PAPERS

96/97

PACIFIC COAST NUMISMATIC SOCIETY

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CONTENTS

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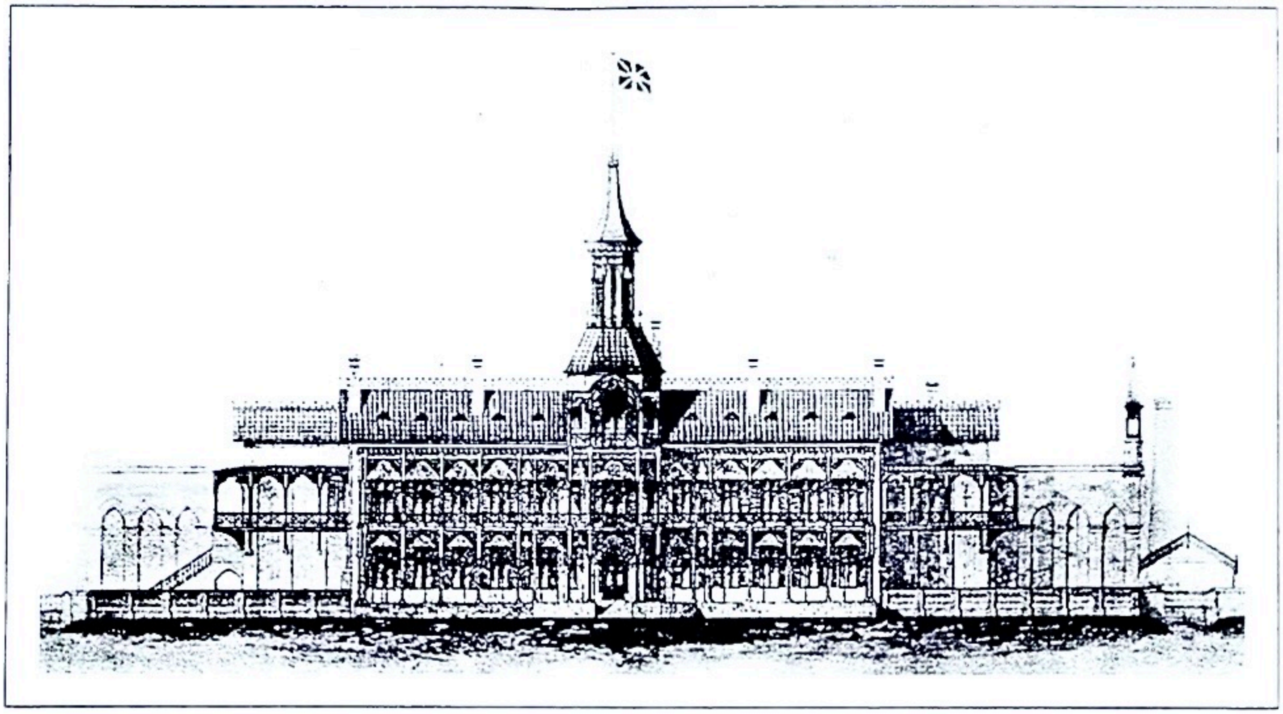
First Prize
1996 Literary Awards

Larry V. Reppeteau
The Mint of the Fragrant Harbour

Larry V. Reppeteau joined PCNS in 1973 and has served the society in several official positions, including president. Larry has written numismatic articles for publication by PCNS and numerous other organizations, and he has won many awards for his research and writing. He was recently elected a Fellow by PCNS in recognition of his contributions to numismatic research. This article was originally printed in the July 1995 issue of *The Journal* and is reprinted here in recognition of its winning top honors in the society's annual writing competition.



THE MINT OF THE FRAGRANT HARBOUR

L.V. Reppeteau

As the result of a little-remembered Chinese-British conflict called the *Opium War* (1840-42), a sparsely inhabited, twenty-nine square mile island on the south coast of China became part of the British Empire. The island, Hong Kong (which means *Fragrant Harbour* in Cantonese), was destined to be the site of an almost forgotten colonial mint from 1866 to 1868.

During their first twenty years Hong Kong's business community and government were forced to live with a dual monetary system. The island's official policy, as decreed by an imperial government in far off London, required use of the British gold sovereign and its subsidiary silver denominations of pounds and shillings. The unofficial local standard, dictated by the island's lifeblood trade with China, was the Spanish silver eight reales coin, or Mexican dollar, as it was commonly called in the Orient.

Spanish merchants had built an extensive trade between the Philippines and the four Chinese ports of Amoy, Canton, Nanpo and Shanghai, beginning in 1571.

In China foreign silver coins were not valued by count, but by weight, with the standard measure being the tael (approximately 580 grains or 37.58 grams). The tael was further subdivided into 10 mace and 100 candareens. To the Chinese, the British concept of silver coins representing fractions of a gold sovereign was incomprehensible. They preferred to place their trust in the familiar Mexican dollars.

This oriental preference for dollars gave Hong Kong's European traders and bankers one gigantic headache. Having few European-manufactured goods with which to trade for Chinese commodities, they were forced to seek and purchase needed dollars wherever they could be found. This problem became further compounded once silver coins reached Chinese shores. Few ever returned to western markets.

On March 9, 1861, Sir Hercules Robinson, Governor of Hong Kong, petitioned London to reform the currency laws. He requested that the Colony

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be divorced from the pound sterling system and allowed to adopt the dollar as its basic currency unit. On January 9, 1863, London acknowledged that the British monetary system was not in the best interest of the Colony, and authorization was granted for the Mexican dollar and its subsidiary decimal coinage to be Hong Kong's legal tender.

Flushed with success at his first efforts to reform the coinage, Sir Robinson proposed in 1864 that a mint be established at the Colony. The purpose of such a mint was to provide a "Hong Kong Dollar" of the same weight and fineness as the Mexican dollar. However, before the project could be realized, Robinson left Hong Kong to assume the post of Governor of Ceylon in March of 1865.

When the new governor, Sir Richard Graves MacDonnell, arrived in March 1866, he found the island in the grip of an economic recession. In fact, many banks were closing their doors. Of the Colony's original eleven banks, only four remained open in February 1867.

Much to Sir MacDonnell's dismay, the interim colonial government had forged ahead with the establishment of the mint in spite of falling revenues, to the tune of:

> $238,500 for the reclamation of land and erection of an iron and brick building on Causeway Bay;
> $71,055 to purchase and ship coining machinery from London; and
> $20,000 to provide barracks for British soldiers who would guard the mint.

Assisted by the Royal Mint, a professional coining staff was recruited. One of the perks offered to lure these men halfway around the world was the promise of free living quarters. The 1867 HONG KONG GOVERNMENTAL CIVIL LIST details the staff of the new mint as:

Mint Master	Captain T.W. Kinder	£1,400 per year
Assayer	Charles Pooky	800 " "
Supt. of Melting		800 " "
Supt. of Bullion		800 " "
Supt. of Coining	P.N. Allen	800 " "

It is interesting that the professional staff were paid in British pounds, not the new Hong Kong dollars.

The balance of the work force consisted of five foremen, one blacksmith, one filler, one assistant filler, one storekeeper and five clerks. After a delay in the arrival of coin dies from London, the mint was officially opened by Sir MacDonnell on May 7, 1866. The honor of striking the first regal Hong Kong dollar went to Lady MacDonnell.

The function of the new mint was to convert silver bullion and foreign coins, deposited by local merchants and bankers, into Hong Kong coins. New denominations of five, ten and twenty cents, half dollars and dollars would be provided to the depositor at a coinage fee of two percent. The cost of delivering silver to the mint and of collecting the new coins was paid by the depositor.

