

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

The Augusta Coin Club since 1959

Pres. William Myers
V.P. Arno Safran
Sec. John T. Attaway
Treas. Xavier Pique
Sgt. in Arms: Marvin Blalock
and Bryan Hoyt



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Volume 8, Number 10

THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

October, 2008

Our Next Meeting is Thursday, October 16, 2008 from 6:30 to 9:30 PM

Last Meeting before Nov. 14-15 Show Coming Up

Club Meeting Calendar for 2008

Jan. 17	May 15	Sep. 18
Feb. 21	June 19	Oct. 16
Mar. 20	July 17	Nov. 20
Apr. 17	Apr. 21	Dec. 18

Nov. 14-15 Show Preparations Underway

Back in 2001 we had a relatively small club which hadn't put on a coin show for a number of years. When one of the twenty or so members who used to attend our monthly meetings at the Warren Road Recreation Center would bring up the subject of holding a show, no one seemed to rise to the occasion. Instead we held an annual raffles night in order to raise money to keep the club solvent. In January, 2002 then President Glenn Sewell proposed we consider holding a show towards the end of the year in conjunction with the Augusta Stamp Club. He said we first need a bourse chairman to arrange for dealers and other members to help out. The Show was eventually approved but no one came forward at the time to take on the duties of Bourse Chair so Glenn said he would. The first show in years was set for Nov. 2-3, 2002 but by mid year, the Stamp club had decided to go it alone on another date. In September, we learned that the dates conflicted with a major regional show being held in Chattanooga and as late as October, only eight dealers had signed up for ours. Glenn then announced he was resigning as Show Chairman and Dave Chism volunteered to assume the responsibility. Within in a few days Dave managed to get five more dealers to achieve a respectable number and since then we have never looked back. Thanks to Dave's efforts, we now hold two shows a year at the attractive Belair Conference Center which holds up to fifty dealer tables.

At our upcoming Oct. 16 meeting, the last one before our Nov. 14-15 show, the Executive Committee will be passing around a sign-up sheet for members to serve at the Welcoming Desk for an hour or two if available. The duties there are to welcome the patrons as they arrive. Ask them to sign in and tell them about the five raffle prizes and sell raffle tickets, \$1.00 per of six for \$5.00. If sixteen different members sign on, no one will have to serve more than one hour.

1853 An Amazing Coinage Year: 155 Years Ago

By Arno Safran



A set of 1853 arrows (and rays) Liberty Seated silver coins
Shown from left to right are the half dime, dime, quarter and half dollar
[Magnify to 200% to see details.]

Imagine a situation where our newly minted coins are being hoarded, then sold to bullion dealers practically as soon as they left the Mint. Why would such a thing happen? It couldn't possibly occur today because none of our circulating coins are struck in silver, but after vast discoveries of gold in California around the mid 19th century, the price of silver rose in relation to gold adversely affecting commerce in the eastern states. As a result, the Philadelphia Mint began reducing its output of silver coinage, especially in the larger denominations. In 1850, the P Mint produced only 190,800 quarters, 227,000 half dollars and just 7,500 silver dollars but that only added to the problem. What little output left the Mint was immediately sold to the bullion dealers and melted for their silver content over the face value of the coins. Finally in 1853, Congress acted on the suggestion by Mint Director George N. Eckert to reduce the weight of the silver coins just enough to make it unprofitable for dealers in bullion to benefit from it. The bill was passed on February 21 and signed into law by President Franklin Pierce.

The Coins of 1853 (Continued from page 1, column 2)

With the bill signed into law, Mint Director Eckert instructed Chief engraver James Barton Longacre to have an arrow placed on each side of the 1853 date on the 5¢, 10¢, 25¢ and 50¢ denominations as a means of communicating to the public the lower silver weight therein. The quarter and half dollar were to receive rays emanating outward from the eagle on the reverse thereby adding special emphasis to the change. With so few silver dollars being coined, (*only 46,110 were struck in 1853*), it was decided not to alter the weight on the dollar coin.



