

¿Qué hay en Su billetera?

(What's in your wallet?)

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If the title question was asked of an American citizen prior to 1857, one could reasonably expect their response to include a variety of world coins. Prior to this date, many foreign coins were legal tender in the US, due to a lack of available American coinage. Prior to the establishment of the US Mint in 1792, coinage in the United States, by default, was foreign specie (gold and silver). It is estimated that by 1830 Spanish coinage constituted a quarter of the available specie in America.



Image courtesy of Arno Safran

According to author Gerald Muhl in his excellent article titled *When Foreign Coins Circulated Freely*, the United States Coinage Act of 1793 recognized Spanish and French coins as legal tender.

While this was

supposed to be a short-term arrangement until the Federal Mint in Philadelphia was able to meet the demand for coinage, in fact these coins were accepted forms of payment until their legal status was repealed by the Coinage Act of 1857.

As the years went on, silver and gold coinage from Mexico, Peru, Chile, and Central America were also accepted as legal tender. Surprisingly, not much coinage from Great Britain circulated, although the early Americans often referred to foreign coinage in terms of the British denominations. For example, One Reale (equivalent to 12½ cents) was considered, and often called, a Shilling.



Safran giving Presentation

In June and July of 2018, Mr. Arno Safran presented a two-part series titled *Collecting Foreign American Coinage that were legal tender in the USA* to the members of the Stephen James Central Savannah River Area Coin Club (The SJCSRACC). As usual, Arno's presentation was fascinating, very educational, and of high quality, with

much historical background and many images of the coins being discussed.

To provide context, Arno provided some historical facts that led to the use of the foreign coins. As Spain was an early explorer of the Americas, and having found abundant supplies of gold and silver ore, Spain established minting facilities in Mexico, Guatemala, Columbia, Peru, Bolivia and Chile as early as the mid-1500s. As noted by Arno, the very first coin shown in the *Guide Book of United States Coins* (aka the Red Book) is the Spanish Milled Dollar. This coin, also called the Pillar Dollar, was the predominant coin in Colonial times. As noted in the Red Book, President Thomas Jefferson recommended this coin be adopted as the US' monetary unit.



Image courtesy of Heritage Auctions.com

1739 Philip V Pillar Dollar

- "Two Worlds" Type
- First Milled Dollar Coin
- "Piece of Eight" – 8 Reales / 8 bits
- Utra Que Unum - "Both are One"
- Plus Ultra – "More Beyond"
- Crowned Pillars represent Pillars of Hercules
- Two globes attached to Spanish Crown floating on ocean represent the "two worlds" – the old and the new
- "o" over "M" symbolizes the Mexico City Mint
- Philip V by the grace of Gog, King of Spain and the Indies
- Crowned Bourbon Coat of Arms

According to Arno, Pillar coinage was struck in five denominations, all composed of .917 fine silver:

- 8 Reales, equivalent to \$1
- 4 Reales, scarcest of the five denominations, valued at 50 US cents at the time
- 2 Reales – 25 cents or “two-bits”
- 1 Reale – slightly larger than American dime, and monetized at 12 ½ cents
- ½ Reale, equal to 6 ¾ cents

He also noted that even though these coins are not particularly rare and are relatively inexpensive, they might be hard to obtain because there is such low demand for them. The NGC World Coin Price Guide website values a 1739 Pillar Dollar grade VG8 at \$100, and a XF40 specimen at \$400 – well within the price range of many collectors. Safran noted that of the series the four Reale is the scarcest, and the ½ Reale is hard to find in higher grades.



Mexico - Charles IV 1/4 Real 1796-Mo MS65 NGC, Mexico City mint, KM62. Image courtesy of www.numisbids.com

Shown here is one of Arno's slides showing a complete six-coin set issued by King Charles IV, 8 Reale through ¼ Reale



Two World Coin Set Top: Coat of Arms Side; Bottom: Date Side. Images courtesy of Arno Safran



Image courtesy of Arno Safran

The "two world" coin type extended from 1739 through 1788, and was issued by three Spanish monarchs: Philip V, Ferdinand VI, and Charles III

Due to economic conditions in Spain, silver fineness was reduced by Charles III from .917 to .903;

Replaced by the Portrait / Bust type in 1789

The observant reader will notice that all these coins are made of silver. Per Arno, this is because copper coinage was never popular among Latin American peoples. But this lack of popularity did not diminish the need for small coinage, so in 1796 a new silver denomination, the ¼ Reale was struck. This coin translated to 3 1/8 US cents.

The year 1808 was one of transition, as the coinage changed from King Charles IV to that of young King Ferdinand VII, who reigned twice, first from March 19 1808 to May 6 1808; and then again from December 11, 1813 until his death on September 29, 1833.



