

KEEP THE CHANGE

By Dennis Fortier

1849: GOLD, GOLD, Gold in California! Everyone knows that Gold was found in California in 1849, but few outside the Numismatic community know the corresponding effect was a dramatic rise in the price of silver and the mass melting of silver coinage when the silver content surpassed the face value of the coinage. This caused a severe shortage of coinage for daily business. During the Civil War, people put their faith in precious metals hoarding any and all coins. Tokens, script, and even postage stamps were used as substitutes.

1980, gold and silver hit record prices and many so called junk silver coins go into the melting pot. Today precious metals are again on the rise. There is apprehension about the economy and the dollar. Banks and large investors are dumping dollars and putting their money in gold, silver, and platinum. People all over the country are walking into coin and jewelry shops and turning in junk silver and gold that survived the melt of 1980.

The U.S. is not the only country affected. The rise of base-metal prices has people all over the world melting coins clandestinely for their value in metal. Although the U.S. has not taken steps as of yet to change the metal content of the nickel and cent it has enacted legislation to make it illegal to melt them. Hoarding and melting have left countries like India, South Korea, Argentina, and The Philippines crippled for small change to conduct daily business. Melting can create rarities, the 1895 Morgan, or the 1850-1852 Seated Half Dollars are examples. What new foreign rarities will come out of all this? How high will metal prices of all kinds go and will the melting ban hold? We're in for a wild ride with opportunities galore.