

CHAPTER ONE

THE HISTORY OF COINS

Regardless of their size, shape or value, regardless of the society, culture or era which spawned them, coins maintain an importance beyond their primary function in commerce; they are the record and bearer of all of man's history. They may be collected as historical objects, fine art, or struck to commemorate special events and occasions. As popular objects of intrinsic worth, coins have been hoarded in times of economic, political instability and particularly during wartime. Most significantly, quality rare coins have always increased in value: from virtually their inception to the present — with true historical monotonousness — coins have remained a good investment as well as the backbone of commerce. History, we have learned, repeats itself; and the history of coins does not disprove this maxim.

To cover thousands of years of history very briefly: coins were first devised to fill the need for an unwavering scale of value. Prior to their existence, men were compelled to decide an exchange rate for each new trade. How much food for a pitcher of water? How many slaves for a wife? It was necessary, if cumbersome, for a trader to carry everything he might conceivably want to swap.

Such was life under the barter economy. Life changed dramatically, however, with the appearance of money: a standard item of trade, against which everything of value might be measured. Initially, this did not mean coins. Shells, animals, slaves, beads, salt, grain — all served as standards of exchange at different times and places. Certain commodities, among them cattle, and such useful implements as axes and knives, derived part of their value from the prestige associated with their ownership. Alaskan Native Americans employed fish hooks as their medium of exchange, while Northwest Pacific Indians were known to favor woodpecker scalps. The Pacific islands yield a variety of examples, among them whale and dog teeth. On one such island, Yap, huge round stones with holes in their centers — often weighing in excess of one hundred pounds each — were popular. The size of these "coins" made moving them quite impossible; so, while ownership might be transferred from person to person, the stone itself remained fixed in a public place, usually beside a road.

Another, perhaps more sophisticated, standard of value was the Anglo-Saxon *Wegeld*, or "worth of a man," which referred to the value paid in compensation for someone's death, the amount paid being based on the status of the deceased. Over time, the concept of the *Wegeld* came to include injuries of a lesser nature, and later losses in property as well. Eventually, our ancestors extended it to a diversity of goods and services — thus establishing an early money economy.

As man progressed — and more areas of commerce developed between peoples — the need for a universally acceptable medium of exchange must certainly have been felt. Such standard commodities as silver and iron, upon whose value most were in agreement, began to emerge; and, although they did not appear until much later in man's history, coins seem to have evolved as an antidote to the inevitable and time-consuming problems of weighing and measuring. Each was meant to represent an exact unit of a desirable metal commodity, marked for easy identification by an excepted established authority for all tradesmen.

Although it is not now and perhaps never will be known which peoples first created coins, it is possible that the Chinese were among them. Evidence of Chinese coinage extends back as far as 1000 B.C., to the Emperor Ch'eng Wang,

though they were not used exclusively, tea and hard cheese also being popularly traded commodities.

In the west, coins surface in the writings of the Greek traveler and historian, Herodotus. He speaks of their use in Lydia, the area known today as part of Turkey. This region was rich in gold, and gold and silver alloys, and according to the Greek historian, the residents tired of endless measuring and developed a system of coinage in about the 7th Century B.C. The coins were emblazoned by stamping with a simple die with the lion, symbol of the Lydian kings.

From Lydia, the use of coins spread across the Aegean lands into the empires of the Mediterranean, greatly aiding in the extension and increase of trade. The Persians, conquering the Lydians in the 6th Century B.C., adopted their monetary system, and promoted it throughout their far-flung domain. The great seafaring traders of the time, the Phoenicians, immediately recognized the worth of this now broadly accepted medium, and further extended its use.

Thus, what had begun as an innovation meant to facilitate trade became the fundamental unit of all commerce.

American Coinage

Although the specie of all nations is of potential numismatic value, the bulk of the investment-quality coins we seek to deal with here are of American origin, and were struck both before and after the U.S. became an independent nation.

