

◆ CCCC



Journal◆

Volume 13 Issue 04

April 2009

We normally meet at the El Segundo Library on Mariposa Avenue, West of Sepulveda, South of LAX. Next meeting: Thursday, April 16th, 6:30 PM

History of US Coins



Here is a little introduction to how American money came to be. It wasn't until foreign tradesman came to trade with the American immigrants and demanded coins for payment of goods. Before then immigrants used beaver skins, tobacco, and wampum, which was fashioned from mussel shells in the form of beads. Many foreign coins were excepted as payment, however, the Spanish Dollar became the standard monetary unit used throughout the colonial period. As time went on, many coins and tokens of all different types were introduced by the colonist, and the money came to be.

On March 1, 1781, the Articles of Confederation provided that Congress should have the sole right to regulate not only the alloy, but also the value of any coin struck. This meaning each state had the right to coin money, and New Hampshire was the first of the states to consider coinage, but few coins were placed into circulation. Other states, such as Vermont, Connecticut, and New Jersey were granted coining privileges.

Copper Coins were the first coins to be minted by the United States Mint, which officially opened its doors in 1793. The Mint produced the Large Cent and the Half Cent, which both went through some rather major design changes. But none the less the cents were produced in a time where they were greatly needed. After the era of the Large and Half Cents, which ended in 1857, came rise to a new copper coin series called the small cents which escalated into what we use now. The Flying Eagle Cent gave birth to a new metal used in minting coins. This new metal was Nickel, and it began the basis of coins today. The new copper-nickel coins are what a majority of our coins today are made of in some facet or another.

Many of the most popular and famous coins were struck in silver. Silver coins were what the United States Mint primarily produced and are very popular in the collecting community. Many denominations of silver coins have been struck including the three-cent piece, the silver half-dime, the twenty-cent piece, quarter dollar, half dollar, and the one dollar coins. All of these coins, whether short lived or here to stay, brought some importance to the economic structure of the United States. The Silver Coins were without a doubt one of the most regarded collectible coins minted by our United States Mint.

Our US Gold coins were minted in 1795 in denominations of the 5 and 10 dollar pieces. These are a very desired collectible among coin collectors all over the world, and the are as rare as they come. The United States Mint produced gold denominations of \$1, \$2.50, \$5, \$10, and the 20 dollar gold piece. A \$4 Gold piece was struck as well as a \$50 Gold, but these were merely pattern coins for the upcoming new coins and were never released into the economy. Owning gold coins today, isn't really to spend them as actual circulating currency, but to regard them in the same effect as collectible coins—only knowing that they are worth their weight in gold.

JvB

Numismatics are for Collectors, Not Investors

By Matt Martin

As a precious metals investor, you may have heard much about numismatic and "semi-numismatic" coins, particularly the St. Gaudens \$20 double eagle gold coin. While coin collecting can be an interesting hobby, it is not necessarily related to metals investing. Coins of this type vary in value with the ebb and flow of the collector market and are not strictly tied to metal value. Also, these coins often go for much more over spot price than bullion coins.

One of the concepts that gets bandied about quite a bit is the idea of U.S. government confiscation. While it is true that the U.S. government did have a gold recall in 1933 by executive order of FDR, gold coins of a significant value over gold value were not subject to this recall. Many dealers use this to imply that in the event of another confiscation these older coins would fall in this category in order to sell these types of coins to the unsuspecting or newer metals investor. However, the confiscation issue is a red herring for several reasons:

- . The dollar was backed by gold in 1933 and the recall was designed at least in part to stop the run on banks; the dollar no longer has any metal backing.
- . St. Gaudens \$20 coins in almost uncirculated to mint state conditions are still very common even considering their age due to decades of mass storage in European bank vaults.
- . There is nothing that states that numismatic items could not be confiscated in the event of another recall; the original executive order no longer has any force of law.
- . Gold is no longer used in regular-issue U.S. coinage (the American Eagle gold coin, although it has a face value, does not count) and is typically used only in jewelry and privately-held investment vehicles such as bars and bullion coins which would be harder to recall and account for. The majority of recalled gold coinage in 1933 was housed in bank vaults.
- . As gold is no longer used as a monetary instrument by the U.S. government, confiscation is unlikely in any event.

