

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. David Chism
1st V.P. Arno Safran
2nd V.P. Glenn Sanders
Sec. John T. Attaway
Treas. Xavier Pique
Sgt. in Arms: Bryan Hoyt
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Volume 9, Number 3

THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

March, 2009

Our Next Meeting is Thursday, March 19, 2009 from 6:30 to 9:30 PM

50th Anniversary Club Medallion Being Readied

Club Meeting Calendar for 2009

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

2009 Club Medallion to Feature Canal House At the Headwaters of the Augusta Canal

Pictured below is one view of the Canal house that may appear on the 2009 50th Anniversary Club medallion. At the February 19 meeting member Xavier Pique showed a number of slides of area landmarks. The Canal house at the headwaters of the Augusta Canal near the massive spillway at one of the river's widest points was selected by the members over all the other scenes by a wide margin. Xavier has been preparing circular models to be sent to medal firms which may be able to strike the medallion in antique bronze, antique copper and around fifty specimens in .900 to .999 silver; the latter alloy to be prepaid by the 43 members who indicated they would want one if made.



A View of the wood-frame Canal House overlooking the Canal with the Savannah River rapids in the background
[Photo by the editor]

(Club News continued on page 4, column 1)

Our US Coins struck during its first Recession: The Panic of 1819 by Arno Safran



The Coins of 1819: the Coronet type 1¢, Capped Bust 25¢ and 50¢
[Magnify to 200% to see details.]

The coins shown above were the only denominations struck in 1819 if one excludes the very rare low mintage \$5.00 gold piece. By then, six of the original ten authorized denominations had been suspended. These included the 1/2¢, the half dime, dime and \$1.00, also the \$2.50 and \$10.00 gold. During this period, even the quarter was struck intermittently.

190 Years ago our young nation was in the grip of its first serious Recession, "the Panic of 1819". The economic calamity was caused by a number of factors that are familiar today. These included extensive government spending to pay for the War of 1812, failure of the banking system due to lack of oversight and reckless speculation in using bank notes instead of hard currency, (i.e. coin). At the same time European markets damaged by the Napoleonic wars were reducing spending abroad which seriously affected our balance of trade.

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US Coins during the “Panic of 1819”

(Continued from page 1, column 2)



A Coronet 1819/8 large cent, N-1 R1+
The large cent was around 29 mm in diameter
 [Magnify to 200% to see details more clearly.]

190 years ago, the lowly cent was the workhorse of our coinage, much like the quarter has been in our lifetime. Over 2.6 million cents were struck in 1819. Fifteen of these large coppers were enough to pay for a full meal at a country inn along with a small jug of grog with which to wash it down. Prices for basic goods were extremely low by today’s standards with a cent having the purchasing power of 17¢ to 20¢ today.

There are three *Red Book* varieties for the cents of 1819, the overdate shown above and enlarged directly below, also the large date and the small date varieties.



Detail of 1819/8 1¢ overdate.
 [Magnify to 200% to see details more clearly.]

What remains of the overdate after heavy polishing by the Mint appears as a light extension on either side of the upper part of the 9. Also, one will observe a vague outline of the remnant of the “8” inside the lower loop of the 9.



An 1819 1¢ normal date N-8
 [Magnify to 200% to see details more clearly.]



1819 1¢ obverses; the large overdate & small date
 [Magnify to 200% to see details more clearly.]

The coinage of dimes had been suspended after 1814 until 1820. After the last Draped Bust quarters were coined in 1807, none were issued until 1815. By then all coinage designs were being executed by John Reich, assistant engraver to Robert Scot, who whether due to declining eye sight or merely a change in politics (*Federalism was “out” and States Rights were “in” during the administrations of Jefferson, Madison and Monroe*), Reich ostensibly was being given all of the work at a salary of \$600 a year. This had the equivalent purchasing power of \$10,476 today.

As a result of a fire at the Mint in January of 1816, the coinage of quarter dollars was temporarily put on hold for two years and was resumed in 1818 with a reported mintage of 361,174; a relatively large amount for that denomination at the time. By then however, Reich was gone. After ten years at the Mint, Reich had not received a single pay increase and left. Still, most of his design types prevailed including the Coronet cent, once attributed to Scot. (*See Robert Julian’s numerous articles on the subject appearing in a number of numismatic periodicals. ED.*) along with the Capped Bust design on all our silver coinage.