Shown above is the majestic 1853 arrows and rays quarter dollar. [Magnify to 200% to see details.]

The 1853 *with arrows and rays* quarter is one of our most beautiful coins especially grading AU-58 or higher. The magnificent rays emanating outward from the eagle on the reverse was a master stroke by engraver James Barton Longacre. Despite its enormous mintage, over 15 million, the high water mark for the 25¢ denomination at the time of issue, the sub-type has always been in strong demand because it is a one year type and is more expensive than other dates with far lower mintages. In 1854, the new Mint Director, James Ross Snowden decided to have the rays on the reverses of the quarter and half dollar removed. No reason for this is known but it is conceivable that he wanted all four denominations; (the half dime through the half dollar) to appear consistent by just showing the arrows alongside the date and nothing else.



An 1853 Liberty Seated \$1.00 graded AU-58 by NGC. This was the only Liberty Seated denomination unaffected by the Coinage Act of 1853. [Magnify to 200% to see details.]

In that same year the Mint struck record numbers of the newer reduced weight silver coins and they circulated. The coin hoarding and melting ended and commerce was restored to its pre Gold Rush levels. While not nearly as controversial as the recent “bailout” of Wall Street and Banking system, the money crisis of 1853 was a serious issue at the time.

The earlier 1853 *no arrows* quarter is another story and therein lies the tale. During almost two months before the coinage Act of 1853 went into effect some 44,200 were reported minted but many may have been melted for their higher bullion value. By contrast 15,210,020 of the lighter weight silver 1853 *arrows and rays* quarters were struck at the Philadelphia Mint alone. At a major show in the early 1990’s the writer was once offered an 1853 *no arrows* Liberty Seated quarter housed in a PCGS-holder grading MS-62; the price, a whopping \$2,900. The dealer was an honorable man and allowed me to take it home and keep it for a while but after almost two weeks, regrettably I had to return it because it was beyond my discretionary income. Big mistake! Sometimes one has to find a way. The 1853 *no arrows* is a rare coin and while it may surface from time to time, I have yet to come across a more attractive example at even twice the original asking price of “the one that got away”.



1853 *no arrows* and *with arrows* half dimes and dimes (When printed, the coins are approximately actual size if not in exact scale.) [Magnify to 200% to observe details more clearly]

From the collector’s perspective the Coinage Act of 1853 inadvertently provided some special challenges as those coins struck before the changeover are considerably scarcer. The 1853 *no arrows* quarter is very scarce but the 1853-O *no arrows or rays* half dollar with only three known survivors--none higher than VF--is considered uncollectible even to the manor born. On the other hand, with a little perseverance, one can locate the 1853 *no arrows* half dime and dime in XF-45 or better at a higher cost but still affordable. Each represents a good bargain as the mintage for the 1853-P *no arrows* half dime was 135,000 compared with 13,210,020 for the *with arrows* issue. The 1853-P *no arrows* dime is even scarcer with only 95,000 struck compared with 12,078,010 for the 1853-P *with arrows* version.



An 1853-O Liberty Seated 50¢ with arrows and rays grading AU-50 1,328,000 were minted. [Magnify to 200% to observe details more clearly]

The 1853-O *arrows and rays* half dollar with a mintage of 1.3 million surfaces less often than the 1853-P (3.5 million) but is priced only slightly higher. Still, the date is common enough. With its appealing design and as a one year type coin it is priced higher than a number of dates with lower mintages.

The Coins of 1853: The Minor Coinage

(Continued from page 2, column 2)



An 1853 1/2¢, 1¢ copper and 3¢ silver piece
[Magnify to 200% to observe details especially on the 3¢ coin.]