The first colonial coins developed from direct necessity. Among the many problems the earliest American settlers faced was the lack of an indigenous coinage. In a sense, our forefathers found themselves thrust back into the ancient world, compelled to barter and establish value standards each time they traded. This problem, initially minor in the face of the greater, more basic challenge of survival, became significant as the colonists grew more secure in their new land.

When trading with the indigenous Indian population, the 17th Century settlers employed the Indians' form of money as an exchange medium. Wampum — beads fashioned from polished and punctured sea shells — was frequently used. This "money" also served as a form of adornment, to be worn around the neck, waist, or wrist; and, to the Indian, it was a sign of status. When trading with each other, however, the colonists dealt in less exotic commodities. Tobacco was very popular in Virginia and Maryland, as a heavy European demand insured its value. In the northeastern settlements, and other places where tobacco was of less importance, such items as musket balls and flints, and nails were exchanged.

Our continental ancestors, of course, had the skill and foresight to establish their own monetary system. But England refused them permission to mint their own coins, it then being a Royal prerogative, intending thereby to compel the colonies to trade solely with the Mother Country. The settlers were "encouraged" to exchange their raw materials only for the yield of Britain's industries. With England refusing also to mint special coins for the colonies, early Americans were forced to make due with a paltry trickle of Spanish, British and other foreign currencies that worked their way into the New World through commerce.

A variety of coins found favor. In use as early as 1616 was the Bermuda Hogge, or "Hog," as it was called, which derived its name from the hog design that appeared on the obverse. Spanish Gold Doubloons and Silver Reales were the most common coins in the colonies, as well as the rest of the world. The silver Reale was stamped with an eight, denoting its equivalence to Spanish Eight Reales or Royals — thus the famous pieces of eight. This coin was frequently broken up into "bits" with a knife or ax, two being equal to a quarter of a piece of eight, four to a half; and it is from these that our quarters derive their slang name.

Also to be found in colonial pockets were the Dutch Ducat, the French Louis d'Or, and the Italian Seguin.

The supply of foreign coins was at best uncertain, creating a constant shortage, and trade was often needlessly slowed. It was inevitable that men would become willing to risk England's displeasure to meet this need, and in 1652 John Hull established the first northern American mint in the colony of Massachusetts, at Saugus. Here the first coins manufactured on what would become U.S. soil one hundred seventy-five years later were produced, beginning an era of colonial coinage that would last until 1792. The Saugus issue included the famous NE Shillings (for New England) and Pine Tree Shilling, and other coins featuring the Oak and the Willow Tree. The date 1652 was used on all the Willow, Oak and Pine coinage because of Cromwell's control of England at the time gave Hull a chance to circumvent the outlawing of coinage in the American Colonies. There is one issue dated 1662; some think it was an attempt to show England it could make coinage and get away with it, or so the story goes. All these early issues are rare and very collectable, and fine examples can bring upwards of a quarter million dollars today.

Other Americans soon took their cue from Hull. By 1658, the second Lord Baltimore was minting coins in Maryland. In 1785, Vermont contracted with private individuals to mint copper coins, the first of which depicted a rising sun on the obverse. Beginning in the same year, Connecticut minted no less than three hundred varieties of cents, the majority of which bore the legend "Auctori Conne", or "by the authority of Connecticut". New Jersey, New York and New Hampshire also tried their hand at minting coins during this era. New Jersey almost rivals Connecticut with the number of varieties issued.

Money was also issued by the provisional Continental Congress, to support the Revolutionary War effort. As often happens during wartime, hard money had become scarce; hoarding of all gold and silver coins was the commonplace rule, and the interruption of trade with foreign nations exacerbated the shortage. The Continental Congress responded by issuing paper money. This soon proved worthless as unbacked paper money historically does, however, and patterns for silver Continental Dollars followed. These were designed to replace the war-scarce pieces of eight and featured a chain with thirteen links on the obverse — signifying the newly created states. While these pewter pattern dollars were accepted as money on faith, they were never produced in large enough numbers to matter. Some of these Continental Dollars were also produced in Silver and Brass but only a few of each survive today, and they are all rare and actively collected.

