

Weird As a 3-Cent Piece (A Brief History of US Coins)

by

Rex Ungericht

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This history is not intended to be comprehensive or complete. Rather, it is a collection of stories that I find interesting about the coins of my country.

Chapter One: Before the USA

Value Me As You Please

Before there was a United States of America, there were settlements and colonies in the New World. The folks in these settlements and colonies needed to transact business, and so they used whatever currency and coinage was available. Some of the coins they used were from other countries, some were minted by the governments of the colonies, and some were minted by private individuals since there were no laws at that time prohibiting people from making their own coins.

One of the privately made coins was the 3 Pence minted by Dr. Samuel Higley of Connecticut, made from copper extracted from his mines (if you don't already know, "pence" is the plural of "penny"). It didn't take people long to realize that the amount of copper in the coin was worth far less than 3 Pence, and after hearing the complaints Dr. Higley changed the design of the coin so it said "Value Me As You Please".



As you might guess from this, people expected the value of the coin to be equal to the value of the metal in the coin. This method of valuing coins was true in the USA until the mid 1960's - but I'm getting ahead of myself.

We're So Bohemian

In the early 1500's, Bohemia was a part of the Holy Roman Empire. They created a system of naming silver coins after the location of the silver mine where the ore was excavated. Quite possibly the first of these were the coins made from silver mined in St. Joachim's Valley. Since their word for "valley" was "thal", the valley was called Joachimsthal, and the coins Joachimsthalers.



Most if not all of the silver mines were located in valleys, and people soon stopped calling the coins by their full names and just started referring to them as "thalers". Over time, and through translations into other languages, "thaler" eventually became "dollar".

So now let's get to the subject of this paper: the coins of the United States of America.

Chapter Two: Getting Started

It Took A Few Years

The USA was created in 1776, but the first United States Congress didn't meet until 1789. And it's the Congress that has the power "to coin money, regulate the value thereof..." as stated in the US Constitution. During their initial session, the Congress asked Thomas Jefferson to create a system of weights and measures for the new country.

In the middle of 1790 Jefferson reported back and presented two options. One was a variation of the English system, and the other was a decimal system. And because Congress chose the decimal system for our money, we have a dollar comprised of 100 cents.

In 1792, Congress passed, and President Washington signed, "An Act establishing a Mint, and regulating the coins of the United States." Since the US government was based in Philadelphia at the time, that's where the mint was built.



The coinage act provided for three gold coins, five silver coins, and two copper coins:

Copper: Half Cent, Cent

Silver: Half Disme, Disme, Quarter, Half, Dollar

Gold: Quarter Eagle (\$2.50), Half Eagle (\$5.00), Eagle (\$10.00)

And no, "disme" is not a misspelling. More on that later.

Earlier I wrote about the popularity of the Spanish 8 Reale, or Spanish Dollar, in the colonies. The Mint Act of 1792 recognized that, and stated that US silver dollars were "each to be of the value of a Spanish milled dollar".

Looking over the coin denominations, you may be asking yourself, "Self, why such large-denomination gold coins? Why not just use paper money like we do today?" Well, it's partly because there was no US paper money in those early days. The Treasury didn't start printing paper currency until 1861. It's also because a lot of folks didn't trust paper. At least with a coin you had the metal content to give it value. With paper money, all you had was, well, paper.

All of these early coins were made on presses powered by horses, oxen, and men. (It wasn't until 1836 that steam-powered presses were installed.)

However, although the Mint began churning out coins, the larger ones didn't circulate much. Remember, at this time a coin's value was determined by the metal in it. Well, by the time the Mint started producing gold coins, the value of gold had changed in Europe, and the gold in the American coins was worth more than face value. So as soon as they became available, gold coins were snapped up in America at face value and sold to Europe for a profit. At the same time, new American silver dollars were bought using old worn Spanish dollars and also were shipped overseas for a profit. The problem was so severe that Thomas Jefferson ordered the Mint to stop making gold eagles and silver dollars, and those coins weren't minted again for over three decades.

Because of this, the largest coin remaining in quantity in the USA was the half dollar, and most of them were used in bank-to-bank transactions. This left the smaller denomination coins available for circulation, but the Mint wasn't making a lot of those. So for the first few decades of the USA's existence, foreign coins, colonial coins, and private coins were still circulating in abundance.

But some American coins did make it into circulation, and almost immediately unscrupulous people saw a way to make a little extra. They would shave some of the gold and silver from the edge of the coins, and when they had enough, they would sell the shavings. By 1800, the mint had begun putting ridges around the edge of coins (a process called "reeding") so that it would be obvious if the edge was shaved. The practice of reeding survives to this day on dimes and quarters.

Chapter Three: Just a Half Cent

Why in the world would anyone need half a cent? Well, there were a couple of reasons.