An 1819 Capped Bust 25¢ B-1 R5 certified VF-20 by Anacs
 [Magnify to 200% to see details more clearly.]

In 1819 144,000 quarters were reported minted. The diameter had been reduced from 27.5mm to 27mm in 1815. Despite the lower mintage, the 1819 quarter is not considered scarce, let alone rare because up until recently, demand for early American coinage types was not that strong. Before 1836, when the steam press replaced the screw press at the US Mint, such minor details as the stars, lettering and date were punched into the die individually with the result that each die differs subtly from another. The specimen shown above came from a die that had a short life span and the R5 indicates it as a rare variety. In 1819 25¢ had the purchasing power of around \$4.50.



An 1819 Capped Bust 50¢, O-113 normal date graded AU-50
 Wear shows on the cap, under the Y in LIBERTY on the obverse and above the eagle’s head and wings on the reverse. [Magnify to 200%]

Only a small proportion of the annual mintage of half dollars saw heavy circulation as the banking system kept most of them in vaults as specie to back large business transactions. As a result, high grade examples of Bust halves survive in far greater numbers than the Bust quarters of the same era as well as the later Liberty Seated or Barber halves do.

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US Coins during the "Panic of 1819"

(Continued from page 2, column 2)



**An 1819/8 Capped Bust 50¢ O-103a R4 [Large 9]
[At 500% magnification one can see the overdate clearly.]**

The 1819 the lettered edge Capped Bust half dollar had a reported mintage of 2,208,000. Designed by John Reich in 1807 it had been modified in 1809 and remained ostensibly unchanged ten years later. Of the fifteen die varieties for that year the most popular are the overdates that include a large 9 over an 8 and a small 9 over an 8.



**Detail of 1819/8 50¢ overdate featuring the large 9 over 8
[Magnify to 200% to see overdate even more clearly.]**

In 1819, fifty cents had the purchasing power of around \$9.00, quite a large sum at that time as it represents an increase of 18 times more in value. That statistic however, does not even begin to conform to the increases in value of rare coins, antiques or art works over time. Rarity creates its own market. Back in 1947, a 1795 Flowing Hair half dollar grading Fine was listed in the old Wayte Raymond catalog at a suggested retail price of \$20.00. The 2009 *Red Book* lists the very same date and denomination in Fine at \$2,300; an increase of 115 times in value. With the country now gripped in a global recession, some rare coins may begin to come down in price in relation to the cost of living but not as much as the more common or over promoted issues. A collector interested in assembling an 1819 year (*excluding gold*) may be able to acquire attractive problem-free examples including the overdate varieties shown as more of these "collector" coins return to the market at reduced prices.

With parallels being drawn between the worsening economy conditions of today with the Great Depression of the 1930's, how did the Panic of 1819 become resolved. The Second Bank of the United States insisted on full specie payments. One economist stated, "The Bank was saved but the people were ruined." In March of 1820 Congress passed a Land Act which ostensibly cut the price from \$2.00 an acre to \$1.25 up to 80 acres. The Act further forced the Federal government to pay off the debts of the original \$2.00 per acre settlers. Despite the economic calamity that developed during James Monroe's first term, he was reelected by the House of Representatives to his second term as President with only one dissenting vote.

Acquire Quality Coins

By Harry Garrison

The purpose of this article is not to "win friends" but encourage collectors to rethink their collecting habits and strategy. What follows is based on my experience with uninformed collectors over the years. Some collectors may choose not to agree with my observations but in many cases the coin club member reading this may be you and here's why.

As a dealer for over twenty-five years I have bought and appraised hundreds of collections. While occasionally I get to work with the collectors themselves, in most cases I buy from their heirs. They know little to nothing about the coins except that they might have some value. Being an ethical person I always try to be as fair as possible, especially knowing that the sellers are unaware of whether the collection is worth \$750, \$7,500 or \$75,000.

When evaluating a collection, (generally in ten seconds), I am aware of whether the individual who formed the collection was a serious collector or just another run-of-the-mill accumulator. If the coins are housed in inexpensive blue holders it can still be an excellent collection, but chances are it is liable to be just more "junk".

