

Latin American Numismatics Mexican Coin Company

November / December 2013

Mexican & Latin American Market Report

COLLECTING THE MEXICAN WAR FOR INDEPENDENCE

By Max A. Keech

PART TWO:



1812 Monclova 8R w/ "mint stamp"

In part 1 of this article we examined the Royalist and Insurgent necessity issues of the War for Independence (WFI), as well as the standardized Royalist issues of 1815-22. Now we will survey the counter stamped issues of this period. We will finish with an overview of different collecting strategies and current market conditions for the WFI series.

Counterstamped Issues

Counterstamps were used during the WFI to officially validate necessity coinage for use in local commerce. These "validation" stamps were employed for 2 basic purposes and it is instructive to differentiate these 2 types of stamps. Initially validation stamps were used as the final manufacturing step

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COQUIMBO

By Carlos Jara

A detailed history of the short-lived mint of Coquimbo (Northern Chile) can be found in Jara & Luedeking: Chile's Coquimbo Mint: a documented history (2003), and a short summary follows:

Due to the distance between the Santiago Mint and the silver and gold Mines in the area of Coquimbo (around 300 miles), a local Mint in Coquimbo seemed to be a good idea. By government decree in September 1827, such a mint was authorized and the project was put under supervision of

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LATIN AMERICAN BANK NOTES

By Carlos Jara

PART ONE:

Like the Latin American coin market, the Latin American Banknote market is very diverse, with a myriad of colorful issues, denominations and types. While a detailed review of the issues of every country is beyond the scope of this article, I will deal with market conditions for many of the countries in Part Two in our next issue. I think it is important to start out with a general historical perspective on the issuance of banknotes in Latin America.

The Spanish Colonial monetary system that ruled over practically all of Latin America during more than 3 centuries was characterized by a bimetallic standard of gold and silver, at an exchange rate of 16 to 1. The coinage issued under Spanish rule (roughly from 1540 until the 1820's) had almost full intrinsic value (save for admittedly small reductions of their fineness, some of which, such as the one resulting from the 1786 Secret Ordinance, were intended to be kept secret so as to not harm the people's trust in the value of the coinage). This resulted in the rejection of any fiduciary coins in all but the more remote locations, not only by the Spanish colons, but also by the Indians, who represented the lower classes and thus the backbone of

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MEXICAN COIN COMPANY HAS A NEW WEBSITE!



We are excited to share our new website with our customers. Aside from making the new site mobile device friendly, our top priority was to make it easier for you to use. The new store is more streamlined and has numerous sorting options so that you can easily find products you are interested in. Our new home page will be regularly updated to keep you abreast of new developments with Mexican Coin Company and the Latin American numismatic markets.

Gregorio Cordovez, who in turn enrolled Theodor (or Teodoro, as written in the contemporary documentation in Spanish) Hagen as his handyman: Hagen worked as both engraver and



**Mexico 1922 50 Pesos
NGC MS65
SKU - 21103**

This date is usually flat struck. Fully struck coins like this one are hard to find and we think the coin is premium quality for the grade. MS65 is currently the highest grade for this date in the NGC pop report.

Price is \$3,800.-

assayer his initials are shown in the presently known examples of the Coquimbo Mint's issues. While, the Santiago mint was instructed to send "all the equipment necessary for the proper functioning of the Coquimbo Mint", such was not entirely the case: in particular, no dies, hubs or punches were sent, and so Hagen had to hand engrave the blank dies he acquired from a local English mining company for his initial trial strikes.

Records show that the first 20 samples of 1 Peso coins struck in Coquimbo were sent to Santiago on June 23, 1828: these 20 coins were presumably the best ones (as should be expected from a new mint seeking approval) from an initial

batch of around 200 coins. Of this initial sample, 6 coins were destroyed for assay purposes while the remaining 14 were returned to Coquimbo. These samples were rejected on the basis of their lower than expected fineness and defective engraving (Medina refers to this initial batch of 20 coins in his work "Las Monedas Chilenas", but many numismatists misinterpreted him concluding that only 20 Coquimbo Peso coins had been minted, which was clearly not the case!).

