874 and the 1878 shown with most dates having mintages within three or four figures. As with the three \$1.00 gold pieces, the \$3.00 coin was the only other US coin intended for circulation to have the date on the reverse.

(Continued on page 3, column 1)

**Collecting Longacre's Coins**

(Continued from page 2, column 2)



**A 1864 2¢, 1865 3¢ nickel & 1866 Shield nickel 5¢**

**Actual sizes [Use 3x power glass or magnify to 200% to view details.]**

During the War Between the States (1861-65) silver coinage became extremely scarce. To make available change, private minters began manufacturing 1¢ size bronze Civil War tokens dated 1863, many with Indian Head type obverses. These adversely affected the bone fide copper nickel Indian Head cents (1860-64). Something had to be done.

In 1864 all copper-nickel cents were replaced by Bronze issues thus driving out the Civil War tokens. The same year a new 2¢ coin was introduced. Due to the extensive lobbying by nickel magnate Joseph Wharton, Congress also authorized two new nickel alloy coins; a 3¢ nickel struck in 1865 (in addition to the 3¢ silver coin) and the first 5¢ nickel in 1866.

Chief Engraver Longacre became busy once again and produced relatively ordinary coinage designs for the new issues back to back; a Coronet Liberty for the 3¢ nickel piece--somewhat reminiscent of his 1849 \$1.00 and \$20.00 coin--but not nearly as attractive. For the 2¢ and 5¢ pieces, he produced a Shield obverse. The motto, IN GOD WE TRUST was placed above the Shield on the 2¢ and 5¢ coin but not on the 3¢. The three coins were initially successful in overcoming the coinage shortage although it was primarily the fractional small size banknotes ranging in value from 3¢ to 50¢ first authorized in 1862 that substituted for coin in making change until the mid 1870's when silver coinage began to circulate freely once again. The initial dates of the 2¢ and 3¢ coins shown above are fairly common, but if you are looking for a Shield nickel that is inexpensive the earliest common date is the 1867 *without rays* on the reverse.

**Longacre's majestic \$20.00 Gold double Eagle**

One can not discuss Longacre's output without mentioning the \$20.00 gold double eagle, the new denomination that was first coined for circulation in 1850 with more than one million struck. The obverse design portrays Miss Liberty looking left wearing a Coronet stylized crown surrounded by thirteen stars. It is very similar to that of the type I 1849 thru 1854 \$1.00 coin. What gives the Double Eagle its majesty is the reverse showing the Great Shield amidst a resplendent eagle linked by ornate scrolls housing the motto E PLURIBUS UNUM. Above the eagle's head are thirteen stars positioned in a wide

oval with rays emanating upward. The upper half of the reverse is surrounded by the legend UNITED STATES OF AMERICA with the denomination spelled out below. The highest denomination \$20.00 gold coin is unquestionably Longacre's greatest achievement as Chief Engraver and while not as magnificent as the Saint-Gaudens double eagle that succeeded it in 1907 is arguably one of our better coinage designs.



**A 1907 Coronet \$20.00 Double Eagle (actual size)**

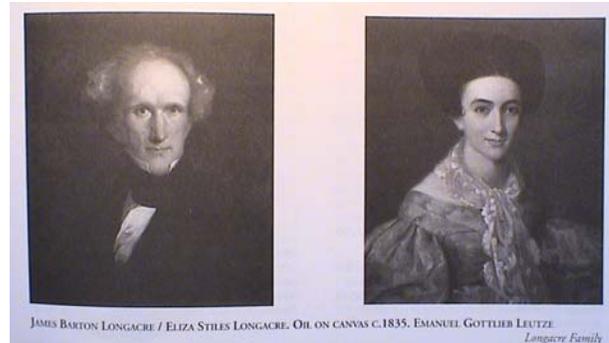
**[Use 3x power glass or magnify to 200% to view details.]**

During its 58 year lifespan (1850-1907) Longacre's \$20 coin underwent three modifications, all on the reverse. From 1850 through 1866-S, the denomination was engraved as TWENTY D; from 1866 through 1876, the motto, IN GOD WE TRUST was inserted below the rays inside the thirteen stars above the eagle and from 1877 to 1907, the denomination was spelled out as TWENTY DOLLARS. With the price of gold around \$1,100 an ounce today, the \$20.00 and the \$3.00 gold coins may be above the discretionary income of many collectors. If one wishes to merely assemble a complete obverse type set of Longacre designed coins, these are more affordable over time.

