

# *THE CANADIAN PAPER MONEY JOURNAL*



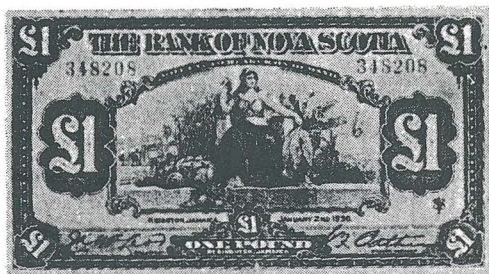
**Official Publication Of  
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**Vol. XXVII, No. 4**

**October, 1989**



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An Official Publication Of  
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Vol. XXVII, No. 4

October 1989

Serial No. 100

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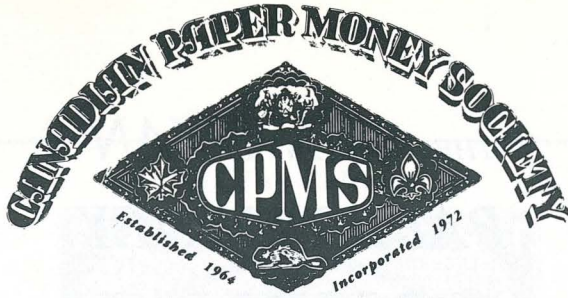
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The Canadian Paper Money Society is a non-profit historical and educational Society interested in Canadian Banknotes, banking and other Canadian paper money. The Canadian Paper Money Journal is published quarterly. Library and other facilities are available. The society is sustained by regular Members' contributions of \$20.00 per year or \$300.00 Life Membership donation to the Income Trust Fund. The official address of the Society is:

P.O. Box 465, West Hill, Ontario, Canada M1E 2P0



## PRESIDENT'S MESSAGE

This issue of The Canadian Paper Money Journal marks the end of the first twenty-five years of the Society's history, and the one hundredth issue of the Journal.

At the CPMS luncheon in Quebec City those in attendance received the Society's twenty-fifth anniversary medal. Members who were not able to attend the convention will still have an opportunity to acquire medals. Details will be found inside this journal. The text of the address given by founding president Bill McDonald will also be found in this issue.

Congratulations to our immediate past president, Graham Esler, on receiving the J. Douglas Ferguson award.

I am very pleased to announce that we now have a new editor, Ted Banning, and an assistant editor, Stan Clute. I have known both of them for many years and can assure the members that our Journal will remain in very dedicated and capable hands. Stan will be preparing the 25 year index to the Journal, and will also be responsible for the July issue, when Ted will be conducting archeological excavations in Jordan.

However, the Journal must remain what we collectively make it. We must have more articles, on a wide variety of topics. Several members have indicated that they have articles in preparation, but we need many more. I would ask all members to write up something for the Journal soon. The contributions may be of any length, from a single paragraph or perhaps just a photograph and a few sentences, to major research papers. Don't be reluctant to write if you are not strong on spelling or grammatical niceties. The editors are well acquainted with these matters and will gladly assist you. Please share your knowledge, discoveries and experiences with the rest of the Society. Send your material to:

Dr. E.B. Banning  
Department of Anthropology  
University of Toronto  
Toronto, Ont. M5S 1A1

Together we can put an end to delayed publication and wasteful expanses of white space!

I would like to thank Dr. Lub Wojtiw for delaying his resignation long enough to get the October Journal and for his work, often under extremely difficult circumstances, as our editor for the past six years. I also wish to express our gratitude to Dick Dunn and Herb Bishop for their continuing efforts on behalf of the Society.

R.J. Graham  
President, C.P.M.S.

## TWENTY FIVE YEARS OF CANADIAN PAPER MONEY

(Remarks by William H. McDonald at the Canadian Paper Money Society  
25th Anniversary Luncheon, Quebec, Que., July 28, 1989)

A review of the Canadian Paper Money Society's first twenty-five years, since its establishment in the Fall of 1964 is quite interesting. The conditions existing around the time it began set the backdrop and partially explain why the formation of the Society was so significant:

- \* No catalogues and few books about Canadian paper money were available;
- \* The only exceptions, CHARLTON'S catalogues contained some paper money data; also the JAMES/TAYLOR catalogue, but both were very limited;
- \* CNA existed since 1950 and its Journal was good but in 15 years, it had contained only eleven serious articles on Canadian paper money or related subjects (i.e. information not readily found elsewhere).
- \* The International Bank Note Society and the Society of Paper Money Collectors had started up in 1961 and 1962 respectively but with no content of interest to Canadian collectors.

Against this background, CPMS was launched on its uncertain career. I was with Bank of Nova Scotia at the time and had a budding but firm interest in paper money, especially that issued by banks. Fred Jewett, also working in Scotiabank, approached me one day suggesting we form a paper money organization. My agreement that he do so and I would help fell on deaf ears as his idea was that I take the leadership role. Reluctantly, I agreed but on the condition that we take the quality route all the way.

A number of important events followed:

- \* Meetings at my residence were held; letters were sent to collectors in Canada and the U.S.A. who might be interested and many discussions in person or by telephone were held. All this activity culminated in the holding of the organizational or founding meetings on Sept. 24, 1964. Those present were: Bill McDonald, Fred Jewett, Walter Allan, Lindsay McLennan, Bert Peddie, and Bill Lavell.
- \* The conclusions reached at this meeting were that there was a clear need for paper money to have their own organization,
- \* But it must be strong in order to advance the interests of its members and therefore it must be strong financially,
- \* The Journal would be the key to the success of the Society because it would be the only means of contact with a majority of the Members,



\* Other services, such as a Library, Educational Seminars, meetings, etc., would be developed as resources permitted,

\* Charter memberships were established so as to meet the financially strong criteria, at \$10 plus and annual fee of \$10. This was unheard of - The C.N.A. fee was only \$5.00 and the A.N.A. fee only \$7.50! When the Charter Membership roll closed on Dec. 31, 1964, it totalled 81 members and C.P.M.S. had claimed its first of many firsts - redefining Charter Membership in numismatics;

\* A "Pro-term" constitution was adopted, later confirmed and amazingly has survived to present with few material changes;

\* The Society's first Officers appointed were:

Honourary President - J. Douglas Ferguson

President - William H. McDonald

1st Vice President - Vinnie Greene

2nd Vice President - Walter Holmes

Sect'y/Treas. & Editor - Fred Jewett

Exec./Reg. Directors - Lindsay McLennan, Bill Lavell, Walter Allan, Norm Williams

In the early years, much effort went into the Journal to ensure that it would live up to expectations. In the first year it contained articles on

\* Paper money and those issuing it

\* History of note-issuing banks and general bank history

\* Counterfeiting

\* Banknote endorsements, overprints and signatures, etc.

ALSO it contained:

\* IN THE MARKETPLACE, (For many years a very important service to members in out-of-the-way locations and those not able to attend Conventions, Auctions)

\* A RESEARCH COLUMN

\* BOOK REVIEWS AND LIBRARY NEWS

\* PRESIDENT'S MESSAGE AND EDITORIAL COMMENT

In the years that followed, there were a number of milestones that confirmed the Society's commitment to quality:

July, 1965: A CASH PRIZE AND CERTIFICATE OF AWARD to the best paper money exhibit annually in the C.N.A. Convention Exhibition established the C.P.M.S. support of education through exhibiting,

Jan. 29, 1965: The first paper money RALLY, that included an exhibition, educational program and bourse and was exclusively for paper money is believed to be the first in North America;

October, 1966: Establishment of a Committee for the Standardization of Definitions, Grading and Terminology. (It was not however, until early 1971 that the Society's official "PAPER MONEY TERMINOLOGY, DICTIONARY AND GRADING GUIDE" was released;

Adoption of CPMS LOGO and Establishment of CPMS Literary Award

March 1967: Annual meeting at CHATEAU DE RAMEZAY, MONTREAL. The entire paper money collection was on display, the first time in years and never seen again because of the sale to the Bank of Canada of significant portions of the collection. Next day, on to the ST. HYACINTH ANNUAL SHOW AND CONVENTION. C.P.M.S. gave a special exhibit award won by Maurice Logan for his exhibit of "1837 Insurrection Rebellion Money";

July 1, 1967: Centennial issue of Journal and free copy to members of the booklet, CANADIAN BANKING IN 1867 By Lorenzo Hebert, Deputy Governor of the Bank of Canada; also in 1967, Life memberships were established:

It was perhaps, during the early 70's, that the Canadian Paper Money Society came of age. Jack Veffler succeeded me as President in February, 1969 and the following significant events illustrate just how vibrant the Society had become;

February 28, 1970: A C.P.M.S. CONVENTION AND ANNUAL MEETING was held in Toronto. HAROLD TRIBOLET, Vice-President of Connolly & Sons of Chicago, restorer of the Declaration of Independence of the U.S.A. was brought to Toronto at the Society's expense, as the speaker at a major education seminar on RESTORATION TECHNIQUES THAT RELATE TO PAPER. Exhibits, a banquet, bourse and other activity, well-covered by TV and the Media, rounded out the events;

Feb. 11, 1971: The CPMS medal was struck and the first winner was Patrick Melligan of Toronto;

August 27, 1971: The J. DOUGLAS FERGUSON HISTORICAL RESEARCH FOUNDATION, sponsored by CPMS was announced a testimonial luncheon in Vancouver, held in recognition of our Honourary President. The first Governors of the Foundation were: W.H. McDonald, (Bd.Chm.), John King (Chat. Ramz.), Shel Carroll, (Dep. Chm.), John Phipps (CPMS), Vinnie Greene, John Pitman, R.H. Hall (B of M Curator), Jack Veffler and Norman Williams.

The Foundation now has assets of almost \$100,000 and has become a major factor in supporting financially, all aspects of numismatic education in Canada; The same year, CPMS announced its sponsorship of the JOINT CNA/CPMS CONVENTION



to be held in Toronto in 1972, another first for CPMS.

Much more went on throughout these and the following years - too much to cover in the time available. The foregoing will however, indicate what a major force the Society had become in numismatics in Canada.

A fair question to ask then, is what does it all mean? Where has it led us and where do we go from here? While there are no pat answers, a look at the present state of our branch of the numismatic scene seems to be a good place to start. (It probably is correct to say, however that much of the following applies to most, if not all numismatics.) First there are a number of positive aspects:

\* The hobby has organizations dedicated to the pursuit of most areas of numismatic interest. Most have facilities available and their leadership consists of individuals anxious to see their organizations succeed.

\* Books and catalogues abound. Also, many national organizations publish JOURNALS, some of which are of excellent quality and most of sufficient merit to be recognized as valuable resources for research;

\* Money is available for education: Sources such as Wintario in Ontario and other types of heritage support by the Federal and Provincial Governments is available. Example - INTERPAM, in 1981 when CPMS and IBNS sponsored an international gathering attended by representative of 22 countries, a grant of \$16,000 was obtained because of its educational aspects.

