

Guns and Gold

During the Y2K “craze” numerous friends asked if I had stockpiled cash in the event of an economic disaster. Some suggested investing in gold coins. I often replied that if disaster struck in the new millennium, the coin of the realm would be .30-06—and I would be a very rich man.

Those fortunates who invested wisely in gold coins prior to the “crisis” have reaped large rewards while my collection of .30-06 ammo is still waiting in readiness.

On Dec. 31, 1999 gold closed at \$291 per ounce. As this is written in autumn 2006, it is closing at \$628; not bad, a doubling of your money in only six years. I feel my firearms are an investment, but rarely (as with registered machine guns) have I seen their value double in the same period as gold.

It's interesting to realize how much gun collecting and coin collecting have in common. In fact, some “similar interests” of gun collectors include cameras, fine watches and militaria, to name a few. It is perhaps from the field of coin collecting that we can draw the most similarities.

Primary, of course, is value. Gold coins and guns

tend to hold their value. Steven P. Fjestad, author and publisher of the *Blue Book of Gun Values*, wrote, in the 16th Edition, a great article on gun, gold and land values over time. He compared the value over time of a new Winchester 1873 rifle with special features to a \$20 Double Eagle coin. In 1873, the Winchester would have cost three Double Eagles. Around the turn of the century, the gun's value dropped to a low of \$20 while the value of the coin remained somewhat fixed at face value by the world market and U.S. law.

The 1873 was dropped from the Winchester catalog in 1919, the same year that America returned to the gold standard following its brief suspension during World War I. Gold was trading at \$21.92 an ounce, and the Winchester was selling for only \$20.

The world changed for guns and gold following the Great Depression. The ownership of gold coins was outlawed by President Franklin D. Roosevelt in 1933 and not legalized until 1974. During that time the price of gold was held at \$35 per ounce. Winchesters, however, grew in value, with the 1873 fetching \$200 or better in the post-war era.

In 1980, gold hit a historic high of \$870 per ounce. Coins were marked up further to account for their intrinsic value. Fjestad estimates the value of the 1873 to have been close to \$3,250; still pretty even with the price of three Double Eagles at the time.

Today, gold sells for \$628 an ounce, and an 1873 \$20 Double Eagle is worth \$5,000. And that Winchester? Estimated value is \$35,000 to \$50,000. For now, the Winchester is far ahead in the value-over-time equation and shows no sign of slowing down.


A contrast is to be found in how collectors establish condition for guns and coins. For generations, the NRA Gun Collectors Committee established definitions for condition standards for antique and modern firearms. It was typical to see an advertised firearm with a description that read “NRA Excellent” or “NRA Fair.” The committee described each category, so the buyer knew exactly what to expect when purchasing. Fjestad's *Blue Book of Gun Values* changed that with a grading system based on percent of original finish.

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grading service where an expert examines the coin and assigns one of 30 different grading scales. They then “slab” the coin by encapsulating it in a plastic sleeve. The process is subjective, and often dealers will resubmit coins and receive different grades each time. But just as gun collectors argue over how much finish is left on a gun, coin collectors argue over the sharpness and definition of a strike. One thing common to both is that you find 50 percent of the value in the last 5 percent of its condition.

As someone who collects both coins and guns, I find the biggest difference is that with firearms, you can sometimes find out with which battles or events they may have been associated. Coins, however, are great to look at and each has a different artistic value. Perhaps the best aspect about coins is that they don't take much space. It's considered a crime to even clean them.

Certainly both hobbies are rewarding. Heck, coin collectors even have a name for themselves—numismatists—while gun collectors are called...well, let's not go there. 

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Well, I’m thankful things didn’t work out the way most of the nattering nay-bobs thought they would. Those fortunate enough to have invested wisely in gold coins prior to the “crisis” have reaped large rewards while my collection of .30-06 ammo is still waiting in readiness.

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As someone who collects both coins and guns, I find the biggest difference between the two hobbies is that with firearms, you can sometimes find out where the gun was used and what battles or events it may have been associated with. Coins, on the other hand, are great to look at and each has a different artistic value. Perhaps the best aspect about coins is that they don’t take up much space. It’s considered a crime to even clean them.

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You could start a small list of “similar interests” of gun collectors to include cameras, old fountain pens, fine watches and militaria, just to name a few. It is perhaps from the field of coin collecting that we can draw the most similarities.

Primary among the similarities, of course, is value. Gold coins and guns tend to hold their value over the long haul. Steven P. Fjestad, author and publisher of the “Blue Book of Gun Values,” wrote, in the 16th Edition, a great article on gun, gold and land values over time. He compared the value over time of a new Winchester 1873 rifle with special features to a \$20 Double Eagle coin. In 1873, the Winchester would have cost the consumer three Double Eagles. For a period of time

reflected in that price and marked up further to account for their own intrinsic value. Fjestad estimates the value of the 1873 to have been close to \$3,250; still pretty even with the price of three Double Eagles at the time.

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Another comparison is to be found in how collectors respectively establish condition for guns and coins. Here things differ somewhat. For generations, the NRA Gun Collectors Committee established definitions for condition standards for antique and modern firearms. It was typical to see an advertised firearm with a description that read “NRA Excellent” or “NRA Fair.” The committee described each category, and the buyer being

**By Philip Schreier,
Curator, National
Firearms Museum**

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