

## The US Mint's policies & the impact on the next generation of collectors. How to harness it.

*Special Commentary on Coin Collecting by Eric Jordan.*

Today's established collectors are to a large extent the product of the collecting environment into which they were placed when they started the hobby and its precisely these influences that have had a powerful and predictable impact on the current pricing structure of US coins. The new generation of collectors are starting out in a completely new collecting environment and the habits that are being instilled in them now will have a noticeable and predictable impact on the US coin market in the next 20 years.

Lets take a look at where we are and where we may be headed.

Collecting habits in the US are largely the result of long standing US Mint policies and America's relatively short coinage history. Looking back 200 years from 1805 to 1964 there were only about 70 different primary circulating coin designs and about 60 commemoratives issued. The US Mint's publicly stated preference for very limited design change to suppress hoarding of coinage and the extremely long series of Lincoln Cents, Jefferson Nickels and Roosevelt Dimes etc left beginning collectors limited options. Predictably an inordinate percentage of Americans interested in Numismatics became series date and mintmark collectors.

Europe in general has 2000 plus years worth of coinage history to draw on and thousands of different designs to choose from so type coin collecting is much more prevalent as would rationally be expected.

Since 1986 the US Mint has had a complete change in policy. We have seen roughly 200 different commemorative & type coins plus more importantly over 40 circulating series type coins so far including the hugely successful 50 state quarters program and the Westward Journey Nickels. There is no end in sight. Look for the new Jefferson Nickels after the Westward program is complete, the Lincoln cents representing the stages of Lincoln's life, First Ladies.. the list goes on and on... The sales figures clearly prove that the mint can sell fantastic quantities of circulating coinage that are highly profitable for the government and enjoyable for the public as long as they keep changing the designs yearly.

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# The US Mint's policies

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According to the Mint's own web site there are over 100 million series type collectors for the 50 State Quarters and Westward Journey nickels alone. The Mint's web sight called Hip Pocket Change that develops educational programs for students in grades K-12 is almost exclusively type coin oriented. The new generation of American coin collector is almost certain to hold an increased preference for type coins in general and series type coins in particular.

Almost without exception collectors as they mature gravitate from common inexpensive coinage to rarer and more expensive high grade material but they take their basic collecting habits with them as they move up the "food chain". If you agree with the logic, what are the probable ramifications of all this? Expect to see rare high grade type coins perform well over the next 20 years. Mint mark rarity will always be helpful but condition and type rarity should really excel as the new generation comes on line. Stay clear of paying high premiums for VAMs and other trivial distinctions among coins. If mint marks and years become a little less important in the future then trivial die varieties may go the way of Beanie Babies. You just can't go wrong with coins like MS65 DCAM Proof-like Morgans, Nice High Relief Saints and almost any high grade type coin or commemorative with a mintage of less than 10,000.

Probably the most reviled of all US coinage is the Proof Platinum Eagle Program and it may be the king of all sleepers. If you think the 50 State Quarters, Westward Journey Nickels, Pending First Ladies Series and Life of Lincoln Type coins will influence the next generation's habits then you need to look at the small denomination proof platinum eagles. They along with the uncirculated commemorative gold coins are the rarest type coins issued by the US mint since shortly after the first world war. To be specific the Jackie Robinson and the 2004 1/4 and 1/2 oz proof platinum eagles all have mintages in the 5100 to 5400 range. The year by year design changes in a specific series coupled with outstanding relative rarity make them prime investment candidates.

Good Luck Type Collecting.....



## What Is An Uncirculated Coin?

By Lana Hampton

You may have heard the terms proof coin and uncirculated coin, but what is the difference between these two? To understand the difference between a proof and uncirculated coin, let us first answer the question, "What is an uncirculated coin?"

Uncirculated means a coin has not had any wear, such as the wear a coin might experience when it is used in commerce. Handling a coin, as well as improperly storing a coin, can result in wear on the surface of the coin. This wear, even if very minor, will cause a coin to no longer grade uncirculated.

When coins are minted they often bump into each other and receive small nicks and abrasion marks during the production process. These marks also occur as coins are transported in large canvas bags. These marks, sometimes called "bag marks", are more noticeable on larger coins, such as half dollars and dollars. Typical "bag marks" do not keep a coin from grading uncirculated. However, they can be an indicator of how high of a grade the uncirculated coin might receive.

