

COIN COLLECTING INITIATION GUIDE

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1. INTRODUCTION TO NUMISMATICS

1.1 The origins of coinage.

The first coins of an official nature were struck in Lydia, in the Anatolian peninsula (present-day Turkey), around the 7th Century B.C., although their origin and usage date back many years before.

The term “money” comes from the Latin word “moneta”, the nickname given to the goddess Juno, whose temple in Rome was used for the minting of coins.

Before the appearance of coinage, business was carried out by bartering, or exchanging goods or wares. These were also paid for with gold and silver ingots. When the use of a coin that always had the same value was implemented, trade increased.

This function of coinage assisting trade is clear to see, but it is not the only role that coins have played throughout History. The coin lent prestige and in some cases it even worked as advertising, particularly in times when communications were slow and unsafe, and people for the most part were illiterate. Coins told of important events, such as public works, commemorations of recent battles, etc.



One of the possibilities, almost certainly intrinsic to the coin, is that of hoarding it as a means of building up a solid capital. Instant liquidity would also be gained, due to the unchangeable nature of the coin and its ease of handling and conservation, in addition to its fast, safe and problem-free acceptance in the marketplace.

1.2. The collecting of coins.

Numismatics is the love of and the art of collecting coins and banknotes from different times and cultures. It is truly a supporting science in history since the motifs depicted on coins tell us about historical events, wars, empires, kings, the evolution of art, architecture and customs, etc., thus linking the past to the present.

The main considerations to be taken into account when taking up this exciting pursuit are the following :

- ▶ That the type of collection is suited to our interests and our pocket.
- ▶ The different ways of acquiring coins.
- ▶ Classification, valuation and verification of authenticity of the coin.
- ▶ The handling of collections.

There are several kinds of coin collectors. Some specialise in certain countries, combined with one or several historical periods. Others collect coins with the most wide-ranging motifs (sports, political, cultural events, etc.). There are also collectors of “proofs” (coins prepared especially for the coin-collecting market). There are even those dedicated to coins that hold for them great sentimental or historical value.



1.3. Coin acquisition.

It is essential, before investing in coins, that we invest in some knowledge of our hobby. We should always have at least one reference book handy that covers the desired area of interest. Afterwards, coins can be acquired in different ways:

- ▶ By asking friends who travel abroad, for example, for the circulating coins of other countries.
- ▶ From antique flea markets or those of a customarily numismatic nature.
- ▶ By bidding on coins at public auctions.
- ▶ Numismatic associations offer members the advantage of acquiring coins from them at very reasonable prices.
- ▶ From specialised shops.
- ▶ By exchanging coins with other collectors.
- ▶ By searching on the Internet.
- ▶ From some Embassies and Consulates.

2. TYPES OF COINS

In addition to coins of legal tender, there are other types of coins:

2.1. Bullion coins.

The concept of a “bullion” coin is that of a coin struck in a precious metal where the coin value is not fixed by the nominal value, but by the value of the fine metal it is made of.

The need for bullion coins can arise when the metal rate is unstable and begins to fluctuate, so that it becomes advisable to invest in the metal for speculative reasons. Many investors prefer precious metals in the form of coins, rather than other forms such as bars, ingots, etc., since coins do not need to be assayed when they are put on sale.

Many governments, faced with the demand on the part of investors, issue this type of coin, not as coins of legal tender, but to be sold specifically as “bullion” coins.

2.2. Commemorative coins.

These are basically coins minted from precious metals (gold and silver) on the occasion of a sports, political or cultural event. This type of coin usually possesses great beauty of design and motifs, sharing aspects of the proof coin, the medal and the standard circulated coin. These become authentic collection pieces and are not circulated as coin of exchange. The coins or the coin series is issued in limited runs. They are generally presented in transparent plastic coin cases inserted in cardboard or wooden boxes.

There are many reasons for acquiring a commemorative coin or a coin series:

- ▶ We can keep them as a souvenir or remembrance of an event and/or of a place we have visited.
- ▶ On account of their admirable designs and motifs they are magnificent ornaments.

