

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

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THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

December, 2010

Our Next Meeting is Thursday, December 16, 2010 from 6:30 to 9:30 PM

Fall Show Results Provide a Mixed Bag

Club Meeting Calendar for 2010

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

Club Show Offers Mixed Results



ACC Show Saturday, 11: 30 AM Nov. 13, 2010

Our November 12-13 Show is over. Despite extensive advertising, a first time auction, exhibits and an educational program, the show still lost money. Traffic both days appeared sluggish with dealers reporting many more lookers than buyers. The projected sale of fifty or more dealer tables fell far short of the mark, in part, due to three last minute cancellations by dealers who had reserved two or more tables each. As a result, the huge Patriot's Park gym area looked more like a half empty shell compared with all previous sites. The commodious Belair Conference Center was more ideally located but their exorbitant price increases forced us to move to a more distant site.

On the opening day of the show, gold dropped \$41 from a record \$1,409 an ounce to \$1,368. This may have discouraged some bullion speculators from attending, but a well publicized coin show should have attracted more serious type coin collectors from as far as Atlanta to Charlotte and that did not happen. Gold has since risen to \$1,425 before retreating again.

(Show Review continued on page 3 bottom of column 1)

"Eye Appeal is Buy Appeal" and The US. Coins of 1825
By Arno Safran



An 1825 Large size Capped Bust dime; JR-3 R3
[Actual size when printed; Magnify to 200% to view details]

In the years before certified coinage many neophyte collectors were hesitant before making an acquisition because they weren't certain if the dealer's grade of a desirable coin matched theirs. In those days, all coins were sold "raw" and most were inserted either in 2x2 stapled cardboard see through containers or vinyl plastic flips. On these inserts the dealer would pen the date, denomination, grade, also the asking price and in smaller print, a coded series of letters and numbers indicating what he paid for the piece.

Some dealers didn't even bother to place a grade on their flips. When asked what grade their coin was, the dealer's response was, "\$250.00!" or something like that. That answer did not always sit well with the prospective buyer, especially one who had by now acquired better knowledge on grading along with the price lists corresponding to specific grades. Such dealers sincerely believed that it was not the grade that generated a particular coin's value so much as its appearance.

A dealer with whom I did a lot of business some years ago coined the phrase, "Eye appeal is buy appeal!" It made good sense then, and after more than two decades of companies offering professional grading certification, the statement still makes good sense now.

The large size Capped Bust dime pictured above was purchased when I was a sophomore in high school. It was sold as an EF and cost \$4.50. Today it would probably certify AU-58 and sell for \$1,000; it has that much eye appeal. I was earning \$2.00 a week for doing chores and errands and my father thought paying 2¼ times my allowance for a dime was absurd and forbid me to buy anymore. It was probably one of the few mistakes he ever made in rearing me but how was he to know?

(Continued on page 2, column 1)

The Coins of 1825 (Continued from previous page)



An 1825/3 large size Capped Bust quarter B-2, R2
The coin was graded XF-40 by Anacs
168,000 with this date were struck; all in Dec. 1825
[Actual size when printed; Magnify to 200% to view details]

My interest in coin collecting was reawakened in 1976, our bicentennial year. Early US type coins--which I had favored over modern coinage even as an adolescent--had increased in value dramatically from my teen years and it took me a while to learn to grade and recognize a coin whose surfaces had been artificially "improved". Uncirculated type coins were still fairly numerous back in the late 1970's but were costly. Finding circulated obsolete type coins that were problem-free and "original" yet still affordable were a challenge as most specimens appeared improperly cleaned or marred by unsightly marks or scrapes along the surface or rims.

In 1986, third party certification was introduced by PCGS and NGC followed a year later. Collectors found they now had some protection against overgraded coins by purchasing professionally graded coins hermetically sealed in see-through plastic holders called "slabs", but the idea of not being able to handle one's acquisition kept many old time collectors from jumping onto the "slab" bandwagon at first.