The Continental Congress also attempted to issue a series of coins in 1783, the Nova Constellatio Patterns. Only one set of four coins was made and a few of the lowest denomination silver pieces were minted. The Dollar sized coin was called the Mark, the Half Dollar sized coin the Quint, the Dime sized coin the Bit and the Copper "5" or Half Cent are the first attempt at a decimal coinage for the new Continental Congress.

Although individual colonies and private citizens created numerous coins, it was not until 1787 that the fledgling U.S. government produced a circulating coin of its own: the Fugio Cent, minted in New Haven, Connecticut. The motto, "Fugio," was supplied by Benjamin Franklin; it means "I fly," and refers to time. The coin was also adorned by a sundial, and bore the admonition, "Mind Your Own Business." Much of this same design was used previously on aforementioned Continental Dollars. These were the first coins made in mass quantities and are still available today

That same year, the government finally sought to bring order to the nation's chaotic monetary affairs. Attempts were made to redeem the worthless paper issued by the Continental Congress by trading it for land, which helped to establish credibility with the new country's prospective trading partners. The individual states were enjoined from coining their own money; much later this right was eventually rendered exclusively to the federal government.

In March of 1791, Congress authorized that a mint be established in Philadelphia, and a decimal system of coinage, featuring ten standard coins, quickly followed. On April 2, 1792, American coinage was officially authorized by law, while still allowing Spanish coins to legally circulate along side of what was to be the new coinage.

The mint became a popular tourist attraction, and visitors were, of course, always under escort; a night watchman was retained, and an arms chest, containing "a musket and bayonet, two pistols and a sword... to be kept in perfect order and to be inspected... once a month" was kept at hand. These extensive security measures, however, failed to keep out Peter, an American eagle said to have inhabited the building for six years. His image, perhaps in honor of his guile, is emblazoned on the 1836, 1838 and 1839 Pattern Silver Dollars. The bird came and went as it pleased, invariably returning from tours of the city well in advance of closing time. Unfortunately, Peter met an untimely end in the flywheel of a large machine, and could thereafter be viewed, stuffed, in a large glass case.

One of the more interesting features of the young U.S. mint was the Cabinet. Organized by Mint Director R.M. Patterson in 1838, the Cabinet was a room set aside for the development and display of a coin collection — initially American, then, over time, foreign coins were added. Private citizens donated coins to the cabinet, prompting noted author George Evans to note that the collection grew to admirable proportions with only three hundred dollars worth of federal support; and drew a lesson from this that still speaks to investors and collectors.

"The economic principal upon which the collection has been gathered," Evans wrote, "is a lesson to all governmental departments in frugality, as well as restraint upon the natural tendency to extravagance which has heretofore distinguished those who have a passion for old coins. There are thousands of coin collectors in the United States and fortunes have been accumulated in this strange way. More than one authenticated instance has been known in this country where a man has lived in penury, and died from want, yet was possessed of affluence in time-defaced coins." It is worth noting that these thoughts were recorded in 1888.

Among the new coins issued in Philadelphia were the copper half cent and cent, the silver dollar and the five and ten dollar gold pieces. The dollar, comprised of one hundred parts, or cents, became the standard monetary unit. Yet the government's considerable corrective actions did not immediately solve the hard currency problem. Due to the inefficiency and inadequacy of minting procedures and machinery, the coin supply continued to lag far behind demand until after the American Civil War.

Interestingly, the mint's first gold coin issue, the half eagle, contained an amount of gold equal to its face value, as all gold and silver coins of the period and before did. The government went so far as to place a silver insert, or plug, into the 1792 copper penny — for, to hold a penny's worth of copper, it would have had to have been impracticably large. Over the years, the U.S. government has abandoned the practice of minting true intrinsic value into its coins, in part because wholesale melting occurred whenever metal prices increased of the face value of the coins. As a result of this, certain U.S. coin issues became especially

rare, about which we will write more later.