- ▶ They make original gifts, something that is occurring increasingly lately among individuals and in companies.
- ▶ It is very enriching to possess a collection of this type of coin, since these are very interesting, beautiful, valuable and rare objects.
- ▶ We can use them as a form of investment, since they increase in value over time. This re-evaluation factor makes them a good way to save.



3. THE HANDLING OF COLLECTIONS

3.1. Equipment.

For proper handling and inspection of pieces, we suggest the following objects and tools:

- ▶ A mat of felt or similar soft material on which to place the coins during handling.
- ▶ An album or tray in which to put the coins away and keep them protected.
- ▶ A pair of tongs having adhesive surgical tape or rubber on the tips to extract the coins from the album.
- ▶ Two magnifying glasses: one large, of about 10 times magnification to observe the whole coin; and the other of about 15 or 20 times to examine details.
- ▶ Some small paper or plastic envelopes for carrying the coins or for storing duplicates in boxes.
- ▶ A notebook in which to record the price paid for every coin, with whom and when a coin was exchanged or if it was given to us as a gift, the state of preservation of the coin, its rarity factor, etc.
- ▶ A good white light that does not distort colours.
- ▶ A cabinet or drawer in which to keep the envelopes and boxes.

3.2. Proper handling of collections.

We should take certain precautions to ensure the proper handling and preservation of our coins:

- ▶ Not to overload our coin albums, because if we do, we run the risk of tearing the sheets. In addition, if the sheets are overcrowded and heavy, the coins from the other sheets will bump together when the pages are turned.
- ▶ Care should be taken when handling the album. There are some that the coins will drop out of if they are turned upside down, involving great risk for the coins.

- ▶ Whenever you take the coins out of their folders, place a felt or similar mat on the table, and avoid doing this in a room with a hard tile floor. If a sizeable silver coin drops onto a mosaic floor the consequences could be disastrous.
- ▶ Extract and handle the coins using a pair of rubber-tipped or tape-tipped tongs, so that, insofar as is possible, the album does not get deformed and the coins are not fingered too much. If you do not have tongs, hold the coins only by the rim.
- ▶ Always avoid touching the coins with any object or material that could scratch them.

In short, no precaution is unimportant when handling our collection.

3.3. Cleaning of coins.

First of all, it has to be stated that coins should not be cleaned. Cleaning can damage the coins and make them lose their numismatic value. Cleaning is usually only done for purposes of archaeological or historical studies.

Nonetheless, if we are really sure that the piece will not suffer any damage, we may clean it by applying our method based on two products: water and neutral soap:

1. Run the coin under warm water so that dust and earth, if any, are removed.
2. Then, using our fingers, gently apply a little neutral soap on both sides of the coin.
3. Finally, rinse the coin with warm water, and wipe it dry with a soft, dry towel.

Brushing is not advisable, however soft the brush. Coins may be rubbed, with moderation, using a fibreglass brush so that the dirt is loosened, particularly on those recently unearthed. Any coin with a patina, whether this be green or black, should not be touched. At most, we may lightly brush it with a horsehair brush to enhance the natural gloss of the patina

If after cleaning the piece we observe the presence of some stain not produced by rust, we may rub the spot with a pencil eraser.

Never clean silver coins using the chemical products (liquid, powder or cotton) available on the market. Copper and bronze coins can be cleaned using olive oil; then leave them to dry so that they shine.

Finally, as the golden rule: if after cleaning a piece carefully, it still looks dirty, leave it alone and touch it no more! We could impair it more than it already is.

3.4. Preventive preservation of collections.

Here is some advice for the passive maintenance of our coin collection:

- ▶ Do not expose the collection to substances or conditions that could rust or deface the coins.
- ▶ Keep the coin collection at all times in stable environmental conditions: temperature and humidity.
- ▶ Gold coins do not need much care. Silver, bronze, copper or iron coins on the other hand are very sensitive to damp and to corrosive substances.
- ▶ Coins should not be cleaned, and certainly should not be polished using substances.