Years of Transition: The obverses of 1808 Chas IV & Fed. VII 8 Reales Image courtesy of Arno Safran

Ferdinand VII issued the Armored Bust type coinage. The set consisted of 8, 4, 2, 1, and ½ Reale. Safran indicated that although the 8 Reale is readily available, the minor coins are hard to find. In 1811 Ferdinand's portrait was revised, showing the King in a Laureate Bust style, and adding the tiny ¼ Reale (the Cuartilla) denomination.

Arno relayed that upon his return to power, Ferdinand VII was very bitter and ruled ruthlessly, targeting retribution against those in Spain he believed had supported his ouster and replacement by Joseph Bonaparte (See Sidebar). By 1810 some of the Latin American colonies, most notably Mexico, began demanding independence from Spain because of the suffering that they were enduring.

Ferdinand VII abdicated the Spanish throne on May 1808 shortly after the invasion of Spain by France. He was replaced by Joseph Bonaparte (Joseph I), older brother of French Emperor Napoleon Bonaparte,

Joseph I was deposed on December 11, 1813. He abdicated and returned to France after the main French forces were defeated by a British-led coalition at the Battle of Vitoria. Ferdinand VII then resumed rule.

https://en.wikipedia.org/wiki/Ferdinand_VII_of_Spain

The ensuing Mexican War of Independence was finally settled in 1822, when Augustin Iturbide (a leading Spanish General who, seeing a chance to obtain power, switched sides) led the ad hoc Mexican forces to victory. He declared himself Emperor, and was a brutal dictator who was deposed in 1824, shortly after assuming power. In 1822 and 1823 Iturbide issued the first non-Spanish coins in Mexico. Five denominations were issued: 8, 4, 2, 1 and ½ Reales



8 Reales – Augustin I; 1822; Mexico (Empire of Iturbide) Image courtesy en.numista
<https://en.numista.com/catalogue/pieces15085.html>

8 Reales – Augustin I

Country Mexico (Empire of Iturbide)

Years 1822-1823

Value 8 Reales

Metal .903 Silver

Weight 27.07 g

Diameter 38.95 mm

References KM# 310

<https://en.numista.com/catalogue/pieces15085.html>

Following Iturbide being deposed, the First Mexican Republic, also known as the First Federal Republic of Mexico, was formed. This government faced constant struggles but lasted almost twelve years, to late 1835, when Santa Anna formed the Centrist Republic of Mexico. The First Republic changed the design on the Iturbide-issued coins by moving the eagle to the obverse of the coin, thereby replacing the portrait of the much-despised dictator. The reverse design now included a Phrygian cap – a common symbol of liberty use by many nations - including America – with rays extending from the cap. The date and symbols indicating the coin's fineness are below the cap. During the time of this Republic the design elements were slightly changed a number of times. Shown here are two variants of the 2 Reale coin:



1824 KM-373.1 Hooked Neck Eagle 2 Reale

1826 KM-374.8 Upright Eagle 2 Reales

Images Courtesy Arno Safran

Completing his discussion on the Mexican coins, Arno moved on to the coins of the Central American Republic, formed in 1823 and which consisted of a federation of five countries – Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica. These five countries had a population of approximately 1.5 million people in 1824 when they began issuing coinage.



Provinces of the Federal Central American Republic
<https://alchetron.com/Federal-Republic-of-Central-America>

Los Altos, composed of the highlands of Guatemala and part of Chiapas State in Southern Mexico.

- Declared independence from Guatemala in February 1838
- Recognized by Central American Republic as sixth member June 1838
- Forcibly reincorporated into Guatemala in January 1840
- Renewed Declaration of Independence August 1848
- Reincorporated to Guatemala (again) May 1849.

https://en.wikipedia.org/wiki/Los_Altos,_Central_America

These coins were quite beautiful, and the obverse depicted five mountains (representing each nation) with a smiling sun rising behind the mountains. The reverse displayed a Ceiba tree and the coin's denomination. Per Arno, most of the coins of the CAR were struck at the Guatemala City Mint, although some were struck at San Jose in Costa Rica and others, such as the 2 Reale, in Honduras at Tegucigalpa. He also noted the Federation disbanded in 1839, but continued to strike coins with the same design through 1849, at the Costa Rican mint.

Shown below is the common date 1824 8 Reale coin from the Central American Republic.