Now, you may be wondering about silver in regards to this as well. Silver held sway as coinage for longer than gold, and some silver coins can still be found in circulation. However, silver has never been subject to confiscation, and its status as an important industrial metal gives good reason to believe that there will never be a silver recall.

90% and 40% silver U.S. coinage is still widely available, and although it sounds contrary to what I stated above, these coins are a good value - as long as they can be bought at near silver spot or less. This is an important distinction to make, as old silver coinage (often referred to as junk silver) often carries very little to no value as a collector item over the metal value. These coins, if anything, are semi-numismatic, but don't bank on collector value.

In short, if you approach this from the perspective of a metals investor never look at a coin for collector value. Collector markets are often hard to get a pulse on, and numismatics are much more illiquid than their bullion counterparts. If you're paying more than spot plus a modest premium, you're paying too much. JvB



7 Most Common Coin Collecting Themes

By Cindy Heller

Coin collecting has been the hobby of many people for many years. If you refer to history, the first coin collectors were kings and emperors of different kingdoms all over the world. Some of the first known coin collectors are the Roman Emperors and King Farouk of Egypt.

Nowadays, instead of simply collecting coins, modern coin collectors collect coins according to a theme. Some of these themes are:

- 1) Country Collection
- 2) Year Collection
- 3) Error Collection
- 4) Subject Collection
- 5) Type Collection
- 6) Composition Collection
- 7) Period Collection

Country Collection

Country collection is one of the favorite coin collecting themes. Coin collectors who collect coins from different countries do their best to get their hands on current or past coins from as many countries as possible. This type of coin collecting would most likely be never ending since many countries keep on changing their currencies.

Year Collection

Year collections focus more on a specific coin and denomination. Under year collection theme, a coin collector will collect his coins by year. For example, an enthusiastic collector of the Lincoln cent may collect all Lincoln coins from the date it was first created in 1909 up to the present.

The challenge in year collection is to complete the collection in terms of year. Once a collector has completed the set of Lincoln cents, he will move on to another type of coin and start over again. Many enthusiastic coin collectors who collect coins by year will be able to complete several sets of coins during their lifetime.

Error Collection

Error collections are coin collections that are more focused on coins with mistakes on them. The mistakes on these coins may be either be very obvious or not at all. Older coins will usually have more mistakes because coins were minted by hand before the 19th century.

Common errors are found on coins are double dies, overdates, double strikes, repunched mint marks, off metal coins, displace coins and clipped coins.

Another very interesting error is mule. These coins are very interesting because each side of the coin has a different denomination. Coin collectors usually desire coins with errors because they are very unusual. These kind of coins can seldom be found them nowadays as minting has become fully automated.



(Continued on Page 4)

7 Most Common Coin Collecting Themes

(Continued from page 3)

Subject Collection

Subject collections are the collections where collectors collect coins which have a specific subject like a ship or animals marked on the coin. To expand the subject collection, the collector would have to do a lot of research to find out which countries have coins with the subject of his collection.

Type Collection

Sometimes coin collectors collect coins which are designed in a particular way. For instance, a coin collector may collect certain coins which have a hole in the center. There are some countries which create coins with a hole in the center. This collector will collect coins from different countries but with holes in the center.

Composition Collection

Even the coin composition can be a coin collection theme. Some coins are created with a combination of 2 or more metals. There are international coins which are composed of different kinds of metals. Some countries make their coins bimetal and some may use more than two combinations of metal for their coins.

Period Collection

Period collections are collections based on the period from which the coins were created. Some collections consist of coins from the Victorian era. Other collectors may go as far down history as the Byzantine or Greek period for their collections. There are several periods which can be the bases for period collection.

Initially, coin collectors might have started collecting coins because of having extra coins after a holiday trip overseas or because they like the design of a certain coin. As the collectors' interest increase, so will his appetite for more variety or more specific coins.

Although there are different kinds of coin collecting themes, most coin collectors are generalists and they simply prefer to have a little bit of everything.

In reality, coin collecting preference is all up to the collector and does not have to depend on a certain theme. Whatever a collector fancies in a coin can be the basis for the collection.

Many collectors strive to surpass each other by procuring the most sought after coins available. Coin collecting has now become a sort of competition for the collectors. Most collectors wish to outwit and outshine others with their collection of coins. However, there are also coin collectors who are just proud of having a unique set of coins not found in any other collector's collection.



