



The Canadian Paper Money Journal

PUBLICATION OF THE CANADIAN PAPER MONEY SOCIETY

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REGULAR FEATURES

COVER:

Top: The cover illustrates a CBN model for a proposed small-sized note issue for Canada, with "Canadian Bank Note" in place of the bank title (see pp 34-35)

Bottom: The Prince of Wales, later King Edward VIII on \$2 BABN Essay (see text under \$2 Essay (pp 75)

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Recent issues of *Canadian Paper Money Journal* should serve as a guide to the format of articles. Footnotes should be used sparingly and be listed at the end of the manuscript. The recommended format for bibliography is as follows.



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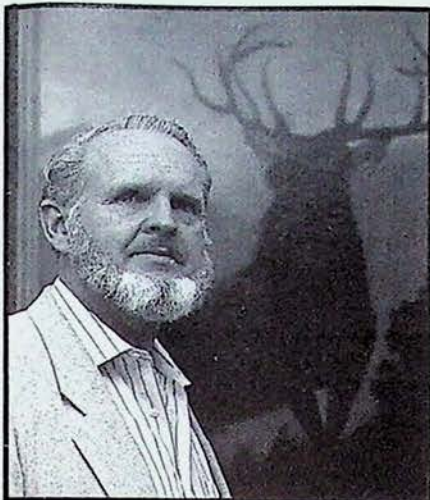
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THE PRESIDENT'S MESSAGE

Another year will soon have passed and I know that many of you have been eagerly awaiting this first annual edition of our journal. I hope you will not be disappointed and I await your comments and suggestions. I believe our journal is as good as any publication on paper money in North America. In order to maintain this quality, however, we need two things: more members to provide a financial base that will enable us to continue to produce a top-quality journal, and more authors who will commit the time and effort necessary to research and write more original articles. The backbone of our society is its members. We will only retain present ones and gain new ones by providing services and information. The better our journal, the more members we will attract. I urge each of the present members to seek actively to enrol at least one new member in 1994.

With this journal you will also receive the final newsletter of the year and your requests for membership renewals. Please return your renewal as soon as possible and, when doing so, consider adding a donation of ten or twenty-five dollars or more so that you executive will not have to worry about the funds needed to produce next year's newsletters and journal. This past year has seen the demise of the Essay Proof Society in the United States, whose journal has been a standard of excellence for 50 years. Don't let apathy and lack of funds or a dearth of articles lead our society to a similar fate.

I wish to thank our editor, Ted Banning, for his hard work and patience. The transition from our smaller-sized journal to the present size was a formidable task and not without a few glitches. The preparation of this journal was started last May and is just now, in December, being completed. This has been mostly due to the difficulty I encountered in obtaining many details

and photographs needed to complete the long article on the Bank of Canada 1935 issue that this volume of the journal contains. I hope that you will find the wait worthwhile.

Why not start writing an article now for our next journal? Ted is very anxious to have your submissions by this coming June, so that he will have the summer months to get most of the work done on them.

The newsletters which Robert Graham has produced have been well received and I congratulate him on a job well done. He will continually need your assistance in providing small articles on new discoveries, catalogue corrections, current data on Bank of Canada issues, auction results, and so on. The newsletter is also a medium for asking for information from other members, or placing a small free advertisement.

Now is the time to start preparing a display for the CNA convention in Hamilton, Ontario, next July. In past years we were privileged to have ten to 15 excellent displays at these conventions. In the last few years, however, this number has greatly declined. If you have not built a display before, take the plunge. You and others will gain from the experience and your efforts. Forsake the TV for one night a week. Our librarian is waiting to help you with the background information for your display. There are many books, full of information, that will provide the little-known and pertinent facts. If you need help, write your fellow members. Bob Graham and I will be happy to point you in the right direction.

I hope to meet with many of you in Hamilton next summer. Meanwhile, write to me or the editor with your suggestions.

I wish you all a healthy, happy and prosperous New Year.

WDA □

Allan, W D, ed (1989). *The Charlton Standard Catalogue of Canadian Bank Notes*. Toronto: The Charlton Press.

Kaslove, H (1990). Bank of Canada essay notes for the 1935 issue. *Canadian Paper Money Journal* 26: 102-110.

McCullough, A B (1984). *Money and Exchange in Canada to 1900*. Toronto: Dundurn Press.

Authors may make citations in the text either by clearly marked footnotes or by showing the author's last name, date of publication and page number in parentheses, for single (Kaslove 1990: 110) or multiple authors (Allan 1989: 141; McCullough 1984: 98-99).

Illustrations, wherever possible, should be black-and-white glossy photographs, preferably scaled to make the image either 4.5 inches or 5.4 inches in width. Even where this is not possible, please try to avoid photocopies of poor quality, extremely small images, or mixing illustrations of varying sizes. Photocopies never reproduce very well and so should be a last resort. Please do not send unsolicited original notes or artwork, as the Canadian Paper Money Society and its officers cannot be responsible for their safe return.

In addition to regular articles, we encourage the submission of short reports, reviews of books on Canadian paper money or banking, and 'fillers' consisting of short quotations or observations relevant to Canadian paper money, or short research notes or enquiries.



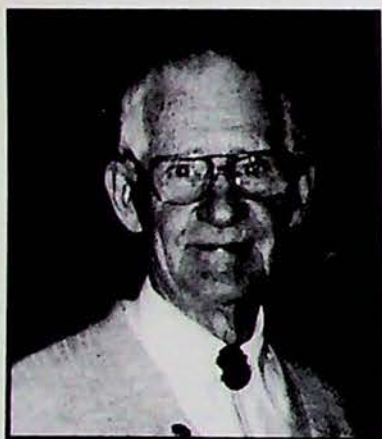
Finally the first annual is behind me. I apologize for not being able to get it complete in time for you to receive it in 1993, although you should not have to wait very long into January. I hope readers are happy with the results.

I was happy to have some new authors this year, and the results of their labours, I think, are quite good. Jane Nokes provides background on the Bank of New Brunswick and useful information on the Bank of Nova Scotia's archives, while Ronald Shearer and Donald Paterson give us some original insights into the Union Bank of H Gray & Company. In addition I thank regular contributors, especially Robert Graham and Walter Allan, both of whom provide in these pages previously undocumented information on the history, notes, vignettes, essays and proofs of several Canadian banks.

We still rely too much, however, on such regular contributors for the journal's content. Since the summer is the only good block of time I have to work on *CPMJ*, I hope a large number of you will submit manuscripts to me early in the new year and, in any case, before mid-June.

As I have mentioned in earlier columns, there are several additional ways authors can help me get the journal ready for

publication in a more timely manner. One of the biggest drains on my time, as well as one of the biggest expenses, involves the illustrations. When all the photographs are at different scales not only do I have to measure each one individually and calculate the percentage of reduction or enlargement to bring the illustration to one column-width (or two), but the Society must pay handsomely for all these photographs to be made into half-tones at different scales. It would both save me time and save the Society money if authors took care to ensure that every photograph is shot, not only clearly and with adequate contrast, but in such a way that the edges of the note, proof or vignette depicted is a constant measurement, preferably either 3.25 inches (one column-width) or 6.7 inches (two column-widths). This is not so difficult for a photographer to do in the dark-room; he or she simply lays a ruler down next to the image from the enlarger. If you are sending film out for commercial developing, simply make sure that you shoot the notes with a tripod set at a constant height to keep every image at the same scale. This will at least require me to measure and calculate only once for each group, while the printer can make halftones of groups of photographs to keep our costs down. EBB □



In Memoriam

George Herbert Bishop passed away on 22 September 1993. He is survived by his wife, Margaret, a brother, Richard, and sister, Lillian.

Herb, or Herbie as his friends affectionately called him, was a numismatist for many years, and Honorary Vice-President of CPMS.

He retired early at age 50 after running his father's business, Bishop, Sons & Co, Ltd, for many years. Initially he was an avid coin collector and over the years acquired a very respectable type set of Canadian coins. He spent many hours studying mintage figures in Canadian mint reports.

As early as 1965, when he became charter member 85 of the CPMS, he began to acquire an interest in "paper numismatics." He met and corresponded with the late Lindsay McLennan and the late Bert Peddie, and acquired a special interest in Bank of Canada prefixes. He meticulously recorded the dates when each new prefix appeared in circulation.

Herb loved to drive and for many years owned a Thunderbird. In the late 1960s and early 70s Herb and I drove to most of the CNA

and ANA conventions. On these trips we had many memorable adventures. We dug for sapphires in Montana, travelled through Yellowstone Park, and explored various caves (Lewis and Clark, Mammoth Cave, etc). When the International Paper Money Convention started in Memphis, we drove to it and never missed a year until recently.

Herb was quite a poker player. Years ago at CNA and ANA conventions he played with the big boys in games lasting into the morning hours. In later years we played 5, 10 and 25¢ games, often with the late Glenn Jackson. Sometimes Jim Haxby played but, when Jim's losses mounted, he suddenly would get very tired, much to the amusement of the other players. In these games, Herb was usually the winner.

Another of Herb's activities was trap shooting, and he was a charter member of the Scarborough Rod and Gun Club. He was a good sport. I remember when, at a surprise birthday party of mine, Herb was standing at the edge of a swimming pool. Someone "accidentally" nudged Herb and he took the plunge. He scrambled out with his only comment, "Damn, I got my wallet wet." He loved bowling and we often bowled on our trips. He usually beat Jim and me in this endeavour. He was bowling when the last trumpet sounded.

For many years he was Secretary-Treasurer of the CPMS, as well as Librarian and Advertising Manager. In the last few years he continued to help in addressing and mailing the *CPMJ*. For his years of service to the Society, he was awarded the position of Honorary Vice-President. To me he was a special friend; to many of us he was "one of the boys." He will be missed. May he Rest in Peace.

Walter Allan □

The Union Bank of H Gray & Co

Ronald A Shearer
Donald G Paterson
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The mid-1830s through the early 1840s was a colourful period in Canadian banking, in part because of the proliferation of note-issuing private banks, some legitimate, some not. One of the apparently legitimate private banks was the Union Bank of H Gray & Co, more commonly known as the Union Bank or the Union Bank of Montreal. Little has been published about the Union Bank,¹ but in the course of our research on the Canadian banking system of the period we have discovered some information that may be of interest to readers of this *Journal*.

Two Balance Sheets

We have found no announcement of the bank's opening, but in January 1839 it published a balance sheet for December 31, 1838, "... agreeably to their Rules and Regulations for a Periodical statement during the first week of each January."² It seems likely that the bank opened earlier in 1838 and, indeed, the first issue of banknotes is dated 1838 (figure 1).³ A second balance sheet was published for 13 January 1840.⁴

Table 1 displays the two published balance sheets, with minor editorial changes to give them a consistent set of asset categories.⁵ It is difficult to know what credence to place in these figures, particularly the alleged capital. The years 1838-1840 were well before widespread acceptance of the notion of independent audits of bank financial statements and, as a private institutions, the bank did not even have the moral discipline of a sworn statement to government or questioning at annual meetings of shareholders. However,

for what they are worth, the two balance sheets reveal a very small note-issuing and deposit-accepting bank, operating primarily on its own capital. As an index of its relative size, Table 2 compares the Union Bank's note and deposit liabilities in January, 1840, with those of the established banks in Montreal: the two chartered banks, the Bank of Montreal and the City Bank, and the unchartered bank of Viger, Dewitt & Co (commonly called la Banque du Peuple). As is evident, by any measure, the Union Bank was very small, but a speck on the banking landscape.

The first balance sheet depicts a bank in a very early stage of its operations. Its note circulation was trivial and, while deposits were larger, more than \$3,000 was at 4% interest. At this time, the payment of interest on bank deposits was still uncommon and, although the evidence is very sketchy, the going rate at the two banks that were known to pay interest, the City Bank and the Bank of British North America, appears to have been 3%, which was also the most common rate of dividends on bank stock, the only "blue-chip" private security. The Union Bank was paying a premium rate to attract deposits, but without notable success. The bulk of the bank's funds were the owners' capital, and the largest part of the capital was being held in what must have been regarded as temporary deposits with other banks, not necessarily in Canada. By early 1840, both note and deposit liabilities had increased substantially but were still, by any measure, very small, and the temporary deposits with other banks had been replaced by loans (discounts). The balance sheet was beginning to assume a more normal character, although the reliance on the bank's own capital was still very great. Like many private banks, the Union Bank had achieved little leverage.

In 1838, the capital reported to have been subscribed was \$100,000, of which half was paid-in. This was a small capital by Canadian banking standards, but Gray seems to have had aspirations. In spite of the difficult economic times, Montrealers were invited to invest in a "further increase in its capital stock," an invitation that seems to have been refused. Moreover, a promise accompanying the 1838 financial statement that the balance of the subscribed capital would be

¹ J C Nelson, "Century old bank bills." *Canadian Paper Money Journal* 9 (1973), p. 93.

² *Montreal Gazette*, 3 Jan 1839.

³ W D Allan (ed), *The Charlton Standard Catalogue of Canadian Bank Notes*, 2nd ed. (Toronto: Charlton Press, 1989), pp. 355-57.

⁴ *Montreal Gazette*, 16 Jan 1840.

⁵ Most important among these adjustments is our deletion from the 1840 statement of \$50,000 capital alleged to be subscribed but not paid-up. It was reported as both a liability and an asset in the 1840 balance sheet, but not in 1838. The unadjusted totals give a misleading impression of a doubling of the bank's assets in a year.

paid-in by 1 July 1839 was not fulfilled. Both the subscribed and the paid-in capital were the same in January 1840 as in December 1838. Given the magnitude of the operation, the failure to increase capital was realistic.

An American Bank?

The ownership of the bank is unknown. The H Gray of the title of the bank was presumably the Henry Gray reported to have signed some of the 1838 notes.⁶ He was probably a major, if not the sole, owner. Unfortunately, we have discovered nothing about Henry Gray from Canadian or American biographical sources.

It seems likely, however, that he (and his partners, if any) was an American. Evidence for this is that the item "Bank and Railroad Stock" appears in the 1840 balance sheet as "Stock of the Bank of Kentucky." Chartered in 1834, the Bank of Kentucky was to become a formidable banking power in the American South in later years. In 1838, however, it was a young institution, reeling in the aftermath of the banking crisis of 1837 and a scandal relating to its own stock.⁷ It was an unlikely investment for a Canadian capitalist cum banker. It is more likely part of the capital brought to the bank by an American banker, perhaps a refugee from the turmoil in the American banking system. In this regard, it is

⁶ W D Allan (ed), *op. cit.*, p. 355.

⁷ Its Philadelphia transfer agent, Schuylkill Bank, had fraudulently issued \$1.3 million of the bank's shares (out of a total capitalization of \$5 million) without authorization. The Bank of Kentucky increased its capital and made good on the counterfeit shares. It eventually won a lawsuit against the Schuylkill Bank, but collected only 30% of the sum involved. Basil W Duke, *History of the Bank of Kentucky, 1792-1895*. Louisville, J P Morton, 1895 (reprinted: New York, Arno Press, 1980), pp. 64-90.



Figure 1 (right, from top). \$1 and \$2 of the Union Bank's first issue (Burton & Gurley, July 14, 1838). Signed by Gray and Dudley Bean without designations for cashier or president. \$2 and \$5 of the second issue of the Union Bank (Rawdon, Wright and Hatch, August 1st, 1838), with signatures A Dudley Bean (cashier) and Henry Gray (president), and a \$3 note stamped "countersigned" vertically at left and countersigned H [?] Gray & Co (courtesy, National Currency Collection, Bank of Canada).

Statement of the Union Bank of H Gray & Co.
exhibiting a general account, agreeable to their RULES and
REGULATIONS for a periodical statement during the month of each
January.

| | December 31 1838 | January 13 1840 |
|--|---------------------|--------------------|
| Liabilities and Capital | | (Dollars) |
| Notes in circulation | 1927 | 6781 |
| Deposits on Interest | 3127 | 6400 |
| Deposits not on interest | 5025 | 5328 |
| Bills of Exchange not yet at maturity | 2766 | |
| Net Profit on Hand | 1506 | 1348 |
| Stock paid-in | 50000 | 50000 |
| | 64350 | 69857 |
| Assets | | |
| Specie on hand | 6370 | 8591 |
| Notes of other Banks | 3892 | 6123 |
| Balance due from our Agent in New York | | 7824 |
| Bills discounted and exchange | 19770 | 42320 |
| Deposits due | 26128 | |
| Bank and Railroad Stock | 5000 | 5000 |
| Plates, Furniture and expenditure on Banking House | 1443 | |
| Expense account | 1746 | |
| | 64350 | 69858 |
| | | M. Dudley Bean |
| | | Cashier |

Note: Detail may not sum to totals because of rounding.

Table 1. A comparison of the two published balance sheets with minor editorial changes.

perhaps significant that the financial statements were presented in dollars rather than in pounds currency, the legal unit of account in Canada. While Canadian bank notes were generally denominated in dollars, or both dollars and (Halifax) currency, the legal unit of account was always used for published financial statements. Publication of financial statements in dollars would have seemed natural to an American banker.⁸

⁸ A final piece of circumstantial evidence comes from the notes themselves. Some notes are stamped vertically with "COUNTERSIGNED" and the countersignature, "H [?] Gray & Co" (figure 2). Notes of the first two issues were printed, apparently simultaneously or nearly so, in New York by Burton & Gurley and by Rawdon, Wright and Hatch, using vignettes that were commonly used on US notes, although certainly other Canadian banks used these printers as well. Furthermore, many of the 1838 notes and all the 1840 ones have blue, orange, red-brown or green backs with decorative lathework and, in some cases, the words "STEEL PLATE". This was also a feature of some US notes of the same period. See W D Allan (ed), *op. cit.*, p. 355-57, 368.— ed.

Application for a Banking License

An ordinance of April 1839 prohibited banks that had not been "chartered or recognized or authorized" by the legislature from issuing banknotes in denominations of less than £5 (\$20) unless a license was issued by the Governor.⁹ While the Bank of British North America was in a sense "licensed," its legal status in the Province was conferred by an ordinance, not by an administrative procedure.¹⁰ This case aside, the concept of an administratively "licensed bank," without a legislated charter, was new in Canada. There were neither precedents nor procedures. On 18 July, the Union Bank applied for a license, but was summarily rejected because of the lack of "... information or satisfactory testimonials

⁹ "An Ordinance to Regulate Private Banking and the Circulation of the Notes of Private Bankers." 2 Vic c58. *Montreal Gazette*, 16 April 1839. Banks chartered by "competent authority in any part of Her Majesty's dominions, or in the United States of America" were also permitted (Lower Canada, 1839).

¹⁰ "An Ordinance to enable the Proprietors or Shareholders of a Company called the Bank of British North America to Sue and be Sued ..." 2 Vic c2. *Montreal Gazette*, 8 Nov 1838.

| | (Thousands of Dollars) | | | |
|-----------------|------------------------|-------------------------------|------------------------|-----------------------------------|
| | Union Bank Jan 1840 | Bank of Montreal June 1839 | City Bank June 1839 | Viger, Dewitt & Co Nov 1838 |
| Notes | 6.8 | 1121.8 | 487.9 | 101.0 |
| Deposits | 11.7 | 1029.5 | 265.8 | 37.2 |
| Paid-in Capital | 50.0 | 1689.4 | 800.0 | 347.8 |
| Total Assets | 69.9 | 4013.1 | 1622.9 | 496.1 |

Note: Figures for the Bank of Montreal, the City Bank and the Bank of Viger, Dewitt & Co (la Banque du Peuple) converted from pounds currency to dollars at the official exchange rate, £1=\$4.

Table 2. Comparison of sizes: Union Bank and Chartered Banks of Montreal. Sources: "General Statement of the Affairs of the Bank of Montreal for the First day of June, 1839," Montreal Gazette, 6 June 1839; "Abstract from the Books of the City Bank of Montreal ... on Saturday the 1st day of June, 1839," Montreal Gazette, 6 June 1839; "Abstract from the Books of the Bank of Viger, Dewitt & Co. ... on the 23d day of November, 1838," Montreal Gazette, 23 Nov 1838.

regarding the standing and character of the Petitioners."¹¹ This is perhaps further evidence that the owners were not wealthy residents of Canada.

Given the failure of the application for a license, it is interesting that an issue of banknotes of the "Union Bank of Montreal" appeared in 1840, in large denominations, \$50 and \$100 (figure 3).¹² While the Charlton catalogue classifies this under a different bank title (Bank No 745), it was the Union Bank of H Gray & Co, preparing to continue operating as an unlicensed private bank accepting deposits and issuing notes only in denominations of \$20 and greater.¹³ However, \$20 was a very large sum of money in 1840. Such notes would not have received widespread circulation but would have been confined to large-size business and government payments, sectors of economic activity least likely to be accepting of a small private bank of unknown ownership. It was probably impossible for the bank to operate profitably without issuing notes of smaller denomination for general circulation.

We do not know when the bank suspended its operations. No subsequent financial statement has turned up. We assume that it closed in 1840 but, because we have found no press commentary, we assume that it did not fail with losses to note holders and depositors. Rather, it seems likely that the American bankers made arrangements to pay off their creditors, folded up their tent and went home.

¹¹ Lower Canada, Civil Secretary, vol 20, Letterbook 43, pp. 151, 167, RG4 C2 (Reel 10466).

¹² W D Allan (ed), *op. cit.*, p. 368.

¹³ W D Allan (ed), *op. cit.*, p. 355. Allan reports that the notes were signed by M Dudley Blinc and Monny Gray. Given problems of deciphering handwriting, these were probably the signatures of H Dudley Bean (Cashier) and Henry Gray, *Ibid*, p. 368. (With respect to note issues after failure of the charter, Mr Allan has the Printing Ledger for Rawdon, Wright & Co, printer of the second issue of Union Bank notes, for 1831-1844. It is interesting to note that, although the RWH printings are all dated 1838, this ledger contains many later entries, even as late as 7 July 1841, for orders of notes, mainly in denominations of \$1 and \$2, but



Figure 2. Unsigned \$50 and \$100 notes of the last issue of the Union Bank, printed by Danforth, Underwood & Co and Underwood, Bald, Spencer & Hufty, with dates of 184- (courtesy, National Currency Collection, Bank of Canada).

Postscript: 1846

It was reported in 1846 that notes of "the Old Union Bank of Montreal," some of them unsigned, had been put into circulation recently by

... young men in respectable positions, who have passed them away in houses of immoral character, from whence they have been handed to shopkeepers.¹⁴

Wherein did the immorality lie? □

sometimes for \$3, \$5, \$10 or \$20. Mention of a delivery on 23 May 1839 of Union Bank notes to E D James, 64 Wall St, presumably in New York, might be relevant to the question of the bank's US connections as well. See Walter Allan's article, below, p 9. — ed.)

¹⁴ *Pilot*, 23 July 1846.

Union Bank of Montreal: Note Issues

Walter D Allan, FCNRS

Research Director, CPMS



Figure 1 (top). Union Bank \$2 note of the first issue, with A Dudley Bean and Henry Gray signatures.

Figure 2. \$5 note of the first issue with blue back and Dudley Bean and Henry Gray signatures.

This issue of *CPMJ* contains an excellent article on the Union Bank of H Gray & Co by R Shearer and D Paterson (1993). It would seem appropriate to have some information in the same issue regarding the notes issued by this bank.

The Burton & Gurley Printings

The *Charlton Standard Catalogue of Canadian Bank Notes* (Allan 1989) lists three denominations, \$1, \$2, and \$5 in three groups, plain back, green back and blue back.

The plain-back type is evidently the first issue, since many other banks, especially US obsolete ones, seem to progress from plain backs to ornate lathework backs, then to numeral or word protectors and then to face tints, all in an

effort to frustrate would-be counterfeiters. In this case only the plain backs have been seen dated 14 July and 1 August. The sheet numbers for the plain backs all seem to be less than 3000, and all have plate letter A. At this time I do not have a record of a plain-back \$5. The plain-back \$1 and \$2 all appear to be signed "To H. Gray & Co & A. Dudley Bean" (cf. Shearer and Paterson 1993: 80n).

The second type listed has the green back. I have only one note, a \$1 with serial number 3862/A (lot 1307, ONA auction, April 1991).

The third type listed has the blue back. There are considerably more notes of this type with serial numbers ranging from 3136 to 6488, all with plate letter A. The \$1 and \$2 (figure 1) continue with the Gray-Bean signature combination, the \$5 notes have A. Dudley Bean's and Henry Gray's signatures (figure 2) beside the designations "Cash" and "Pres" respectively.

These limited data raise some interesting questions. First, it is noteworthy that all notes have plate position letter A. It is unlikely that a three-note sheet of \$1, \$2, and \$5 would be printed. One must then wonder if there are any plate-B notes for any denomination of this issue, or was the plate a 1-2-3-5 and the \$3 simply not issued or not yet discovered? Taking this line further, the sheet could have been a 1-2-5-10 or 1-2-5-20. Only a note with the missing plate letter B or an as yet unknown denomination, or Bank Note Company records, will answer this question. The second question is whether there actually is an issue of green-back notes. The one recorded number falls between the low and high serial numbers for blue backs. Is it possible that the green back was a slightly changed (oxidized or faded) blue back? The third question is, "are there any plain-back \$5 notes, or do all the \$5 notes have blue backs?" Finally, why do only the \$5 notes have the "Cash" and "Pres" engraved designations? It could be that these were added to the plate at the same time as the blue-back plate was prepared. If this is the case, where are the \$5 notes without "Cash'r" and "Pres.?"



The Rawdon, Wright & Hatch Printings

The Charlton catalogue (Allan 1989: xx) again lists three types, with a red-brown back, and orange back and a blue back. Evidence at this time suggests that the red-brown and the orange backs are in fact identical and belong to the same type. Some backs have been seen with partly orange and partly orange-brown colour. The serial numbers of the brown or red-brown backs are mixed, ranging between a low number of 243 (\$20 orange back) and a high of 7704 (a \$1 orange back). No. 7915 is known but its back colour was not recorded. Except for one \$5 note, all the \$5, \$10 and \$20 notes appear to have orange backs (figures 4, 5 and 6). The blue-back notes for the \$1, \$2 and \$3 values have serial numbers between 4712 (\$3) and 6456 (\$2). A few of these "blue" backs have a greenish tint which probably has resulted from aging or fading of the blue.

These facts also raise some questions. First, do the red-brown- and orange-back notes belong to the same type? It would appear that this is the case. Second, where are the \$5 blue-back notes? Third, why are the \$10 notes much rarer than the other notes? The \$20 notes are also very scarce. Some of these questions may be answered and more raised by the following chart, which is essentially a list of notes printed by Rawdon, Wright & Hatch, as found in the firm's record book on p 136.

