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THE AUGUSTA COIN CLUB MONTHLY NEWSLETTER

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February, 2012

Our Next Meeting is Thursday, February 16, 2012 from 6:30 to 9:30 PM

There is no Santa Claus in Numismatics

Club Meeting Calendar for 2012

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

No Santa Claus in Numismatics -An Editorial-

One of the many old adages of Coin Collecting is the statement, "There is no Santa Claus in Numismatics". Another is if the price of a coin looks to good to be true, it probably is!" Recently, Wayne Damron, proprietor of Clein's Rare Coins, spoke before our club on the topic of "Key Date Coins". He produced evidence that demonstrated over time that although rare coins are expensive to begin with; their investment potential is enormous compared with buying common date coins from the same series. The problem has always been that most collectors cannot afford to buy key date coins in high grades and are sometimes snookered into acquiring them in low grades at a fraction of the cost; often at below what one would expect to pay for a "key" grading Fair-2 or AG-3. Coins in these grades show very little detail or definition. Most have been cleaned and are un-certifiable. Beware of succumbing to such entreaties unless the promo mentions that the key date specimen in question has been certified by PCGS, NGC, ANACS or ICG, because unless you know the diagnostics of a low grade "key" such as a 1914-D Lincoln cent or a 1916-D *Mercury* dime, you may be receiving an altered coin.

Another question one has to ask is, "Are key date coins grading Fair-2 or AG-3 rare? In most instances, the answer is no. They are actually fairly common, lacking lack eye appeal in the bargain yet are still pricey due to demand.



A legitimate 1916-D Mercury dime graded AG-3 by NGC
[Use 3x magnifying glass or magnify to 200% to view details.]
(Courtesy of EBay)

Collecting Eye Appealing Coins: Part 2 (Dollars)

By Arno Safran



An 1878-S Morgan \$1.00 graded MS-63 by PCGG 38.1 mm
[Use 3x magnifying glass or magnify to 200% to view details.]

With the exception of a handful of scarce to rare issues, most dates and mintmarks of the Morgan dollar series (1878-1921) are extremely common grading MS-63 or better. The difference between an MS-63 and 64 is generally based on the amount of scuff marks appearing on Liberty's cheek and to her left on the obverse. The above example of the common date 1878-S was graded MS-63 by PCGS yet has far more eye appeal compared with the 1885-O Morgan \$1.00 graded similarly shown below.



An 1888-O Morgan \$1.00 graded MS-63 by PCGS
Upon magnification, notice the greater amount of bag marks to the left of
Liberty and across her cheek. Magnify to 200% to view details.]

Both these dollar coins were certified MS-63 but which would you rather own? Here's another adage from the world of Numismatics. Always grade the coin before you buy the "slab".

(Continued on page 2, column 1)

Collecting Eye Appealing Coins: Part 2 (Dollars)

(Continued from page 1)



An 1863 Liberty Seated no motto \$1.00 graded AU-50 by ICG
[Use 3x magnifying glass or magnify to 200% to view details.]

As a design type, Liberty Seated dollars are much scarcer than Morgan dollars yet they have never attracted the collector base that Morgans have. If one discards the very costly 1836 thru 1839 Gobrecht Liberty Seated issues, the main body of Liberty Seated dollars were struck with the *no motto* reverse from 1840 thru 1865 and the *with motto* reverse (*for IN GOD WE TRUST placed above the eagle*) from 1866 through 1873. While most dates from the Morgan dollar series can be acquired for around \$65 in MS-63 (*according to the 2012 Red Book*), a common date Liberty Seated dollar grading only VG-8 will cost as much as \$275; this for a lusterless coin with lots of wear; in other words, no eye appeal. The price differentials are due to the comparative low mintages for Liberty Seated dollars. Even the more common dates grading XF are priced at \$500 and in AU at \$850 with all Mint State specimens being scarce to extremely rare.

The 1863 shown above had a mintage of just 27,200 but isn't considered a rare date. Despite being coined during the height of the Civil War, (*President Lincoln delivered the Emancipation Proclamation on Jan. 1 of that year.*) a fair number of 1863 dollars surface today at major coin shows and auctions. This specimen was acquired "raw" as an XF back in the late 1980's from a dealer who was known for grading conservatively. It cost \$450 then. It was recently sent out for certification and came back as an AU-50. There is little wear across Miss Liberty's upper right leg where the first signs of wear would show on all Liberty seated type. According to the latest *Red Book*, an XF-40 is listed at \$800 with AU-50s priced at \$1,500 today.



An 1800 Draped Bust Heraldic Eagle \$1.00 graded VF-35 by PCGS
[Use 3x magnifying glass or magnify to 200% to view details.]

The Draped Bust dollar series was struck from 1795 thru the year 1804 but with the 1803 date then suspended. The

so-called 1804 dollars were issued as presentation pieces for foreign potentates but not coined until 1834 (*with different dies than the original*) and were never actually intended for circulation.