The 1825 quarter pictured above was acquired in 1999 for \$425. Despite a reported mintage of only 168,000, the 1825 large size Capped Bust quarter is not considered rare as a date. Upon closer magnification, the certified XF-40 specimen shown is accurately graded and "original" for a coin of 185 years and is attractive to the eye. Today it would for retail for \$1,400.



An 1825 Lettered edge Bust half dollar O-106 R4
The coin was sold "raw" as an AU-55
The reported mintage for this date was 2,943,166
[Actual size when printed; Magnify to 200% to view details]

As no silver dollars were issued during this period, the half dollar was the largest circulating silver denomination yet it didn't circulate very much. Like the Morgan dollars of more than half a century later, the Bust half was stored in bank vaults as specie to back business ventures. The 1825 50¢ piece shown above has very little distinguishable wear. It cost \$250 in 1999 and today it might sell from \$450 to \$500. The date is listed at nearly three million; a whopping mintage for that era and is

considered fairly common even in the higher grades. This accounts for the smaller increase in value. Like the other silver coins, the specimen exhibits strong eye appeal, with its natural russet toning on the obverse and an even strike on the reverse.

Copper Coinage



An 1825 Coronet Large Cent, N-6 R3
The coin was sold "raw" as an XF-45
The reported mintage for this date was 1,461,100
[Actual size when printed; Magnify to 200% to view details]

There is a large collector base for Early American copper coins. EACers collect mostly the half cents and large cents that were coined from 1793 to 1857. Many are seasoned collectors who prefer "raw" coins over "slabbed" for one very simple reason: In their view, the so-called professional graders overgrade copper coins almost to a fault. The sharpness grade of a copper coin is not as important as its overall condition or net grade. The net grade takes into consideration not just the amount of wear a coin has but the condition of its surfaces and rims, its color and its strike. To the copper coin collector it is better to own a lower grade VG-10 large cent with natural chocolate color, smooth surfaces free of rim dings or corrosion than one graded VF-20 appearing charcoal black with lots of contact marks that may also be porous or corroded.

The 1825 large cent shown above was acquired back in 1985, one year before the age of "slabbing". It has natural chocolate color, relatively smooth surfaces with no detracting marks and a good strike. Today it would certify XF-45 to AU-50 but Early American Copper Club members would probably grade it only VF-35, possibly XF-40. Back then it cost \$125. Today it would sell for closer to \$450. It has lots of eye appeal.



An 1835 Classic Head 1/2¢ grading XF-45
The reported mintage for this date was only 63,000
[Actual size when printed; Magnify to 200% to view details]

The lowly copper half cent was never very popular with the public. It was used more to make change for the Spanish *Real* which had the value of 12 1/2¢ and circulated here until 1857. After 1811, the denomination was suspended until 1825 when it was resumed at the request of some Baltimore businessmen. Despite the reportedly low mintage of only 63,000, the date is not considered rare. This XF-45 piece has nice eye appeal. In 1985 it cost \$41. Today it would retail for around \$200.

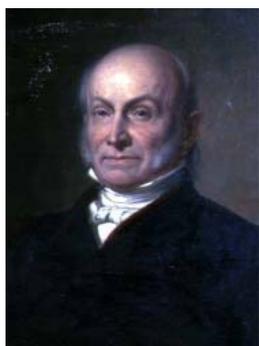
Eye Appeal is buy Appeal and the US Coins of 1825

(Continued from page 2, column 2)



The Coins of 1825 (excluding gold) reduced in size
[Magnify to 200% to see set more clearly.]

From 1808 through 1824 the Mint struck only a small number of the ten authorized denominations each year; never more than four (*excluding gold*). The resumption of the half cent in 1825 is significant in US coinage history as five denominations under the value of the dollar were struck for the first time since 1807 in a single year. All of these pieces produced 185 years ago have turned out to be fairly good investments even though none are rare or could be considered the key dates of their respective series. The primary reason is their overall eye appeal. Shown in a row, the coins make up a nicely balanced set.



John Quincy Adams

On March 4, 1825, 185 years ago, John Quincy Adams was inaugurated as our sixth President. The son of John and Abigail Adams, John Quincy Adams had already carved out a distinguished career as a diplomat and world statesman. He contributed to the signing of the Treaty of Ghent on Christmas Eve, 1814 that officially ended the War of 1812 with Great Britain. In 1823, as Secretary of State in the Monroe administration, he wrote the Monroe Doctrine.