After the Philadelphia mint's 1792 founding, other mints were established in different regions. In 1834, gold was revalued, but the demand for coins had become so great — as a result of continued melting — that branch mints became necessary. These sprang up in Charlotte, North Carolina, Dahlonega, Georgia and New Orleans, Louisiana, — all established in 1838. Initially, to meet the rush, these mints were equipped with primitive screw presses, and leftover equipment from Philadelphia. This quite naturally resulted in small mintages of inferior coinage — the reason that, combined with the Civil War, today high-quality coins from the first years at these mints are extremely rare and very desirable. Coins originating at these mints bear the marks "C," "D," and "O" respectively.

The Charlotte and Dahlonega mints struck gold coins only, from 1838 to 1861. The New Orleans Mint functioned until 1909. Although dormant during the Civil War and for a time thereafter between 1861 and 1879, New Orleans produced a variety of gold and silver coins.

In response to the extraordinary silver lodes unearthed in the region, the Carson City, Nevada mint was authorized in 1861 and opened in 1870. It produced gold and silver coins until 1893. By 1878, pressure on the government from silver interests was so great that the Bland-Allison Act was passed. This required the Treasury to purchase between two and four million dollars worth of silver monthly, to be made into coins. In 1890, The Bland-Allison Act was replaced by the Sherman Act, which was nothing more than an out-and-out government subsidy for the silver miners, allowing the Treasury to purchase 4.5 million ounces of silver per month. Bland-Allison and the Sherman Act account for the hundreds of millions of top-quality silver dollars from the period to be found today. They were never needed, never issued, and never used.

The San Francisco mint, with its "S" mint mark, began production in 1854 and continues today, with a long inactive period between 1955 and 1968, producing proof sets for collectors as well as standard currency for commerce. A mint has been productive in Denver since 1906, with its "D" mint mark. Most of the Philadelphia mint's coins carry no mint mark. However, during World War II, nickels carried a large mint mark "P" to indicate they were made of silver. Susan B. Anthony dollars also carried the mint mark and, since 1980, all of Philadelphia's issue has borne the mint mark "P." A sub-mint of Philadelphia was established at West Point in 1974. Since 1984 it has been independent, and its issue is characterized by the mint mark "W."

United States coins are produced to a .900 fine standard: for every 900 parts of silver, for example, there are 100 parts of an alloy which give the coin its strength and durability. Gold, silver, copper, nickel, and even aluminum have been used. The 1943 steel Lincoln cent bore a zinc coating, in order to preserve the bronze needed for the war effort.

Rarity

Though we have noted that investment-quality coins remain extremely rare, we have yet to discuss the reasons for that reality. In fact, a number of circumstances have combined over the years to produce the situation that exists today.

The problems began, in effect, at the beginning. The mint's earliest efforts to economize met with poor results. In 1795, the mint purchased one thousand pounds of used copper tokens, which were then restruck into Half Cents. The results, from a quality standpoint, were less than satisfactory. Two years later, fifteen tons of second-rate copper planchets were purchased from England; and these further contributed to the poor condition and rarity of early copper coins —

a situation that directly affects the current investment market.

The value of bullion at the time also affected the future of hard metal currency. Upon the establishment of the mint, Treasury Secretary Alexander Hamilton set the value of gold at fifteen times that of silver; by 1799, it had climbed to sixteen to one. At this point, the metal content of an American gold coin became greater than its face value and wholesale melting and exporting began a practice that continued, off and on, through 1834. It is for this reason that, today, pre-1834 gold coins are rare in all conditions.

Bullion values also had an effect on the production of coins. Certain periods of American history boast more varieties of coins than others; one reason for this is the periodic change in bullion weights. In 1853, the weight of silver coins was reduced; twenty years later, the weight went back up again. The coins were marked with arrows each time.

The Civil War further contributed to the rarity that certain coins enjoy today. At the outset, both the Union and Confederate governments shipped most of their hard money abroad in exchange for weapons; what remained was hoarded by individuals — a typical occurrence we have already noted in times of war. Today, coins, particularly gold coins, whether produced by Northern or Southern mints — when they can be found — tend to show extreme wear. As for the Union, they began printing greenbacks in 1861 to pay bills; during the war years, and for some time after, only a very few gold coins were minted.