The original Draped Bust dollar was designed by Robert Scott who served as first chief engraver from 1793 thru 1823. It was coined in two sub-types: from 1795 to 1798 with the small eagle reverse and later in 1798 thru 1803 with the resplendent Heraldic reverse. The earlier design-type is scarcer and more expensive. That said no Draped Bust dollar will come cheap. The 1800 dollar example shown was purchased as a certified VF-35 at the 1993 ANA Convention held in Baltimore, MD. It cost \$1,050 then. Today, a specimen grading VF-30 is listed in the PCGS price directory at \$3,000. A certified example is highly recommended for anyone wishing to acquire one. A silver dollar in 1800 had the purchasing power of \$18.00. Not too many average income American citizens of that period probably spent them. Instead the denomination was used by banks primarily as specie to back important business deals.



A 1927-D Peace \$1.00 graded MS-62 by Anacs
[Use 3x magnifying glass or magnify to 200% to view details.]

The Peace dollar was struck from 1921 thru 1935 (*except from 1929 thru 1933 during the depths of the Great Depression.*) From 1922 thru 1925 it was produced in large mintages and is inexpensive in mint state. The 1927-D shown above had a mintage of 1.2 million and while not as common as the 1922 to 1925 issues, it surfaces regularly at the larger regional shows. This example was graded only MS-62 by ANACS but it has the eye appeal of a MS-64. According to the 2012 *Red Book* the date is priced at \$170 in MS-60, \$375 in MS-63 and a whopping \$1,000 in MS-64. I have seen Morgan dollars graded MS-65 with surfaces not as nice as this. The coin was acquired at our own Augusta Coin Club show for \$150 in November, 2009. A MS-63 1922 \$1.00, with 51.7 million struck is less than \$65.00.



A Gem BU 1922 Peace \$1.00, the most common date in the series
[Use 3x magnifying glass or magnify to 200% to view details.]

(Continued on page 3, column 1)

Collecting Eye Appealing Coins: Part 2 (Dollars)

(Continued from page 2, column 2)



A 1795 Flowing Hair \$1.00 B-2, R2 (Two leaves) graded F-15 by ICG
[Use 3x magnifying glass or magnify to 200% to view details.]

The Flowing Hair design type was Robert Scot's initial attempt at engraving our silver coinage and first appeared in very small numbers in 1794 on the dollars, half dollars and half dimes (*believed to have been pronounced "deems"*). In 1995 collectors celebrated the 200th anniversary of US coins produced in the year 1795. This was the first year in which both the mintages and survivors were sufficient enough to enable moderate income collectors to acquire lower grade specimens of the half cent, large cent, half dime, half dollar and silver dollar. The quarter and the gold \$2.50 gold quarter eagle would not be issued until 1796 while all surviving 1795 gold \$5.00 and \$10.00 coins due to their extremely low mintages are well beyond the means of 95% of the collecting base.

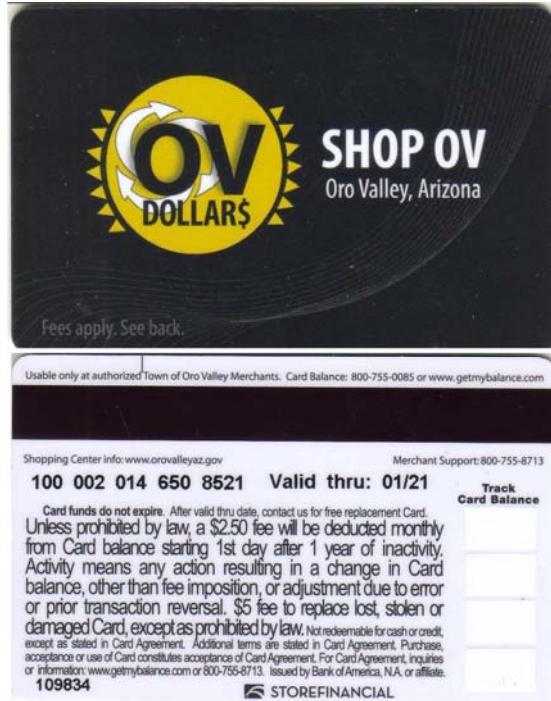
If one discounts the 1776 Continental issues which predate our official coinage, the 1795 Flowing Hair dollar is our nation's first collectible dollar coin, and back in 1995, one could acquire a specimen grading Fine-12 for around \$1,100; still not a small amount of change. Finding coins in VG or Fine that have eye appeal is a challenge but they do exist and the example shown displays plenty of detail along with decent color commensurate with the amount of wear along with attractive surfaces and rims. The coin was recently sent out for certification and it came back graded Fine-15 and attributed as a BB-20 (B-2) die variety (*for two leaves under each wing of the eagle variety*) The two leaves variety is considered scarcer than the three leaves and is priced accordingly which translates into a value of \$5,100 according to the latest on line PCGS Price Guide for the date and variety grading just Fine-12, so as an investment, the acquisition has done rather well.