So, what am I looking for? Simply put, it is better dates and/or better grade coins. Lots of collections used to be taken out of circulation, especially before the clad era when one could still receive silver in change, but even today one can acquire interesting and better date material if they have a strategy and not just stuff coins in a hole. Another problem is coming across accumulations of many miscellaneous items having no relation to each other or purpose. Such collections indicate impulse buying made by someone who had some extra cash, attends a show or goes to a coin shop and feels compelled to make a purchase rather than return home empty handed. Every collector should have a purpose and goal along with an ongoing process of review and upgrading.

When evaluating a collection I search for key dates and higher grade coins. Finding these demonstrates that the collector recognized that there were better coins available. If, on the other hand, I see coins with stains, corrosion, rim nicks, holes or even worse, a counterfeit, I realize that I am dealing with another uninformed individual who acquired a lackluster collection of little value.

Now, I'm not saying one has to be well-heeled to have a good collection. We all have our financial limits. But if you collect "junk", it will always be "junk". On the other hand, if you work within your budget, remain focused with a specific collecting plan; both you and your heirs will be much happier when the collection is liquidated.

So, the next time you have to make a choice between a so-so uncirculated or near uncirculated coin priced at \$10 or a Gem Uncirculated coin for \$50, spend the extra dollars. A few extra bucks more for a nicer coin will have a bigger impact on the value of your collection with its final disposition.

Harry Garrison is President of the Trenton, NJ Numismatic Club and the proprietor of Colonial Valley Rare Coins. The article first appeared in the June, 2008 issue of the TNC Club Newsletter, Evan Greenberg, editor.

More Club News

(Continued from page 1, column 1)



Another view of the Canal House showing the canal.

President Chism reported that 25 tables have been sold towards our May 8-9 show. He has turned in those dealers' deposits to our Treasurer, Xavier Pique. Xavier reported a balance of \$7,685.13 before the new deposits were made.

Member Jim Barry gave a Show & Tell displaying a Hispanic "Pillar dollar" (Piece of Eight) recovered from the sunken vessel, the *Auguste*. The coin had been sent in for conservation; a process which removes the sea grime and corrosion from the silver. Once authenticated as having been a genuine issue, and then improve. It was then hermetically sealed in a plastic holder and designated as such; then marketed at a reduced price.

Xavier Pique presented a program on Mardi-Gras Doubloons, a tradition that goes back to 1872. He explained how neighborhood groups in New Orleans formed clubs called *Krewes*, each using their own logos and symbols not just on their unusual costumes but also on tokens made from various base metals, some even in wood, which--while not gold--were nonetheless called Doubloons. When the parade of floats would pass the crowds on the day of the Mardi-Gras, persons from these *Krewes* would toss some of the doubloons to the people. Some of the more renowned *Krewes* were the *Krewe of Rex*, *Krewe of Bacchus* and the *Krewe of Zulu*. Over the years these doubloons have become enormously popular as collectibles; many of them featuring famous jazz musicians and other important personages. Thanks Xavier, for another wonderful presentation. President Chism who has attended many a Mardi-Gras event brought in a portion of his collection of doubloons and gave a first hand account of his experiences in the Big Easy.

Winners of the Silver eagle drawings were Theresa Pique, our speaker's mother and Charles White. Colonel John Mason won the 50/50; \$90. Congratulations to the winners.

Our next meeting is set for Thursday, March 19. At the moment, no program has been scheduled, so members are encouraged to bring in a number of Show & Tells, otherwise this will be the first meeting in four years without some sort of educational numismatic program. Since virtually every member has joined the club due to an interest in coin collecting, there

must be a number of folks who have items they cherish that would be of interest to others. These items do not have to be "rare", "scarce" or coins of high value. In fact, they can be a common contemporary issue from a foreign country. It's not the rarity that counts. It's the meaning it has to you, the collector that is important, so please bring something in for Show & Tell.

More articles for the newsletter wanted

The newsletter was started in July of 2001. Thus far submissions of numismatic articles have come from a bare handful of members, former President, Bill Myers, David Chism Earl Sleeth, Xavier Pique, Steve Nix, yours truly and YN's Elliott Huffman and Chance Barker. The newsletter took a third prize in the ANA's Outstanding Publication Contest for 2006 and finished second in the nation in 2007. There was more variety in those years thanks to the contributions of others. Please submit an article based on your particular numismatic interest or experiences. Topics could be, "My most exciting find", "The one that Got Away", "Junk Box Gems", "Searching Through Rolls", "Why I Collect Foreign", "Why I Collect Ancients", "Finding Errors", and so forth. Why not just give it a shot? Ed.

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