On November 18 of 1828, a second batch of samples of 1 Peso, 4 Reales (currently unknown) and ½

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Reales (two of which are now known) were sent to Santiago. While an improvement over the specimens from the sample sent on June 23, the coins were nevertheless rejected in Santiago: the flans were described as “*poorly prepared and discolored*”, the dies as “*badly made*”, the edges as “*not properly wreathed*”, the coins as “*not well struck*”, and the fineness as “*slightly too low*”.

By late 1829, a proper screw press had finally been installed at the Coquimbo Mint, while Hagen had been able to finish dies made from hubs and punches (as opposed to hand engraved ones). At that time, the Coquimbo Mint would have been able to produce coinage of a high standard but the Revolution of 1829-30 cut all plans short (most of the Coquimbo Mint’s employees were forced to flee) and the whole project was cancelled by *force majeure*.

Two different types of the Coquimbo Peso are currently known: a crude type (pictured in both editions of Elizondo), with hand engraved dies, and a finer type, from much finer dies made using hubs and punches: the present specimen is from this later finer type.

While a number of modern authorities had dismissed the cruder type as modern forgeries, the documentary evidence in their favor is overwhelming: their characteristics are an almost perfect match for the description by the officers of the Santiago Mint of the coins from the batch sent to Santiago on November 1828. As stated in Leu Numismatik’s catalog 89 (October 21st, 2003, description of lot 440), *the trial issues of (November) 1828 were rejected precisely for those very same faults that the modern commentators used in their rationale in proving the coins false!*

The finer type was made in late 1829, and corresponds to the presently offered specimen: as usual for this type, the flan is well made and has excellent surfaces, the dies are as well made as any produced in Santiago, the edging is fully correct, the coins are sharply struck and of proper fineness. As mentioned previously, and quoting the aforementioned Leu Numismatik catalog # 89, “*shortly after these beautiful coins were struck civil disturbances erupted, which both precluded the chance of sending this third issue of trials to Santiago (where they would have most probably been accepted) and resulted in the looting of all the bullion and trial strikes then in the Coquimbo mint. All known examples of the ‘crude and fine types’ (= the second and third issues) must have left the Coquimbo mint during this period of disturbances (some may even have been kept as keepsakes by Cordovez and Hagen themselves), with the strong probability that most of the pieces then existing were melted down.*”



Chile Coquimbo Peso 1828 - Obv.
NGC AU58, KM#88
SKU: 20835



Chile Coquimbo Peso 1828 - Rev.
NGC AU58, KM#88
SKU: 20835

‘Fine Type’ Peso (Silver, 26.80 g), Coquimbo, 1828 (late 1829) TH. CHILE INDEPENDIENTE. COQUIMBO. Erupting volcano with UN PESO in wreath above. Rev. UNION Y FUERZA. T. H. (Theodor or Teodoro Hagen) 1828 Globe on pillar with star and ribbon inscribed LIBERTAD above. Wreathed edge. KM 88. Extremely rare, no more than fourteen examples of this coin are known, including one in the British Museum acquired in 1856 and one in the Banco de Chile.

Nicely toned. AU-58 (just a hint of cabinet friction on the highest points keeping it from being Mint State). The pedigree of this specimen is prestigious: ex Siegfried von Schuckmann (Renaissance Auctions, 6 December 2000, lot 849), ex Paul Karon, ex Freeman Craig, and ex Don Canaparo. Previously, it was housed in the Honorio Aguirre collection. Little known outside Chile, Aguirre was famous for his high grade type collection. Part of his holdings were sold in Adolph Hess HG’s October 1961 auction, where this same specimen of the Coquimbo Peso was sold as lot 754.