\* Money is available for publishing: The Ferguson Foundation has financed the publication of four hard-cover books and several other publications since it was established. As well, money has been made available to numismatic organizations for audio-visual equipment, French translations of numismatic material, films and to individuals for research projects, etc. To date, \$97,200 has been expended by the Foundation in these activities. And there are, of course, negative aspects:

\* Almost no young and very few new paper money collectors are entering the field. This is a frequently heard complaint from almost all numismatic organizations, notwithstanding the effort expended to attract newcomers, especially young people to numismatics:

\* Educational programs are sparsely attended and exhibiting is in the doldrums;

The cost of rare or scarce numismatic material is extremely high, compared to a few years ago. This, among other things has contributed to some degree to speculation and the inclusion of certain rare numismatic material in so-called investment portfolios. There is nothing wrong with this but it creates upward pressure on prices. It has a negative aspect if such material is attractive only to uninformed investors (for example, coins packaged in nice looking sleeves that

someone else has certified as to value) with little or no regard for true numismatic or historic worth. Very high price levels for rare numismatic material, prevent many serious collectors from completing their collections, thus discouraging them and sometimes losing them. Even more important, it can signal the futility of starting a collection unless the collector is extremely wealthy;

\* As more people become discouraged they drop out and the level of membership in numismatic organizations falls. The leadership immediately feels the pressure and in time becomes discouraged. They complete the circle by leaving the responsibility to others. The effect on the quality of the organization is obvious.

Where do we go from here? It would be foolish to claim an insight that provides solutions to the problems of today. My crystal ball is no more clear today than it was twenty five years ago when the first flattering steps were taken down the CPMS road. The best I can do is to come up with a few thoughts or observations that may have a directional bent to them, I will be more happy.

\* It will take leadership to resolve these problems and such leadership must come from within existing organizations;

\* Analysis of the underlying causes and recognition of the fundamental needs is required. What is good and positive must be determined and built upon. What is bad or obsolete must be changed or abandoned, and the knife must be sharp;

\* It will take commitment, including one from all those who have made a contribution to the hobby and its organizations in the past; after all, why let something we have all invested time, energy, money and a little heart into wither away, while we stand around smugly and think "We have done our turn, let someone else sort it out this time,"

\* We must opt for quality, not quantity. CPMS has shown the way in the past - why not profit from our own experience.

\* Seek and develop new areas of collecting activity to replace those areas closed because of cost, etc.

\* Worldwide paper money is a fertile collecting field. Literally thousands of notes can still be acquired for a few dollars, each covering a vast array of historic events, subjects, famous people and places;

\* Discount coupons, merchants notes and historical scrip are interesting areas that have not yet felt the hot breath of commercialism. (Example - Canadian Tire Money);

\* Bank and other Fiscal Paper including cheques is fascinating as it often recounts history and includes famous interesting people. Canadian private banks and bankers is a field barely touched to date;



\* Collect books. Building a library, computerizing it and having it immediately available for reference and research can be satisfying, profitable and enjoyable;

\* Finally, research and study more, write, exhibit and lecture. You may be surprised to learn that although you can no longer acquire all the numismatic material you wish, it soon becomes less than the most important thing in your life. You may, moreover, be the happier for it.

## RENOUNCES OF PAPER MONEY COLLECTING

by Walter D. Allan, F.C.N.R.S.

All too quickly the years fly by and our memories seem to falter and become focused on fewer events, places and acquaintances. Many interesting events have occurred over the last 25 years, far too many to recount in these few lines, the collecting of banknotes and related material was more often a hit and miss affair in those early times. If I saw a note that I hadn't seen before I usually bought it and spent time worrying about its price and rarity priced, at a later time. There were no catalogues of any depth and the few listings only served as a rough guide. "Canadian Banks and Bank Notes - a Records" by C.S. Howard was of considerable assistance as were the volumes of the Canadian Bank of Commerce, The Dominion Bank, Bank of Nova Scotia, etc. Jim Charlton's Price guides came along and later those of H.C. Taylor and Somer James. The Charlton listings gradually increased whereas the latter decreased. In the early 70's, the Charlton Catalogue had increased to about 92 pages, then almost doubled to 158 in 1977. A real breakthrough came with the release in 1980 of the Charlton Standard Catalogue of Canadian Paper Money. Here, through the efforts of Bob Graham, Dr. J. Haxby, Major Sheldon Carroll and others was a major achievement and a significant breakthrough in paper money Catalogues. The revision and refining of this monumental work was nine years in coming, and now a definitive reference is available to every collector. In the meantime a separate detailed catalogue of Government paper money issues was published in 1984 and is now in its third edition. There is now no need for collectors to be uninformed about the vast majority of notes issued by Governments or Canadian Banks. As the Canadian Paper Money Society came into being in 1964 and began to flourish it brought a new perspective to many collectors and also encourages many people to start collections. This new focus for information and for fellowship not only encouraged and educated the collector but helped instill a sense of pride in showing and displaying ones' collection and of a generous sharing of knowledge was prevalent throughout our members, as it seemed to be in their paper money organizations.

A newspaper heading in the Globe and Mail on March 22, 1971, told of the brutal death of Mr. Milton Ritter in Toronto. I visited him twice at his home and he showed me with excitement some of his notes, explaining how some were very rare as he had seen only one in the last 25 years. He had operated a coin and stamp



business in the arcade on Yonge St. for many years. The bulk of his collection was later sold in the "Mayflower" sale in Boston with many rare and interesting notes being auctioned there. Various special sales such as the Mayflower Auction and the Leo Meloche Auction in 1971 seemed to give added stimulus to our collecting efforts. By 1972, I had collected a large and varied assortment of notes and my interests were focusing on the engravings, these miniature masterpieces of art, that adorned so many notes. I decided to part with a good part of my collection. Many notes had been sold to the Bank of Canada for their collection and the balance was sold in five auctions from October 1972 to June of 1974 through Mr. W. Cross of Interpam, later Charlton Numismatics Ltd. By the time these sales were completed, I have heard it said that paper money collecting had reached a new plateau. By the time this is published another portion of my collection, special serial numbers and error notes, collected for many years, will have been sold.

Through the development of paper money catalogues, the CPMS Journal, educational programs, awards and conventions, activities, our organization has steadily grown from a fledgling infant in the 60's to a mature and growing society. Much remains to be sought after, found, correlated and refined as there is a wealth of information on a 1000 different aspects of fiscal documents and banking history waiting to be discovered.

I would be remiss in not mentioning some of the paper money collectors who were active before and during those early formative years. The collection of Doug Ferguson is legendary and like some other old-timers such as Lindsay McLennan, Tom Morris, Glenn Jackson, and Vincent Greene, their hobby interests included both philatelic and numismatic pursuits. Albert Peddie, Fred Jewett, Walter Griggs, Walter Holmes and Don Allen to mention only a few, were among the early collectors who gave freely of their knowledge and experience. Likewise did many of the early dealers of dealer-collectors such as James Charlton, Jules Mero, Grover Criswell, Ralph Goldstone, Fred Samuels and Albert Rosen.

In the background there are always a few tireless workers who keep the wheels of our hobby and society turning. These include Bill McDonald, Jack Veffler, Sheldon Carroll, Herb Bishop and many other, previously mentioned. The executive of our Society has been noteworthy over the years and all deserve a hearty vote of thanks for a job well done. The co-operation of the Bank of Canada, the Bank of Montreal, the Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, the Royal Bank and the Toronto Dominion has been of great importance. So also has the assistance of the Canadian Bankers Association, the British American Banknote Co., the Canadian Banknote Co. and the American Banknote Co. played a significant role in the advancement of our knowledge of paper money. Mention must be made of the great contributions of those members who have published significant research that has kept the pages of our Journals filled with knowledgeable and provocative information. To mention a few such as Sheldon Carroll, Bill McDonald, Bob Graham, James Haxby, Graham Esler, Ron Greene, Lub Wojtiw, Don Stewart, Norm Williams, Ruth McQuade would merely touch the surface. A glance through our Journals for the last 25 years will quickly point out the often unappreciated authors who have provided the grist for



our mill of knowledge.

No less mention should be made of our members who have made our conventions and regional shows so interesting with their wonderful exhibits and of the judges who scrutinized them. Perhaps the best variety and quality of displays to be found at any convention were those of the Interpam Congress and Exhibition held in Toronto in 1981. The Interpam Book was surely a first in scope and excellence and will set a standard to be followed for years to come.

It would appear that with exuberance of our new collectors coupled with the direction and maturity of our long time collectors, the objectives of our collecting fraternity and of our society will progress through the dedicated pursuit of knowledge and friendship for many years to come. The many moments of exhilaration and frustration, of excitement, and disappointment, and of a sense of accomplishment that we have all experienced would fill many pages and perhaps you, our members should take time now to write down and send to our editor your banknote collecting experiences. As any organization we face challenging times ahead, both financially and in the running of our Society. I hope that every member will come forward to meet these challenges and ensure that the next 25 years are as interesting and successful as the past. As we celebrate our 25th Anniversary, I wish all of you the best of health and an informative and satisfying continuation of your paper money pursuits. Happy 25th Anniversary.

## **THE MILLION DOLLAR COUNTERFEIT RING**

(Adapted from Memoirs of a Great Detective: Incidents in the Life of John Wilson Murray, edited by Victor Speer, with Additional Information from other Sources.) Source Material Provided by Fred. F. Angus, Compiled by Bob Cochran

This article details some great detective work performed by John W. Murray, an agent of the Government of the Canadian province of Ontario in the late nineteenth century. In the spring of 1880 several different types of Canadian and U.S. banknotes were discovered to be in circulation in Canada, and Detective Murray was assigned the task of determining their source.

### **DETECTIVE JOHN W. MURRAY**

Murray was born in Edinburgh, Scotland on June 25, 1840. He ran away from school in 1853 and shipped as a sailor on various ships during the next four years. In 1857 he joined the U.S. Navy, serving in the U.S.S. Michigan, based at Edie, PA. During the Civil War he was transferred to a ship serving in the Gulf of Mexico and saw action in several engagements, including some service under Admiral David Farragut. In 1864 he was transferred back to the U.S.S. Michigan, and at that time uncovered a Confederate plot to seize the U.S.S. Michigan, released

some 4,000 Confederate prisoners who were in a Prisoner-of-War Camp on Johnson's Island in Sandusky Bay on Lake Erie, and attacked and burned Detroit, Cleveland and Buffalo. Investigating and foiling that plot involved a lot of detective work, including travel as far as New York and Montreal.

After the war, Murray became a "special agent" of the Navy Department. It is somewhat unclear exactly what his duties were, but he was apparently associated with the U.S. Secret Service to some degree. In 1868 he left the Navy Department and became a detective with the police force in Erie, PA. In 1873 he was employed by the Canada Southern Railway, which was controlled by the New York Central, and was based at St. Thomas, Ontario. His work there gained him the attention of the Attorney General of the province; in late 1874 he left the railroad and became the Provincial Detective of Ontario, based in Toronto. Murray remained in this post until he retired in 1905.

### COUNTERFEITS DETECTED IN CIRCULATION

In the spring of 1880 a well-executed counterfeit U.S.A. \$5 legal tender note of the Series of 1875 was discovered by a Treasury Department Official after the note was sent in from Canada for redemption. When the U.S. Secret Service investigated the source of the note, they discovered that large numbers of this note, plus a great number of counterfeit Canadian bank notes were in circulation in Canada.

