

The CANADIAN PAPER MONEY JOURNAL



Official Publication of
The Canadian Paper Money Society

Vol. XII, No. 1

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COVER: Soon after the Dominion of Canada 1878 \$1.00 note began to circulate the government was embarrassed to find some of the Toronto notes were being raised to \$4.00. This note, the scalloped border issue was replaced by the lettered border. See the article by Dr. James Haxby. Part IV starts on page 5. The lettered border illustration is on page 19.



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The Canadian Paper Money Society is a non-profit historical and educational Society interested in Canadian banknotes, banking and other Canadian paper money. A quarterly publication, the Canadian Paper Money Journal is published and Library and other facilities are available. The Society is sustained by regular Members' contributions of \$15.00 per year or \$250.00 Life Membership donation to the Income Trust Fund. The official address of the Society is

P.O. Box 356, Fredericton, N.B. E3B 4Z9

THE PRESIDENT'S REPORT

January 1976

It gives me great pleasure to announce that plans have now been formulated to sponsor a joint convention of the Atlantic Provinces Numismatic Association and the Canadian Paper Money Society. Under the auspices of the Fredericton Numismatic Society, this one-day event will be staged at Fredericton's Lord Beaverbrook Hotel on Saturday, May 1, 1976 from 10 a.m. to 10 p.m. and will see a wide range of bourse dealers attending from various points in Canada and the United States. An auction sale of approximately 700 choice lots of numismatic material will be conducted by Frank Rose Enterprises Ltd., Toronto, Ontario. Collectors or dealers wishing to submit material for this sale are requested to contact Mr. Rose at 347 Bay Street, Toronto, Ontario for a list of terms and conditions governing the sale.



Highlighting the convention will be banquet speaker Mr. Paul Johnson from Toronto. Paul will be directing his talk towards junior and senior relationships within coin clubs, and will be bringing greetings and thoughts from the Canadian Numismatic Association. We feel Paul's contribution to the convention program will be a welcome asset assuring its success.

The APNA-CPMS Convention Committee respectfully requests from all APNA and CPMS members a donation in the form of numismatic material to be included in the donation auction. All profits realized from this auction will be donated entirely and shared equally between the Atlantic Provinces Numismatic Association and the Canadian Paper Money Society. Donation auctions of this nature have proved successful on previous occasions within other numismatic organizations, and have been a valuable method in furthering their aims and objectives among the members. A similar CPMS Educational Symposium sponsored by the Fredericton Numismatic Society on May 10, 1974 saw net profits of \$464.50 donated to the Canadian Paper Money Society as a direct result of the donation auction. The APNA-CPMS Convention Committee solicits your support in this endeavour and requests that all donations be sent to: APNA-CPMS Convention Committee, P.O. Box 356, Fredericton, New Brunswick E3B 4Z9.

The Society has undertaken the responsibility of having a limited quantity of the 1971-73 (Vol. 7-9) back issues of the Journal bound. There have been numerous requests from members wishing to secure this volume, but unfortunately the Society could not meet these requests due to the non-availability of some issues. Members are asked to communicate with the General Secretary if they can provide issues of January 1971, April 1972 and January 1973.

On behalf of the Officers and Directors of the Society I wish all the members and friends of the Society a very happy, healthy and prosperous 1976.

HARRY M. EISENHauer

\$2.00 LOW SERIAL NUMBER 1974 BANK OF CANADA NOTES

The General Secretary advises that a supply of 1974 series of Bank of Canada \$2.00 notes have been received from the Bank of Canada. Those members who are interested in obtaining a low serial number corresponding to those of previous releases are requested to forward \$4.50 payable to Canadian Paper Money Society, P.O. Box 356, Fredericton, N.B. E3B 4Z9.

IN MEMORIAM

It is with deep sorrow we record the passing of Maurice M. Gould, Maury to his countless friends. He died November 29th at the U.C.L.A. Medical Centre, Westwood, California.

At the time of his death he was a member of the board of directors of the American Numismatic Association, and was the Canadian Paper Money Society regional director for the Western United States.

He was a past president of the Organization of International Numismatists, the New England Numismatic Association, the Canadian Numismatic Society of New England, the Society of Philatelists and Numismatists, the New England Exonumists, the Collectors Club of Boston and the Israel Coin Club of Los Angeles.

He also served as a past vice president of the Token and Medal Society and as a director of the Canadian Numismatic Association, the O.I.N., the T.A.M.S., the Society of Paper Money Collectors and the California State Numismatic Association.

He held fellowships in the Royal Numismatic Society, the Canadian Numismatic Research Society and the American British Numismatic Society. He was a founder and past executive director of the Numismatic Literary Guild, and was a recipient of the Guild's Award for best syndicated columnist. This award will be renamed the Maurice M. Gould Memorial Award in his honour.

Since his youth he had been a student of numismatics sharing his extensive knowledge with those attending countless numismatic gatherings and with readers of his syndicated column.

He had especial interest in the junior collector, encouraged many to study numismatics. His inspiration and zeal won many to the hobby. Maury will not be forgotten as he lives on in the memory of countless friends.

The Bank of Canada notes with deep regret the death on December 4, 1975 of Mr. Graham Ford Towers. Mr. Towers was the first Governor of the Bank. He was appointed in September 1934 and served in that capacity until his retirement in December 1954. His tenure of office of just over 20 years spans approximately half of the Bank's years of existence. Mr. Towers' signature is well known to collectors of Bank of Canada notes. It appeared on all of the 1935, the 1937 and the first of the 1954 issues. At the time of his retirement from the Bank's service the following brief tribute was paid to him in the Bank of Canada 1954 Annual Report.

"In 1934 Mr. Towers, then 36 years of age, had attained a position of eminence in commercial banking in Canada. At the request of the Prime Minister he left this career in order to serve the public interest by organizing and heading the new central bank. His position as an outstanding authority in economic and financial matters has been widely recognized both in Canada and abroad. In his farsighted direction of the central bank's operations through the first 20 years of its existence he made a unique contribution to the strength of Canada's financial structure and to the development of the entire Canadian economy. It was evident to all who knew him that Mr. Towers consistently thought in terms of underlying human and material factors as well as the financial ramifications of the problems which came before him."

100 YEARS AGO

In January 1876 in Bowmanville applicants for The Bank of The United Provinces announced their intention at the next session of Parliament to amend their charter. This was done and it became The London and Canada Bank. Neither bank, however, was ever in operation.

* * *

In 1876 there were 43 banks operating in Canada. The St. Lawrence Bank became The Standard Bank of Canada. The Chartered Bank of London and North America was incorporated but it never opened. In May 1876 The City Bank (Montreal) announced a 4% dividend and also its amalgamation with the Royal Canadian Bank (on the 10th of May) to form the Consolidated Bank of Canada.

CANADA'S GOVERNMENT PAPER MONEY

IV. DOMINION NOTES 1879-1897

By Dr. J. A. Haxby, F.R.N.S., F.C.N.R.S.,
and Deputy Curator of the National Currency Collection,
Bank of Canada

At this point we take up the main story of the dominion notes, left off at the second instalment (128, 125). Perhaps because of counterfeiting of the 1870 issue, \$1 and \$2 notes of new designs were introduced late in 1879. Less than one year later the face design of the \$1 had to be modified due to some of the notes being altered to appear to be \$4s, and in 1887 the \$2 was replaced with a note of entirely new design—probably again due to difficulties with counterfeits. Meanwhile, \$4 notes were introduced in 1882 and saw limited circulation.

A new Assistant Receiver General's Office was established in Charlottetown; however, \$1 and \$2 notes payable there were never printed. During this period we also see the demise of the \$1 and \$2 notes specifically payable in Toronto, the Maritimes and Victoria, but only after some curious vacillations. As the number of government notes issued increased there appears to have been a centralization of the note signing in Ottawa and a change from male to female signers for the low denominations.

XVI. DOMINION NOTE LEGISLATION 1876-1895 (129-131)

THE EXTENSION OF THE DOMINION NOTE SYSTEM TO THE WEST AND P.E.I.

Although A.R.G. offices had already been established in Victoria and Winnipeg and dominion notes sent there (125), an act passed in 1876 (132) officially made government notes legal tender at Victoria, Winnipeg and Charlottetown and provided for the establishment of A.R.G. offices in those cities.

THE MODIFICATIONS OF 1880

We have already touched upon one effect the depression of 1875-1879 had upon the banks: a dramatic drop in their note circulation (125). Although this drop took place in the winter of 1874-1875; the year 1879 was worse yet for the banks. No fewer than six banks suspended payment. Three were soon able to resume; however, the three others (The Mechanics' Bank, the Consolidated Bank and the Bank of Liverpool) failed. In addition the Stadacona Bank went into voluntary liquidation.

The public was understandably shaken by the suspension and failures and by revelations of incompetence and even corruption in the management of some of the banks. This placed the banks at a distinct disadvantage in their perennial struggle with the government for the right to provide Canada's paper currency. The government's chance to strengthen its position came soon enough. It was in the Parliamentary session of 1880, when revisions to the Bank Act of 1870 were considered at the time of the first decennial renewal of the bank charters.

In April, 1880 Sir Samuel L. Tilley, who was then Finance Minister, introduced the government's resolutions, all of which became part of the final act and came into force on 1 July 1881. Five features of this legislation directly pertained to dominion notes (133):

1. The notes of a bank that are intended for general circulation are the first charge upon its assets.
2. Banks may only issue and re-issue notes for sums of \$5 or multiples thereof.
3. Any bank, when making a payment, must do so with up to \$50 in \$1 or \$2 dominion notes if the receiver so desires.
4. A bank's cash reserve must consist of at least 40% in dominion notes.

5. The amount of dominion notes outstanding at any one time may be increased to \$20 million, provided the increase is not more than \$4 million in any one year. The Minister of Finance is to hold a 25% reserve for the redemption of the notes, consisting of at least 15% in gold and the remainder in Dominion of Canada securities guaranteed by the British government. The other 75% is to be held in unguaranteed debentures.

The first feature was proposed by the banks themselves. They realized that it was critical to restore the public's faith in the security of bank notes. It was reasoned that it would be highly unlikely that a bank's assets would be so low at the time it failed that there would not be at least enough money to pay off the outstanding notes.

The practical effects of the second and third features were to (a) increase the circulation of \$1 and \$2 dominion notes and force the banks to hold more of them and (b) increase the circulation of dominion notes relative to bank notes. It can be assumed that the banks routinely tended to pay out their notes in preference to \$1 and \$2 dominion notes whenever possible. Prior to 1881 most banks issued \$4s and could use them to partially avoid the use of government notes in making payments: $2 \times \$4 = \8 , $\$4 + \$5 = \$9$, $3 \times \$4 = \12 , etc. Some banks had \$6s and even \$7s; which further reduced the necessity for reliance on dominion notes $\$4 + \$7 = \$11$, etc. With the \$4s, \$6s, and \$7s outlawed, the banks were no longer able to make payments exclusively with their own notes. And to assure that the banks would use more government paper, as opposed to silver it was stipulated that they had to pay out dominion \$1s and \$2s (up to \$50) on demand.

At first the rule that the banks had to hold at least 40% of their cash reserves in dominion notes seems strange and unnecessary. After all, for some years the banks had held much more than the law (an average of $\frac{1}{2}$ but never less than $\frac{1}{3}$) required (56). By the beginning of 1880, for example, dominion notes constituted about 60% of the banks' cash reserves. The reason for raising the minimum quantity of dominion notes that the banks could hold was not primarily to encourage them to hold more government paper. It was to lessen the extent of any large demand for gold that the banks could place upon the government by calling for redemption of dominion notes they held in excess of what the law required. To illustrate this let us assume that the banks' cash reserves amounted to \$20 million of which \$12 million was in dominion notes. Under the old law the banks would be required to hold not less than $\$6\frac{2}{3}$ million ($33\frac{1}{3}\%$) in dominion notes. Therefore, they could present $\$5\frac{1}{3}$ million in notes to the government and demand gold and still hold enough notes to comply with the law. Under the new law, on the other hand, they would be required to hold \$8 million, so they could only present \$4 million for redemption.