**A Chronological Listing of Longacre's Coinage Designs**

-Affordable major obverses are highlighted in bold type-

- 1849 \$1.00 gold piece, Coronet design** 13 mm
- 1850 \$20.00 Double eagle, Coronet o, **Eagle/ shield** r 34 mm
- 1851 3¢ silver piece, six pointed star** .750 silver, .250 copper
- 1854 \$1.00 gold Indian Princess *Small head***, 15 mm
- 1854 \$3.00 gold Indian Princess, *large head*, 20.5 mm
- 1856 \$1.00 gold Indian Princess**, large head, 15 mm
- 1857 1¢ Flying Eagle**, O, wreath of four items, r, copper nickel, 19 mm
- 1859 1¢ Indian Head** o, Laurel wreath r, copper nickel, 19 mm
- 1860 1¢ Indian Head o, Oak wreath & shield r, copper-nickel
- 1864 1¢ Indian Head, Bronze
- 1864 2¢ Shield** o wreath r, **Bronze** 23 mm
- 1865 3¢ Coronet** o, wreath III r, **nickel**, 17.9 mm
- 1866 5¢, Shield** o, 5 inside circular bars, rays r, **nickel** 20.5 mm



**The Longacre's [Use 3x glass or magnify to 200% to see details.]**

### China Numismatic Adventures: Part Two

By Bill Myers



My wife Kathy and I finally took the trip we have always wanted to; we spent 3 weeks in China and Tibet in August and September 2010. We toured Beijing, Xian, Chongqing, Shanghai, Guilin and Lhasa and took the river boat cruise up the Yangtze River. I will not report on the sites we saw, but report on the numismatic adventures.

At left, the Bank of China

#### THE BANK NOTES

The paper money available was the 1 Jiao (P 881), 5 Jiao (P 883), 1 yuan (P 895), 5 yuan (P 897), 10 yuan (P 898), 20 yuan (P 899), 50 yuan (900), and 100 yuan (P 901).

The 1 Jiao features a Gaoshan woman and a man on the face while the 5 Jiao has a Miao and Zhuang children on the face. Both notes have the denomination and the 5 star crest on the back.



China: 1 Jiao Banknote

All of the other notes have a portrait of Mao Tse-tung on the face and a vignette of sites in China on the reverse. I was able to visit 4 of these sites pictured on the notes. The 1 yuan shows West Lake, which is located south of Shanghai. We did not travel there but a couple in the tour group took a 1 day excursion there and took a picture for me.



The 5 yuan note features Mt. Tai. It is located north of Beijing and I was unable to get there.



The back of the 5 yuan note showing Mt. Tai

The 10 yuan notes features the Gate to the Quatang Gorge, which is the first gorge of the Three Gorges on the Yangtze River. I took a cruise on the Yangtze River and saw this site.



The back of the 10 Yuan note showing the Gate to the Quatang Gorge

The 20 yuan note has a scene from the Lijiang River, which I saw on a cruise which was an add-on trip.



The back of the 20 Yuan note showing the Karsts on the Li River

The 50 yuan note has the Potala Palace in Lhasa, Tibet. It is the home of the Dahli Lama, who is exiled and living in India. We did climb up the steps to the top of this site.

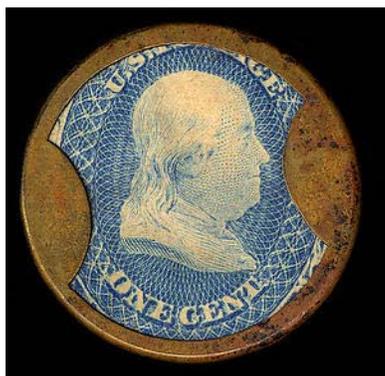


The back of the 50 Yuan note showing the Potala Palace in Lhasa, Tibet

### Page FIVE by Xavier Pique ENCASED POSTAGE COINAGE

*Author's Note: This is the first of three articles addressing the subject of encased postage coinage, postage currency notes and fractional currency issued in the U.S. around the time of the Civil War (1862).*

At the beginning of the Civil War a rapid disappearance of small coins occurred in the United States of America. This happened in both the north and south. At that time small denomination coins were made of silver and copper. These metals became scarce due to the war effort.



After the Civil War broke out, the Union stopped redeeming its Demand Notes in specie at the end of 1861, and many people started hoarding coins. There was a near universal fear that paper currency would become worthless, especially to the losing

side. Deprived of coins with which to make change, many businesses issued their own notes, tokens, or similar printed matter as a way of making change. Some resorted to encasing postage stamps in transparent holders.