When the Canadian counterfeits were discovered, Murray was instructed to "get to the bottom of it, and above all to get the plates"... After some checking, he found the following counterfeit Canadian notes in circulation:

\$10 Bank of Commerce, Toronto (Series of May 1, 1871)

\$5 Bank of Commerce, Toronto (Series of May 1, 1871)

\$5 Bank of British North America, Montreal (Series of July 3, 1877)

\$10 Ontario Bank, Bowmanville, Ont. (Series of November 1, 1870)

\$4 Dominion Bank (probably series of January 1, 1876)

\$1 Dominion of Canada, Government issue (Series of June 1, 1878)

Murray was familiar with the known counterfeiters in the United States, although he had not had any involvement with them for nearly fifteen years. He took samples of the counterfeit U.S. and Canadian issues with him to New York and Philadelphia, hoping to uncover some information about their source, but he had no success. His next stop was Washington, where he conferred with Treasury Secretary John Sherman and Secret Service Chief James Brooks. They were very concerned, but had no information for Murray.

He returned to New York and managed to track down a man who had been an expert counterfeiter in his day. The man looked over the counterfeits, and speculated that they were the work of a John Hill. Murray then tracked down another former counterfeiter, who agreed with the first man that the work was probably that of John Hill. but the man also provided Murray with another possibility, saying "They look like Hill, and next to Ed Johnson, Hill is the best man in the world today."



## MURRAY'S SEARCH FOR EDWIN JOHNSON

Murray determined that John Hill could not have engraved the plates, because he was already in prison for counterfeiting U.S. currency. His thoughts then turned to the whereabouts of Ed Johnson. Johnson was an educated man originally from England, who had learned the engraving trade there before moving to America. He had worked at his trade honestly for a time, but became involved in counterfeiting. He had been captured and convicted several times, and had served time in the state prisons of Indiana, Ohio and Michigan. According to the last ex-counterfeiter that Murray talked with Johnson was presumed to have returned to England.

His next stop was in Chicago, and he inquired if anyone knew where Ed Johnson was. He was told that Johnson had been living in Indianapolis several years before. In Indianapolis Murray called on a U.S. Senator McDonald, and was told that the Johnson family had indeed been living there until about six years prior to the present time. The family had lived there until they were accused of being counterfeiters. The Johnsons had employed a law firm of McDonald & Butler (assumed to be the same McDonald previously mentioned) to defend them, paying the firm \$25,000 for their defense. It was well spent, as they were cleared of the charges. However, the family reputation had been tarnished, and they moved to Cincinnati. Murray tracked the Johnsons from Cincinnati to Covington, Kentucky, and from there to Hartford, Connecticut, and then to Fall River, Massachusetts. They had left Fall River about a year before, and there the trail turned cold.

Murray went back to his first contact in New York, and the man studied the counterfeit bills for several hours. The ex-counterfeiter agreed that the counterfeit U.S. note was the work of John Hill, and the Canadian counterfeits must have been the work of Ed Johnson - the man knew Johnson's work as well as his own. The man had checked around for a hint of Johnson's location, but had come up empty. He did, however, provide Murray with a valuable bit of information about Ed Johnson; it was known that Johnson normally was not involved with the passing of counterfeit notes. His skill was engraving, and his wife negotiated the sale of the counterfeits to wholesalers who would in turn get the notes into the hands of the passers. The only crack in Johnson's "armor" was that he sometimes drank too much. Murray was told that the members of the family - Johnson's wife, five sons and two daughters "had a desperate time watching him." Murray was familiar with three of Johnson's sons, Dave, Johnnie and Tom, who was lame. By this time he had obtained a photograph of Ed Johnson.

## MURRAY LOCATES THE JOHNSON FAMILY

He went to Buffalo and Detroit, and found no leads as to the Johnson family's location. By this time Murray was convinced that they had gone abroad or were living in Canada, and were personally involved with distributing the counterfeit bank notes. He returned to Toronto and stopped in a saloon near the train station for a drink. He was standing at the bar when he glimpsed a familiar face at the other end



- Johnnie Johnson, Ed Johnson's son. Johnnie apparently did not recognize him, and continued his solitary drinking. Murray tried to follow him, but was unsuccessful.

Three nights later, Murray again spotted Johnnie Johnson, and managed to follow him to a home on Hazelton Avenue. He placed the house under surveillance, and spoke with several delivery men about the inhabitants. He was told that there was an elderly gentleman and his wife, two daughters and two sons living in the house.

At 7 a.m. on Friday, June 11, 1880, after Murray had been watching the house for several days, Edwin Johnson stepped onto the front porch. Murray followed him downtown as Johnson stopped in several saloons for a drink. Each time he paid with genuine notes. By this time Johnson had become "boozy" and boarded a train for Markham. Murray followed him there; Johnson's first stop was a saloon, and he paid for a drink with a new counterfeit \$1 Dominion of Canada note, which Murray was successful in obtaining from the bartender. Johnson visited several establishments, passing counterfeit bills. In one place he purchased a tie, paying for it with one of the counterfeit \$4 notes of the Dominion Bank. Murray was successful in capturing all of the counterfeit notes, each time purchasing them with his own genuine money.

Johnson returned on the train to Toronto, where Murray confronted him. Johnson at first did not seem to understand that Murray was placing him under arrest, when Murray told him that he had obtained the counterfeits Johnson had passed in Markham, he seemed to sober up, and asked if there was not some type of an "arrangement" that could be worked out. Murray searched him and found more counterfeit notes. He took Johnson to the local jail and told him the only "deal" that would work was for Johnson to turn all the plates and paraphernalia over to him. Johnson sent for Murray the following day, Saturday, and again proposed that a substantial sum of "good" money would be given to Murray in exchange for releasing him; Murray again demanded the plates. As Murray was leaving, Johnson told him, "Murray, if you ever get into this line of business, don't drink." "A man does things when he is drunk that he would never dream of doing when he is sober. If I had not been drunk this would not have happened."

On Saturday, June 12, 1880, the following account appeared on page 10 of the Toronto Globe:

"Counterfeit Bills: - An old man 70 years of age, whose name as yet has not been ascertained, in charge of two Stouffville constables, was yesterday lodged into the city gaol. He is committed for trial on the charge of passing counterfeit money on a storekeeper in that village. It seems that the old gentleman appeared in Stouffville some little time ago, and made several trifling purchases in the hops of the village, spools ( of thread) and drinks being the favorite articles upon which to squander his wealth. These things he invariably paid for with a bill, which he thus got changed. It was at length discovered that one of the bills so tendered was a clever forgery and the old gentleman was at once very much in request. He was arrested in Thornhill, taken to Stouffville, and arraigned before Mr. Crookshank, J.P., who committed him for trial. At the trial he refused to give his name, and still continues in his refusal. On his person were found a number of spools and over \$20 in silver." (Markham and



Stouffville are towns to the Northeast of Toronto, six miles apart; Murray may have confused the exact location of Johnson's escapades when he recounted the story 25 years later. Thornhill was a small town five miles north of Toronto, and has since become a part of Toronto; again, Murray may have forgotten exactly where he arrested Johnson.)

Murray returned to the jail on Monday, and renewed his insistence on having the counterfeit plates. Edwin Johnson finally relented, indicating that he had not notified any of his family of the situation nor requested a lawyer. The two men, accompanied by a Detective John Hodgins, drove to some woods on Wells Hills, north of Toronto. Johnson took some measurements and directed them to dig in one particular spot, which turned out to be wrong. He then measured again, and the plates were finally located. The package, according to Murray, was about the size of two large bricks, wrapped in oilcloth and sealed in beeswax. Johnson handled them gently as he handed them to Murray, saying, "They cost over forty thousand dollars to make. I don't own all these plates. A party on the other side has an interest in them." This last comment undoubtedly referred to the plates for the \$5 Legal Tender note engraved by John Hill, and whomever owned them.

The plates were taken to the Attorney General's office, where Murray inspected them. Murray was impressed: ".I examined them, and saw that they were the finest in the land. I marveled at the firmness and precision of the strokes, the authority of the signatures, the beauty of the vignettes and medallions, the accuracy of following all the little whimsies of the engravers of the original, genuine plates. For each bill there were three copper plates - one for the front (face), one for the back, and one for the wedge. (After conversations with several collectors and searches of other references, no absolute definition of a "wedge" has been found. One reasonable assumption is that it was a plate used for the coloured overprint, popular as an anti-counterfeiting measure. In the case of the Canadian notes being discussed the overprint was green. Another more remote possibility is that it was a plate used to add serial numbers and seals to a note.) Each plate was about one quarter of an inch in thickness. I scored them criss-cross, and locked them up. Not only were the six Canada counterfeits in the lot, but the plates for the counterfeit (United) States bills were there. There were twenty-one separate copper pieces or plates, three each for the Bank of Commerce \$10, the Bank of Commerce \$5, the Bank of British North America \$5, the Ontario Bank \$10, the Dominion Bank \$4, the (Canadian) Government issue \$1, and the United States \$5." On Tuesday, June 15, 1880, the Toronto Globe provides some background and commentary about Edwin Johnson:

"A few circumstances of the life of this wonderfully successful criminal were given by Detective Murray from information sent to detectives by the Washington authorities with a view to securing his arrest. He is an Englishman by birth, but removed to the United States when only a boy. He lived in New York city for some years, and shortly before the breaking out of the Rebellion in 1837 he came to Canada.

After some time he returned to the State of Indiana. Here he was arrested on

a charge of passing counterfeit money and was sent to the State Prison for five years. On his release he went to Cincinnati, and there also he served a term for counterfeiting. Since then, it appears he has dealt largely in irredeemable currency, selling it wholesale to regular operators who spread the bills broadcast over the country. Sometimes his operations were carried on in New York and sometimes in Canada. When it became necessary to pass bills or plates across the lines the business was transacted through trusted messengers instead of by mail or express. The plates, though heavy, are so small that they can easily be carried in an ordinary overcoat pocket.

It is a great wonder that one who had been at the very head of his profession, and had dealt in such large amounts, should resort to the "retail business" of buying spools of thread or five cent drinks with counterfeit bills as he had done in Stouffville. It may have been owing to the strange unaccountable freak of conduct which often occurs with men of his class, and which has led so many criminals after years of successful scheming straight into the net the authorities have spread to receive him, or, what is quite as probable, it may have been that he was more or less under the influence of liquor during the days of his sojourn in Stouffville and its vicinity. Be that as it may, this king of "rag baby" men seems at last to have been de-throned."

Murray went back to the jail to talk to Johnson, and Johnson confirmed that Hill had made the \$5 U.S. counterfeit plates and that he had done the rest. The work had taken several years. Johnson said that his sons were training to become engravers, and that one of them would become better than he; he also told Murray that his daughters had forged the signature on the notes. (At this time, the Canadian notes had one printed signature and one hand-signed signature on them). The counterfeits have been produced in large quantities once each year, and then the plates would be buried as they had been found until the next time.

The plates for the counterfeit \$5 Legal Tender notes were taken to Washington by Murray, where he showed them to Sherman and Brooks. He gave them names that had been furnished by Johnson, and the Secret Service rounded up the participants in the United States. (The plates of the Canadian counterfeits were kept by Murray as a souvenir of the operation; in his obituary which appeared in the Toronto Globe on June 13, 1906, is the statement, "The plates cost \$40,000 to make, and are part of the trophies Mr. Murray kept in his library.")