Price upon request.

in the production of cast coinage. Cast coinage was easily counterfeited by casting fakes of lower fineness or silver content. The addition of a validation stamp (and sometimes



**MEXICO - WAR FOR INDEPENDENCE
1821 Z RG 1/2 REAL
PCGS MS64, KM#74.3
SKU - 19672**

Bold detail for a War for Independence issue, this piece exhibits attractive golden toning with iridescent blue/green highlights, especially on the reverse, and subtle underlying luster. Top pop and the only MS graded for the type at PCGS.

Price is \$1,200.-

an edge) during manufacture discouraged cast counterfeits. It is important to differentiate these "mint stamps" from later counterstamps not associated with the cast manufacture of coins and hence I will employ these different terms for the remainder of this article.

Mint stamp are hereafter defined as stamps used in the final step of casting new necessity coinage while counterstamps are stamps used to validate necessity coinage already in circulation.

Both Royalists (almost always) and Insurgents (often) utilized "mint stamps" in the manufacturing process of cast necessity coinage. Catalogs have been inconsistent in their organization of "mint stamps" and hence, caused unneeded confusion. Well known cast Royalist issues

of Chihuahua (1811-1813) and Oaxaca (1812) with "mint stamps" are cataloged in Krause as regular (necessity) issues. Conversely, Monclova (1811-1812) is cataloged under counterstamped issues even though its' casting/mint stamp production is identical. The Insurgents also used "mint stamps" during the manufacture of cast coins. Examples include the cast issues Vicente Berinstein (cataloged under Columbia!) and Villagran. Krause catalogs these Insurgent mint stamp issues under Counterstamps, and hence doesn't offer the reader insight into their manufacture and purpose. This differentiation may seem academic at first, but it is fundamental in understanding the coinage and in determining legitimate pieces from counterfeits.

to encourage local acceptance. Best known of the Royalist counterstamps is that of La Comandancia Militar (L.C.M.). These counterstamps were only used through 1814 and they are one of only a few used after 1813! In fact, 95% of all counterstamps were applied in the 3 years between 1811 and 1813 with the small remainder being utilized in early 1814. Ignore catalog descriptions that show latter host coins. These are either coins struck over earlier hosts that had an L.C.M. stamp (most often the 1815-1822 issues of Chihuahua) or fakes!

The most common Insurgent counterstamps are of Morelos (Mo monogram and 2 stars) and what are cataloged as Chilpancingo types A & B. The B stamp is almost certainly an issue of the Supreme Junta and the A stamps is questionable in its attribution. There are many more. In all there are approximately 20 (presumed) Insurgent and 5 Royalists counterstamps. About half of these issues are enigmatic, where the issuing authority is unverified. This is an area where additional study is greatly needed to advance our understanding of these historic issues! Interestingly, a number of Insurgent authorities (i.e. Morelos, Supreme Junta) used the same validation stamp for casting new coinage (mint stamps) and for validating prior necessity coinage (counterstamps).

Ways to Collect

As you can see, the WFI series (necessity issues, standardized issues, mint stamps & counterstamps) is very diverse and complex. For most, it is an overwhelming series to collect in its entirety. Popular collecting strategies include; collecting by type; collecting by issuing authority (perhaps Insurgents issues, Morelos coppers, or Royalist issues of Zacatecas); assembling "mint stamps" and/or counterstamps; or perhaps forming a collection of minors. A fun and interesting place to start is a type set of the 26 +/- 8 reales.

Availability and Market Conditions



M. Muniz counterstamp



Well Struck 1810 LVO 8R

The second type of counterstamp served the purpose of validating necessity coinage previously issued

Many of the WFI issues are available at very affordable prices in lower grades (good – very fine). These issues were crudely

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manufactured and the rule is weak strikes and flaws. After a small amount of circulation, these lightly handled, crude coins sometimes appear no better than VF. Hence, well struck or high grade examples can be very difficult to locate with prices to match. A good collecting strategy is to focus on the readability of legends and central details rather than technical grade. A nicely struck fine is often more attractive than a weak or flawed XF with muddled legends. Don't expect perfection, especially in the 1810-1814 necessity issues as it generally doesn't exist! Collectors of Mexican revolutionary coinage face the same challenge and will immediately feel comfortable with the WFI series.