The RWH listings do not mention the back colours, so no questions are answered in this respect. Between August of 1839 and June of 1841 there were 12,000 \$1 notes, 12,000 \$2 notes, 6,000 \$3 notes, 6,000 \$5 notes, 700 \$10 notes and

| Union Bank of Montreal | | |
|------------------------|-------------------------|------------------------|
| Date | Quantity & denomination | Notations |
| Aug 22/39 | 200 x \$20 | |
| May 12/40 | 450 Cashier checks | |
| May 23/40 | 1000 x \$20 | E. D. James 64 Wall St |
| July 21 | 1200 x 1,2,3,5 | E. D. James 64 Wall St |
| | 200 x 10,20 | E. D. James 64 Wall St |
| | 500 Cert. of Stock | |
| | 1 Seal | |
| Aug 11 | 800 x 1,2,3,5 | E. D. James 64 Wall St |
| Sept 22 | 1000 x 1,2,3,5 | Mr F. Rawdon |
| | 1000 x 20 | Mr F. Rawdon |
| Oct 23 | 3000 x 1,2 | E. D. James 64 Wall St |
| Nov 21 | 2000 x 1,2 | |
| Dec 2 | 2000 x 1,2 | |
| Dec 30 | 1000 x 1,2,3,5 | |
| June 14/41 | 1000 x 3,5 | no bks [backs?] |
| | 500 x 10,20 | no bks |
| July 7/41 | 1000 x 1,2,3,5 | no bks |

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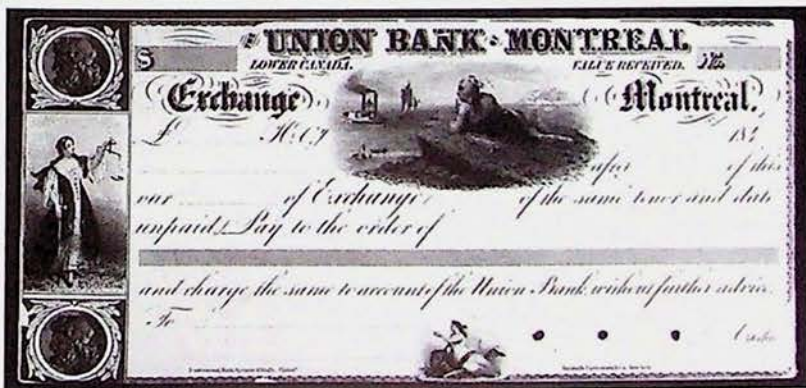
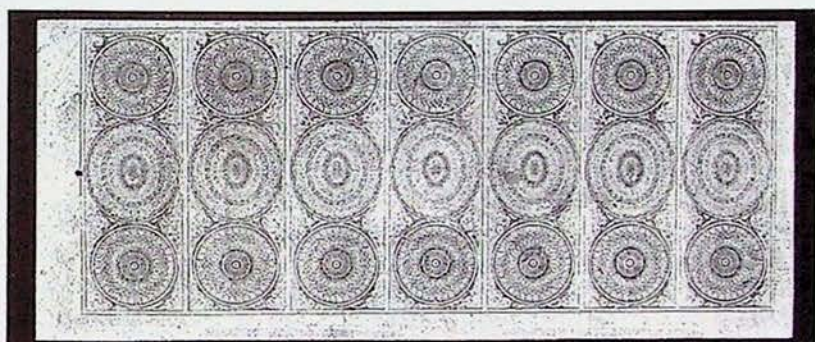


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Figure 7. Bill of exchange on the Union Bank of Montreal, with imprint, "Underwood, Bald, Spencer & Hufty, Philad^a" and "Danforth, Underwood & Co. New York" (photo, W D Allan).

3,900 \$20 notes printed. It is easy to see why the \$1 and \$2 notes are the most common and the \$10 the rarest.

The printings of June and July, 1841, were noted as having "no bks," which I take to mean no backs. Has anyone seen any of the RWH notes with no back design? One might speculate that these late printings were done in a hurry and wonder if the "American bankers" intended to alter these notes to various US obsolete banks and pass them off as legitimate issues. A comparison of a three-dollar note with that of an altered US note leads credence to this theory (figure 3). The US note with "State of New York" printed above the bank's name has "Albany" printed where "Montreal" was removed. "Lower Canada" at the top has also been removed. A final question is, "why are all the notes dated August 1, 1838 if they were printed in 1839 and 1840-41?"

The Last Printing of Notes

Notes of \$50 and \$100 with the bank name changed to the "Union Bank of Montreal" and with dates of 184- were prepared by a different banknote company, with the imprint, "Danforth, Underwood & Co. New York" and "Underwood, Bald, Spencer & Hufty, Philad^a." The issued notes, remainders and proofs are all very rare. Whether this was just another scam to raise funds rapidly before a swift departure to the United States cannot be ascertained easily now, but it seems rather likely. In the recent Christies sales of material from the ABNCo archives, proofs of the \$50 and \$100 notes were offered. Lot 472 of the November, 1990, sale, a sheet of \$50 and \$100 on card, sold for \$660 in US funds. Lot 536 of the September, 1990, sale of US obsolete notes included a sheet of \$50 and \$100 back proofs in black (figure 7). It is now in the Bank



The Rawdon, Wright & Hatch Printings

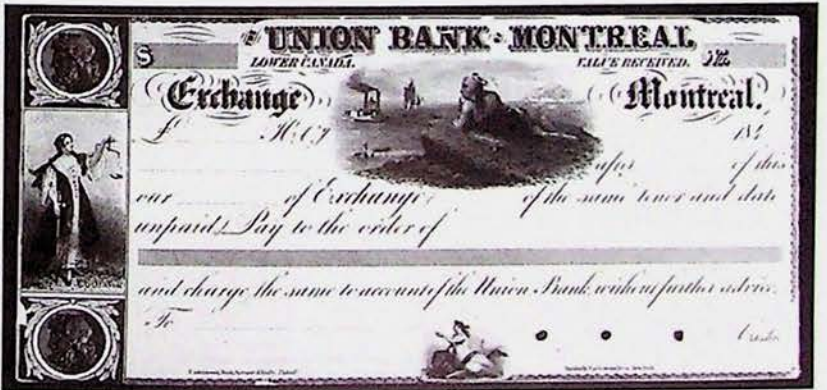
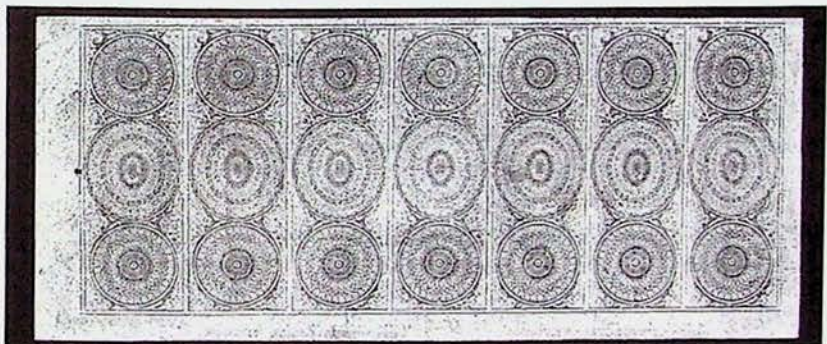
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of Canada collection. It is interesting to note that the colour of the backs of the \$50 and \$100 is blue or blue-green.

The same imprint occurs at the bottom of a bill of exchange dated 184- and with vignettes depicting justice and an amerindian watching a steamship and a sailing ship (figure 7). The last part of the wording, "Pay to the order of _____ and charge the same to account of the Union Bank without further advice" is noteworthy.

Conclusion

A study of the note issues of this bank poses many questions and answers a few. It appears likely that the operation, if not at first, later became a note-issuing scam. The absence of another note to complete a sheet of four, as would be usual, in the first issue is a puzzle, as is the absence of a plain-back

\$5 note. It appears that there are probably only plain and blue backs for the first issue and orange and blue backs for the second one. Why the RWH printings are all dated "August 1, 1838" is a puzzle as well. The author invites all readers to check any notes of this bank which are known to them and send any information — denomination, date, back type, etc — to him in hopes of answering these questions. □

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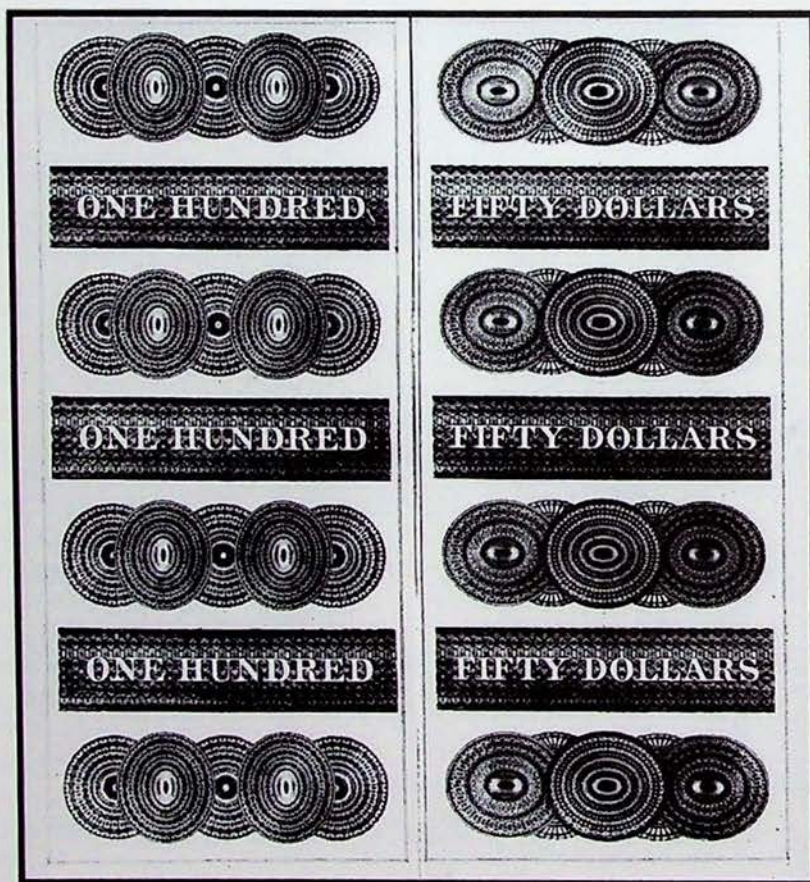


Figure 8. Backs of the \$50 and \$100 notes of the last issue of the Union Bank, printed by Danforth, Underwood & Co and Underwood, Bald, Spencer & Hufty (courtesy, National Currency Collection, Bank of Canada).

The United Empire Bank of Canada

R. J. Graham, FRNS, FCNRS

Eleven new banks went into operation in Canada in the years from 1902 to 1911. Many others were chartered during this period but never opened for business. None of them exist today; in fact the last survivor, The Weyburn Security Bank, was absorbed in 1931. Some were managed with wild recklessness, others with the greatest of caution. The United Empire Bank of Canada exemplified the latter type. Its business was mostly confined to a relatively small region of Ontario. Like its contemporaries, this bank was unable to break the hold of its older and stronger rivals on the most desirable classes of business. It also suffered from a chronic inability to raise share capital. After a brief independent existence, the bank became one of many to disappear through a merger.

In the fall of 1905 it was announced in the *Canada Gazette* that an application would be made to Parliament for a charter in the name of The United Empire Bank of Canada. The authorized capital was to be five million dollars. The applicants were said to be a firm of Toronto solicitors, and it was made known that a well known and capable banker had been acquired to manage the new bank.¹

More information followed swiftly. It was learned that the head office of the new bank would be in Toronto. In order to save time the charter of The Pacific Bank of Canada was purchased, and application for the name change would be made to Parliament. The Pacific Bank of Canada had been chartered in 1903 with a capital of two million dollars. The sponsors of this bank, with headquarters at Victoria, seemed to have difficulty bringing their bank to life, and the charter was renewed in 1905 before they gave up the struggle, selling out to the Toronto group.²

The well known banker selected to manage the enterprise was George Patrick Reid (1846-1923), who had been general manager of The Standard Bank of Canada. Born in British Guiana and educated in Scotland, Reid worked in London for the East India Co as a young man. He emigrated to Canada in 1870 and found employment with The St. Lawrence Bank, predecessor of The Standard Bank of Canada, from 1 February 1874. He opened the branch in Harriston, Ont., and in 1877

was transferred to Picton as agent of the branch there. Reid rapidly ascended the corporate ladder of the Standard Bank, promoted to inspector in 1883, assistant cashier in 1887, Toronto manager in 1894 and finally general manager the following year.³

Reid certainly had his admirers. The *Monetary Times* praised him as "a sensible, careful man, of good banking experience,"⁴ and one who "has fairly won his excellent reputation as Canadian banker, his administration of the Standard Bank for many years having been in a high degree satisfactory to shareholders."⁵

However A St L Trigge, in the third volume of *The History of The Canadian Bank of Commerce*, which contains the most complete account of The Standard Bank of Canada yet published, takes a contrary view. Reid, he leads us to believe, went far beyond prudence, beyond commendable conservatism, to outright timidity in his banking policies. While allowing that Reid possessed a charming and generous personality, Trigge charged that he shut down a good branch in Newcastle, Ont. simply to spare the expense of paying interest on the deposits there at a moment when the funds could not profitably be employed. Growth of the Standard Bank was slow, lagging behind that of its competitors. No branches were opened during Reid's tenure outside Ontario, and activity even within the province was far from aggressive. In the spring of 1905 the directors pushed Reid aside in favour of the bank's rising star, George P Scholfield, who had displayed the right combination of energy, toughness and ability. Reid was supposed to remain as an advisor to Scholfield and was to be made managing director as soon as a vacancy occurred on the board.⁶ Instead he defected to the management of The United Empire Bank.

¹*Monetary Times* 20 Oct. 1905, p 508.

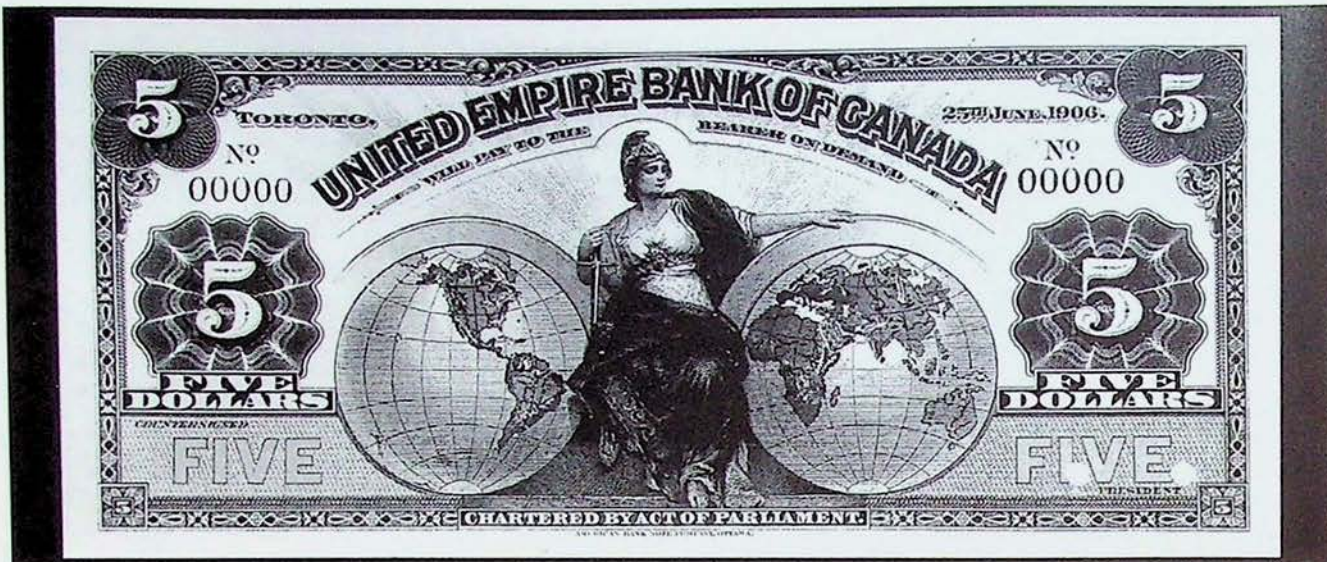
²*Monetary Times* 23 Feb. 1906, p 1128.

³A. St. L. Trigge, *The History of the Canadian Bank of Commerce*, 1934 vol 3, p 238n.

⁴*Monetary Times* 27 Oct. 1905, p 538.

⁵*Monetary Times* 3 Nov. 1905, p 566.

⁶Trigge, *op cit*, pp 241, 247



\$5 25th June 1906, face proof (photo courtesy Walter Allan).

A prospectus was circulated extolling Reid as a sound and conservative banker, and promoting the sale of stock in the new venture. Initially the stock offering was limited to two million dollars, in shares of \$100 each, although nowhere near this amount of capital was ever actually raised. The point was made that stock of established banks was trading at far over par value and, while additional issues were frequently offered, at a premium, existing shareholders were given the first opportunity to buy. New investors finally had a chance to purchase bank shares at par, with no premium, on easy terms. Shares of The United Empire Bank of Canada could be had for a payment of \$10 each upon allotment, and \$10 on the first of each month thereafter until fully paid.

Potential investors were tempted with the bait of generous returns on safe investments:

Canada is fortunate in possessing a banking system which, in legislative safeguarding, is unsurpassed by that of any country in the world. The regulations of the Canadian 'Bank Act' provide for the fullest security to the investor in bank shares... No business possesses the same safety. No business has been more uniformly profitable. A bank begins to earn profits for its shareholders from the outset... During the past ten years the actual returns of Canadian banks to their stockholders, after setting aside a portion of their annual profits as a reserve fund, have ranged from six to twelve per cent. During the past three years the earnings have averaged fifteen per cent per annum per institution.⁷

There is little reason to doubt that the organizers of the new bank were fully convinced that a golden future awaited them and others wise enough to take up the stock offering. The cold, hard reality of disappointment was to arrive soon enough.



\$5 1st August 1906, specimen (W D Allan).

The President of The United Empire Bank of Canada was Samuel Barker, MP (1838-1915). Barker was born in Kingston and became a lawyer. He was solicitor for the Great Western Railway from 1872 to 1879 and later became General Manager of the Northern and North West Railways. He began his political career as an alderman in London, Ont. in 1871, and subsequently became a member of Hamilton City Council. He was the Conservative candidate for Hamilton in the 1896 federal election in which he was defeated. Barker was successful on his second try, in 1900, and held the seat until his death.⁸ He was named as one of the provisional directors of The United Empire Bank, holding 253 shares, and was at the time a director of the Landed Banking and Loan Co, Hamilton. Other provisional directors, named in Bill #52 (1906) incorporating the bank, are listed in table 1.

⁷Monetary Times 3 Nov 1905, p 567.

⁸The Canadian Directory of Parliament 1867-1967, p 22.



\$10 of 1st August 1906. An issued note with serial number 1, now in the National Currency Collection.



\$5 1906 back proof (photo, W D Allan).



\$10 1906 back (photo, W D Allan).

| | Occupation | City | No Shares |
|------------------------|---|----------------------|-----------|
| George A Clare, MP | manufacturer | Preston | 203 |
| Ernest E A DuVernet | barrister | Toronto | 253 |
| Rev T C Street Macklem | Provost and Vice-Chancellor | Toronto | 203 |
| | of Trinity College | | |
| M McLaughlin | miller | Toronto | 253 |
| William J Smith | lumber merchant | Toronto | 203 |
| Mark Bredin | | Toronto | 253 |
| Bennett Rosamond | | Almonte | 300 |
| S Stanley Marling | | England ⁹ | |

Table 1. Provisional Directors of the United Empire Bank, as listed in the bank's bill of incorporation (Bill #52, 1906).

⁹NAC RG 19 v. 3241 file 14475

Augmented by T Willes Chitty and Lt-Col F T C DuVernet, both of London, England, they were confirmed as regular directors shortly after the bank went into operation. This board must have suited the stockholders very well, since the same directors were reelected from year to year throughout the history of the bank.

By early February 1906 the bank had a quarter million dollars of share capital subscribed, and was awaiting the resumption of Parliament to enact the changes needed to the Pacific Bank charter.¹⁰ Samuel Barker was instrumental in having this taken care of, using his influence as a member. In April the bank leased offices on the ground floor of the Board of Trade building in Toronto, the CPR Telegraph Company removing to adjacent offices to make way.¹¹ In this the bank gave an indication of its future policy. It was determined to avoid real estate ownership of any kind, and always rented quarters for its operations.

The United Empire Bank of Canada finally opened for business on 1 August 1906. By the end of 1907 the bank had earned a small profit, approximately \$10,000, out of which a small surplus remained after paying the expenses of founding the bank (including the cost of printing the bank's notes). As of the end of January 1908 the bank had \$134,555 of its notes in circulation, and total assets of \$1,623,472.

Notes of the United Empire Bank of Canada

The bank used only a single issue of notes, consisting of \$5 and \$10 denominations. These were dated 1 August 1906, the day the bank opened for business. As noted below, some proofs bore earlier dates, 1 May and 25 June. Also, the Canadian Bankers Association has an itemized list of rolls and dies showing the date 25 June 1906 for both denominations.¹² No check letters were used, the notes being numbered consecutively. The first order, to engrave 4/ on plates for each denomination, went to the American Bank Note Co. on 28 Jan., 1906. Between July 1906 and October 1910, 100,000 \$5 notes and 40,000 \$10 notes were printed and delivered to the bank.¹³ The signature of the president, Saml. Barker, was typed on the notes, while the countersignature was applied in manuscript form by officers of the bank prior to issue.

The notes of The United Empire Bank of Canada are still redeemable, by The Bank of Canada. A total of \$1170 remains outstanding, but the author has been able to account for only \$35 of this sum. A single \$5 and three \$10 notes are all that are known to survive (table 2).

In 1971 the Royal Bank of Canada generously donated all of its holdings of United Empire Bank notes, consisting of the first \$10 issued note, as well as a specimen note of each denomination, to The National Currency Collection.

¹⁰*Monetary Times* 9 Feb 1906, p 1052.

¹¹*Monetary Times* 20 Apr 1906, p 1407.

¹²Bank of Canada, Sheldon S Carroll records.

¹³Data courtesy Dr James A Haxby.

A collector wishing to have some representative of this bank's issues will probably have to settle for a model, proof or specimen note from the recent Christie's sale of material from the American Bank Note Archives. The lots in table 3, consisting of 13 items in all, appeared in the sale of 28-29 Nov 1990.

Many of these items Christie's resold, under different lot numbers and at considerably lower prices, on 9 December 1991.

The Demise of the Bank

The failure of Knickerbocker Trust triggered financial panic in the United States in 1907. 1908 was a trying year for all Canadian banks, and several, including the St. Jean, the St. Hyacinthe and the Sovereign, collapsed. The United Empire Bank, being much more prudently managed than the three banks just mentioned, struggled along and was even able to make some progress. In his address to the shareholders on 20 Jan. 1909 the president related some of the difficulties experienced by the bank:

...what a period of stress and anxiety the past twelve months has been for every bank, even the most powerful and wealthy, and you may judge how trying a time it has been to a young institution like ours.

When you and we set out on our career, there was a clear sky and every encouragement. No one foresaw or suspected that we were on the eve of a period of doubt and hesitation, of timidity and suspicion; that within the year 1908 the oldest and strongest institutions would see their stocks fall 10, 15, even 20%.

The old and established banks, with accumulated resources, have been prosperous notwithstanding the pressure. They had the capital; they have enjoyed good rates of interest, and with good management have had excellent results...We, on the other hand, as a young bank, have been hampered by that timidity, in obtaining the hoped for increase of capital, and as a consequence in the extension of our commercial business. It was not a period in which one could count upon investors.

A hard time, good for a bank with stored up capital to lend at high rates, might be the opposite for us, a new concern, looking to the public for deposits and for working capital.

Barker's repeated references to the inability to raise more capital are very significant, and help to explain why the bank did not prosper. Between January 1908 and January 1909 the paid up capital showed only a niggardly increase, from \$498,592 to \$501,922. The note circulation was limited to the amount of paid up capital, although that limit was by no means stressed since the amount of notes in circulation rarely ventured over \$200,000 during 1908, and stood at only \$154,430 at the end of January 1909. In spite of all the difficulties and disappointments, there were some signs which inspired hope at the time Barker was addressing the shareholders.

| | Note Number | Countersigned | Reference | |
|------|-------------|---------------|--------------|---------------------|
| \$5 | 1906 | 011073 | A. M. Lawson | private collection |
| \$10 | 1906 | 000001 | Geo. P. Reid | Nat. Currency Coll. |
| \$10 | 1906 | 000801 | Geo. P. Reid | Charlton Cat. plate |
| \$10 | 1906 | 024229 | Geo. P. Reid | private collection |

Table 2. List of notes of The United Empire Bank of Canada known to survive

| | Denomination | Date | Description |
|---------|--------------|---------------|--|
| Lot 491 | \$5 | 1 May 1906 | Face and back proofs |
| Lot 492 | \$10 | 1 May 1906 | Face and back proofs |
| Lot 493 | \$5 and \$10 | 1 May 1906 | Face and back models and \$5 face proof, and |
| | \$10 | 25 June 1906 | Face and back proofs |
| Lot 494 | \$5 | 25 June 1906 | Face proof and |
| | \$5 | 1 August 1906 | Specimen |

Table 3. List of material for The United Empire Bank of Canada in the Christie's Sale of 28-29 Nov 1990

During the dangerous time through which the bank had just passed, Reid's extreme caution was undoubtedly beneficial. A risk taker, who might reap bountiful profits in good times, could just as easily wreck a bank during a period of stringency. The United Empire Bank not only survived, but was able to increase its deposits by half. Earnings of more than \$15,000 were trifling in comparison to those of its big competitors, but they permitted the bank to declare its first dividend, a princely 1%, on the last quarter of 1908.

The bank had eight Canadian branches in operation before 1908, all in Ontario, predictably enough in view of Reid's track record, but there was also a branch in London, England. The United Empire Bank was one of only four Canadian banks to have a London branch at this time. A significant proportion of its capital was subscribed in England, and three of the twelve directors were in London. The branches and their managers at the time were as in table 4.

Several branches were still not self supporting, and no new branches were opened in 1908.¹⁴ Three more branches were opened in 1909, all in Ontario. A branch was established in Grimsby in April, shortly after The Bank of Montreal closed its branch there. West Lorne received a branch the

| | |
|----------------------|-----------------|
| Belleville | J P C Phillips |
| Galt | H W D Browne |
| Hamilton | R F King |
| Hamilton-Locke St | C H Pennefather |
| Islington | D L Streight |
| London, England | P R M Marling |
| North Toronto Branch | J B Watson |
| Picton | A Leslie |
| Stirling | W M Chandler |

Table 4. List of branches of The United Empire Bank of Canada and their Managers in 1908

following month and, just as The Farmers Bank of Canada was vacating Springbrook, in July, the United Empire arrived.¹⁵ As the spring of 1910 approached, additional branches were opened in Bridgenorth, Dunnville, Canfield and Canboro.¹⁶

¹⁴Royal Bank Archives, Third Annual Report, United Empire Bank of Canada

The business of the bank showed substantial improvement in 1909. Deposits at the end of the year had increased by 86% over the corresponding figure of a year earlier. Eight of the twelve branches then in operation earned a profit. Total assets of the bank had increased to over three and one-quarter millions, and circulation of the bank's notes stood at \$332,325 after having peaked at near the legal limit during "the moving of the crops" in the fall of 1909. Net profits for the year were \$27,700, which permitted regular quarterly dividend payments totalling 4%, and the addition of over \$6000 to the credit of the profit and loss account.¹⁷ The bank had not established any reserve fund, surplus profits being carried forward from year to year.