Money had more value in the early days of the USA. A half cent in 1793 had the purchasing power that a dime has today.

Also, remember the "pieces of eight" discussed earlier? One-eighth of a Spanish Reale was 12 ½ cents. A half cent was needed to make correct change.



And yet half cents proved hugely unpopular, perhaps because people identified them with poverty. They were minted sporadically for a little over 60 years, often sitting in bank vaults unused, until the Mint stopped making them in 1857 when Congress passed a Coinage Act that ended the use of foreign coins for legal tender. At that point, officially there would be no more 12 ½ cent pieces of eight, and therefore no need for a half cent to make change.

Chapter Four: Common Cents

Why "Cent" and Not "Penny"?

English settlers in America were accustomed to the term "penny" for their smallest coin. Back in those days, a Pound Sterling was worth 20 shillings, and one shilling was worth 20 pence, making the penny worth 1/240th of a Pound. But because so much of the USA was colonized by the British, the term "penny" remains in common use today.

When the USA adopted a decimal system of currency in 1792, the "cent" (from the Latin *centum*, or hundred) was adopted since one hundred cents make a dollar.

(Just FYI: After switching to the decimal system in 1971, one British penny was then worth 1/100th of a Pound. The Pound Sterling is the oldest form of currency still in use.)

"Liberty In Chains"

In 1791, Henry Voight was appointed the first "Chief Coiner" for the US Mint. Voight was a watchmaker and a mechanic, not a designer, but he gave it his best shot. For the one cent piece, he created an image of Lady Liberty with flowing hair for the obverse, and a circular chain of interconnected links on the reverse. These early cents were huge by today's standards; they were larger than a quarter is today, because they had to contain one cent worth of copper.



The image of Lady Liberty on the front was based on the Libertas Americana medal created by French engraver Augustin Dupre:



(Note the cap on the end of a stick there behind Lady Liberty. The cap is a pileus, which was worn in ancient Greece, Rome, and other countries by freed slaves. The cap became a symbol for freedom.)

The chain image on the reverse was adapted from other coins of the time, like the Fugio cent and the Continental dollar:



But even if the public was aware of the precedents for the new cent, when it was released into circulation in 1793, the hue and cry was enormous. Many folks saw the chain as representing the chain of slavery. This may have been exacerbated by a minting problem known as clashed dies.

In a coin press, a blank coin (or planchet) is placed on a die that has the reverse image of one side of the coin. A die with a reverse image of the other side of the coin is pressed down with enough force to form the image on both sides of the planchet.

Every once in a while by accident, the two dies would get pressed together without a planchet between them, and a faint image of one side would be punched into the other die. From then on, coins made with that die would show an obverse with a faint image of the reverse on it, and vice versa.

Because of clashed dies, the obverse of some of the cents showed Lady Liberty with a faint chain. As happenstance would have it, the chain showed most clearly on her neck, suggesting "liberty in chains".

In addition to this issue, many people were scandalized by Lady Liberty's hair. A proper woman would wear her hair neatly coiffed, and the flowing hair on the coin gave Liberty (according to them) a look of madness or savagery. In March 1793, the Pennsylvania Gazette reported that "Liberty appears to be in a fright." Because of the public disapproval of the coin, that same year the back was changed from a chain to a wreath, Lady Liberty's hair was made less free-flowing, and a pileus was added, reminiscent of the Libertas Americana medal.



Getting Small

The design of the cent was changed several times over the years, and then, in 1857, Congress passed a Coinage Act that reduced the size of cents from around 27-29 millimeters in diameter to 19 millimeters, the size we know today. One reason this was done was because by 1851, it cost the Mint more than one cent to make a one cent coin. And that change in size gave us one of the shortest-lived coins ever, the Flying Eagle cent:



The flying eagle design was really just a pattern that the Mint came up with to show the Congress what the new smaller cents would look like. Unlike previous cents, it wasn't just copper, but a copper-nickel alloy (quite possibly because Mint Director James R. Snowden was lobbied heavily by Joseph Wharton, who had a monopoly on nickel mines).

About 1,500 of the cents were minted in 1856, and then they went into full production in 1857 and 1858. By 1859, a new design was ready and production of the flying eagle cent ended, replaced by what was popularly known as the "Indian Head" cent...



...which wasn't really an Indian at all, but Lady Liberty wearing an Indian headdress. Since these early cents were made from a copper/nickel alloy, they were often called "nickels" or "nicks" until the introduction of the 5 cent piece in 1866.

Steel and Shell Casings

Starting in 1864, the Mint changed the composition of cents from copper and nickel to a copper/tin/zinc mix, also known as bronze. There were a couple of reasons for this. One, the Mint discovered that nickel alloys were really hard -- so hard they wore out and broke dies and machinery. Two, during the Civil War people started hoarding coins, so much so that private individuals and businesses started printing "civil war tokens" as a substitute. These tokens rarely (if at all) contained metal worth their printed value, and yet people happily used them -- which came as a revelation to the Mint. When the Mint realized the cent didn't need to have a cent's worth of copper in it, they decided they could replace the thick copper/nickel cent with a thin bronze one.