To provide security for the stored silver ($2,000,000 by May 10, 1866), British troops were quartered in the mint building. In addition, a gunboat was moored at its side facing the harbor. Expenses for the security force were borne by the colonial administration.

Less than eight months after the opening ceremonies, bells of doom began to toll. It had been estimated that the mint's annual operating expense would be $60,000. Therefore, to be self-supporting required coin production levels of $57,000 a day. However, plagued with management and machinery problems, daily output never exceeded $15,000 and was usually much less.

To rub salt further into raw wounds, mainland Chinese insisted on discounting the new dollars at the rate of one percent and up to thirty-eight percent for minor denominations. For merchants this translated into an immediate loss of three percent on each dollar, and as much as forty percent on minor coins.

On December 13, 1866, Sir MacDonnell dispatched a report to London in which he recapitulated the management and equipment problems:

> Mr. Kinder [Mint Master] reports the average working power of the Mint to be 50,000 dollars daily, as he has been enabled during his long season of repose, to test the English presses more thoroughly and to put them together more perfectly, and has discovered that they can turn out as many though not as well finished dollars in the day as the French press or an average of 15,000 dollars each. That discovery ought to have been sooner made, and its accuracy is not so reliable as might be wished because Mr. Kinder's sanguine temperament has already led him more than once to anticipate and promise too much.
>
> ...his explanation of the impaired working powers of the English presses, which apparently amounts to no more than the bearings of the machinery [which] were originally roughly finished and subject to heating, a defect cured by use, a result which I should have supposed ought to have been foreseen and its cause understood earlier.

The Governor went on to advise that continuance of mint operations would be feasible only with subsidies from Britain.

In April of 1868, with the blessings of London, the mint closed. Its machinery was dismantled and sold to Japan for $60,000, where it was reinstalled at the Osaka mint. The building was purchased by Jarding, Matheson & Co. of Hong Kong for $65,000 and converted into a sugar refinery.

Interestingly, within three years of the mint's closing, Hong Kong dollars were accepted by mainland Chinese on a par with Mexican dollars. Subsidiary coins, which were at first accepted only at a high discount, reached par and soon were eagerly accepted at substantial premiums by virtue of their convenience.

Many numismatic writers and "knowledgeable" dealers will state that the Hong Kong Mint was a branch of the Royal Mint. This is incorrect. It was independent as:

1. the Hong Kong Mint was authorized by London as a "free mint" and was established at the Colony's expense;
2. silver for coinage was purchased by merchants and banks, who deposited it at the mint at their own expense;
3. parties depositing silver paid a two percent charge for having it coined; and
4. there is nothing in the correspondence between Hong Kong and London in which the term "branch mint" was used or implied.

Combined mintage for the three years of operation were:

Dollars	2,108,054
Half Dollars	58,587
20 Cent pieces	445,429
10 Cent pieces	2,479,216
5 Cent pieces	1,313,303

Total seigniorage earned by the mint during its time of operation was approximately $20,000. When the books were closed and final costs tabulated, this adventure in coining cost the colonial government of Hong Kong a loss of $440,000.

And, to think that my grandfather always told me, "if you want to make money, own a mint."

COINS STRUCK BY THE HONG KONG MINT

DOLLAR

Obverse: Diademed head of Queen Victoria facing left. A Chinese scroll pattern separates the legend VICTORIA QUEEN

Reverse: In the center the Chinese character "Shou" (Long Life) is surrounded by four compartments, each containing a Chinese character: HEUNG KONG YAT YUEN (Hong Kong One Dollar). Between the compartments and outer scroll of the border is ONE DOLLAR HONG KONG (date)

The obverse design is from a bust by sculptor William Tread, the reverse by Owen Jones. Dies were sunk by Leonard C. Wyon of the Royal Mint in London.

Edge:	Reeded
Diameter:	39mm
Weight:	First Issue: 27.25 grams, or 419.05 grains.
	Second Issue: 26.96 grams, or 416.00 grains.

(Original weight of the dollar was 419.052 troy grains. Treasury regulations of October 20, 1866 [published in Hong Kong January 12, 1867], reduced the dollar's weight to 416 grains. However, actual weight of the dollars struck at Hong Kong varies from below 416 grains to in excess of 420 grains, so caution must be exercised when weight is used in the detection of counterfeits.)

Fineness: .900 fine

Mintage: 2,108,504 (only total figures for 1866-68 are available)

Proofs: Known for 1866, 1867 and 1868.

HALF DOLLAR

Obverse: Same as the dollar.

Reverse: Similar to the dollar except for the Chinese characters: HEUNG KONG PAN YUEN (Hong Kong Half Dollar). Between the compartments and outer scroll of the border is: HALF DOLLAR HONG KONG (date).

Edge: Reeded.

Diameter: 32mm

Weight: First Issue, 13.58 grams, or 209.50 grains.
Second Issue, 13.48 grams, or 208.00 grains. (See dollar)

Fineness: .900 fine.

Mintage: 58,587 (for 1866 and 1867 only)

Proofs: 1866, 1867 and 1868

TWENTY CENTS

Obverse: Same as the dollar.

Reverse: Encircling a center dot are four Chinese characters: HEUNG KONG I HO (Hong Kong Two-Tenths)

Edge: Reeded.

Diameter: 23.4mm

Weight: 5.43 grams, or 83.81 grains

Fineness: .800 fine

Mintage: 445,429 (1866 through 1868)

Proofs: 1866, 1867 and 1868

TEN CENTS

Obverse: Bust facing left, wearing an open arched crown and ornamental bodice, all encircled by the legend: VICTORIA QUEEN.

Note: Bust is similar to that used on the British florin designed by W. Wyon.

In 1866 approximately 300,000 Hong Kong ten cent pieces were also minted at the Royal Mint. These differ from the Hong Kong-struck pieces by the number of pearls on the right arch of the crown.

Royal Mint	10 pearls on the crown
Hong Kong Mint	11 pearls on the crown

Reverse: Same as the twenty cents except that the Chinese characters read: HEUNG KONG YAT HO. Around the

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outer rim is TEN CENTS (date) HONG KONG

Edge:	Reeded.
Diameter:	18mm
Weight:	2.72 grams, or 41.9 grains
Fineness:	.800
Mintage:	2,479,216 (1866 through 1868)
Proofs:	1866, 1867 and 1868

FIVE CENTS

Obverse: Same as the dollar.

Reverse: Same as the twenty cents except that the Chinese characters read: HEUNG KONG NG SIN (Hong Kong Five Cents). Around the outer rim is FIVE CENTS (date) HONG KONG

Edge:	Reeded.
Diameter:	15.8mm
Weight:	1.15 grams, or 20.95 grains.
Fineness:	.800
Mintage:	1,313,303 (1866 to 1868)
Proofs:	1866 and 1867

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1863 Hong Kong half-cent

SECOND PRIZE
1996 Literary Awards

Stephen M. Huston

Coins of the Crusader Kingdom of Majorca

Stephen Huston joined PCNS in 1976 and has served the society on the Board of Governors and as both vice-president and president. He has won awards from PCNS for his writings in the past, and he worked on all 45 issues of *The Journal*, of which he was the founding editor. In 1990, he was elected a PCNS Fellow. This article won second place in the society's 1996 competition, and the PCNS Papers marks its first publication.