A Further Review of the fall Show (Continued from page 1)

Neophyte collectors understandably are a bit finicky when it comes to spending a lot of money on coins. Still, there were a large number of dealers set up who had a wide variety of inexpensive coins yet many reported that the show was very slow. The more seasoned type collectors on the other hand are willing to plunk down a certain amount of cash if they find what they are seeking but prefer certified over “raw” coins if for no other reason than to maintain the liquidity of their assets. The few dealers with cases displaying quality obsolete type coins reported that it was the bullion sales that enabled them to make a slight profit; not the collectible type coins of past shows. One first time dealer with mostly early American copper coins told me that had it not been for the few gold coins he sold during the first hour of the show on Friday he would have lost money instead of netting a small profit. Could it be there may not be that many obsolete type coin collectors residing in the CSRA?

China Numismatic Adventures: Part Three COIN SHOPPING IN CHINA by Bill Myers



Coins in Chinese Market Stall
[Use 3X glass or magnify to 200% to see details.]

I was not able to locate any coin shops in China. I do not know if any even exist. I had to search for currency at the market stalls, which were everywhere. Some of them had coins and a few had paper notes. There were boxes of the older “cash” coins. Some were dirty enough to probably be authentic but many were too nice looking and I questioned their authenticity. If I could not readily identify the authenticity of a coin I avoided them.

There were thousands of “silver” coins in the markets. Some were Chinese but others were counterfeit coins of many other countries including the US. The numismatic literature has addressed the latter in depth. The quality of the coins varied but many were not bad at first glance. The coins felt lighter than authentic coins (6-9 grams lighter) and had a thump when dropped on a counter. If displayed in a 2x2 holder many of them would fool a novice collector. Of course none of these had “copy” stamped on them. I purchased a variety of the coins. I got a Maria Theresa *thaler* and some Chinese coins.



A Chinese counterfeit 1847 Liberty Seated dollar
[Use 3X glass or magnify to 200% to see details.]

As far as the US coins, I got a 1795 bust dollar with a **reeded edge**, instead of the **lettered edge** of the authentic coin. I also obtained 1847 and 1871 Seated Liberty dollars with the motto on the reverse. This with motto, IN GOD WE TRUST reverse was not used in 1847. I found Morgan dollars dated 1886-CC, 1887-CC and 1888. The Carson City Mint did not produce silver dollars in 1886 and 1887. I got two very unusual coins - a 1963 *no motto* reverse Seated Liberty dollar. That is no typo - the date on the coin is 1963. The other coin is the Statue of Liberty commemorative dollar dated 1906.

COIN SHOPPING IN CHINA

(Continued from previous page)



An 1886 cc Morgan Dollar Chinese counterfeit
[Use 3X glass or magnify to 200% to see details.]

I had to hassle to obtain even the bogus coins. The final price was usually 1/5 to 1/10 of the initial price. On average I paid \$2 per coin. Although fake, these coins are interesting additions to my collection.

There was also some paper money in the markets. It was mostly common Chinese notes. I came across some notes from other countries. Many of the notes were fakes that appeared to have been scanned and printed on construction paper. They were in plastic sleeves so you could not feel them. Often there would be two of the same note with matching serial numbers. There was even a fake US \$2 and \$100 notes. I call them fakes, not counterfeits, as the quality was so poor. I did not waste any money getting them. I did purchase an authentic Chinese 5 yuan Liberty Bond from 1937, just after World War II started, to add to my collection.

I did obtain one piece of exonomia, as well. In the Shanghai Urban Planning Exhibition Center there was an elongating machine. Prior to leaving for China I had looked up on line the location of elongating machines and knew there was one there. Even though the machine did not resemble any in the US, I was able to find it. I inserted three 1 yuan coins and through a portal I watched the image being impressed on a blank disc. The elongate is uniface with the image of the building on it. There are Chinese characters across the top and "SUPEC" (for the Shanghai Urban Planning Exhibition Center) across the bottom.