**MEXICO - WAR FOR INDEPENDENCE
JOSE MARIA LICEAGA
8 REALES
1813, VF, Sim. KM#262.12
SKU-18841**

J.M.L./V. counterstamp on 1813 Go JJ 8R (KM#111.4) host. Typically crude planchet with a small crack at 3:00 and some weakness in strike at 12:00, the counterstamp is bold but uneven on one side. Light scratches on both sides.

Priced at \$850.-

Prices for nice, high grade type coins are strong and have shown steady growth. On the other hand, prices have remained relatively flat for rare dates in lower grade. Minors circulated widely and can only be collected successfully in lower grades. Most are very affordable.

Further Study

After digesting the WFI section of Pradeau's Numismatic History and while leisurely reading Bancroft, I would recommend studying a few major WFI collections. The finest and deepest WFI collection ever assembled was that of Alberto Pradeau.

It was sold in 3 parts (with the Bothamly collection) by Superior in 1971. Part 3 is a landmark catalog that even today, is one of the most useful references in my library. It will give you a clear idea of the "top end" that you could expect to see during a lifetime of collecting for most issues by date. Next is the famous Gerber collection sold by Spink in June of 1996. Most major rarities are represented. Other useful sales include Superior's catalogs of February' 1978 and August' 1983 and Ponterio's catalogs of January' 2003 and January' 2005.

The WFI series is very diverse and complex yet contains a number of interesting sub-series that can be collected in a manageable way. You will never be bored or feel you have "hit the wall" as there are always unexplored paths to conquer. Feel free to contact us at any time to discuss any of these paths or with your questions or thoughts. Happy Hunting!



**MEXICO - WAR FOR INDEPENDENCE
1812 OAXACA SUD
2 REALES
VF, KM#229
SKU-19187**

Insurgent coinage under General Morelos, this cast silver piece has rough fields, typical of the crude issue. Nice color and good detail, there are a couple of scratches near the denomination and one above the bow. A scarce and often counterfeited type.

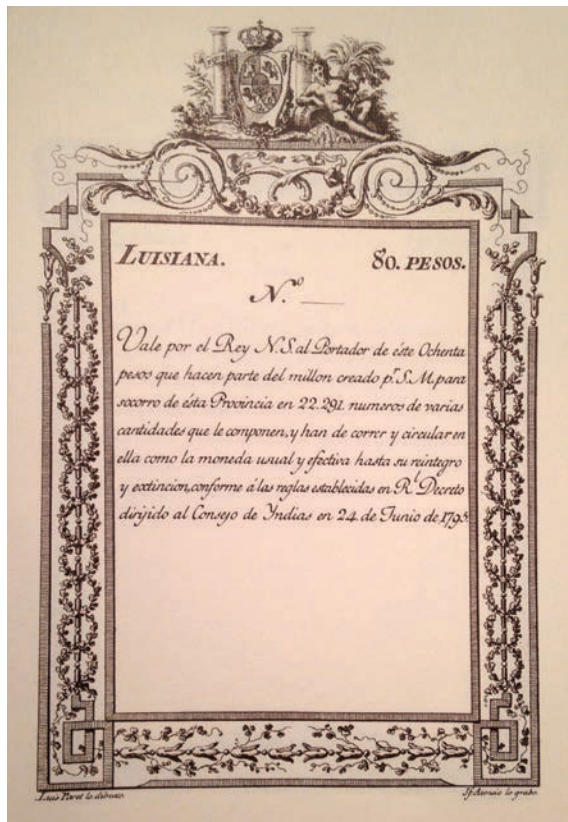
Price is \$500.-

ABOUT US

Mexican Coin Company and Latin American Numismatics are located in Carefree, Arizona and owned by Cory Frampton and Max Keech. Scott Drummond manages the office which is open from 8 am to 4:30 pm Monday thru Friday. Carlos Jara manages our Latin American operations and lives in Chile. Carlos travels throughout Central and South America and attends the major shows here. We are a leading buyer and seller of Mexican and Latin American coins and currency and we stock the largest inventory in North America. Our primary focus is on quality material and rarities dated prior to 1930. Our inventory consists of hundreds of certified coins along with thousands of raw coins and thousands of notes. We have just published "Mexican Paper Money", a 424 page color reference book on Mexican currency which is available directly from our website. We attend many of the major shows, including Mexico City, Long Beach, New York International, the Money Show of the Southwest and others.