Coins of the Crusader Kingdom of Majorca

A Numismatic Legacy of the Holy Wars in Spain

· Stephen M. Huston ·

THE CRUSADES ARE GENERALLY THOUGHT OF AS A SERIES OF WARS BETWEEN THE FORCES OF Christianity and Islam in the Levant—Byzantine territories and parts of Greece, the Middle East, and Egypt—beginning with the First Crusade in 1096, and brought to a conclusion by the conquest of Constantinople by the Turks in 1453. Crusade histories and numismatic texts focus on this era and region as if holy wars were unique to that time and place.

Recent scholarship on the crusades has expanded the definition to include holy wars approved by the Pope as political-religious conflicts between Christian forces and a region which was not Christian (or was suffering from some loathsome heresy) which was to be brought under the control of the faithful by force of arms. The Pope's blessing on the war and the troops was required, and dispensations were approved for the participants. The faithful who died in the fray were assured of heaven.

Spain undertook several crusades which had the goal of restoring or acquiring territories which were occupied by the Moors—a Christian label applied to all Moslems, but specifically the followers of Islam inhabiting parts of North Africa and Spain. Our focus will be on the island of Majorca which was taken for and by Spanish forces acting with Papal approval.

La Cruzada in Spain—Before the First Crusade

In 711, Moslem forces attacked Spain, capturing a foothold from the Visigoths, who had succeeded the Roman Empire as controllers of the region.[1] By the 900s, Islamic outposts had been established around the Mediterranean, and Moslems had become the controlling rulers of much of the North African coast and the Spanish peninsula. Islamic pirates raided the trade routes along the south coast of Europe, and the castles of Islamic leaders controlled areas in Italy, Spain, and Provence. The Mediterranean was seen as an Islamic lake. The Moors in Spain were quite capable of crossing the

At top of page, an enlarged photo of a billon dobler struck by James II of Majorca

Pyrenees against relatively undefended Christian regions of Europe as they had attempted in 732.[2] Europeans were well aware that the Moors had sacked Rome in 846.

Christian forces under local rulers, acting to avert further incursions by the Moors, regained territories in Italy and Provence, but the Caliph Mahomet ibn Abi Amir, known to the Spanish as Almanzor, still held much of the Spanish Peninsula in 980. The following year he captured Zamora from the Christian king of Leon. In 985, Almanzor captured Barcelona,[3] and, in 996, he sacked Leon itself. His naval forces were strong enough to repel Viking attacks along the Atlantic coast and at the Straits of Gibraltar, controlling the land on both sides of the straits. Thus he controlled trade while providing some protection to the Mediterranean.[4]

One of Almanzor's most destructive acts was the capture and burning of the city of St. James at Campostella, which contained the third most holy site for pilgrimages in all of Christendom. Though Almanzor respected the shrine of St. James, his devastation of this city in 992 proved it was no longer safe for Christian pilgrims.[5] He was preparing to cross the Pyrenees when he died in 1002. Moorish pirates sacked Antibes, Pisa and Narbonne in the next few years.[6]

Ramiro, the Christian king of Aragon, was murdered in 1063 by a Moslem while preparing to attack the Moors to drive them southward. Pope Alexander II responded by promising indulgences for all who fought *under the Cross* in Spain at that time. A decade later, Pope Gregory VII invited all Christians to join in the defense of Christian Spain. A few years later, he approved the keeping of Islamic lands by those Christians who captured them. With this decree, more knights arrived — land itself was at stake. The legendary efforts of *El Cid* at this time were significant but limited to Valencia.[7] Toledo was retaken in 1085 by Alfonso VI of Castile,[8] but then the Moors began to regain the upper hand, gradually retaking land until these conflicts subsided about 1101.[9]

Once the pressure was off of the Islamic caliphate in Spain, actions which worried Christian Europe were renewed. The Moorish fleet operating from ports on both sides of the Straits of Gibraltar effectively sealed that route from European traders. Next the territories recently reclaimed by Italian and Spanish forces were again under attack. Pisa had held Majorca briefly in 1115/6, but it was soon retaken by the Moors.[10] The Italian traders, especially the Genoese, used their fleets to challenge Islamic domination of the trade routes, eventually regaining some rights and use of the Straits, but most major ports were left in the hands of the Moors. The boundaries between Christian and Moorish Spain were not much different in 1195 than they had been a century before, with Islam holding most of Spain and controlling trade in the region.[11]

It should be noted that this long series of conflicts which gained Papal support and indulgences for the war against Islam in Spain began decades before the preaching of the First Crusade at Clermont late in 1095, which set off the crusades in the Levant the following year. Spain had already fought her first holy wars. In fact, our word *Crusade* comes from the Spanish *Cruzada*, which appears in reference to these *Wars of the Cross* in Spanish texts a century before the first crusade to the Holy Land.[12]

The Capture of Majorca

Majorca was held by the Moors in the early 1200s, five centuries after their arrival in the area.[13] The largest of the Balearic Islands (140 miles off the east coast of Spain from Valencia and 100 miles south of Barcelona),[14] Majorca was important for securing trade routes in the region. In 1229, James I, who became known as *The Conqueror*, set out to recapture this region for Aragon. He used his own forces, calling in feudal debts of service from throughout his domains, and a small contingent from the Knights Templar.[15] His success was followed up with his capturing regions for Castile and securing the Aragonese border from Moslem influences.[16] James the Conqueror's successes took many years, capturing Córdoba in 1236 and Valencia in 1238. After he took Seville in 1248, only the region of Granada remained in Islamic hands.[17]

In fact, James the Conqueror was so successful against the Moors, that the Pope pressured him to lead his forces into the Middle East in aid of the Eighth Crusade. He was unsuccessful in that venture.[18]

The Crusader Kingdom of Majorca

The region around Majorca captured by James the Conqueror during his crusade of 1229-1234 was held as a separate state until it was lost to Aragon a century later.[19] At first, James treated it as his own private territory, but it eventually was set up as a state to be inherited by his younger son, James II (1276-1311).

The Islamic population of Majorca was supplanted by Christian settlers. The Moors were gradually driven out of the new kingdom; the last of them to leave were sold into slavery in 1287.[20]

The heirs of James the Conqueror ruled Majorca for only two generations as a crusader state, and that period was troubled. James II was at war with his older brother, Peter III of Aragon, over the inheritance of Majorca for many years. When Peter died, his son Alfonso claimed the region and succeeded in driving out James for several years. Alfonso struck no Majorcan coins during his usurpation, and James II regained control when his royal nephew died. Sancho, the second son of James, inherited Majorca because his older brother had taken holy orders. Sancho had to deal with raids by Barbary pirates during his short tenure. His nephew James III inherited and began heated negotiations with Aragon over the title and claims on his kingdom. He accepted allegiance to Aragon, which incorporated Majorca in 1343, following a period of open warfare between these states.[21]

During its mere 68 years as a separate crusader kingdom, Majorca produced coinage with designs which reflect the crusading spirit.

Majorcan Coinage — 1276 to 1334

Coinage used in Majorca under the Moors was of Islamic types, primarily the gold dinar and the silver dirhem issues of the caliphs in Spain and the Middle East.[22] A typical example of this design from Caliph Hisham is shown.