- ▶ Inspect your whole collection periodically to check for rusting or damage, so as to catch this in early stages.

4. VALUE AND AUTHENTICITY OF COINS

4.1. Classification.

For optimum classification and a subsequent evaluation it is essential that we acquire a good coin catalog that covers our area of interest, so that we can look up our coin within its pages. The most important function of classification is to seek out and find as much information as possible about our coin. This entails:

- ▶ Looking up in the catalog the country shown on the coin, if it is a foreign coin and the name of the country is easy to distinguish.
- ▶ *Situating the coin within a particular reign or political period by observing the effigy, the legend or any other feature.*
- ▶ Trying to ascertain, from the mintmarks or acronyms, which mint struck the coin, in the event that there were several mints striking the coin at that time.
- ▶ Being guided by coins of the same face value as ours, or if there are none, by coins of the same metal and size.
- ▶ Having found a coin that is the same as ours when compared to the photo, applying the previous criteria and searching for the coin that matches ours exactly in date, legend, type, etc.



4.2. Coin grading.

The state of a coin is usually conveyed concisely by giving it a certain grading. Knowing how to grade coins reasonably well is a very important skill for collectors, since the value of a coin varies considerably depending on its given grade. The correct estimation of the value of a coin is an ability that can only be developed by continuously seeking references in the guidebooks, by consulting coin dealers and experts, and, in a word, by accumulating a lot of practice.

A fixed standard typology exists with a view to providing a series of objective criteria for use when grading coins. But this is simply an approximation to determining the market value of our coin. It is very difficult to give a coin an objective quality grade since the personal judgement of each coin expert will have considerable influence on this.

There are two kinds of factors that affect the grading of a coin:

- Extrinsic factors:** these determine the grade of a coin depending on the law of supply and demand. The main ones are:
 - ▶ Whether the coin has a market. Demand is ultimately determined by collectors and investors, and more directly by coin dealers.
 - ▶ The rarity of the coin. This will be determined by the mint run, i.e. the total number of pieces minted when it was issued, or by the number of coins existing to the

present day in a reasonable condition. There are 5 grades of rarity: normal (N), scarce (SC) rare (R), very rare (RR) and extremely rare (RRR).

b) Intrinsic factors: these are determined by the coin itself:

- ▶ The coin metal.
- ▶ The age of the coin, which is also a factor that influences the extrinsic types.
- ▶ The degree of preservation.

The different degrees of coin preservation, listed from best to worst, are the following:

- **Proof:** a coin minted specifically for collectors or as a souvenir. These are coins chosen from among those in circulation or from commemorative coins. They are subjected to a polishing process that gives the background of the coin a mirror-like shine. They are not minted to be used as circulating coinage, though they may have the same face value as those customarily in circulation.
- **Non-circulating coins:** here we should make a distinction between two values:
 - **Fleur de Coin:** these are the first coins struck by a new die, before losing some of its perfection or the depth of its reliefs.
 - **Non-circulating:** those that are absolutely perfect, but show somewhat smoother reliefs than on the fleur de coin.
- **Extremely well preserved:** coins that are almost in the fleur de coin category, but that show certain signs of having been in circulation or poorly handled in the mint. Also if they have a heavy patina, though still keeping the original shine.
- **Very well preserved:** coins that have evidently been in circulation, but that still have very well preserved reliefs, though showing incipient wear on the most prominent points of the reliefs.
- **Well preserved:** coins showing fairly heavy wear, particularly the motif, but still having the legend and date more or less visible. Also those having heavy rust stains or a thick patina.
- **Fairly well preserved:** coins that are completely worn but still having a hint of detail that, by using a bit of imagination, allow them to be identified. These are not normally valid for a collection, unless they are at least RR coins. Bent or chipped coins are also included here.
- **Poorly preserved:** coins that are so worn or have such a patina that they are unrecognisable and their value and type can only be guessed at by the size, weight, metal, etc.

