

Tom Sheehan articles



Tom is a past president of the Pacific Northwest Numismatic Association (PNNA) and has been an active numismatist in the Pacific Northwest for many years.

Here are two of his important president's messages published in *The Nor'wester* (PNNA quarterly news), back in 1999 and 2000.

To view back issues of *The Nor'wester* with Tom's messages and much other content such as educational articles and news, see:

<https://www.pnna.org/wp/news/the-norwester/norwester-online/>

All issues since 1997 are available, along with a few incomplete scanned pages before that.

3rd Quarter 1999 — Coin Preservation

I just received a new book for my collection. It is a small volume titled "A visit to the Cabinet of the United States Mint, at Philadelphia." The book was published in 1876 before either of the Smith or Evans books came out. Several thoughts came to me as I read the very first paragraph which is titled "Historical Importance of Coin." One was the style of prose. It is much more flowery than would be used today. A quote of one sentence: "History engraven upon golden coins and medals lies hidden in tombs or buried in the bosom of mother earth, deposited here by miserly hands ages long past." I am sure today we would leave out many of the adjectives.

I was reminded that we are all just temporary custodians of what we collect. The coins and medals we collect will remain long after we are gone. Even this book has been held by many others since its publication in 1876 and will be owned by others after me. The same is true for ninety-five percent of the coins and paper money in my collection. This brings up the importance of preservation. We have a responsibility to our collections and the people who will possess them after us to take good care of them. In addition to being knowledgeable of coin values we must school ourselves on conservation. PVC has devalued and ruined many coins and mishandling has ruined paper money. Keep your collections in proper containers and in a good environment.

Keeping your collection safe from the elements destructive holders is just the beginning. It is imperative that we make provision for the disposition of our collections. In my experience both professionally as a broker and as a collector I have seen many examples where collections and valuable assets have gone for a fraction of their value because the owner did not leave either a good inventory or instructions as to disposition.

In my own case a big part of my collection is in numismatic literature. Locally there are no dealers who specialize in this area. I have instructions that should something happen to me that each part of my collection is to be disposed of by a specific specialist. The books to one dealer and the auction catalogues to another. The coins naturally to specialists in each area. If you have a top-quality large cent collection, you wouldn't want to sell it to a specialist in foreign gold or a specialist in numismatic literature, would you?

I encourage all of you to spend some time listing out how and who is to help in disposing of your collection. The first step would be to simply attach a letter to your will telling your executor what you have in general and what dealers should be contacted or what auction firm to use. I have found that the surviving relatives or executors often have no idea how to handle a decent collection. It has happened more than once that a collection that someone has spent years assembling at great cost has gone for a fraction of its value just because it was sold too quickly or to someone who was not a specialist.

We are not afraid to spend a few dollars to buy a book telling us what our coins are worth. I encourage you to spend some time and perhaps a few dollars with your attorney to be sure you get full value for your collection. You can even leave instructions with your attorney to consult a trusted friend to advise on the proper disposition. Don't just leave it to chance.

Remember that we just have these precious pieces of history on loan! Your heirs will appreciate getting full value and the collectors to follow will appreciate that you have cared for your collection.

1st Quarter 2000 — Investment Mania

In 1849 a book titled *Extraordinary Popular Delusions and the Madness of Crowds* appeared. One of the topics covered was the great tulip bulb mania of the 1600's in Holland. It seems that everyone collected tulip bulbs and in due course great sums of money were paid. People were paying several times their monthly incomes to purchase tulip bulbs. Eventually it became evident that there was no real value in collecting tulip bulbs.

All this comes to mind when I see what is going on around us today. The stock market as measured by the S&P 500 is selling at the highest price that I can remember. Shares of stock are exploding in price for no other reason than the fact that there are people bidding up the prices. When a company takes its stock public the firms that underwrite the deals are supposed to know the market and bring it out at a price that is fair to both the company and the investor. This is not happening. On a personal note, several months ago a collector friend of mine and I were talking, and he told me that his company was going to be selling stock. He seemed to think that it might be a good investment.

I followed the company and told my broker that I would like to buy a few shares. For several weeks prior to the sale the expected price was published to be in the \$14-\$16 range. When it was finally priced the underwriters priced it at \$48!! One would think that the demand was strong, and the company would be maximizing its proceeds on the sale. Wrong! The public ran the price up to \$280 on the first day.

Now you are probably wondering what all this had to do with numismatics. Well, I see the same thing happening in the collector area. Huge gains in the stock market are allowing people to bid up the prices of rare coins beyond reason. About eighteen months ago there was a coin I wanted very much to add to my collection. I placed my bid with the auction house and bid 30% more than the estimate. I was not even the covering bidder since it sold for 50% more than my bid, twice the estimate!

Earlier this month the same coin came up again for auction. The previous owner had died. This time I asked a dealer to represent me at the auction. This time I was certain to buy the coin since I set my limit at 180% of the estimate. This time the estimate was just 20% under the price it sold for eighteen months ago, which would be reasonable. It sold for almost three times the estimate. And again, I was not even the covering bid. I was left in the dust.

I know that in time this one coin I need will come up at a reasonable price. Right now, I think the stock market is inflated and high-end coins may also be inflated. When the market either comes down or stops going up the coin market will get back to a reasonable level. I have always been willing to shift my numismatic interests around and will continue to do so. I don't have to bid on English gold coins right now – I can wait until the prices come down.

Don't get caught up in the mania. Keep your senses and enjoy our hobby for what it is – an educational diversion. It is not an investment like stocks or real estate.