While the banks disliked the second, third and fourth stipulations, they bitterly opposed the fifth one allowing both an increase in the government note circulation and a decreased specie reserve for it. One more step was being taken down the road toward a complete takeover by an irredeemable government paper currency. The opposition to the new measure was strong and it was restricted to the banks. The ministerial opposition was led by Sir Richard Cartwright, former Finance Minister. The government had sufficient votes, however, and the bill became law.

THE EXPANSION OF THE CIRCULATION LIMIT 1894-1895

In the 1894 session of Parliament a bill was introduced to increase the upper limit of the dominion note circulation from \$20 to \$25 million. This bill was viewed with alarm by some who feared that the government planned to make an attempt to push more small denomination notes into circulation. Such, however, was not the case (138, 139). The government merely wished to issue more high value notes to accommodate the banks, who apparently required them to hold as part of their reserves. The government showed its good faith by including the stipulation that any circulation over \$20 million would be backed with gold dollar for dollar. The bill passed with no difficulty (134). Unfortunately, an error resulted in the omission of the requirement for full gold backing for the circulation in excess of

\$20 million and the defect had to be corrected in the next session (135).

XVII. GENERAL ASPECTS OF THE SMALL DENOMINATION DOMINION NOTES 1878-1897

Three new issues of dominion notes were produced and put into circulation between 1878 and 1897: \$1s and \$2s dated 1878, \$4s dated 1882 and \$2s dated 1887.

PRINTING PLATE ARRANGEMENTS

The basic plate arrangements already encountered for the provincial and 1870 dominion notes (56, 125) were continued for the issues presently being examined. That is, they were printed 4 on (126) and the plate position letter/sheet number system employed. On the \$2s and the plain or scalloped frame \$1s (see below) the plate position letter is the solid black letter to the immediate left of each of the sheet numbers. On the lettered frame \$1s it has been shifted to just below each sheet number. The 1887 \$2s bear this letter at each end above the portraits and on the 1882 \$4s it occurs at the lower left and at the upper right near the last A in CANADA.



On the 1878 \$1s and \$2s the colour of the sheet numbers was distinct for each city where the notes were payable: blue for Montréal, red for Toronto, black for St. John and green for Halifax. The 1887 \$2s and 1882 \$4s have blue numbers.

When present, the tiny number for the face plate occurs only once on each note (on previous issues it was twice). Except for the lettered frame \$1s, plate number 1 does not appear on the notes. The plate number is in the following positions: 1878 \$2s and scalloped frame \$1s: to the immediate left of the left-hand plate position letter; lettered frame \$1s: just above the D of DOMINION or the last A of CANADA; 1887 \$2s: just above the right-hand plate position letter; 1882 \$4s: just beneath the right-hand plate position letter.

During this period a new design feature, the **series letter**, was introduced. For any given denomination and city payable it was decided to limit the numbering so that it would be started over again after 1,000,000 sheets had been printed. This meant that it was necessary to use the 7-digit sheet number 1000000 only once in each million sheets (series). But what this also necessitated was some feature to mark successive series so that the serial numbers would not duplicate those of notes printed before. The method adopted was to use a series letter. Routinely, the first series was "plain"; it was not given a letter. The second would receive an A, the third a B, and so on. Only three notes were printed in great enough quantities to require the use of series letters: the Montréal \$1s, the Toronto \$1s and the 1887 \$2s. The series letter on the Montréal \$1s (A, B or C) and the Toronto \$1s (A only) is the white faced letter just to the left of each sheet number and on the 1887 \$2s it is a solid black A below each sheet number. It should be clear for reasons mentioned before (56) that when more than one series was used the serial number of a note must include the series designation ("plain" or A, B, etc.) to be complete.

THE ISSUING APPARATUS

The Assistant Receiver General (A.R.G.) system, as described previously (56),

continued. In 1883 a seventh A.R.G. office was opened in Charlottetown, P.E.I. (137). The names and period of service of the A.R.G.s who entered office in 1879-1897 are given in Table XII.

TABLE XII
NEW ASSISTANT RECEIVERS GENERAL DURING THE PERIOD 1879-1897

| City | Person | Period of Service |
|---------------|-----------------------|---------------------|
| Montréal | Henry J. Barbeau | 1880-1901 |
| Toronto | Charles J. Campbell | Nov. 1883-May 1895 |
| | D. Creighton | May 1895-Jan. 1918 |
| St. John | Howard D. McLeod | Feb. 1893-Nov. 1907 |
| Winnipeg | Henry M. Drummond | May 1879-Feb. 1917 |
| Victoria | Joseph H. MacLaughlin | Jan. 1890-June 1893 |
| | D. B. McConnan | June 1893-1918+ |
| Charlottetown | Percy Pope | July 1883-1918+ |

This table was constructed from information in reference 137. The names of persons already in office at the beginning of 1879 are omitted. Their names already appear in Table IV (125).

In the early 1870s the shipment of the dominion notes from Ottawa came under the auspices of the Receiver General's Department. Until his retirement in August, 1878 the man who bore the direct responsibility for these shipments was Thomas D. Harington, the Deputy Receiver General. After Harington's retirement, the Receiver General's Office was made part of the Finance Department and the note shipments were handled by the Deputy Minister of Finance, John M. Courtney. By 1881, however, it was deemed necessary to appoint a special officer to deal solely with the currency. The new post was called Comptroller of Dominion Currency. The first Comptroller (appointed in July, 1881) was Frederick Toller, who held the position until after the turn of the century (137).

COUNTERSIGNING THE NOTES

The persons who countersigned the low denomination notes were A.R.G.s or their clerks or were clerks in the Receiver General's and later the Finance Department in Ottawa. The signing frequently took place in both Ottawa and the A.R.G. offices. The men who signed the notes usually did so as a spare-time activity (140). At one point there was even a running discourse between Ottawa and the A.R.G. Toronto regarding who would sign the notes (141-145). This situation changed in about 1882-3 when the note signing was relegated to women, who, unlike most of their male predecessors, were given only temporary appointments. Some of these women held their "temporary" positions for 30 years! Those persons who signed or most likely signed notes of the 1878, 1882, 1887 issues are listed in Table XIII.

TABLE XIII
POTENTIAL AND KNOWN COUNTERSIGNERS OF 1878, 1882
1887 ISSUE DOMINION NOTES

Assistant Receiver General Offices

| Toronto | Winnipeg |
|-------------------------------|-----------------------------|
| *Alexander Fraser (A.R.G.) | *Henry M. Drummond (A.R.G.) |
| *Granville P. Eliot | *Albert C. McMicken |
| St. John | Halifax |
| Robert W. Crookshank (A.R.G.) | *John R. Wallace (A.R.G.) |
| *William H. Shaw | John R. Dillon |
| | John T. Lithgow |
| | *Lewis Parker |
| Department of Finance, Ottawa | |
| *Mary A. Barrie | *John R. Nash |
| *Caroline L. Bennett | *John B. H. Neeve |
| *E. L. Burgus | *Fairy E. J. Nettle |
| *Gertrude Dorion | *E. V. Smith |

* ? Fitzgerald
 *Charlotte E. Gallwey
 *W. Hatch
 *William H. Hayes
 *Moore A. Higgins
 Margaret M. Hutchison
 *I. F. Hyndman
 *M. Macauley

Arabella Start
 *Charles F. Street
 *Lisbeth L. Sutton
 Charles J. Tasker
 *J. P. Taylor
 *Charles Webber
 *R. Waddell

This table was constructed from data in references 137 and 148 and from examination of the notes themselves. Those names preceded by a * are persons known to have counter-signed notes. A.R.G. stands for Assistant Receiver General. Although it is known that some notes were signed in the A.R.G. office in Montreal (161), the names of potential signers in that office are not included. The function of the A.R.G. Montreal was performed by the City and District Savings Bank, Montreal and the names of their employees during that period are not known to us.

Each person signed the notes in blocks of 1000 sheets (146). Although there is no documentary information on this point, each note was probably signed individually during this period (as opposed to "gang" signing where only the bottom note in each group of four was directly signed (147)).

ANALYSIS OF THE CIRCULATION BY DENOMINATION

Between mid-1879 and mid-1881 the circulation of \$1 and \$2 notes gradually rose (see Figure 15). Presumably this rise was a reflection of the recovery of business in the country following the depression of the latter half of the 1870s. The government was certainly not trying to increase the small note circulation. The circulation was above the \$12 million limit imposed by 38 Vic. cap. 5 and this excess had to be backed by gold dollar for dollar. The circulation at that time, therefore, was being worked by the government at a loss (146).

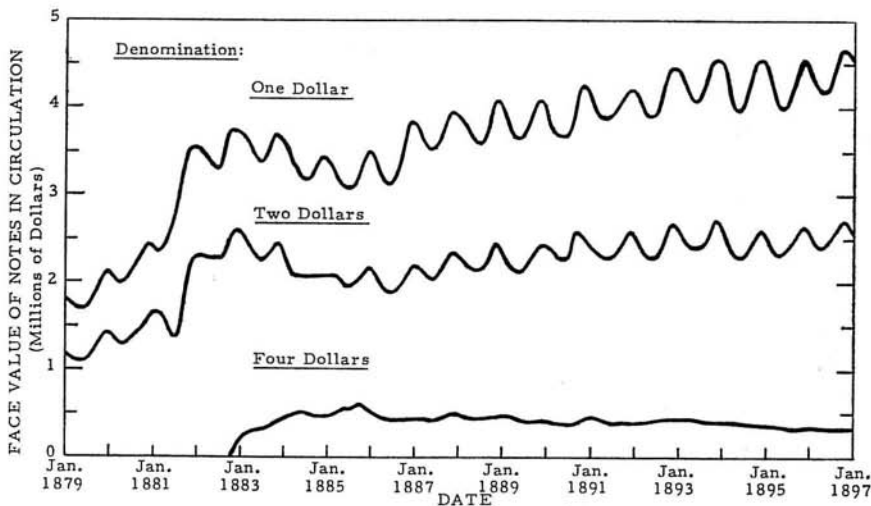


FIGURE 15

CIRCULATION OF \$1, \$2 AND \$4 GOVERNMENT NOTES BY DENOMINATION 1879-1897

The data are from references 78, 121 and 127 and were plotted as outlined in the legend to Figure 8. The circulations of the \$1 and \$2 notes from January, 1879 to June, 1881 are theoretical. They were calculated from published figures for the combined \$1 and \$2 circulation, assuming a 3:2 value ratio in favour of the \$1.

When the \$20 million limit for the government note circulation came into effect on 1 July 1881, the circulation of both the \$1s and \$2s doubled within a matter of months. In 1883-1886, as the first of the first dominion \$4s were being issued, the circulation of the \$1s and \$2s dropped slightly. It appears that the drop was due to the new \$4s displacing the lower denominations. After the \$4 circulation stabilized, the \$1 and \$2 circulations gradually rose for the rest of the period. Throughout this period the \$1 notes made up 60-65% of the combined value of the \$1 and \$2 circulation. This is a \$1:\$2 ratio of 3:2 based on value or 3:1 based on the number of notes.

XVIII. THE 1878 \$1s AND \$2s

The exact reason for the introduction of a new issue of \$1s and \$2s in the late 1870s is not known. One possibility is because of counterfeiting of the 1870 issue \$1s, although some of the bogus notes did not appear until after 1878 (114).