There was one disturbing feature of the fourth annual report, and it was very serious indeed. The paid up capital, now \$506,506, had stubbornly refused to increase in a manner required for a growing, healthy banking enterprise. Of the authorized capital of five million dollars, only two millions had been issued and but a quarter of that was paid up. At the end of March the amount subscribed was \$642,200, of which \$508,387 was paid up. In the spring of 1910, the directors decided to offer the remaining three millions to a market which had shown little appetite for it. Shares were offered at par to existing shareholders in the ratio of six shares of new stock for each one of old stock owned.¹⁸

In that same year the St Stephens Bank and the Farmers Bank both failed. These events could only have impaired public confidence in small banks, and United Empire Bank directors, tiring of the struggle, worked out a deal whereby the bank would be absorbed by The Union Bank of Canada. The announcement was made late in December 1910, subject

to ratification by the shareholders of both banks. The Union Bank agreed to take over all of the branches, maintain the staff and continue the business of the United Empire Bank. Four advantages to the Union Bank were perceived in the transaction: an increase in capital and clientele, the acquisition of three of the directors who were well thought of, established branches at points in Ontario where the Union Bank had not been represented, and a connection with English capital which was expected to be of value in the future. A committee of officers of the Union Bank, after examining the books, recommended that the smaller institution be purchased at 100 cents on the dollar, while advising that certain loans totalling about \$300,000 be liquidated as quickly as possible. The actual purchase price was to be 4000 shares of the Union Bank, having a nominal value of \$100 each but trading at the time between \$150.00 and \$150.50 on the stock market.¹⁹

The Union Bank, now with 224 branches, planned to reorganize itself into three districts, each having its own board of directors and a considerable degree of autonomy. The former United Empire Bank directorate became the board for the Ontario district, with Samuel Barker its president and George P Reid its chairman.²⁰ The amalgamation went into effect on 1 April 1911. Four years and seven months after opening for business, one of the smallest banks in the country quietly disappeared.

Acknowledgements

The author received valuable assistance in the preparation of this article from J Graham Esler, Richard Gross and James Haxby. Special thanks are due to Gerry Maass and Gordon Rabchuk for the documents they provided, and to Walter D Allan for the photographs. □

¹⁵ *Monetary Times* 8 Jan 1910, pp 288, 289

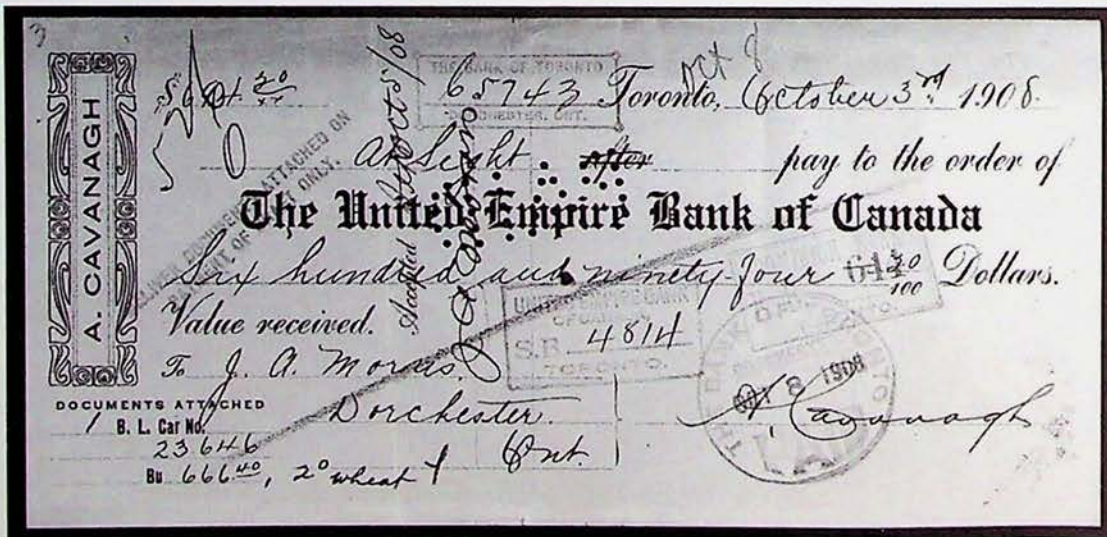
¹⁶ *Monetary Times* 5 Mar 1910, p 1016; 26 Mar. 1910 p 1318

¹⁷ *Monetary Times* 22 Jan. 1910, p 420

¹⁸ *Monetary Times* 7 May 1910, p 1944

¹⁹ Royal Bank of Canada Archives

²⁰ *Monetary Times* 31 Dec 1910, p 2732



Cheque of October 3rd, 1908 drawn on The United Empire Bank of Canada (photo by W D Allan, courtesy of the Bank of Canada).

Bank of Saskatchewan Essays and Proofs

Walter D Allan, FCNRS
Research Director, CPMS

The sales by Christies of New York of material from the American Bank Note Co (ABN) archives has brought to light many interesting, and often unknown, essays and proofs of notes from various Canadian banks (e.g., Allan 1991). In some cases the actual models, i.e., essays with pasted together components of engraved pieces, photographs, etc. were included in lots often with proofs and specimens of the final designs. In addition, there was one lot containing ten books of photographs. These are mostly a chronological record of models and proofs prepared by the company for various institutions around the world. In a few cases a portrait or

engraved item was pasted onto these photographs, this in effect changing them into models. The original essays and proofs from which these photographs were made seem to have been mostly destroyed. A careful distinction must be made between photographs of models and essays, and photographic models, i.e., models composed of pasted-up components whether partly engraved or partly photographic. Photographs of the items in these books, combined with photographs of actual models and proofs, form an interesting pictorial review of the notes for the proposed Bank of Saskatchewan.



Some interesting facts about this proposed Bank can be found in the *Monetary Times*¹ and in the *Moose Jaw Times* and *Moose Jaw Directory*.² The first reference to the bank states that "An application has been made to Parliament for an act to incorporate the Bank of Saskatchewan. It desires to transact a general banking business in Canada and elsewhere."³ The *Moose Jaw Times* states that "the proposal of the new bank, Bank of Saskatchewan, was presented to the Banking and Commerce Committee of the House of Commons"⁴ and further that "It is hoped to have the head office at Moose Jaw opened for business before the 1st of August this year."⁵ In April it stated that "the stock books of the Bank of Saskatchewan will be open for inspection during the months of April and May, at the office of Moose Jaw Securities, Limited, Moose Jaw."⁶ A further reference states that "Mr. R. J. Fulton has been appointed general manager of the Bank"⁷ and it continues with a resumé of Mr Fulton.⁷

Meanwhile, behind the scenes, the directors were busy with plans for an issue of notes for their proposed bank. This brings us to the first group of essays prepared for the bank by ABNCo. These are photographs of models found in the previously mentioned archive books and bear the date, "April 5th, 1912," with order No 4092 on the page beside the photograph. This date apparently refers to the day the essays were finished. They consist of designs for the faces and backs of the \$5, \$10, \$20 (figure 1) which incorporate the bank name and the Saskatchewan Coat of Arms. The faces are domiciled Moose Jaw and dated August 1st 1912. The "Moose Jaw" and dates are drawn by hand and pasted in place, as are the plate position letters A. The vignettes for the \$5 and \$10 appear to be photographs (not engraved) and for the \$20 an engraved allegorical representation of "Commerce and Agriculture." The \$5 shows a train and cowboy at left beside a large harvesting machine drawn by 30 horses. The



Figure 2. Essays of 14 October 1912 for the faces of the \$5, \$10 and \$20 dated August 1st, 1912. They are all similar to the final proof, except for the bottom panel on the \$5 and date. The essays of the \$10 and \$20 show tint surrounding the central vignette (photo, W D Allan).

vignette of the \$10 shows railway yards. The three backs are of similar design, incorporating the Saskatchewan Coat of Arms. I will refer to these as "the April essays" in what follows.

The *Monetary Times* mentions that Mr Fulton "has received samples of the bank bills which the institution will issue. There are three denominations of bills, — fives, tens and twenties. The five dollar bill on one side shows the Saskatchewan coat of arms and on the other side a picture of a harvest train passing through the prairie, and a number of steam ploughs at work. The five [sic, read "ten"] dollar bill on one side shows the Saskatchewan and railway yards and on the other side track gangs busily employed at the steam shovels. The twenty dollar bills also show a railway gang at work."⁸ No evidence of this design has been found. "The feature of the prints on each denomination," it continues, "is

⁸ The *Moose Jaw Times*, 27 July 1912..

¹ The *Monetary Times*. Various issues, 1910 to 1912, courtesy of R J Graham.

² C Tannahill, The Bank of Saskatchewan, in *The Banks of Saskatchewan*, J L Perkins, Regina, nd, pp 172-76.

³ The *Monetary Times*, 5 Feb 1910, p 614.

⁴ The *Moose Jaw Times*, 9 Feb 1912.

⁵ The *Moose Jaw Times*, 29 Feb 1912.

⁶ The *Moose Jaw Times*, 13 April 1912.

⁷ The *Moose Jaw Times*, 1 June 1912.

Figure 1 (Previous page): Essays of 5 April 1912 for the face and back of the \$5, \$10 and \$20, dated August 1st, 1912. The face of the \$5 shows a train, rider, and a large group of horses pulling farm machinery, with large counters and tint surrounding the centre vignette. The \$10 face, similar to the \$20 proof, shows overall tint surrounding the vignette of a railway yard. The \$20 face depicts allegorical females, "Commerce" and "Agriculture." The essays for the backs with designs that were not used are all dated Apr 5, 1912 in the margin (photo, W D Allan).

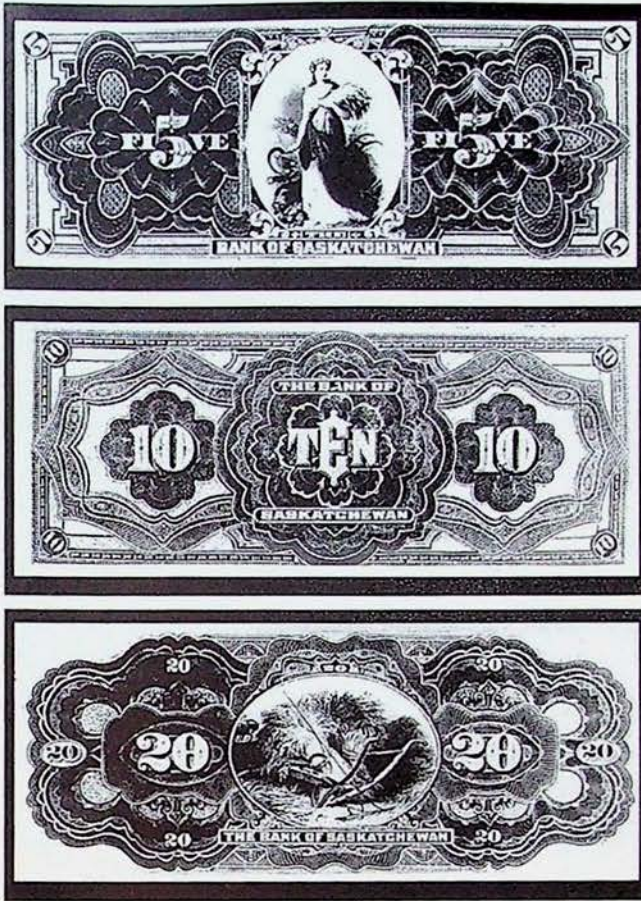


Figure 3. Essays for unused back designs for the \$5, \$10 and \$20, with "Oct 14/12 4092" (the order number) noted on the left margin.

that the picture is representative of Saskatchewan industry and the name 'Moose Jaw' appears prominently on each bill."

The above description partially matches the "April essays" and the next group of essays found, dated "Oct 14/12." It appears that a group of essays was prepared between April and October, but no photographs of these were found. The next essays I will call the "October essays," which also have order no 4092 and consist of a \$5, \$10, \$20 (figure 2 for the faces and figure 3 for the backs). The pasted-on dates remain August 1, 1912 as before.

The \$5 face design has had the right half of the vignette (horses and harvester) replaced with furrows and steam ploughs. This agrees with the *Moose Jaw Times* description above. The large "5" counters at each side of the vignette are replaced with a large "5" over "Five" counter, the rest of the design remaining essentially the same as in April. The back

design of the \$5 is considerably altered from the April essays and is different from the *Times* description, which does match the April essays. Here the coat of arms has been changed to show an allegorical figure representing agriculture, the bank name has been rearranged, and counters of "5" added to the four corners. Portions of the fancy scrollwork have not been completed.

The \$10 face design has been greatly changed with the vignette now showing a train, surveyor and track gang at work. The bank name is straight instead of curved, with "Dominion of Canada" all together above it, the large and small "10" counters have been changed. The face and back description in the *Moose Jaw Times* seems to have combined the face of the April essay and the face of the October essay together to form one \$10 note. The October \$10 back has the Saskatchewan arms replaced by a large "TEN" with the bank name partly above and partly below. Some of the lathework outline seems to be pencilled in. The \$20 design is also greatly altered from April and completely different from the one side described in the *Moose Jaw Times*. The allegorical vignette is replaced by the railway yards vignette, used on the April \$10 face. In fact most of the design except the denominational counters seems to be the same as the April \$10 face design. Compare the \$10 in figure 1 with the \$20 in figure 2. The central portion of the back again has the Coat of Arms removed, this replaced with a vignette of a plow, rake, sheaves, etc. The bank name is changed to one line, and the balance of the lathework remains the same.

In summary, then, there appears to have been three groups of essays prepared, the April group, the one the *Moose Jaw Times* describes, with no photographs, and the October group.

The *Moose Jaw Times* refers to a group of British investors who proposed to buy half of the bank's capital stock and that the provisional directors decided to offer a further 2000 shares to the public.⁹

A postcard-sized card from the ABNCo archive sale, dated at Winnipeg, Oct 31st. 1912 has the typed request, "please leave date blank on all notes until further notice." It has "Bank of Saskatchewan" underlined at the top and in the signature area is printed, "American Bank Note Company / 325 Main Street / Winnipeg." One might speculate that difficulties in selling shares to the British investors had necessitated a delay in regards to placing a final date on the banknotes.

Examples from the next group of proofs, however, all show the engraved date of May 1st, 1913. These are, except for the \$10, "approval proofs" which are fully engraved designs on large cards with room for any changes to be noted or for initials and signatures of approval of the bank's and ABNCo's officials (figure 4).

⁹*Moose Jaw Times*, 16 Jan 1913.

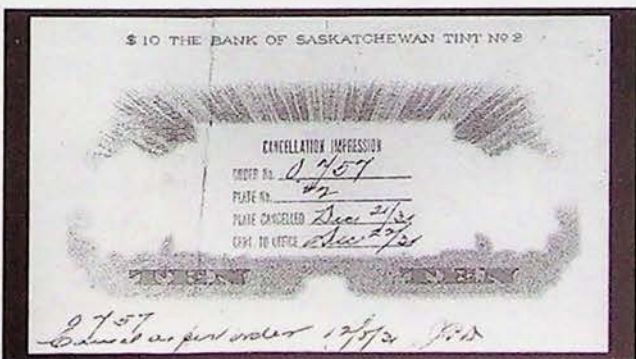
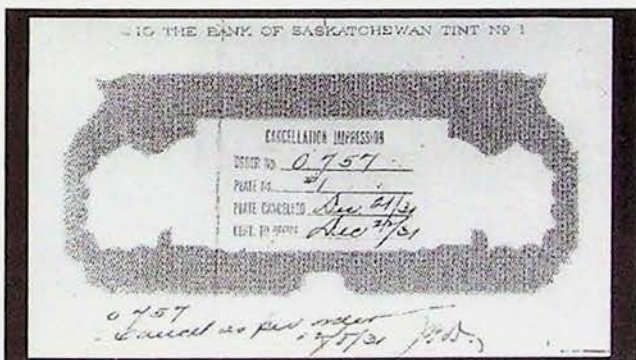


The \$5 design is complete with a green pantograph "Bank of Saskatchewan" in the signature-panel area, with the balance of the green tint being rays on a yellow-tint background. It has various initials on the card border, the date "Mch 12/13" as well as "R. H. Fulton Gen Mgr" and "Engraving satisfactory/ colors to be decided later." The designation F3472 on the face and back apparently refers to the design of the \$5 notes. Some minor changes were made in the lathework on the back, the areas just inside the outer borders have a pantograph tint "Bank of Saskatchewan" filled in, and the vignette has been greatly improved, with much greater detail, especially in the sky and wheat background. It has the date "Feb. 17/13" above Fulton's signature.

The \$10, for which the approval proof was not seen, has had all the rough details of the October essay completed, with vastly improved detail. The vignette is much clearer, showing

Figure 4. Approval proofs (top) of the final designs for the face and back of the \$5; final proof of the face design for the \$10 (centre left); approval proof of the final design for the \$20 (lower left), all dated May 1st, 1913; and approval proofs of the backs of the \$10 and \$20 (photos, W D Allan)

a tiny steam shovel to the left of the surveyor. The approval proof of the back, with F3473 (\$10 designation) has the date "6th feb'y 1913" over the Fulton signature. A notation at the top reads, "Note white marks on either / side of top of E / cut up / white spots." A later back proof has these white spots removed. The light areas inside the border and around the large "10" counters have a pantograph "Bank of Saskatchewan" design.



The \$20 face design has two additional essays and a final proof (figure 5), some with F3474 (\$20 designation) on them. The first has six zeros and a letter A at the right as well as some fine flourishes above and below the end of "Saskatchewan." It also has a small "five" parts design at the right tip of the large right "20" counter. The second essay has different flourishes above and below the bank title on both sides, and has a pointed design at each end of the large "20" counters. This is like the illustration in Tannahill,¹¹ from a full-colour proof in the Bank of Canada collection. The third proof (like the \$20 approval proof) has different flourishes around the bank title and the pointed design at the end of the "20" counters has been replaced with the "five" parts design. It also has "Moose Jaw" and the date added. There are also the "approval proofs" of the face and back of the \$20 note (figure 4). The face has the date, "Mch 1/13" over the Fulton signature beneath the stamped word, "approved." It has the full pantograph, "Bank of Saskatchewan" in a red-orange tint in the signature areas. The balance of the tint above the panel is composed of an intricate oval design or wavy lines in a yellow-orange colour over a yellow tint. The back "approval proof" also has "approved" with the date, "21 Feby/13" over the Fulton signature. The back vignette has again been changed from the October essay to show a steam tractor in an agricultural scene. The design just above and below the centre of the large "20" counters has been altered, the rest similar to the October essay. There are six semi-oval areas around each of these large counters that have a pantograph word, "twenty," repeated in them.

Incidentally, the pantograph areas on the previous April and October essays were composed of words and numerals, completely unrelated to the Bank of Saskatchewan notes, and were used only to give an impression of the general appearance of finished notes.

The Bank of Canada collection has a face proof without tint of this final \$20 design. All three denominations had additional final proofs with or without tint offered in the Christies sale. Interestingly, the back proofs for the \$10 were only offered in an unissued dark brown and, for the \$20, in an unissued orange colour. There were two interesting cancellation impressions of the \$10 face design offered (figure 6). The first, tint no 1, printed in black, was for the yellow portion of the face tint. The second, tint no 2, printed in black, was for the brown portion of the tint which includes

Figure 5. Three stages in the development of the \$20 design. The progress proof at top is without tint, the second progress proof has tint added. Below is the final face proof without tint (photos, W D Allan).

Figure 6. \$10 cancellation proofs in black of the yellow face tint no 1 (top) and of the brown face tint no 2 (bottom) (courtesy, National Currency Collection, Bank of Canada)..

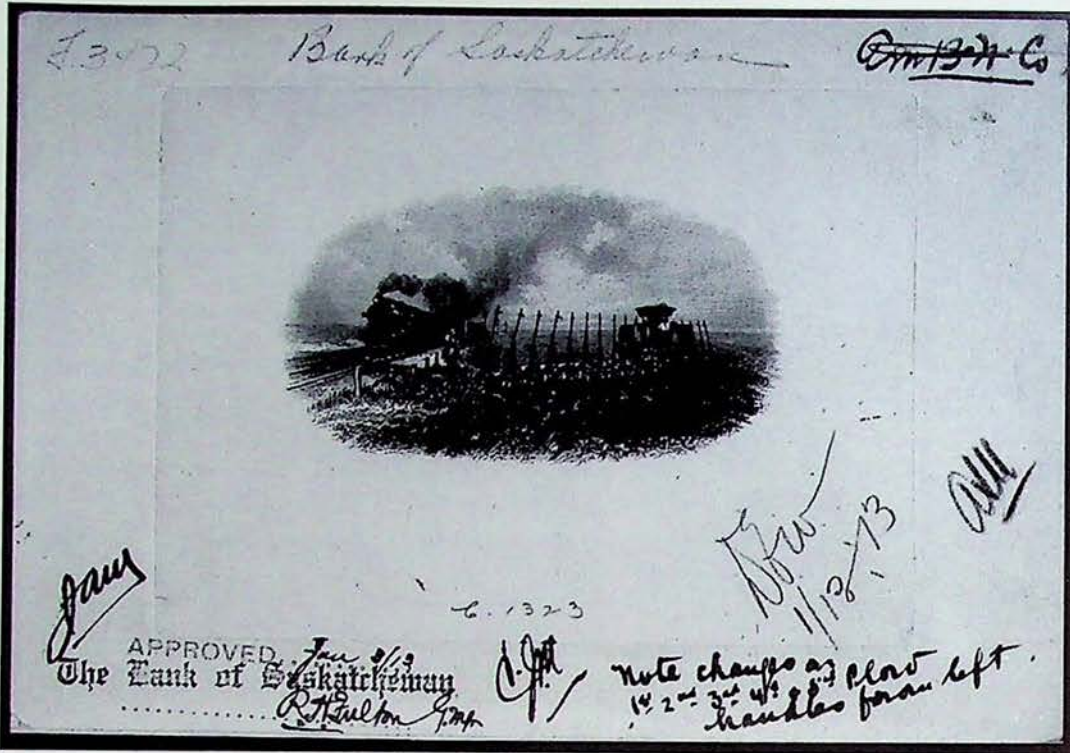


Figure 7. Die proof vignette of train and cowboy with ploughing scene, die no C 1323, engraved by William Brown as used on the \$5 face (photo, W D Allan).

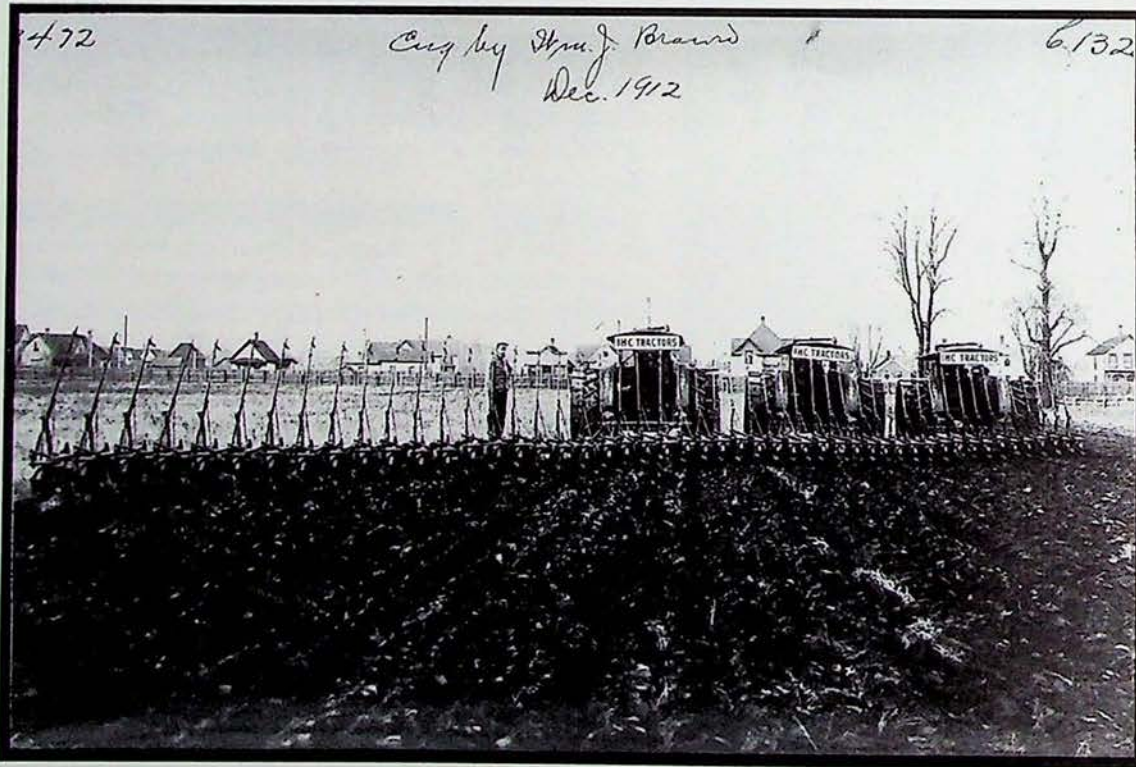
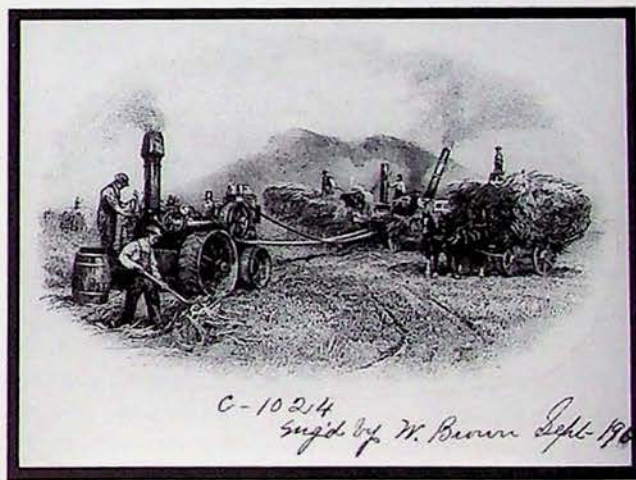
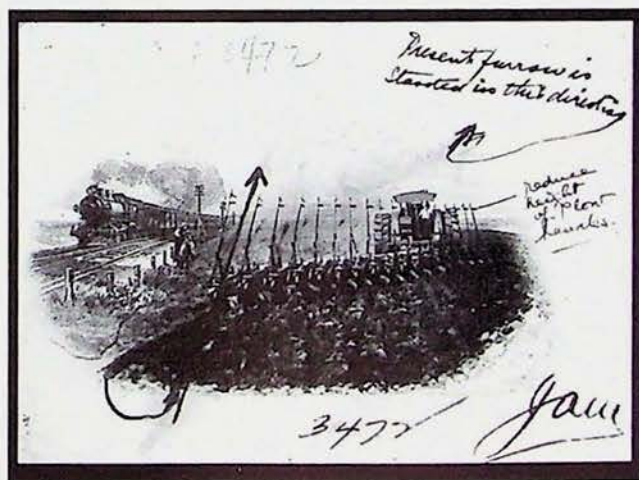


Figure 8. Photograph of Oliver Chilled Plow works, South Bend, Indiana, similar to the final design of the \$5 face (photo, W D Allan).