An “+” or “-” symbol is usually added to the coin grade when the coin exceeds a given grade yet does not qualify for the grade either immediately above or below it.

With all this information we can now come closer to estimating the market value of our coin. We can look it up in the catalog and consult the price tables given for each state of preservation, then apply this to the coin that we have previously identified and now wish to grade. This process is called expertising.

4.3. Ascertaining coin authenticity.

Firstly, we need some perception or sensitivity that we will only acquire after having previously seen and touched hundreds of coins. Therefore, it is recommended that whenever in doubt first get the advice of an expert who will give us guidance and from whom we can learn a lot. After this, a technical study in greater depth will allow us to determine the group that our coin belongs to: whether to the forgeries or to the fakes.

We will distinguish between these two concepts below.

- a) **Forged coin:** this is a coin that was made with the intention of defrauding the State and that was conceived to circulate along with authentic coins of legal tender. There is a type of forged coin, the so-called "forged period coin", that may be made of a metal worth the same as, or even more than, the original, and that normally acquires a greater market value than the original. But, understandably, the most common forgeries are those made of metals that are lower in value.
- b) **Fake coin:** this is a coin made with the evident criminal intent to be used in the field of numismatics and coin collecting. These coins are launched onto the market as authentic coins, and the extremes of perfection that they reach are at times so astonishing as to verge on the unimaginable. In general, fakes have no value, unless they are made of precious metals.

There are some catalogs on the market specialising in the subject of forgeries. There are also some general publications that contain sections on forgeries detected in the market. But if we do not have a lot of experience in the subject, the best help -without a doubt- is to compare the coin with one that is unquestionably authentic. We should observe details such as the sound of the metal, the purity of the coin and its weight, minimal differences in the thickness of the blank, switched acronyms, almost imperceptible differences in the engraving of the coats-of-arms, the hair, the shapes of the letters, etc.

5. PUBLICATIONS

We give below a list of books and catalogs on coin collecting:

- Select numismatic bibliography. E. Clain-Stefanelli. New York, 1965.
- Coins and coin collecting. H. Linecar. Londres, 1971.
- Coins. The beginning collector. R. Oakes. Nueva York, 1992.
- Coins and Collectors. Q.D. Bowers. Wolfboro, 1988, also the book from New York, 1971.
- The coin collector's survival manual: an indispensable guide for collectors and investors (4^a edition). Scott Travers.
- One-minute coin expert. Scott A. Travers.
- Coin clinic: 1001 Frequently asked questions. Alan Herbert. 1995.
- The world of coins & coin collecting. David L. Ganz.
- World Coins Century XVII. Chester L. Krause, Clifford Mischler. Krause Publications.
- World Coins Century XVIII. Chester L. Krause, Clifford Mischler. Krause Publications.
- World Coins Century XIX. Chester L. Krause, Clifford Mischler. Krause Publications.
- World Coins Century XX. Chester L. Krause, Clifford Mischler. Krause Publications. Edition 2002.
- Coins, an illustrated survey 650 BC to the present day. M.J. Price. Londres, 1980.
- Le Franc, argus des monnaies françaises 1795-1999. Éditions Les Chevaux-légers.
- Monnaies Françaises 1789-1999. Publisher Victor Gadoury.
- A guidebook of United States coins 2002 (55^a ed.). R.S. Yeoman, Kenneth Bressett. Published in 2001.

- Coins of England and the United Kingdom (Standard Catalogue of British coins). H.A. and P.J. Seaby.
- The Charlton Standard Catalog of Canadian coins.
- Standard Catalog of German coins.
- European crowns and thalers (several volumes). Davenport.
- Ancient coin collecting. Wayne G. Sayles.1996.
- Ancient coin collecting II: Numismatic Art of the Greek world. Wayne G. Sayles.1997.
- Ancient coin collecting III: The Roman world- Politics And Propaganda. Wayne G. Sayles.1997.
- Ancient coin collecting IV: Roman provincial coins. Wayne G. Sayles.1998.
- Ancient coin collecting V: The Romanian/Byzantine culture. Wayne G. Sayles.1998.
- Ancient coin collecting VI: Non-classical cultures. Wayne G. Sayles.1999.
- Survey of numismatic research, 1960-1965. VV.AA. Copenhagen, 1967.
- Survey of numismatic research, 1966-1971. VV.AA. New York.
- Survey of numismatic research, 1972-1977. VV.AA. Berna, 1979.
- Official guide to coin grading and counterfeit detection. Edited by Professional Coin Grading Service.
- Official A.N.A. Grading Standards for United States Coins, American Numismatic Association, 5th edition, Whitman, 1996.
- Photograde, James F. Ruddy, de Bowers and Merena Galleries, 1990.