the economic system. The most famous rejection was that of the first copper coins called maravedis issued by the Mexico City mint under Charles and Johanna, many of which were thrown to the neighboring lake as worthless. Needless to say, if people rejected fiduciary coinage, banknotes would prove even more tricky to introduce into circulation.

A few early attempts were made in isolated areas



Luisiana 1795 80 Pesos

during Spanish Colonial rule in the 18th Century. It is no coincidence that all of these first tries occurred in more remote locations such as Puerto Rico (1766), Cuba (1781) and Santo Domingo (1782). All of these were issued under conditions of extreme coinage scarcity and are extremely rare today). Another was the attempted issue for the colony of Louisiana around the same period (also exceedingly rare). Interestingly, these issues coincided more or less in time with the initial issues in Spain of the Banco de San Carlos (1783). All of these pioneering paper money issues, and particularly the local ones in the West Indies (the Louisiana issues were printed in Spain) were basic in their design and not surprisingly had to immediately face the dreaded threat of counterfeiting. This in turn resulted in their almost complete recall, which explains their present rarity.

The second wave of paper money issues occurred roughly 30 years later, in a period of much political turmoil. Indeed, the Independence wars in Latin America (which were initially ignited as a result of the Napoleonic occupation of Spain) resulted in a necessity of funds for the parties of the conflict. Thus, several paper money issues made their

appearance in both the Royalist and Insurgent camps alongside the many necessity coinage issues, several of which were also fiduciary in nature (check out our extremely rare ND Cartagena silver ½ Real for a rarity in these series! The earliest recognized banknote of Venezuela was issued by Insurgents in 1811 as well as the first issue of Colombia issued by Insurgents in 1813. The Colombian issues (hand drawn in Cartagena de Indias while the Venezuela issue was printed) are very rare today (perhaps 2 dozen known, all of 1 Real denomination), while specimens of the Venezuelan issue appear from time to time. Also extremely rare are the Puerto Rico Royalist issues, first released into circulation in 1812-13. Lastly, and although they do not strictly belong to the Latin American series, a mention must be made of the notes issued by Alexandre Petion in Haiti (1813) to recall the multitude of counterfeit holey dollars and plugs that were circulating at the time. No specimens of this issue are currently known, but they undoubtedly circulated and were issued in denominations ranging from 5 Gourdes to 500 Gourdes.

Simultaneously with the well known independent coinage issued in Peru in 1822-1823, banknotes were also issued under San Martin's authority in 1822: these included many denominations (2 Reales, 4 Reales, 1 Peso = 8 Reales, 10 Pesos, 50 Pesos) of which only the lower three are presently known (the 4 and 8 Reales are extremely rare). Other more obscure, but equally interesting issues can be found further south. For example, the Royalist Spanish Warlord Vicente Benavides issued in the Southern area of Concepcion, Chile, a scripted paper money "vales" in 1820. Only three specimens are known to survive from a total of 50,000 pesos issued. Note that this issue had a Royalist decree (signed by Benavides) to back it up, and was therefore official in nature.