Figure 9. Die proof vignette approved for the \$10 face, engraved by Edwin Gunn (W D Allan).
 Figure 10 (below left). Preliminary vignette for the \$5 face with notation to lower plow handles.
 Figure 11 (below right). Die proof for vignette C-1024, engraved by William Brown, cropped for use on the final \$20 back (photo, W D Allan).



the pantograph "Bank of Saskatchewan": and the rays design for the top portion. These both have "order no 757" and "plate cancelled Dec 21/31" as well as "cert. to office Dec 22/31" stamped and written on them. There is also a proof of the \$10 face (not illustrated) with similar cancellations. One would assume that these cancellations were also done for the \$5 and \$20 proofs, although I have not seen these.

All the essays and proofs have the "American Bank Note Company, Ottawa," imprint.

The right side of the train and plowing vignette of the \$5 note appears to be derived from photographs, included in the archive sale, taken at the Oliver Chilled plow works in South Bend, Indiana (figure 8). The train and cowboy photo is joined to the ploughing photograph (figure 10) and has notations and arrows, the first, "present furrow is started in this direction" and beneath is "reduce height of plow handles." The final die proof vignette, engraved by William J Brown and finished 23 December 1912, was approved "Jan 3/13" by

Fulton (figure 7). The notation at the bottom right reads "note changes on / 1st, 2nd, 3rd, 4th + 5th plow / handles from the left." The vignette number is written as "C1323." The vignette for the face of the \$10 note was engraved by Edwin Gunn, finished 30 December 1912, and approved 13 January 1913 with Fulton's signature, and has the vignette number written as "C1325." The vignette used on the back of the \$20 with vignette number C-1024 is a slightly cropped version of the original (figure 11) engraved by W Brown in September 1906 and found in one of two vignette books, lot 7 of Christies ABNCo Archive stamp sale, 12 September 1990. No information was found on the balance of the face and back vignettes.

The photographic archive books contained four additional related essays.

The first (figure 12) shows a \$20 essay for the Union Bank of Canada, Winnipeg for July 1st, 1924, with a margin date of "March 9, 1923" in which the train and cowboy portion of the \$5 Bank of Saskatchewan vignette is used at the left end. The \$10 note above it in the photo books (not shown) has the ABNCo, Ottawa imprint.

A later essay for the same \$20 note (figure 13) with a margin date of "Feb 7, 1925" shows the train, cowboy and 30-horse vignette, as used on the original \$5 April essay for the \$5 Bank of Saskatchewan note. It has the Canadian Bank Note Company, Limited, imprint.

The third related essay is for a 1/2-dollar note of the Chinese National Railway Corporation prepared in March 1913 and dated "1st June 1913" (figure 14). The vignette used at the centre is the train-and-cowboy vignette again, as used on the \$5 Saskatchewan note.

The last related essay is for a \$100 note of the same corporation (figure 15) dated as the last, with the central vignette showing the surveyor, train and yard gang, as used on the final \$10 proofs of the Bank of Saskatchewan.

Conclusion

The last date on essays and proofs with signature of manager Fulton is "March 1/13" on the \$20 "approval proof" of the face design. On 23 July, the *Moose Jaw Times* reports that "Manager Fulton of the Bank of Saskatchewan, who has been in the east for some time on business, left yesterday on his return journey west."¹⁰ Tannahill found no further reference to the bank or to Fulton in the *Moose Jaw Times* on into 1915. He did find in a 1964 article, "50 years ago," the statement that "It never functioned as a bank and ceased to exist even as a stock selling proposition when the First World War broke out in August of 1914."¹¹ Further research into the financial papers of the period may yield clues as to why the venture did not proceed, but at the moment this will remain

Figures 12, 13, 14 and 15 (right, top to bottom). Identical vignettes used on essays of the Union Bank of Canada and the Chinese National Railway Corporation (photos, W D Allan).

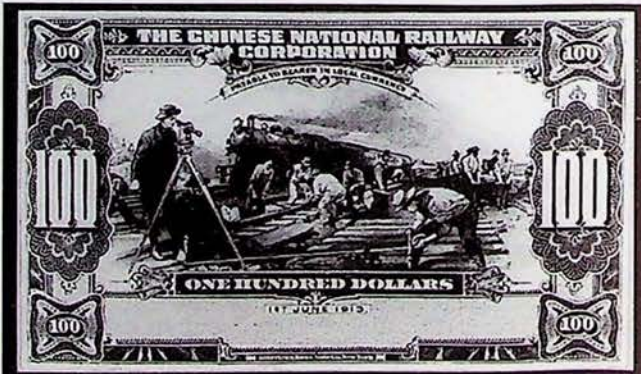
a mystery. The ABNCo archive sale, however, has given us a more intimate look at the "behind the scenes" work involved in the production of a beautiful group of banknote designs which, regrettably, were never used to produce notes for circulation.

Allan (1991). Photograph books from the American Bank Note Company Archives. CPMJ 27(4): 113.

I would like to thank Robert Graham for information from the *Monetary Times*.

¹⁰ Cited in C Tannahill, *The Bank of Saskatchewan, in The Banks of Saskatchewan*, J L Perkins, Regina, nd, pp 172-76.

¹¹ *Moose Jaw Times*, 1964.



What's Special about Special Collections? The Bank of New Brunswick Records in The Bank of Nova Scotia Archives

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The Bank of Nova Scotia Archives

The object of this essay is to provide the reader with an introduction to Canada's first chartered bank from the perspective of the retention, restoration and research of its archival records.

The Bank of Nova Scotia Archives

A necessary starting point for this discussion is a brief overview of The Bank of Nova Scotia's Archives programme. The development of bank archives in Canada and the United States has been a recent one. The Bank of Nova Scotia Archives was founded in 1967 and is located in the bank's world headquarters at Scotia Plaza in Toronto. Our mandate covers the records generated by and related to the bank, including records of branch offices (1300 worldwide), amalgamated banks, and subsidiary and affiliated companies. The Archives is operated by a full-time staff of four and reports to Executive Management through the Corporate Secretary. In addition to being the first bank archive in Canada, we have advised a number of corporations and associations, such as the Canadian Bankers' Association, on the establishment of archives programmes. The Archives acquires private collections of records, such as photographs, banknotes, diaries, personal correspondence and artifacts, through donation or purchase. We are an information resource centre serving all divisions of the Bank, as well as researchers from the general public.

We also prepare displays and exhibitions for circulation to branches, Executive and Regional Offices, and the Bank's management training centre, Spencer Hall, at the University of Western Ontario. As well as supporting a variety of public relations projects, we play a major role in publications such as the Bank's 150th-anniversary history, *The Scotiabank Story* (Schull and Gibson 19??), and occasional heritage brochures.

Special collections are important to any archival programme. Ours includes a significant numismatic collection and a major collection of architectural plans. These special collections, by their nature, often demand special care and offer us opportunities for developing new ways of dealing

with such materials. In 1988, The Bank of Nova Scotia Archives published *The Arrangement and Description of the Architectural Plans Collection* (Anonymous 1988), which provided procedures for the arrangement and description of this medium to the item level, to archives, museums and other institutions throughout North America. This collection dates from 1884, contains more than 13,000 items, and provides researchers an important source of information not only on bank architecture in this country, but also on the early, formative stages of a unique Canadian approach to building design.



The Corporate Archivist serves as the co-ordinator of a separate category of special collection, the Bank's Fine Art collection. This collection has been developed from 1975 to enhance and complement the architectural design of the Bank's major buildings and selected branch locations. It shares with the Archives the goal of preserving the basic cultural resources of our time while mirroring aspects of community life.

Within this larger context exists our responsibility for the retention, restoration, and research of records of our amalgamated banks, the Union Bank of P.E.I., the Bank of New Brunswick, the Metropolitan Bank, and the Bank of Ottawa. The retention of amalgamated banks' records is a commitment the Bank has undertaken out of respect for the history of these organizations. It needs to be stressed that none of the usual evidential (legal) or operational values applied when the decision to keep these materials was made. Their significance in historical terms, however, cannot be overstated.

In physical terms, these collections can be demanding and costly to maintain. Most if not all will have been removed from official custody or at the very least will have experienced a gap between the time during which they functioned as working documents and their arrival in the Archives, and thus will be in need of basic restoration work. In the case of the Bank of New Brunswick's records, which date from 1820, their age and fragility will necessitate restorative treatment. The dilemma for the archivist is that making restoration of this special collection a priority involves a judgment that the remaining records — the vast majority — shall be left to deteriorate slowly on the shelves.

From a research standpoint, the demand for these special collections may be minimal or extensive. Regardless, the records must be protected as much as possible while the information contained in them is disseminated as broadly as possible.

Aiding and abetting research includes initiating and undertaking in-house research projects. In the Bank of Nova Scotia Archives this in-house research ranges from articles for staff publications to monographs and speeches for anniversary celebrations (such as 1992's celebrations of Chicago Agency's 100th anniversary), to branch and regional histories for local use and publication, to specific issues, such as loan-loss experience (or provision for credit losses) for all Canadian chartered banks from 1970 to 1980, to broad history of banking topics, such as the curriculum component we took for a programme designed for Russian plant managers and engineers. Most of our research is reactive rather than pro-active, given staff and budgetary constraints, but we have nonetheless amassed a substantial quantity of information on a wide range of research topics, which complements our primary source materials.

The Bank of New Brunswick

I would like to share with you the results of several research projects on the history of the Bank of New Brunswick. Some of you will be familiar with the banknotes of this bank, but its historical significance goes well beyond its impressive note issues. The history of the Bank of New Brunswick extends from its Act of Incorporation on 25 March 1820 to its amalgamation with The Bank of Nova Scotia on 16 February 1913. The Bank of New Brunswick has been credited with playing a major role in the economic development of New Brunswick during the 19th and early 20th centuries. A look at the specific details of its story confirms the fact that its contributions and those of other Maritime banks to the development of Canadian banking law and practice are considerable.

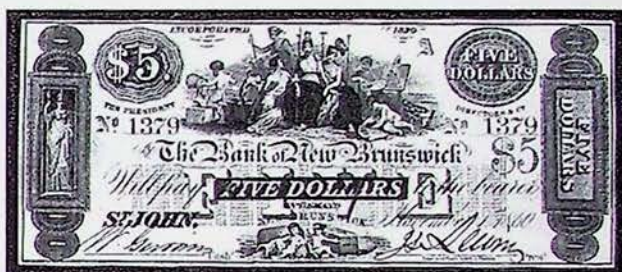
The combination of a booming lumbering industry and a growing shipbuilding industry made Saint John a logical



candidate as the site of a bank in 1820. In addition, the waves of immigration which would see the population of New Brunswick rise from an estimated 35,000 in 1817 to 156,200 in 1840 swelled the commercial growth of the region and especially of Saint John.

Saint John, apparently a city comprised of merchants and lawyers — as one historian put it, every merchant family seems to have produced a lawyer and every legal family a merchant — many of whom were members of the House of Assembly or of the Legislative Council, saw the swift rise of the Bank of New Brunswick. Sponsored and directed by the most notable merchants, lawyers and politicians in the city, the Bank of New Brunswick had no difficulty getting its Act of Incorporation passed by the Provincial Legislature and given Royal assent by the King's representative. This was most unusual, for the history of bank foundings more often contains long chapters on battles waged in and out of legislatures during incorporation debates. These battles and the delays they caused other institutions resulted in the Bank of New Brunswick becoming the first bank in British North America to conduct its business under a legally constituted body of rights and obligations.

The Charter or Act of Incorporation of the Bank of New Brunswick differed in content as well as in ease of passing from those of nascent banks in Upper and Lower Canada. Based on charters of New England banks, the Bank of New Brunswick charter provided greater security for the public. As Betty Hearn, the first Scotiabank archivist, wrote,



The debts of the Bank were limited to twice the paid-in capital (a common rule in Massachusetts) while those of Lower Canada banks, even excluding deposits, could be three times capital — a less effective brake on excessive note issues, particularly if capitals were large; moreover, if an excess did occur, the Bank of New Brunswick charter rendered the Directors involved personally liable for the excess, without the escape clauses embodied in the Lower Canada charters. Requirements for paying capital were stricter; the capital of £50,000 had to be fully paid 'in current Gold and Silver Coins of the Province' a year and a half after incorporation; the Lower Canada charters called only for the capital to be paid up, in instalments of 10%, within nine years, with no requirement that it be in specie. (One) further contrast may be mentioned: the requirement that regular yearly statements of the Bank's affairs be sent to the Government and that any joint committee of the Legislature might have 'free access to all books and vaults'; Quebec and Montreal banks needed only to provide statements when required by the Governor or the Legislature to do so (Hearn 1956).

Other important elements of all these new bank charters were similar and clearly derived from US charters, but the safeguards included in the Bank of New Brunswick charter went a long way towards preserving it as a small but solid institution through tumultuous years which saw the demise of many banking enterprises. The Bank of New Brunswick coped with the boom years of the early 1820s, the commercial disaster of 1826 when the bottom fell out of the British market for timber and ships, the depression of 1837 when US banks stopped payment, the elimination of Colonial timber preferences in the 1840s, the rise of the sawn-lumber trade

and the decline of wooden shipbuilding, the advent of railroads and steamships, and the gradual integration of the Maritime economy into that of the rest of Canada after Confederation. Betty Hearn's article goes into some detail about these travails in the early part of the Bank of New Brunswick's history.

Stockholders of the Bank of New Brunswick assembled on 12 June 1820 to elect the first Board of Directors. They met in the Exchange Coffee House, whose "Subscription Room" was the club of Saint John's leading citizens. The first President was John Robinson, a loyalist from Virginia, then in his late fifties, who was Mayor of Saint John, a member of the Council and Provincial Treasurer, and still active in mercantile affairs. Two future Chief Justices of the Supreme Court of New Brunswick were members of the first Board: Ward Chipman, Jr, a graduate of Harvard, member of the House of Assembly and soon to become its Speaker, and Robert Parker, Jr, the Bank's first Solicitor and soon to become a member of the Assembly and later Solicitor General. Also on the board was a Council member, William Black, a native of Scotland, representative in Saint John of his family firm engaged in the mast, timber and importing trades, with branches in Halifax, Greenock and London. In 1828 Black succeeded John Robinson as Mayor of Saint John and in 1829 he became President of Council. Another member of the first Board, Hugh Johnston, was part-owner of the first steamboat to ply the river between Saint John and Fredericton and long-time Alderman of the city. An associate of William Black's firm, Lewis Bliss, second son of Chief Justice Jonathan Bliss



was a director, as was Nehemiah Meritt, merchant and agent for a number of vessels, who became so wealthy that a reference to him as “The Rothschild of New Brunswick” in a parliamentary debate of the 1830s occasioned no surprise. Thomas Millidge, a prominent shipbuilder from whose yards at Millidgeville more than 100 square-rigged ships were launched, was another of the merchants on the Board. Henry Gilbert, a member of the first Board, later became the Bank’s second President, leaving it to become President of the Commercial Bank of New Brunswick in 1834.

It will be apparent from the foregoing that the new bank was well placed in social, political and business circles from its inception. It was hardly surprising, then, that the following notice appeared in *Saint John City Gazette*, 11 Nov 1820:

Notice is hereby given, that fifteen Thousand Pounds have actually been paid in on account of the Subscriptions to the Stock of the Bank. By order of the President and Directors. N.B. The Bank Paper is daily expected from England, and as soon as it arrives, the Bank will commence operations.

The Bank of New Brunswick’s first ledger records, “six months Rent of the Bank — £40 and £154.3.3 1/2 for building the vault.” In addition to making these arrangements, the busy directors also appointed the first staff. It included the Cashier, H H Carmichael, at a salary of £250 a year, paid half-yearly; Simeon Lugin, the clerk, at £100; and, for £75, Charlie McCardel as a Porter and Messenger whose duties included cleaning the banking house, making the fires, moving the “trunks and boxes of money” and refraining from calling any director from the Directors’ room “after the Discount sheet has been brought in and the Board is in session.”

Yet all of this vigorous activity and business connections could not push the capital up to the necessary £50,000. By the beginning of 1821 it became necessary to petition the Legislature to reduce the required capital to £30,000, “the whole number of shares subscribed being only Three Hundred Eighty-Two and ... under existing circumstances there does not appear the smallest probability of the remainder, or any considerable part thereof, being called for.” The required Act was passed. In better times, 1825, the capital was again raised to £50,000.

Finally, the Minute of 21 December 1820 states that “the paper being in a vessel which had put into Shepody the President has authorized to employ a man and sleigh to go by land to Shepody to secure it, provided the expense did not exceed £7.10.” On Boxing Day, the President and Cashier began to sign the 23,100 notes, in denominations from 5 shillings to £20, for which a part payment of 100 doubloons was promptly shipped to London. On 4 January 1821 discounting began, the first banking transactions of any sort in the Atlantic provinces, and the first banking corporation in the whole of what is now Canada.

The Bank of New Brunswick went on to play an important role in New Brunswick’s economy. It certainly contributed to the growth of financial institutions in the Maritimes, including the Bank of Nova Scotia. In 1832, when The Bank of Nova Scotia was founded, its charter was modelled on that of the Bank of New Brunswick and its first Cashier travelled to Saint John in order, as a letter from The Bank of Nova Scotia’s President to the Bank of New Brunswick put it, to “attend at the Bank for a few days during the hours of business to witness the practical operations of the Establishment.” The Bank of New Brunswick, known as “the Old Bank,” went on to participate in the development of the Canadian banking system. After Confederation, the Bank of New Brunswick’s President, James Lewin, was one of the bankers who did much to shape the Bank Act of 1871.

At the time of the amalgamation with The Bank of Nova Scotia in 1913 the capital of the Bank of New Brunswick was \$1,000,000 with reserve \$1,790,000 and total assets of \$12,500,000. The terms of amalgamation were exchange of stock on a share-for-share basis with an additional payment of \$10 per share in cash to Bank of New Brunswick shareholders.

At the time of the amalgamation, C H Easson, formerly with The Bank of Nova Scotia, was the Bank of New Brunswick’s General Manager and James Manchester its President. Manchester, a Saint John’s dry goods merchant, had become President in 1900 with a mandate to turn the Bank from an institution suffering from “an ingrained conservatism, a fondness for the old way of doing things and a reluctance to take chances.”



For his part, James Manchester left us a glimpse of the private side of a banker's life. His diaries from 1900 to 1910 are preserved in the Scotiabank Archives. Tellingly, in terms of the amalgamation, he wrote on 24 January 1910, "Manchester made a doleful statement on business for the coming year, anticipating a loss in the first 6 months." Manchester's view of The Bank of Nova Scotia's offer in 1912 was that the terms were "if not generous ... advantageous, and shareholders will find their income increased through association with one of the strongest banks in the country."

Earlier, Manchester had had the foresight to hire a formidable banker, William Ewen Stavert, away from The Bank of Nova Scotia. Stavert, as General Manager of the Bank of New Brunswick, actively promoted the idea of a merger between the two banks. Born in Summerside, PEI, Stavert had a wide-ranging career with The Bank of Nova Scotia, including a time as accountant at Winnipeg Branch in 1885, and was instrumental in opening the Bank's first branches in Kingston, Jamaica (1889), St John's, Newfoundland (1895) and Boston, Massachusetts (1898).

It should be noted that Stavert had left the Bank of New Brunswick in 1905 to join the Bank of Montreal, rumoured by the *Monetary Times* and others to be actively seeking a merger with "the Old Bank." He was replaced by the former manager of the Montreal branch of the Bank of Ottawa, but that's another story and another special collection with special significance to a particular area of Canada.

The story of the Bank of New Brunswick includes other chapters, but I think you will agree that the research to date, much of it undertaken by the Bank's first archivist, Betty Hearn, is worthwhile and of interest to more than the academic historian.

As a special collection, the records of the Bank of New Brunswick more than justify the retention and restoration efforts furnished them. Our records include directors' minute books, balance sheets, correspondence, share certificates, the Agreement of amalgamation, the first ledger, the Bank of New Brunswick seal, as well as private papers such as the Manchester diaries, photographs of Bank of New Brunswick buildings and staff, architectural plans and, of course, banknotes. We also retain copper coins and tokens from New

Brunswick, constituting another special collection, and a valuable series of correspondence between the Bank of New Brunswick and the Summerside Bank regarding the sale of the Summerside Bank's assets to the Bank of New Brunswick in 1901. The intrepid William Stavert had started his banking career in the Summerside Bank and Robert M Stavert (his father was Robert McCall Stavert) joined him in signing the amalgamation agreement as Cashier of the Summerside Bank. William Stavert went on to be knighted for his service in the British Ministry of Information during the First World War. Perhaps his style of writing for the Ministry can be deduced from a series of letters he wrote in 1907 to The Bank of Nova Scotia's General Manager, Henry C McLeod, another native of Prince Edward Island, while he was still General Manager of the Bank of Montreal:

You will conclude from the message that I sent you to-day through Braithwaite, that I have been successful in my nefarious designs, and I trust that you will concede, after the trouble is over, that the end justified the means.

Something is going to be done upon the lines of our proposal, I think, but I will not know definitely what it is until this evening or to-night, when I will let you know in that confidence which has always existed between us.

I intend to draft a circular to branches after I go home this evening and if I get at it I will send you the results tomorrow for criticism before submitting it to our critics here. Yours hastily

I will close off with Scotiabank's Chief Inspector's comments in William Stavert's personnel file when he was the first manager of Boston branch in 1900:

Shows great ingenuity and resource in dealing with new business relations and emergencies and is a great favourite with customers.

Obviously, he is also a great favourite with this Corporate Archivist who remains fascinated by the people and ideas in banking as much as with the events in banking history, and who remains committed to preserving special collections for their capacity to reveal to present and future audiences the story behind the dates and statistics. □



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Essays and Proofs for the 1935 Bank of Canada Issue

Walter D Allan, FCNRS

Occasionally there comes a time when enough pieces of a puzzle are in place that the general outline of the whole becomes apparent. The last few pieces of the puzzle may take months or years to find. Such is the case with this paper and the opportunity for its presentation. Many facts have come to light in the last few years which were previously unavailable. The revelations that came out of the American Bank Note Company (ABN) archive sales by Christies of New York, coupled with information recently made available by the British American Bank Note Company (BABN) and the assistance of the curator of the Bank of Canada have provided sufficient material to proceed with this essay. Some of this new information has already been presented (Kaslove 1990; Allan 1993), but in the interest of providing the complete picture to date the following will contain these and new facts.

There were two forces moving independently in the years preceding the formation of the Bank of Canada. One was the idea of reducing the size of the Dominion notes and the other the establishment of a central bank. The former will be discussed first.

SIZE REDUCTION IN DOMINION OF CANADA NOTES

As early as 28 January 1931, C E Campbell, Controller of Currency, requested information from the Canadian Bank Note Company (CBN) on the potential savings in ink, paper, etc, if the Dominion of Canada notes were reduced in size to conform with the new \$1, \$2 and \$5 note issues of 1928 in the United States.

A letter of 23 February 1931 from the Vice-President of CBN to A L Schomp, First Vice-President of ABN, concerns this request. In it he requests some cost figures for \$1, \$2 and \$5 notes in the same size as the current US notes on the basis of two steel printings and one major tint and on the basis of three steel printings (plates), stating also that they would be printed 24-on using paper 22-1/4 in x 20 in. On 11 March 1931 P B Toller, president of CBN, answers Campbell's letter of 28 January with the following statement.

We believe we can design and furnish with three steel plate printings and carrying well engraved portraits in the same size as the present United States Currency..... the cost of furnishing the small size notes would be at the rate of \$49.95 per 1000

sheets 4/on ... there would be an additional cost for new engravings in the first instance as covered by the contract. We are preparing a model of the proposed small size \$1.00 note which we will submit to your department in the near future. It would be our intention to print the different denominations in distinctive colours as at present (green, brown, blue). About 85% delivered to the department in sheets 12/on the remaining 15% in sheets 8/on and 4/on respectively.

On 20 March 1931 Toller writes that he has handed B G McIntyre, Comptroller General, Department of Finance, Ottawa, a model of a Dominion of Canada \$1 note of the proposed small size. This would appear to be the original of the photographic model found in the ABN archives photographic books dated 12 March 1931 in the margin, with "July 2nd 1932" on the model. It shows a portrait of Sir John A MacDonald (figure 1). this note is similar to an essay prepared 8 March 1927 for a large-size note dated "January 2nd 1928" (figure 2).

In this connection a letter on 5 April 1932 from Toller to H R Treadwell, Vice-President of ABN, mentions that

Our records show that on March 14, 1927 we received from you models of a face and back of a proposed new \$1 note. the face of this note carried a portrait of the late Sir John A. MacDonald. These models, while submitted to the Department of Finance, were never approved and engraved and, of course, are now useless as the next change the Department will be making will be to the small size note.

On 19 January 1932 Toller writes again to Treadwell, saying,

the Department of Finance are again seriously considering the adoption of the small or American size for their \$1 and \$2 notes and we strongly believe they will make the change before long. You will recall having made up a model of the \$1 face about a year ago and as requested over the telephone it is understood that you will go right ahead with the preparation of a \$2 face model as well as \$1 and \$2 back models. Please use the portrait of Queen Mary Special A-22 (as used on the \$5 1924 issue) for the face as well as the portrait of the Prince of Wales appearing on the present note (\$2 issue of 1923) and show this on a fly (portrait only loosely attached to the model), and follow the same general style of backs as on the present notes retaining the vignette of the Library for the \$1 and the Dominion Coat-of-Arms for the \$2.



Figure 1.



Figure 2.

On 21 January 1932 Toller writes Treadwell in a telegram advising him to stop work on Dominion of Canada \$2 face and back models: "Finance Department officials have advised us that they may decide to adopt a size of note measuring about 6" long by 2-7/8" wide including the trimming margin which is slightly shorter and wider than the American size."

On 17 February 1932 Toller writes to Watson Sellar, Comptroller of the Treasury:

For the purpose of record I beg to confirm having handed you a short time ago the following models in reference to small sized notes namely:

Special dummy model in name of Canadian Bank Note Company, size 6" x 2-7/8" [figure xx].

Special dummy model in name of the Dominion Bank size 6" x 2-7/8"

Model of Dominion of Canada \$1 note carrying engraved portrait of King George, size of note 6-5/16" x 2-11/16" (which is the same size as the American notes).

Photo of first-model of Dominion of Canada \$1 Note size 6-5/16" x 2-11/16" carrying portrait of Sir John A. MacDonald [figure xx].