The bronze mix lasted until World War II, when the government needed all the copper and tin it could find to make munitions. So, in 1942, the Mint removed all but a trace of tin from the cent (technically changing the composition of the coin from bronze to brass). But because the Mint already had a supply of bronze strips already made, they used them, and any particular 1942 cents might be bronze or brass.

In 1943, the Mint stopped using copper in cents, switching to zinc-coated steel:



These cents were hugely unpopular. If someone wasn't paying close attention, they could confuse the cent with the dime. Also, once the zinc coating wore off, the steel underneath quickly corroded. And since the steel pennies were magnetic, they were seen as fakes by the vending machines of the time.

So, the Mint needed to switch back to copper-based cents or face the continuing wrath of the public. But as long as the war was raging, where were they going to get the copper? Well, at least in part they got it from spent shell casings, and returned to a copper/zinc composition for 1944, 1945, and 1946. In 1947, with the war over for more than a year, the Mint returned to the bronze alloy.

Chapter Five: The Civil War Coin

In God We Trust

The motto "In God We Trust" wasn't included on coins from the beginning, just like "under God" was not in the original Pledge of Allegiance. It wasn't until the Civil War, and the resulting increase in religious fervor, that people started writing to the Mint urging that a mention of God be put on US coins.

Secretary of the Treasury Salmon P. Chase received enough mail that he decided to act. In a letter dated November 20, 1861, he told the Director of the Mint that "The trust of our people in God should be declared on our national coins". However, to get such a change made required an act of Congress.

In December 1863, the Mint Director submitted two potential mottos: OUR COUNTRY; OUR GOD and GOD, OUR TRUST.

Secretary Chase modified the options to OUR GOD AND OUR COUNTRY and IN GOD WE TRUST. The Congress approved the change in the Act of April 22, 1864, and IN GOD WE TRUST has appeared on US coins ever since, with just a few exceptions. For example, in 1907 and part of 1908, the newly-redesigned gold eagle did not have the motto because of the objections of President Theodore Roosevelt, who personally objected to the use of the Deity's name on coins. Congress restored the motto in 1908. In 2007, the Mint introduced a new series of Presidential dollars with the motto and other text engraved on the edge. Due to a manufacturing error, many of the initial George Washington and John Adams dollars didn't have the motto. A reporter started calling them "Godless dollars" and the name stuck. Because of the publicity and public outcry, Congress added language into a 2007 appropriations bill that said the motto must appear on the obverse or reverse of coins.

Your Two Cents' Worth

The first coin to be minted with the motto IN GOD WE TRUST was the two-cent piece, introduced in 1864. It may have been inspired in part by the British tuppence. But it definitely was part of an effort to get more coins in circulation, since Americans were hoarding coins like crazy during the Civil War. The general thought was that if the North lost, silver, gold, and copper coins would still be worth their weight in metal, but paper money may become worthless.



Initially, the public accepted the coin. But with the end of the Civil War in 1865, all the hoarded coins came back out, and the 2-cent piece lost its appeal. It had declining mintage numbers until it was discontinued in 1873.

Chapter Six: Weird As A Three-Cent Piece

In 1851 the US Postal Service actually lowered the price of stamps from 5 cents to 3 cents (prepaid, for delivery distances up to 3,000 miles).

That same year Congress authorized the 3-cent coin. A primary purpose of the coins was to make the purchase of stamps easy for individuals.

The first 3-cent coins (from 1851 through 1853) were made of 75% silver and 25% copper, and they were tiny and thin. Even at their small size, they only needed 75% silver because the discovery of gold in California deflated gold prices and inflated silver prices. Gold prices quickly bounced back, silver prices declined, and in 1854 the composition was changed to 90% silver and 10% copper.

Then in 1865, the Mint started making larger 3-cent pieces out of 75% copper and 25% nickel.



But for some reason, the Mint didn't stop making the silver coins, and from 1865 through 1873 both types were minted.

Of course, stamps didn't remain at 3 cents forever, and when they increased in price, the 3-cent coins lost much of their usefulness. The last 3 cent coins were minted in 1889.

Chapter Seven: Half Dime or Nickel?

As shown at the beginning of this document, the first five-cent pieces were called half dimes (more on the word "disme" in the section on dimes).

Half dimes were made from silver and copper, and have the distinction of being the first coins made by the US Mint, in 1794.



In a conversation on April 9, 1844, the first Chief Coiner of the Mint Adam Eckfeldt (and the only surviving Mint official from the first days of the Mint) said that President and Martha Washington had provided \$100 in silver for the making of the coins (as legend has it, silverware from their household).