THE DESIGNS

Whatever the reason for their creation, the 1878 \$1s and \$2s in some ways represent a notable departure from their predecessors:

- (a) There is only a single vignette on the face and it is a portrait of a then living person rather than a long dead one or allegorical figure. The \$2 note bears the portrait of the Earl of Dufferin (Governor General of Canada from June, 1872 to November, 1878) and the \$1 bears that of his wife.
- (b) The frame of the face (on the initial designs) lacks any indication of the denomination. It is simply a repeating lathework pattern. On the \$1 it is scallop-like (hence the designation scalloped border in the catalogues (149)). And on the \$2 it resembles maple leaves.
- (c) The left-hand signature space (FOR MINISTER OF FINANCE) has been left blank so that the manuscript countersignature could be applied horizontally instead of vertically.
- (d) The face is dated at the city where the note was payable, instead of Ottawa.
- (e) Within each denomination the back design is identical, except for the name of the city where the note was payable. There is a vignette of the Great Seal of Canada in the centre of the back designs for both denominations.

Other features included 11 and 22 patent green (150, 151) denominational tints on the face and a green back. The engraved signature at the right is that of Thomas D. Harington, the Deputy Receiver General. The notes are dated June 1st, 1878, but by the time any of them were actually issued, he had retired.

Very soon after the scalloped frame \$1s began circulating, the government was embarrassed to find that some of the Toronto notes were being raised to \$4s (152, 153) by scratching off unwanted parts of the design and replacing them with pen and ink hand work. In January, 1880 Courtney wrote to the British American Bank Note Co. asking their opinion of changing the face design of the \$1 to make such raising more difficult (153).

We do not have copies of any subsequent correspondence on this subject; however, the notes themselves attest to the fact that the modification was indeed made. The frame of the altered design is thinner and contains a continuous band of 1 ONE DOLLAR 1 ONE DOLLAR, etc. (hence the popular designation lettered border); there is a 1 counter in each of the four corners. The other way in which an attempt was made to make the notes more secure was to have ONE crossing each of the large 1s in the counters at each end. There were several other changes, but they do not appear to be related to increasing the security of the notes.

THE ISSUE AND CIRCULATION OF THE MONTREAL AND TORONTO \$1s AND \$2s (121, 127)

The initial order for the 1878 issue notes is thought to have included notes for Montréal, Toronto, Halifax and St. John. It was for 500,000 sheets of \$1s and 125,000 sheets of \$2s and was placed no later than May, 1878 (147). This order most likely included 200,000 sheets each of \$1s and 50,000 sheets each of \$2s for Montréal and Toronto.

The printing of the notes was delayed, probably because the Finance Department still had large stocks of the old issue notes on hand. These stocks were not depleted until July, 1879 (154). The first of the new issue notes were delivered to the government in June of that year; by July about half of the order was at hand (127). At that time the British American Bank Note Company was advised to cease printing any more notes, because the amount already delivered was enough for several months (155-6). The remainder of the order was delivered during the first six months of 1880. The \$1s in the first order are believed to have all been the scalloped frame variety. This belief is based upon the number of face plates prepared—five for each of the two cities (126)—and upon the sheet numbers of notes examined by us.

The issue of the new notes to the A.R.G.s and banks commenced in August, 1879. The entire issue pattern for the Montréal and Toronto \$1s is shown in the lower panel of Figure 16. In the upper panel of the same figure are the actual circulations which resulted. One is immediately struck by the sometimes drastic changes in the relative contributions of the Montréal and Toronto components. There is no suggestion of this in the plot of the overall \$1 circulation (Figure 15), because a change in either the Montréal or Toronto circulation was usually offset by a change in the opposite direction in the circulation of the other city's notes.

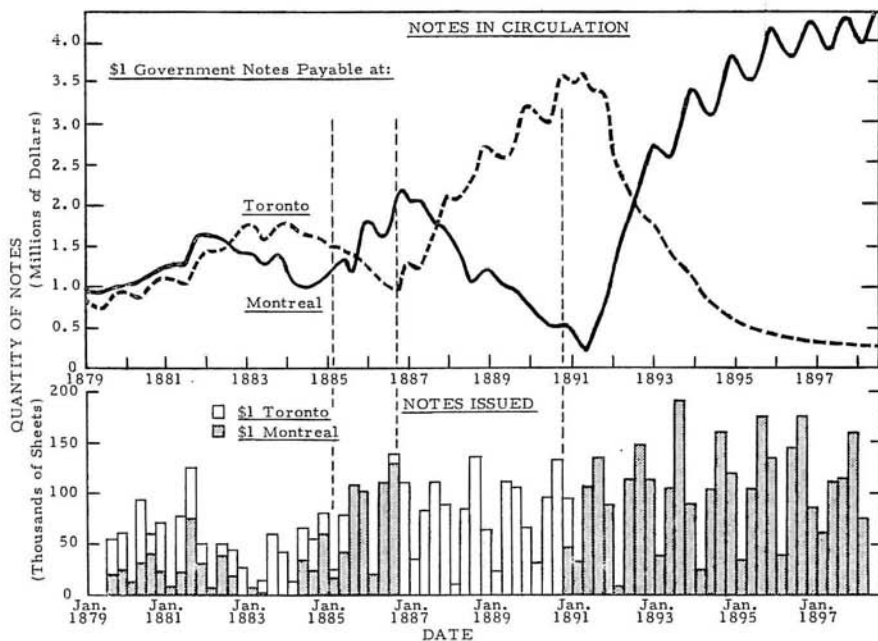


FIGURE 16
CIRCULATION AND ISSUE OF \$1 GOVERNMENT NOTES PAYABLE AT
MONTREAL AND TORONTO BY CITY VARIETY 1879-1898

The data are from reference 127. In the upper panel the numbers were plotted as outlined in the legend to Figure 8. The relative circulations of the Toronto and Montréal issues are theoretical for the period January, 1879 to June, 1881. They were estimated as outlined in the legend to Figure 15, taking into account the known general characteristics of the two circulations. Each of the bars in the lower panel represents three months. Issued refers to notes leaving the government vaults in Ottawa; a few weeks or even months could pass before issued notes reached circulation.

We are still searching for contemporary discussions of these changes and the policies that brought them about. Our searches have yet to be rewarded, so at this point we are reduced to some educated guesswork. It is convenient to divide the \$1 circulation into four periods: January 1879 to January 1885, February 1885 to August 1886, September 1886 to September 1890 and October 1890 to the end of 1897.

Up to the beginning of 1885 the Montréal and Toronto \$1s made up 80-90% of the total circulation of that denomination (compare Figures 16 and 18). On 31 June 1881, for example, the Montréal issue accounted for 48% and the Toronto issue for 40%. Within a year, however, the Toronto circulation became the greater one, so that by mid-1884 the contributions stood at 32% Montréal and 51% Torontos. This reversal stems from two causes. Examination of Figure 16 reveals that between 1879 and early 1883 both varieties were usually issued in each quarter. The Torontos were generally being issued faster, so the Toronto circulation at last became the greater of the two. Then between May, 1883 and May 1884 no Montréal \$1s were issued at all and the circulation dropped by $\frac{1}{3}$. The simultaneous issue at Montréal and Toronto \$1s was resumed in June, 1884. So by early 1885, the start of the second period, the two circulations were nearly equal. The significance behind the temporary cessation of the issue of the Montréal is not known. It certainly was not due to lack of demand for notes by the A.R.G. Montréal. Toronto notes were shipped there during this period.

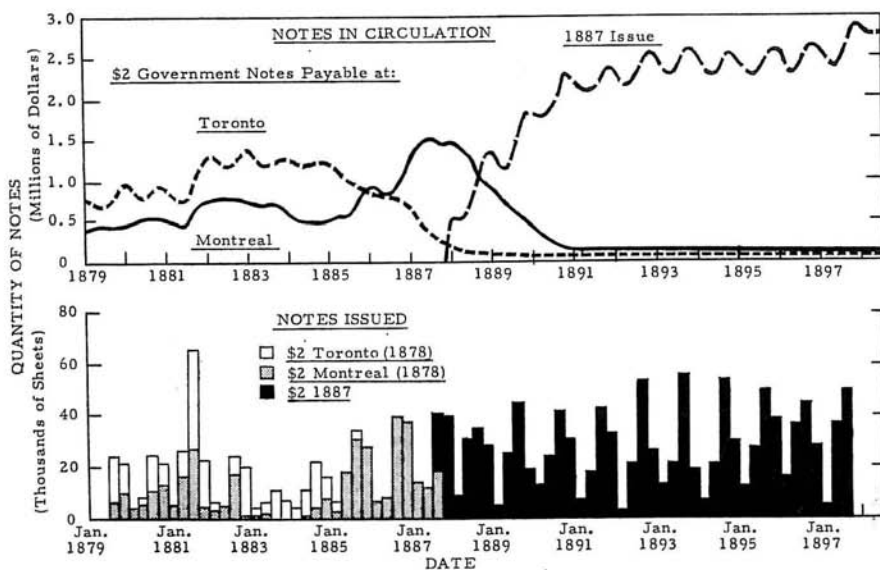


FIGURE 18

CIRCULATION AND ISSUE OF \$2 GOVERNMENT NOTES PAYABLE AT MONTREAL AND TORONTO AND THE 1887 GENERAL ISSUE 1879-1898

The data are from reference 127. In the upper panel the numbers were plotted as outlined in the legend to Figure 8. The relative circulations of the Toronto and Montréal issues are theoretical between January, 1879 and June, 1881 (see the legend to Figure 16). The circulations of the 1887 issue and Montréal notes after November, 1887 are also theoretical. The curves shown are based upon official figures for the issue of the 1887 notes and for the circulation and destruction of the two issues combined.

There can be less doubt about policy during the second period. Data to be presented in later sections of this paper make it clear that beginning in early 1885

all non-Montréal \$1s and \$2s were to be gradually withdrawn. Thus, the Toronto circulation continued the downward trend begun early in 1884 and the Montréal circulation rose sharply.

The third period contains a curious reversal in policy. It was obviously decided to make the \$1 circulation consist of Toronto notes instead of Montréal. The Montréal \$1s fell from \$2.2 million in September 1886 to a mere 10% of that figure in March 1891 and the Torontos rose to over \$3.5 million.

The fourth and final phase represents a resumption of the policy to make the Montréal the pre-eminent species of \$1. The issue of \$1 notes payable at Montréal began in October, 1890 at which time the issue of Torontos ceased for the last time.

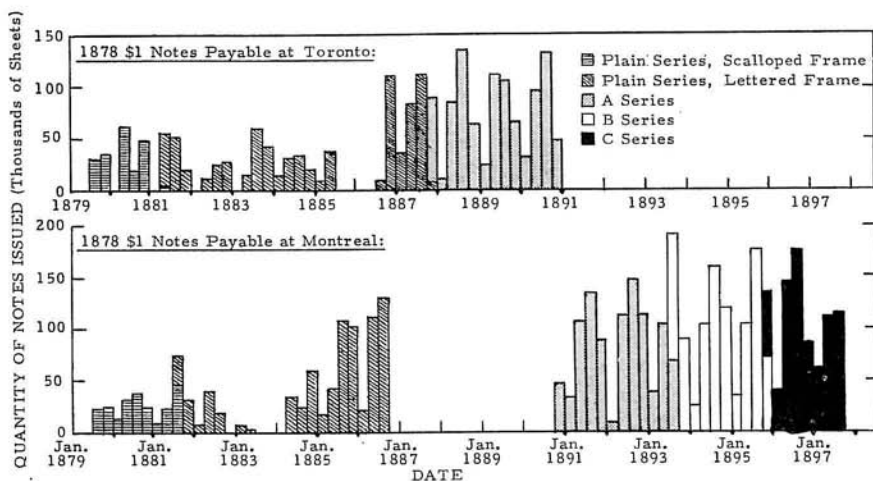


FIGURE 17

ISSUE OF 1878 \$1 GOVERNMENT NOTES PAYABLE AT MONTREAL AND TORONTO BY CITY PAYABLE, FRAME VARIETY AND SERIES

The data are from reference 127 and were plotted as outlined for the lower panel in Figure 16.