### THE FATE OF THE JOHNSON FAMILY

When Johnson was arraigned in Toronto in the fall of 1880, some humor entered the story. Chief Justice Hagerty looked down at Johnson and asked him who his attorney was. Johnson answered, "Murray." When Hagerty asked who "Murray" was, the prosecutor answered, "Your lordship, he means Detective Murray." By a prior arrangement Johnson pleaded guilty to seven indictments; the prosecutor asked the Court to suspend sentence, and his request was granted. Murray took Johnson and his daughters to the United States, to testify in court there. The rest of the family had fled from Canada by this time. The lame son, Tom, was arrested in



Erie with a sum of the counterfeit notes in his hollow cane. He was sentenced to several years in prison. Johnnie was arrested in Buffalo, but escaped conviction. He was later arrested in Toronto for passing a counterfeit \$10 Bank of Commerce note, and was sentenced to ten years in prison. Tom and another son, Charlie, were arrested at Sarnia, Canada in the early 1890's for passing counterfeit notes, and were sent to the penitentiary.

In August of 1898, Charlie (then out of jail) and still another son, Ed, were arrested for possession of counterfeit notes at the house in Detroit where they lived with their mother (by this time Edwin Johnson was dead) and two sisters. Another brother, David, and his family were also living in Detroit. When their houses were searched, between \$7,000 and \$10,000 in counterfeit notes were found; this time the counterfeits were of the U.S. Silver Certificate \$2 Series of 1886 and 1891. One of the family escaped but was later arrested at Blenheim, Ontario; the rest of the family was taken to Washington to be tried. The sons and daughters were charged with counterfeiting U.S. Currency, and the mother was charged with disposing of counterfeit U.S. Currency.

Murray stated that John Hill was still in prison in 1896, under the name of John Murphy. He indicated that as of 1905 some of the Johnson family were dead, some were in prison and the others had disappeared. At a meeting held in the Receiver General's Office after he had captured the counterfeit plates, Murray was honoured and given a reward by the banks whose notes had been copied. At that meeting, he placed some of the bogus notes beside genuine ones, and asked the bank officials whose signatures appeared on the notes to identify the genuine ones - many of them were unable to do so.

John Murray performed his duties well, capturing Edwin Johnson and the counterfeit plates he and John Hill had engraved. There is no doubt that Murray considered Johnson a criminal; however, there is also no doubt that he respected Johnson's abilities as an engraver. The last word Murray had on the subject was "Crime lost a genius when old man Johnson died."

#### DISCREPENCIES, SPECULATION, POSSIBLE ANSWERS

The Globe newspaper article of June 15, 1880 lists seven plates as having been captured by detective Murray:

The Ontario Bank \$10

Canadian Bank of Commerce \$5

Dominion Bank \$4

Dominion of Canada \$1

Dominion of Canada \$2

Two sets of plates for United States legal tender and treasury notes, \$5 each.

This differs from the account in Murray's book, (plates listed at the beginning of this article) in that it omits the 1877 Bank of British North America \$5 and the 1871 Bank of Commerce \$10, while it adds a Dominion of Canada \$2 and the U.S. Treasury Note. The \$2 Dominion of Canada note was extensively counterfeited, such that the whole issue was recalled in 1887.

The history of the Canadian Bank of Commerce states on page 544: "After a few years a dangerous counterfeit of the \$5 note of May 1, 1871 appeared bearing the signature of E.J. Smith as cashier. This signature is heavily printed and appears to the naked eye almost as though affixed by a rubber stamp, whereas on the genuine notes the signatures are written. The engraving of the head of Queen Victoria on the counterfeit is coarse, and the head is turned slightly more to the right than in the genuine note. The specimens of the forgery in the Bank's collection all bear the plate letter C and the serial numbers are in the neighbourhood of 231270."

The book goes on to say that this caused the 1871 issue to be replaced with a new design which was dated Jan. 1, 1879. On page 545 the book states: "Some years later (perhaps 1880) a counterfeit of the \$10 note of May 1, 1871 made its appearance. Although regarded as dangerous, the counterfeit may be readily recognized by the number of lines in the shading under the words "Ten Dollars" in the lower half of the center face of the note. In the genuine note there are only four lines while in the counterfeit there are five. In addition there is a distinct opening between the bases of the letter "A" in the word DOLLARS in the genuine, which is lacking in the counterfeit."

(As a point of clarification, the counterfeit \$5 of the Canadian Bank of Commerce note states "Capital \$4,000,000" while the counterfeit \$10 note states "Capital \$6,000,000." Both of the genuine notes state "Capital \$4,000,000;" the bank changed its capitalization to \$6,000,000 in 1874, but it probably did not appear on the bank's notes until the next batch was ordered from the printer - which possibly could have been as late as 1875 or 1876. The Johnson's copied an earlier issue \$5 and a later issue \$10. The \$5 counterfeit appeared early in 1878, because on the issue that replaced it is dated Jan. 1, 1879; the counterfeit \$10 did not cause the issue to be withdrawn as was the case with the \$5, and the 1871 design was issued until superseded in 1887. Interestingly, the 1887 issue was withdrawn because the ink smeared easily.)

Based upon all this, one theory of what happened is that the Johnson gang produced all seven counterfeit notes mentioned in both the book and 1880 newspaper article. Three of the five notes are common to both lists, so there is no problem with these. The five sets of plates recovered in June 1880 were as shown in the newspaper. The other two (the Bank of British North America \$5 and the Bank of Commerce \$10) were probably recovered a short time later. By 1905 it was almost a quarter-century since the event and Murray, in telling the story, probably made a slight mistake as to which five plates had been found, and emphasized the five which had caused the most trouble at the time. Thus he omitted the Dominion of Canada \$2 and one of the U.S. \$5 notes.

A possible explanation of why these last two counterfeit notes mentioned were not much of a nuisance in 1880 follows: One of the U.S. notes is described as a "Treasury Note;" it may have been a note from the series of 1869 which might have been just about out of circulation by 1880 (being replaced by the Series of 1875 and 1878). So the counterfeiters had likely "retired" that plate some time before. The \$2 Dominion of Canada note is just the opposite. The note in question is almost certainly the 1878 issue, since the previous one (1870) does not seem to have been



counterfeited. But the 1878 issue was only placed in circulation in August of 1879. Given the length of time the counterfeiters would need to make the plates, it is likely that they had only recently made the spring of 1880, and any notes printed from them had not yet been passed. Perhaps any counterfeit 1878 notes already printed were hidden until things "cooled off" and were then passed by middlemen. That would account for the number of counterfeit 1878 \$2's seen today.

Since the Bank of Commerce book says that the counterfeit \$10 of 1871 came out "some years after" the \$5, it is not unreasonable to assume that it was one that the Johnson gang had "in production" in the spring of 1880. It would not be surprising if it and the Bank of British North America \$5 of 1877 were being done at the time which would account for these plates not being hidden with the others. Since these two notes were obviously causing a lot of trouble at that time, it is possible that Murray tended to remember these two while forgetting the other two, which were not then being passed. Twenty-five years is a long time to remember such things correctly.

It is strange that neither account mentions where the counterfeits were being printed. Possibly Johnson did not have a hand in this. It possibly was somewhere in Toronto, but might have been in the United States. It may be that the place was found when the gang was broken up, and that may well be when the other two sets of plates were seized.

The records of the U.S. Secret Service, (Records Group 87 in the U.S. National Archives) were consulted for information about Edwin Johnson. No information was found out about this particular episode in his life, nor are there any photographs or physical descriptions of him in the files. These facts and conjecture are presented as they are recorded in the sources referenced; any further information a reader may provide about this event in the history of paper money will be greatly appreciated, and will certainly be published.

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## ONE HUNDRED AND FIFTY YEARS OF BANKING IN QUEBEC 1818 - 1969

by Jean-Pierre Pare

This is the text of a talk given at the educational seminar of the 1989 CNA Convention held at Quebec City. The paper was prepared and given in French by Mr. Pare. William and France Waychison of Timmons prepared the english translation which was read at the english language portion of the seminar. We wish to thank Mr. Pare who graciously allowed the Journal to publish the text.

### ONE HUNDRED AND FIFTY YEARS OF BANKING IN QUEBEC 1818 - 1969



The subject of this short conference covers a period of some one hundred and fifty years of our history. It relates faithfully the beginning of banking history in this historic city where commerce played a premier role in the development of our country.

The city of Quebec is one of the oldest cities in America. It was discovered in 1608 by Samuel Champlain who named it "Quebec." This name, taken from the Algonquin Indian language means "narrowing" because of the point of land which projects into the gulf and which was later named "Cap Diamant."

This city was the envy of the French, English and Americans during the last centuries. England had the last word in 1759 when she took possession of the country under the reign of George II. The population of the city was then 8,000 inhabitants.

Many civil servants and merchants returned to France and the first English merchants arrived to take their place and open their businesses often as branches. Among them we note Grant, Stuart, George King, Will Wilson, Thomas Ferguson and several others as Dobie & Badgley (1790).

The economic activity of the city was composed of naval construction, the lumber industry, the trans-shipment of materials and of a local market due to the



arrival of numerous immigrants. In this period there were no bank notes because the organization of this system was still in the theoretical stage. One used the various monies brought by newcomers but the majority of transactions were conducted by means of letters of exchange.

In 1817, Montreal, a city situated more inland, became the central hub of commerce between England and the United States. Already the first American Banks were functioning and would serve as models for the English, American and Canadian merchants for the foundation of the Montreal Bank which would later become the Bank of Montreal in 1822.

Several months later in Quebec, now a city of more than 15,000 inhabitants, certain merchants took the initiative of founding a new commercial bank named the Quebec Bank. The first president would be John W. Woolsey, a merchant, while Noah Freer, a former military secretary would be cashier which is the equivalent of general manager. The first board of directors of 13 members included four French Canadians including the future author Philippe Aubert de Gaspé. The bank rented offices at 5, rue Sault-au-Matelot and ordered paper money in denominations of \$1, \$3, \$5, \$10 and \$100 from Neilson, a local printer.

The Quebec Bank opened its doors in October 1818 without having obtained its royal charter. The situation would be corrected by a document of the Parliament of Lower Canada in 1822 and by a royal charter in 1837. The bank's business was slow at the start and throughout it was sensitive to periodic economic upheavals.

During the political troubles of the years 1837-38, the bank had to temporarily close its doors by order of the military governor but it resumed its operations several weeks later.

In 1852 the bank issued half penny and penny tokens manufactured in Birmingham, England in order to compensate for a shortage of small change. The following year the Quebec Bank opened its first branch at Trois Rivieres, then Ottawa and Toronto.

In 1861, the board of directors purchased a lot on rue Saint-Pierre in the lower town and a head office was constructed according to plans of their architect, Mr. Stavely, at a cost of \$46,000. This building was inaugurated in 1863. Other branches opened in Montreal in 1866 and then in La Tuque, Quebec, a lumbering centre.

In 1868 on the occasion of the 50th anniversary of its foundation, the Quebec Bank reported a paid up capital of approximately \$1,500,000, deposits for an equal amount, circulating notes worth \$496,372 and assets and liabilities of \$3,350,000.00. The dividend paid to shareholders was in the order of 7 percent.

The bank occasionally renewed its stationery, notes, deposit books, etc.