(FYI, Adam Eckfeldt's grandson Theodore holds a place of infamy in the Mint. See the story of the 1804 dollar for details.)

Once made, the 1,500 half dimes were sent to Secretary of the Treasury Thomas Jefferson. Jefferson gave some to Washington, who presented them to visiting dignitaries. Perhaps 200 or so of this first batch of US coins survives to this day.

The silver half dime went through a handful of design changes and was discontinued in 1873, eight years after the copper/nickel five cent piece was put into production.

V for Five

In 1883, the Mint introduced a new design for the nickel.

The coin was made of a copper/nickel alloy and had a large Roman numeral "V" on the reverse. But because it didn't say "CENTS" anywhere on it, scammers saw an opportunity. They dipped the new coins in gold paint, or even gold-plated them, and passed them off as new \$5 gold pieces. Over 5 million of these nickels were made before the Mint caught up to what was happening and changed the design to include the word "cents":



Chapter Eight: One Thin Disme

Disme? *Disme*? Hey, don't you dis me. Well, actually it's pronounced "deem", and you can thank a mathematician and engineer from Flanders (now Belgium) for it. (*Simpsons* fans, insert a "stupid Flanders" joke here.)

In 1585, Simon Stevin van Brugghe wrote a booklet titled "De Thiende", or "The Art of Tenths" in an effort to make a case for using decimal notation instead of fractional notation. When the book was translated into French, the title became "La Disme", and when the French version was translated into English, the title was lengthened to "Disme: the Art of Tenths, or Decimall Arithmeticke". And it is the reason the 10 and 5 cent coins were named the "disme" and "half disme". However, the name pretty quickly changed to "dime" in popular use and then in official use.



The 1796 dime has fifteen stars on the obverse, one for each state in the union at that time. When Tennessee became the sixteenth state, another star was added to the design for the initial printing in 1797. However, realizing that there wasn't enough room to keep adding stars, the Mint quickly changed the design to thirteen stars to represent the original thirteen states.

Mercury Rising

From 1916 through 1945 the mint produced what was referred to commonly as the Mercury dime.



However, officially the image was not the winged god Mercury, but Liberty wearing a winged cap. Unofficially the image was Elsie Kachel Stevens, the wife of poet Wallace Stevens. Wallace and Elsie Stevens were tenants of an apartment owned by Adolph Alexander Weiman, the designer of the coin. In 1913, Weiman had created a bronze bust of Elsie with her hair pinned under a winged cap (symbolizing liberty of thought). It's thought he used this bust as the basis for his coin design.

The Image on the reverse is a Roman fasces and an axe. A fasces is a bundle of rods used by Roman authorities for punishment of people convicted of serious crimes. The prisoners would be beaten to death with the rods (unless they were granted a quick death by the axe).

So, on one side the dime celebrates freedom of thought, while on the other side it symbolizes the power of the government to beat people to death.

One Popular President

In 1945, Franklin Delano Roosevelt died during his fourth term as President. (Soon afterwards, the opposition party got the twenty-second amendment to the Constitution ratified, limiting Presidents to two terms.)

Roosevelt was hugely popular, and shortly after his death citizens began asking for his likeness on a coin. The dime was an appropriate choice, because President Roosevelt suffered from polio and supported the March of Dimes, a program that raised funds to find a cure. So in 1946, the year following his death, the design of the dime was changed to honor the former President, and it has not been changed since.

The Coin That Was Almost Not From a Mint

In 1937, the West Point Mint Facility was built near the US Military Academy in West Point, NY. Initially, the Mint used it to store silver bullion, and that's how it got the nickname "the Fort Knox of silver".

Even though the West Point facility was not officially a Mint, it installed the equipment to make coins. From 1974 through 1986, the facility minted one cent coins, and from 1977 through 1979, the facility minted quarters. These coins were indistinguishable from coins minted at the Philadelphia Mint.

Starting in 1983, the facility began minting certain commemorative coins, and in 1986, bullion coins. But the facility was not an official Mint until 1988.

In 1996, the West Point Mint produced a Roosevelt dime with a "W" mint mark.



These coins were not put into circulation; rather, they were put into the 1996 coin sets that the Mint sold to collectors. Almost a million and a half were made, and they represent (as far as I know) the only standard US coin with a W mint mark, and collectors currently buy them for around \$15.

Chapter Nine: The Coins That Weren't

On March 4, 1861, seven slave states seceded from the Union and formed the Confederate States of America. The resulting war between the north and south lasted until 1865.

During this time, the Confederacy took possession of three mints: Charlotte North Carolina, Dahlonega Georgia, and New Orleans Louisiana. The Charlotte and Dahlonega Mints had been established in 1831 and 1838 respectively to make gold coins from local mines. They only printed a small number of coins after their states joined the Confederacy, and those coins were made using the same dies they had been using before the succession. As a result, there are no "Confederate States of America" gold coins. (And just FYI, the Charlotte and Dahlonega mints were not reopened after the war.)