Following the repeal of the Sherman Act, which subsidized silver production, the country was placed on a single standard by the Gold Standard Act of 1900. Then, in the depths of the Depression, President Roosevelt issued his now-famous order prohibiting banks from redeeming gold certificates with gold and also prohibiting private citizens from owning gold bullion. These restrictions were removed in 1975 and all gold coins may now be collected and saved legally.

On July 23, 1965, President Johnson signed the Coinage Act of 1965. This eliminated all silver in nickels, dimes and quarters, and lowered the content in halves to forty percent. For all practical purposes having to do with investors, in my opinion, this by and large ended the minting of collectible coins in America.

Denominations

Today, the denominations of circulating U.S. coins are relatively few, including only the cent, nickel, dime, quarter, half dollar, and dollar coins; yet there have been twenty one kinds or types manufactured in the United States at one time or another:

Half Cent	1793-1857
One Cent	1793-present
Two Cent	1864-1873
Three Cent Nickel	1865-1889
Three Cent Silver	1851-1873
Half Dime	1792-1873
Five Cent Nickel	1866-present
Dime	1796-present
Twenty Cent	1875-1878
Quarter Dollar	1796-present
Half Dollar	1794-present
Silver Dollar	1794-present

Trade Dollar	1873-1885
Gold Dollar	1849-1889
Two and One-half Dollar Gold	1796-1929
Three Dollar Gold	1854-1889
Four Dollar Gold Patterns	1879-1880
Five Dollar Gold	1795-1929
Ten Dollar Gold	1795-1933
Twenty Dollar Gold	1849-1933
Fifty Dollar Gold	1851-52 & 1915

Famous Collectors

Coins have been collected since perhaps they were first created in 700AD by the Kings of Lydia. There are so many famous collectors of coins that it really will not be possible to list them all, but just as a sampling we have Julius Caesar and Trajan, both Emperors of Rome, Charles the Great aka Charlemagne, Maximilian I, Charles V, all Holy Roman Emperors; Henry IV, James I Kings of England; Francis I, Henry II, Henry IV, Louis XIV Kings of France; Fernando I, Eleanor, King and Queen of Austria; Rene King of Naples; Alfonso V of Aragon; Sigmund I of Poland; Albert V of Bavaria; Christina of Sweden; Christian V of Denmark; Frederick the Great of Prussia; King Farouk of Egypt.

Among holy men we can count Pope Boniface VIII, Pope Paul II, Stephen Bishop of Kulen, Antonio Archbishop of Tarragona, Pope Urbanus VIII and Pope Innocent XI.

Artists include Peter Paul Rubins and Michelangelo, Scientists we include Sir Isaac Newton; bankers we include Cosmo de' Medici, Catherine de' Medici, Johannes Fugger, Meyer Rothschild, Waldo Newcomer, John Clapp, Louis Elias berg, Harrison Garrett, HER Green and JP Morgan, John Paul Getty..

American Presidents John Adams, Thomas Jefferson, John Quincy Adams and Andrew Jackson, Franklin D. Roosevelt, Harry S. Truman, Bill Clinton, Captain Matthew Perry, P.T. Barnum, William Randolph Hurst of the Press, Jerome Kern, Irving Berlin were composers, Jascha Heifetz the violinist, Adolph Menjou and Buddy Epsom the actors, Amon Carter, Lamot DuPont and Harry Bass the Oilmen, Jerry Buss the sportsmen, Byron Reed the Realtor, and Henry Norweb and John Work Garret, both Ambassadors, just to mention a few of the world's royalty who collected coins.