Figure 17 represents a more detailed examination of the issue profiles of the Montréal and Toronto \$1s. In it the two issues are divided into both basic face variety (scalloped vs. lettered frame) and into series.

The issue and circulation of the Montréal and Toronto \$2s can be seen in Figure 19. The first phase of their issue is roughly analogous to that already described for the \$1s. Notes payable at the two cities were initially issued simultaneously, followed by a period in 1883—4 when only Toronto notes were issued. Also, the cessation of the issue of the Toronto notes occurs in early 1885 with the predictable drop in circulation. But that is where the analogy ends. There was no policy reversal for this denomination and by 1889 the Toronto circulation had fallen to a very low level. The Montréal circulation was also soon to meet its demise, for a new issue \$2 was introduced in the fall of 1887 (see page 20).

THE ISSUE AND CIRCULATION OF HALIFAX AND ST. JOHN \$1s AND \$2s

The initial order (see above) for the 1878 issue notes probably contained notes for the Maritimes as follows: 50,000 sheets each of \$1s and 12,500 sheets each of \$2s for Halifax and St. John. All of these notes were sent direct from the printers to the respective A.R.G.s and were shipped between the fall of 1879 and the spring of 1880. The \$1 notes were, of course, the scalloped frame variety.

Additional small printings were later made of both \$1s (lettered frame) variety and the Halifax \$2. These notes, however, were issued to the A.R.G.s via the Finance Department and were undoubtedly all signed in Ottawa. The Halifax \$1s (50,000 sheets) were sent between July, 1882 and August 1884, the Halifax \$2s (20,000 sheets) between December, 1882 and July, 1886 and the St. John \$1s (25,000 sheets) between July, 1883 and December 1884.

THE CIRCULATION OF \$1 AND \$2 1870 ISSUE NOTES PAYABLE AT VICTORIA

In the second paper of this series (125) we reported that 1870 issue \$1s and \$2s were printed and actually circulated. At that time the available information made it possible to present a graph of the combined circulation of both denominations. It was noted that the greatest circulation was in the mid-1880s; this raised the possibility that 1878 \$1s and \$2s were also printed for Victoria. We guessed not, however, based upon some note shipment data. Since that paper was written, new data have allowed the presentation of separate circulation profiles for the \$1s and \$2s (see Figure 19). Furthermore, it is now possible to state with considerable certainty that our previous supposition was correct: the Victoria \$1s and \$2s that circulated in the 1880s were 1870 issue notes that were being issued and re-issued from the A.R.G. office in Victoria.

It is interesting to note that the government did at least come close to having 1878 type \$1s printed for Victoria. In September 1883, just as the Victoria circulations were reaching their peaks, one of the back plates previously prepared for Halifax \$1s was altered to make it read PAYABLE AT VICTORIA (126). However, a corresponding face plate was not made and notes were never printed, presumably because the circulation trend reversed shortly after the back plate was made. Later needs for \$1s and \$2s were filled with notes payable at either Montréal or Toronto.

NOTES ISSUED TO THE A.R.G. WINNIPEG

As noted previously (125) 1870 \$1 and \$2 notes made payable at Winnipeg were not printed, although a hand stamp reading MANITOBA was applied to at least some of the notes issued there. Beginning in 1880 there was a considerable demand for \$1 notes in Winnipeg in connection with payments to the Indians (157, 158). Thus, from 1880 throughout the rest of the period covered by this paper \$100,000 or more in \$1s were shipped to the A.R.G. Winnipeg. Nevertheless, no 1878 issue notes payable at Winnipeg were printed, nor were any plates prepared. We have examined two of the 1878 \$1 notes known to have been issued to Winnipeg and they do not bear the MANITOBA stamp, so the hand stamping apparently was not extended to the new type notes. Whenever possible, notes payable at Toronto were sent to Winnipeg. The need for \$2s and \$4s in Manitoba was much more modest, although both denominations were sent there.

NOTES ISSUED TO THE A.R.G. CHARLOTTETOWN

The small note needs of the new A.R.G. in Charlottetown were very modest indeed during the 1883-1897 period. They were restricted mainly to \$1s and \$2s. No shipment of \$4s were made there; that denomination seems to have had a negotiable circulation on the island. The predominant city payable of the domiciled notes sent there was Montréal and the first shipment was in May, 1885.

XIX. THE 1882 GENERAL ISSUE \$4

The initial issue of dominion \$4s, first placed into circulation in late 1882, continued a precedent begun with the 1878 issues; the vignette portrays the current Governor General. In this case it is the Marquis of Lorne, who served from November 1878 to October 1883. There is the usual green denominational face tint. The tint is at the left and consists of an ornate 4 flanked by two cherubs and partially hiding a view of Victoria Bridge at the bottom. But there are two new security devices. At the right is an orange Great Seal of Canada. It is the same as that already introduced on the backs of the 1878 \$1s and \$2s. And the notes were printed on watermarked paper; this was the only Canadian government issue printed on such paper. The watermark consists of two crossing bands on which appears

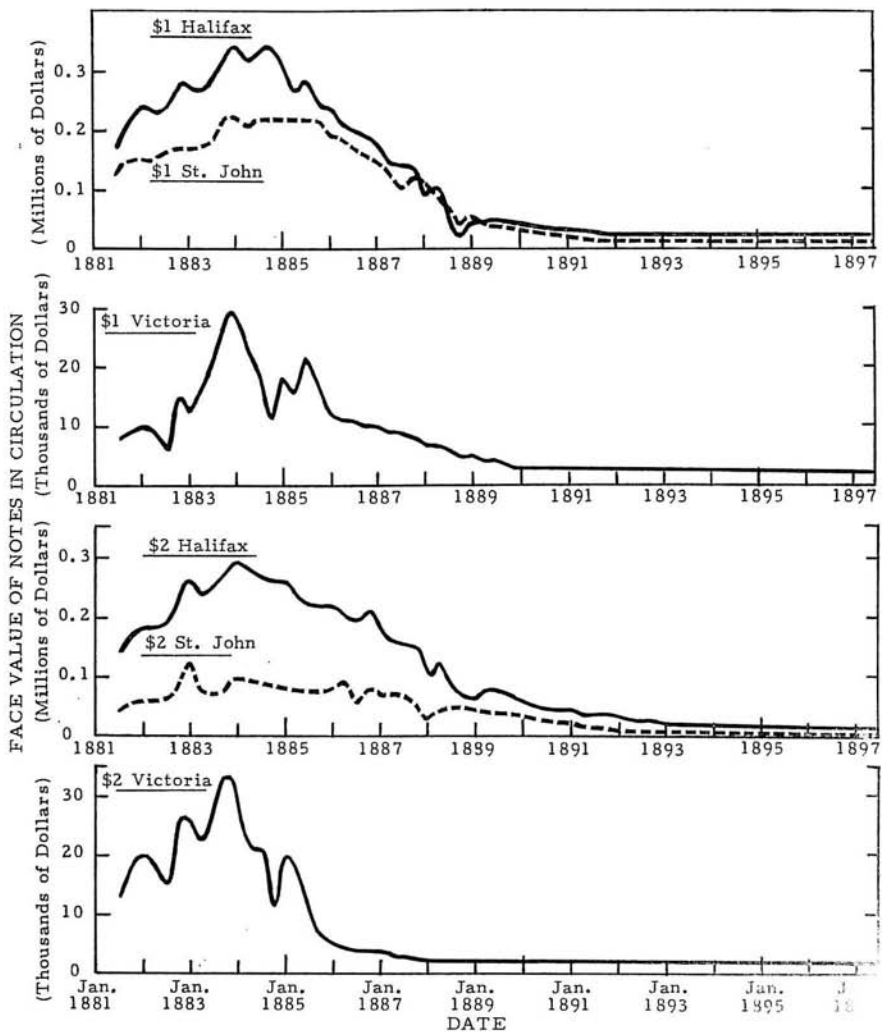


FIGURE 19
CIRCULATION OF \$1 AND \$2 GOVERNMENT NOTES PAYABLE AT
HALIFAX, ST. JOHN AND VICTORIA 1881-1897

The data are from reference 127 and were plotted as outlined in the legend to Figure 8.

DOMINION OF CANADA. Emblems are located at each of the intersections of the bands. At the top is a maple leaf, at the right a rose, at the bottom a shamrock and at the left a thistle.

The \$4 is dated at Ottawa and therefore represents the first break from the tendency of the government to domicile their notes—to make them payable at a particular A.R.G. office. Another new feature was the engraved signature of J. M. Courtney, who was the Deputy Minister of Finance, in the bottom right space labeled FOR RECEIVER GENERAL. Instead of FOR MINISTER OF FINANCE the signature space at the left was labeled COUNTERSIGNED.

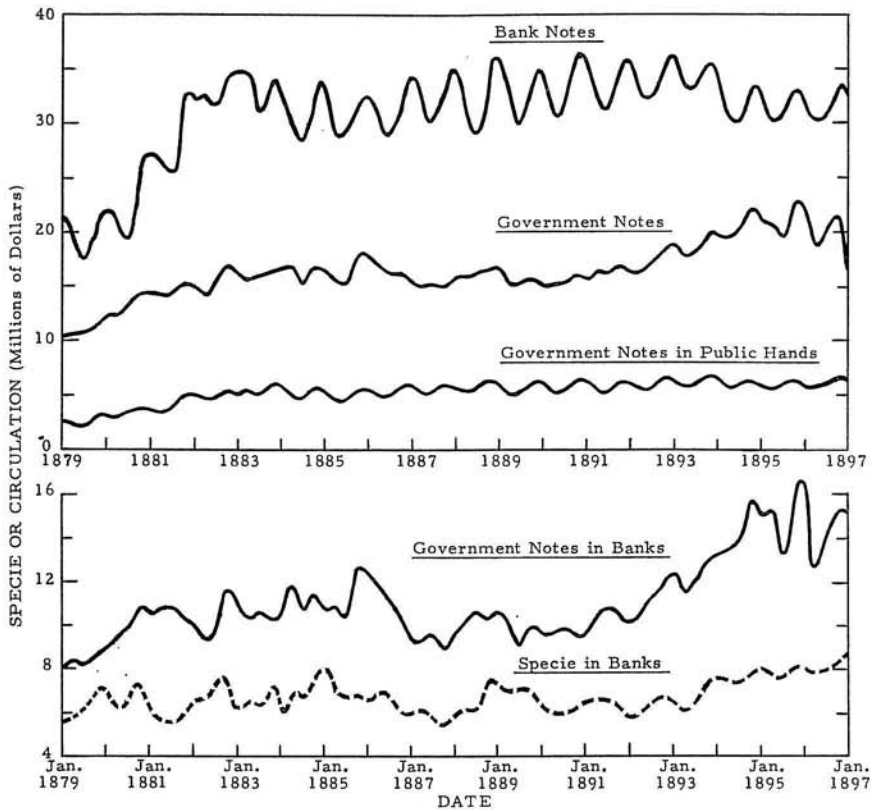


FIGURE 20

SPECIE IN BANKS AND CIRCULATION OF BANK AND GOVERNMENT NOTES 1879-1897

The data are from references 78 and 121 and were plotted as outlined in the legend to Figure 11. The total circulation and bank holdings of government notes do not include the "bank legal" notes first put into circulation in 1896.

Throughout the period of their issue the 1882 \$4s were a relatively minor part of the government note circulation. A peak of just over \$600,000 was reached in November, 1885 and the circulation gradually declined thereafter. The final issues of these notes came in April, 1900. The fact that the circulation profile lacks the "moving of the crops" (125) cyclic variations suggests that this denomination did not see significant use by the agriculture communities of Ontario.

