

Silver and Gold

The basis of wealth and power, these precious metals have influenced numismatics throughout history.

GOLD AND silver always have been closely intertwined with numismatics. The prices of both have surged lately, but these precious metals are no overnight successes. In fact, they have a history as old as money itself: first as essential ingredients in coinage, then as important commodities.

Physically, gold and silver are effective coinage materials because they are malleable—in fact, they generally require an alloy with around 10-percent copper to increase their durability in circulation. But their real advantage is economic. In the days before central banking, the use of scarce metals as money helped to ensure a stable and credible—if inflexible—monetary policy.

As the basis for wealth and power, precious metals have been influential throughout history. The decline of the

Roman Empire is reflected in its debased silver coinage, and the quest for precious metals inspired Spain's imperial ambitions in the Americas. In the late 19th century, advocates of silver coinage aimed to increase the money supply in the United States, thus relieving the burdens of debtors. The metallic rhetoric reached its zenith in 1896, with William Jennings Bryan's impassioned, pro-silver "Cross of Gold" speech, delivered at the Democratic National Convention in Chicago.

By the early 20th century, coinage in the United States and worldwide had settled into a stable pattern; gold was the monetary standard, with silver used for coins of intermediate value. But this arrangement would not last. The gold standard was undone by the economic tribulations of the Great Depression. Silver, which is vital for film-based photography and useful in many other industries, was driven from coinage in the mid 20th century because of its rising price.

The United States was among the last countries to remove precious metals from circulating coinage. Gold was last issued in 1933, 90-percent silver coinage ceased in 1964, and silver was entirely eliminated by 1970.

Today, gold and silver play no monetary role, but they still hold a special allure. Precious metals, especially gold, often are seen as stable investments in times of economic uncertainty. Gold and silver prices peaked in 1980, then spent decades in the doldrums before



▲ The obverse of a .999 fine silver Chinese Panda coin features a family theme, with a giant panda and her cub feasting on bamboo. The Temple of Heaven is depicted on the reverse.



◀ A 1-ounce gold American Eagle highlights Liberty on the obverse. The reverse shows an American eagle returning to its offspring, symbolizing family tradition and unity.

their recent revival. Currently, gold trades around \$600 per troy ounce, with silver around \$12 per troy ounce. (A troy ounce is about 10-percent heavier than a standard ounce.)

With an abundance of silver coins in the numismatic marketplace, owning silver is extremely easy. Some issues have special historical significance: the Mexican Cap and Rays 8 reales circulated worldwide in the 19th century, while U.S. Morgan dollars evoke the importance of silver in American history. Many affordable silver coins have wonderful designs. Peace dollars of the 1920s, Mercury dimes of the 1940s and Canadian dollars of the 1960s are among the many fine choices. Some collectors enjoy silver coins with colorful ☉

toning caused by chemical reactions to sulfur in the storage environment.

Obtaining gold is more challenging, by virtue of its higher price. Still, many issues from the late 19th and early 20th centuries with about ¼ ounce or less of gold, such as American quarter eagles (\$2½) and half eagles (\$5), sovereigns from the worldwide mints of the British Empire, and French or Swiss 20-franc pieces, have only small premiums over their metal value. Several U.S. commemorative \$5 issues made for collectors in the 1980s and honoring the Statue of Liberty, the Constitution and the Olympics have appealing designs and affordable prices as well.

Choices also include contemporary bullion coins, valued almost entirely for their metal content. Recent American issues have featured replicas of classic coin designs. Purchasing worldwide bullion coins like the Canadian gold or silver Maple Leaf, Chinese gold or silver Panda or Mexican silver Onza is a con-



▲ Half dollars, quarters and dimes struck before 1965 were composed of 90-percent silver.

venient way to own precious metals. Privately made “rounds,” containing an ounce of silver, also are widely available.

Alloys are widespread in numismatics, but gold and silver are unmatched in their timeless appeal. Just as there’s a pot of gold at the end of every rainbow, and just as every cloud has a silver lining, every coin collection can be brightened by these precious metals.

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