The Making of a Coin

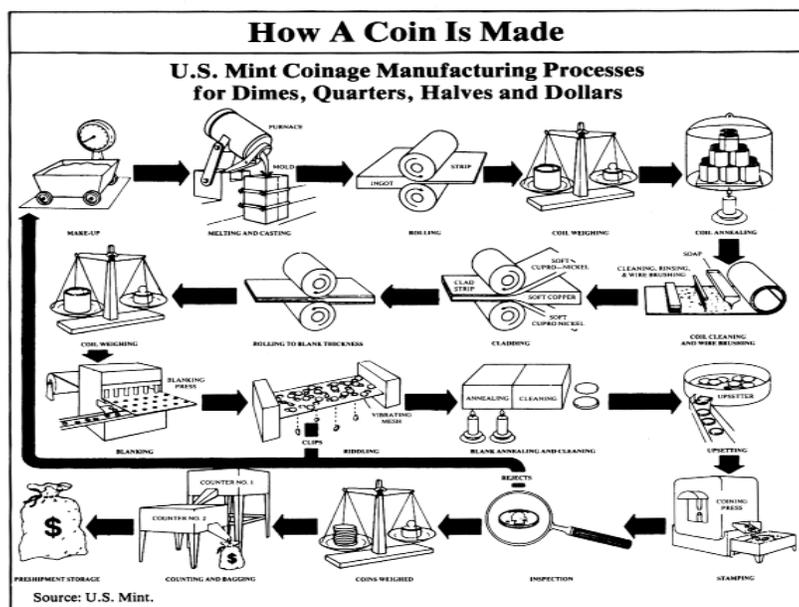
Today, coins are created via a technique which, at its most basic level, has not been significantly altered for thousands of years: a punch or die is driven into a piece of unmarked metal, thereby imprinting upon the blank a mirror image of the die's design. The methods by which the die is propelled have changed with the development of technology, but the fundamental process remains intact.

The Lydians made their coins in this fashion, placing a piece of metal on an anvil and striking it with a distinctively marked punch. The anvil is thought to have been grooved, to provide a pattern for the coin's reverse side.

The Greeks typically introduced certain sophistication into the process. Molten metal was poured into carved rock molds, which produced blanks, or planchets, which were then splashed with water to speed their cooling. The blank would next be removed with tongs and

Unlike the Lydians and early Greeks, who carved designs into the surface of their dies so that the design could be incused into the coin, later Greek coin makers cut designs into their dies, which created a high relief on the surface of the

CHART 1



coin rather than an impression into the planchet. This process is known as intaglio, and is today the standard method of coin production.

The Greeks also introduced master dies into the coining process. A master die, cut in the old relief fashion, would be used to create secondary intaglio dies for the actual stamping process. If a die broke, as frequently happened, a new one could be made from the master.

The Middle Ages produced few changes in the coining process. The natural course of events that followed, however, was to have a dramatic effect on both world history and the history of coinage. In the 14th Century, Europe was horribly cursed with bubonic plague. Perhaps as much as half the population died during this period. When the wreckage of the "black death" was finally cleared, it became apparent that the balance of economic power had been dramatically altered. Death had consolidated much of the wealth in fewer, now more affluent, hands, and a demand for consumer goods, created in part by this unprecedented financial strength, created an acute shortage of coins.

This sudden demand for hard currency gave rise to a prospecting frenzy in the Hartz mountain range, located today in Czechoslovakia, which, between 1515 and 1540, yielded three million ounces of silver. It was left for technology to catch up with need, and it did, by way of the first mechanical stamping machines. These were used to mint the famous Joachimsthaler, or Thaler, from which our word dollar is derived.

At the same time, the wide-ranging effects of the Renaissance were finding their way into the coining process. Although not directly responsible for the first stamping machines, Leonardo Da Vinci produced the first known drawings for a prototype coin planchet cutting machine. By the end of the 16th century, the face of coin production had been considerably altered. Metal was rolled into sheets for the new punching machines; and the innovative screw press stamped the

blanks. In this process, the blanks and dies were pressed together through the action of a heavily weighted screw.