XX. THE 1887 GENERAL ISSUE \$2

It is interesting that a new \$2 general (as opposed to domiciled) issue was introduced in 1887. After all, the 1878 issue \$1s were not replaced until the government changed printers in 1897. It is quite possible that a new \$2 note came into use "early" because of counterfeits. Many of the Montréal and Toronto 1878 \$2s surviving today are contemporary counterfeits. Some of them are quite deceptive. The fact that the 1887 \$2s have a bi-colour back—the only instance of this on a dominion note—strengthens the argument. These notes must certainly have been more trouble and more expensive to print than the earlier issue.

The face features two portraits: the Marchioness of Lansdowne at the left and the Marquess, who was Governor General from October, 1883 to June, 1888. In the

centre is a large green ornate 2 tint. The notes are dated July 2nd, 1887 at Ottawa and so were a general issue like the \$4. On this issue J. M. Courtney's engraved signature in the right-hand signature is labeled FOR MINISTER OF FINANCE. Most of the back design is green. In a second printing run with black ink two large 2 counters and a central vignette showing Jacques Cartier and his men were applied.

The first 1887 \$2s were issued in the fall of 1887 and the last of them in late 1897. By about August, 1896, the issue of the "plain" series was complete and the government began sending out A series notes.

XXI. CONCLUDING REMARKS ON THE 1879-1897 PERIOD THE GOVERNMENT VS. BANK NOTE CIRCULATIONS

The period 1879-1882 was marked by a rise in the bank note circulation (see Figure 20) to the level enjoyed prior to the depression of the late 1870s. For most months between 1882 and 1897 some \$30-\$35 million of their notes were outstanding. The government circulation also increased, rising from \$10.6 million in 1879 to \$24.6 million in 1897. As Figure 20 shows, the increase was primarily restricted to the 1879-1882 and the 1892-1895 periods. Most of the increase in the first period and virtually all of that in the second was due to high denomination notes and will be examined in more detail in a later paper (159).

Finally, during the 1879-1897 period we see a gradual increase in proportion of dominion notes (as opposed to specie) in the bank's cash holdings.

THE PRESENT SCARCITY OF THE 1878, 1882 AND 1887 ISSUE NOTES

Our estimates of the quantities of notes of the 1878, 1882 and 1887 issues placed into circulation are given in Table XIV. The scarcity of the 19 varieties in the table varies all the way from common to extremely rare. We are still in the process of compiling quantitative rarity estimates of the various varieties; however, some general statements can be made now. All notes payable in the Maritimes are very rare. The Montréal and Toronto plain ("scalloped") frame \$1s are very scarce in V.G. and rare in better condition. The corresponding lettered frame notes of the "plain" (no letter) series are also quite difficult to obtain. The Montréal and Toronto \$1s of the A, B, or C series are easily obtained in V.G. Genuine Montréal or Toronto 1878 \$2s are very scarce in V.G., rare in F. and very rare in V.F. or better. The 1882 \$4 and plain series 1887 \$2 are scarce in V.G. The \$4 is rare in better condition, while the \$2 is rare only in E.F. or better. The A series \$2 seems to be very scarce.

TABLE XIV
SUMMARY OF THE QUANTITIES OF 1878, 1882 AND 1887 ISSUES
OF DOMINION NOTES PLACED IN CIRCULATION

| Denomination | Payable at: | Serial Numbers | No. of Notes |
|---------------------------|-------------|------------------------------|--------------|
| \$1 1878 (plain frame) | Montréal | A, B, C, D/000001-200000 | 800,000 |
| | Toronto | A, B, C, D/000001-200000 | 800,000 |
| | St. John | A, B, C, D/000001-050000 | 200,000 |
| | Halifax | A, B, C, D/000001-050000 | 200,000 |
| \$1 1878 (lettered frame) | Montréal | -: A, B, C, D/200001-1000000 | 3,200,000 |
| | | A: A, B, C, D/000001-1000000 | 4,000,000 |
| | | B: A, B, C, D/000001-1000000 | 4,000,000 |
| | | C: A, B, C, D/000001-800000* | 3,200,000* |
| | Toronto | -: A, B, C, D/200001-1000000 | 3,200,000 |
| | | A: A, B, C, D/000001-1000000 | 4,000,000 |
| | St. John | A, B, C, D/050001-075000 | 100,000 |
| | Halifax | A, B, C, D/050001-100000 | 200,000 |
| \$2 1878 | Montréal | A, B, C, D/000001-350000* | 1,400,000* |
| | Toronto | A, B, C, D/000001-230000* | 920,000* |
| | St. John | A, B, C, D/000001-12500 | 50,000 |
| | Halifax | A, B, C, D/000001-32500 | 130,000 |

| | | | | |
|-----|------|--------------|---|-----------------------|
| \$4 | 1882 | (All Cities) | A, B, C, D/000001-300000 | 1,200,000 |
| \$2 | 1887 | (All Cities) | -: A, B, C, D000001-1000000 A: A, B, C, D/000001-150000* | 4,000,000 600,000* |

This table was constructed from data in references 123 and 127. The figures marked with an * are estimates and in all cases are considered maxima, high by no more than a few %. The letter to the left of the : in the serial numbers is the series letter. A—indicates the "plain" or no letter series and is included only when a second series was produced.

ACKNOWLEDGMENT

We are pleased to acknowledge the assistance of the British American Bank Note Co. in providing much valuable information from their surviving records.

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DOMINION NOTES, 1879-1897





The next paper (160) in this series will deal with the 1900 and 1923 issues of the fractional notes ("shinplasters").

COMING EVENT

VANCOUVER NUMISMATIC SOCIETY HOSTS SHOW AND EDUCATIONAL SEMINAR

The Vancouver Numismatic Society will be hosting a Show and an Educational Forum on April 3rd and 4th, 1976.

Mr. Patrick Brindley, the Chief Engraver of the Royal Canadian Mint will be a Guest Lecturer.

Dr. James Haxby, Deputy Curator of the Bank of Canada's Numismatic Collection will be presenting a half-day Educational Seminar on Paper Money as follows:

- I. **GENERAL ASPECTS OF CANADIAN PAPER MONEY (45 Minutes)**
 - kinds of notes that have circulated in Canada
 - comments on the correlation between number of notes originally issued and their scarcity today
 - brief comments on how Canadian notes have been printed
 - detailed discussion of terminology used in referring to paper money and its parts.
- II. **INTRODUCTION TO THE GRADING OF PAPER MONEY (20 Minutes)**
 - brief grading "test" where the participants are given actual notes to grade
 - discussion of the C.P.M.S.'s definitions of the various grades
- III. **PRACTICAL SESSION ON PAPER MONEY GRADING (1 Hour +)**
 - distribution of samples of notes of various grades (grading "standards")
 - distribution of notes of unspecified grades, for grading by the participants.

BANKS AND BANKING IN THE COUNTY OF LENNOX AND ADDINGTON

by Walter S. Herrington, K.C.
Introduction by Dr. Douglas D. Hunter

Lennox and Addington is an Ontario county situated west of Kingston and east of Belleville. On a map of the counties, it appears as an elongated patch of colour stretching from the shores of Lake Ontario at the eastern end of the Bay of Quinte, north to Renfrew county, south of the Ottawa River.

Since some of my ancestors came from this area, I have always been interested in its history. Recently, I discovered a book which contained some interesting material on early banking in the county.

The following account is Chapter XVI, "Banks and Banking" of a book entitled "History of the County of Lennox and Addington", by Walter S. Herrington, K.C. It was originally published in 1913 by the Macmillan Company of Canada, Limited, Toronto. A facsimile reprint edition was published in 1972 by Mika Silk Screening Limited, Belleville, Ontario.

The author, Walter Stevens Herrington, was born in 1860 of United Empire Loyalist stock in Prince Edward county and died in 1947 at Napanee. He was a man of wide ranging interests. In addition to being solicitor for the town of Napanee for 60 years, he was one of the founders and president of the Lennox and Addington Historical Society and of the Napanee Public Library. He was also the author of a number of other Canadian historical works. Among these were, "The Heroines of Canadian History", "Martyrs of New France", and "Pioneer Life Among the Loyalists of Upper Canada".

This chapter contains the story of the formation and demise of "The Freeholders' Bank of the Midland District," headquartered at Bath. This joint-stock banking company was started shortly before the financial panic of 1837. Less than a month later, the Legislature of Upper Canada passed a law prohibiting the formation of any further banks of this type. Therefore, before it could open for business, the Freeholders' Bank was forced to wind up its affairs.

Accompanying the chapter is a photograph, reproduced here, of a sheet of two notes of the Freeholders' Bank, the 5 shillings or \$1.00 and the 25 shillings or \$5.00 printed by the bank note engraving company of Rawdon, Wright and Hatch of New York, a forerunner of the American Bank Note Company. The wide margins around the two notes are clearly visible indicating the total extent of the sheet. This format of two notes on a sheet is unusual. It would indicate that an equal number of each denomination were printed. The usual format would have been four notes to the sheet, with perhaps 3—\$1.00 and 1—\$5.00.

Because the bank never opened for business, the notes usually occur unsigned. They were never issued and are called remainders. Any signatures that occur on these notes are spurious and were added at a later date. Very few of these notes are now extant. It would appear that those existing today were souvenirs kept by some of the principal shareholders.

The "Midland District" referred to in the bank's title covered the area from Gananoque to the Trent River and comprised the present day counties of Frontenac, Lennox and Addington, Hastings, and Prince Edward.

The town of Bath in which the Freeholders' Bank was started is presently a small, quiet town situated on the Bay of Quinte shore opposite Amherst Island midway between Kingston and Napanee.

The founders of this town had almost all served with the British Army from 1777 to 1783 during the Revolutionary War. All had suffered because of their loyalty to the British Crown. Their lands and homes had been confiscated and all were destitute requiring shelter and food.



The village was begun along the bay shore because water was the only easy means of communication with the outside world. The bay provided some protection from the prevailing south-west winds. The name given at the time of settlement was Ernestown, after the eighth child of King George III, Prince Ernest.

The military group that settled in Ernestown in 1784 was part of Jessup's Loyal Rangers. The land was apportioned; the officers receiving their allotment near the lake or front and the ranks receiving land further to the north away from the lake.

After enduring many hardships during the first few years, the settlement began to prosper. By 1811, Ernestown was the heaviest populated township in Upper Canada with a population of 2,300. In 1818, the residents petitioned the Legislative Council requesting that the name be changed from Ernestown to Ernestville. The decision handed down the following year was to name it Bath, after the famous English town.

Bath is noted for a number of firsts in Upper Canada. A road was built between Kingston and Bath by Asa Danforth known as the Old Bath Road. It became the first public highway in Upper Canada. It is now known as Ontario Provincial Highway number 33. Bath became a shipbuilding centre. The first steamboat to sail the Great Lakes was constructed here in 1815. The first Grammar School and Public Library was established here in 1811.

The decline of Bath from an industrial town with shipyards, foundries and factories to a primarily residential area was due to a number of factors. The first was the establishment of Kingston as the military and naval centre, the second was the building of the York Road from Kingston to York (now Toronto) bypassing Bath to the north and going through Napanee. The choice of Napanee as the county seat in 1864 helped remove many of the Bath businesses by causing them to relocate in the political and financial centre. The Grand Trunk Railroad also bypassed the town in the 1850s, reputedly because of the greed of a landowner who wanted much more than the railroad was willing to pay for the right of way. The railroad altered its plans and avoided the village.

All of these reasons helped account for the town "withering on the vine", losing industries and population until, at the present time, it is a quiet village with a small fishing industry whose inhabitants primarily work elsewhere.