1824 8 Reales of the Central American Republic, KM-4; struck at the Guatemala City Mint. Graded AU-50
 Image courtesy of Arno Safran

Safran said that, as with the Pillar coinage, the minor coinage of the CAR is much scarcer, especially the 2 Reales, which was struck only at the Tegucigalpa Mint in Honduras in 1825 (rare), 1831 (available) and 1832 (scarce). Safran shared a photo of an 1831 CAR 2 Reales which he had acquired (and subsequently sold). While this coin has a significant planchet flaw and only graded VF-20, it was the highest graded CAR 2 Reale he had encountered in over 20 years of searching. Perhaps because of the rarity of the 2 Reale, contemporary counterfeits of the coin were often struck. An example of the 2 Reale type set, to include a contemporary counterfeit, is shown here.



2 Reales coins of the Central American Republic (L to R)
 • 1831; • 1832; • 1833 Contemporary Counterfeit
 Image courtesy of Arno Safran

Arno highlighted the tiny ¼ Reale silver coin struck by the CAR – a 1840/30 over date ¼ Reale valued at US 3 1/8 cents. Like the ½ Reale, this coin was so small that they could only fit three mountains in the design, rather than the five. There is no mention as to which two of the five countries

were omitted – but one can speculate that it probably was a source of much debate at the time!



1840 / 30 ¼ Reale of the Central American Republic. Image courtesy of Heritage Auctions

After the discussion of silver coinage that circulated as legal tender in early America, Arno brought up gold coinage. The first slide he presented discussed the five denominations of Escudo (meaning “Shield”) that were issued by the CAR. Escudos were issued in the following denominations: ½ E, 1E, 2E, 4E and 8E. One Escudo gold coin had the value of 16 Reales or two silver dollars. These coins had a gold content of 87.5%, versus the 90% typical of American coins.

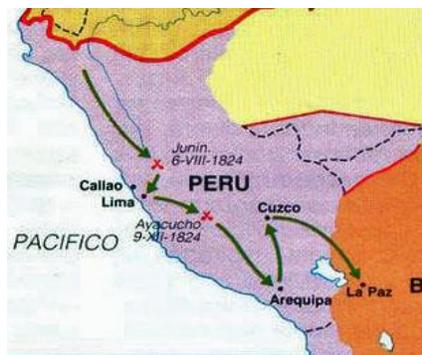


Central American Republic Escudo set: ½, 1, and 2 Escudos. Image courtesy of Arno Safran

While it was stated earlier that collecting Latin American silver coinage is relatively inexpensive, the same cannot be said for the gold Escudo coins. Per Greg Reynolds, in his October 2016 Coinweek article *Gold Coins of the Central American Republic: Costa Rica & Guatemala*: “... there are many CAR Half-Escudo, One Escudo and Two Escudos gold coins that cost less than \$1,000 each. Indeed, CAR Half-Escudo and One Escudo coins can often be found for less than \$500; below \$200 on occasion. An ample number of CAR Four Escudos coins may be acquired for under \$5,000 each. A few may be priced under \$2,000. Coins of the largest denomination, Eight Escudos, tend to be much costlier.”

While a complete type set of CAR Escudos consists of only six coins, you better have deep pockets if you want to obtain this set!

Having taken us through the gold and silver coins of the Central American Republic, Mr. Safran moved on to the silver coins of Peru.



Source: <https://www.pinterest.com/MartyFre/d/géographie-historique>

The first coins issued by the provincial government of Peru occurred in 1822 and 1823, when one silver peso and three copper denominations – the ¼, ½, and 1 Real and were issued. The copper coins were not legal tender in America, but the silver peso was. According to Arno there were three mints in Peru at the time – the largest production coming from Lima, Peru’s capital, followed by Cuzco to the east and Arequipa to the south. Shown here are two of the copper coins and the silver peso, all dated 1823.



1823 Peruvian ½ and 1 Reale; Silver Peso. Image courtesy of Arno Safran

In 1825 the Peruvian government began issuing six denominations of silver coins – the 8R, 4R, 2R, 1R, 1/2R and the tiny ¼ R. Since there were three mints, slight variations of design can be found in the coinage of this period, but in most cases the differences are quite small and do not merit a premium. However, Arno indicated that the smaller

denominations in high grade are difficult to come by, mainly because more people used them for commerce, whereas the larger denominations, such as the 8 Reale, were saved by banks as species. Arno also noted that coins struck in the 1850s (prior to 1857) are easier to obtain than those minted in the 1830s and 1840s.



An 1826 8 Reales featuring the Peruvian coat of arms on the obverse and a standing *Libertad* holding a Phrygian cap on a staff with her right hand while supporting a slightly slanted shield with her left hand on the reverse.