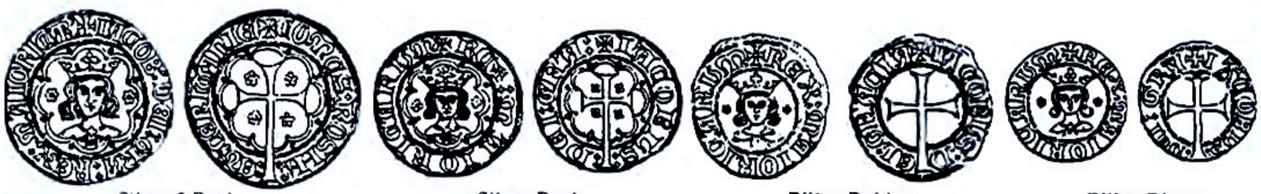
When James captured Majorca, no immediate coinage change was made, although it is probable that Islamic types were supplemented or supplanted by existing coins of the Christian rulers in surrounding regions, much as the population was changed.

Majorca began its own coinage when James II (1276-1311) inherited the new kingdom under his father's will. He introduced distinctive coins of gold, silver, and billon (a low-grade silver).[23]


Gold Real of James II

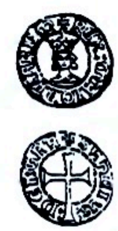
Gold reales portray the king enthroned full-length on the obverse. The reverse carries a large patriarchal cross as the main design. (On coins where the king's name appears around the cross, the side with the king's name is considered the obverse, however, the coins are usually depicted with the portrait as obverse for uniformity and ease of identification.)

Silver two-reales and reales show the facing portrait of the king from the shoulders on the obverses. The reverses carry a large cross with florettes in the four angles.

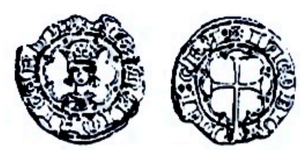

Silver 2 Real — Silver Real — Billon Dobler — Billon Diner

The billon diners and *doblers* (half-reales of two diners) carry the same bust as the silver, but the reverses have a plain cross without additional ornamentation.

The pattern of coinage begun by James II was continued by his son and successor, Sancho (1311-1324). Sancho made two changes, the use of stars in place of the florettes on the silver (shown to left), and the introduction of a smaller billon coin, the *mallas*, a half-diner (shown to right).



James III (1324-1343), the last ruler of Majorca as a separate crusader kingdom, inherited it from Sancho, his cousin. His wars and the loss of parts of his possessions took a toll on his Majorcan issues. James III issued no gold. A new silver half-real was his high-value denomination, the rest being billon — doblers, deniers and mallas. His silver carries the plain cross as the reverse type within a ornate octofoil border. The billon continues to depict a plain cross without embellishment.


James III Silver Half-real

When Majorca was united with the Kingdom of Aragon under Peter IV, he continued coinage for Majorca with its distinctive cross reverse design, and restored larger denominations including gold. However, with Peter's incorporation of the island kingdom into Aragon, the independent Majorcan crusader kingdom ceases.

The Sign of the Cross

A cross was used as the reverse design throughout regions ruled by crusader-kings who had captured their lands in holy wars. It provided a daily reminder of the source of the land, the war to acquire it, and the beliefs which inspired their conquests. The use of crosses as a coin design in Spain during this period was not uncommon and in keeping with the crusading movement which had originated in the region. However, most of the regions of Spain were not consistent in the use of a cross on coins, frequently preferring heraldry of the royal house or region, such as the lions and castles of Leon and Castile.

Majorca was unusual in its consistent use the cross on all coinage during its days as a crusader state, as were contemporary crusader states in the Levant. The distinctive cross designs continued on Majorcan coinage after the state was incorporated into Aragon.

The coinage of the Kingdom of Majorca immediately following the defeat of the Moors is an overlooked part of crusader coinage. It is a small part of the great mass of coinage issued in the spirit of the crusades by those who fought the holy wars and acquired their lands under the Sign of the Cross.

Notes

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[2] Payne, Robert. *The Dream and the Tomb.* Dorset Press, New York. 1990. page 24

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[4] Lewis, page 41

[5] Runciman, Steven. *A History of the Crusades: The First Crusade and the Foundations of the Kingdom of Jerusalem.* Vol.1. Cambridge University Press, Cambridge. 1987. page 89

[6] Runciman, page 88

[7] Boase, T.S.R. *Kingdoms and Strongholds of the Crusaders.* Bobbs-Merrill Co., Thames and Hudson edition, 1971. page 13

[8] Lewis, page 98

[9] Runciman, pages 90-91

[10] Lewis, page 114

[11] Lewis, page 115

[12] Atiya, Aziz. *Crusade, Commerce & Culture.* John Wiley & Sons, Inc., New York. 1966. page 50

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[15] Forey, Alan. "The Military Orders 1120-1312." *The Oxford Illustrated History of the Crusades"* Chapter 9. Oxford University Press, Oxford. 1995. page 195

[16] Langer, page 237

[17] Irwin, Robert. "Islam and the Crusades." *The Oxford Illustrated History of the Crusades"* Chapter 10. Oxford University Press, Oxford. 1995. page 245

[18] Langer, page 258

[19] Dahmus, Joseph. *Dictionary of Medieval Civilization.* Macmillan Publishing Co., New York. 1984. page 556

[20] Kennedy, Hugh. "A Mediterranean Emporium: The Catalan Kingdom of Majorca." *History Today,* (book review) v45, n12. Dec. 1995. page 56

[21] Lhotka, John F. and P.K. Anderson. *Survey of Medieval Iberian Coinages.* Durst reprint from *The Numismatist*, New York. 1989. page 72*f*

[22] Lewis, page 73. Lewis notes that Islamic coins were also common in parts of Italy, where there were Islamic strongholds.

[23] Heiss, Aloiss. *Descripcion General de las Monedas Hispano-Cristianas desde la Invasion de los Arabes,* in 3 volumes. R.N. Milagro, Madrid, 1865-69. Vol.2, Part 4, *Islas Baleares.*
The drawings of coins are from this volume.

Don T. Thrall

Numismatic Philately

Don T. Thrall joined PCNS in 1956 and served the society in many official positions, most recently as Curator/Historian of the Society's collection and archives. Don wrote numismatic articles for publication by PCNS and other organizations (especially CSNA), and he received many awards for his writing. He was elected a Fellow by PCNS in recognition of his contributions to numismatic research before the majority of PCNS's current members had joined the society.

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NUMISMATIC PHILATELY

Don T. Thrall

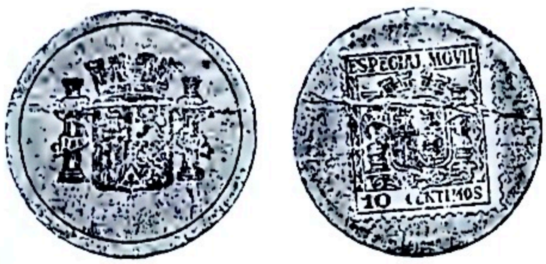
There are many examples of stamp collecting which are related to coin collecting both in the United States and many foreign countries. Some are closely related to coins and others more closely associated with paper money.

It all started in the United States during the Civil War which started in 1861. Beginning in 1862, the public hoarded coins, at first the larger denominations, but eventually even one cent pieces. Since the government failed to provide a circulating coin medium adequate for trade, the people were forced to supply their own needs, one of which was the use of government stamps. The stamps were of the 1861-1862 issue, Scott's catalogue numbers 63 through 72. The individual stamps were circulated at first but proved to be unsatisfactory because of the light weight paper and the gum on the back. A slight improvement over raw stamps was the use of small envelopes, generally about 30mm x 60mm, bearing a legend with the value of the enclosed stamps, as well as an advertising message by the sponsoring merchant. This system protected the stamps but required much trust on the part of the recipient. Probably most people checked to see if the stated amount of postage was there. On August 12, 1862, John Gault received a patent for a "Design for Postage Stamp Case." Each encased postage stamp is composed of a brass frame for the front, a round of mica, the stamp, a piece of cardboard or other hard paper board and a brass back bearing the advertising message. (PHOTOS AT TOP OF PAGE)

In 1862, the government took steps to alleviate the small change problem. F. E. Skinner, Treasurer of the United States, experimented by affixing the current issue of postage stamps to Treasury Department letterhead which were cut to a uniform size. Congress finally passed the Act of July 17, 1862, authorizing the issue of Postal Currency and outlawing the issue by private corporation, bank, firm, or individual to make or pass any currency for less than one dollar. The first series of the first issue of postal currency reached the public in the later part of August 1862. The postal currency depicted 5 cent and 10 cent stamps of the Scott design numbers A26 and A27. The first series of notes were perforated like stamps. The second series were the same design but were imperforate.