The New Orleans Mint continued production in 1861 under three flags. At the beginning of the year, the Mint was part of the USA; it was then seized by the state of Louisiana; and later the state turned it over to the Confederacy. The coins, however, remained the same. The old dies continued to be used, and eventually the Mint ran out of bullion and shut its doors before the end of 1861.

However, that's not the whole story. The Confederacy did manage to make a die for the reverse of a half-dollar coin, and four coins were actually made with the US obverse and the Confederate reverse. One coin was (maybe) given to Confederate President Jefferson Davis, and the others were (likely) given to Chief Coiner of the Confederate States Mint B.F. Taylor, Melter and Refiner of the Mint Professor John L. Riddell, and Dr. E. Ames. All four coins now reside in private collections.



After the war, the US government seized the die for the obverse. The die for the reverse was sold to J.W. Scott & Co., coin and stamp dealers, which used it to make restrikes. Although these restrikes are collectible coins in their own right, they are not official Confederate coins. Only the four original ones are.

But wait, there's more.

Early in 1861, the Confederacy contacted the Philadelphia jewelry company Bailey & Co. and inquired about making a Confederate one-cent coin. The company contracted die sinker Robert Lovett, Jr. to design the dies. Lovett did so and minted twelve coins, but then became concerned about what he was doing and, fearing arrest from Union officials, cancelled the project. For over a decade, he kept the project and the coins a secret, until one day in 1873 when he accidentally spent one of the cents in a bar.



As the tale goes, the barkeep took the coin to a numismatist friend, who tracked down Lovett and bought the coins and the dies. Seventy-four restrikes were made (55 in copper, 12 in silver, 7 in gold) before the die cracked, and then another 15,306 were struck in a variety of metals using the cracked die. So Philadelphia, of all places, is the birthplace of the Confederate cent.

Chapter Ten: Not Quite a Quarter

In 1873, the US Mint had branches in Carson City Nevada (established 1870) and San Francisco California (established 1854), in addition to the headquarters in Philadelphia. The branch mints made only gold and silver coins - no cents or nickels.

Also in 1873, the US Congress passed a Mint Act that was structured to firmly put the USA on the gold standard, and to eliminate the confusing mess of coins that were being produced. At the time, the Mint was producing silver 3-cent pieces and copper/nickel 3-cent pieces, silver half dimes and copper/nickel 5-cent pieces, and silver and gold dollars. Clearly, duplicate coins in different metals were unnecessary. So the silver 3-cent piece, half dime, and silver dollar all were discontinued (however, Congress did authorize a new silver dollar to be made - but it was to be used not in the USA, but exclusively in trade with Asia).

Then, in 1875, the civil war ended. All of the coins that people had been hoarding during the war came back out, and the Mint didn't need to produce a lot of new ones. And it just so happened that this all occurred during one of the most productive silver-mining periods in history.

The silver interests were in a pickle. There was a lot of silver available, so the value was depressed, and the Mint wasn't buying much, which pushed the value down even more. So they turned to the government, arguing that a new silver coin was needed.

On March 3, 1875, President Ulysses S. Grant signed a law authorizing a twenty cent piece, and the Mint cranked up production.



Most of the new coins were made at the San Francisco mint, with a small number made in Philadelphia and Carson City. And the reaction of the public was – underwhelming.

People easily confused the new coins with quarters, and the 20-cent piece was almost immediately declared a flop. In July 1876, legislation was introduced to abolish the coin. In all, around 1.3 million were minted in 1875, 26,000 in 1876, and a few hundred were made just for collectors in 1877 and 1878.

Chapter Eleven: Two Bits

When Congress first established coinage for the USA, they had to determine which coins the new Mint would make. One of the interesting decisions was the 25-cent piece. They might have gone with a 20-cent piece like several other countries, but they knew the popularity of the Spanish Reale and the pieces of eight. Since one piece of eight was 12 ½ cents, two bits was 25 cents. A 25 cent coin would allow for easy exchange.

Like all of the first silver coins, the quarter did not initially display its value.



The Scandalous Lady Liberty

In 1916, the Mint introduced a new quarter design:



And the public was shocked. Oh my stars and garters, Lady Liberty's right breast is exposed! The public outrage forced a redesign, which went into effect partway through 1917:



And Lady Liberty's honor was restored.

Chapter Twelve: The Casino Coin

Half dollars have been produced by the Mint more consistently than any other coin except the cent. In the early 20th century, it became a popular coin in casinos. Later in the 20th century, casinos moved to tokens or to electronic payment methods, and millions of half dollars found their way back to the vaults of the Treasury. The Treasury has such a glut of half dollars that they make new ones for collector sets each year, but they don't have enough demand to make any for general circulation.

