

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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1st V.P. Arno Safran
2nd V.P. Glenn Sanders
Sec. John T. Attaway
Treas. Xavier Pique
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THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

April, 2009

Our Next Meeting is Thursday, April 16, 2009 from 6:30 to 9:30 PM

50th Anniversary Medallion Being Finalized May 8-9 show Approaching; Help needed!

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 |

Medallion Being Readied; Show on Track

For over two months, Treasurer Xavier Pique has been working to provide our club with a 50th anniversary medallion. A final design showing the Canal Head gate Building located along the Savannah River Rapids below the Savannah River Pavilion has now been sent in to the Monterey Medal Company, the same group that has produced such fine work for us in the past. 75 medallions each will be struck in antique Bronze and antique copper. In 2007 and 2008 the club also issued a silver finish medallion that had the "look" of silver. We are presently waiting to hear from the medal company on the Sterling silver medal option which will have the same design and diameter as the antique bronze and antique copper but the thickness, weight and price of that issue is still to be determined. Barring any further delays, we believe there is still time to have the medallions completed by our May-8-9 club show. An update will be presented to the members at the March 16 meeting.

Regarding the show, President Chism has reported a total of 44 tables sold. The capacity of the bourse at the Belair Conference Center is 50 tables, so we are well on track for another sell out. As with past shows we will need help from members in the set up and take down and at the welcoming desk between the 9 to 5 hours the show is open to the public. A Volunteer sheet will be passed around at the April 16 meeting allowing members to put their names along side the hours they expect to be available on Friday, May 8 or Saturday, May. 9. Raffle tickets for the five prizes (inc. 2 gold coins) will be on hand at the April 16 meeting at 6 for \$5.00 or 12 for \$10.00. All cash from tickets sold including stubs with donor's name and phone number must be received by 2:00 PM on Sat. May 9.

(Club News continues on page 4, column 2)

America 150 Years Ago: The Coins of 1859

By Arno Safran



The Minor coinage of 1859: 1¢, copper-nickel, 3¢, 5¢ & 10¢ silver
[Magnify up to 500% to see definitions more clearly.]

Shone above are the four lower denomination US coins of 1859, the Indian head cent struck not in copper or bronze, but in copper nickel, the same alloy as used for the Flying Eagle cents of 1856, 1857 and 1858. Next to it is the 3¢ silver *trime*, a .900 fine silver coin authorized eight years earlier in 1851 to pay for a 3¢ postage stamp. It was originally struck in an alloy of .750 silver and .250 copper. The third coin from the left is a Liberty Seated half dime coined at the New Orleans Mint. The significance of this will be explained later in the article and lastly the 1859-P Liberty Seated *with stars* on obverse dime.

In 1859, James Buchanan of Lancaster, PA was in his third year as 15th President of the United States. He was known as "the Bachelor President" although he was not the first. Historians regard Buchanan as one of the three "Doughface" presidents who despite being a northerner waffled on the slavery issue, usually coming down on the side of the south. In 1859 the first oil well was dug; not in Texas but in Titusville, PA. That same year a large silver deposit was discovered in Colorado in the what became the "Bonanza" mining town of Virginia City. The find was unearthed on property owned by Henry Tompkins Paige Comstock and came to be known as the Comstock Lode.

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The Coins of 1859

(Continued from page 1, column 2)



1859 Liberty seated quarter, half dollar and dollar denominations
The dollar is one of the four struck of this type struck at the New Orleans mint
[Magnify to 200% to see details.]

With the exception of the Liberty Seated half dime, the Liberty Seated dime, quarter, half dollar and silver dollar were struck at the Mints in Philadelphia, New Orleans and the recently opened San Francisco Mint, the last having opened in 1854. The San Francisco pieces are considerably scarcer and more expensive today.

Silver wasn't the only bullion news occurring in 1859. The gold rush, begun ten years earlier in California, was revitalized after new discoveries of the yellow metal were made in Boulder Canyon, Colorado earlier in the year. Under the new slogan, "Pike's Peak or Bust" more gold seekers and adventurers were arriving from the east in covered wagons, some propelled by sails as they moved across the prairies.

Since the year includes common dates for each denomination one should be able to assemble a date set of 1859 coins (*excluding gold*). Of the five gold denominations struck in 1859, only the tiny gold \$1.00 and \$2.50 quarter eagle (*with the second reverse for that year*) are on the cusp of affordability up to AU-58 while the lower mintage \$5.00, \$10.00 are costly. The 1859-S \$20 Double eagle with a whopping mintage of 636,445 is the big exception but with the inflated cost of gold today, even common dates are extravagantly priced.



An 1859 Indian Head Cent grading MS-63
The reported mintage was 36,400,000. [Magnify to 200% to see details.]