Encased postage store cards were made in 1947 using the stamps from the Centenary souvenir sheet Scott number 948. Most of these cases were similar in shape to the Gault cases. There were others by different manufacturers and using other stamps.

Foreign countries have issued stamps picturing coins, stamps printed on uniface currency, and stamps used as currency. Greece has issued several sets of stamps depicting ancient coins. Israel has issued at least five sets of stamps picturing ancient Hebrew coins. Latvia, in the 1920s, issued a regular postage commemorative stamp on currency and a set of twelve semi-postal stamps on the back of three different types of currency. Russia printed regular stamps on thin cardboard without gum, and perforated. The backs were printed to indicate they were to circulate on a par with silver. These were used in 1915-1916. South Russia also issued one stamp with printing on the back in 1919. Turkey pasted a regular issue stamp on thick yellow paper and then reperforated them to circulate as coins. Tonga issued a series of gold coins and commemorated it by issuing a set of stamps in the shape of coins, each depicting a gold coin. Ukraine issued stamp money in 1918. They printed them on ungummed thin cardboard with arms and legend on the back.



After World War I, in several countries, encased stamps were privately issued. Some were in metal cases and some in plastic. All had advertising on the back. They were issued in Austria, France, Germany and New Caledonia. Spain, during the civil war in the late 1930s, used regular stamps fixed to cardboard discs with a coat of arms. (SHOWN TO LEFT)

Now, back to the United States. There are several things both in Scott's catalogue and not in the catalogue which are both numismatic and philatelic. First there were postal notes good for five dollars or less for a fee of three cents. They were used in the 1880s and 1890s and were printed by three different bank note companies. These are not in the catalogue. Another postal note used in the 1940s and 1950s used stamps that are in the catalogue. These postal notes were established in 1945 and were issued in amounts up to $10.00. They were discontinued on March 31, 1951.

The Postal Savings System was established by Act of Congress on June 25, 1910. This was a government operated savings bank which paid 2 per cent interest per year, and a maximum of $2,500 could be deposited. The system was discontinued on March 28, 1966. Several different certificates were issued in even dollar amounts. To make deposits of less than $1.00, stamps were available in three differenct designs in values of 10 cents, 25 cents, 50 cents, $1.00 and $5.00. These were affixed to cards which when filled were exchanged for certificates.

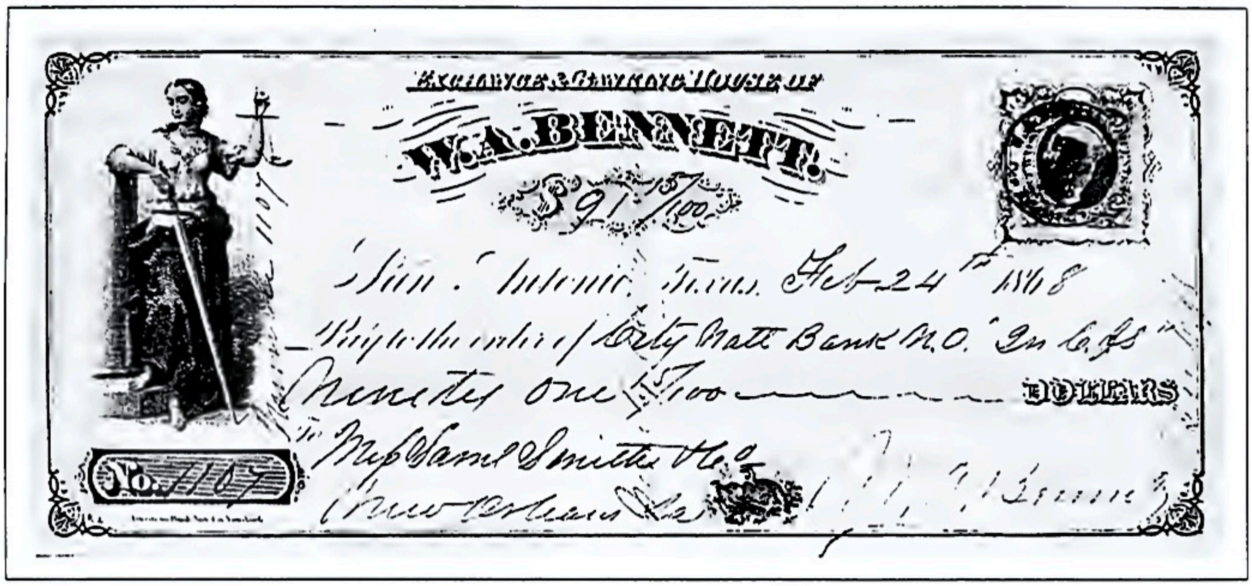
War savings stamps were first issued in 1917. It was a 25 cent stamp which was intended to be affixed to a thrift card, which when filled would be exchanged for a $5.00 stamp which would in turn be affixed to a war savings certificate. The $5.00 stamps were dated 1923, 1924, 1925 and 1926, the years when they became due. The next issue of war savings stamps were issued in 1942 for World War II. These were a means of buying war bonds on an installment plan. They were issued in denominations of 10 cents, 25 cents, 50 cents, $1,00 and $5.00.

The Bureau of Engraving and Printing has also issued three souvenir cards with replicas of war savings stamps.

Perhaps the largest group of government issued stamps which are numismatic collectibles are the revenue stamps issued to be used on bank checks and other financial instruments such as receipts, stock certificates, bonds, etc. While a few adhesive stamps for this use were issued, mostly revenue stamped paper was used. A five page section in Scott's catalogue is devoted to those issues. They were printed in a rainbow of colors.

Another large section at the back of the catalogue is telegraph stamps. These were issued by a multitude of companies. Many were complimentary while others were sold to the general public as a way of prepaying for the service.

The last group of stamps used as money is telephone franks. They were issued in the United States by many companies from about 1882 until 1957 in denominations under $1.00. They were issued in booklets, the stamps varying in size by issuer. They were used for paying bills by employees, as a concession, rights of way owners, other telephone company officers and telegraph company offices.



WASHINGTON 2c STAMP AFFIXED TO 1868 CHECK

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Benj Fauver

What to Collect?

Benj Fauver joined PCNS in 1989. A well-known writer on tokens and jettons, he has written numismatic articles for publication by PCNS and has authored several numismatic books. He contributed many articles to PCNS via *The Journal*. The author began accumulating various collectibles some fifty years ago. He became a serious collector in the mid-1960s, and has been a full-time dealer since 1980.

WHAT TO COLLECT?