Club News From March

The March meeting was called to order at 6:40 PM with 18 members, 1 new guest and 1 old guest present. The Pledge of Allegiance was led by Richard N. The membership drawing of \$3 was won by Jack dB which he took in raffle tickets. The minutes for February were approved, followed by the Treasurer's report.

A new guest, Yuri Lepick arrived later on. He collects key dates and Buffalo nickels.

ANNOUNCEMENTS

Garn A.—Talked about our annual gold drawing—more on this next meeting. Then he talked about the NAC Awards Luncheon where our club won two prizes—2nd place for our newsletter and an award for our club being a member of NASC for 50 years. We received a certificate for the newsletter and a silver round NASC medal for the 50 year award.

Jack vB.—Told about an free NASC educational seminar to be held on March 28th. Then he presented new membership badges to our three newest members, Carol Craft, Jesse Stallings & Anthony Lynch.

Garn A.—Talked about coin shows—Buena Park and the upcoming Verdugo Hills shows. He also had a catalog for the upcoming Michael Aron auction. He told the group that the items on the table were free for the taking. They were items that he had in boxes back from when he was a coin dealer.

Steve R.—Told us about a full-page advertisement for coins that he saw in the paper.

SHOW AND TELL

Eric A.—Six Sasanian (Persia) coins from the period 226-561 A.D. He imparted some knowledge about that empire and their coins.

John F.—A roll of Washington D.C. quarters that he was willing to sell at face value. Lou B.—A 2009 Lincoln cent with the log cabin reverse and a few \$2 bills along with some history of the two-dollar bills.

George G.—A 2009 Ultra High Relief \$20 Saint-Gaudens that he purchase from the US Mint.

Clint McG.—A roll of 2009 Lincoln cents that he was willing to sell at face value. He also had some green coins to give away in honor of St. Patrick's Day.

MEMBER SPOTLIGHT—Jesse Stallings

Jesse started collecting coins many moons ago—quit in 1941. While in the South Pacific (Bora Bora) during WW II he shipped some stamps and coins back to his mother in the states. He re-started his collecting in 1956 and once again sent items back home to his mother on the East Coast. He never knew what happened to the items he sent home.

While vacationing in England, Scotland & Wales during 1986, he purchased about 250 two-pound commemorative coins at various post offices. (They were the first two-pound commemorative coins) He has never heard anything about those coins since.

BREAK TIME

Jack dB.—Brought the goodies—cookies with sodas. John & Valentyn Rosselot brought in a Chocolate-Raspberry cake that was to die for. Thanks guys and gal.

COIN AUCTION

We had 18 lots from four groups that were auctioned off with some lively bidding several lots. Thanks for taking the time to bring in your coins for our auctions. The club makes a few bucks on the auctions each month.

(Continued on page 6)

February Club News-Continued

COIN RAFFLE

- 1.) 1910-P—Liberty 5c-Clint McG.
 - 2.) 1938-P—Jefferson 5c-Jack dB.
 - 3.) 1950-D—Roosevelt 10c-Richard N.
 - 4.) 1918-S—Mercury 10c-Lou B.
 - 5.) 1944-P—Washington 25c-Anthony L.
 - 6.) 1926-P—St. Liberty 25c-Jack vB.
 - 7.) 1910-P—Barber 25c-John R.
 - 8.) 1976-S—Kennedy 50c-Richard N.
 - 9.) 1944-S—War 5c-Jack vB.
 - 10.) 1960 lg & sm dt 1c set-Jesse S.
- (Lou Block donated items 9 and 10)
- 11.) Thomas Jefferson medal-Lou B.
 - 12.) Andrew Jackson medal-George G.
 - 13.) Van Buren medal-Jack dB.

Meeting adjourned at 8:20 PM.



President's Message
APRIL 2009

It's April already and the year seems to be evaporating quickly. That means it is tax time so, as a reminder, if you haven't already done your taxes, you only have a couple more weeks to get them done.

Unfortunately, I don't have a lot of coin news this month. As much as I wanted to attend the local coin shows and sales in Buena Park and Van Nuys, I had other commitments on those weekends so was not able to attend. I heard that the Buena Park show was a little slow...which is always a concern given this economy. I believe it is important to support the local shows to keep local dealers interested in continuing to serve the hobby.