In 1875 an economic crisis struck the entire country and the Quebec Bank was affected at the same scale as its rivals. This slow economic period lasted several years. At the same time came a decline in maritime construction and Quebec City lost its position of economic importance in the province to Montreal and later to Ontario. Efforts had then been made to improve the industrial sector, notably the shoe manufacturing industry. The economy picked up and soon Quebec City received its share of the new found wealth. The bank, in order to attract savings, made available to its potential customers, small savings banks.



With time, the number of banking institutions multiplied and soon competition became very intense. A new general manager, Thomas McDougall, was appointed and a new impetus was given to open branches in the western part of the country.

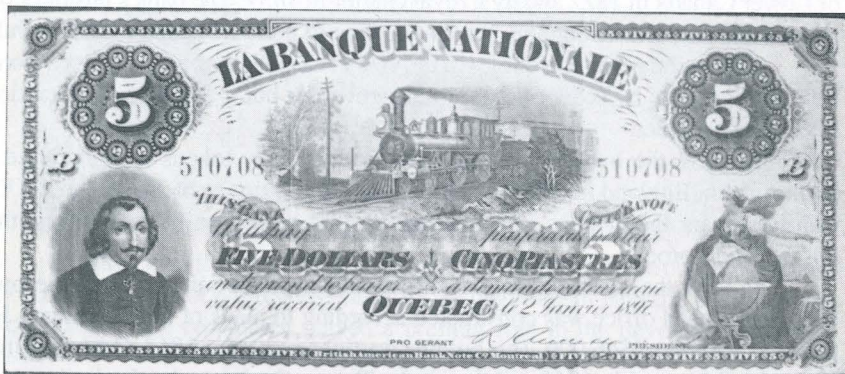
At the turn of the 20th century, the Quebec Bank had a paid up capital of \$2,500,000 accompanied by a reserve fund of \$700,000, circulating notes of \$1,500,000, deposits of more than \$7,500,000 and assets and liabilities of \$12,500,000. The annual dividend was six percent. The Quebec Bank was still far behind the Bank of Montreal which had total assets and liabilities of \$100,000,000.

In 1912 the head office of the bank was moved to Montreal but annual meetings would continue by tradition to be held in Quebec City.

Soon World War I happened and the economic activity boomed. The banks, the Quebec Bank included, saw their profits heavily taxed by the Canadian government in order to defray military expenses.

At the same time the era of large national banks was taking shape and soon the Quebec Bank would have to make a choice. It had to find additional capital to compete with the stronger banks or merge with another large bank. This it did in 1917 with the Royal Bank of Canada after nearly 100 years of existence.

### BANQUE NATIONALE



Many years would pass between the foundation of the Quebec Bank and the next bank. It was not until 1858-1859 that certain directors of the Caisse d'Economie Notre-Dame-de-Quebec would lay the foundation of a commercial bank of French character, namely the Banque Nationale. These promoters wished to assist the commercial, agricultural and working classes of the old capital.

A proposal had been prepared under the direction of Dr. Olivier Robitaille and presented to the Parliament of United Canada for review. A few months later, in May 1859, a charter in the name of Banque Nationale was issued with an authorized capital of \$1,000,000 consisting of 20,000 shares having a par value of \$50 each. At the same time other events were put into action: a cashier by the name of Francois Vezina was hired, paper currency in denominations of \$1, \$2, \$5 and \$10 were ordered from the firm of American Bank Note Co. of New York, an office was leased, and the first board of directors was elected...The opening of the Banque



Nationale was held April 28, 1860.

In its start, the bank played a similar role as that of the Banque du Peuple in Montreal. It succeeded in regrouping the French Canadian elite, followed by certain anglophone elements even if this was not part of the original plan. At the end of its first year of operation, the Banque Nationale had a paid up capital of nearly \$500,000, deposits of \$270,000, loans approaching \$700,000, forming assets and liabilities of \$935,000.

Immediately construction of the head office commenced on a lot on rue Saint-Pierre, the principal financial artery of the city. In 1870, the bank issued notes of \$4 and \$6 denominations. The bank remained a local enterprise until 1872 when it opened its first branches in Ottawa and Montreal in 1872, and in Sherbrooke in 1875.

In 1875 a monetary crisis would greatly slow down bank expansion and it would have to reduce its paid up capital after having reduced its reserves. Many years would pass before the bank would grow again. It would open its next branch in 1892 in Chicoutimi, the beginning of a network which would spread throughout the province. That year the bank had a paid up capital of nearly \$1,200,000, circulating paper notes of nearly \$700,000, deposits in the order of \$2,000,000 against loans of \$2,700,000 for assets and liabilities of approximately \$4,000,000. At this time the Banque Nationale crossed the Quebec borders and opened a branch in Winnipeg where numerous French Canadians were established. Many changes to the board of directors would bring new ideas and soon the bank would become very prosperous. It would open new branches in Trois-Rivieres, then in the French Capital Paris, where numerous French Canadian travellers stayed. Savings were stimulated by the distribution of small savings banks among homes, publicity cards, and other means designed to capture a larger share of the market among the francophone population.

Sub-agencies, or intermediary branches where only deposits were accepted, were opened in numerous small villages. Soon the Banque Nationale captured a large share of the francophone market at the expense of other banks and of the newly formed Caisse Populaire Desjardins. The bank was the second largest French Canadian bank of importance in Quebec after the Banque d'Hochelaga.

When World War I arrived in 1914, industries were rolling at full capacity and the bank took its share of the profits. After the war, changes were necessary and the bank consented to numerous loans for the transformation of the factories towards domestic production for local consumption. These loans unfortunately were advanced in many cases without sufficient guarantees. The Banque Nationale found itself with a shortage of cash flow and facing enormous losses. Confronted with this discouraging situation, the Quebec government encouraged a merger with the Banque d'Hochelaga of Montreal which took place the first of May 1924. On February 1, 1925 the bank changed its name to Banque Canadienne Nationale. The Banque Nationale had operated for more than 60 years and it played an active role in the economic life of Quebec. At the time of the merger, it had 108 branches and 231 intermediary branches.

## UNION BANK OF LOWER CANADA

1865 - 1886

## UNION BANK OF CANADA

1886 - 1925

The Union Bank of Lower Canada was created in 1865. Conditions at the time were such that the lumber industry and maritime construction brought an unprecedented prosperity to Quebec City. Also a banking monopoly was held by the Quebec Bank which imposed its own rules.

At the same time, some financiers, the majority of whom were anglophones, believed that there was room in Quebec City for a third bank which could also be the second anglophone banking institution. They joined with some francophones and after presenting a proposal they received a bank charter under the name of "Union Bank of Lower Canada" in September 1865. A master coup was also realized with the hiring of William Dunn, the former cashier of the Quebec Bank who had just resigned. The necessary capital was rapidly subscribed, an appropriate office was found, notes in denominations of \$1, \$2, \$4, and \$5 were ordered from the firm American Bank Notes Co. of New York, and the first board of directors was elected by the shareholders. The bank opened its doors 20 April 1866 and Mr. Dunn brought with him many of his former clients.

The initial results proved that there was a market for this new institution. In its first year of operations, it realized a profit of \$67,340 and declared a dividend of eight percent. The first branch opened in Montreal and the future looked promising. A ten year lease for their premises was signed with the Ontario-Richelieu Navigation Company. A few years later, after 1870, the bank purchased the assets of another small bank also operating in the city and obtained new capital. The land near the building they already occupied was purchased and the Union Bank of Lower Canada moved its head office in the spring of 1875.

This year saw a world wide financial crisis and the financial climate darkened. The bank suffered heavy losses but because of its paid up capital and reserve funds, it survived the times. In 1880, fifteen years after its foundation, the paid up capital was approximately \$2,000,000, the reserve funds were depleted, circulating bank notes were worth \$461,000, deposits were in the amount of \$1,300,000 against loans of \$3,150,000 for assets and liabilities of \$4,130,800. The bank had three branches, in Montreal, Ottawa and Trois-Rivieres. At this time the directors launched a huge expansion program whereby branches would be opened in Winnipeg in 1882, and in several locations in Ontario between the years of 1886 and 1900. The bank changed its name to Union Bank of Canada and a new general manager was recruited. He was the former management of the Montreal branch, Mr. George H. Balfour. The bank received two offers of merger which it refused.

At the beginning of the 20th century, the centre of economic importance moved more and more towards the centre of the country, and in 1912 the head office would leave Quebec City to be relocated in Winnipeg, Manitoba.

With the arrival of World War 1 in 1914, the war industries would bring



prosperity to everyone including the banks. At this time the bank had a paid up capital of \$8,000,000 and assets and liabilities of \$175,000,000. It was now ranked in fifth position among Canadian Banks.

After the armed conflict, the transformation of the industries to domestic production was difficult. The banks possessed large capital but found it difficult to grow. The banking world would reassess itself. Would it not be preferable to have five or six large national banks instead of fifteen regional banking institutions? Although no decision was taken immediately, in 1924 when the Union Bank saw a continuing decline in its profits it contacted the Royal Bank of Canada which had previously expressed a desire to purchase its banking network. The merger was officially realized on August 31, 1925.

### THE STADACONA BANK

There was also another small bank known as the Stadacona Bank, founded in 1872, Royal charter in May 1873. In the same year Abraham Joseph and former director of the Banque Nationale (1860-73) became the president. Mr. Joseph was the principal shareholder and driving spirit of this institution.

Bills in denominations of \$4 and \$5 were ordered from the British American Banknote Co. and issued at the bank opening in March 1874. The bank occupied the former Bank of Upper Canada building on the rue Saint-Pierre. Soon after the opening, the monetary crises arrived and enormous problems had to be overcome. In order to continue operation, the Stadacona Bank even attempted to open a branch in Fraserville, now known as Riviere-du-Loup, without succeeding. In 1879, five years after its opening, the directors decided to close the books before going deeply into debt. Mr. Joseph paid the last bills out of his own pocket so there would be no losers.

### SAVINGS BANKS

On a parallel with commercial banks, there were other banking institutions however, these institutions placed an emphasis on savings. Having a very different charter from that of the commercial banks, most of these institutions had a social role to encourage savings amongst the working class of the population in order for them to provide for themselves during difficult years which occur in times of crisis.

Notable among these, is the Caisse d'Economie Notre-Dame-de-Quebec, founded in 1848 under the auspices of the Societe Saint-Vincent-de-Paul, of the Notre-Dame-de-Quebec parish. Its status was changed to Banque d'Economie de Quebec in 1944 before becoming Banque Populaire in 1969 and merging with the Banque Provinciale du Canada in 1970. When it merged the Banque Populaire had more than 25 branches in metropolitan Quebec City. At the time of its foundation, the main driving force was Francoise Vezina, who was cashier until 1872 and a director until 1882. The Caisse made available to its clients small savings banks. These were required to be opened at the Caisse and deposits were solicited during this time.

There were also other banks or credit unions. Notable among these are the following:

Quebec Savings Bank, founded in 1819 and purchased by the Quebec Bank in 1863;

Quebec Provident and Savings Bank, founded in 1847 and purchased by the Union Bank of Lower Canada in 1872;

Caisse d'Economie de St.-Roch, founded in 1848 and liquidated a few years later.

There you are, a short history of the commercial banks, and banking credit unions of Quebec City during some 150 years.

## ORIGIN OF BANKNOTE VIGNETTES

### III "CLEOPATRA"

by Walter D. Allan, F.C.N.R.S.