In addition, the Casa de la Moneda (FNMT-RCM) Museum has its own series of publications:

- Nvmisma: A magazine of numismatic studies. It is the publication of the Iberoamerican Society for Numismatic Studies (S.I.A.E.N.) Issued once or twice a year.
- In collaboration with the Asociación Numismática Española (A.N.E.):
 - o Introducción a la numismática. Octavio Gil Farrés, 1993.
 - o El sistema monetario visigótico: cobre y oro. Miquel Crusafont. 1994.
 - o Denarios y quinarios ibéricos. Estudio y catalogación. Leandre Villaronga. 1995.
 - o Plomos y jetones medievales de la Península Ibérica. Miquel Crusafont; Jacques Labrot; Bernat Moll. 1996.
 - o Las monedas de la ciudad romana de Segobriga. Pere Pau Ripollés; J. Manuel Abascal. 1996.
 - o Repertorio paramétrico-metrológico antiguo. Josep Pellicer i Bru. 1997.
 - o La ceca de Ercavica. Mariví Gomis Justo. 1997.
 - o El depósito monetar de Torelló d'en Cintes. Alicia Arévalo González; Carmen Marcos Alonso.
- In collaboration with Lunwerg:
 - o Historia del Dinero. Rafael Fera. Madrid, 1991.
- The Museum collection:
 - o Las monedas de Malaca. Marta Campo; Bartolomé Mora. 1995.
 - o Las monedas de Macellum de Gerasa. Teresa Marot.

6. GLOSSARY OF TERMS

ALLOY - Coin metal made from two or more different metals blended together. Also, the compound of metals that is added in order to lower the purity of a precious metal.

ASSAYER - An officer who verifies the alloys of the metals used in the mints. It is customary for him to stamp his assay mark (usually his initials) as a guarantee of the coinage.

BEADING - An ornamental border found on the raised rim of the coin. It may take different shapes - lines, grooves, dots, leaves, etc.

BILLON - A very low-grade silver, containing more than 50% copper alloy. In Spain this alloy was known as "vellon".

BLANCA - An ancient Spanish coin made out of billon (see), so called for its white coloring resulting from the copper and silver alloy. The minting of this coin started in the reign of Juan I of Castile (1379-1390) and ended under Phillip II (1556-1598). Its value varied depending on the period.

CECA - A Mint. The name given in olden times to establishments in Spain where coins were minted. A word of medieval origin equivalent to "mint" derived from the Arab word "sikka" meaning coinage die or stamp.

CLIPPED COIN - A coin from which part of the metal has been clipped with fraudulent intent.

COB - A Spanish colonial coin (the Macuquina) made of silver or gold with an uneven surface and clipped edges. Said of a gold or silver coin that circulated until the middle of the 19th century.

COIN - A coin is usually a piece of metal, that can be round, square, rectangular, oblong, octagonal or asymmetrical, and that has been authorized by the issuing country as an exchange value.

COIN SERIES - A set of coins belonging to the same issue, each having a different value.

COUNTERSTAMP, COUNTERMARK - A coin that is re-submitted to the punch in order to change its value or its circulating area.

DATE - The year of minting.

DEMONETIZE - To divest circulating coinage of official monetary value.

DIE - A piece of metal after rimming, engraved with a design for use in stamping coins. Also known as "flan".

EDGE - The narrow outside edge of a coin.