Benj Fauver

The collecting instinct lies within each of us. For a few, it is buried deep. For others it lurks just beneath the surface. The collecting instinct is often linked to personal nostalgia. Sometimes what we identified with as kids determines what we collect as adults. Collectors of Kellogg Pep pins and of World War II lead soldiers, for example, basically are reliving sentimental parts of their youth. However, a number of collectors reach back further than their own childhood experiences. The history of certain times and places and people before their own births is often the beckoning factor. The California Gold Rush Era may hold a shining mystic, for example. The collecting of contemporary artifacts from that era follows naturally. Or, collecting memorabilia from the Women's Suffrage Movement or of Prohibition may be a real turn-on. The possibilities are limited only by one's own imagination. Consequently, it is essential that one devote some time and thought to focusing on one's own nostalgic inclinations.

One of the best ways to find exposure to the many alternative areas of potential collecting is to attend a large Collectible show. These are often linked with Antique shows, but it is important that the word "Collectible" be included in the event title. These types of shows are held in most major metropolitan areas of the United States. In Northern California, where the author lives, for example, Palmer/Wirfs puts on three large Collectible shows annually at the Cow Palace. PWA also promotes three large Collectible shows yearly at the San Mateo Fairgrounds. These shows are indoors and offer both a more diverse and a much higher percentage of older merchandise than does the typical flea market. You will normally be asked to pay a nominal admission charge. If you allow at least four hours to explore the types of memorabilia offered by the participating dealers, the experience is well worth the cost. Check your local newspaper or telephone their advertising department for the dates and locations of major Collectible shows in your area.

When you attend your first Collectible show, plan largely to look around and to assess the many collecting alternatives. If you get lucky, and an area of potential collecting stands out, inquire first about any organizations of collectors who specialize in this area. The show promoters may be able to steer you to dealers who can be of help. Find out the addresses of any relevant collector organizations. Write them and ask about the services which members receive. Learn the titles and authors of any books or periodicals in your area of interest. Do not be discouraged if none of the dealers has for sale any of the references you are seeking. Many collector organizations are a good source for these. Also, check *Books in Print* at your local book store.

Let's assume that you have attended a number of large Collectible shows, have zeroed in on a potential area, have joined any relevant organizations, and have obtained and studied the major reference works. Now the real fun begins! This fun does not include immediately going out and acquiring material for your collection. Not yet! It is vital that you first give some thought to how you want to "scope" your collection. Only you can do this — no one can do it for you. Some thought is important at this point if you hope to realize the pleasures associated with achieving a "complete collection." Let me give you two examples of disappointments which have resulted from unwise scoping.

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Too often I have talked with an advanced collector who has spent over ten years trying to build a carefully defined collection. This collector is lacking only a few remaining key pieces, but is greatly frustrated by the combination of high prices being asked for these particular varieties and of very real personal financial constraints. To put it bluntly, he or she simply cannot afford to complete his or her collection. This does not mean that the collection will not be completed, but it will be done only to the detriment of some important aspect of the collector's and his family's economic well-being. In a number of cases this will be too high a toll to pay, and a toll which could have been avoided by systematically defining the scope of one's collecting goals taking those potential financial constraints fully into account.

More often I have talked with a collector who has been actively acquiring material for a number of years. Without giving the matter any concentrated thought, this collector sought only the more common and less expensive material in the field. After, say five years, a presentable collection of virtually all of these more common varieties had been assembled. This collector then turned attention to the rarer varieties, and began to acquire these when they could be purchased at affordable prices. However, during the previous five years, this collector had passed up many good buys of rarer varieties simply because they were not in his or her collecting scope as originally defined. Had that collector taken the time initially to think through pertinent collecting goals, a more advanced collection would be the result. That collector now would not have to live with the knowledge of what might have been.

While collecting should be largely a leisurely and relaxing pursuit, these examples are given to demonstrate that forethought is required in order for it to be so. Among the many criteria which can be used in deciding the scope of one's collection, five stand out as most important in this writer's judgment. These five criteria are:

Degree of Concentration of Ownership

Nature of the Competition

Number of High Rarity Varieties

Personal Timing

Personal Financial Resources

The following paragraphs examine each of these criteria together with some of their interrelationships. These criteria are most usefully stated in the form of questions. Rarely will two collectors' answers to these questions exactly correspond.

Degree of Concentration of Ownership

How concentrated is the ownership of the varieties, especially the rare varieties, of material I wish to obtain? As an example, some dealers have vast holdings of particular types of collectibles, and elect to hold them rather than offer them for sale. Others may offer them, but often only at prices well in excess of current auction levels. While I in no way want to challenge the right of these dealers to select their own marketing policies, and even respect their investment strategies in some cases, it does behoove the collector — especially the beginning collector— to be aware of the individual strategies being pursued by the major holder of the type of material he or she is contemplating acquiring. Generally speaking, in situations where an assessment reveals that the rarities of a particular scope of collection are highly concentrated in the hands of a few collectors or dealers who are unwilling to offer the material for sale soon either at auction or at auction prices, it is my advice to exclude that type of material from the scope of one's collecting interests.

Nature of the Competition

What is the nature of the competition for the varieties I want to acquire? There are many sub-questions underlying this primary question. For example, roughly how many active collectors are seeking to acquire the same varieties I would have to purchase in order to complete the scope of collection I am contemplating? Also, approximately how much money is each of these competitors able and willing to devote to this same end? Do any of these competing collectors enjoy an inside track with dealers who specialize at least in part in the type of material under consideration? Are any of these competitors themselves dealers who are able to buy such material at shows before the doors open to the public? In short, does the nature of the competition pose a major constraint on the probability of completing the collection?

Certain types of collectibles are being purchased at auction largely by established collectors who already have extensive holdings of that type of material. In some cases their main motive is to push up prices. Let us not be too critical here. A collection worth $25,000 on today's market could well be pushed up to $100,000 over a five to ten year period. One hundred thousand less sales commissions can help a lot in planning one's retirement. Such a price push strategy will be most effective, however, if the established collectors in their bidding do not preclude newcomers from getting a firm foothold in the same area. After all, when the day comes to sell their own collections, the more bidders involved and the more active the competition, the higher will be the prices realized, other things equal.

Information regarding concentration of ownership and competition is not easy to come by. There probably are no books or articles which can provide useful data on these subjects. The best way to gain insight is to talk with advanced collectors and with dealers who specialize in the collectible of interest to you.

Number of High Rarity Varieties

How many pieces in the scope of my contemplated collection are of high rarity? While it seems obvious that a collection having 100 such high rarity pieces will be more difficult to complete than one having only 20 such pieces, in many, many cases this question is never consciously asked by the newcomer to a series of collectibles. There are a number of other questions related to this primary question. For example, what are the odds that new varieties will be discovered which will fall within the legitimate scope of my collection as I have defined it, and which will make completeness more difficult to achieve? Take a look at how many new varieties these represent. This percentage will give a clue regarding the magnitude of new variety discoveries likely to be made over the next several years.

Personal Timing

How soon do I want to compete this collection? We differ greatly in how important collection completeness is to us and in the amount of patience we have in waiting for that completeness to be realized. Do you get frustrated waiting if a collecting goal is not met within a couple of years, or are you able to wait many years before accomplishing a collecting objective?

On the surface, it would appear that the collector willing to wait, say 10 years to complete a collection would be able to substantially reduce the average annual cost by spreading the total cost over twice as many years as the collector who wants completeness of the same scope of collection within, say five years. However, the total cost of a collection acquired over ten years could be much greater than the total cost of that same collection assembled over a five year period. The reason is that prices of pieces will probably rise between the fifth and tenth years, in some cases significantly. Consequently, the likelihood of sharp price increases must be one consideration in the timing determination. While this probability can be extremely difficult to judge, an assessment of the degree of current and likely future competition for the keys in the series can provide a useful sideboard.