Napanee, the county seat, became prominent because of the nearby falls on the Napanee river which provided power for a sawmill and flour mill. Logs from the great forests to the north were floated down the river to the sawmill at Napanee. The town became a centre for lumbering and manufacturing, supplying the needs of the surrounding farming community.

The second banking organization was the Napanee Savings Bank Society. One of its founders Richard Cartwright, later, Sir Richard, had little faith in the ability of the common people to manage their own affairs. He said, "placing their money out of their immediate control, (in the Napanee Savings Bank Society) will prevent their indulging many an extravagant desire and teach them careful and provident habits."

The remainder of the chapter tells interesting anecdotes of the early branch banking system in Napanee.

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CHAPTER XVI BANKS AND BANKING HISTORY OF LENNOX AND ADDINGTON

As settlements advanced and transportation facilities improved, money began to circulate, it was not long before the thrifty farmers and merchants of Lennox and Addington began to accumulate savings. Many of these were invested in the stock of the early banking institutions of the province, especially the so-called Bank of Upper Canada, and the Commercial Bank of the Midland District, both of which had their headquarters at Kingston. Early in 1837 a bold attempt, the honour of which belongs to Bath, was made to found a bank of our own.

The previous years had been a period of feverish prosperity in Upper Canada and in the United States; and in the latter country many schemes of wild-cat banking had been floated. In Upper Canada the restrictions imposed by the official class upon the incorporation of banks had been very severe; and although in some cases dictated by a real desire for "sound money" they had also tended to the profit of their authors. This had aroused much discontent; and a movement had been begun in favour of "joint-stock banking, without incorporation, after the English model."

Under deeds of settlement, a number of small banking institutions thus came into existence without need of legislative formalities, and by a deed of settlement signed at Bath and bearing date February 11th, 1837, the several parties thereto agreed to become partners in a company to be known as the Freeholders' Bank of the Midland District. Sixty-three subscribers were obtained, among them being such representative men from the county as Benjamin Ham, William Sills, Peter Davy, Samuel Clark, John Hawley, Hammel Madden, John V. Detlor, Phillip J. Roblin, Joshua B. Lockwood, and Elijah Huffman. The articles of partnership, containing about 8,000 words, were, for the convenience of subscribers, printed in pamphlet form, and provided for every possible contingency that could reasonably be expected to arise. The first six articles of this legal masterpiece read as follows:

"1. That they, the said several persons, parties to these presents, shall and will become Partners together in a Company, or Society, to be called THE FREEHOLDERS' BANK OF THE MIDLAND DISTRICT, and from time to time, and

at all times, so long as they shall continue Partners therein, promote and advance the interest and advantage of the Company, to the utmost of their power.

2. That the Company shall consist of 300 shareholders, each of whom may subscribe and hold any number of Shares not exceeding ten Shares, and that each Share will be one hundred pounds of lawful money, of the Province of Upper Canada: Provided always, and it is the intent and meaning of this clause that each person subscribing these presents as a Shareholder, must have good title in fee simple to and be in possession of real and unencumbered property of the full value of the number of Shares and amount so subscribed by such Shareholder.

3. That no person shall, in his or her own right, be allowed previously to the opening of the Bank, or at any subsequent period, to subscribe for or possess more than ten Shares of the said Company, save and except such Shares as shall come to any person or persons by bequest of any previous Shareholder, or as his, or her, or their next of kin.

4. That it shall not be lawful or competent for two or more individuals to subscribe for or hold jointly (except as trustees, executors, or administrators) any Share or Shares, and in no case shall any Share or Shares be divided into fractional parts.

5. That no benefit of survivorship shall take place between the Shareholders; and each of the Shareholders, as between one another, shall be entitled to and interested in the profits, and liable and subject to the losses of the Company in proportion to his or her Share or Shares, in the said Capital, Fund, or Joint Stock.

6. That the business of the Company shall commence when three hundred persons shall have subscribed these presents as Shareholders, and shall be conducted on the following principles:"

"That the Company shall issue their notes payable twelve months after the date thereof; the said notes bearing date from the day or time when the same shall be issued, and shall lend money in the bank-notes of the Company, due at twelve months, as aforesaid, to such persons as may apply for the same, and shall convey to the President and Cashier of the said Company for the time being and their successors in office in trust for the said Company, their right, title, and interest, in, to, or out of, freehold property being intrusted to the Directors for the time being. The person receiving the said loan or advance shall also give a Promissory Note as maker thereof, payable to Cashier of the said Company for the time being, or his order, and due nine months after the date thereof for the amount so lent or advanced. The Company will renew the said Promissory Note as long as may be required by the borrower upon the security of the real property so conveyed as in this clause before mentioned, and upon the following conditions, that the said person borrowing shall bring to the Office or Banking house of the Company, specie, the notes of other banks made payable on demand, or the notes issued by the said Company, which shall become due according to their tenor in six months after the date of the said renewal, equal to the amount of the note or obligation so required to be renewed. These conditions being first performed by the person so borrowing, the Company will immediately re-discount upon the renewed note, and the real property and security as aforesaid, to the amount of the former note given by the borrower, by giving him the said amount (less discount) in the notes of the Company, payable twelve months after the date of the said renewal, and the Company will accelerate the effecting exchange by every means consistent with the safety of the Institution that can be adopted, for the purpose of enabling the person borrowing, as aforesaid, to renew his note as aforesaid. The Company will also discount Promissory Notes, as in the present Bank Companies in the said Province with approved endorsers. But for or in no other business, adventure, trade or merchandise whatsoever, than that of Banking, according to the description and system in this clause before mentioned."

Promissory notes of five and twenty-five shillings respectively, beautifully engraved and printed by a New York firm, (Rawdon, Wright and Hatch), were

ready for issue. It is doubtful, however, whether any of them were issued, for just at this moment the boom burst. Through the reckless system of discounting practised in the United States, the credit system of that country had been strained till it snapped, and a financial panic ensued. In England, too, there was distress, and taking warning from the losses of their neighbours, on March 4th, 1837, the Provincial Legislature struck a fatal blow at the Freeholders' Bank by passing an Act "to protect the public against injury from private banking," which forbade under heavy penalty any bank bill or note to be issued by any body, "associated without legislative authority." Four institutions, which had actually begun operations, were exempted from its provisions, but of these the infant Bank of Bath was not one. In vain Mr. Peter Davy and 386 other freeholders of the Midland District petitioned the Legislative Assembly that the Bank "may be allowed to continue its operations." A Bill was brought in, and after some amendments by the Legislative Council, which were accepted by the Assembly, passed on July 11th, 1837, "to afford relief to certain banking institutions, heretofore carrying on business in this province, by enabling them more conveniently to settle their affairs, and for protecting the interests of persons holding their notes." This Act allowed the shareholders of such institutions to appoint commissioners for settling their affairs, and under it the shareholders of the Freeholders' Bank appointed James Fraser, William Sills, and Benjamin Ham commissioners for the purpose. It is significant of the looseness with which affairs were at this time transacted in the province that the Bill was brought in on the motion of Mr. John Solomon Cartwright, Member for the county, and that on August 7th, 1837, the appointment of the commissioners was confirmed by the same John Solomon Cartwright in his capacity of Judge of the District Court of the Midland District.

The work of the commissioners took some time, and on February 14th, 1838, a petition, apparently praying for certain further powers, was presented by them to the Legislative Assembly, and referred to a special committee. The original powers eventually proved to be sufficient, the affairs of the Company were wound up without the need of a report from the committee, and early in 1838 the dream of the would-be financiers of Lennox and Addington had vanished.

The first Savings Bank opened in Napanee was purely of local origin and was known as the Napanee Savings Bank Society. The Committee of Management consisted of R. J. Cartwright, J. Stevenson, J. Grange, J. F. Bartels, W. McGillivray, and Alex. Campbell, with the Rev. Dr. Lauder as Treasurer, and Robert Phillips, headmaster of the Grammar School, Book-keeper. On Friday, October 5th, 1860, the books were opened for depositors, and the following rules were published:

1st. The Society will receive any sum not under 25 cents.

2nd. Will allow interest upon each pound remaining in their hands for a period not less than two months at the rate of 5% per annum, but will not on broken parts of a pound or for broken parts of a month.

3rd. Will not receive more than two hundred dollars from any one individual.

4th. The Treasurer and Book-keeper will receive and pay out moneys at the Town-Hall between the hours of 7 and 8 p.m. on Tuesdays and Fridays of each week.

5th. Any sum not exceeding \$5 may be drawn out on demand, and any over \$5 upon giving a week's notice.

6th. All sums paid into the hands of the Treasurer will be forthwith placed on deposit in the Commercial Bank of Canada at Kingston.

7th. No money will be loaned or otherwise invested on any pretence whatever.

8th. Each depositor will be provided with a small book, wherein deposits and sums paid out are to be entered. No money will be received or money returned unless this book be produced to have the proper entries made therein.

9th. No money is to be received or paid out except in the joint presence of the Bookkeeper and Treasurer, or if the latter be unavoidably absent, of some member of the Committee, and each deposit or repayment must be initialled in the depositor's book by both of the above parties.

Sir Richard Cartwright was the founder of this very laudable institution, he and two other members of the Board, Messrs. McGillivray and Bartels, gave their personal bond guaranteeing the investors against loss, and advanced the very excellent reasons for all persons of small means patronizing the bank that the money "thus placed out of their immediate control, will prevent their indulging many an extravagant desire; will teach them careful and provident habits, and in addition will be improving in amount to be ready for them at any moment when really required." Fifty years later we see the same man, then Minister of Trade and Commerce, placing upon the state Books of Canada a similar provision to encourage thrift among the poorer classes throughout the entire Dominion.

The first chartered bank to open a branch in Napanee was the now defunct Commercial Bank which on June 4th, 1864, opened its books for business in the small frame store on John Street between the Paisley House and the stone building used for many years as a butcher shop. The manager was the late Alexander Smith, who lived in the latter building, and, from want of a better place, kept the bank books and cash in a safe in his dining room. The manager slept over the dining room; and a hole through the floor commanded a view of the front of the safe and afforded an opportunity, if the occasion demanded it, to discharge into any would-be robbers the contents of a brace of pistols which were always ready at hand. The Commercial Bank continued in business for four years, when a panic was caused in the town by the announcement of its failure; but the Merchants Bank came to its rescue, took over its premises, business, and staff, and remained in the old frame building until 1870, when J. J. Watson of Adolphustown erected on Bridge Street the building designed especially as a bank and dwelling and now occupied by Dr. Simpson. The lower story of the western end of the building was devoted to the bank, and the door now used as the office door of the surgery was the bank entrance. Behind the office to which this door gave admittance was the vault and private office of the manager. For ten years this was the headquarters of the bank in Napanee, when it was felt that a location on Main Street would be more desirable and the building opposite the Campbell House was secured. Mr. Smith continued as manager until 1893, when Mr. T. E. Merrett assumed control. The latter gentleman's promotion was rapid, but not undeserved, as he remained but two years in Napanee as manager, when, after a few brief changes, he was placed in charge of the New York branch and now fills the important position of Branch Superintendent and Chief Inspector of this, one of the largest financial institutions in Canada. He was succeeded in 1895 by the late W. A. Bellhouse, who gained great popularity in the town as an able and obliging banker, and a most enthusiastic golfer and curler. The present manager, Mr. E. R. Checkley, who had spent several years in the Napanee branch under different managers, relieved Mr. Bellhouse during his illness in 1909, and upon the death of the latter was appointed to his present position. In June, 1911, the bank moved into its pleasant and commodious quarters on the corner of John and Dundas Streets, where the genial manager and his obliging staff are still dealing in the coveted dollars and cents.