When pressed by the lack of funds, many among the newly Independent Republics (or some of their more remote locations) were tempted or forced to issue banknotes. The more familiar of these issues among the collector community are perhaps the famed issues for Gran Colombia bearing the name of Bolivar and printed by Peter Maverick in New York, and the early Argentina issues both of which correspond to the early 1820's period. Other more obscure ones include the extremely rare Chilean issues of 1825 and 1828, the early Valdivia (also Chile) notes issued in 1824 and 1831 (preceding



Colombia Remainder 3 Pesos by Peter Maverick

the well known issues of 1842-1844), and the early Uruguay notes issued in the 1830's. Another group of issues that was

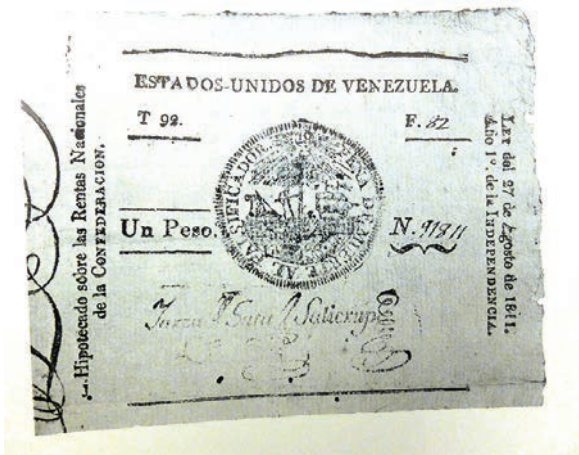
Continues on page 7

practically unknown until a few specimens surfaced recently (no doubt following the recent political turmoil that has affected that country) is the Honduras early issues released shortly after that Republic declared itself independent from the Central American Republic in 1838. The latter Honduras issues are no doubt crude and primitive, but it is that very

adjusted, following their higher demand.

After practically three centuries of being accustomed to circulating coinage of intrinsic value, it is hardly surprising that all these early paper money issues faced rejection at the time of their issuance. This rejection was usually punished by harsh penalties but it was to no avail. Their often crude workmanship was also a fertile ground for counterfeiters and at the time of their recall, most of these issues were only worth a fraction of their nominal value.

To varying degrees, the circulating coinage in Latin America faced serious problems of quality by the 1850's. Counterfeits or debased coins were usual and civil wars and the resulting lack of funds were also commonplace (true, some countries were much more stable than others). The need to clean up the circulating coinage and the general lack of funds were generally addressed in two landmark ways. The adoption of the Decimal Monetary system and the appearance of laws to allow for the regular issuance of banknotes. We will refer to these events in the next part of our review.



Venezuela 1811 1 Peso

characteristic that exudes “flavor”: when holding one of these notes, one can almost grasp the emergency faced at that time, forcing the authorities to resort to these locally printed notes to attempt parrying the alarming lack of funds that they faced at the time.

Alongside these banknotes (meaning a note payable to the bearer and acceptable in official transactions), other



Santo Domingo 1782 1 Peso

hybrid issues (bonds, promissory notes and the like) also circulated, and can also be collected, at much more reasonable prices. Some of these have reached “banknote” status in their respective collected area and their prices are therefore



Mexico 1921/11 20 Pesos
PCGS MS65
SKU - 20956

Aztec Calendar stone, well struck with satiny luster and clear overdate. The PCGS pop report shows only three graded at this level, with none higher.