Although postage stamps met a temporary need, stamps were not designed to be handled; consequently they did not hold up well for this purpose. Often the stamps would be placed in an envelope, which required the opening and counting the stamps at each transaction.



On August 12, 1862, John Gault received a patent for his 'Design for Encasing Government Stamps'—that is, a design for encasing stamps for use as currency. Gault's plans called for the corners of a postage stamp to be wrapped around a cardboard circle. A thin, transparent piece of mica covered the stamp, and

an outer metal frame held these items secure. A heavier brass backing, suitable for advertising purposes, completed the piece. The size of a quarter but much lighter in weight, the object encased stamps from the 1861 issue—the 1-cent, 3-cent, 5-cent, 10-cent, 12-cent, 24-cent, 30-cent, and 90-cent. Gault sold his encased postage at a small markup over the value of the enclosed stamp and the cost of production.



At least thirty companies took advantage of the advertising possibilities with ads stamped on the brass backing. The two examples on this page show advertisements for the Tremont House Hotel in Chicago, and for Ayer's pills and Sarsaparilla "TO PURIFY THE BLOOD" on the back of a thirty cent stamp token.



Perhaps \$50,000 or a little more in encased postage eventually was sold and circulated, not nearly enough by itself to solve the nation's small change crisis. Of the

approximately 750,000 pieces sold, only 3,500-7,000 are believed to have survived.

Gault's enterprise ended on August 21, 1862, (just nine days after receiving a patent!) when the Union government began to issue postage currency in 5-cent, 10-cent, 25-cent, and 50-cent denominations. Increased production of brass and copper-nickel coinage in 1863 also undermined Gault. Still, encased postage proved very popular because it solved the major problems of stamp damage and the necessity of opening stamp envelopes to count the contents.

Encased postage coins are sought both by coin collectors and stamp collectors, and have become expensive due to their rarity and appeal.

Next month- Postage Currency Notes replace encased stamps, but not for very long!

Sources: 1. Wikipedia  
2. <http://lynncoins.com/postagestampcurr.htm3>  
[http://home.comcast.net/~choyt48/encased\\_postage\\_run.htm](http://home.comcast.net/~choyt48/encased_postage_run.htm)

### China Numismatic Adventures: Part Two

(Continued from page 4, column 2)



The front and back of the 100 Yuan note

The 100 yuan note features the first place I visited in China. It is the Hall of the People located in Tiananmen Square in Beijing. The notes increase in size from the lowest denomination to the largest.



Serial number styles on modern Chinese banknotes

Most of the notes had a 2-letter 8-number serial number but some of the 1 and 5 Jiao and 1 yen notes had a letter-number-letter-7 number serial number. Since it occurred in the 3 lowest and most used denominations I assume they had run through all of the combinations of 2 letters and 8 numbers and had to put a number between the 2 letters to add more serial numbers.

All of these notes could be obtained in CU condition for face value, usually at the hotel. There were counterfeits of the notes in circulation but I was not able to acquire one.

(Next time; "Encountering Chinese numismatic oddities")  
- To be continued-

### Club News

Most of the business conducted at the October 21 meeting had to do with the November 12-13 show. By show time Club President and Bourse Chairman David Chism reported close to 50 tables sold. Sheets of paper listing days and time slots were passed around the room for member volunteers

their services on specific days and hours. The club has earmarked \$2,000 for show advertising in an effort to increase patronage from the CSRA and beyond. At the recently held South Carolina State convention, attendance was strong. Hopefully, this will bode well for our annual fall fund raiser.

Treasurer Xavier Pique reported a balance of \$9,044.18.

Arno Safran presented a PowerPoint program called "Grading by the Numbers". US Type coins were culled from dealers' Internet web sites and pictured on a slide with their grades hidden. Multiple choice grades were placed under the coin pictures. On the following slide, the actual certified grade of the coins was revealed usually housed in their hermetically sealed holders.

The Prize Winners for the attendance door prize drawings were Gordon Britt who chose the club's 2010 silver medallion and Clay Holland who won the silver eagle. Congratulations gentlemen. As the editor never received the results of the 50/50 winner when the newsletter went to press, the winner will be announced in the December issue. Our upcoming meeting is Thursday, Nov. 18. Bring in your latest acquisition from our Nov. 12-13 Show for Show & Tell. Let's make this a grand Show & Tell night.

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