There was of course the minor coinage of 1853; the 1/2¢ and 1¢, both with the late date Mature Head Braided Hair Coronet stylized design accompanied by the awkward tiny three cent silver piece. The last named was authorized in 1851 to make it easier to pay for a first class postage stamp which had been reduced from 5¢ to 3¢. It had a composition of .750 silver and .250 copper as opposed to the normal .900 fine silver bonded to .100 copper in our standard silver issues. [A coin that contains 75% silver as opposed to 90% will still qualify as a legitimate silver issue unlike billon which is a coin having a silver content of 50% or less.]

In addition to all of the foregoing, there were five gold denominations struck in 1853. These included a second \$1.00 denomination (first issued in 1849), the \$2.50 quarter eagle; \$5.00 half eagle, \$10.00 eagle and \$20.00 double eagle. The P Mint lower denominations are affordable up to AU but the \$10s and \$20s are priced high and most lack eye appeal below AU-58.

Excluding gold and the *no arrows* silver subtypes, the collector--over time--should be able to assemble an 1853 set of the eight denominations that include the 1/2¢, 1¢, 3¢ silver, *with arrows* half dime, dime, quarter, half dollar and silver dollar.



The eight regular denominations struck in 1853 (excluding gold)
Shown slightly reduced to fit on page. [Magnify to 200% to see details.]

Why I Like Collecting Coins By Chance Barker

I became interested in collecting coins when I was 7 years old! A great, great uncle brought me back some foreign money from Russia. The Russia ruble intrigued me so much, I thought I'd try to start collecting money from as many different countries as possible. I have many relatives and friends of relatives and soon was receiving foreign money from many, many places. I believe I have money from as many as thirty different countries, places like Dubai that I'd never even heard of before collecting coins.

After I became a collector of foreign money I talked my mom into taking me to a coin store. Once there, I really became interested in U.S. money. I enjoy investing in something that will not lose its value and may even become more valuable as time goes by; that combined with the history of the money is so interesting. My favorite coins are gold and silver. I also love wheat back pennies and Morgan dollars too.

My Pops joined the coin club for me. He brings me every month and I really enjoy the meetings. I learn something new every time and also get to spend special time with my granddad. Some of the best gifts I have ever gotten are coins or money sets. I hope one day to collect an 1880 MS65 pure silver Morgan Dollar that would be really cool.



An 1880 Morgan \$1.00 graded MS-64 by NGC
[Courtesy of Heritage Auctions Archives]

Here's another fine article by Young Numismatist Chance Barker, Keep them coming Chance and that goes for our other YN's in the club as well. Let's hope Chance's wish for the 1880 Morgan dollar will come true and be even nicer than the certified MS-64 one shown above. (Ed.)

Collecting in an Uncertain Economy

We may not be feeling the economic downturn as much in the CSRA but many folks elsewhere in the country are becoming gravely concerned. As this is being written the Dow Jones has dropped from a high of 14,000 to below 9,000. Banking systems may be teetering from Iceland to Indonesia. Spending is down and unemployment is rising, so how does the current financial stress impact on the commodities market and coin collecting in general? Gold rose briefly during the initial crisis, and then dropped before rising above \$900 once again. Reasons given initially for the negative commodities reaction was the need of many to sell their gold in order to stay out of debt. Others believe that if the financial markets do not stabilize in the near future gold will soar. What impact does the current freefall in the credit and stock market have on the coin market? Rare coins will always be rare but rare dates that are common in low grades along with late date proofs, mint sets and commemoratives may see drastic price corrections because they will be the first coins people will try to sell.

More Club News

At 7:00 sharp, President Bill Myers called the meeting to order acknowledging this would be his final meeting as president. Bill has retired from his local medical practice and together with his wife Kathy, has taken up residence in Tucson, Arizona. Bill asked show chairman David Chism to provide an update on the upcoming show. Dave reported that as the Sept. 18 meeting 33 tables had been sold and the publicity was being handled on schedule. President Myers announced that he had sent copies of all show and club related data to Executive Committee members Arno Safran, John Attaway, Xavier Pique and David Chism. These include mailing labels of dealers as well as past show attendees. Secretary John Attaway read the minutes of the August 21 meeting which were approved. Treasurer Xavier Pique reported a balance of \$6,020.91.