1859 is a significant coinage year starting with our lowest denomination. According to the late numismatic scholar Walter Breen, Mint Director James Ross Snowden, concerned over "characteristic weakness of striking the Flying Eagle cents..." asked the Chief Mint engraver James Barton Longacre "to prepare other cent designs". The result was a Bust of Liberty wearing an Indian headdress on the obverse and a laurel wreath (*without shield*) on the reverse. The mintage was huge, 36,400,000. Why then is an MS-63 specimen listed as much as \$550 according to the latest *Red Book*? The answer: 1859 cents represent a one year type and is in high demand from collectors. In 1860, the reverse was changed to an Oak wreath with an upright shield centered at the top. There are some repunched dates for the 1859 cent depending on the variety that may have greater value.



An 1859 3¢ silver trime: First year of the Type III issue
364,200 3¢ pieces were minted in 1859
[Magnify up to 500% to see details.]

With the discovery of gold at Sutter's mill, California in 1848 and the subsequent Gold Rush a year later the price of silver rose in relation to gold causing a silver coin shortage. In 1851 Congress enacted legislation authorizing a 3¢ silver coin. It was only 14 mm in diameter, weighing 80 grams and contained only .750 silver to .250 copper. First class postage had been reduced from 5¢ to 3¢, so a 3¢ silver coin could be useful in expediting stamp purchases. The smaller amount of silver in the new coin partially helped to stem the melting spree. Two years later in 1853, Congress enacted another law which reduced the amount of silver contained in the half dime, dime, quarter and half dollar placing arrows at the dates to indicate the reduction. That same year the proportion of silver was increased to .900 fine on the 3¢ silver coin, in line with the larger silver coins, but its weight was reduced to 75 grams. To show the change, two additional lines were added to the star on the obverse and on the reverse, an olive sprig was inserted above the III with a bundle of three arrows beneath. In 1859 one more change was made to the 3¢ silver coin. The number of lines of the star was reduced to two, ostensibly to improve the striking quality. By that time French born engraver Anthony Paquet had



1859-P (l) and O 5¢ (r) 1/2 dimes

been brought over to America to refine the lettering and other aspects of our coinage with the result that the lettering was narrowed on the 1859 3¢ *trime* as well. The Half dime underwent a similar tinkering by Paquet as shown on the P Mint issue (left) compared with the O Mint (right.) [Magnify pic to 200%]

The Coins of 1859

(Continued from page 2, column 2)



**An 1859 Liberty Seated dime grading AU-50
430,000 minted in Philadelphia [Magnify to 200%]**

1859 dimes were minted in Philadelphia (430,000), New Orleans (480,000), and San Francisco (60,000) with survivors from the last named being quite scarce and expensive in all grades. When compared with more than one billion *clad* Roosevelt dimes being struck in a single year at the Philadelphia and Denver Mints today one would think even the 1859-P and O dimes would be scarce but in fact, as collector coins are considered common and moderately priced up through AU-58.



**An 1859-P Quarter grading AU-55 with attractive iridescent toning
The reported mintage was 1,343,200 [Magnify to 200%]**

The 1859-P quarter is also priced as a common date but finding attractive high-end circulated specimens like the one pictured above is becoming increasingly difficult. In 1859 the size of the date was reduced. The 1859-O is less common while the 1859-S is considered quite rare and expensive above VF.



**An 1859-P Liberty Seated Half Dollar WB-102 grading XF-45
The reported mintage was only 747,200**

According to Randy Wiley and Bill Bugert, co-authors of "The Complete Guide to Liberty Seated Half Dollars" (DLRC Press 1993) the 1859-P 50¢ is "a scarce date, underrated and sometimes mistaken as common." It is also designated as an R4 in XF thru AU indicating a low survival rate in those grades compared with its mintage. Scarce does not mean "rare" and such a date can be found on occasion at a local coin dealer's shop as the coin shown above was.

Last but not least is the Liberty Seated dollar for this date. Most dates for the first portion of this series (1840-1865)--also known as the *no motto* sub-type--were struck at the Philadelphia Mint with the following five exceptions; 1846-O, 1850-O, 1859-O and S and 1860-O.



**An 1859-O Liberty Seated dollar grading XF-45
[Magnify to 200% to see details.]**

With a mintage of 360,000, the 1859-O Liberty Seated \$1.00 has the second largest mintage of the *no motto* portion of the series and is considered a very common date. Only the 1860-O tops it with 515,000. Liberty Seated dollars with their wide open fields tend to display a large number of surface abrasions, so finding even an uncirculated specimen--already very expensive for all dates including the 1859-O--will be challenging. The author came across this XF specimen some years ago at a local commercial show and considered it to be one of the nicest he had ever seen in a circulated grade. The gray color appeared natural but even more impressive was the unblemished surfaces showing slight even wear along the highpoints.