Current accepted grading standards provide for a range of uncirculated grades, from the grade of MS-60 to MS-70. MS60 would be a lower grade (yet still) uncirculated coin with normal bag marks for that type of coin. Anything below MS-60 would not be considered uncirculated. MS70 would be the perfect "ideal" coin. Some coins are rare in grades MS65 to MS70, and even unheard of in MS70 grade. (The attribute "MS" stands for "mint state".)

A newly minted proof coin is also uncirculated, however it is the way it is made that causes a difference in appearance and qualifies it as a "proof". To understand this, let us look at how coins are made. Coins are produced when two dies strike a blank piece of metal with tremendous force. One die is engraved with the front (obverse) design for the coin. The other die has the back (reverse) coin design on it.

A proof coin is made with a specially polished and treated die! By treating the die in a special way, the coins it produces have a different appearance. Modern technology allows the high points on the coin design to be acid treated (on the die). The background (field) design of the coin die is polished, resulting in a mirror-like look on the coin it strikes. This gives the finished coin a frosted look (frosting) on the raise parts of the design, with a mirror like finish on the background. This contrasting finish is often called "cameo". On some older coins a cameo appearance is quite rare. The attribute "CAM", when added to a coin's description, means cameo appearance. "DCAM" means deep cameo, and indicates the cameo appearance is strong and easy to observe.



## Bi-Centennial Half Dollars

From Monaco Rare Coins

The United States bi-centennial half-dollar was minted in between 1975 and 1976 and was in circulation as part of a commemorative set of United States bi-centennial coinage. The Bi-centennial Coinage Program was introduced in 1975 and seen the half dollar as well as the dollar and quarter changed in order to include the 1776-1976 dual date. There are no Bi-centennial half dollars with the 1975 date, because the coins were struck in 1975 and 1976.

The bi-centennial half dollars are quite common as hundreds of millions of bi-centennial pieces were produced. This is the reason that for the most part coinage from the Bi-centennial Coinage Program is not considered to be very valuable among collectors. However, they are very popular among people that are interested in owning a part of U.S. history as they can be purchased for relatively inexpensively these days online.

There are many online auctions that specialize in American coinage and have these pieces for around \$1.00 to \$3.50 depending on the condition. There are many different things that can affect the price of a coin; this is also true with the bi-centennial half dollars. For example, some of the things that may change the value you include, of course, the overall condition of the coins, but also whether or not the specific coin was issued as part of a set or not. All of these things can greatly affect the price of your bi-centennial half dollars and may be something you might want to consider if you are thinking about selling. However, due to the fact that the price is quite low for these coins, it is pretty safe to say that you don't have to worry about spending or selling these coins anytime soon as they aren't going to get much coin for your coinage.



The colloquialism "buck" is often used to refer to dollars of various nations, including the U.S. dollar. This term, dating to the 18th century, may have originated with the colonial fur trade. Greenback is another nickname originally applied specifically to the 19th century Demand Note dollars created by Abraham Lincoln to finance the costs of the Civil War for the North. The original note was printed in black and green on the back side. It is still used to refer to the U.S. dollar (but not to the dollars of other countries). Other well-known names of the dollar as a whole in denominations include "greenmail", "green", and "dead presidents", (the last due to the fact that late presidents are represented on the bills).

## ***May Club News***

The May meeting was called to order at 6:48 PM with 27 members and three guests present. The Pledge of Allegiance was led by Anthony Lynch. Neil Hoffman won the membership drawing of \$3, which he took in the form of drawing tickets. The minutes of the April meeting were approved with one correction by Joshua M. (The article about bi-metallic coins said that the one pound British coin was bi-metallic, but it is not!) The Treasurer's report was approved. One new member joined at our May meeting bringing our total membership to 46.

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### **ANNOUNCEMENTS**

Garn A.—The club has gold tickets for sale for the Golden State Coin Club—5 tickets for \$3. \$1.50 of which goes back to our club.

We have four club DVD's available for checkout.

Jack vB.—Announced that Clint McG. Made it safely back to his home in Texas after a long working stint here in the South Bay area. He said the Interstate highway was closed due to snow on his way back home which made his trip longer than expected.

Garn A.—Clarified the membership dues. After a short discussion it was decided that full year dues for adults is \$7.50, YNs \$3. Second have joiners would pay \$3.75 after July.

Steve D.—Ontario Coin Show coming up on June 24-26.