One of the many satisfactions I have enjoyed while collecting banknotes has been the discovery of the original source of the scenes, portraits and allegories depicted on the notes. These sources vary from sketches, engravings and paintings to statues and sculptures, from medal and stamp designs to postcards, photographs and designs drawn by banknote company artists.

Recently, I chanced upon a photogravure from an old book that I was sure matched a banknote. I was delighted after searching through my photo files to the principal figure used on a \$100 note of the Royal Banks of Canada, Trinidad issue of 1920. The title of the scene shown was "Cleopatra on the Cydnus" and shows a beautiful woman reclining in a river barge attended by her many servants. Cleopatra was the daughter of Ptoleny Aulettes, King of Egypt, on whose death she (with her brother) ascend the throne of Egypt. Shakespeare's matchless word picture of this scene is described by Enobarus, in Act II, Scene II of Anthony and Cleopatra.



"*Mec.* She's a most triumphant lady, if report be square to her.

*Eno.* When she first saw Mark Anthony, she pursed up his heart, upon the river of Cydnus.

*Agr.* There she appeared, indeed; or my reporter devised well for her.

*Eno.* I will tell you.

The barge she sat in, like a burnish'd throne,  
Burn'd on the water: the poop was beaten gold;  
Purple on the sails, and so perfumed that  
The winds were love-sick with them; the oars were silver,  
Which to the tune of flutes kept stroke, and made  
The water which they beat to follow faster,  
As amorous of their strokes. For her own person,  
It beggar'd all description: she did lie  
In her pavilion - cloth-of-gold of tissue -  
O'er-picturing that Venus where we see  
The fancy outwork nature : on each side of her  
Stood pretty dimpled boys, like smiling Cupids,  
With divers-colour'd fans, whose wind did seem  
To glow the delicate cheeks which they did cool,  
And what they undid did.

*Agr.* O, rare for Anthony!

*Eno.* Her gentlewoman, like the Neriedes,

So many mermaids, tended her i' the eyes, And made their bends adornings: at the helm

A seeming mermaid steers: the silken tackle  
Swell with the touches of those flower-soft hands,  
That yarely frame the office. From the barge  
A strange invisible perfume hits the sense  
Of the adjacent wharfs. . . .





These words of Shakespeare are aptly portrayed in the painting by the German painter, Hans Makart, who was born at Salzburg in 1840. He studied under Piloty, as did the artist Walter Shirlow, at the Academy in Vienna and became a professor there. He was a member of the Academy of Berlin and an officer of the Legion of Honour. He died in 1884. An account of the period describes him thus, "Makart has a facile and vigorous brush, he delights in enormous motives, in tumults of figures, in rich costumes and brilliant colours and ostentatious nuditities; he is excellent at archeology and the arranging of groups and the marsholliny of processions." Some of his other works are "Catherine Cornaro receiving the homage of the Venetians," "Diana's Hunt," "The Entrance of Charles V into Antwerp," which received the medal of honour at Paris in 1878.





The Engraver of the banknote vignette has exercised his artistic license to omit most of the scene, change the background and leave out the parasol. The pose and dress of Cleopatra, however, remain essentially intact. The "Cleopatra" vignette may be found on the following notes:

Mexico: 1000 Pesos 1888 - 1914, Pick S169

Brazil: Republica dos Estados Unidos do Brazil 20 Mil Reis Pick 45 (1912)

Ecuador: El Bano Commercial Y Agricola 50 Suces Pick S125 (1916 - 18)

Canada: The Royal Bank of Canada

\$100 Barbados CH 630-30-06S 1920

\$100 British Guiana CH 630-36-06S 1920

\$100 Trinidad CH 630-66-06 1920

To date this picture was painted and its present location has not as yet been determined. Any assistance with this information or of additional uses of this vignette would be greatly appreciated by the Author.

For origin of Banknote Vignettes I see CPMS Journal July 1976 and II see CPMS Journal Jan., 1982.

## SALES OF SHEETS OF \$1.00 NOTES

In January we notified members not residing in Canada that we would be able to supply them with recently released sheets of forty \$1.00 notes. We would like to update this information as follows:

1. We have a few sheets of both formats available. These are available to any member inside or outside of Canada who may wish to order them. As we have more BCBNCo sheets left we will provide them unless otherwise requested.

2. Sales will be cut off when supply is finished, or one month after I receive my Journal.

3. Due to postal increases on foreign mail the following charges will be made:

Canada \$60.00 per sheet

USA \$62.00 per sheet

OVERSEAS \$55.00 plus actual postage

4. Sales to B.C. residents are subject to provincial sales tax.

B.C. resident \$64.20

Orders to: Ronald Greene  
P.O. Box 1351  
Victoria, B.C. V8W 2W7

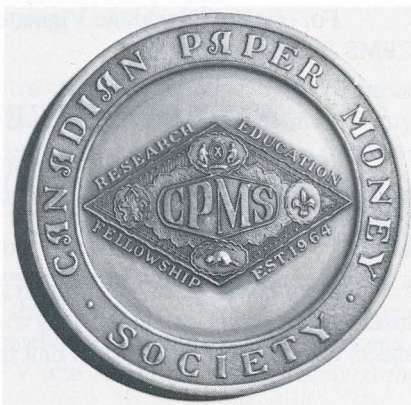
Payable to: Capital Iron

# THE MEDALS OF THE CANADIAN PAPER MONEY SOCIETY

by Ronald Greene

## Foreward

For a Society that promotes the study of history, however limited the scope of that study might be, it is most unfortunate that we have thus far overlooked our own history. Sadly, the medals of the society have not been fully documented. There has been a loss of some records due to the frequent changes in the executive during the late 1970's and early 1980's and thus the story has not been easy to reconstruct. Therefore, this article should be considered only as an initial attempt to do so before all of those involved become unable to remember. Any reader who has information to add to this article is asked to write the author (see inside cover for address).



## I - THE AWARD MEDALS

### The First Medal

The first mention of the CPMS medal was in Jack Veffer's, "The President's Report" in the CPMJ<sup>1</sup> of January, 1971. Discussing the then-forthcoming CPMS - Torex convention of February 11 to 14, 1971, he stated, "Following (the luncheon) will be the presentation of the 1970 literary awards and exhibit prizes. One of the fortunate exhibitors will be the first to receive the newly designed CPMS medal. I am sure that the medal will be one of the most coveted awards at future numismatic conventions." On the next page of the same issue was the note: "CPMS is striking a special permanent medal to be used for awards, prizes and other forms of recognition at numismatic events. The CPMS - TOREX 1971 Show will be the first time it will be used. Full details, including photographs of the medal will be included in the next issue."

According to Bill McDonald the badge or emblem of the society was designed by Philip Mason, a Toronto lithographer and photoengraver, who was a friend of CPMS member, Wilf Sandall. When this design was adapted as the obverse of the medal, Walter Allen added such elements as the style of lettering and the original reverse, which was reminiscent of the scalloped border Dominion of Canada 1870 \$1.00 notes.<sup>2</sup>



Medal number one was presented to William H. McDonald, the first president of the Society at that convention.<sup>3</sup> One of the medals, a bronze awarded to Frank Lieshout was illustrated on page 68 of the April 1971 issue of the Journal.

At the 1971 CNA Convention, held in Toronto, there was a presentation of a silver CPMS medal to J. Douglas Ferguson, commemorating the occasion of the J.D. Ferguson Testimonial Luncheon.<sup>4</sup>

In 1972, Wellings Mint was asked to strike five more medals, but five months later the medals still had not been received.<sup>5</sup> It was the intention to use one of the medals for the Best Paper Money Display at the convention and have the others in reserve.

The Minutes of the Executive Meeting for July 12th, 1972 record a proposal by B.C. Director Bill Perry that a Bronze Medal be made available to all members wishing to have a medal engraved with their name, membership number and date of joining. Various suggestions were made in response to the proposal but the idea was tabled until the July 1973 meeting held at the Saskatoon convention. There is no mention of such a motion at that meeting and thus the idea of a member's medal probably died without further mention. The Annual Report for 1972 showed an expenditure of \$275.00 for medal dies.

### The Second Medal

When Wellings' Mint was acquired by the Franklin Mint the new management destroyed the CPMS dies. They refused to remake the dies and the Society was only saved when a Toronto dealer, the late Frank Rose, very generously put up enough money for new dies to be engraved and for several medals to be struck. Unfortunately the author has not been able to find any record or anyone who recalls where these dies and medals were made, or if a new reverse die was also made. The changeover point from the first medal to the second medal is not known.

### The Third Medal

At the time that the writer became President (1983) the obverse die was passed into my possession. We were running low on medals and so we approached the Royal Canadian Mint to see if they would or could use the die and produce additional medals. After quite a time - some eight or ten months - the Mint decided that it could not utilize the die although they were willing to engrave a new die and to strike the medals. Unfortunately the costs of a new die were beyond the available funds of the Society, so an approach was made to Pressed Metal Products Ltd. of Vancouver, B.C. who very quickly produced four specimens, in various finishes. These medals were struck with a stock wreath reverse from a die which Pressed Metal Products Ltd. had on hand. The executive accepted the concept of making three awards as follows:

Bronze:	Society Service, guest speakers
Silver:	Display Award
Gold:	Literary Award

Because of the high price of silver and gold, the silver and gold medals were only plated. Three of the specimens were identical to the subsequent order and placed into inventory for awards. The fourth, a brass-finished piece, was not accepted for any type of award and was raffled off at the 1984 luncheon as a unique piece. At this time it was decided not to number the medals since keeping accurate record of the numbers had proven extremely difficult. These medals are still in use although the Literary Award has been superceded by:

The Fourth Medal, The Ruth McQuade Literary Award Medal

In 1987, Ruth McQuade passed away suddenly. At our annual meeting the decision was made to henceforth name the Literary Award, "The Ruth McQuade Literary Award" in honour of her contributions to the Society as an author and editor of the Journal. Sheldon Carroll approached me on behalf of Dr. McQuade to ask if I would investigate the possibility of a medal for the newly renamed award. A simple sketch was made, which was priced out by Pressed Metal Products Ltd. and submitted to Dr. McQuade who generously offered to pay for a new die and a stock of twelve medals. These were made in early 1988 and the first award was made at the 1988 luncheon, for the 1987 literary award. The medal has the obverse struck from the Frank Rose die and the new Ruth McQuade Literary Award reverse.

A List of Medals and Winners (Subject to Verification)

It is in the listing of the medals that the most room for error exists and some of the various listings have conflicted with responses from the medal holders. In the cases where the owner has confirmed the listing is shown by an "\*".