The Missing 1804 Half

The Mint records that in 1804, 150,000 half dollars were made. However, no one has ever seen one with that date. Why? Because 1804 half dollars were made using the dies from 1803.

However...

In 1933, a coin dealer came forward with an 1804 half! If real, it would be unique. But it wasn't.

The Mint had actually made a couple of dies for 1804 halves. These dies were repurposed in 1805, and a "5" was engraved into the dies on top of the "4". When minted, the coins showed a 5 with a 4 underneath. The "1804 half dollar" turned out to be an 1805 with all traces of the 5 filed off.



Sorry, you don't exist.

A Set of Twenty

In 1838, the Philadelphia Mint sent half dollar dies to the New Orleans branch, which marked the first time that a branch mint made halves. But the New Orleans Mint only set up and tested their equipment in 1838, minting just twenty half dollars that year and thereby creating one of the rarest coins in US history. (The next year the New Orleans Mint made well over a million half dollars.)

And the Winner Is...

In the late 1880's, the Mint decided it was time to change the design of some of their coins, and selected ten artists to submit proposals. However, the artists got together and told the Mint that they would only do it if they received \$100 for each sketch and \$500 for each completed model. So the Mint said "thanks but no thanks" and launched an open contest to find a design. They got around 300 submissions, and judged that none of them were usable. In the end, the Mint's Chief Designer created the new coins.



And no, that's not the Greek god Apollo, it's Liberty wearing an olive branch crown.

Kennedy Defeats Franklin

In 1948, the Mint introduced a new half dollar featuring a portrait of Benjamin Franklin. By this time, the traditional depiction of Lady Liberty on coins had given way to honoring past Presidents, with Lincoln on the cent, Jefferson on the nickel, Roosevelt on the dime, and Washington on the quarter. Although Franklin was never President, his stature among the founding fathers (and the fact that he was a favorite of Mint director Nellie Tayloe Ross) made him an appropriate figure for a coin. Since by statute a coin design got a minimum run of 25 years, the Franklin half dollar would be made at least through 1973.

Except it wasn't.

Just hours after the assassination of President John F. Kennedy on November 22, 1963, plans were being made to put his likeness on a coin. The President's wife, Jacqueline, preferred the half dollar, and Congress passed legislation on December 30th allowing the Franklin design to be discontinued and the Kennedy design implemented. Minting of the Kennedy half began in January 1964, a little over a month after Kennedy's death.



Chapter Thirteen: The Deerskin

In the early days of North America, deerskins were a form of currency, especially in trade with Native Americans. In 1748, the farmer/tanner/storekeeper (and much more) Conrad Weiser wrote in his journal and referenced "the value of 300 bucks". Over time, deerskins became less used as currency, and the term "buck" shifted to the dollar.

The Notorious 1804 Dollar

Thomas Jefferson halted production of silver dollars in 1804. A profit could be made by selling the coins overseas, and Americans were doing just that, creating enormous shortages in the US.

But there's more to the story. Although the Mint produced silver dollars in 1804, they used the dies from the previous year. So all dollars minted in 1804 display the date 1803.

In 1834, President Andrew Jackson decided that he wanted his State Department trade representatives to present diplomatic gifts to dignitaries in the Middle East and Asia, including Rama III, King of Siam, and Said bin Sultan, Sultan of Muscat and Oman. And what better to give them than a complete set of US coins?

Since the last silver dollars had been minted in 1804, the Mint made a die with the silver dollar pattern and the date "1804", and produced a few dollars for the gift sets. Therefore, dollars made in 1834 are dated 1804. But here's where it gets interesting.

Since there were only a few dollars dated 1804, and they were all in diplomatic gift sets, the coin became extremely valuable to collectors. And the temptation to cash in on this value was too much for a Theodore Eckfeldt (grandson of the first Chief Coiner Adam Eckfeldt), who worked as a night watchman at the Mint. From 1858–1862, he managed to secretly make a batch of several different highly sought-after coins, including 1804 dollars, and sell them for \$75 each to collectors through Dr. Montroville W. Dickeson's store in Philadelphia.

Of the original set of 1804 dollars produced by the mint, there are eight known survivors, five of which are in private collections. The other three are held by the Smithsonian Museum, the American Numismatic Association, and the Durham Western Heritage Museum. Of the coins made by Theodore Eckfeldt, there were two types: ones that did not include the edge lettering on the coins, and ones that did. All of the first type were tracked down and destroyed, except for one that now resides at the Smithsonian. There are six known coins of the second type: three are in museums and three are in private collections.

And the \$75 that Eckfeldt sold his coins for was recently bested, when Heritage Auctions sold one of the original 1804 dollars produced by the Mint for over 3.8 million dollars.