Price is \$3,700.-



Central American Republic
8 Escudos
1837 CR E KM#17
SKU - 20387

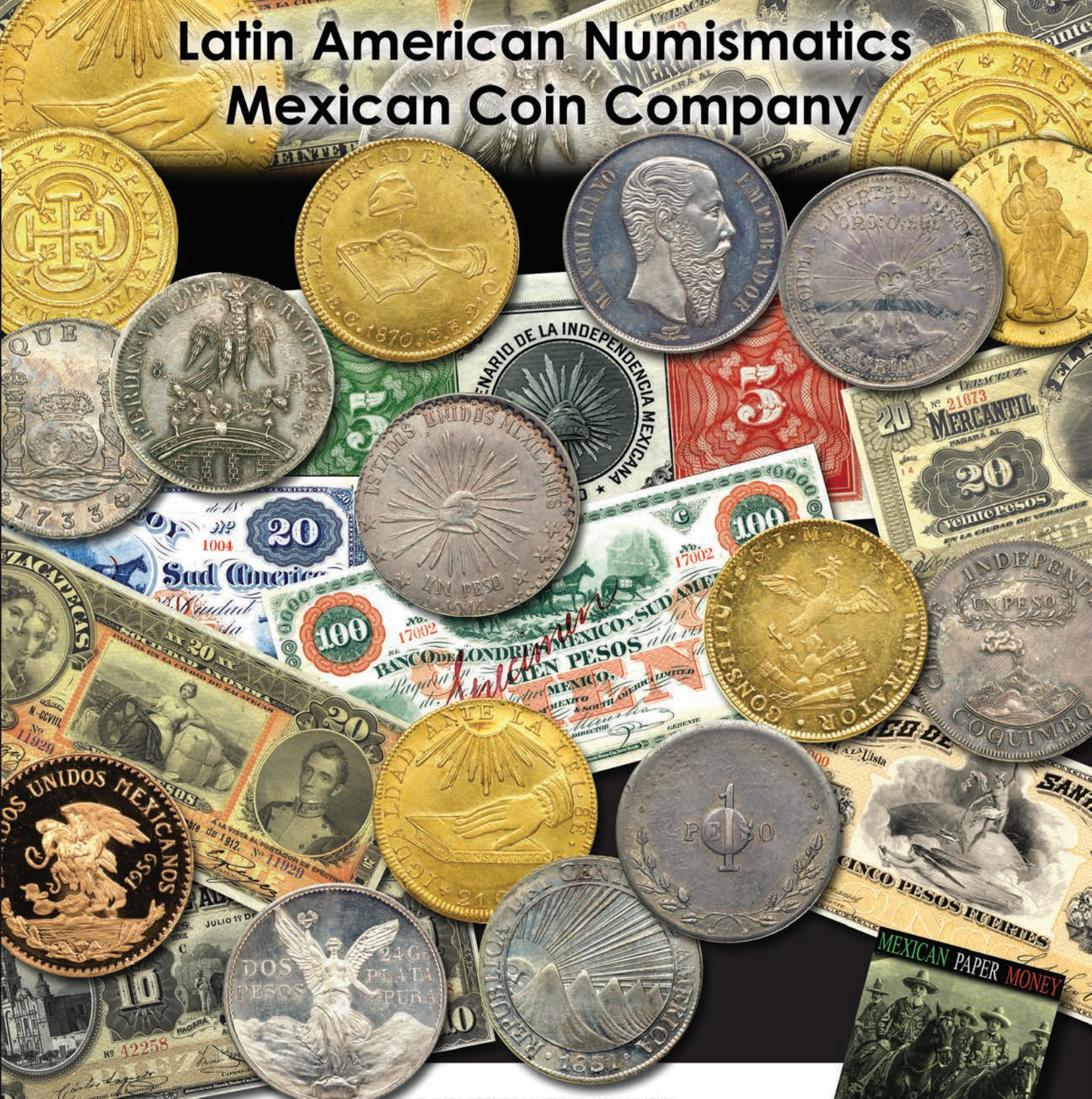
From the very popular “Arbolito” design, and the second rarest date for this type. While the high grade of this piece is sufficient to render this piece very significant as a type coin, this is many times rarer than the 1833 and 1828 dates that (rarely) show up this nice, and should be valued in consequence.

Price upon request.

TELL US HOW WE CAN HELP YOU

If you collect Mexican or Latin American coins or currency, we want to stay in touch with you. Please include a want list if you have one. Our website mexicancoincompany.com is interactive. If you take a couple of minutes to set up an online account and let us know what you collect, you will receive a weekly email notice listing new inventory items in your area of interest. You can very simply cancel this service at anytime.

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MEXICAN PAPER MONEY

Mexican Paper Money, edited by Mexican currency specialist Cory Frampton, is the first serious effort in over twenty years to catalog all known Mexican Currency. This major reference book is hardbound, contains more than 400 pages and is printed in 9"x12" color format to enlarge the more than 2,500 color images obtained from major public and private collections. It contains a wealth of general information about Mexican currency together with current value estimates on all known issues, which will prove invaluable to the serious collector. The next edition of the book will be printed in 2015.

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