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### **GUESTS**

Tracy R.—Attended our dinner meeting at Dinah's. He collects type sets.

Velma vB.—Wife of Jack vB.

Dave ?—Collects tokens.

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### **SHOW AND TELL**

Steve D.—A group of coins that he purchased for \$100. Some shillings dated 1750, 1758 & 1816, a Farthing and a Groat. Also a F-VF 1932-S Quarter that was put into a parking meter that he got from his job.

Jack vB.—A \$1 radar note in CU and a high grade \$1 1896 "Educational Series" note.

Dave ?(guest)—Two "Love Tokens" that were passed down in his family. Love tokens are coins that have one side ground down and then a message was cut or stamped on it.

Eric A.—Copies of "Money", an educational brochure containing interesting items about money in all forms.

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### **MEMBER SPOTLIGHT—BILL CHIN**

Started collecting coins from the Franklin Mint. First was the \$5 Bahamas coin that he purchased for under melt value. He purchased a 1975 proof set that contained the only 1975 cents made. Bought a Whitman folder for cents and started filling in with wheat pennies. He bought a 1955-S cent for 60 cents that is now worth about 80 cents. His mother bought two Morgan dollars at face value from a bank. His two older brothers each got one, but he got zero. Maybe that is why he now collects "Morgans" .

While growing up he got \$2 every three weeks for an allowance (67 cents per week), which didn't leave very much for coin purchases. *(Continued on Page 6)*

## ***May Club News-Continued***

He started going to coin shows, where he bought one or two certified Morgans from each show. At the coins shows he met various dealers that he started buying coins from.

He started buying British Empire coins, first via Teletrade and now online and even some via mail order. Some of the mail order purchases didn't turn out well so now he uses eBay, which has been mostly positive.

His biggest mistake is paying too much for problem coins. And his biggest success is a 2006 US mint Anniversary set for 3 silver & gold eagles. Another mistake was his purchase of a US mint 2005 Legacy Proof Set—which is just a proof set with two commemorative coins. He bought it for \$135 where it originally sold for \$160, but is now worth about half that amount.

His smallest coin is a British Maundy coin that is a very small silver coin that is handed out on Maundy Tuesday by the current monarch.

He currently collects album sets of Liberty nickels and Standing Liberty half-dollars in Mint State short sets.

The Morgan dollars first appeared in 1878 due to the Bland-Allison Act. Bill collects year sets (one coin/year). They were re-issued after WWI in 1921, then the Peace dollars came out. There were so many made and people didn't want to carry them in their pockets so they were kept in canvas bags—where they developed toning. He showed us various examples of toned dollars. He cautioned us to beware of toned Peace dollars due to being washed in acid to fake the toning. The Peace dollars were stored in different bags than the Morgans.

There were various "hoards" of silver dollars. The Redfield hoard—\$400,000 face that is now worth over \$17 million. Paramount purchased them, had them slabbed and then sold them. There was also the Binion hoard—He had his cashiers pull out the nice coins in the beginning, then all silver coins later on. Lastly, there was the Eliasburg hoard.

### **BREAK**

Anthony Lynch & George Sobodos brought the refreshments. There were deviled eggs, a fruit tray, brownie bites, a veggie tray, Girl Scout cookies, Ritz crackers and sodas. Jack vB brought some mini-cream puffs. Thanks.

### **AUCTION**

We had 22 lots from seven groups that were auctioned off.

### **COIN RAFFLE**

- |  |   |
|--|---|
| 1.) 1890-P—Indian Head 1c-Samantha P.                    | 07.) 1963-Proof Washington 25c-Richard N. |
| 2.) 1864-P—2 cent piece 2c-Jack vB.                      | 08.) 1988-?—Offset 25c-Richard L.         |
| 3.) 1930-P—Buffalo 5c-Danny R.                           | 09.) 1918-D—Walker 50c-Danny R.           |
| 4.) 1945-S—Jefferson 5c-Jack B.<br>(donated by Jack vB.) | 10.) 1939-S—Walker 50c-Jack B.            |
| 5.) 1935-P—Mercury 10c-Danny R.                          | 11.) 1968-D—Kennedy 50c-John F.           |
| 6.) 1959-P—Washington 25c-Steve D.                       | 12.) 2010—Silver Eagle \$1-Danny R.       |

Meeting adjourned at 8:40 PM.