The first model mentioned in this letter was found in the archives. It has a portrait of S J Moore (figure xx) as used on a Bank of Nova Scotia \$5 note of 1929. The tint is orange. The date reads, "Jan 3rd, 1932." Below the note are typed the words, "Suggested size of note 6" x 2-7/8" / Special size." Models for small-size chartered bank notes were not seen prior to 1934. Two of the models mentioned in the letter were not found.

On 18 February 1932 Toller writes to C E Campbell, referring to their telephone conversation of the 16th in which the furnishing of bilingual notes (Dominion of Canada notes) in the reduced size (i.e., 6" x 2-7/8") is discussed:

We are of the opinion that after certain limits are reached, as you increase the amount of the printed matter on a note you make it easier for the counterfeiter to operate. Therefore, we would consider it difficult to design a note in bilingual form which would afford the government the protection against raising and counterfeiting which it now derives from the present notes or would derive from notes of a smaller size printed in one language only. We again urge upon you not to do anything by way of changing the design of the size of the Dominion of Canada Notes, which would make it impossible



Figure 3.

to use large well-engraved portraits. These offer the best possible safeguard known as a protection against successful counterfeiting.

A column titled, "No decision yet on paper money, many problems in size change of Canadian currency," appeared in *Montreal* on 15 March 1932. It states,

Many months will elapse before any decision is reached in the matter of reducing the size of Canadian Paper Money, according to local banking authorities queried in connection with the report from Ottawa that the Finance Department was considering issuing smaller Dominion notes. The suggested change is by no means a new question. The Canadian Bankers Association has had the matter under consideration for some three years. It is presumed, that if the Dominion Government took the step, that banks would follow suit as a matter of course. Bank officials interviewed pointed out that the saving in cost of paper would be great, since bank note paper is very costly. It was this saving which induced the United States to reduce the size of its currency [in 1928]. — It is assumed here that no change will be made in the size of Canadian paper money for six months at least, the whole matter being in a nebulous state (Anonymous 1932).

On 5 April Toller, in an aside on a letter to Treadwell, states, "hope to be able to write you again sometime next week giving the size decided upon so that in the meantime it would be advisable not to do anything more with the models." Despite the time frames mentioned in the *Montreal Herald*, it appears the government's decision to reduce the size of its currency was in fact imminent.

ESTABLISHMENT OF A CENTRAL BANK

A recently released book by George Watts (1993) contains a few items about early central banking. One of the first, a proposal in 1841 by Lord Sydenham, was for a provincial bank of issue, "the Bank of the Province of Canada." This proposal was defeated. Watts (1993: 6) then mentions a proposal in Parliament by W F MacLean, MP for South York, on 21 January 1913 that Canada should have a "great national

bank or state bank." He proposed calling this the Bank of Canada. "Prime Minister Borden declared that he did not believe that there was any 'present necessity' for such a bank.... In 1914 two leading bankers advocated the idea of a central bank" (Watts 1993: 6).

In 1917 and 1918 E H Pease of the Royal Bank of Canada advocated an institution jointly owned by the Dominion Government and the chartered banks (Watts 1993: 6-7). The idea was dropped since there was a great deal of opposition from members of the Canadian Bankers' Association. Watts (1993: 7-9) goes on to mention that, in 1923 at the time of the Bank Act's revision, the House of Commons Banking and Commerce Committee recommended that its terms of reference be widened to include a study of the purpose, organization and operation of a properly administered central or reserve bank. Opponents, mainly the chartered banks, demonstrated that the branch banking system, unlike that in the United States, eliminated the need for such a bank. In the 1920s, members of the economics faculty at Queen's University, as well as some officers of the Royal Bank were advocating the formation of a central bank. The depression of the 1930s contributed to a change in government and Prime Minister Bennett announced his intention that a central banking institution should be formed.

While the correspondence between the Finance Department and the Canadian Bank Note Company (CBN) or with officials of ABN was taking place, Members of Parliament were discussing the formation of this central bank. In debates in the House of Commons in February (Debates 1933), A M Carmichael says

It would appear to me, Mr. Speaker, that a Dominion of Canada bank could be launched and operated, following the example set by Australia. The most important advantage, of course, would be that such a bank could control the issue of all notes in Canada and we would not have the fluctuation in regard to bank notes that we have seen in recent years.... Such a bank would help to offset the present tendency to issue scrip....

In debates in the House of Commons on 22 February 1934, W L McKenzie King, leader of the opposition, states,

Speaking on the 27th of February last, just a year ago this week, I said, "Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank...." (Debates 1934).

The preceding was in response to a motion on 22 February 1934 by Edgar N Rhodes, Minister of Finance, "that it is expedient to introduce a measure to incorporate a central bank in Canada." We shall, however, backtrack a little to 21 March of the previous year when the same Minister of Finance said in the House,

Speaking in the House more than a year ago the Prime Minister raised the question as to whether or not a central bank should be established in Canada. The Government proposes, therefore, to appoint a Royal Commission to study the organization and working of our entire banking and monetary system ... to consider the arguments for and against a central banking institution... (Debates 1934).

The Royal Commission was in fact appointed on 31 July 1933 by Order in Council PC 1562. It named the following commissioners: Lord Macmillan, PC, KC, of London, Chairman; Sir Charles Stewart Addis, KCMG, of London, England; Sir William Thomas White, PC, KCMG, of Toronto; John Edward Brownlee, KC, MLA, of Edmonton, and Beaudry Leman, BSc, CE, of Montréal. The public hearings across Canada, the debates and findings of this commission are long and detailed and can be found in *Proceedings of the Commission* (Macmillan Commission 1933a) and the *Report of the Royal Commission on Banking and Currency of Canada 31st July, 1933* (Macmillan Commission 1933b). The conclusion of the committee was "by a majority, we recommend that a central bank for Canada be forthwith established."

The motion by the Minister of Finance on 22 February 1934 includes the announcement that, "in addition, it is intended that the bank shall eventually possess the sole right of note issue." It goes on to say,

The Bank Act is being amended to provide for the gradual retirement of the notes of the chartered banks. The Dominion notes Act will be amended, and this act, together with the act of 1915 respecting Dominion notes, and the Finance Act, will be repealed as of the day on which the Bank of Canada is authorized to commence business.... Bank of Canada notes are to be legal tender in Canada (Debates 1934: 823-830).

The motion, Bill 19, received and passed third reading on 28 June. Two days later, various amendments were read and passed, and the Act to incorporate the Bank of Canada received Royal assent on 3 July 1934. The bill deals with the interpretation of terms, the constitution of the Bank, its management, and note issue and redemption. Part 24(4) of

Bill 19 states that "the form and material of the notes shall be subject to approval by the Minister provided that notes in either the English or French language shall be available as required" (Government of Canada 1934).

Ironing out the details of the new bank's activities followed swiftly. Shortly thereafter, on 19 July 1934, the terms and conditions of tender for engraving Bank of Canada notes was published. The appointment of G F Towers as Governor of the Bank was announced in September 1934 and, later in the year, J A C Osborne was appointed Deputy Governor.

Terms and conditions of tenders for engraving, etc, Bank of Canada notes

Some of the more relevant terms in this announcement are worthy of attention:

Tender for engraving Bank of Canada Notes will be received by the Minister of Finance ... on the 8th day of August, 1934, for engraving, printing, furnishing and delivering as and when required ... all or any one or more of the denominations of notes of the Bank of Canada set out in schedule A hereto.

Tenders shall submit suggested designs with their tenders.... The notes will be of the size set out in schedule A.... Tenders shall state the price of one thousand notes of each denomination; and (b) each original engraved plate.... The contractor shall provide, without extra charge; if so required by the Bank, such special paper as may be selected by the Bank, for use in the manufacture of any notes of the Bank, which paper the contractor may arrange to have made exclusively for the notes of the Bank and which paper will have certain distinguishing features to provide for greater security and protection against counterfeiting.... All work under the contract shall be done in the city of Ottawa.... Tenderers must state whether it is proposed to engrave portraits and vignettes on their own premises at Ottawa, or, if not, where the Tenderer intends to have such engraving done. Any dies when made elsewhere than in Ottawa shall be transmitted to Ottawa without having been hardened or duplicated in any manner.

All work shall be executed from best quality steel plates, to be engraved in the highest style of art current from time to time, and all work shall be of a standard and quality not inferior to that of Dominion notes now in use.... All plates, dies or rolls specially prepared or used in connection with the execution of the contract shall be reserved exclusively for use under the contract.... Such plates, dies or rolls shall be the property of the Bank.

Hereto annexed in Schedule B is given an estimate of the probable amount of notes which will be required to be furnished during the first year of the contracts (Bank of Canada 1934).

The tender has 24 parts on six pages plus Schedules A and B. Schedule A includes "prices per thousand notes shall be given for the following denominations in both English and French text." The denominations, \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1000, are spelled out.

The notes in English and French of the same denominations shall be the same except for the difference in text.... All notes to be of a size 6 inches by 2-7/8 inches, including margin for trimming.... Prices should also be given for each original engraved plate (Bank of Canada 1934).

Schedule B includes quantities required during the first year of the contract:

| | | | | | |
|-----|------------|------|-----------|--------|--------|
| \$1 | 45,000,000 | \$10 | 1,000,000 | \$100 | 50,000 |
| \$2 | 15,000,000 | \$20 | 250,000 | \$500 | 25,000 |
| \$5 | 3,000,000 | \$50 | 100,000 | \$1000 | 50,000 |

Deliveries were to be made in sealed packages of 500 sheets each.

The Bank of Canada opened for business on 11 March 1935. Early in 1935 the Bank had obtained quarters in the Victoria building on the corner of Wellington and O'Connor Streets in Ottawa, where it remained until construction of its own building on Wellington Street was complete in 1938 (figure 4). "By the end of 1935 the total of slightly more than \$200 million in Dominion notes outstanding on opening day had been almost wholly replaced" (Watts 1993: 29). The actual value of Dominion of Canada notes outstanding on 11 March 1935 was \$185,327,855.61 and, as of 31 October 1993 this value was \$4,635,420.49 (G Esler, pers comm).

ESSAYS AND PROOFS OF THE CANADIAN BANK NOTE COMPANY

ABN, CBN and BABN obviously anticipated the Act forming the Bank of Canada on 3 July 1934 as well as the tender for engraving the new bank's notes. At ABN the copyrights for various royal portraits had proceeded as early as February 1934 (more on these later). CBN, as the Canadian subsidiary of ABN, received Canadian orders for transfer to ABN in New York, where the dies were engraved and rolls prepared. These dies and rolls were then shipped to Ottawa. Early in 1934, ABN had begun work on all the denominations except the \$25.

Development of the CBN \$1 Note

Models for the face and back of a small-size (6" x 2-7/8") bilingual note for the Bank of Canada were prepared on 15 March 1934. The face model shows the date "October 1st 1934 / le 1 Octobre 1934" and the portrait of King George V on the left side like that used on the \$1 of 1923 and \$500 of 1925. The back has allegorical vignette #V-71428. Both are in 42 green (figures 5-6). The prepared models for \$1, \$2 and \$5 notes were discovered in the ABN photographic record books dated "April 4/34."

In a letter dated July 13/34, ten days after the Bank of Canada's formation and six days before details of the tender were released, P B Toller, Vice-President of CBN, Ottawa, says, "the Minister of Finance and all the other officials of the

Table 1. Dominion notes in circulation as of 11 March 1935 (courtesy G Esler, National Currency Collection, Bank of Canada).

| Denomination | Amount | No of Notes |
|-------------------|----------------|-------------|
| Fractionals (25c) | \$1,303,022.61 | 5,212,091 |
| 1.00 | 19,104,918.50 | 19,104,919 |
| 2.00 | 12,910,198.00 | 6,455,099 |
| 4.00 | 29,964.00 | 7,491 |
| 5.00 | 18,735,102.50 | 3,747,021 |
| 50.00 | 650.00 | 13 |
| 500.00 | 2,879,000.00 | 5758 |
| 1000.00 | 8,054,000.00 | 8054 |
| Bank Legals | | |
| 1000 | 1000.00 | 1 |
| 5000 | 7,510,000.00 | 1502 |
| 50,000 | 114,900,000.00 | 2298 |

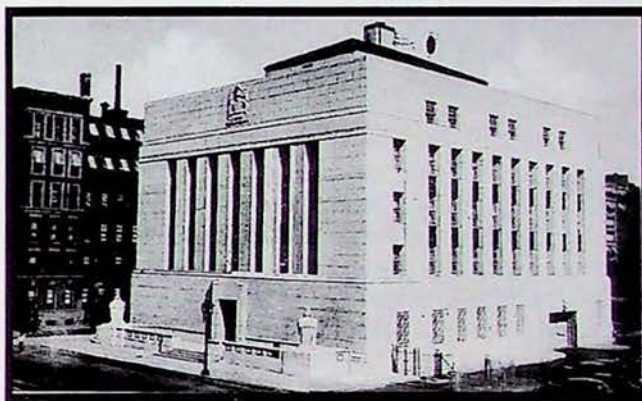


Figure 4.



Figure 5.



Figure 6.

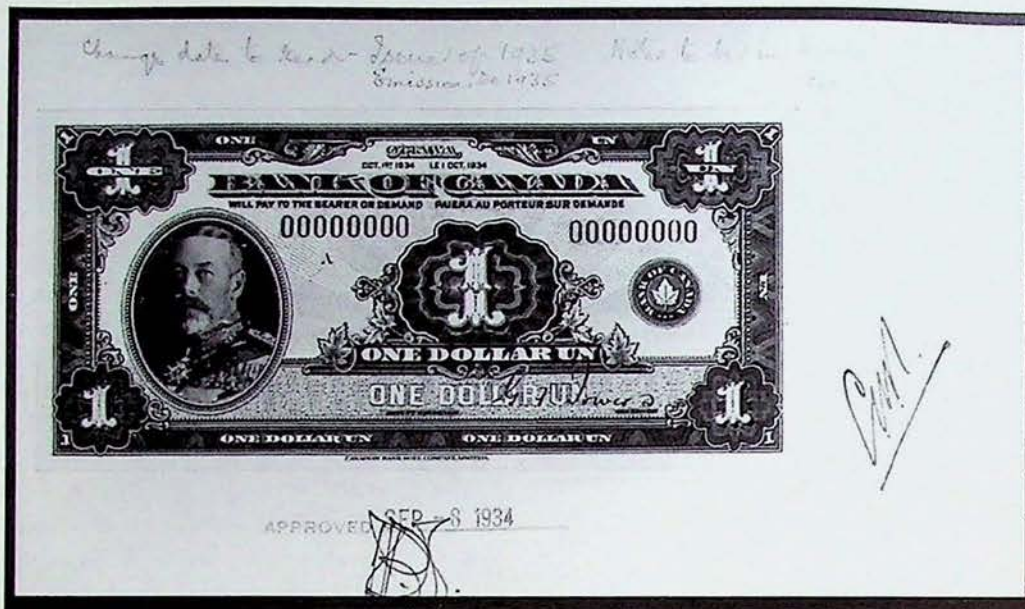


Figure 7.

Department have expressed their admiration for the beauty and Character of our models and we think our chances of securing the business look very bright." He then states that, "since the bank may open on January 1st next, they may be pressed for delivery of the notes" and recommended "taking a chance by proceeding with the engraving of the portraits of King George and Queen Mary as well as the Prince of Wales, using the Bertram Park photograph of the Prince in his Seaforth Highlanders' uniform." He gave instructions to proceed also with engraving the vignettes of the Canadian Pacific liner, Empress of Britain, and the train. "We think it advisable to substitute one of the Government-owned Canadian National railway trains and for this purpose we are sending under separate registered cover a photograph of their latest 5700 type engine," he continues. "For the present we would not advise engraving the vignettes shown on the \$5 back model."

Two photographs of a CPR 5700 train were found, one with part of the surroundings whited out (figure xx). On the back with the date, July 13/34, are the words "Canadian National Railway Train" and "Engrave this vignette for Bank of Canada \$2 note back instead of the one now on the model," initialled PBT for Toller.

The tender released on 19 July made it clear that the government wanted to produce two sets of notes, one in English, the other in French. An ABN order dated 7/13/34 for Bank of Canada \$1 notes with the portrait of King George has "engrave complete dies in English; face, tint and back; French: face, tint and back. Take up rolls, harden and ship to Ottawa." Notice that the roll was to be hardened. This was of course a week before the terms of tender, which specified that

any dies and rolls prepared outside Ottawa were not to be hardened, were released.

Some time between July and September of 1934 a decision was apparently made to award the tender for the \$2, \$5 and \$10 notes to BABN and the remainder, \$1, \$20, \$50, \$100, \$500 and \$1000, to ABN. An order sheet for the ABN \$2 note has the notation, "Stop 9/4/34 AR."

Orders of ABN dated "Sept 12, 1934" list the above denominations, outline the texts, lettering sizes, check letters ABCD and other details in both English and French. Under "Remarks" we find, "Show all portraits on left side in frames and leave blank space at right side for special device to be affixed by the Bank." The tint was to be "Steel denominational panto tint for all." The orders show the colours as (\$1) 42 Green, (\$20) 64 Orange [crossed out] 80A Rose, (\$50) 15 Brown, (\$100) 86 Rose [crossed out] 11 Brown, (\$500) 13 Brown, (\$1000) 5 Olive [crossed out] 85 Olive. One may recall in this connection that some of the Bank of Canada proofs for the \$50 and \$1000 notes offered in the Christie's sale of November 1990 had the notations, "Wrong color, should be ..." (Christie's 1990: 632, 634, 636, 637).

The order of 12 September from the Finance Department to ABN included portrait vignettes to be used as follows:

| | |
|--------|--|
| \$1 | H M King George V |
| \$20 | H R H The Princess Elizabeth |
| \$50 | H R H The Duke of York |
| \$100 | H R H The Duke of Gloucester |
| \$500 | Sir John A MacDonald |
| \$1000 | Sir Wilfred Laurier [Wilfrid misspelled] |

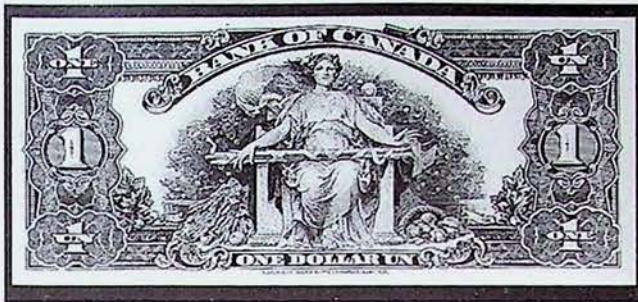


Figure 8.



Figure 10.



Figure 9.



Figure 11.

The French order included French translations for the denominations.

Returning to the first model, previously mentioned, with the date "Oct 1st 1934," we find another essay with bilingual date. It has written above it the words, "change date to read Issue of 1935 / Emission de 1935. Notes to be in English and French separate forms." Interestingly, this model has only "Deputy Governor and Governor" at the bottom and has the signature, at right, of G F Towers (figure 7). It is stamped below, "approved Sept 8, 1934" with the initials PBT (Toller). A back model is similarly dated and initialled. It still has "One Dollar Un" at the bottom (figure 8), the same as a photograph of an essay in the photo books dated "April 4/34" in the margin.

Another essay dated "January 2nd 1935" is entirely unilingual (figure 9). This and the previous essay both have the pantograph tint, "Dominion of Canada."

A letter dated 14 September 1934 and signed by Toller notes that "all the face models have been approved subject to taking out 'January 2nd, 1935' and changing the date to read — 'issue of 1935' to be shown in the same style of lettering as well as engraving the word "THE" in the title in small lettering similar to the Dominion of Canada \$2 note." It continues, "it is understood that the \$1, \$20, \$50, \$100, \$500, \$1000 notes will be prepared separately in the English and French languages, with the exception that the title of the Bank in each case will be engraved in the English language only."

A further letter, dated 19 September 1934, states that, "in accordance with instructions received this morning from the Comptroller of Currency ... please change the title on all

denominations of French notes to read as follows ... La Banque du Canada (on face) Banque du Canada (on Back). It will be satisfactory to show the title in the panto tint on the English notes BANK OF CANADA and on the French notes BANQUE DU CANADA." Toller continues, "We were given to understand right along that in as much as the Bank was incorporated under the title 'Bank of Canada,' it should read this way on all the English and French notes.... We think it would be advisable to send us photographic models of the face and back showing the French titles drawn in for approval before engraving."

We can then see the reason for the change of bank title to "Banque du Canada" and the inclusion of the word "La" or "THE" before the bank titles. A partially engraved model in English without date and before THE was added shows the Bank of Canada device at the right side of the note (figure xx). The actual device used on notes has a slightly different maple leaf in the centre of the device.

We find similar unilingual models in French. The first has the date, "Le 2 Janvier 1934" crossed out (figure 10) and the second, "Emission de 1935" at the top. These both have the "Dominion of Canada" pantograph. The second has a notation, "omit period after 1935" (figure 11). Both of these have "LA" pasted before the bank title. The first is from the photographic books with a margin date of "Sept 21/34."

There are two partly engraved models of this last essay. The first has "The Bank of Canada" and "Emission de 1935" at the top and "Deputé Gouverneur-Gouverneur" at the bottom. "The" has been added to the title, but the title is still in English (figure 12). The second has "Emission" only at the top, the bank name has been changed to "La Banque du

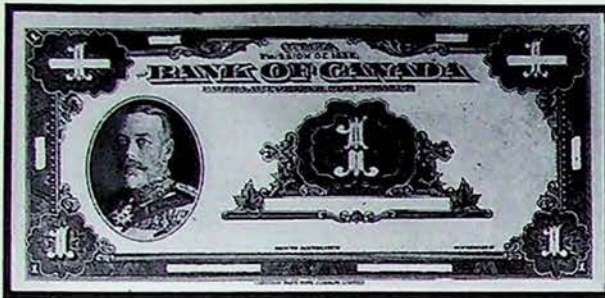


Figure 12.



Figure 15.



Figure 13.



Figure 16.



Figure 14.

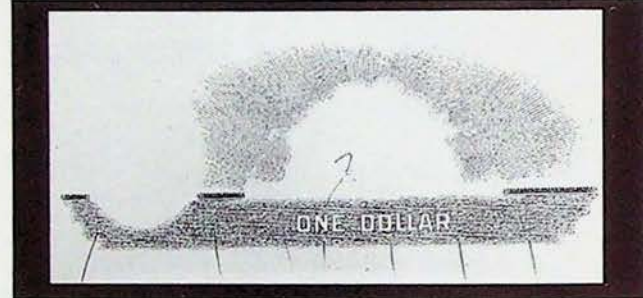


Figure 17.

Canada," and the word "Deputé" in "Deputé Gouverneur" has been crossed out and a notation below reads, "see photo sous" (figure 13).

Part of another letter by Toller dated 21 September seems relevant here. It reads, "please change the signature-title 'Deputé Gouverneur' to read 'Sous-Gouverneur' on the French notes and send us photographic prints of the French models, Face and Back, of any denomination so that we may have them approved for the wording of the French translations."

A third proof similar to the last has "emission de 1935" at the top but the "Gouverneur" etc are absent. The title, however, has been changed to "La Banque du Canada". A photographic model of the back, with margin date "Sept 21/34," has the bank title changed to "Banque du Canada," as does a model dated 9/26/34 and initialled "PBT" (Toller) and "WCC" (Clark) (figure 14).

Two further models of the face and back in French show progressive stages in the engraving of the notes' borders (figure 15).

A proof without tint has plate number 73221 above it (figure 16), a back proof in English has the plate number 73233 above it and, finally, we have approval proofs of the \$1 notes. Approval proofs are usually fully engraved proofs of the face and back of a proposed note mounted on a wide-margin backer card which leaves borders of about 1-1/2 inches on each side. These margins provide room for notations, corrections or alterations, and the signatures or initials of banknote company officials and the bank officials responsible for final approval of the note.

These approval proofs of the faces have the full colour tint (ray and pantograph) in English or French. In some cases approval proofs are signed or initialled by one party with approved and the date, but a notation indicates some change to be made. Final approval proofs usually are signed in full by an official of the Bank or Finance Department, with his position (ie, Minister of Finance) written below and initialled by an official of the banknote company. The \$1 English face proof shows that it was approved 5/10/34, signed by E N Rhodes, Minister of Finance, and initialled "PBT" for P B



Figure 18.



Figure 19.



Figure 20.

Toller, Vice-President of CBN in Ottawa. The \$1 English back proof is similarly signed and initialled, but dated "11/Oct/34." The \$1 French back shows that it was approved by WCC (W C Clark, Deputy Minister of Finance) on Oct 22/34 and initialled by P B Toller (figures 18 to 20).

A die proof of the pantograph and rays tint in purple, interestingly, has eight lines in blue pencil directed to areas in the wording and design where tiny omissions had occurred (figure 17). These were of course later corrected. The ABN archive sale included die proofs of the \$1 note pantograph and rays in three different colours, six of each in 5 olive, 17 orange and 13 brown. These had plate number S-203 engraved at the top above S-185 which was crossed out. These may have been sample tints for the \$1000, \$20 and \$500 respectively. The \$1000 originally was 5 olive but changed to 85 olive, the \$20, originally 64 orange, was changed to 80A rose, and the \$500 was unchanged. In addition, a \$10 model with Princess Elizabeth's portrait exists in bright orange (Christies 1990: lot 610).

The preceding shows the complicated and involved process required, in this case, before a final proof could be approved for use by the new Bank of Canada. The balance of the denominations that ABN and CBN produced apparently did not require many of these revisions.

Development of the One-Dollar Portrait and Vignette

One of the earliest orders for a Bank of Canada model is dated 15 March 1934. It included under VIGNETTE, "Portrait of King George at left" and, under GENERAL STYLE, "Handsome-Black faced Roman style letter for titles." Beside CHECK LETTER was typed A-B-C-D. An order card with the date 7/13/34 under "order received" has "Engrave / Portrait of King George / (\$1 Notes)."

A die proof of King George as used on the Dominion \$1 note of 1923 and the Dominion \$500 note of 1925, labelled "CANADA-SPECIAL-A-21," is marked with lines and arrows at right, showing its height and the



Figure 21.



Figure 22.

reduction necessary for the new Bank of Canada \$1 note (figure 23). Another die proof of a-21 without imprint has written above it, "Eng. by Robert Savage / Oct. 24/23" (figure 25). A memo to ABN from Toller, dated 13 July 1934, includes "In our separate registered cover we also include photographs of King George, from which we understand the vignette used on the present Dominion of Canada \$1 note was engraved." These include one of the King with his medals over the sash (figure 21) as well as a full-length portrait with the sash covering part of his medals. This latter was used on an order sheet with "Robert Savage" and "0-793" written below (figure 22). Another order card shows the engraved A-21 portrait above "Robert Savage 0-793" and the date 7/13/34. A die proof of the new portrait by Savage has "approved Sept 10/34 WCC" (Clark), but has the notation, "make part in hair a little more distinct."