FINENESS - The proportion of gold or silver in the alloy, always expressed in terms of one thousand parts.

FLEUR DE COIN - The condition obtained by using a new working die in minting a coin that is not intended for circulation.

FLY PRESS - A type of press used in the minting of coins and medals. A variation of the screw press having rotational arms that ended in heavy weights.

HAMMERED COIN - A coin made by striking the metal with a mallet or hammer, using a top die and a bottom die in an anvil in order to impress the design. It is a very old system that lasted until the 16th century, when the fly press was introduced.

HEADS- (as opposed to TAILS) (see). The main side of a coin; the obverse (see).

INCUSE COIN - A coin that has both its obverse and its reverse designs impressed below the coin's surface. When the design is raised above the coin's surface it is said to be in relief.

INSPECTOR OF WEIGHTS AND MEASURES - The officer who verifies the weight of the coin.

LEGEND - The principal inscription on a coin, usually arranged in a circle.

MACHINE-TOOL - To fabricate a coin. A synonym of to mint.

MARAVEDÍ - An ancient Spanish coin. The word is derived from the Arab (or Almoravid) word "morabetí". The coin was made of different metals and had different values depending on the period. After the 16th century it was minted of billon, the silver in the alloy gradually disappearing, until it became a purely copper coin under Ferdinand VI.

MATRIX - Sometimes confused with the working die, this is a piece of steel engraved with the design that is to be reproduced onto the dies and punches, so that the coins are consistently minted.

MINTMARK - The letters or initials that identify a mint.

MODULE - The diameter of the coin. The measurement is generally expressed in millimeters.

MONETARY INGOT - A bar of silver, gold or other metal with its assay marks and weight that was delivered to the inspector of weights and measures for the blanks to be prepared.

MONETARY SYSTEM - The coinage with the unit, multiples and sub-multiples that circulate in each country in keeping with the issuing laws.

MONETIZE - To convert metal into coinage.

MONOGRAM - A group of initial letters from a single name, formed into a pattern or design.

NUMISMATICS - The science that studies coins and medals, both ancient and modern, analysing them from a historical, artistic, or iconographic standpoint and relating them to the economy, geography, epigraphy, politics, etc.

OBSIDIONAL COIN - Generally appearing as an "emergency currency" in times of difficulty, war, siege, etc.

OBVERSE - The front or face side of a coin, the side with the monarch's effigy.

ORNAMENTED EDGE - A pattern engraved on the edge of a coin.

OUNCE - Derived from the Latin word "uncia", the twelfth part of the Roman "aes". In Spain, a gold coin worth 8 escudos and having a weight of 27.06429 grams. The Spanish doubloon.

OVERSTRIKE - To submit a coin or medal once again to the minting process.

PATINA - A surface film of a bluish, brownish, green, reddish or greenish color found on old copper and bronze coins and medals caused by oxidation over a long period of time.

PILLAR DOLLAR - This was the most universal and probably the loveliest of the Spanish coins of all time. It was minted during the reigns of Philip V, Ferdinand VI and Charles III. The two columns of Hercules with a ribbon scroll bearing the legend "Plus Ultra" gave rise to the 20th century's universal symbol for money, formerly exclusive to Spanish currency, the dollar sign.

REVERSE - The side of a coin bearing the design of lesser importance. Opposite of the obverse.

SEIGNIORAGE - A privilege held over the minting establishments by the king or lord. It subsisted until the 19th century in the form of a tax.

STANDARD WEIGHT - The standard to which the weight of the coin must be matched.

STRIKE - To mint or coin money.

TAILS - Said of the reverse side of the coin.

TRANSITORY COIN - A coin minted in times of metal scarcity and whose properties reflect the instability of the situation.

TYPE - The main motif or figure that is engraved on a coin.

WORKING DIE - A piece of steel engraved in low relief with the motifs that are to be stamped on the coin.

WORKING PUNCH - This looks like the working die, but with the engraving in relief. It is a piece of steel with its flattened end engraved with the designs that are to be reproduced.