Today, coining begins with the rolling of metal into slabs; the process is repeated until the proper thickness and hardness is achieved. Following this, metal strips designed to become “clad,” or “sandwich,” coins undergo extensive cleaning, and then bonding to other metals. For example, two strips of copper nickel alloy are bonded to one of copper to form an American quarter. This achieved, the strips are placed in a blanking press, in which planchets slightly larger than finished coins are punched out of strips. Planchets are then annealed, or softened, so as to prolong the life of the dies that strike them with the coin’s design. After a cleaning process, a machine called an upsetting mill presses the raised rims we find on both edges of our coins. This accomplished, the blanks then move on to the coining press for minting (stamping), followed by inspection, weighing, counting, bagging, and shipment.

Coins and the Coin Collector

Strictly speaking, numismatics refers to the collecting of coins, paper money, tokens, and medals of various kinds; and the numismatist a student of this endeavor. However, early numismatists concerned themselves with all manner of collectables. Their 19th Century organization was known as the American Numismatic and Archaeological Society, and its members were interested in all manner of historical materials, including Indian artifacts (arrowheads), autographs and rare books. In the numismatic publications of the day, one finds reports of such disparate events as Egypt’s gift to New York City of Cleopatra’s Needle for placement in Central Park, and the sale of the Guttenberg Bible. This multiplicity of concern derives from the early coin collector’s often parallel interest in history. Coins are connections to the past, and it is not unusual to hear avid collectors express the feeling that through coins they touch past individuals and times.

Coin Collecting

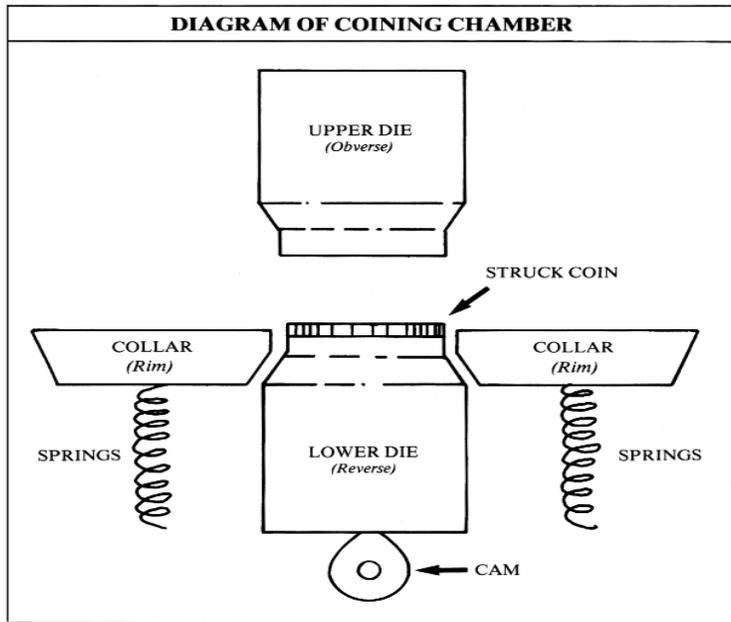
Though in this volume, we have been primarily concerned with their investment value, the collecting of coins is also both popular and important.

At first blush, there may seem little, if any, connection between collecting and investing. Do not be deceived. Many wonderful collections that have been assembled through the years have turned out to be some of the most prestigious and important investments ever made. Though profit motive was not the initial reason for a number of great collections, a spectacular investment was in the making. Simply because something is beautiful and enjoyable to own does not preclude it from also being a money-making investment.

Indeed, with almost one hundred million collectors in the United States, according to the published figures of the U. S. Mint, it has become the nation’s premier hobby. This is not surprising, as the pursuit is fascinating, rewarding (in ways other than the strictly monetary), and suited to almost any set of financial circumstances. Coin collecting is fun. It is challenging, it can be adventurous, and there are a number of ways to do it. What’s more, a collection, no matter how large, takes up little space, is easily catalogued, and relatively durable. Small wonder that coin collecting has achieved such widespread popularity.