It is the obsolete coin design representing the art and style of a distant era that often draw persons to collecting. Contemplating a Liberty Seated, Draped Bust or Flowing Hair dollar is akin to peering through a portal to the past. What was it like to be alive in 1863, 1800 or 1795? What were the issues of the day? What did skilled craftsmen, tradesmen, farmers, teachers, doctors or lawyers earn back then? How much did it cost to dine out or see a show or buy clothes or goods using the dollar coins shown in this article? Collecting obsolete coins can be expensive but if they are authentic, certifiable and attractive, they can over time prove to be a better investment than placing a like amount of money into various stocks, bonds or in CDs. One is more likely to admire a beautiful coin over a balance sheet?

Scrip of the 21st Century By Bill Myers

The use of scrip as substitute currency has been around a long time and has taken many forms. It has been made out of paper, metal, fiber and even sea shells. It has been issued by companies as credit to its employees such as coal scrip, during hard economic times such as Notgeld in Europe, by local governments during the Great Depression in the US and most recently as Community Scrip. The latter is used to promote the solicitation of businesses in the community. I had previously written about Phoenix BUX which is 1 dollar tokens in the shape of a hand used in Phoenix, AZ.

I live in Oro Valley, AZ, which is just north of Tucson, and in 2010 they launched the Shop Oro Valley Program to encourage shopping in the community, as 47.5% of its general fund comes from the local 2% sales tax. On 5 December 2011 they launched OV Dollars. It is a debit card which can be loaded from 10 to 500 dollars and is obtained at the Town Hall. There is no fee to purchase or use the card and it can be used at over 50 retailers, which includes several major chain stores. The card is swiped at the register like a credit or debit card and the amount of the purchase is deducted. The card cannot be reloaded so it can be kept after all of the money is spent. As a numismatist I had to have one of the cards and I happened to be the first customer to purchase the card. I have spent all of the money on it and it now resides in my collection.



An OV dollar in the form of scrip
Top portion is the face of the note
Lower portion is the back of the note
[Courtesy of the William Myers collection]

Thanks, Bill for another fascinating article, ED.

Club News

Guest Speaker Mike Brown Presents PowerPoint program on "Treasures of the Deep"



The legendary shipwrecked 1714 Mexican Doubloon
Certified MS-64 by NGC on Map
[Use 3x magnifying glass or magnify to 200% to view details.]

President Steve Nix called the meeting to order at 7:00 sharp and after our first door prize drawing asked Programs Chair Arno Safran to introduce our guest speaker, Mike Brown who hails from Albany, GA. Arno explained how he met Mike at breakfast before the second day of the FUN show and soon discovered they shared the same hobby. Mike told him that he was a retired Marine and currently a professional deep sea diver. He then explained that he gives presentations on the unusual finds he and his fellow mates have resurrected from the deep. As it turned out Mike had to be in Augusta on Jan. 19, the day of our meeting so Arno invited him to speak. Mike presented a fascinating PowerPoint program that included both stills and motion picture videos of the various divers (*including himself*) descending and coming to the surface off the Florida coast with a wide variety of treasures including a sword grip and sword guard and plenty of coins. These included a number of silver cobs, some twenty-five "pieces of eight", (*silver dollar sized 8 Reales*) and lots of gold coins that featured one of the legendary 1714 dated Mexican gold doubloons, (*See example above*), also a scarce 4 Escudo struck at the Potosí Mint in Bolivia (*active from 1574-1825*), along with twenty-five 2 Escudos, (*The gold Escudo had the equivalent value of two silver dollars during the era it was coined.*) The largest Latin American denomination produced by Spain in the New World was the 8 Escudos (*AKA doubloon*) which could be exchanged for eight US Bust dollars during the last decade of the 18th Century and first decade of the 19th.

Our club wishes to thank Mike Brown for his interesting program and hope he can return with another installment of his deep sea adventures in the not too distant future.

Other Club News

President Nix announced that the club will hold its annual dinner party at the harbor View Inn on Thursday, February 9 starting at 6:00 PM. The special dinner menu is free to all club members and is \$15.00 to non-member guests. In other club news, Vice President Glenn Sanders conducted the annual audit and found outgoing Treasurer Xavier Pique's book in perfect order. The club wishes to thank Glenn for the audit and Xavier for his ten year tenure as Treasurer.

Perfect Attendance: Secretary John Attaway announced the names of the members who had perfect attendance in 2011. The fourteen names on the list include Robert Anderson, John Attaway, Howard Black, David Chism, Robert Cunningham, Bryan Hoyt, Sam Harvey, Gary James, John Lefler, Everette Price, Glenn Sanders, Charles White, JC Williams and Roger Worpel. Each will receive a numismatic prize. Congratulations all!

The drawings held at the January 21 meeting were won by Danny Eden and Guy Sleeth, each winning a 2012 Silver eagle. The 50/50 drawing was won by Brenda Radford - \$64.00. Congratulations Brenda, Danny and Guy.

Our next meeting will be held on Feb. 16 at America's Best Value Inn starting at 7:00 PM; early arrivals at 6:15 PM. Bring in items for Show & Tell and the auction. There will be a program preceding the auction, and for those who have yet to pay their 2012 dues, please remit \$12.00 to our new Treasurer Mike Joesbury at the meeting and thanks in advance,

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