Personal Financial Resources

How much am I able and willing to spend to complete the contemplated collection? Amazingly enough, some collectors appear never to ask themselves this question before launching forth in their quest for new acquisitions. The prices of some varieties of collectible are getting to levels that some collectors are precluded from completing potential collections on economic grounds alone. Of course, high retail prices do not exclude the possibility of fortunate finds in cases where the seller is unaware of the full commercial value of his or her holdings. However, one simply cannot bank on completing a collection on this basis.

One way to approach the above question is to ask yourself how much you are able and willing to spend annually on all of your leisure-time interests, and how much on collectibles. Let us say, for example, that this latter figure works out to be approximately $500 annually for collectibles and that you are wiling to wait eight to ten years to complete the contemplated collection. This means that about $4,000 to $5,000 will probably be available to complete the collection over an eight to ten year period. In my judgment, the collector in this example should define a scope of collection whose total current cost does not exceed roughly $2,500. The difference between the $2,500 and the $4,000 to $5,000 is an allowance which should be made partly to make up for expected increases in the retail prices of many collectibles over the next eight to ten years. This approach assumes that at least a few fortunate purchases will be able to be made. You can also make an allowance if you anticipate changes in your annual expenditure for collectibles. When one takes into account these financial considerations, it also becomes apparent that there can be a definite advantage in acquiring the key pieces in a collection early. It is these key pieces whose prices will probably rise the fastest in the future.

Collecting should be largely a leisurely and relaxing pursuit. To follow the above guidelines too rigorously may distract. A number of collectors have a carefully scoped collecting goal, but also have several relatively inexpensive sidelines where they just follow their whims. This approach to collecting greatly increases the odds of never coming home empty-handed.

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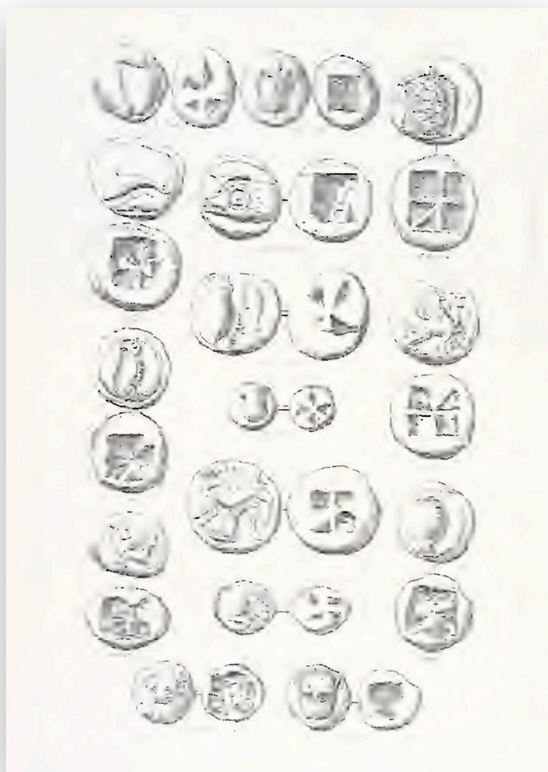

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Jerry F. Schimmel

The San Remo Hotel

Jerry F. Schimmel joined PCNS in 1970. A well-known writer on San Francisco and world tokens, he has written numismatic articles for publication by PCNS and has authored several token books. He has contributed many articles to PCNS via *The Journal*, and has served as the publication's editor for several years. His monograph, *The Old Streets of San Francisco*, was published by the society in 1993. Jerry won Third Place in the 1996 papers contest for his previously-published work in *The Journal*. The current study was submitted as a non-competitive article for inclusion in this publication.

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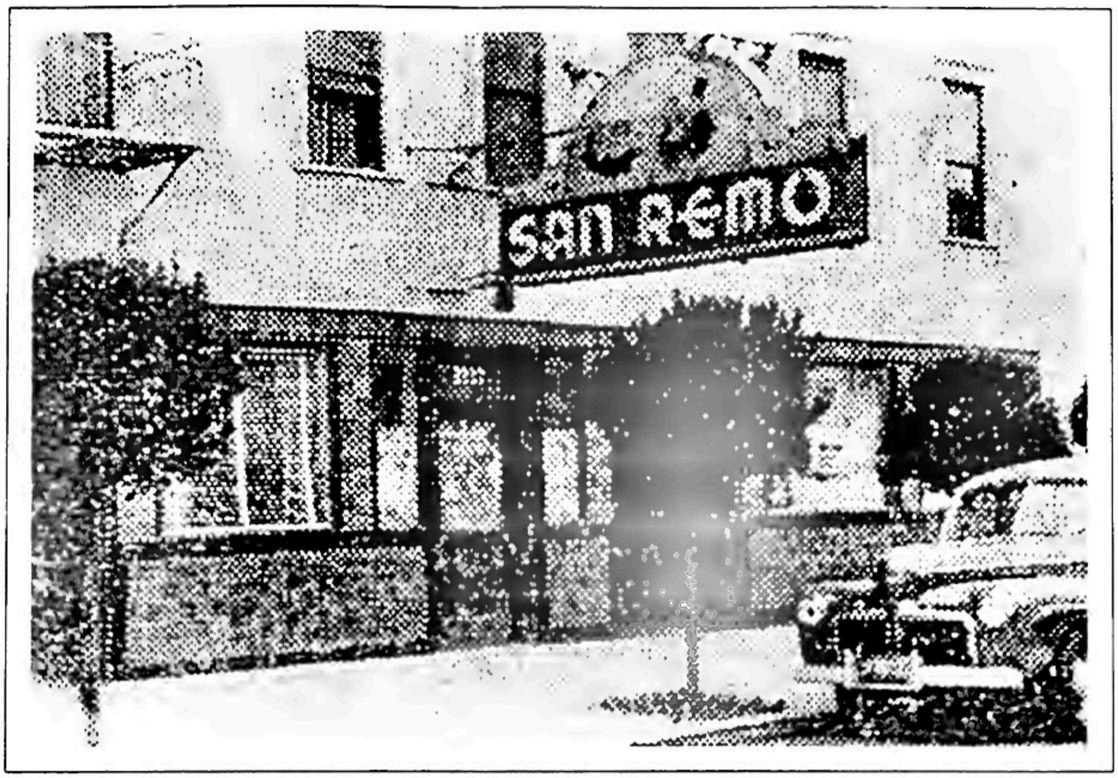


THE SAN REMO HOTEL: AN OLD PCNS HANGOUT

J. SCHIMMEL

When the horse and rider cantered into the San Remo Hotel bar, Nello calmly asked the horse, "What'll it be?" What the horse, ordered nobody can recall. However, Pacific Coast Numismatic Society old timers will remember Nello Ragghianti and his exuberant, some say zany, stewardship in the 1950s and '60s.

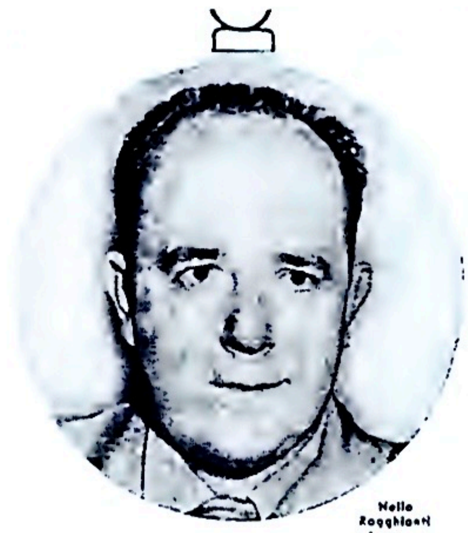
Nello and John Torre were partners at the San Remo for thirty years. They gave San Francisco one of its last family-style eateries and a watering hole where the famous and anonymous mixed with easy informality. Scavengers, cops and coin collectors sat table-to-table and barstool-to-barstool with stage personalities and elected politicians. If you knew the San Remo routine you could lay a bet on the next NFL game or buy into a late night poker session.