Let's Trade

By the middle 1800's, American business with other countries had expanded to include the Orient. And in China and Japan at that time, the Mexican silver dollar reigned supreme. So, in order to do business with those countries, Americans had to have Mexican silver dollars.

This was costing US businesses a premium. Mexican dollars were routinely quoted in the San Francisco market at prices higher than the silver value of the coin. Also, the supply of Mexican dollars was not steady, causing US businesses occasional difficulty in meeting their obligations.

In November 1872, Supervisor of the Philadelphia Mint Dr. H.R. Linderman proposed a "trade dollar", slightly larger than the standard US silver dollar. The thought was that the large supply of US silver ore would guarantee that demand for the coins could be met, while its greater intrinsic value and exacting specifications would appeal to China and Japan and allow the coin to become established there.

In 1873, the US Congress passed a Mint Act that was structured to firmly put the USA on the gold standard. As part of this legislation, the domestic US silver dollar was abolished (leaving the gold dollar as the only dollar coin) and the trade dollar was established. However, against the advice of the Mint, Congress declared that the trade dollar was legal tender in the US (even though it was expected that it would never be circulated in the US).



After the Chinese evaluated the coin, they declared it legal tender. The US consul in Hong Kong reported back that Chinese banks were saying "it is the best dollar we have ever seen here".

Then, in 1876, silver prices plummeted in the US when producers dumped silver on the market. All of a sudden, because Congress had made it legal tender, the legal value of the coins were higher than the metal in them. Millions got dumped into circulation in the US as people found ways to game the system. For example, some employers would buy the coins at their depressed bullion value, then use them to pay their employees at face value. When the employees tried to spend the coins, merchants would only accept them at bullion value, instantly depressing the value of the employee's pay by 10-15%.

Congress quickly revoked the legal tender status of the coin, and after 1878 the only trade dollars made were for collector sets. The trade dollar was discontinued after the 1883 minting of 979 coins, and US businesses had to return to using foreign silver in transactions with the Orient.

But wait. Never underestimate the lengths that coin collectors will go to get rare coins. Even though the Mint stopped making the trade dollar in 1883, coin dealer William Idler received ten 1884 trade dollars and five 1885 trade dollars. Idler was friends with Mint employees, and managed to get one or more of them to secretly make the coins. There is no official record of the coins, and they were not known to the public until Idler's son-in-law found them after Idler's death.

On Again, Off Again

In 1878, Congress passed the Bland-Allison Act, which required the purchase of silver for silver dollars, over the veto of President Rutherford B. Hayes, and the Mint resumed the production of US silver dollars. In 1890, Congress passed the Sherman Silver Purchase Act, which increased the amount of silver the government was buying for the Mint by 4.5 million ounces per month. The bill also called for the silver to be purchased with notes that could be redeemed for either silver or gold. But when the vast majority of people started redeeming the notes for gold, President Grover Cleveland got the Act repealed in 1893. The Mint continued churning out silver dollars until it ran out of silver in 1904.

In 1918, Congress passed the Pittman Act, sponsored by Senator Key Pittman of Nevada (you know, where a lot of the silver mines were). The act called for the purchase of domestic silver and its conversion into silver dollars. The Mint complied, and started producing the old Morgan dollar design again, starting in 1921. Therefore, the Morgan dollar series ends in 1904, and starts back up again in 1921.



During this time, folks (mostly coin collectors) were asking the Mint to create a coin to celebrate the end of World War I, and the Mint complied, creating the Peace dollar, which replaced the Morgan dollar during 1921.



In 1928, the requirements of the Pittman Act were met and the Mint stopped production. It may not have been made again, except the Great Depression happened and the US needed more silver dollars to back the "silver certificates" of the time. (And as always, the silver industry was lobbying to get more silver coins made.) So in 1934 and 1935, more than six million Peace dollars were minted, and production of the silver dollar ended.

Then, in 1964, there was a shortage of silver dollars as the price of silver rose and people began hoarding the coins. On May 15, 1965, the Mint announced that production of the coin would resume. Coin dealers immediately offered \$7.50 each for them. Seeing that despite their best efforts the coins would never make it into circulation, the project was cancelled and the 316,076 dollars (dated 1964) that had been made were melted. (There are 1964 Peace dollars in existence, but they are fakes that private individuals made from earlier-year Peace dollars.) Congress was so disgusted with the silver dollar that they put a provision in the Coinage Act of 1965 that no dollar coins could be made for the next five years.

The Coinage Act of 1965 also ended the practice of using precious metals in coins, a reaction to the rising price of silver. All coins would be made using base metals and would get their value from the fact the government declared them legal tender.

But in 1970, when the 5-year ban on dollars was over, there was still a great debate on whether or not the newly-proposed Eisenhower dollars should be made from silver. Iowa Congressman H.R. Gross stated "You would be doing the memory of President Eisenhower no favor to mint a dollar made perhaps of scrap metal." A compromise was finally struck whereby the dollars minted for circulation would be made of copper and nickel, while the dollars made for collector sets would contain 40% silver.