With this coin the 1859 year set (*excluding gold*) was completed. Having done so, I set out to write an article about it and sent it in to *Coin World*. Beth Deisher, who had recently become the editor apparently, liked the collector's slant and it was published in their June 13, 1994 edition. Due to the space restraints in a newsletter, the original article covered a lot more history than the one featured here. When printed, all of the photos accompanying this article should appear actual size.

Coin collecting is meant to be shared. This can be done through Show & Tells at club meetings or through articles in the newsletter. Consider writing even a short commentary on a short set you have assembled.



The obverses of an 1859 Year Set (excluding gold) featuring the Indian Head 1¢, 3¢ silver trime, Liberty Seated 1859-O half dime, 1859 dime, quarter and half dollar and 1859-O silver dollar

In last month's issue we published in this very column an article entitled "Acquire Quality Coins" by Harry Garrison, a noted dealer and numismatist. This month we print a story that expresses another point of view. Please read on:

The Millionaire Bottom Feeder

By Greg Heim



A 1793 Chain cent, with Rim Bumps and serious corrosion
Years ago such a coin might have been found in a dealer's junk box.
[Magnify to 200% to see details.]

The following story is true and only the names have been changed to protect the innocent.

There was a guy named "Joe" who I knew for many years – ever since I was a boy. Joe was a guy who was always looking for a bargain. To top it off, he was a real shrewd negotiator/haggler when it came to doing business. Many times he rubbed people the wrong way but most of the dealers loved Joe because he always had a wad of cash to spend.

Joe was not what one would call a numismatic scholar. But he was definitely a first-class numismatist. Well versed in the regular US issues listed in the *Red Book*, he used his knowledge to good advantage by applying it in the marketplace.

What made Joe unusual as a collector was his expertise in buying problematic coins. It gave him a ton of leverage. To top this off, Joe was an ardent cherry picker of important varieties by purchasing junk lots, then plucking out the rarities. I remember one time he showed me an 1893-S Morgan dollar in AG condition that had the initials, "RN" scratched across Liberty's face. So what? The dealer needed cash and Joe made him an offer. Problem or not, I almost had a coronary when Joe told me how little he paid for it at the time. The same held true for a horrid 1793 Chain cent. It had VG details but was corroded to death with a gash across Liberty's neck. It was part of a bulk lot of 100 large cents which he bought for \$2.00 a piece!

Sadly, Joe's life was cut short at the age of 72 from lung cancer (he was a two pack a day chain smoker). His heirs were well aware of Joe's collection and the nature of it and they told the dealer who handled the estate to take the coins on consignment as they were not hard up for cash. I turned out that after examining all of the records, the net proceeds from Joe's holdings after the dealer's commission was slightly over one million dollars! Joe paid less than half of that for the material as he kept accurate records of everything he bought.

The moral of this story is that quality alone is not always a guarantee for profit and that knowledge along with good negotiating skills can be paramount factors for success.

Editor's note: Greg Heim is a half cent collector and member of the "Early American Coppers Club" (EAC), a national coin collectors organization devoted to the collecting and attributing of varieties of U.S. large cents, half cents and colonial copper coinage. The article originally appeared in Penny-Wise, the bi-monthly journal of EAC, Harry E. Salyards, editor.

More Club News (Continued from page 1, column 1)

At the March 19 meeting President David Chism reported on the upcoming show mentioning its precise location off S. Belair Road behind the Waffle House and Hampton Inn in Augusta. He also pitched the selling of raffle tickets, mentioning the **Raffle prizes**: 1st, ¼ oz gold coin 2nd, 1/10 oz. gold, 3rd, 2008 silver proof set, 4th, an MS-63 Morgan \$1.00 and 5th, a 2009 Silver eagle. For **Show & Tell**, Secretary John Attaway displayed the 2009 \$20.00 Saint-Gaudens High Relief gold coin from the US Mint. **The program** featured another one of Xavier Pique's fine PowerPoint presentations; this one on the US Fractional Currency issued during The War Between the States and beyond. The Civil War had brought about a severe shortage in coinage resulting in Congress' enactment of laws passed in 1862 and 1863 to allow government backed small size bank notes in denominations of 3¢, 5¢, 10¢, 25¢ and 50¢. These issues with changing faces and backs extended well beyond the war. In 1875 and '76, another Act was passed redeeming fractional paper in the amount of corresponding coinage.

The prize winners at the March 19 meeting were James Clark and J.C. Williams, each winning a 2009 silver eagle and Ed Deketeleare who won the 50/50 - \$78.00. Congratulations James, JC and Ed! Our next meeting is scheduled for Thursday, April 16. Vilma and I will see you there! (Ed.)

The Georgia Numismatic Association Show is scheduled for April 17-19, 2009 in Dalton, GA. 10 AM to 6 PM. Directions: Take I-20 west to Atlanta, then I-75 north to Exit 333. 4hrs. if you don't run into traffic; 4½ if you do.

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