Sailors, poets, pensioners and immigrant Italians, both legal and illegal, found shelter in its tiny rooms. During the Depression a guy down on his luck got fed by bighearted Peter Consulter as long as he could push a broom. When artists were broke, John Torre took paintings instead of rent money. Be that as it may, the San Remo goes back a long time before John and Nello.

April 1996 marked the ninetieth anniversary of the big San Francisco earthquake and fire. In 1906, just about everything east of Van Ness Avenue and South of Market fell down or burned. By December of the same year, few buildings had been replaced. The San Remo at 2237 Mason Street was an exception when it opened late that month. It stands as one of the city's earliest post-earthquake structures.

A. P. Giannini, founder of the Bank of America, had the hotel put up in place of two flats destroyed in the earthquake. He had charge of his father-in-law's vast real estate holdings and the apartments were part of the deal.

When tenants signed the guest register on the first day, the building did not carry the San Remo moniker. Somebody, maybe Giannini, christened it the "New California Hotel." Its early proprietors are forgotten, but you can bet they were Italians. Historian Allesandro Baccari says that renters in 1906 were workmen from the Cannery, a packing plant at Fisherman's Wharf, now a major tourist destination.



Nello Rogghianti

San Francisco was world headquarters for slot machines when inaugural glasses of grappa slid across the hardwood. One of the contraptions occupied a position of honor on the bar. Not surprisingly, the only relic from the time is a nickel-sized (21mm) brass token that says, "New Cal Hotel Bar, 2339 Mason, Good for 5¢ Drink." It was worth a schooner of Broadway Steam or a small carafe of local wine — unless it went into the slot.

Italy-born James Traverso ran the New California from 1917 to 1922. He and his wife, Catherine, lived upstairs with the cooks, housemaids and renters. Toddlers Ettore and Mary scampered through the halls under the feet of bone-weary fishermen. Hardly a German, Irish or Chinese name could be found in a seven-block radius.

Sixty-five years before Traverso, next door Water Street formed the original beach of north San Francisco. In 1852, just whitecaps graced the view to Marin County. Women did laundry on the sand because the water was so clear. Fisherman's Wharf was not even a gleam in the eye of investors, although the eye of city alderman Henry Meiggs may have glistened a bit.

Meiggs built a long pier north into the bay in 1853. The condominium at 444 Francisco Street, a block from the hotel, now covers the landing where it connected to the shore. Meiggs thought the wharf would stimulate a boom in the district, but it did not. When property values hit bottom in 1854, he took off for South America and helped himself to a sizable piece of public exchequer on the way.

At the head of Meiggs' Wharf, top-hatted Abe Warner opened his Cobweb Palace, famed in the 1870s and '60s for first-rate crab cocktails, and enormous spider webs dangling from the rafters. Warner thought it was bad luck to disturb nature's creations.

The hotel came of age in 1922 when Peter Consulter adopted the San Remo name. Consulter hailed from Venice, Italy, and came to town in 1920. Duilia, Peter's ninety-years young widow, says he changed it "because he liked the name." No romantic notions in those times.

Full-course dinners were served to anyone with fifty cents during Depression days. Duilia, a waitress there in 1931, remembers setting out the booze in coffee cups and saucers during Prohibition. Strictly against the law, every restaurant in town did the same thing.

John Torre started with Consulter in 1930 after a humble career as a milkman. By 1934 Torre


John Torre
Co-Owner

was a full partner. When Peter retired at the end of World War II, his share of the business went to Duilia's cousin, Nello Ragghianti.

John was the older and more reserved of the partners, always careful about money and easygoing on staff. Nello had a wisecrack ready for anybody who walked in, and a reputation for being tough, but fair with the cooks and waitresses. Both claimed the other was too softhearted and would give the business away to anyone with his hand out.

San Remo employees say the job was like a big family and stayed on forever. Fred Morales, its best-known waiter, lugged trays for thirty years, and his wife, Josephine, for seventeen. Customers and staff wrote and called each other and went on vacations with Nello and John. Waitresses warmed bottles, picked up diapers and baby-sat while mom and dad tilted cocktails in the bar.

One night Josephine walked out on Fred after a big fight. Fred moped around for weeks and the restaurant fell apart. Gift in hand, Nello went to Josephine saying the San Remo was about to lose a good waiter. She had to get back with Fred damn quick. She did. Restaurant, marriage and all settled down to normal.

While the partners always stayed on good terms with the law, gendarmes were never summoned for frivolous reasons. One night in 1946 or '47 the football victory of St. Mary's College over Santa Clara University was being duly acknowledged with proper libations. A stranger staggered in spoiling for a fight. During one reasoned discourse he slugged a barroom regular. The offender was hustled out the door posthaste and around the corner. There he was soundly thrashed and unceremoniously dumped at the far end of Water Street. Neither John nor Nello batted an eye.

In the '50s, Homicide Lieutenant Al Nelder (later Chief) had trouble getting one of his murderers, Stephen Nash, to fess up. Nash liked Italian food, so Al brought him to the San Remo, handcuffs and all. With one of Nello and John's meals under the killer's belt, Nelder found out everything he needed.

San Francisco judges often sought inspiration on San Remo barstools. One noted jurist was spied dozing over his lunchtime martini. John, the good Samaritan, hefted hizzoner up the stairs for a lie-down in one of the hotel rooms. However, nobody knew the judge was due in court. Several Hall of Justice hearings unexpectedly recessed that afternoon while a search party was organized.

John died in 1968 in a freeway accident one rainy night. In 1972, Nello landed in the hospital for a long stay and had to retire. The baton passed to Fred Consulter, Peter's son, and Fred's Irish partner, Tom Clune (pronounced Clooney). For the first time, Guinness and Bushmills could be had with the pasta and scallopini. The proprietorship had come full circle from 1922.

The Italians are just about gone from North Beach. Their children buy split-levels in the suburbs. Even Nello and John lived outside of town. Tom and Robert Field own the San Remo now. Competing with lookalike hostelries run by clerks with insincere smiles, they struggle to keep as

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much of the old San Remo as they can.

TOKEN DESCRIPTIONS WITH CATALOG DESIGNATIONS

(Narrative descriptions are derived from those descriptions by the two cataloguers of California Tokens, Stephen Album and Charles Kappen.)

Brass 21mm, plain borders and edge.
NEW CAL/2239 MASON/HOTEL BAR
GOOD FOR/5c/DRINK
(Album #SFO80-N20; Kappen #unl)

SOURCES

Catalogue of California Trade Tokens, Vol II (1947) by Stephen Album
Sanborn and Company fire insurance maps, 1890 and 1900
San Francisco City Directory, 1852
San Francisco and Marin County newspapers, various issues, 1945-1992
Interviews in March and April 1996, with:
Alessandro Bacari, North Beach historian
Duilia Consulter, widow of Peter and former waitress
Fred Consulter, son of Peter and former owner
Lucy Mariluch, former waitress
Fred and Josephine Morales, former waiter and waitress
Gary Ragghianti, son of Nello

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