

### **Comments by Q. David Bowers**

Thank you for the invitation to appear before the Committee on Financial Services, Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. The thrust of my remarks will focus upon the objectives of the Treasury Department and United States Mint as well as the community of numismatists and casual coin collectors, the last variously estimated by Mint directors to be over one hundred million people.

H.R. 5077, The Numismatic Rarities Certainty Act, provides protection to those owning United States Mint products whose origin is not completely documented. This field includes many thousands of coins, including patterns that have been produced over the years, most particularly in the 19th century, but without any documentation remaining. At one time it was the practice of Mint officials (beginning in spring 1859 under Director James Ross Snowden and ending under the administration of Daniel Fox in 1885) to have restrikes, rarities, and other fancy pieces made, for their private sale to dealers. Today these are widely collected. However, there is no record of them having been legally released. Similarly, in modern times there have been Mint errors, off-metal pieces, and other oddities that have found their way out of the Mint, sometimes produced in a regular manner, but not caught as errors before they were released into the Federal Reserve System. In still other instances there have been test pieces, patterns, and the like retained by engravers, Mint officials, and others, with no documentation available, and with different presumptions being made. H.R. 5077 wisely provides protection for the owners of numismatic items that are not documented, providing there is no specific incontrovertible evidence that they have been stolen. Such coins will be presumed to be legally held unless specifically documented otherwise. This will remove the uncertainty that something *might have been* illegally removed and will give assurance to the holders of such pieces.

I suggest that there be a moving date for the age of such pieces, such as “dated more than twenty-five years ago,” or similar. In this way H.R. 5077 will remain useful for a long period of time. Otherwise, long from now, a date such as 1932 will seem unusual. If there are certain specifically documented coins that are now being contested and for which the inclusion of these under the umbrella of H.R. 5077 would be specifically controversial, these items could be excluded, their status to be adjudicated elsewhere.

### **The Mint, the Smithsonian, and 100,000,000+ Collectors**

H.R. 5077 specifically mentions the National Coin Collection held at the Smithsonian Institution. In recent times this has suffered from lack of proper funding, not making it possible to maintain modern exhibits, install up to date facilities, and the like. In the same era the United States Mint has turned in a brilliant performance in producing collectible coins, ranging from Proof sets to commemorative coins to the widely popular State Quarters Program. These activities have brought hundreds of millions of dollars each year *into* the Treasury Department, in the form of seignorage (profit on the face value of the coins as opposed to the minting cost) as well as premiums charged for special strikings. As such, the Mint is one of relatively few government activities in which funds flow the other way, enhancing the funds of the Treasury, rather than depleting them.

At the same time, the Mint often conducts its activities in directions diverging from the interests of the numismatic community, or is not as responsive as it could be to the interests of collectors. Meanwhile, collectors look to the Mint as the source for new products and are heartened when Mint officials set up displays at conventions (which they often do), and welcome its various programs. Much space is given in numismatic publications, including in *Coin World* (of which Editor Beth Deisher is testifying here today), concerning new designs, history, and the like. It is seen in the broad view that the source of profits brought into the United States Mint is from collectors who save its products, ranging from State Quarters at face value to special coins and sets, as noted. It is also seen that the collecting community focuses on these, cherishes their history, and is eager to have more.

Accordingly, both the Mint and the collecting community would seem to have the same thrust. Ideally, both should work in harness, pulling in the same direction. Among the focal points the National Coin Collection at the Smithsonian Institution is a unique treasure, containing specimens that in many instances are rare and in some instances one of a kind. The curatorial staff comprises some of the most talented individuals in numismatics. The Smithsonian has what it needs—coins, tokens, medals, and paper money that are incomparable, plus appropriate staff, as noted. What it does not have is appropriate funding. Because of this the nation is faced with having these treasures hidden from public appreciation, which the community of over one hundred million coin collectors could rightly view as being the numismatic equivalent of not being allowed to examine the Declaration of Independence or the Star Spangled Banner. I suggest that provision be made for part of the profits of the United States Mint to be given to the National Numismatic Collection in the Smithsonian, cast not as a charity or a donation, but as an intelligent business concept reinforcing the programs already in place at the Mint. The more people that are aware of the National Numismatic Collection, the more that enjoy its displays, the more that are subject to various outreaches given by it, the greater the interest will be in current Mint products. In view of the relatively small amount of money involved annually to maintain the National Numismatic Collection exhibition in a first class manner, this would seem to be one of the wisest investments that the Treasury Department and the Mint could possibly make.