The next bank to open a branch in Napanee was the Bank of British North America which carried on business for two or three years in the Miller Block on John Street, one door south of the front entrance to the Paisley House dining room. A most singular fatality pursued the chief members of the staff; and the head office, apparently discouraged in the attempt to man an office in Napanee, concluded to withdraw from the town.

The Dominion Bank took over the business of the Bank of British North America in January, 1878, and continued for a time in the same premises until accommodation was provided in the Blewett Block on the Market Square corner. There has been a succession of able and popular managers in charge of the branch, who, together with the embryo bankers from time to time under them, have been a decided acquisition to the social life of the town. The business of the bank has steadily increased under their fostering care until now it is regarded as one of the

(Concluded on page 29)

SOCIETY AFFAIRS . . .

NEW MEMBERS

Applicants for regular membership in the Society whose names were published in the October 1975 Journal have now been accepted.

APPLICANTS

The following have applied for regular membership. Unless objections are filed in respect of any applicant prior to April 1976, they will be accepted and so recorded in the next issue of the Journal.

NEW APPLICANTS

Wayne J. Murray, 65 Carleton St., Oromocto, N.B.

Atlantic Provinces Numismatic Association, 1635 Edward St., Halifax, N.S.
B3H 3H9

Paul Crossett, 1831 Briarcrook Cres., Mississauga, Ont. L4X 1X3

LIFE MEMBERSHIP

James E. Charlton, 270 N.W. 3rd Court, Boca Raton, Florida 33432

CHANGE OF ADDRESS

Barry Lipson, CNA Station, 895 Lagachetiere W., No. 230, Montreal, P.Q.
H3B 4G1

C. Hayter, 19 Willowbank Blvd., Toronto, Ont. M4R 1B7

Frank Draskovic, P.O. Box 803, Monterey Park, California 91754

RESIGNED

Francis Sellers, P.O. Box 61, Oromocto, N.B. E2V 2G4

Aldred D. Hoch, 225 Willow Ave., Somerville, Mass. 02144 U.S.A.

DROPPED FOR NON-PAYMENT OF DUES

Fred Samuels, 1121 St. Catherine St. W., Suite 101, Montreal, P.Q.

Walter Liebesny, 993 Sixth Ave., N.Y. 10018 U.S.A.

Manuel Simoes, 680 Manning Ave., Toronto, Ont.

DECEASED

It is with regret we record the death of the following members:

Maurice Gould, Tustin, California 92680 U.S.A.

Donald R. Lohnes, 188 Queen St., St. John, N.B. E2L 1S8

INFORMATION REQUIRED

- (a) When communicating with the General Secretary, please ensure that you note your new mailing code number (Canadians only).
- (b) If anyone knows the new mailing address of the following member, please advise the Secretary:

C. N. Gowlett Sr., 91 Boston Ave., Toronto, Ont. M4M 2T8

MEMBERS ADVERTISING

Members in good standing may place a three-line ad for any banknote, scrip, cheque, etc., they wish to acquire, sell or trade. Three lines to include address. Send all requests to the Editor, P.O. Box 54, Ingersoll, Ontario N5C 3K1.

Ads should be typed or written clearly and double spaced with reasonably wide margins at both sides. They must reach the Editor no later than the first day of the month preceding publication which takes place in January, April, July and October.

WANTED — Westmorland Bank of New Brunswick notes. Correspondence welcomed. R. J. Graham, 395 Fraser St., Pembroke, Ont. K8A 1Y5.

WANTED — Bank of Canada \$20.00, 1969 issue, serial EA0000840. Have similar to trade or will buy. Don Olmstead, P.O. Box 313, Halifax, N.S.

WANTED — Bank of Canada 1954, \$1.00 devil's head — BC29* and BC29a*. Please write: Cec Jahrig, 11008 Braton Place S.W., Calgary, Alta. T2W 1B3.

WANTED — Used cheques with postage meter impression tax stamp, 1935-1953. R. W. Irwin, 14 Tamarack Place, Guelph, Ont. M1E 3Y6.

ONTARIO PAPER MONEY GROUP

The second meeting of the Ontario Paper Money Group held on October 16th was quite successful notwithstanding the fact the date had been changed (to have the opportunity to welcome out of town visitors attending T.C.C./C.A.N.D. sponsored Counterfeit Seminar). There were 45 in attendance.

Welcomed guests were Virgin Hancock, President of the American Numismatic Association and Col. Robert Kriz, the leaders of the Counterfeit Seminar faculty. In recognition of this event, 10 cases of contemporary counterfeit bank notes were on display and evoked considerable interest.

The highlight of the evening was the illustrated lecture by Dr. Douglas D. Hunter on historical bank buildings. In addition to some excellent slides, Dr. Hunter used pictures and postcards which added much to the presentation of a fascinating and timely subject.

The meeting held on Saturday, November 22nd at the Hotel Toronto was attended by 26.

The guest speaker, Mr. Douglas Crawford, Manager of the Peterborough branch of the Bank of Nova Scotia gave a very interesting illustrated lecture on Jamaican Bank Notes. Mr. Crawford spent several years in Jamaica where he first became interested in the paper currency of that island. He is a member of the I.B.N.S. and has one of the best collections of Jamaican paper money. An added attraction was a display of bank notes from the other islands of the West Indies. Included were notes from the British Islands, Haiti, Curacao, Cuba, etc.

Those attending the meeting had a pleasant surprise when Bill McDonald, Committee Chairman, informed his audience they were literally sitting on money. A hasty scramble to tip up chairs revealed a bank note taped to the underside of each.

THE NEED FOR A HOBBY PROTECTION ACT:

The Committee is looking for recommendations to the Canadian Paper Money Society, the Canadian Numismatic Association and other responsible organizations to advocate the passing of an Act of Parliament to protect the hobby from the growing list of bank note copies being produced. Coin collectors have as great or greater problems with coin reproductions. The latest addition to the list of bank note copies are notes of Watkins and Harris, the Farmer's Joint Stock Banking Company, The Westmoreland Bank and the Provisional Government Notes issued at Navy Island by William Lyon Mackenzie in 1837.



Dr. Haxby congratulates Dr. Doug Hunter (at right) after his interesting presentation on old Toronto banks.



Alan Macnab (left) looks on while Herb Bishop (right) has a few words with Ted Merner (centre).

Examples of these copies were passed round at the November 22nd meeting. **WHAT'S IN A NAME?**

In our case we hope to know soon as we are requesting help from the group to pick a permanent name. In the heading of this report is the hint that we have already outgrown Toronto. We are asking for suggestions to help the Committee make a decision. Our readers are invited to let us have their suggestions as to a suitable name for our group. Each suggestion will be given careful consideration.

While we are an independent group, because of the cross linkage between Canadian and foreign paper money interests of everyone, we are a bit different although we are closely associated with and support both the Canadian Paper Money Society and the International Bank Note Society.



Betty Bartlett (left) talks with Mrs. W. Sandal, Mildred McLennan (centre) and Anne Seidl (right).

LENNOX AND ADDINGTON — *Conclusion*

most prosperous branches of the institution. The General Manager of the bank, Mr. Clarence Bogert, is an old Napanee boy, and two of the managers, Mr. Baines and Mr. Pepler, now holding responsible positions in the Toronto offices, each secured their fair partners in life in Napanee, while in charge of the local branch.

Following is a list of the managers from the opening of the branch to the present time, with the respective dates of service:

| | |
|-----------------------|-------------------|
| R. A. Halliwell | from 1878 to 1883 |
| R. D. Gamble | from 1883 to 1885 |
| Walter Darling | from 1885 to 1888 |
| E. H. Baines | from 1888 to 1897 |
| Arthur Pepler | from 1897 to 1898 |
| T. S. Hill | from 1898 to 1904 |
| D. L. Hill | from 1904 to 1911 |

G. P. Reiffenstein from 1911 to the present time (1913).

Last to enter the field in Napanee was the Crown Bank of Canada, which, in 1906, opened a branch on the south side of Dundas Street in the Albert Block, where it has remained ever since; but upon amalgamating with the Northern Bank in 1908 the name was changed to The Northern Crown Bank. Up to the present it has undergone few changes; but it is rapidly making history under its energetic manager, Mr. R. G. H. Travers, who has been in charge of the branch since a few months after its opening.

Prior to the coming of this bank to Napanee there were only two banks in the county, the Merchants and the Dominion, but now there are ten, of which three are in Napanee and a branch of the Northern Crown in each of the following villages,— Bath, Odessa, and Enterprise, a branch of the Sterling in Tamworth, the Merchants in Yarker, and the Standard in Camden East and Newburgh.

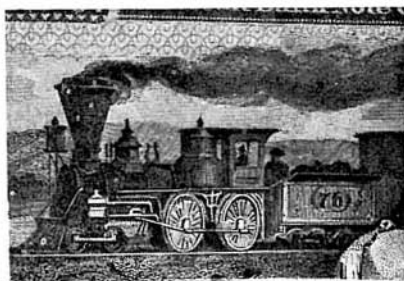
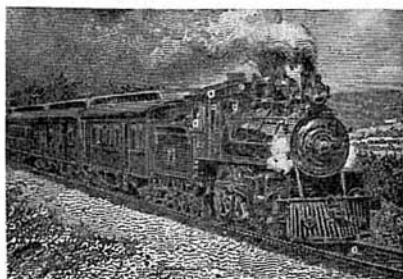
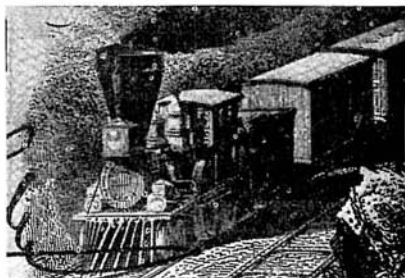
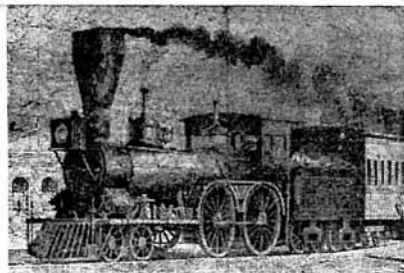
ANNUAL MEMBERSHIP DUES

Annual membership fees are now due. Cheques or money orders in the amount of \$15 Canadian currency should be made payable to the Canadian Paper Money Society, P.O. Box 356, Fredericton, N.B. E3B 4Z9.

Can You Identify?

Locomotives are again the theme of this quiz submitted by Research Director Walter Allan. Identify at least one banknote that each appears upon.

Mail answers to the Editor, P.O. Box 54, Ingersoll, Ont. N5C 3K1. Senders of the first received correct answers will be declared the current C.P.M.S.-E.P.M.I.



All entries were held up by the postal strike so dates on entrants' letters were used to ascertain whose answers should have been received first. Three correct entries were submitted. Al Bliman, Willowdale, Ont., October 21, regained the right to be known as the C.P.M.S.-E.P.M.I. The other two correct entries came from Richard Becker, Acton Centre, Mass., October 22, and Dr. Douglas Hunter, Scarborough, Ontario.

WANTED FOR PERSONAL COLLECTION . . . CREDIT CARDS

Date may be perforated with a paper punch to render them obsolete
Please mail with price wanted

JACK VEFFER / c/o P.O. BOX 7, POSTAL STATION "5", TORONTO



Answers to the October quiz are as follows:

1. The Mechanics Bank of St. John's, 1837 \$1.00 or \$10.00.
2. The Union Bank, Montreal, 1838 \$5.00.
3. The Royal Bank of Canada, 1913 \$20.00.
4. La Banque Nationale, 1897 \$5.00.
5. The Bank of the County of Elgin, 1856 \$2.00.

International Bank Note Society

SIXTH ANNUAL EUROPEAN CONGRESS 1976 LONDON

Every year the I.B.N.S. London Committee has the task of selecting a Chairman and Organiser for the Annual Congress in London.

