

COLLECTING COLONIAL & CONTINENTAL CURRENCY

Colonial and Continental Currency seems to be a bargain in today's marketplace in terms of its rarity and value. Collecting this field of historic, early American currency is straight forward and easy to understand. In recent years, while far more common and "modern" issues of United States paper money have dramatically risen in value, Colonial era currency has remained relatively quiet seemingly "under the radar."

Its history and importance to Colonial America is remarkable. Without the wide use of this new creation and experiment with Paper Money, daily commerce, especially between distant parties, would have been virtually impossible to conduct. There was very little "hard money" in the form of metallic coinage available in the colonies. Precious little made its way out of Europe and South America to the thirteen colonies. That copper, silver and/or gold coinage from virtually anywhere in the world was gladly accepted in commerce and trade. Otherwise, colonial era merchants and average citizens alike, had to rely upon the barter system of services and goods for all payments.

In the year 1690 the Colony of Massachusetts Bay issued the very first authorized, printed public Paper Money notes in the entire Western World (which includes all of Europe!). Its monetary value was printed on the face side. This "fiat" Paper Money was able to be redeemed at the Massachusetts Treasury against Taxes due. Later Paper Money issues involved the money represented by those notes being backed by land, and still later the money was secured mostly by nothing at all. Over just a short period of time inflation, counterfeiting and a general lack of acceptance of Paper Money notes proved problematic. In time, many note issues also bore specific rates of interest, to be paid just for holding them in times of inflation, typically at a rate of five percent per year. The American Revolutionary War could never have been successful without patriotic citizens widely accepting Continental Congress issued currency. The issue of May 10, 1775 was the very first Federal currency, having being authorized, designed and issued by the Continental Congress itself.

Many collectors typically start out by purchasing a basic "Thirteen Colony Set." This consists of one note from each of the original Thirteen colonies. Some also add an example of a Continental Congress issued note, making it a fourteen note set. Often people collect notes issued from their home state (if one of the original thirteen colonies), or those connected to their family heritage. To be certain, a highly dedicated core of collectors attempt to collect each and every Colonial and/or Continental note as possible. Being so serious, they desire to complete as extensive a collection, often in as fine of quality as can be obtained. In my experience, collectors should acquire these scarce notes as they become "available." Buy now and over time try to upgrade as possible and affordable, should you have the opportunity.

Compared to most much later, more modern issues of United States Paper Money, Colonial and Continental currency remains truly undervalued. Whereas a Large Size Federal note having only a few examples known might easily sell for the mid-five to six figures, a similar rarity Colonial note might be available to buyers for only four to low five figures. The single most expensive Colonial note rarity we know to have sold, brought a modest \$350,000. Today there are a number of more common uncirculated quality Colonial notes that can be acquired for under \$500. That is far less than the commonly encountered 1899 "Black Eagle" Silver Certificate note! This discrepancy seems bizarre, yet it is currently absolutely true.

Perhaps the best way to get started collecting this historic Colonial Paper Money field is to acquire the knowledge available in Eric Newman's extensive reference work: "The Early Paper Money of America." That 495 page, highly illustrated book is considered the "Bible" on this subject from the earliest issue, up through about the year 1800. The listed values for notes can be somewhat unreliable and out-of-date, as this current 5th Edition was published in 2008. The Currency Dealer "Green Sheet" also provides a very brief quarterly summation of some general Colonial pricing. The very most recent pricing can be found at the front of the current 19th Edition of "The Paper Money of the United States" by Arthur Friedberg, which was issued in August 2010. Both books are now in stock at Early American.

For decades at Early American, we have dedicated major sections within our published auction catalogs and now also on our Internet website, offering collectors an extensive array of Colonial and Continental currency issues at: www.EarlyAmerican.com. We make a market in this historic field and accept quality consignments for auction. Whether you are currently a total novice or highly advanced collector, please be certain to make Early American History Auctions, Inc. and Dana Linett a constant and productive source for your collecting needs.