In a letter dated 21 September to A Reece, Manager of the Engraving Department of ABN, Toller says, "we are returning the portrait proof of King George which is defective inasmuch as there is a decided sly wipe shown in the hair and you will agree we could not use this." A letter from D Gordon, Secretary of the Bank of Canada, to C S Matthews, dated 24 April 1935 notes that "the name of the photographers who prepared the photograph of the King on the \$1 Bank of Canada note is Lafayette, Limited, London, England." One

of the full-length photographs, like figure 22, has "0793" written on the back and is stamped "Copyright Photo by VANDYK, 41 Buckingham Palace Rd., S.W.1." with a written notation, "used for uniform detail." It would appear that the King's portrait was engraved by Robert Savage, primarily copying the Dominion note vignette in a reduced size. Savage probably used the photographs by Vandyk and Lafayette Limited when engraving the original larger Dominion note vignette, and used the second time only to check minor details.

Die proofs of the portrait occur in vertical format (approximately 9 in high by 6 in wide) without copyright or imprint, without copyright but with the imprint and, finally, with both. They also occur in horizontal format (6 in high by 9 in wide), as with the two above, making five types or varieties. The imprint, which occurs below the portrait, reads "H. M. KING GEORGE V / BANK OF CANADA / X-V-114 / CANADIAN BANK NOTE CO. LTD" (figure 24).

An original ABN order sheet for the back plate, dated 15 March 1934, has typed on the back beside denomination, title, vignette and colours, "\$1 / BANK OF CANADA / Allegorical vignette #V-71428 / 42 Green" and, at the right, "white faced Roman style letters for titles." The vignette was engraved from a painting by A E Foringer (figure 25; Christies 1990: lot 4), approximately 24 in by 36 in. On the

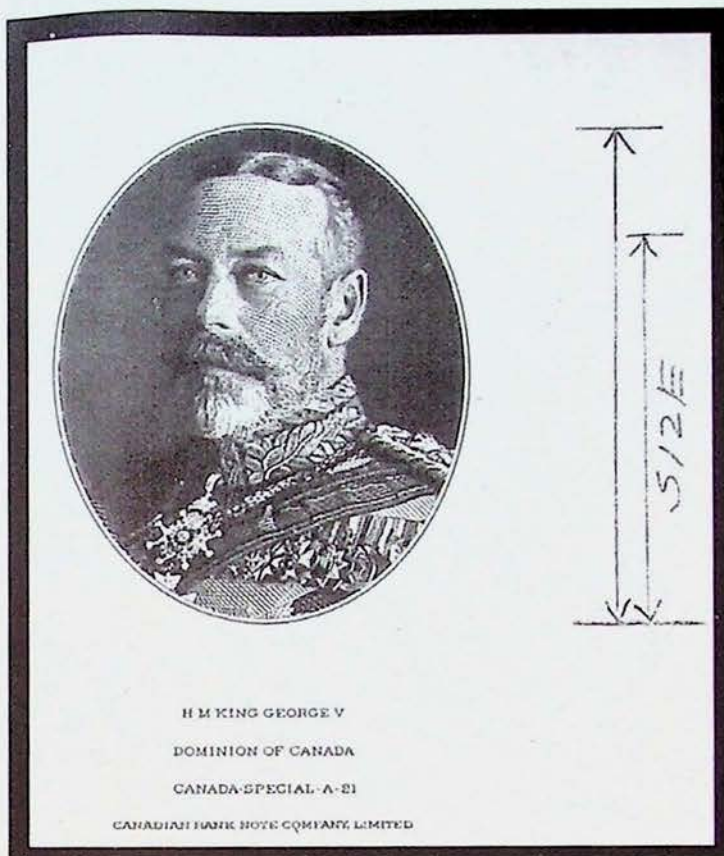


Figure 23.

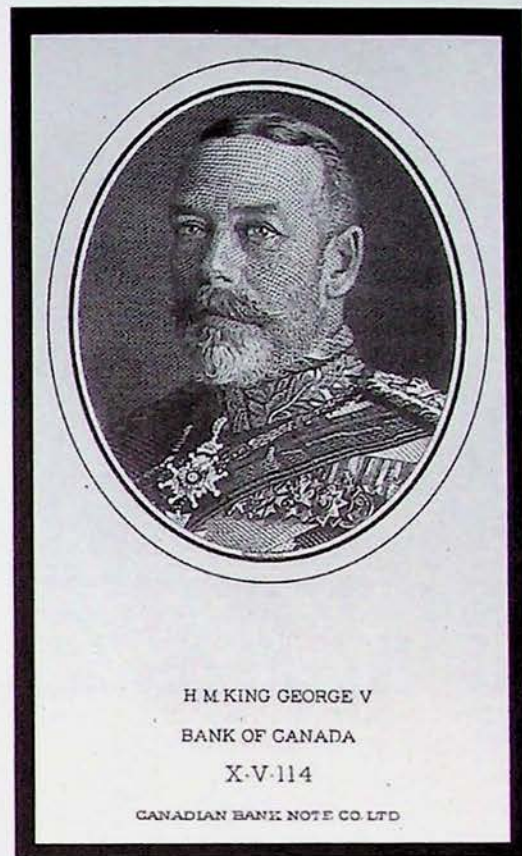


Figure 24.

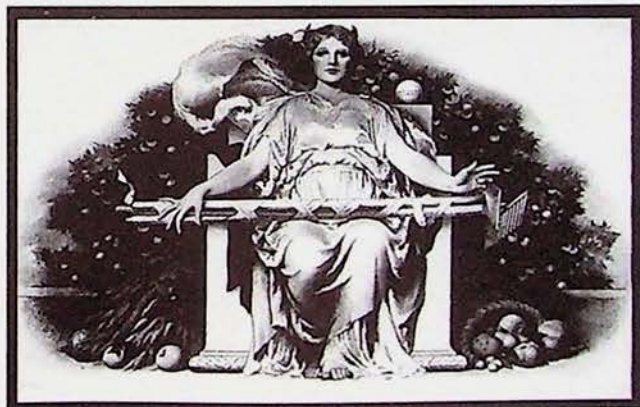


Figure 25.



Figure 26.

top corner it has "D13355/#82/1st series" and, at the bottom edge, "V71428." A die proof of the vignette reads, "AGRICULTURE/V-71428/AMERICAN BANK NOTE COMPANY" (figure 26). The vignette was engraved by Will Ford in November 1931. the die proof and the early \$1 back models have a small "© ABNCo" near the bottom left of the vignette. As the engraving of the back design was continued, this was removed and a small "© CBNCo" was inserted near

the bottom right of the vignette. A notation on the back of an English face proof reads, "worked on by R. Savage, Sydney F Smith and Carroll Mabie." A notation on the back of a French face proof, dated 26 October 1934, reads, "Worked on by Sydney Smith, Scrolls engraved by Carroll Mabie."



Figure 27.



Figure 28.

Development of the CBN \$2 Essay

As previously mentioned, models for the face and back of a \$2 note were found in the ABN photographic archive record books with the margin date of 4 April 1934. This is a bilingual note, except for the bank title, with the date reading, "Oct. 1st 1934 - Le 1 Oct. 1934" (figures 27-28). The \$2 note's face features a portrait of Queen Mary like that used on the \$5 and \$1000 notes of the Dominion issues of 1924 and 1925 respectively. An order dated 3/20/34 has typed, "Engrave portrait of Queen Mary." Two notations below, however, read, "Hold in abeyance, may use old portrait die" and "Do not use photo by Vandyk, use reproduction of engraving now on \$2 note." This must have been an error and should have read "\$5 note." The last notation reads, "STOP 9/4/34 AR." Orders and memos for the \$2 face were given order no 0-784.

The back of the essay note presents an allegorical transportation vignette showing a seated "Commerce" figure, an aeroplane, a steamship, and a train. The ship and train are portions reduced from an engraving, X-V-74, imprinted "Canadian Pacific Railway Co" (figures 32-33). A similar vignette has notations indicating that the ship was to be reduced by about 1/3, the train about 2/3. Another notation at the right with an arrow to the train reads, "reduce and reverse" (figure 32). This was given order no 795 and was engraved by Harold Osborn. An ABN memorandum of 16 July 1934 reads, "We are entering the order to proceed with engraving of vignettes of Canadian Pacific Railway liner, 'Empress of Britain' and Canadian National Railway train for \$2 back." The order sheet with number 0-795 is dated 7/17/34 and includes the CP liner and CN train. It has the notations, "See 0784 for face 'Queen Mary'" and, below,

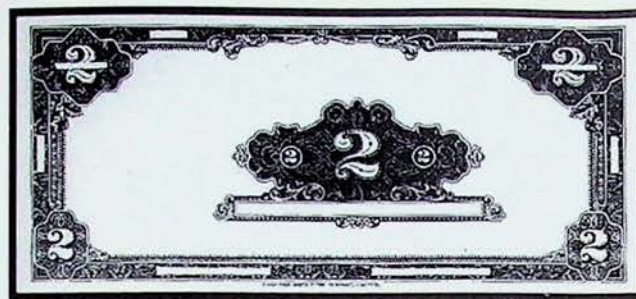


Figure 29.



Figure 30.



Figure 31.

"Stop Work, no proofs of above to go to Ottawa as per H.R.T. [Treadwell] 12/6/34." The reason for this statement in June, in light of the above order in July, is not clear. Both of these models are bilingual, except for the bank title, and have notations to use tint "9 blue."

Two partly engraved models for the face of the \$2 note were found in the ABN archive. The first is without title, portrait or word denominations (figure 29), while the second has a portrait (old \$5 1924 version), the bank name in English, and "pay to bearer" in French (figure 30). The first has a plate number, 73154, engraved above. There are two later models for the face, the first in English with the date, "January 2nd 1935" pasted at the top, and the second in French, except for the bank title, with the date "le 2 Janvier 1935" pasted over the previous October bilingual date (figure 31). The pantograph on both still reads "Dominion of Canada." A proof of the "rays" portion of the face tint with 0784 written above was also present in the archive.

Two preliminary models for the back show the border designs and counters for the left and right ends and a sketch for the bank title area and the area at the ends of the word

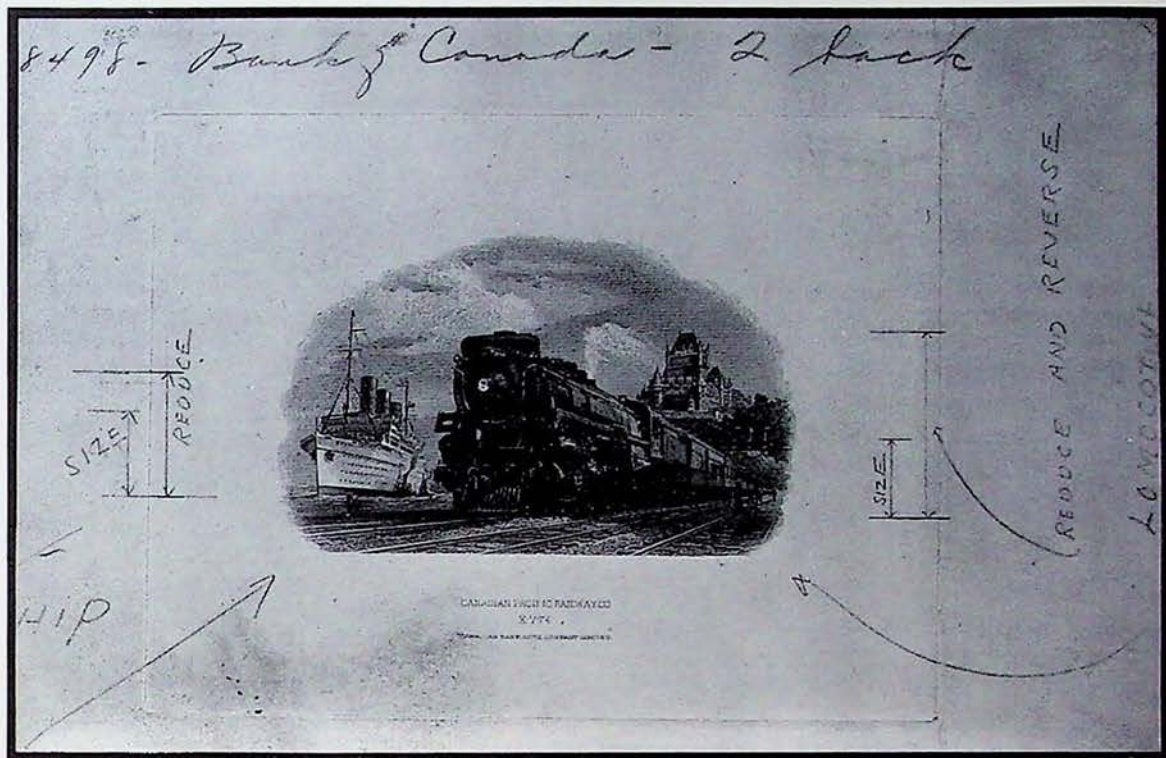


Figure 32.



Figure 33.

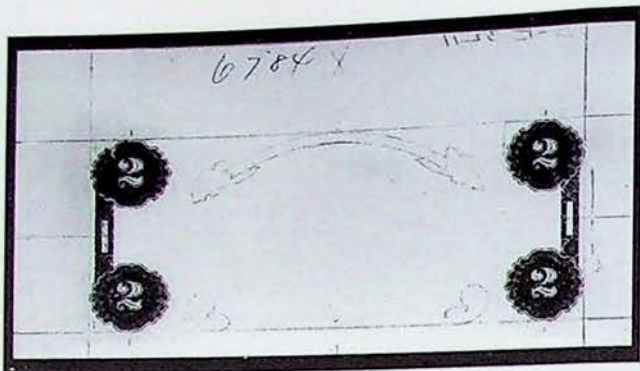


Figure 34.

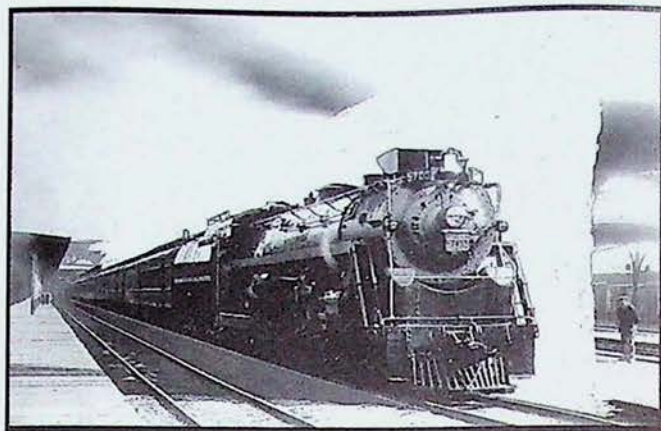


Figure 37.



Figure 35.



Figure 38.



Figure 36.

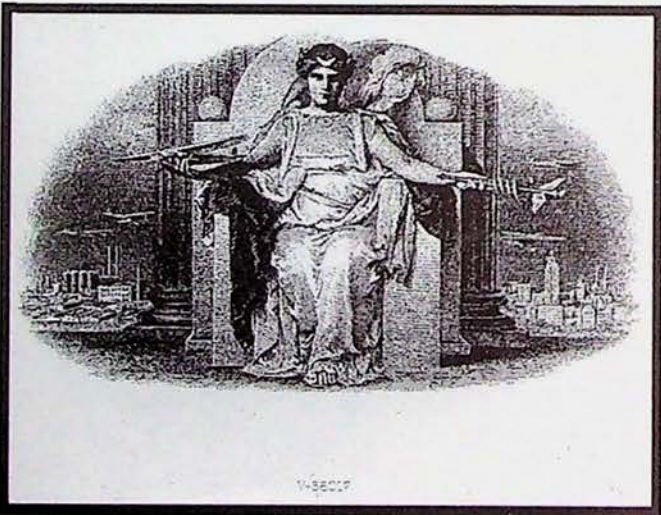


Figure 39.

denomination panel. The second (figure 34) is slightly darker than the first. Two further models are both unilingual, except for the bank title, which remains "Bank of Canada" (figures 35-36). Both of these still show the CPR train at the right.

Two photographs of the CPR 5700 train were in the archives, one with part of the surroundings whited out (figure 37). On the back is the date, "July 13/34" along with "Canadian National Railway Train" and "Engrave this vignette for Bank of Canada \$2 note back instead of the one now on the model," with Toller's initials, "PBT." This photograph was reduced to the actual size of the vignette for which it was used, "Special V-73308" dated Aug 28/34. The final die proof vignette has the imprint, "BANK OF CANADA / SPECIAL V-73308 / LAYDOWN FRM V-68017 / AMERICAN BANK NOTE COMPANY" (figure xx).

The allegorical seated woman used in the centre of the model was derived from an engraving, V-68017 (figure 39), while a later vignette, die V-73308, incorporates the central

figure with a ship, the *Empress of Britain*, at the left and a train, the Canadian National train with engine no 5700 (figure 38). The train on the model is different, being a Canadian Pacific Railway train. The Bank of Canada vignette is from the V-73308 die with the imprint changed to "BANK OF CANADA" and "SPECIAL V-73308." The central

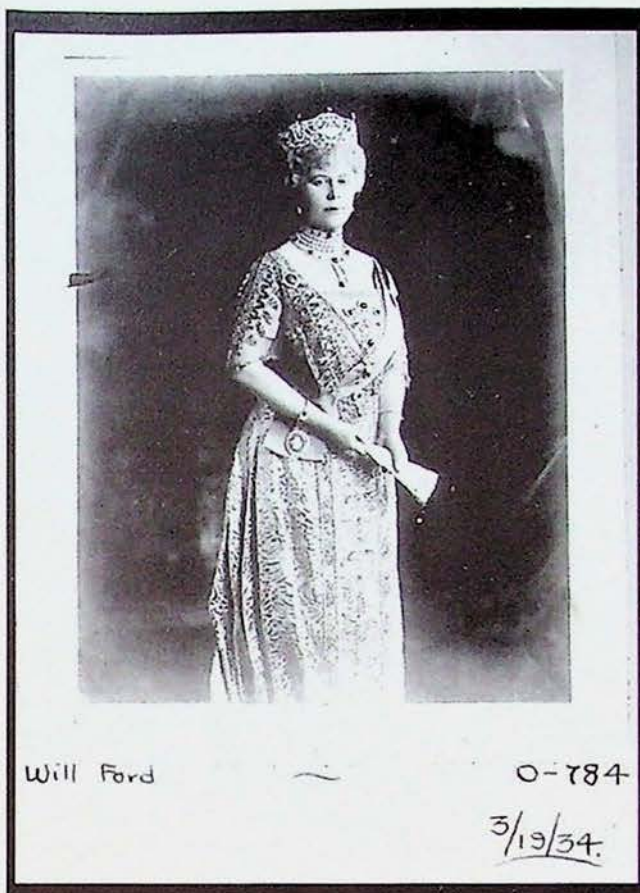


Figure 40.

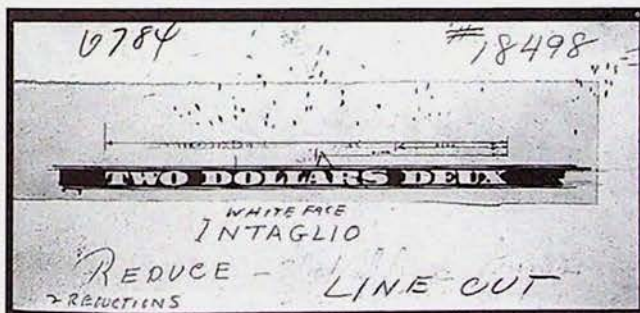


Figure 42.

allegorical woman is obviously engraved from a Foringer painting. It very closely resembles the central figure on the back of the \$1 note, as well as the central figure in the "Science, Art and Industry" painting in the Christie's archive sale (Christie's 1990: lot 29).

The portrait of Queen Mary used on the \$2 models was originally engraved in 1924. It was an ABN order no 0521 and had die no A-22. It was engraved after a portrait by Vandyk (figure 40) and had been used on the previously mentioned Dominion of Canada notes. As early as 19 March 1934, the engraver, Will Ford, was preparing to engrave a



Figure 41.

smaller version of the portrait from the same photograph. He was advised instead to copy the Savage engraving in a reduced size, which he proceeded to do. Toller approved the work on 11 September 1934, as his initials, "PBT," on the engraving indicate (figure 41). A final die proof has an imprint reading, "H. M. QUEEN MARY / BANK OF CANADA / X-V-115 / CANADIAN BANK NOTE CO. LTD." It has the "© CBNCo" under the portrait.

Neither the final reduced portrait, X-V-115, nor the final back vignette, V-73308, with the Canadian National Railway train was used, as work on the \$2, \$5 and \$10 essays was halted when the contract for these denominations was awarded to BABN.

Some additional items found among the archive material are relevant to the \$2. These include the original drawing, "TWO DOLLARS DEUX" (figure 42) with die no 18498, which was to be photographically reduced to two different sizes, the smaller to be used in the note borders, the larger under the central counter. Both were to be engraved in white-face intaglio. This means that the letters appear white on the note. Other items included various counters, panels and scrollwork, stock die numbers 72937, 73074, 73078, 73080, 73084, 73096, 73141, and 73138.

Development of the CBN \$5 Essay

Models for the face and back of a \$5 note were found in the ABN photographic record books. Like the \$1 and \$2 models, these are bilingual except for the bank title. The margin date is "Apr. 4/34." The dates on the note read "Oct. 1st 1934 — Le 1 Oct. 1934" (figures 43-44).

The face of the \$5 essay features the same portrait of the Prince of Wales as on the \$2 Dominion of Canada issue of 1923. The Dominion portrait die proof reads, "H.R.H. PRINCE OF WALES / CANADA SPECIAL-A-20 / AMERICAN BANK NOTE CO. OTTAWA" and has an "© ABNCo" (figure 45). This portrait was also used on a \$2 Dominion of Canada essay dated 15 October 1920, and is very similar to that used on the Merchants Bank of Canada's \$5 note issue of 1919. A portrait which may have been used for either of the above has a copyright date of 1919 (figure 46). In a letter dated 13 July 1934, Toller ordered ABN to "proceed with engraving the portraits of the Prince of Wales using the Bertram Park photograph of the Prince in his Seaforth Highlanders uniform" (figure 47). Order no 0794 at ABN, dated 7/13/34, reads, "Engrave — Bank of Canada — portrait of the Prince of Wales for probable use on the new \$5 notes of the above bank." Robert Savage produced an engraving of the Prince similar to the A-20 portrait but reduced in size. The die proof has an imprint reading, "H.R.H. PRINCE OF WALES / BANK OF CANADA / X-V-116 / CANADIAN BANK NOTE CO. LTD.," and the "© CBNCo" copyright. An order to stop work on this engraving, die no X-V-116, is dated "9/4/34."

The back design shows an allegorical male figure with hydro-electric power at the left and mining at the right. The die proof of this vignette reads, "BANK OF CANADA / SPECIAL 73310 / LAYDOWNS FROM V-43036 AND V-51020 / AMERICAN BANK NOTE COMPANY" (figure 48). Arthur Vogel engraved it under order no O-800, dated 8/1/34 (figure 50). Vignette V-43036 shows a child standing beside a seated male holding a ship. The left background has buildings and a ship, the right shows a large propeller in the foreground, buildings and ships in the background. William Adolph engraved it in 1920 from an original painting by A E Foringer (figure 49). It was used on the back of the Banco de Mexico 100 pesos of 1921 (figure 53).

A vignette like V-43076 with the backgrounds altered was later used for the \$100 note of 1935. Information on vignette V-51020 has not been found.

Two later \$5 models were present in the archives. The first of the face in English has the date, January 2nd, 1935, pasted at the top. The other is the same but the wording, except for the bank title, is in French (figures 51-52). Notations on various documents show the colour to be used for the \$5 notes as 15 Brown. the pantograph wording on the above faces reads, "DOMINION OF CANADA." Similarly, two



Figure 43.



Figure 45.

unilingual models for the back design were present, the bank title still remaining in English (figures 54-55). Progress proofs illustrating an early stage in the development of the engraving of the French face (figure 56) and part of the back (figure 57) were present along with a few die proofs of individual counters (die numbers 72938, 73083, 73093 and



Figure 44.



Figure 46.



Figure 47.



Figure 48.

73120; figure 58). A separate die proof of the bank title in English, no 73155, has been in the author's collection for many years. One of the orders for 0794 has the notations below, "STOP 9/4/34 A.R." (Arnold Reece, Manager of the Engraving Department) "6 Proofs of above vig. to J.B.P. [J B Putnam, Manager of the Order Department] for Ottawa 12/5/34," and, finally, "close out order o/s 92558 11/26/34."

Order number 0-800, dated "8/2/34," has typed, "Steel engrave vignette for back of \$5 note," and the notation below, "STOP 9/4/34 A.R." and "No proofs of above to go to Ottawa as per H.R.T. 12/6/34." This is the extent of the ABN engraving department's development of the \$5 note for the Bank of Canada.



Figure 49



Figure 50.



Figure 53.



Figure 51.



Figure 54.



Figure 52.



Figure 55.

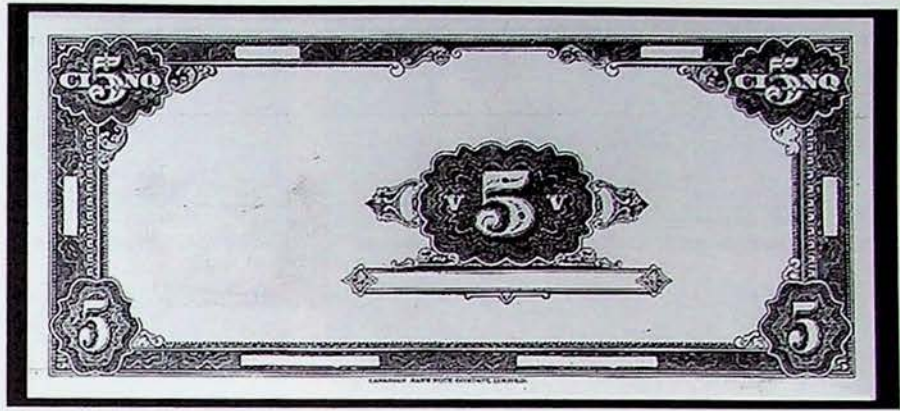


Figure 56.

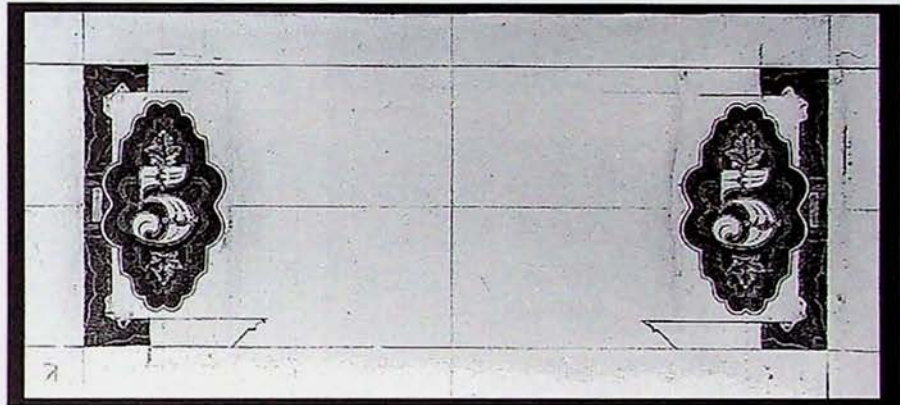


Figure 57.