The qualifications to gain the honour are service to the Society over an extended period and to be a known collector of distinction.

I.B.N.S. London Committee have asked Yasha Beresiner to be Chairman and Organiser for 1976 Congress, and we are pleased to announce he has accepted the position.

Amongst his previous achievements figure, authorship of five books on bank note collecting, I.B.N.S. magazine editor, meetings organiser. Every call to serve the Society has been met over a period of many years.

Further announcements concerning Congress will be made by the Chairman and Organiser Yasha Beresiner.

D. F. KEABLE, *Chairman, ..
London Committee*

**Move your duplicates through a Classified or Display Advertisement
in the "CPMS Journal"**

IN THE MARKET PLACE . . .

By Al Bliman

TOREX-O.N.A. AUCTION — OCTOBER 9-12, 1975

The fall version of the semi-annual TOREX show was held this year at the Canadian National Exhibition's Queen Elizabeth building.

This was a small auction with only 743 lots for sale in total.

There was very little in the rare or semi-rare paper money offered.

The only two notes worth highlighting were the \$2 Dominion of Canada (1887) in VF and a \$1 Merchants Bank of Canada (Overprinted PERTH) — 1868 in VG.

The rest of the sale was filled with average notes which are in many cases available from professional numismatic dealers.

Below is a partial list of the prices realized:

| Denomination and Description | Year | Prices | | Condition and Remarks |
|---|------|-----------|----------|---------------------------------|
| | | Estimated | Realized | |
| Dominion of Canada | | | | |
| 25c Shinplasters—McCavour-Saunders | 1923 | 30.00 | 30.00 | Unc.—bl. letter C |
| 25c Shinplaster—Campbell-Clark | 1923 | 35.00 | 35.00 | Unc.—bl. letter B |
| \$ 1 Dominion of Canada (Toronto) | 1870 | 225.00 | 185.00 | VG-Fine stain |
| \$ 1 Dominion of Canada (Dufferin) | 1878 | 40.00 | 32.00 | Fine |
| Reverse — Montreal | | | | |
| \$ 1 Dom. of Canada (Logging Scene) | 1897 | 450.00 | 405.00 | VF—stain |
| \$ 1 Dom. of Canada (Logging Scene) | 1898 | 15.00 | 13.60 | VG-Fine, tears |
| \$ 1 Dominion of Canada | 1911 | 15.00 | 13.60 | VF—stains black fine variety |
| \$ 1 Dominion of Canada (Princess Pat) | 1917 | 15.00 | 16.00 | VF |
| \$ 1 Dominion of Canada (Green Seal) | 1923 | 50.00 | 50.00 | Unc.—letter C |
| \$ 1 Dominion of Canada (Purple-Brown Seal) | 1923 | 60.00 | 67.00 | Unc. |
| \$ 1 Dominion of Canada (Lilac Seal) | 1923 | 50.00 | 36.00 | Good |
| \$ 2 Dominion of Canada (Lansdowne) | 1887 | 600.00 | 455.00 | VF |
| \$ 2 Dominion of Canada | 1914 | 80.00 | 78.00 | EF-AU |
| \$ 2 Dominion of Canada (Duke of Windsor) | 1923 | 75.00 | 68.00 | Unc. |
| \$ 4 Marquis of Lorne | 1882 | 350.00 | 245.00 | Fine—1/4" tear |
| \$ 5 Queen Mary | 1924 | 425.00 | 380.00 | VF |
| Bank of Canada — 1935 Issue | | | | |
| \$ 1 Bank of Canada (French text) | 1935 | 50.00 | 45.00 | EF |
| \$ 2 Bank of Canada (English text) | 1935 | 45.00 | 36.00 | EF—small stain |
| \$ 5 Bank of Canada (English text) | 1935 | 70.00 | 62.00 | EF-AU |
| \$10 Bank of Canada (English text) | 1935 | 50.00 | 42.00 | AU |
| \$20 Bank of Canada (English text) | 1935 | 90.00 | 115.00 | EF—Large Seal |
| \$25 Bank of Canada (Jubilee Issue) (English text) | 1935 | 500.00 | 450.00 | AU |
| Bank of Canada — 1937 Issues | | | | |
| \$ 1 Bank of Canada—Gordon-Towers | 1937 | 10.00 | 10.00 | Unc. |
| \$ 2 Bank of Canada—Gordon-Towers | 1937 | 15.00 | 12.50 | Unc. |
| \$ 5 Bank of Canada—Gordon-Towers | 1937 | 18.00 | 14.00 | Unc. |
| \$10 Bank of Canada—Gordon-Towers | 1937 | 26.00 | 19.00 | Unc. |
| \$20 Bank of Canada—Gordon-Towers | 1937 | 38.00 | 32.00 | Unc. |
| \$50 Bank of Canada—Gordon-Towers | 1937 | 80.00 | 74.00 | Unc. |
| Bank of Canada — 1954 Issue | | | | |
| \$ 1 Bank of Canada—Coyne-Towers | 1954 | 10.00 | 11.00 | Unc.—Devil Face |
| \$10 Bank of Canada—Coyne-Towers | 1954 | 40.00 | 41.00 | Unc.—Devil Face |
| Chartered Banks | | | | |
| \$ 5 Barclays Bank | 1935 | 35.00 | 41.00 | VG |

(Continued on next page)

PAPER MONEY NOTES AND NEWS

Research Director Walter D. Allan

The big news of the moment is the announcement on November 3, 1975 by Secretary of the Treasury, U.S.A., that a \$2 note with a bicentennial theme will be issued on April 13, 1976, the birthday of Thomas Jefferson. The face of the note will feature a portrait of Jefferson and the back a rendition of the Signing of The Declaration of Independence. The last U.S. \$2 note was the 1963 A series which was officially discontinued in 1966.

A few rare Canadian notes continue to come on the market: Included were an extremely rare \$5 Peoples Bank of Halifax 1871 issue, a \$1 Summerside Bank of Prince Edward Island, a \$3 note of The St. Stephens Bank 1860 issue in exceptional condition, a rare \$20 International Bank of Canada 1859 (ser. 485), and a rare \$20 Weyburn Security Bank, 1911, serial no. 00001.

Some recent Bank of Canada "asterisk" notes released into circulation include \$1 1973 Prefix FN, \$5, 1972 with prefix CU, \$10, 1971 with prefix TC and \$20 1969 with prefix WF.

A new prefix series GA has been released by the Bank of Canada. This is a British American Bank Note Co. printing and follows the end of the first A prefix series which started when the 1973 dated notes were first released. Each prefix combination in Bank of Canada notes consists of ten million notes starting with serial 0000000 and ending in 9999999. See photo below for last serial number of A prefix AZ 9999999 and interesting serial number of new prefix GA2222222.



| | | | | | |
|-----------------------------|---------------------------|------|--------|--------|----------------------------------|
| \$10 | Canadian Bank of Commerce | 1888 | 200.00 | 168.00 | VG—pinhole |
| \$ 5 | Canadian Bank of Commerce | 1935 | 50.00 | 40.00 | Unc. |
| \$ 1 | Merchants Bank of Canada | 1868 | 500.00 | 300.00 | VG—small tear Overprint PERTH |
| \$ 5 | Molsons Bank | 1908 | 135.00 | 149.00 | VG, pinholes |
| \$ 4 | Bank of Montreal | 1871 | 250.00 | 215.00 | G-VG, small tear |
| \$10 | Bank of Montreal | 1931 | 50.00 | 41.00 | Unc. |
| \$ 5 | Royal Bank of Canada | 1927 | 75.00 | 70.00 | AU |
| \$10 | Standard Bank of Canada | 1924 | 300.00 | 253.00 | VF |
| Non-Negotiable Banks | | | | | |
| \$ 5 | Agricultural Bank | 1834 | 15.00 | 15.00 | Good |
| \$ 2 | Bank of Brantford | 1859 | 18.00 | 20.00 | Unc. |

(Continued on page 34)

EDITORIAL

The first issue of the Journal for 1976 is late because of the long drawn out postal strike. However, it is not too late for me on behalf of the Officers and Directors of the Society to wish all our members and friends, good health, happiness and prosperity for 1976.



It is customary at the beginning of a new year to look back in retrospect at the year that is past. What have we accomplished and have we progressed? I think we can truthfully answer; we have made progress.

The C.P.M.S. has taken its place in the paper currency world amongst the foremost national organizations. Although founded only eleven years ago it has accumulated considerable knowledge through the research of a few dedicated members. Information on the issues of Canadian paper currency is being aggregated as research brings unpublished facts to light.

The series of articles begun in 1974 by Dr. J. A. Haxby, Deputy Curator of the Bank of Canada's Numismatic Collection, continued through 1975. These articles will continue for some time to come as Dr. Haxby's research enables him to complete further papers. When

this series is complete it will be a major source of reference for students of Canadian numismatics.

The pages of the Journal and the Society library are a fount of learning to the members who seek information on our country's paper money and on the banks which issued currency.

Increased use of the library during 1975 indicates a growing interest and a desire for more knowledge. This is a healthy sign raising hopes for a continuous supply of articles for the Journal.

Another achievement during the past year was the formation of a group whose interest is in the paper money field. This was a joint project of the C.P.M.S. and the I.B.N.S. First known as the Toronto Paper Money Group, they have now outgrown that name and are at time of writing tentatively known as the Ontario Paper Money Group. Monthly meetings are held in Toronto on the third Wednesday of the month, 8:00 p.m. at the Toronto-Dominion Bank lounge unless notified of a change.

Now a look to the future. Continued growth and success can be assured if a sufficient number of members help by introducing a friend to the Society. Recruit a new member; write an article for the Journal; become involved. You will feel good if you take an active part in that growth.

It was with deep sorrow I heard of the death of Mrs. Mildred McLennan. Though not a member she was a friend of the Society, attending most gatherings with her husband. She will be missed by the many members who were her friends. Speaking for myself and them we extend our sincere sympathy to Lindsay McLennan.

MARKET PLACE — (Continued from page 33)

(Sault Ste. Marie)

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1976 JOINT APNA-CPMS

CONVENTION MEETING AND PROGRAM

LORD BEAVERBROOK HOTEL

Fredericton, New Brunswick - May 1, 1976

— PROGRAM —

- 8:00 a.m.—Open for setting up of displays and bourse (Saint John Ballroom)
- 10:00 a.m.—Open to general public—APNA General Business Meeting (Board Room)
- 11:00 a.m.—Judging of Competitive Displays
- 1:00 p.m.—Auction, Frank Rose Enterprises Ltd., Toronto, Ont. (Miramichi Room)
- 5:00 p.m.—CPMS Exec. Meeting (Board Rm.)
- 6:00 p.m.—Reception—No Host Bar (Peticodiac Room)
- 7:00 p.m.—Banquet—Guest Speaker: Mr. Paul Johnson, Toronto (Peticodiac Rm.)
- 8:30 p.m.—Donation Auction (Peticodiac Rm.)
- 10:00 p.m.—Convention Closes

The APNA-CPMS Convention Committee solicits your support in the Donation Auction & requests that all donations be sent to:

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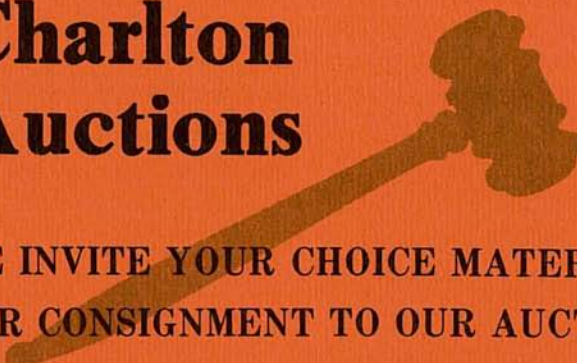
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