No. Known	Material	Name of Winner	Reason	Source of Information
<b>1971</b>				
1	.999 Silver	Wm. H. McDonald	past pres.	*(Wm. H. McD.)
2	.999 Silver	J. D. Ferguson	occasion of testimonial for him	CPMJ Oct. 71
3.	.999 Silver	Jack Veffer	past pres.	(Wm. H. McD.)
4.	Bronze?	Sam Veffer	display	CPMJ Apr. 71
?	Bronze?	Patrick Melligan	display	CPMJ Apr. 71
?	Bronze?	Frank Lieshout	display	CPMJ Apr. 71
?	Bronze	Ingrid Smith	display	CPMJ Apr. 71
?	Bronze?	Dr. Fred Stulberg	guest speaker	CPMJ Apr. 71
<b>1972</b>				
?	Bronze	Paul Siggers	display (regional show)	CPMJ Jul. 72
6	Silver	C.F. Rowe	'72 display	*CNJ Sep. 72
<b>1973</b>				
7	.999 Silver	Ronald Greene	'73 display	* CPMJ Oct. 73



**1974**

8	.999 Silver	Wm. H. McDonald	'74 display	*CPMJ Oct. 74
?	?	J.D. Ferguson	lunch speaker	CPMJ Oct. 74

**1975**

?	?	John D.S. Phipps	past pres.	CPMJ Oct. 75
		on p. 122 there is an apparent presentation, but no explanation		
?	?	Dr. Richard D. Smith	'75 Education Forum Speaker	CPMJ Oct. 75
10	Bronze	Frank Harding	'75 Display	*CNJ Sept. 75

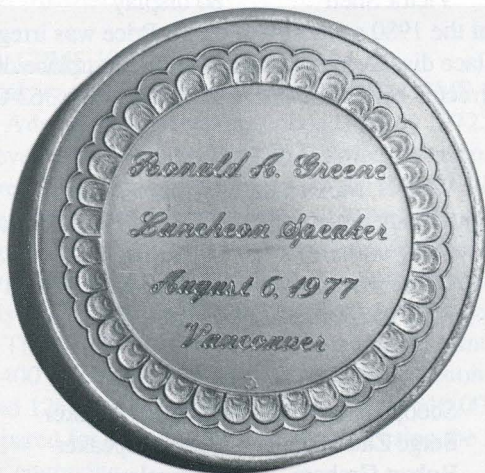
**1976**

?	?	C. Gordon Yorke	CPMS/IBNS speaker	CPMJ Oct. 76
?	?	R.A.J. Phillips	lunch speaker	CPMJ Oct. 76
?	?	Walter Allan	'76 display	CPMJ Oct. 76

**1977**

13	Bronze	Ronald Greene	lunch speaker	*CPMJ Oct. 77
?	?	Frank Lussier	CB of C	p. 139 CPMJ Oct. 77
?	?	Jack Veffer	CPMS/IBNS speaker	CPMJ Oct. 77

(I have been unable to find a 1977 display winner. For a few years the CNA display categories were reduced to only four, namely Canadian currency, Can. medallic art, non-Can. currency and non-Can. medallic art.)



**1978**

Joint APNA-CPMS Convention, Fredericton, May 1978

15	Bronze	C.F. Rowe	speaker	*(C.F. Rowe)
16	Bronze	Harry Eisenhauer	speaker	*(Harry E.)
17	Bronze	J. Richard Becker		(J.R.B.)

(but note medal could not be located to check number, which is in conflict with a medal in Jack Veffers possession)

?	Silver	Harry Eisenhauer	past pres.	(Harry E.)
			"75-78"	

There are two conflicting reports regarding the 1978 CNA display. The CNJ shows Meyer-Price winning the Canadian Currency award, and Jack Veffers winning the non-Canadian Currency Award. The CPMJ says the medal went to Jack Veffers.

17	?	Jack Veffers	display	p.100 CPMJ Oct. 78
?	?	Myer Price	'78 currency display	CNJ Oct. 78 p.368

There is a gap in the records here until Al Bliman's list starts for 1980 or 1981

**1979**

No list of 1979 winners appeared in the CNJ that year.

**1980**

?	?	Pierre Descotes	'80 display	p.325 CNJ Sept. 80 and p.372 CNJ Oct. 80
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**1981**

29	Bronze	Mark Mogen	'81 display	*Bliman 6
29 (30?)	?	?	luncheon speaker	AB list
31	Bronze	Victor Snell	'80 display	AB list

AB says that the 1980 award made by M. Price was irregular in that it went to a second place display and over-looked the first place display of Victor Snell. This was corrected by the executive by 1981. p.363 CNJ Oct. 80

**1982**

31	?	Wm. H. McDonald	luncheon speaker	AB list
		(but note number already given to Vic Snell and Bill McD. can't find this)		
32	?	Craig Lemere	'82 display	AB list
33	Bronze	Geo. Fraser	work on audio visual	*AB list
34	?	Ruth McQuade	services as editor	McQuade <sup>6</sup>

**1983**

35	?	Scoop Lewry	luncheon speaker	AB list
36	?	Serge Zaidman	meeting speaker	AB list
37	Bronze	Robert Graham	'83 display	*AB list
38	Bronze	J. Richard Becker	'83 display	*AB list



**1984 New medals with Pressed Metal Products Ltd. reserve, not numbered**

Bronze	Al Bliman	past president	RG list
Bronze	Herb Bishop	services to Society	p.99 CPMJ Oct. 84
Brass	Norm Williams	raffled unique specimen	

**1985**

Bronze	Ronald Greene	past president	*RG list
Bronze	RCMP Sgt. Peace	luncheon speaker	RG list
Silver	Ronald Greene	'85 display	*RG list
Gold	Ronald Greene	'84 literary award	*RG list

**1986**

Bronze	John J. Pittman	luncheon speaker	RG list
Silver	no award	'86 display	
Gold	Wm. H. McDonald	'85 literary award	RG list

**1987**

Bronze	Paul S. Berry	luncheon speaker	Dick Dunn
Silver	no award	'87 display	
Gold	(now Ruth McQuade Literary Award Medal)		
	Ronald Greene	'87 literary award	*RG list

**1989**

Bronze	Wm H. McDonald	luncheon speaker	RG list
Silver	Ronald A. Greene	'89 display	*RG list
Gold	(Ruth McQuade Literary Award Medal)		
	Robert J. Graham	'88 literary award	RG list

**II OTHER MEDALS**

The CNA-CPMS 1972 Convention Medal

This medal was designed for the joint CNA-CPMS Convention held in Toronto in 1972. A design contest was announced in early 1972.<sup>8</sup> The finished design was illustrated several months later. The CPMJ article mentions that Ross W. Irwin of Guelph prepared the design for the obverse of the medal which features the logo of the CNA superimposed on a large maple leaf. The logo of the CPMS is below. The central design is surrounded by the names of both societies, the CNA above and the CPMS below. Bill English, of Kitchener designed the reverse for the medal. The designer's initials are on the maple leaf and fleur-de-lis legend spacers on their respective sides. The medals were made by the Lombardo Mint. According to Ross Irwin<sup>10</sup> there were 400 specimens struck in bronze for convention registrations or sold at \$4.00 each, and 125 struck in sterling silver, sold at \$10.00 each. A number of medals were prepared for awards and presentations using the Irwin obverse and a blank reverse for engraving.

The award medals were as follows:

Sterling Silver	42 for presentations and awards
Bronze	30 for 2nd place prizes and invitational displays
Nickel-Silver	27 for 3rd place prizes and committee members

On p. 334 and p. 335 of the CNJ (Sept. 1972) the winners' names are all given.

#### The 25th Anniversary Medal

Using the society obverse, a medal was struck for the Society's 25th anniversary. The reverse was designed by Ross Irwin. There were four silver medals struck, 75 silver-plated medals, antique finish, and 50 gold-plated medals. The four silver medals were presented to the Honourary President of the Society, Wm. H. McDonald, and the three Honourary Vice-Presidents, Sheldon S. Carroll, Jim Charlton and Jack Veffer. Unfortunately Jack Veffer was unable to attend the luncheon and his medal was presented to his wife, Shirley. Twenty five of the silver plated medals were distributed to members present at the 25th anniversary luncheon and twelve gold plated medals to the guests and spouses who attended. The reverse die was engraved and the medals struck by Pressed Metal Products Ltd. The remaining medals were to be made available from the secretary, while the quantity lasts, at the price of \$10.00 to members and \$15.00 to non-members. Postage to be extra if any medals remained after the CNA Quebec show and had to be mailed.<sup>11</sup> Apparently almost all of the medals were sold at the Quebec convention and the question was under discussion as this article was being prepared as to whether or not any more medals should be struck to allow members not present at Quebec to obtain specimens.





## REFERENCES

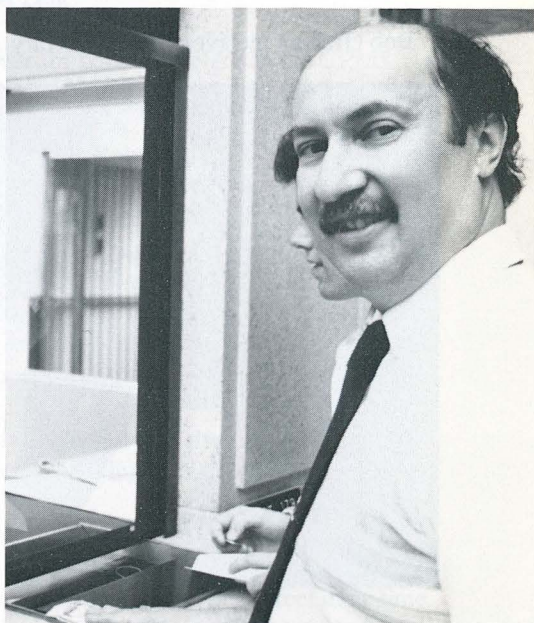
1. Canadian Paper Money Journal (hereafter "CPMJ"), January 1971, p. 3
2. Discussions during 1989 CPMS luncheon at Quebec City
3. Letter from Wm. H. McDonald, June 2, 1987.
4. CPMJ, October 1971 p. 124
5. Executive Meeting Minutes, Feb. 15, 1972, Mar. 8, 1972 and June 8, 1972
6. Letter from Al Bliman, August 25, 1983 (hereafter AB list)
7. Letter from Ruth McQuade, May 22, 1986
8. CPMJ Jan. 1972 p. 18 and CNJ Jan. 1972 p. 19
9. CNJ June 1972, p. 261 and CPMJ July 1972 p. 69
10. Ross Irwin, CNRS "Transactions" Vol. 13, No. 1, January 1977, p. 12
11. Decision of executive, July 27, 1989

### Acknowledgements

Many members answered my enquiries and I wish to extend my thanks to them, but most particularly to Bill McDonald, Al Bliman, Tim Henderson and John Cheramy.

## NORTH SHORE NUMISMATIC SOCIETY MEMBER OBTAINING LAST CANADIAN \$1 BANKNOTE

Months of planning paid off for the North Shore Numismatic Society member Ed Goldberg on June 30, 1989 when he bought the last \$1 banknote to be sold by the Bank of Canada. The Bank's agency in Vancouver, B.C. was the last office open in Canada that day. At approximately 1810 Eastern Daylight time, Mr. Goldberg took possession of the \$1 note with serial number ECT2174251. Even though there were many other people milling around as closing time approached, Mr. Goldberg's strategy proved successful. Part of his strategy involved buying the last uncut souvenir sheet at a designated wicket then proceeding to the cash wicket to obtain his change. The whole scenario was helped by



having a photographer follow him around and even TV media seemed to want to focus on him. On the same day about 25 banknotes were date-stamped with the newly issued pressure sensitive definitive 38 cent stamps attached. Canadian numismatist history was made in Vancouver on June 30, and Ed Goldberg was there to be part of the event.