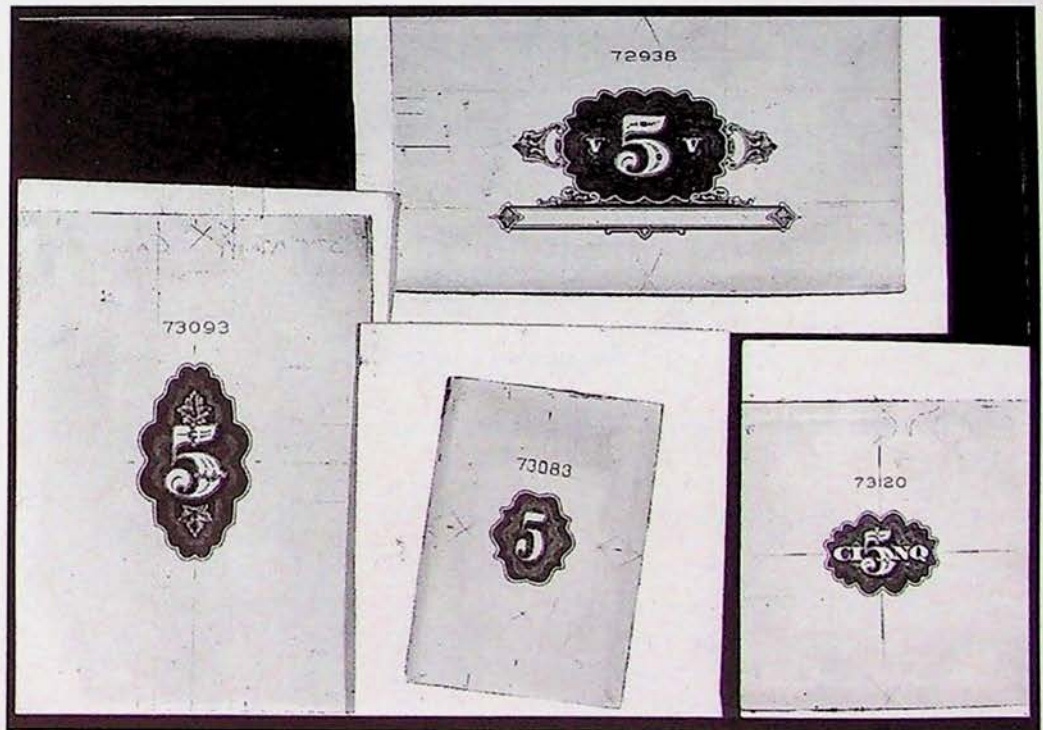


Figure 58.



Figure 59.



Figure 60.



Figure 61.



Figure 62.

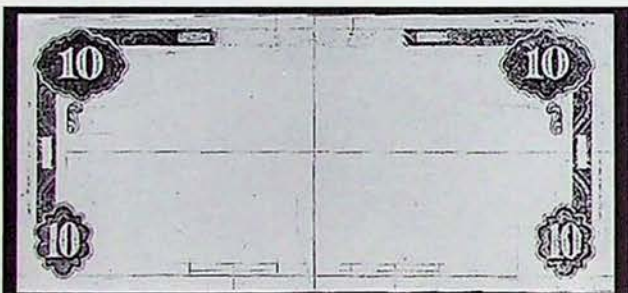


Figure 63.



Figure 64.

Development of the CBN \$10 Essay

An order to commence with the design for a \$10 is dated "8/2/34" and numbered 0-801. "Steel engrave vignette of portrait of Princess Elizabeth for face of \$10 [10 crossed out] 20 note." Models for the face and back of a \$10 note in English were found in the ABN photographic archive books. The model, dated "January 2nd 1935," has the date, "Aug 3, 1934" in the book margin, indicating, surprisingly, that the models appeared only one day after the order date. Obviously, work had been done on the models at an earlier period (figures 59-60). Both models have notations indicating the colour as P16 red (tint).

Similar models of the face and back are in French, except for the bank title (figures 61-62). The archive contained an early progress proof of the face (figure 63) as well as a progress proof representing a later stage of the back (figure 64).

The original order has written on it, "Do not proceed until advised 8/2" and "STOP 9/4/34 AR." This was again in response to the award of the \$10 contract to BABN. Consequently, the three \$10 counters, with die numbers 73100, 73111 and 73163 (figure 65), that were also present

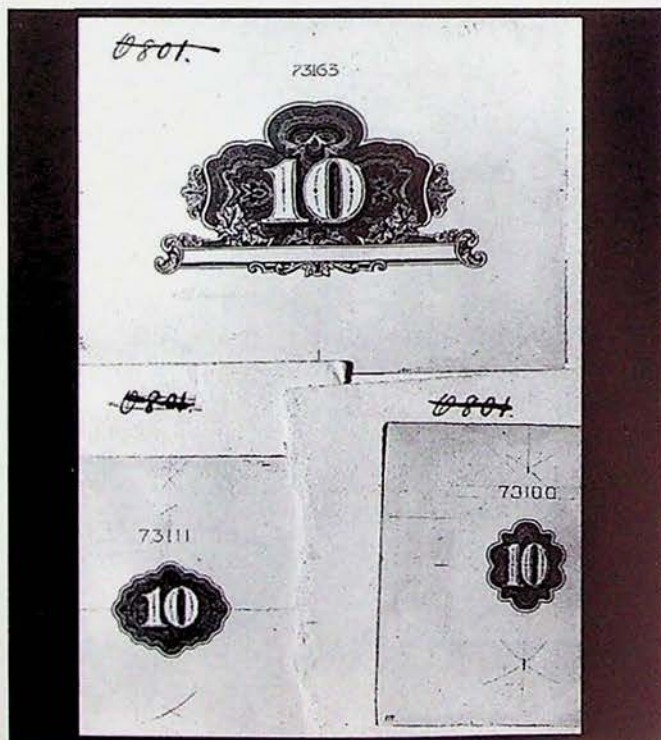


Figure 65.



Figure 67.



Figure 69.



Figure 68.



Figure 70.



Figure 66.

in the archive have order no 0-801 crossed out. A memo Toller wrote to ABN on 14 September indicates that "the rejected models of the \$2 and \$5 faces and backs and \$10 face, will be kept here with our records with the hope that they may be used at some future time."

The work on the \$10 note was later continued, however, by transferring the back design as well as the portrait to the

\$20 denomination, as indicated by the crossing out of "\$10" on the order, and by the notation, "subject to changing denomination to 20 twenty dollars," on one of two proofs of the back in English, stamped "approved Sept. 10, 1934" and initialed "PBT" (figure 66). From this point, the portrait of Princess Elizabeth and the back vignette were part of the development of the \$20 note.



Figure 71.

Development of the CBN \$20 Note

While the \$10 essay was under development, designs for a \$20 note were also being prepared. The archive photographs show models for the face and back in English dated "January 2nd 1935" with a margin date of "Sept 1, 1934." The face has a portrait at the left believed to be the Princess Royal, Mary, while the back shows an allegorical male figure holding a caduceus, flanked by buildings to right and left, the whole representing Commerce. The face was to have a green tint, the back tint in #42 green (figures 67-68). The back has a margin notation, "Not used/see 0-815."

The next model in the archive photographs for the back, dated "Sept. 14/34" in the margin, has completely different lathework and vignette. It has a notation at right reading, "same design modeled on 10 back #18498" (figure 69). This refers to the \$10 back shown in figure 59, from 3 August 1934, with the notation, "this [design] used for \$20." The \$10 order, number 0-801, has "proceed, engrave \$20 face, back and tint die in English and \$20 face, back and tint die in French." The order number was changed to 0-815. One of the models in the archive has the "January 2nd, 1935" crossed out and "issue of 1935" printed below by hand (figure 70).

Partly engraved models of the face in English and French were present without the portrait or date. They have plate number 73365 above as well as order number 0-801 (the \$10 design) written above (figure 71). Preparation of plates and approvals continued through December, 1934. A memo, dated 17 December, from E Gnant, Assistant Manager of the order department, to Treadwell reads, "We are returning herewith approved proofs of the \$20 English face on tint, and \$20 French back," while one dated 19 December reads "approved proofs of the \$20 English back — \$20 French face."

The archive material includes approval proofs of the \$20. Those for the English face and \$20 French back show that they were approved by J A C Osborne, Deputy Governor, and are dated "14/12/34" with Toller's initials, "PBT" (figures



Figures 72-75 (top to bottom right).

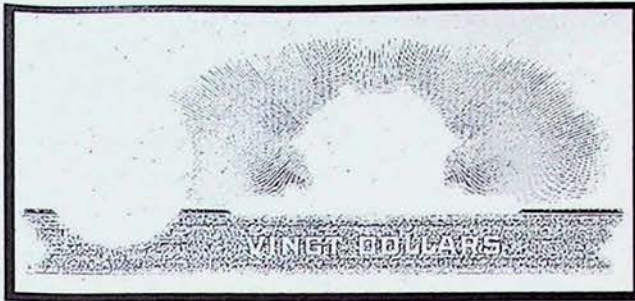


Figure 76.



Figure 77.

72-73). It also includes approval proofs of the French face and English back, approved by E N Rhodes, Minister of Finance, with the date "Dec. 17/34" and initials "PBT" (figures 74-75). While the face models with tint to this point all had pantographs reading "Dominion of Canada," these approved face proofs have the pantograph reading "Bank of Canada."

The Christie's ABN archive sale included additional face and back proofs. One face proof in French has written on the back, "Ed. Gunn, Leaves and scrolls by Carroll Mabie." A back proof in French has written on the back, "worked over by S. Smith." There was also a proof of the French face tint, rays and pantograph (figure 76).



Figure 78.



Figure 79.



Figure 80.



Figure 81.

Edwin Gunn engraved the delightful portrait of Princess Elizabeth from a portrait by "Bertram Park / Marcus Adams Ltd. / Yvonne Gregory" in London (figure 77). The order sheet with reduced photo attached has "Edwin Gunn" the \$10 order number, 0-801, and the date "8/1/34." Another order dated "8/2/34" was to make a steel engraving of the portrait vignette of Princess Elizabeth for the face of the \$10, later crossed out and changed to \$20. An approval proof of the portrait, dated "Nov 29/34," is signed by W C Clark, Deputy Minister of Finance and initialled by Toller (figure 78). The final die proof has the imprint, "H.R.H. Princess Elizabeth / Bank of Canada / X-V-125 / Canadian Bank Note Co, Ltd." A tiny "© CBNCo" occurs in the white border beneath the portrait. If one looks carefully beneath the curls at the back of the head, something resembling "E GUNN" in white letters can be seen (figure 79).

Edwin Gunn also engraved the back vignette after a painting by A E Foringer. This painting, measuring about 24 in x 30 in, was sold in the Christie's sale of 28 November 1990 (Christie's 1990: lot 17). The painting has #45 and "D7293" in the top left corner and "A. E. FORINGER"



Figure 82.

printed at the bottom centre (figure 81). The die proof has the imprint "TESTING GRAIN / V-58827 / AMERICAN BANK NOTE COMPANY" (figure 82). Towards the bottom left is a tiny "© ABNCo" copyright. On the vignette used on the notes, however, a "© CBNCo" has replaced this, just above the left 20 of "20 TWENTY DOLLARS 20." The vignette with the "© ABNCo" was used on a 100-share stock certificate of Glenmore Distilleries, incorporated under the laws of Delaware (figure 80).

Development of the CBN \$25 Note

The forthcoming Silver Jubilee celebration to commemorate the 25th anniversary of King George's coronation on 6 May 1910 belatedly suggested to officials of the Finance Department that a \$25 commemorative banknote might have a great deal of public appeal. Consequently, the \$25 note was an afterthought in relation to the rest of the series. Correspondence and orders dated 1934 had not mentioned this denomination. The earliest mention I have found in regards to the note is dated 8 January 1935.



Figure 83

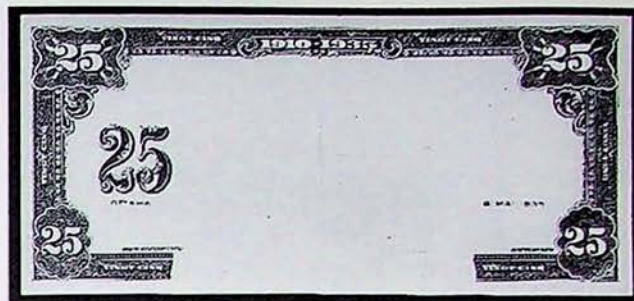


Figure 86

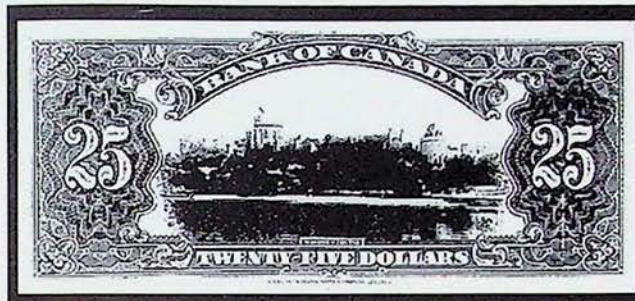


Figure 84

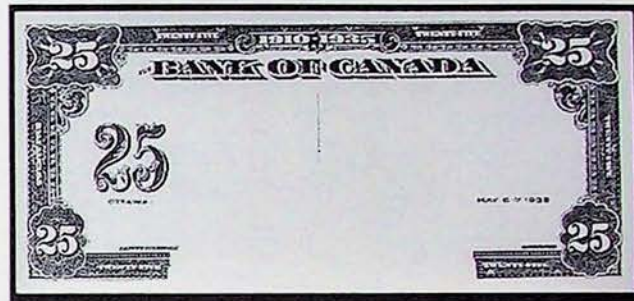


Figure 87



Figure 85

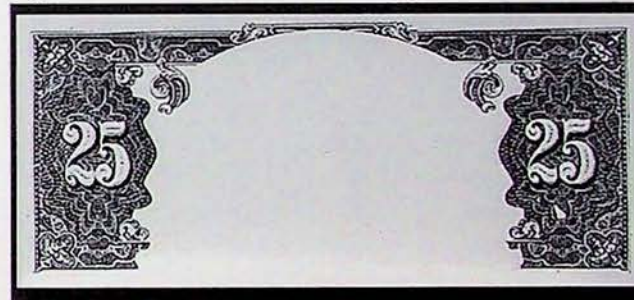


Figure 88

The face of the model has a portrait of King George taken from the \$1 1923 Dominion issue and of Queen Mary from the \$5 1924 Dominion issue. At the top is "1910-1935 / Ottawa / May 6th 1935." The face and back are both in English. The back model shows a photographic image of Windsor Castle with white areas at the right and left and with a box below reading, "Windsor Castle." Both have notations reading, "Tint Blue 9" (figures 83-84).

The next models for the \$25 note in the archive have the margin date of "Feb 5, 1935" for the face and "Feb 7, 1935" for the back. The face now had new photographic portraits of the King and Queen, the date "1910-1935" at the top was lower, the "Ottawa" had been relocated to be below the left "25" counter, and "May 6, 1935" had been moved to a position below the Bank of Canada device at the right. The top of the king's crown presented a problem, so the words, "will pay," and "to the bearer on demand" were divided. The maple leaves at the bottom right and left of the portraits were replaced with scroll work. The small "25" and scroll work under the "Twenty-Five Dollars" panel were removed and

this panel lowered to give more room between the denomination panel and the "twenty-fifth anniversary" panel (figure 85).

Another model of a face with margin date of "Feb 14, 1935" has the "will pay" and "to bearer on demand" slightly more separated to allow the top of the king's crown to be less crowded and more prominent. These face models all have the pantograph reading "Dominion of Canada."

The back appears to be about the same except the white areas to the right and left of the vignette have been filled in and white areas flanking the bank title are darkened.

Partially engraved proofs of the face (figures 86-87) and back (figure 88) from the archive bear the notation at bottom right, "proof of die as received from Ottawa 3/13/35." The back proof has an imprint above, reading, "Bank of Canada English / X-G-597."

Two further progress proofs of the back are known, the first in English with "Bank of Canada" partly engraved, the second in French with "Banque du Canada" partially engraved. The latter has an imprint reading "Bank of Canada French /

X-G-596." Both have notations below with arrows, one showing where the Bank Note Company imprint should go, the other labelled "off center." The "off center" refers to the positioning of the very bottom tip of the scroll work a tiny fraction to the left of the centre of the whole back design (figures 89-90).

The next progress proofs are of the face in English and in French. The English one has plate number X-G-598 above, the notation at bottom, "imprints," and another, "Note" with an arrow at the top pointing to a small protrusion just over the "K" in "Bank." This protrusion was subsequently removed. The French one has plate number XG-599 above (figures 91-92).

Final proofs of the faces and backs in English and French were in the Christie's sale (Christie's 1990; figures 93-96). Close examination of the 31 back proofs will reveal that the trees in the vignettes of three of them are a much darker purple than those in the others. A notation at the top right of one of the proofs in French states, "color was added to trees." Proofs of the back in Blue 9 and in green also exist (Christie's 1990: lot 612).

Portraits and Vignette for the \$25 Note

The portraits used on the first models for the \$25 note were those prepared for the 1935 \$1 note (HM. George V, die X-V-114) and the 1935 \$2 essay (HM. Queen Mary, die X-V-115). These, as previously mentioned, were reductions of vignettes used on Dominion of Canada notes.

Order number 0-825, dated "1/9.35" reads, "Engrave / Portrait vignettes of — / H.M. George V. in coronation robes / XV126 / H.M. Queen Mary in coronation / robes XV127 / Windsor Castle with same words / in white face lettering / directly below vignette / XV128." A photograph of the King and Queen standing before a large tapestry shows the order number 0-825 below and the date 1/9/35. At the left the engraver's name, "Edwin Gunn," occurs, and at the right is another engraver's name, "Will Ford." This would seem to indicate that Gunn engraved the King and Ford the Queen. The area around the top of the figures is blacked out (figure 97). The source of the original photograph has not been discovered, but the photographer may have been Vandyk. A small model of the King and Queen using another print of this photograph and with maple leaves and a central device in the border accompanies a picture of the state crown of Queen Mary and the Imperial State crown (figure 98). The latter would have been used to provide the engravers with details they would need to engrave the crowns on the portrait vignettes.

Die proof vignettes of the King and Queen separately, with and without imprints, occurred in the archives. These all had the "© CBNCo" copyright in their bottom borders. The King's portrait imprint reads, "H.M. KING GEORGE V / BANK OF CANADA / X-V-126 / CANADIAN BANK

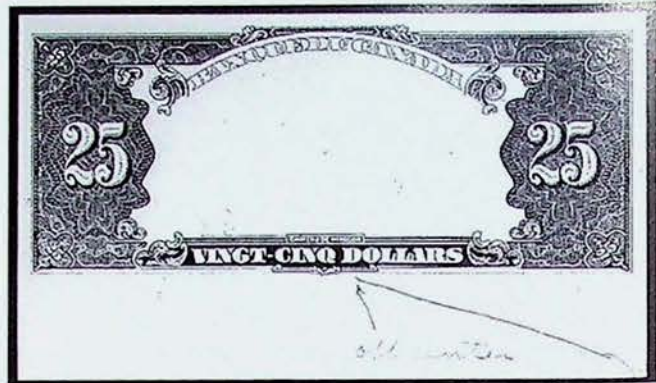


Figure 89

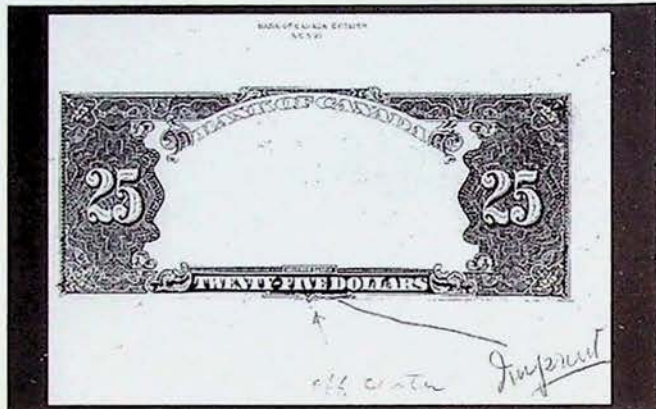


Figure 90



Figure 91



Figure 92



Figure 93



Figure 95



Figure 94



Figure 96



Figure 97

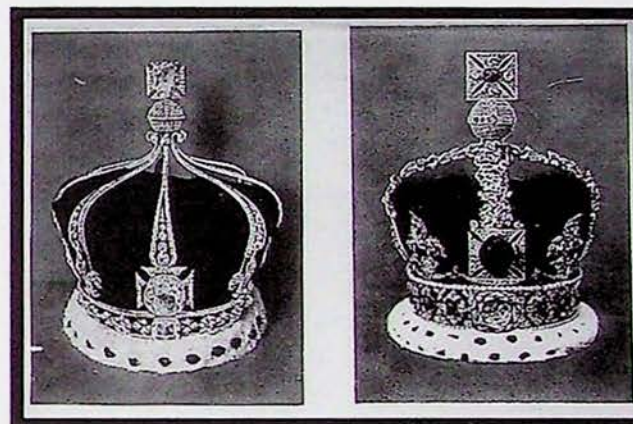


Figure 98



Figures 99-100

NOTE CO. LTD" (figure 99). The Queen's portrait imprint reads, "H.M. QUEEN MARY / BANK OF CANADA / X-V-127 / CANADIAN BANK NOTE CO. LTD" (figure 100).

Louis Delnoce engraved the back vignette of Windsor Castle from a photograph bearing the order date, "1/8/35." This photograph shows a tiny figure on the river bank at the far left (figure 101). A second, similar photograph shows more of the river bank and a man standing in the foreground. It bears the title, "Windsor Castle from the Brocas" (figure 102). The Engraving Index Card for Windsor Castle reads, "Description — Windsor Castle from the Brocas," and, "Note: Windsor Castle (Raphael Tuck & Son London Print)." A die proof of the final vignette reads, "WINDSOR CASTLE / BANK OF CANADA / X-V-128 / CANADIAN BANK NOTE CO. LTD" (figure 103). The vignette has a tiny "© CBNC" at the lower right.

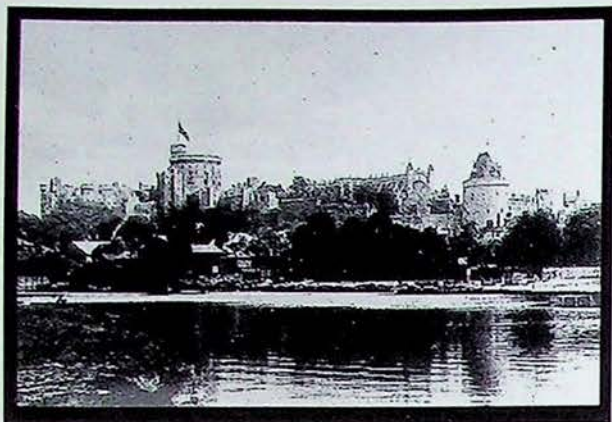


Figure 101

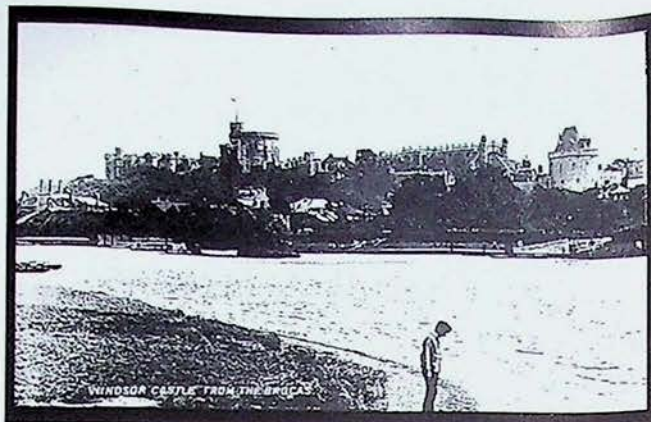


Figure 102

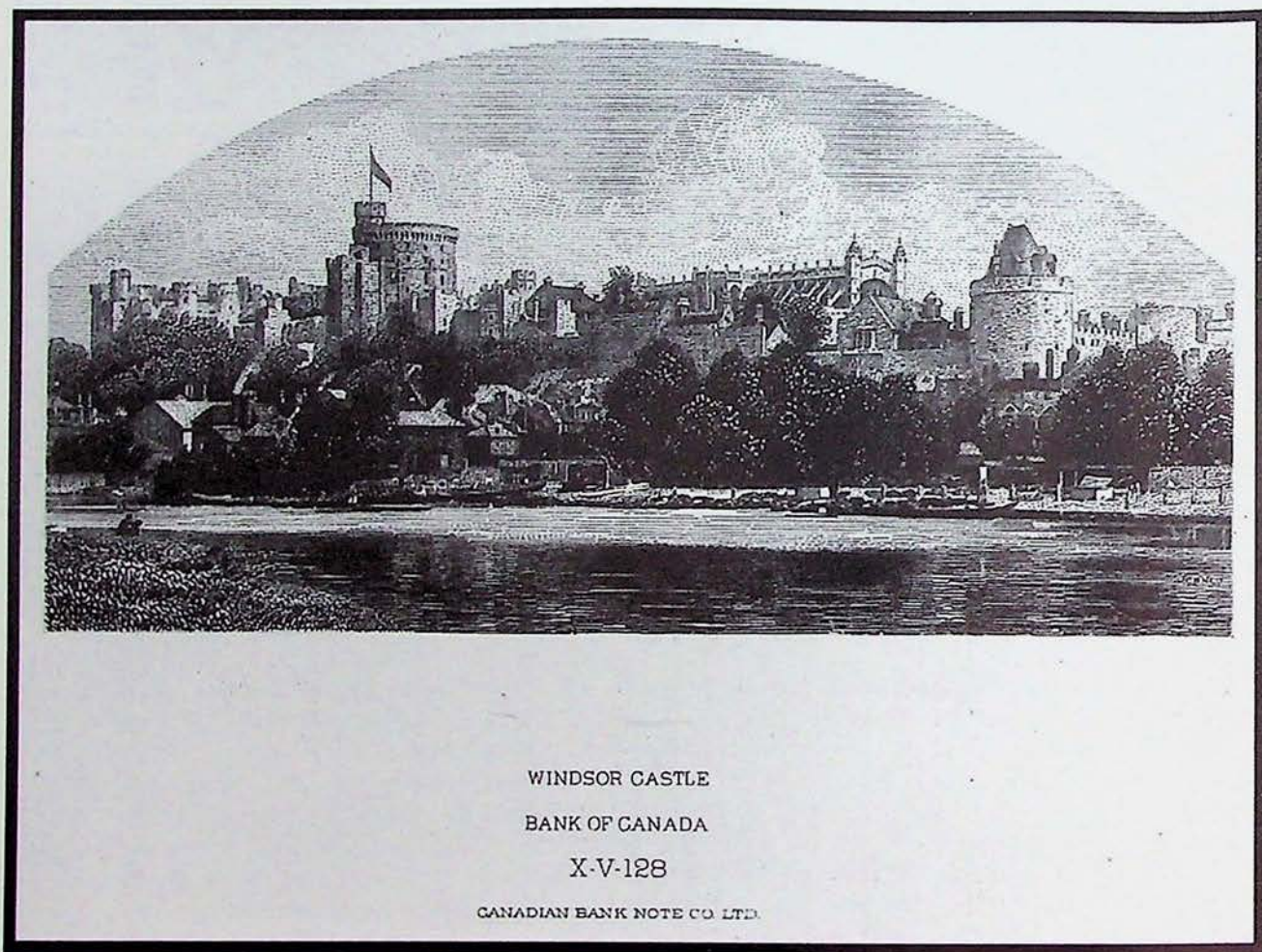


Figure 103

In an interesting letter to S B Chamberlain, Bank of England, dated "May 10, 1935," J A C Osborne writes as follows.