Winners of the Young Numismatist Essay Contest was announced. First prize went to Elliott Huffman for his article on the West Point Mint with the second Prize going to Chance Barker on "How I Started in Coin Collecting". Congratulations to our two talented YN's.

Show & Tell: There were two Show & Tell presentations. Charter member #1 Earl Sleeth displayed a 100th anniversary GM car medal which featured a classic corvette automobile on one side. When pressed, the headlights would light up; a great novelty, Earl! Thanks for sharing that bit of nostalgia with us. Bill Myers, in what would be his final Show and Tell, showed the face of a one sided Iraqi *Dinar* note used as a safe conduct pass. The Show & Tell sessions would not have been as interesting over the past several years without Bill's participation and his presence and contribution to our club during his five year association with us will be surely missed.

The Program: Our featured speaker at the Sept. 18 meeting was Xavier Pique and he gave an outstanding PowerPoint presentation entitled, "I Owe My Soul: The Use of Company Store money." The first part of his title came from the old labor movement song, "I Owe My Soul to the Company Store", a classic folk tune that Xavier recorded and used as a sound backdrop for the introduction to his talk. While the music was being heard, Xavier displayed a variety of photographic vignettes showing the condition that miners and other laborers endured going back to the 1930s and beyond. The speaker discussed the various nomenclatures of the trade tokens and scrip used at the company stores in various regions of America from the coal Miners of West Virginia to the lumberjacks of Washington State. These store tokens took on such names as clackers, lightweights, chinky tin, dingles, flickers, stickers and dugaloos. Xavier explained that these tokens were valid only at the particular company store and not legal tender. Furthermore the company store kept the prices of goods sold just high enough to virtually keep the employee indentured to the company for life. Most of the tokens were round. Some were rectangular. The metal alloys were usually brass, others tin or aluminum. Some tokens had the initial of the company punched in. The paper tokens, (*AKA scrip*) were used as well. The values of company store money ranged from 5¢ to 25¢ or more that included such irregular denominations as 4¢ and 12½¢. Xavier will be the featured speaker at the upcoming SCNA show.

Prize Winners: The attendance winners of the 2008 silver eagle drawings were won by Robert Cunningham and Billy Ray Randall. Jack Seech won the 50/50, \$71.00. Congratulations gentlemen. **Our next meeting** is scheduled for Thursday, Oct. 16 when South Carolina Numismatic Association President and ACC member Jim Barry will present a program on "Coins of the Hellenistic Kingdoms".

Raffle Prizes for Upcoming Nov. 14-15 Show Reminder

Don't forget to pick up and sell those raffle tickets; \$1.00 per or six for \$5.00. When sold please bring in the stubs with names and ten digit phone numbers and of course, the cash receipts to Treasurer Xavier Pique to the October 16 meeting or to the show itself not later than 2:00 on Saturday, Nov. 15. The five raffle prizes in order of decreasing value are:

- 1st prize; ¼ ounce gold eagle,
- 2nd prize; 1/10 oz gold eagle,
- 3rd prize; the latest silver proof set,
- 4th prize; a certified BU Morgan dollar and
- 5th prize is a 2008 Silver eagle.

South Carolina Numismatic Association (SCNA) Convention Coming Up –Oct. 24-26 in Greenville

The SCNA will be holding its 36th Annual Coin & Currency Show on Oct. 24-26 (Fri thru Sun.) at a new location; the Carolina First Center, 1 Exposition Drive in Greenville, SC. The hours are 10 AM to 6 P.M. Fri & Sat and 10 AM to 3 P.M. Sunday. 80 to 100 tables are expected to be sold with dealers displaying US and Foreign coins, tokens & medals, also US and Foreign paper money. A YN program is scheduled for Saturday.

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