## CNA CONVENTION PHOTOS

(Courtesy of Terry O'Brien)



Bob Graham receives CPMS Literary Award from President, Graham Esler.



Graham Esler awarded the J. Douglas Ferguson and is presented with the award by Sheldon Carroll.



## **GRAHAM ESLER WINS HIGHEST CNA AWARD**

Graham Esler, Ottawa, Ontario has been awarded the J. Douglas Ferguson Award for 1989. The announcement was made by Sheldon S. Carroll, Chairman of the Board of Awards, at the Annual Banquet of the Canadian Numismatic Association held in Quebec City on July 29th, 1989.

Graham Esler is particularly noted for his research and writing on the numismatics of south-western Ontario, particularly in the field of banking, and for his work as head of the National Currency Collection and the Currency Museum of the Bank of Canada.

The J. Douglas Ferguson Award, the highest award of the Canadian Numismatic Association is in the form of a 1.5 inch gold medal accompanied by a framed citation. It is presented annually to the living numismatist who has contributed most to the science of numismatics, either through research, writing or in any other manner. The award was established in 1969 by the late J. Douglas Ferguson who at that time was the Honourary President of the CNA. The medal was designed by the internationally known artist, Arnaldo Marchetti of Montreal.

## **THE CNA 1989 ANNUAL CONVENTION, HELD AT THE HOTEL DES GOUVERNEURS, QUEBEC CITY, QUEBEC, ON JULY 27 - 30, 1989**

By Ron Zelk

The convention was an election year for both the CNA and the CPMS. As you may know, the only position being contested was that of the CNA President. The winner was Al Bliman over Paul Nadin-Davis, 500 to 444 with 17 spoiled ballots. The incoming president for the CPMS is Bob Graham.

The two big awards given out each year were won by two CPMS members. The outgoing President, Graham Esler, won the J. DOUGLAS FERGUSON AWARD for the Numismatist of the Year, the highest award given out by the CNA. The Royal Canadian Mint Award was won by the incoming President, Bob Graham. The new president of the CNA, Al Bliman, is a past president of CPMS. This is a significant milestone in CPMS history, showing Numismatics the major contributions that paper money collectors have given to the hobby in recent years, and continue to give in years to come.

The highlight of the convention was the boat tour of the St. Lawrence on the St. Jolliet. Riding on the river for three hours watching old Quebec City light up in the night sky was breath taking.

A sad note did, however, put a damper on a very successful convention. The heart attack of Jack Veffler, while at the Convention, upset and worried the conventioners. But Jack is recovering at home and should be on his feet in no time. A get well card was passed around at the banquet with hundreds of signatures wishing Jack a speedy recovery. Take care Jack.

A note of thanks was given to Ron Greene for taking care of the NOTES and sending them out when they came in. The \$10 note should already be out with the \$20, \$50, \$100 and optionally the \$1000 coming shortly.

In conclusion, Quebec City was a lot of fun and Vancouver will be just as interesting in 1990. See you all there.

## SOCIETY AFFAIRS

### NEW MEMBERS

936	Emilio Perri	Weston	Ontario
937	Kevin Staska	Winnipeg	Manitoba
938	Lawrence F. Dow	Florenceville	New Brunswick
939	Ron Rout	Toronto	Ontario
940	M. Rubinstein	Winnipeg	Manitoba
941	Robert Churchill	Calgary	Alberta
942	Stan Clute	Calgary	Alberta
943	Robert M. Stamp	Toronto	Ontario
944	Paul E. Saylor III	Harleysville	Pennsylvania
945	Ted Banning	Toronto	Ontario

### CPMS TWENTY-FIFTH ANNIVERSARY SOUVENIR SHEET

A souvenir sheet commemorating the CPMS 25th year is being prepared due to the generosity and co-operation of the British North American Banknote Co. of Ottawa. Final details have not been completed but it will feature a page about 8.5" x 11" having some steel engraved lathework, an engraved Vignette and the CPMS logo. These will be available later this year from our Secretary-Treasurer, Dick Dunn, at P.O. Box 465, West Hill, Ontario M1E 2P0 for \$5 each. One sheet will be reserved for each member until January 15th, after which the remaining sheets will be available to anyone. Less than 500 sheets are being prepared. Canadian orders remit CAN. \$5, U.S. and elsewhere U.S. \$5.



# THE SCRIP OF THE CANADIAN CO-OPERATIVE SOCIETY, LIMITED

by Donald Stewart, F.C.N.R.S.

It is gone now. That historic frame building with the sign, "Ruskin General Store" which caught the eye of every traveller passing along the Lougheed Highway just west of Mission, B.C. Built in 1922, it had served the community well. Many who observed this old store might have been surprised to learn that far from being the first that it was probably fourth in line of general store locations in Ruskin.



After taking over the Co-operative Mill, E.H. Heaps & Co. expanded the business rapidly and built this three storey hotel and office about 1906. Photo courtesy of Mission Historical Society.

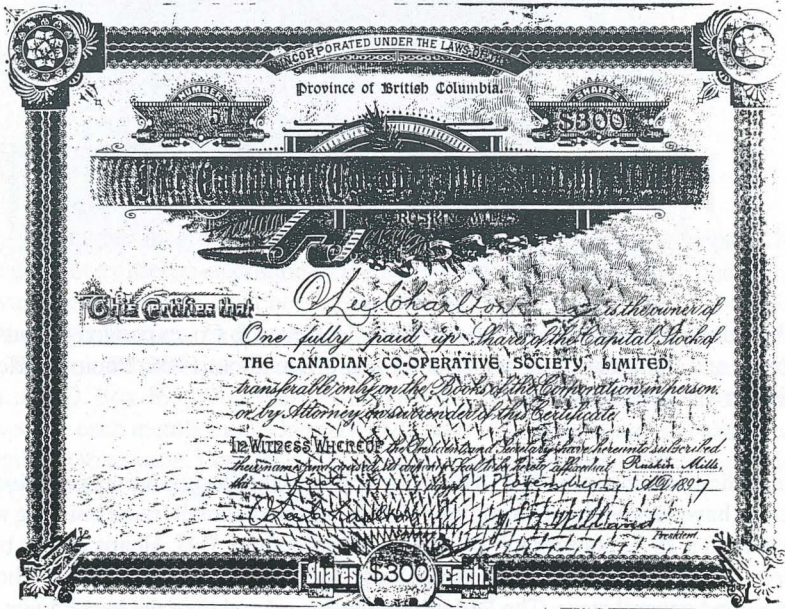
The earliest, which opened in 1896 and which used the Co-operative scrip, does not seem to have survived on film although it may just be the small frame building which appears in a 1910 photograph of a Ruskin Barbershop. E.H. Heaps & Co. built a three storey hotel and office building along the Fraser River in 1906 which housed the second general store. The Parker store followed and then the best known store was erected by Pelkey, but it is gone now like the others.

The community of Ruskin Mills took its name from John Ruskin, the famous English intellectual. Ruskin wrote knowledgeably about art and artists but turned in 1860 to the study of social and industrial problems. His enlightened views were expressed in an influential series of essays, lectures and pamphlets in which he sought a solution to the evils of society. Ruskin's unorthodox ideas on the distribution of wealth were unwelcome in many quarters but did have a deep

influence upon the lives of some.

A few of those attracted to Ruskin's socialist theories lived in the area of Mission City and Whonnock. These supporters discussed the application of socialism to their own lives and concluded that it would be possible for them to establish a co-operatively run sawmill in this place of huge forests. A site on the bank of the nearby Stave River would be ideal as logs could be floated downstream to the mill. In 1891, they were successful in obtaining permission to use four acres of land on the west bank of the Stave, close to the Fraser River, which was a part of the holdings of Samuel and John Twigg.

The planning necessary to arrange for machinery and equipment, financing and a supply of logs and all the other details of starting up took much time so that it was November, 1895 when the group wrote to the Registrar of Joint Stock Companies at Victoria to advise him that they were desirous of forming a Society under the terms of the "Industrial and Provident Societies Act 1891." Among the ten signators of this letter were John T. Wilban, Rev. A.C. Dunn and James A.



Members of the Canadian Co-operative Society, Limited were required to purchase their membership for \$300, but arrangements would permit payment over a long period of time. Courtesy of Special Collections, UB.C.



Tingley, who signed as the Secretary. The Canadian Co-operative Society, Limited was incorporated on December 16, 1895 but adopted a revised set of Rules under the Act on May 15, 1896 which were signed by James A. Tingley, President and Thos. Robinson, Secretary and three members. These Rules stated in part "the objects of this Society shall be to engage in every branch of lawful industry on the principle of association and the elevation morally and intellectually of its members." Additionally, "to carry on a general mercantile and trading business" which led to the opening of the general store.

Even before the construction of the buildings was complete the mill was in operation with the machinery and equipment largely purchased from E.H. Heaps & Co. Members of the Co-operative were paid one dollar a day, plus extra for some specific jobs, and this was set by vote of the members. The members also voted "sympathetic" payments for widows or those unable to work. It may be assumed that a portion of the weekly payments would be made in the form of scrip issued by the Co-operative Society and redeemable in merchandise at the Co-operative store. While the Society worked a small communal garden, it is likely that local farmers would provide produce to the store and receive payment in the form of scrip as a simple system of barter. There are four rows of numbers running from 1 to 100 across the top and bottom edges of the scrip which made it possible to pay out sums of less than one dollar by punching out the appropriate number of cents. From the low serial number on the unissued scrip which is illustrated, it may be assumed that this method of payment was not completely accepted and its use may have been discontinued after some months.

The business of the Co-operative appears to have been quite successful with some thirty members at work in the sawmill, shingle mill, planer, dry kiln and excelsior machines and in the general store. James A. Tingley was appointed the first postmaster of Ruskin on January 1, 1898. A school building was erected by the



This unissued one dollar scrip is a reminder of the short-lived communal experiment at Ruskin Mills. Courtesy of the Provincial Archives of B.C. Photograph by R.A. Greene.



members and Miss Cora Tingley was paid by the Department of Education to teach there until December 1898 when the school was moved to a more central site in the district. Disaster struck when the summer of 1898 proved to be hot and dry and the Stave River dried up so completely that the logs could no longer be floated down the river to the mill. Unfortunately this weather continued late into the Fall and the mill was caught with no emergency supply of logs and no facilities for hauling logs over land. The Co-operative did not have the security of a large cash surplus reserve and soon ran into financial difficulties. When it was unable to keep up the payments for the machinery and equipment, E.H. Heaps & Co. took over the operation of the mill. This destroyed the Canadian Co-operative Society, Limited but the Registrar of Companies did not strike them from the records until 1923.



A view of the Co-operative Society Mill at Ruskin Mills which was taken over by E.H. Heaps and Co. in 1899. Photo Courtesy of Mission Historical Society.

The author wishes to acknowledge and thank the following sources:

MAPLE RIDGE A HISTORY OF SETTLEMENT - Maple Ridge Branch, Canadian Federation of University Women, Sheila Nickols, Editor 1972

DIAMOND JUBILEE OF RUSKIN, B.C. - Souvenir booklet, Ruskin Pioneer Days Committee, 1976

VALLEY OF THE STAVE - Charles E. Miller, Hancock House, 1981

MAPLE RIDGE MUSEUM - Sheila Nickols, Curator

MISSION HISTORICAL SOCIETY - Dorothy Crosby

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