Image courtesy of Arno Safran

Interestingly, the 1 Reale Peruvian coin (worth 12 ½ US cents) circulated more in Peru than in the US because it had more purchasing power in its home country. Safran stated that the ½ Reale was heavily used also, and in many cases women would punch holes in the coins and then attach them to a metal wristband to prevent loss. Consequently unholed specimens of this coin are difficult to obtain. Finally he showed the audience an example of the tiny ¼ Reale which was minted for 31 years - from 1826 through 1856. This coin is so small that the number of design elements is limited – the obverse contained the mint, the coin value, the date; the reverse depicts a Llama. The coin shown below, per Safran, probably grades VF-30. He noted the date is common, but these coins do not surface very often because of low demand. NGC values VF20 examples of this coin at \$14 and XF40 examples at \$27.50. Should a MS60 example be found, NGC values those at \$375 – still relatively affordable!



Peruvian 1830 / 28 ¼ Reale.
Image courtesy of Arno Safran



Collection of all six Peruvian silver denominations.
Image courtesy of Arno Safran

For the last leg of our journey through Latin America Arno showed us the coins of Chile. He started this section of his presentation by sharing a brief history of Bernardo O'Higgins, the founder of independent Chile in 1817. Higgins was the son of an Irish born Spanish father and a Chilean mother, hence the very international name!

Chile struck both silver and gold coins. The gold coinage had the typical range of denominations - from ½ escudo to 8 Escudo; whereas there were four silver coins: 8R, 2R, 1R and ½ R. Arno mentioned how very much he loves the design on these silver coins – they feature a volcano, and are aptly referred to as the Chilean Volcano series. Both the 1 and 2 Real coins were single year types. Shown here is a 1834 Volcano 2 Reale, grading XF-45. Only 3,470 were reported to have been struck at the Santiago mint.



1834 Volcano 2 Reale, grading XF-45. Only 3470 were reported to have been struck at the Santiago mint.
Image courtesy of Arno Safran

The ½ Reale also had very low mintage – it was struck for two years (1833 and 1834) with a total mintage of approximately 16,000. The 1834 is thought to be a bit more common than the 1833 coin. Finally, the ¼ Reale was struck

from 1832 – 1834, with a reported mintage of 54,000. There is one over date variety known – the 1832 over 1. The mintage includes both varieties of this coin.



Chilean 1832 / 1 over date 1/4 Reale.
Image courtesy of Arno Safran

Mr. Safran indicated that beginning in 1837 the design of these coins was changed from the volcano to a Shield and Eagle design.

A Shield & eagle series followed the Volcano type silver denominations beginning in 1837 with slight modifications in 1848. Below is an 8 Reales version



An 1849 .900 fine silver Peso
The mintage was not reported.

Slide courtesy of Arno Safran

This coin wrapped up Arno's wonderful, two-part series on Latin American coins which circulated in America prior to 1857. It was a fascinating presentation, filled with historical facts and context. More



Safran receiving Certificate of Appreciation
from Club Secretary Jim Mullaney

importantly, Mr. Safran provided in depth explanation for each coin and series, accompanied by photographs which he used to highlight the design elements as they were discussed. As is expected, Arno's presentation was

**MUY EXCELLENTE! MUCHO
GRACIAS, SEÑOR SAFRAN!!**

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- Image: Map of Peru, 1824
<https://www.pinterest.com/MartyFred/géographie-historique>
- Image: Map of the Provinces of the Federal Central American Republic <https://alchetron.com/Federal-Republic-of-Central-America>
- Image: 1840 / 30 ¼ Reale of the Central American Republic courtesy of Heritage Auctions, <https://coins.ha.com/itm/guatemala/guatemala-central-american-republic-1-4-real-1840-30>.
- Image: 8 Reales – Augustin I,
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- Image: Mexico - Charles IV 1/4 Real 1796-Mo MS65 NGC, Mexico City mint, KM62;
<https://www.numisbids.com/n.php?p=lot&sid=1368&lot=36224>
- Other images by the Author

Author's Note:

Arno Safran is a numismatist with decades of experience and very diverse collecting interests, including American coins, tokens, and currency, as well as International Coins. He has been a member and a leader of several numismatic organizations during this time, including serving as President

of the Garden State Numismatic Association, where he also received the honor of being named their Numismatist of the Year in 2000. He is an active member of the Augusta (GA) Coin Club and the Stephen James Central Savannah River Area Coin Club (SJCSRACC), where he routinely gives extensive, well-prepared presentations. He is also the Editor of the newsletters for each of these clubs, and his achievements in this area have been repeatedly recognized



Safran receiving Certificate of Appreciation from Club Vice President Pat James

by the American Numismatic Association – Arno’s writing has won several awards from the ANA. Arno’s articles have also been published in numismatic publications, such as *Coin World* and *E-Gobrecht*, the Electronic Publication of the Liberty Seated Collector Club.



Hard Times Token, MS62 Trace Red. Smith's Clock Establishment No 7½ Bowery New York 1837 Time Is Money with clock face pictured.