## *President's Message*

I'm writing this on Memorial Day realizing that our next meeting is only 10 days away and the Long Beach show starts in 3 days. Time got away from me this month and I am a few days late sending my letter so Jack can issue the newsletter. If you didn't get your newsletter in time for Long Beach, it is my fault for being late.

In case you slab collectors haven't heard of this before, PCGS has a new service called Secure Plus. It is software that recognizes a laser scanned coin every time it is re-submitted, regardless of whether the coin has been subsequently dipped or doctored. Essentially the service is designed to spot altered coins, coins that have been cracked-out of their holders and resubmitted, and coins that have been stolen and removed from their holders. To indicate that a coin has been processed by Secure Plus, PCGS will add a Plus-Sign onto their grade of the coin. In essence, a coin grade of MS-64+ will be considered by PCGS to be in the top 10-15% of the MS-64 grade, making it more valuable (in theory) than your average, run-of-the-mill MS-64.

I don't know the cost of this new service but I can see a benefit from gaining some protection from problem coins and enabling the recovery of stolen coins. What I don't understand is how the plus grade works. Not all coins submitted for this service will actually be in the top 10-15% of their grade, so how do they magically move up to that tier simply by adding a Plus-Sign to the grade. Something doesn't add up, so if any of our members is also a member of PCGS and is aware of this Secure Plus service, perhaps you can give us some additional information at the next meeting.

The upcoming Long Beach show is taking on a renewed interest for me. My collecting in recent years has been limited to upgrading my Type Set. I go to each show but I look only for those coins that will upgrade my set...sometimes I don't find anything and end up not buying. However, for this show, I have some slightly different objectives.

One of my collecting loves has always been Lincoln cents, but mostly I get excited about double-die cents. There is a new find of 2009-P Doubled-Dies on the Formative Years cent (also called the Log Splitter). In fact, there are two double-die varieties on this cent; one called the 7-finger variety and the other called the 6-finger variety. The doubling exists on Lincoln's left hand holding the book from underneath. The 7-finger variety shows an extra index finger between the thumb and the normal index finger, plus some doubling that appears on the middle finger. The 6-finger variety shows an extra index finger slightly above the normal index finger. I plan to search this Long Beach bourse for examples of each variety.

Once upon a time, I had a couple of grading sets put together, one for Morgan dollars and the other for Peace dollars. I ended up selling them both back when I was selling coins from an antique mall. I always regretted selling them because I didn't earn enough money to make it worthwhile. I have wished that I had kept them because it was interesting to see the changes in gradations of the actual coins, instead of pictures or written descriptions. Therefore, my other quest for this Long Beach show is to start working on another Morgan dollar grading set from Good thru MS-60.

I hope all of our members have a fun time at the Long Beach show. Bring all of your collecting stories to the next meeting. I look forward to seeing everyone on June 10th<sup>th</sup>. Until then...

***Collect Early and Often***

*GARN*



**Money Myths** (from "Kids Discover Money")

Myth: Gangsters are driving a Model T car on the back of the \$10 bill.

Fact: The car isn't a Model T and the figures inside are so small and blurry that ID is impossible.

Myth: Putting a penny on a train track will derail the train.

Fact: No, but people have been killed by trains while doing so.

Myth: U.S. law says that merchants don't have to accept more than 100 pennies at one time.

Fact: Merchants don't have to accept any pennies at all (or any other U.S. currency). However, paying with 100 or more pennies at a time is perfectly legal.

**Refreshments**

**June**—Jack den Braber & Richard Navarro

**July**—Mark Mussman & Steve Demmer

**Member Spotlight**

**June**—Art Winter

**Coin Shows**

**June 18-20 San Diego**

Handlery Hotel & Resort 950 Hotel Circle N.

Hrs: Fri. 11AM-6PM, Sat. 10AM-6PM Sun. 10-5PM FRE

**June 24-25 Ontario**

Ontario Convention Center 2000 E. Convention Center Way

Hrs: Thu. 10AM-7PM, Fri. 10AM-7PM, Sat. 10AM-5PM ADM

Official Mailing Address:

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c/o Steve Demmer  
P.O. Box 813  
Culver City, CA 90232

Meetings are normally held at the El Segundo Library  
111 West Mariposa Avenue, El Segundo, CA 90245  
Next meeting is on Thursday, June 10th @ 6:30 PM

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