The coins were snapped up by collectors and casinos, but by hardly anyone else. A study showed that the dollars that made it into circulation were used once only (basically, someone spent the dollar, which then got deposited in a bank, and it just sat there because there was no demand). Production ended in 1978 after just eight years.

Tiny Dollars, Make Us Whine

One of the problems of the Eisenhower dollar was its size. Studies and polls showed that people didn't like carrying around such a large coin. So, the Mint decided to make it smaller.

In 1979 the Susan B. Anthony dollar was released, and it was much smaller than the Eisenhower dollar -- so much so, in fact, that people easily confused the new coin with the quarter.



And just like the twenty-cent piece back in 1875, the confusion with the quarter made the coin unpopular. The Anthony dollar was minted for just three years before production stopped (although to meet the demands of vending machines, another run of the coins was produced in 1999). The Mint has continued producing small dollar coins (changing the color - but not the metal - to gold in 2000), but they are rarely seen outside of coin collections and vending machines.

This is partly due to Congress. The plan from the Treasury has been to replace the dollar bill with the dollar coin. Congress continues to authorize the dollar coin (and a \$2 bill), but refuses to get rid of the popular \$1 bill. And unless or until they do, it's unlikely the dollar coin will be widely accepted in the US.

Chapter Fourteen: Thar's Gold in Them Thar Coins

A variety of gold coins were produced by the US Mint from 1795 to 1933. During the Great Depression, just like in other difficult times in history, people hoarded what precious metal they could. But President Roosevelt, declaring that the hoarding of gold was stalling economic growth, made the extraordinary decision to recall all gold and make it illegal to own (with certain exceptions).

"All persons are hereby required to deliver on or before May 1, 1933, to a Federal Reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion, and gold certificates now owned by them or coming into their ownership on or before April 28, 1933"

Millions of gold coins were redeemed and melted. The ban on owning gold lasted until August 15, 1974, when President Gerald Ford signed legislation allowing individuals to once again own gold. By then, the price of gold was over \$150 per ounce, and the US has not used gold for regular coins since (although the Mint does make gold coins for collectors).

That Sinking Feeling

In 1908, the Mint introduced a new design for the quarter eagle (\$2.50) and half eagle (\$5.00) gold coins, featuring a Native American. The quarter eagle was approximately the size of today's dime, and the half eagle about the size of a nickel.



In a departure from previous coins, the design was punched down into the blank. But it proved to be too radical of a design change for the public. The coins did not circulate much, and were taken out of production during World War I. The quarter eagle did make a reappearance from 1925 through 1929, and the half eagle in 1929, but the Great Depression ended their run. Today the coins are highly prized by collectors for their unusual appearance.

Lucky 7

The \$5.00 half eagle had a long and popular run starting in 1795 and ending in 1933. During that time, it had five different designs, but it is the Coronet Head design of 1836 - 1908 that holds a particular distinction.



It is the only coin of a single design to be minted at seven U.S. Mints: Philadelphia, Charlotte, Dahlonega, New Orleans, Denver, Carson City, and San Francisco.

But wait, you might ask. The mintmark of the Dahlonega Mint was "D". The mintmark of the Denver Mint was (and is) "D". So if you're looking at a Coronet half eagle, and it has a "D" mintmark, how do you know which Mint made it?

Fortunately there's an easy answer. The Dahlonega Mint ceased operations in 1861. All half eagles with a date of 1861 or earlier were minted in Dahlonega. The Denver Mint came late to the party, and only minted the coins in 1906 and 1907.

Chapter Fifteen: The United States of Manila

Shortly after the Spanish-American War, the Philippines became a United States possession. But unlike the USA's other possessions, the Mint decided to produce special coinage for the Philippines: one peso and various denominations of centavos. These coins were minted in Philadelphia, in San Francisco, and, beginning in 1920, at the Manila Mint, which had been built by the Spanish.

To date, the Manila Mint is the first and only US Mint not located in the continental United States. The first coins minted there have no mintmark and cannot be distinguished from the coins made in Philadelphia, but starting in 1925 the coins were stamped with an "M" mintmark.



In 1941, the Japanese invaded and seized the Philippines, and after the war, the Philippines became an independent country. So the US Mint in Manila was short lived, lasting from 1920 to 1941.

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There are many more stories about the coins of America, but this is as far as I wish to go for a "brief" history that has already become much longer than I anticipated. If you see anything that needs to be corrected, email me through my website (given below).

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Writer, song parodist, happy husband, proud pappa, and mostly nice guy, Rex Ungericht lives in Texas where he's managed to find paid employment for most of his post-college years. You can see some of his feeble efforts at parodyman.com.