Moreover, in today's era of patriotism, the exhibits of the National Coin Collection are already of a patriotic nature, delineating the rise of the United States of America from the Colonial Era, through the paper money issues of the Continental Congress during the Revolutionary War, down to the present time, with the motto "Liberty" appearing on nearly all issues, and with patriotic emblems on most as well. Moreover, current and past commemoratives and regular issue coins, including the forthcoming Presidential and First Lady coins, showcase American history, related to patriotism. This element is another asset of the equation.

### **Mint Records and Access**

During the course of my career I have had occasion to do extensive research at the Mint. Much of this has been used in articles (I am the most widely read columnist in *Coin World*, I have been advised, and also the longest running columnist in numismatic history—the column having started in 1961), books, presentations, and more. All of this has helped with showcasing Mint history, educating the public, and enlightening collectors. However, the access to Mint records has varied quite widely, depending on the mindset of the politically appointed director currently in office. Let me give two examples:

Director Donna Pope, in office from July 1981 to January 1991, worked closely with the numismatic community, was always ready for interviews, and to the extent she had information available, would give details as to coin designs, problems and pleasures in distribution, and more—very open communication. When I sought to learn certain things about pattern coins, she gave me permission to visit the Philadelphia Mint and view certain archives, including models of pattern coins made in recent years, not numismatically documented in many instances.

In contrast, under the more recent administration of Director Henrietta Holsman-Fore, a fine lady who attended a number of numismatic events, I was not able to achieve any entry for research at all. Since then, the situation has been the same, including for a previously unknown archive of Mint documents stored not in the National Archives, where they were supposed to have gone, but in the Mint offices in Washington, where apparently they were sent some years ago and then forgotten.

Research cooperation with qualified scholars is truly a minor point in comparison to the items mentioned earlier, but it is an aspect that could be set up on a routine basis if better communication channels were put in place. How to do this? A step in that direction would be to make the Director of the Mint a Civil Service position, not subject to political appointment. Under the present system, actually in

effect since the foundation of the Mint in 1792, the President of the United States has appointed someone who in most instances has been dedicated to the political party in power. In most instances the named individual has had no knowledge of coinage, the monetary system, numismatics, or even the manufacturing process (remembering that the various Mints are in essence coin factories). Some while in office have learned well and have acquitted themselves admirably, others have not. A career official would be able to work more closely and continually with the fine Mint staff, to develop long term relationships with the numismatic community, and to benefit from experience as the Mint went through different programs. This would be in contrast to complete changes each time a new director was put in place. Such a hope is probably beyond the aspect of the discussions here today, but I mention it as an ideal situation.

More realistic would be for the Mint to put in place a Civil Service position on its staff, either adding to the responsibilities of a current Mint career employee, or creating a new one, with the specific assignment of working closely with the numismatic community. At present, the availability of information concerning coin designs, mintages, distributions, items in storage, and the like—of very great interest to the collector community—is often distributed erratically, sometimes erroneously, and sometimes not at all. There is little if any of this information that is truly confidential in the context of national security or financial security. Indeed, the dissemination of such information on a timely basis benefits the numismatic programs and consequently the profits of the Mint.

### **Summary**

In summary, I endorse H.R. 5077 and commend Congressman Frank Lucas for introducing and shepherding it. I believe that its provisions, subject to appropriate modifications, are very beneficial to the overall structure of the Treasury Department and the United States Mint, as well as to its continuing profits, which have been considerable. I view the Smithsonian Institution as a unique national treasure, already in place, but simply needing nurturing from the Treasury Department and the Mint. I know that the numismatic community stands ready to support such action in any way possible.

In the overall equation we have the best of both worlds: The Treasury Department and the Mint are producing products that American citizens and others enjoy collecting, in quantity, and bringing hundreds of millions of dollars of profit each year to the Mint. By definition, collectors enjoy Mint products, are very loyal, and are supportive of what the Mint does. The two need to come closer together, a logical combination, to make even better what is currently in place. The Smithsonian Institution should be an integral part of the program.

Respectfully submitted,

Q. David Bowers