As much as we all complain from time to time about the coin dealers, the hobby would have a difficult time surviving without them. They provide us with a market to buy and sell our coins. The online pundits will argue that the internet has taken over the coin market. But nothing can replace the need to touch, feel and inspect the coin for the true collector. From personal experience over the years, I have accumulated way too many problem coins as a result of mail bid sales and online bid sales where I was not able to inspect the coin I was bidding on. And the process to sell coins online can be a complicated one. So, in my humble opinion, the best place to buy and sell your coins is still with your dealer or dealers at the local coins shows.

On March 22nd, I went on our annual trek to Las Vegas with friends from Arizona, Texas and California. We were there only a few days but I managed to find time to play in a couple of the daily poker tournaments offered at Binion's. If any of you follow the professional poker tournaments shown on TV, you probably know that many players use a good luck charm to cap their cards. That means they place the charm on top of their cards for luck while their hand is in play. I don't know if it was because of Binion's or being in Las Vegas or what the deal was...but there were a lot of poker players using coins as their good luck charms. I saw some Morgan Dollars and a few Barber Half Dollars. But the most popular coin being used as a card cap was the Walking Liberty Half Dollar. I saw maybe a dozen or so Walkers being used as card caps in the two tournaments I played in. The Walker has always been a popular coin series but I never realized before how popular it was as a good luck charm for poker players. I guess it opens another potential market for coin collectors to sell their coins.

I look forward to seeing you at the next meeting on April 9th. Remember that the meeting starts at 6:30 p.m. but we have the room available beginning at 6:00 p.m. Please feel free to arrive early and help set up. Until then...

Collect Early and Often

Garn

DID YOU KNOW???

—The first coinage struck specifically for the English-American colonies was called the "Hogge Money" of Bermuda and was minted in London. The name was derived from the fact that hogs were very plentiful on Bermuda.

—The first regular issue cent, struck in 1793, is referred to as a "chain cent". It derived its name from the reverse design which is a circular chain of 15 links.

—James Longacre was the designer of the Indian Head cent. The initial "L" is on the bonnet ribbon of the headdress, right below the last feather. The initial is on the coins from 1864 and after.

REFRESHMENTS

April—Lou Block

MEMBER SPOTLIGHT

April—Anthony Lynch
May—George Sobodos

COIN SHOWS

Apr 24-26 Oceanside
Oceanside Coin, Currency, Jewelry & Stamp Show. QLN Learning Center, 1938 Ave., Del Oro. (5 miles E. of I-5, 2 blocks N. of Oceanside Blvd.) Hrs: Fri. 11AM-6PM, Sat. 10AM-6PM, Sun. 10AM-5PM. ADM

May 8-10 Pasadena
PASPEX. Pasadena Hilton Hotel, 168 S. Los Robles Ave. Hrs: Fri. 11AM-6PM, Sat. 10AM-6PM, Sun. 10AM-5PM. ADM

DID YOU KNOW???

—The Shield nickel from 1866 to 1883 was the first nickel to have "In God We Trust" on it.

—That the first time E PLURIBUS UNUM appeared on a coin made by the US Mint was on the 1795 Liberty Cap-Heraldic Eagle gold half eagle.

—That more examples of the Kennedy half dollar were produced during its first eight years than the combined production of half dollars in the previous 170 years.

—That the public and the Treasury Dept. did not like the large cents; the public because of its size and weight, and the Treasury, because it was so expensive to produce.

Any items of interest for this newsletter can be mailed or emailed to:

CCCC Journal
c/o Jack von Bloeker III
5714 Apia Drive
Cypress, CA 90630
Email: jvonb3@ca.rr.com

The Culver City Coin Club normally meets on the second Thursday of every month in the El Segundo Library on Mariposa Avenue, West of Sepulveda, South of LAX. Next meeting Thursday, April 16th @ 6:30 PM

Take the 105 Freeway West to the end, go about a mile or so to Main Street, turn left, the Library will be after you make a right turn on Mariposa.

We will be in the Meeting Room downstairs.



2009 OFFICERS

President
Garn Anderson

Vice President
Richard Navarro

Secretary/Editor
Jack von Bloeker III

Treasurer
George Gill