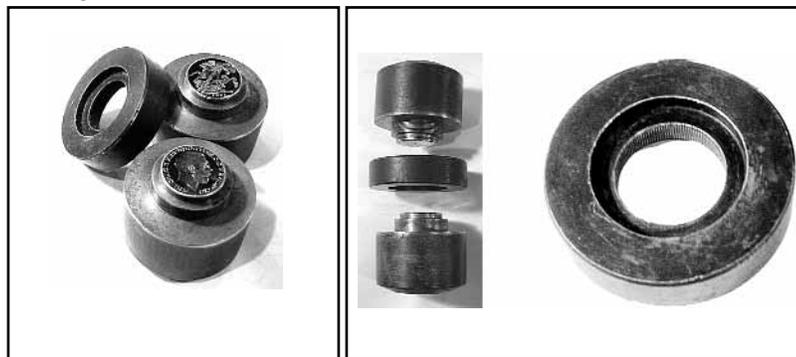
This was not always the case, however. As far as we can tell, coin collecting barely existed in Colonial America, and developed only slowly until the Civil War years, during and after which it enjoyed something of a boom. In 18th century

CHART 2



The lower die first drops slightly, next the upper die comes down and the collar moves sideways toward the planchet, which is then struck into a coin.

CHART 3



Pictured above at left is the obverse die of a gold sovereign, the reverse die and the collar, or die with the edge, in this case, reeded. In center are the three dies in position. At right is the collar.

America, as we have seen, there was barely even coinage, let alone hobby shops or the traditional numismatic outlets Europeans enjoyed. The earliest recorded mention of a coin collection on these shores appears in the late 1700s, when a Swiss named Pierre duSimitiere arrived in New York with one hundred thirty-five specimens, a lot he used as a security pledge. Prior to that, in 1752, coins were actually donated to the Library Company of Philadelphia, the first such institutional grant.

After the Revolution, institutions continued to acquire coins, usually through donations, but occasionally via direct purchases as well. New York's Museum of

the American Tammany purchased an unspecified number of ancient coins in 1793; by 1811 the museum boasted in excess of three hundred ancients, perhaps the greatest such collection of its day.

Privately, James Hall, a native of Allentown, Pennsylvania, is surely among the first collectors, having begun at fifteen years of age, in 1788. Hall compensated for the limited number of available indigenous types by corresponding with his opposite numbers overseas. He was also a co-founder of the first American collectors' club, the Numismatic and Antiquarian Society of Philadelphia. That same year, 1858, saw the beginning of the American Numismatic Society, originally the New York A. N. A., and later entitled the American Numismatic and Archaeological Society, reflecting the varied tastes of most early collectors. This very book was researched and written in the American Numismatic Society library in New York City.

Perhaps the most notable aspect of American coin collecting, from its origins to the present — and into the future — that has important echoes in the current investment market — was its focus on domestic coinage. While the emphasis in Europe and elsewhere remained on the worldwide, U.S. collectors realized that, by limiting themselves to the readily available and affordable issue of their native land, they could conceivably build collections that would, ultimately, be complete. This was something, obviously, that foreign collectors could not do; and it is the principal reason, today, that the investment market is made up primarily of American rare coins.

The rules of thumb governing coin collecting are relatively simple. Needless to say, it is best to decide what kinds of coins you want to collect, and how you plan to go about it, before beginning. For example, you may seek to put together a set, by date (one example from each year of a coin's mintage), variety (mintmarks as well as dates), or, more commonly, by type (one specimen, regardless of date or mintmark, of each design). Though not as important as when investing, condition — quality — should never be overlooked. Do not be tempted to rummage through your pocket change merely to complete a set, even if it is only of Lincoln Cents. Preserve the quality of your collection by keeping it in albums, either the printed sort (usually for one specific type) or those comprised of clear vinyl pages with individual windows for each specimen. You will need a magnifying glass as well, especially after you have become more exacting, but this need not be expensive.

Finally, most serious hobbyists find it worthwhile to join a local coin club, no matter how small the membership. Apart from being excellent places for the exchange of both information and actual specimens, such clubs are invariably peopled by collectors with enormous amounts of knowledge, men and women long steeped in numismatic lure. You can learn a lot at a coin club and you will hear a lot of good stories, too. And you will doubtless have a lot of fun — which is, after all, the ultimate aim of any hobby, and the principal dividend of them all.