MUSEUMS

There was one other source of numismatic information and that was the museums. The Shanghai Museum had an exquisite collection of Chinese currency on display. It started with the earliest forms of money (*cowry shells, coins, paper notes*) and ended around 1940. The descriptions were in Chinese and English so I could understand them. It also discussed early minting and printing techniques. Coin molds and paper money plates were on display as well as a screw coin press.

I have found almost any trip can be turned into a numismatic adventure. It may not be what you expected but it will often be rewarding

Club News

At the meeting, President David Chism thanked those members who helped out with all facets of the show. 1st VP Arno Safran presented President Chism with an Appreciation Award for all his efforts on both our club shows held in 2010. Xavier Pique also received a certificate award for his PowerPoint Program on Tomas Jefferson given the Show as well as Len Sienkiewicz for his extra help at the Welcoming Desk.

Treasurer Xavier Pique reported a healthy balance of \$9,859.61. As Chairman of the Nominating Committee JC Williams reported that no members other than those on the current Executive Committee had volunteered to run for office in 2011. When President Chism followed this with an appeal explaining that being President or VP does not require all that work, there was still no fervent interest shown by meeting's end.

[The clock is ticking! Circumstances change and with it, the leadership. Ed.]

Two area boy scouts came forward to acknowledge they had received Merit Badges for Coin Collecting. Congratulations to them. The **Show and Tell** session produced two interesting exhibits. Jim Barry brought in a hand struck hammered silver shilling from the reign of Queen Elizabeth I (1858-1603). It was the perfect eye appealing example of a well circulated silver coin that was completely "original" and "problem free".



Elizabeth I Shilling (1858-1603)
[Use 3X glass or magnify to 200% to see details.]
-Photo courtesy by Helen Barry-

Tom Burke brought in a small group of interesting obsolete US type coins highlighted by one of the great American rarities, an 1856 Flying Eagle cent.

Arno Safran gave a **PowerPoint program** on "the US Coins of 1800". Shown were the Draped Bust design types of our first Chief Engraver Robert Scot that included the half cent, large cent, half dime, dime and dollar; and from Heritage's Auctions Archives, the two 1800 Capped Bust facing right gold rarities; the \$5.00 half eagle and \$10.00 Eagle. Arno reported that over time, one could acquire circulated specimens of the ½¢ thru the \$1.00 up to Very Fine condition but recommended certified specimens especially for the silver denominations.

The Prize Winners at the Nov. 18 meeting were Rick Heiss and Everett Price, each winning a silver eagle and Rick Owen who took the 50/50 - \$70.00. Congratulations gentlemen! Our next meeting is Thursday, Dec. 16 at America's Best Value Inn. Bring in something for Show & Tell. There will be a program and auction following the business meeting which includes the election of officers for 2011.

Page FIVE by Xavier Pique

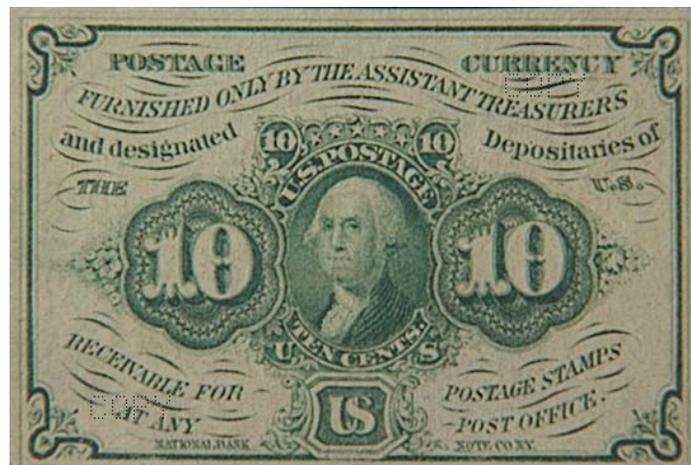
POSTAGE CURRENCY

Author's Note: This is the second of three articles addressing the subject of encased postage coinage, postage currency 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 American 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. The public even resorted to using postage stamps in lieu of small change, as we noted in last month's article.



Beginning in August 1862, the US government started issuing "fractional" paper money in denominations less than a dollar. These small denomination notes were designed to func-

tion like regular paper money. **Postal Currency**, or **Postage Currency**, was a form of printed money in 5¢, 10¢, 25¢, and 50¢ denominations and issued from August 21, 1862 through May 27, 1863. They were valid for redemption of postage stamps and, while not actually valid as legal tender, they could be exchanged for United States Notes in \$5 lots and were receivable in payment of all dues to the United States, up to \$5. Essentially, they were postage stamps printed on Treasury paper.



The 5¢ and 10¢ notes depicted the same pictures as the postage stamps that were current at the time with Thomas Jefferson and George Washington. The 25¢ and 50¢ denominations simply had 5 images of the appropriate stamp printed on them.



The Postal Currency notes were followed by four additional issues of Fractional Currency beginning in 1863. These notes remained in use until 1876, when Congress authorized the minting of fractional silver coins to redeem the outstanding fractional currency.

Postal Currency is sought after by currency collectors and stamp collectors alike.

US Type Coins for \$50.00 or less: 20th Century Issues



**A Mint State 1938-D Indian Head/ Buffalo nickel
In MS-63 the 2011 Red Book lists it at \$38.00
[Use 3X glass or magnify to 200%]**

The weak economy has been given as one of the reasons that public attendance at our last two club shows has been down compared with previous events. Another reason is the enormous increases in prices rare US type coins have enjoyed since the beginning of this 21st Century. In 1999 gold was trading at \$255 an ounce. Today it is around \$1,400. A 1798 or 1799 Draped Bust silver dollar certified VF-35 cost \$600 in the 1990's. Today a similarly graded specimen would retail for close to \$3,000. In fact, the prices for most early US type coins (1793-1836) have risen from four to six times from what they were in 1999. Virtually all key date coins have skyrocketed with the more common date pieces selling for 2½ to 3 times higher today. So, what can the neophyte collector do?

The 2011 *Guide Book of United States Coins (AKA the Red Book)* lists suggested retail prices of all US coins by type, mintages and grade from Good-4 to MS-63. There are many 20th Century obsolete types that can be obtained for \$50.00 or less depending on the grade and availability within that grade. Obviously, coins grading G-4 to VF-20 will appear somewhat undesirable but there are a number of obsolete 20th Century types that can be found in attractive condition grading XF-45 to MS-63 that sell for \$50.00 or less. With Christmas upon us, what follows are some suggested stocking fillers for the would-be young collector, family member or for yourself.



**A 1911 Liberty "V" nickel grading AU-55
The 2011 Red Book lists it at \$45.00
[Use 3X glass or magnify to 200%]**

Both 20th Century obsolete 5¢ nickel types appearing above are priced under \$50.00 in the grades shown and still look attractive. Did you know that you can acquire an early 20th century date Indian Head cent grading as high as AU-50 for no more than \$20 per coin? Chocolate brown specimens are recommended over those with mottled red toning.



**A 1943 Mercury dime grading MS-63 costs only \$12.00
[Use 3X glass or magnify to 200%]**

There are a number of early 20th Century P Mint Barber dime dates that can be acquired for around \$22.00 in XF-40 according to the latest *Red Book* and in XF-45, a more desirable grade, for around the \$35.00 mark. Most P Mint *Mercury* dimes from the 1934 on only cost \$12.00 in MS-63 and some no higher than \$35 grading MS-65.



**A 1930-S Standing Liberty Quarter graded XF-40 costs \$35.00
[Use 3X glass or magnify to 200%]**

For some reason, most common date Standing Liberty quarters have not risen in price very much during the past thirty years. With a mintage of just 1,556,000 the 1930-S issue shown above ranks as the sixth lowest yet in XF-40 it is listed in the latest *Red Book* for \$35.00. Next month we will consider the larger 20th Century obsolete denominations, the half dollar and silver dollar that are priced \$50.00 or less. **In the meantime, to all our club members on behalf of the entire Executive Board, here's wishing you all a very Merry Christmas and a Happy New Year.**

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