You will see the difficulty we were in over the King's crown, which I solved in the way newspapers do. The Imperial purple is said to be much admired, but I do not feel very keen on it. The peculiar object which looks like a frog on the bank of the Thames, to the left, is the seated figure of a boy. He happened to be in the original photograph, and the engravers never use their discretion.

The seated figure may in fact be a boy with his dog.

In a letter to Treadwell at ABN on 13 March 1935, Toller of CBN writes,

We are sending you herewith as requested the following models and impressions of the \$25 note, namely — Approved photo-print model \$25 French face etc, Approved photo-print model \$25 French back, 2 dry impressions each \$25 English and French tints. English and French impressions from die XG574 of denominational panels and white face lettering relating to the twenty-fifth anniversary. See roll 1326-XG, sent you March 7th. English and French impressions from die XG 573 of denominational panels carrying the lettering "Windsor Castle" and "Chateau de Windsor". See roll 1321-XG, sent to you March 7th.... After you have returned the dies to us we will put in the cycloid border at the top on both the English and French faces.... With reference to our order No. 477 and as a matter of record please change the wording "Le Château de Windsor" to read "Château de Windsor" as per approved model.... For your information all these notes will be printed in #85 Royal purple.

A note on the back of an earlier order sheet notes, under "REMARKS," "Viz. on back Windsor Castle Photo — Blue #9." The Christie's sale included \$25 back proofs in blue and green, as well as in Royal purple (Christie's 1990).

The two engraved portraits and the back vignette were approved on 20 March, but already an order card with "Order Received 3/11/35" lists the following:

| | | | |
|----------------|-----------------------|--|-------|
| Work over dies | | | |
| 1 - | \$25 Face die French | | XG599 |
| 1 | \$25 Back " " | | XG596 |
| 1 - | \$25 Face die English | | XG598 |
| 1 | \$25 Back " " | | XG597 |
| 1 Roll | 1321 XG den-panels | | |
| 1 | " 1326XG " " | | |

The dies for the new \$25 were received on 11 March and returned 29 March, 1935. A memo from D Gordon, dated "May second," to "Agent, Bank of Canada, Calgary Alberta" states, "you may commence issuing new Twenty-five Dollar notes today," with the written note added, "Similar message to other agencies."

A book entitled, *His Majesty's Speeches, The Record of the Silver Jubilee 1935*, has photographic portraits of the King and Queen by Vandyk, some of which are similar to ones that the engravers used as models for the \$25 note. It also includes a photograph of St Paul's Cathedral, where the official Jubilee thanksgiving service took place on 6 May 1935 (Anonymous 1935).

Poet Laureate, John Masfield, composed a poem for the occasion, which appeared in this *Record*:

Oh God, whose mercy is our state,
Whose realms are children in Thy hand,
Who willed that, in the years of Fate,
Thy servant George should rule this land,

We thank Thee, that the years of strife
Have changed to peace, and for this thing
That Thou hast given him length of life
Under Thy hand to be our King.



Figure 104. Postcard commemorating the Jubilee



Figure 105



Figure 106



Figure 107



Figure 108

Development of the CBN \$50 Note

Shortly after the start of work on the \$20 notes on 2 September, work was started on the \$50 models. An order card shows "order received" on 9/18/34, but the models from the photographic archives have a date of "Sept 6, 1934." The order card reads, "Engrave / portrait of Duke of York / die XV119 / Engrave dies in English / for \$50 Note Face / " tint / " back," and "Engrave dies in French for \$50 Note Face / " tint / " back."

The first face model has the date, "January 2nd, 1935," while the back model of 6 September bears the notation, "#12 Brown" (figures 105-106). Notice that the photograph of the duke's head is tilted slightly to the left. The pantograph reads, "Dominion of Canada."

The next models are of the face in English with "issue of 1935" and in French with "Emission de 1935." They both have plate number 73371 above, and neither has any tint design. The portrait is engraved and has the "© CBNCo" at the bottom (figures 107-108). The reader will notice that the number of models and progress proofs has decreased considerably, compared with the lower denominations.

We next find the approval proofs. The face in English dated Dec 5/34 and in French dated Dec 7/34 are both signed by W C Clark, Deputy Minister of Finance, while the back in English is signed by E N Rhodes, Minister of Finance, and the French back is signed by G F Towers, Governor of the Bank of Canada, and dated Dec 20/34. All bear Toller's initials, "PBT" (figures 109-112).

Figures 109-110 (right)





Figure 111 (left)
 Figure 112 (below left)
 Figure 113 (above left)
 Figure 114 (above)



The \$50 Portrait and Vignette

The portrait of the Duke of York was engraved by Robert Savage from a photograph by "Bertram Park / Marcus Adams Ltd. / Yvonne Gregory," London. It shows the duke standing in uniform, with order sheet number 0-816, and the date "9/13/34" (figure 114). A similar photograph by the same photographer with different epaulettes and with other minor differences may have been used for some of the portrait details (figure 115). The die proof has the imprint, "H.R.H. Duke of York / BANK OF CANADA / X-V-119 / CANADIAN BANK NOTE CO. LTD" (figure 113). Die proofs with copyright occur in both horizontal and vertical formats. A die proof without imprint has initials, "D.E.W" (Daniel E Woodhull), and the date, "Oct 10 1934."



Figure 115

The back vignette shows a seated allegorical female preparing to speak into a radio microphone. It has the title, "Allegory Radio," and was engraved by Robert Savage in October 1931 after a painting by A E Foringer.

Three additional items that were in the archives pertain to this note's design. The first is a die proof of the tint, pantograph and rays (figure 116). The second is a drawing of the pantograph design, "Bank of Canada / FIFTY DOLLARS / 50," with order number 0-816 written at the top left (figure 117). The third is a similar drawing with the value in French, "Cinquante dollars."

Development of the CBN \$100 Note

Work on the \$100 models began at the same time as work on the \$50 ones. Models with margin date of "Sept 6, 1934" occurred in the photographic archive books. The pantograph reads, "Dominion of Canada." The face with the date "January 2nd, 1935" (figure 118) has the notation "orange tint" and bears a photograph of the Duke of Gloucester. The back, with the notation, "#17 orange," shows a Commerce allegory (figure 119).

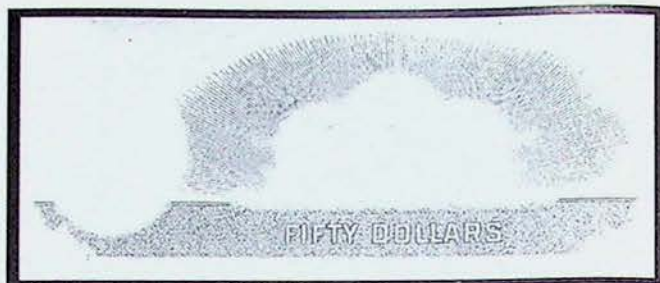


Figure 116-119 (top to bottom)

The original order cards, dated "Sept 12th, 1934," for the English notes show the colour, no 86 rose, for the \$100 issue. This was crossed out and "11 Brown" was typed above. The colour evidently changed from orange to rose and finally to brown. A memorandum from J B Putnam, dated 7 December, to Treadwell notes, "Model schedule both for the English and French forms on which Ottawa have shown the new colors selected for the \$20, \$100 and \$1000 tints and backs."

The next partially engraved models for the face in both English and French have the date changed to "Issue of 1935," and "Emission de 1935," respectively. Both have plate number 73401 engraved above and order number 0-817 written above (figures 120-121). These do not have any tint.



Figure 120

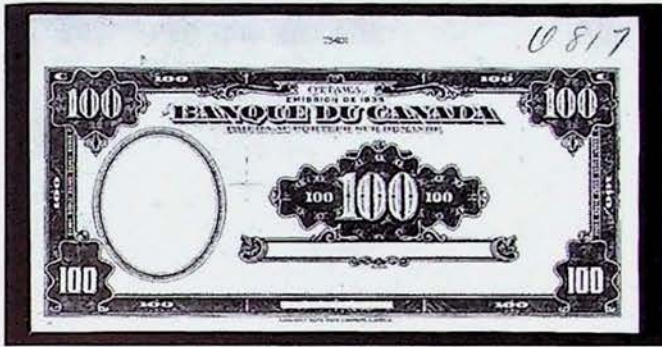


Figure 121



Figure 122



Figure 123

Memos from E Grant to Treadwell read, "We are returning herewith approved proofs of the — \$100 English face on tint," with the date, 17 December, and "\$100 French face," dated 19 December.

Here Grant seems to refer to the approval proofs found in the archive, the English face, approved 14/12/34 by J A C Osborne, and the French face, approved Dec 17/34 by E N Rhodes (figure 122-123). There are also back approval proofs in English and French, approved Dec 20/34 by G F Towers (figures 124-125).

The \$100 Portrait and Vignette

The portrait of the Duke of Gloucester was engraved by Will Ford from a photograph by Vandyk, London (figure 126). Written below are, "Will Ford — 0-817" and the date, "9/7/34." A die proof without imprint or copyright is initialled, "D.E.W" with date, "Nov 21 1934." An approval proof with "© CBNCo" and imprint reading, "H.R.H. DUKE OF GLOUCESTER / BANK OF CANADA / X-V-124 / CANADIAN BANK NOTE CO. LTD.," is dated "Nov 23/34" and signed by G F Towers (figure 127). One die proof vignette of the duke has written on the back, "0-817-1934 4 weeks (151 hours)," evidently referring to the time it took Ford to engrave the portrait.



Figure 124



Figure 125

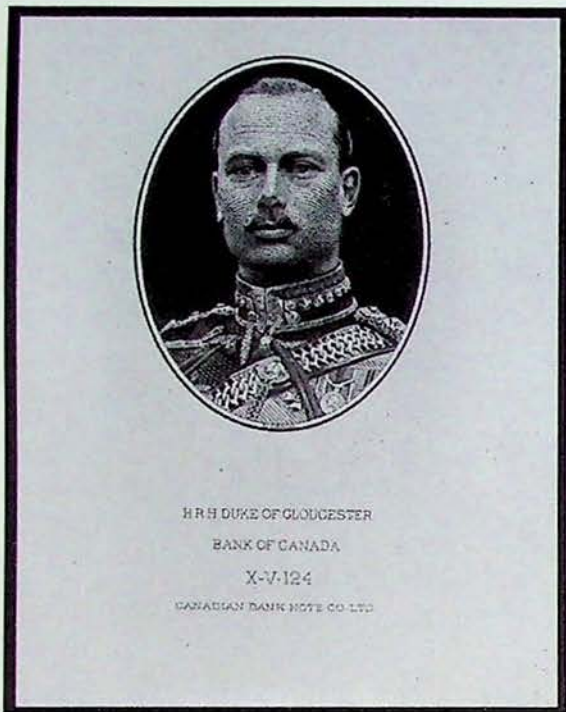


Figure 127

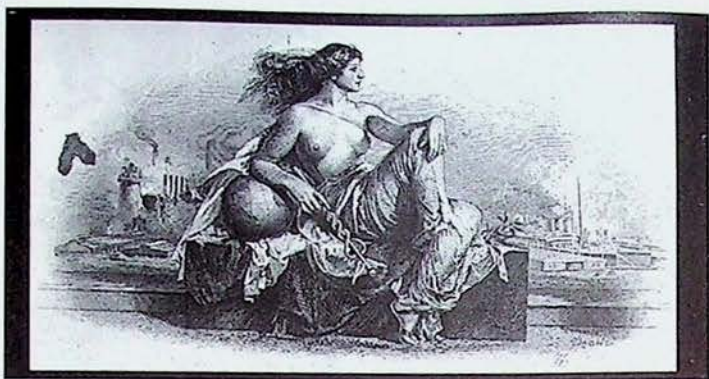


Figure 128



Figure 129



Figure 126

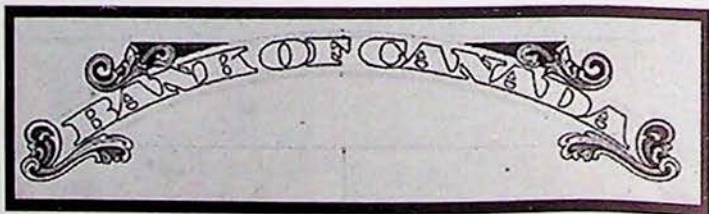


Figure 130

The Commerce and Industry allegorical vignette used for the back of the note was derived from two other vignettes. The first, for the centre portion, was vignette V-43076, originally engraved by William Adolph in 1920 from a painting by A E Foringer (see figure 49). The second, for the side portions, was from vignette V-43246 (figure 127), after another Foringer painting (Christie's 1990: lot 38). The vignette was partially used on a 100-Bolivar note of Banco Venezolano de Credito (Pick 1986: S-213), on a 1930 stock certificate of the United States & Overseas Corporation, and on a Canadian stock certificate of I.O.S Ltd, dated 1969. The three parts of the vignette were worked over and engraved by Eli Laizeaux, Sydney F Smith and Warrell A Houck. One vignette has "die no. Special V-73316" written above it with the initials, "AR" (Reece), and date, "10/5/34," written at the top right (figure 128). One additional partially engraved die proof of the bank title for the back (figure 126) has the initials "A.R." and date, "9/14/34," above it.



Figure 131



Figure 132



Figure 133



Figure 134

Development of the CBN \$500 Note

There are two interesting initial orders relating to the \$500 note. Both are dated "7/31/34," so which came first is uncertain, but we will assume it is the one with the lower order number, 0-797. It reads, "Engrave / Portrait of / Sir George Macdonald / for face of \$50 [crossed out] 500 note." The colour is given as "13 Brown." The second, with order number 0-798, reads, "Engrave / Portrait of - / Sir Wilfred [sic] Laurier / for Face of \$500 [crossed out] 1000 note."

Initial models for the face, dated "January 2nd, 1935," and back were present in the photographic archive books, with a margin date of "Aug 3, 1934." These both have notations of "#5 Olive (tint)" at the right (figures 131-132). The face has a photographic portrait of Laurier and the back, a reclining allegorical female figure representing agriculture.

The next two partly engraved models for the face in French and English, however, show an engraved portrait of John A MacDonald facing left. These both have plate number 73238 engraved above and order number 0-797 written above (figures 133-134).

A memo from Putnam to Reece, and dated 17 September, mentions, "We are sending you herewith approved as corrected models of — \$500 face and back."

This brings us to the final items, the approval proofs. The face in English was approved 15 November 1934 by E N Rhodes, "(Subject to final approval of color)," and the French face was approved on 15 November 1934, also by Rhodes and also subject to final approval of the colour. The



Figure 135



Figure 136



Figure 137

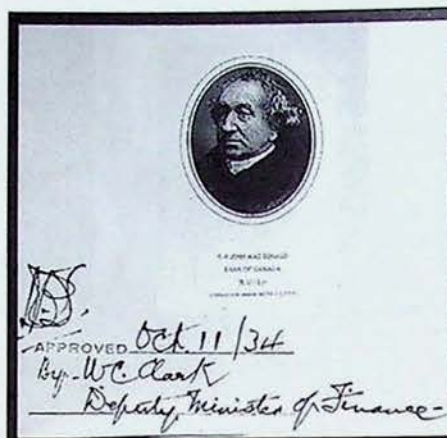


Figure 139



Figure 138

back in English was approved "23/Nov/34" by G F Towers, again "(color subject to final approval)", while the back in French was approved "Nov 29/34" by W C Clark (figures 135-138). All are initialed by Toller, "P.B.T."

Portrait and Vignette for the \$500 Note

The portrait of MacDonald — Sir John, not Sir George as mentioned in the initial orders above — was ordered on 31 July 1934. Will Ford engraved it from a photograph believed to be from the studios of William Notman & Son, 17 Bleury St, Montreal, and photographers to the Queen. The photograph shows order number 0-797 and the date, "7/30/34" (figure 140). One photograph from the archive has the portrait border placed over the top portion (figure xx). It has at the top, "On # 50.00 [crossed out] \$1000 [crossed out], \$500." The portrait was approved on 11 October 1934 by W C Clark. The imprint reads, "Sir JOHN MAC DONALD / BANK OF CANADA / X-V-118 / CANADIAN BANK NOTE CO. LTD." It has the "© CBNCo" copyright (figure xx). One of the die proofs has written on the back, "Engraved by Will

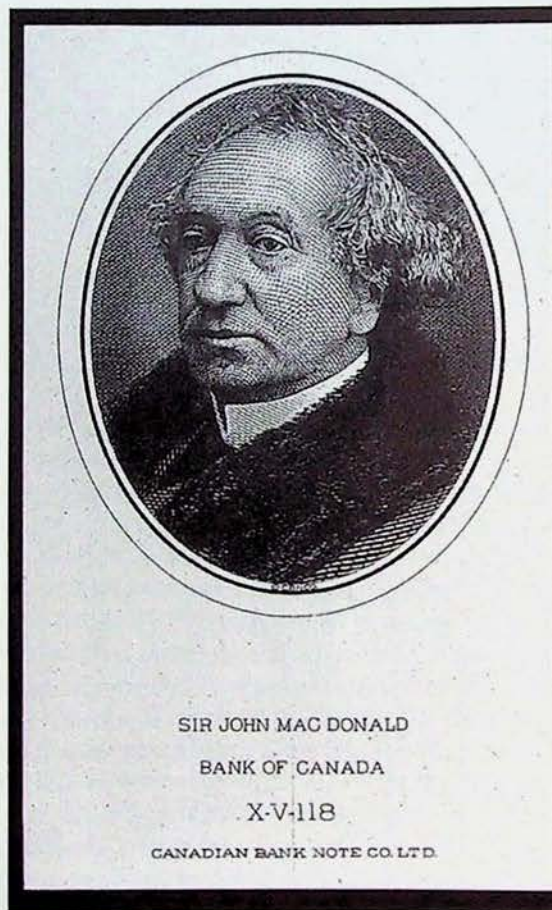


Figure 140

Ford /from original photo sent to Canada /portrait of Sir John A. Mac Donald." The proof has an approved stamp dated "Oct 23, 1934" (figure xx). The die proof occurs in both horizontal and vertical formats. One without imprint or copyright was also present in the archive.

The back of the note has an allegorical agricultural vignette. It is die number V-58826 and was originally engraved



Figure 141



Figure 142

by Robert Savage in 1927 from a painting by A E Foringer. A proof impression of this vignette is known in a private collection with the name, "SAVAGE" printed below (figure xx). No die proofs of this vignette were found in the archive. An ABN die proof imprint does not include a named title for the vignette.



Figures 143-144

Development of the CBN \$1000 Note

Models for the \$1000 note's face, with the date, "January 2nd, 1935," and back in English were present in the photographic archive books. These have a margin date of "Aug 8, 1934" (figures 143-144). Both have the tint colour written at the right as "P3 purple."

The face shows a portrait of John A MacDonal. As mentioned in the section on the \$500 note, this portrait was first considered for the \$50, secondly for the \$1000, and finally was used on the \$500. The pantograph on this face model reads, "Dominion of Canada."

The back design features an allegorical lumbering scene, showing a male figure with an axe and a background of lumber and trees. This model has "rejected" written at the left and below. The vignette has an "© ABNCo" at the bottom right. An actual model of this back exists with the notation below, "This model has been rejected by the Bank / Sept 10th/34," and Toller's initials, "PBT" (figure 145).

Another photographic model for a back design, with the margin date of 3 August 1934, was found on the same page in the archive photo book. It features an allegorical vignette of a woman and child with a shield. It has "approved" written at the left and "P3 Purple" at the right (figure 146).

Two partially engraved models were in the archive record book. On the first, with bank title, date and "will pay ..." in English but the word denominations in French, the date reads, "Issue of 1935." It has no portrait, although it may simply have fallen off. Arrows above are labelled, "Issue of 1935 to be cut on all" "Notice / cycloid out on / laydowns," and "No period," the last with the arrow pointing to a point after the "1935." The second, in French, has the engraved portrait of Laurier in place, the plate number, 73205, engraved above, and a notation above reading, "Notice / Cycloid / out." It has all the wording in French (figures 147-148).



Figures 145-146



Figure 147



Figure 148

Four approval proofs were also present. The first, of the face in English, has "approved Nov 12/34 / By Hon E N Rhodes / Minister of Finance." The second, of the back in English, has the date, "15 Nov/34," and is signed by Rhodes but with the notation, "subject to final approval of color" (figures 149-150). Both French approval proofs were also approved by Rhodes, with the face dated "Nov 3/34" and the back, "15 Nov/34." In addition the back bears the notation,



Figure 149



Figure 150

"Subject to final approval of color." All these approval proofs also show Toller's initials, "P.B.T." The original order page date of "7/31/34" for order number 0-798 reads, "Engrave portrait of / SIR WILFRED [sic] LAURIER / for face of \$500 [crossed out] 1000 note." Above in pencil we find "\$1000 / 85 Olive."

Portraits and Vignette for the \$1000 Note

Laurier's portrait was found as order number 0-798 on an order sheet with the date, "7/30/34," Edwin Gunn's name, and "Wilfred Laurie" [sic] (figure 151). It may also be a photograph by William Notman & Son of Montreal, but this is not confirmed. A die proof with written imprint was approved "Sept 10/34" by "W.C.C" (Clark) and initialled "PBT" (Toller). The name Wilfrid is spelled correctly on the imprint, "Sir WILFRID LAURIER / BANK OF CANADA / X-V-117 / CANADIAN BANK NOTE CO. LTD."

Three different die proofs with imprints were among the material in the photographic archive record. The first, with Wilfrid spelled "WILFRED" (figure 152), is without



Figures 151-153

copyright. The second has the horizontal bars of the letter "E" partly excised. The third has the "WILFRID" spelled correctly (figure 153). These last two have the "©CBNCo" copyright.

In an interesting letter, dated "July 12th, 1938," to Treadwell, J B Putnam, Manager of the Order Department at ABN, says,

... the impressions have been received this morning, and upon examining these, we find that Sir Wilfrid Laurier's name "WILFRID" is spelled "WILFRED" which is incorrect. As we have had requests from influential people for these impressions which we are presenting to them framed, we are pencilling in the change from "e" to "i" on the die impressions, but think it advisable that the die be corrected accordingly, if this has not already been done.

At the bottom we find, "copy of above to Mr Reece 7/13/38." A reply from Reece, Manager of the Engraving Division, on "July 14/38," reads,

Re — Portrait of Sir Wilfrid Laurier. Referring to Miss Putnam's letter of July 12 on the above we are changing the name on the die from "Wilfred" to "WILFRID."

In a memo to Treadwell dated "Sept 15th," Putnam says, "We are handing you herewith rejected model of the \$1000 Note." This is probably the back model with the "Lumbering" vignette rejected on 10 September.

Models of the \$1000 face and back, as corrected, were approved in a memo of 17 September from Putnam to Reece. Copy from a telegram dated 12 November from Toller to Treadwell reads, "Bank of Canada 1000 English face proof approved. Hasten shipment dies."

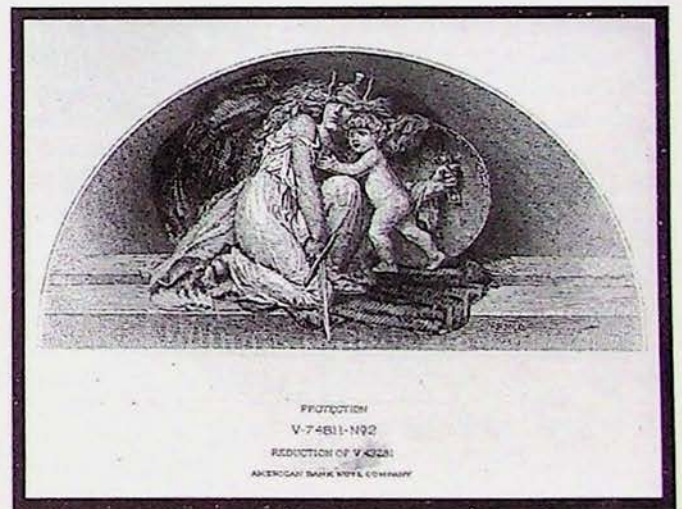


Figure 154

The back vignette was originally engraved by Edwin Gunn in 1917 from a painting by A E Foringer. A die proof of the vignette bears the imprint, "PROTECTION / V-43281 / C-1525 [crossed out] / AMERICAN BANK NOTE COMPANY." An order sheet with a photo of the original die proof attached has the name "Will Jung" and "D-15012" dated "2/6/34." Another order sheet has written on it, "Reduction of V 43281 / Engraved by Wm Jung / Started Jan 11th/35 / Finished Sept 10/35 / Out for approval Sept 11/35 / Approved Oct 14/35." A die proof is known which reads, "Protection / V-74811-No 2 / REDUCTION OF V43281 / AMERICAN BANK NOTE COMPANY" (figure 154). It

has an "© ABNCo" engraved on it. The vignette used on the note, however, has a "© CBNCo" engraved at the bottom right corner.

A model for a two-*Lempiras* note of El Banco Atlantida, in Honduras (figure 155; Pick 1986: S122), was also found in the photographic archive books. It has a margin date of "Feb 1 1932" and uses the same "protection" vignette as found on the \$1000 back.

Miscellaneous

Paper for Notes: Reference was made earlier, in the Bank of Canada tender for notes, that the paper to be used was to be prepared by the Howard Smith Paper Mills. In a letter dated 23 April 1935 to C S Matthews, of the Bank of England, D Gordon rights, "the paper which is used in the Bank of Canada note is prepared by The Howard Smith Paper Mills, Limited, and consists of 75 percent linen and 25 percent cotton."

Pantograph: The word "pantograph" is used throughout this article and in some catalogues of paper money. When I have used it, the term refers to the miniature engraving generally found in the signature panel area but occasionally used to fill in some otherwise blank areas between lathework and scrolls on the back of a note. This engraving usually consists of small geometric shapes, partly composed of words (ie, "one," "ten," "dollar," "Bank of ...," etc) and numerals. Sometimes included are tiny symbols such as maple leaves. This engraved area is usually a part of the tint, or coloured area, of the note. The balance of the tint is often composed of radiating lines or horizontal lines which fill in the background around a counter, portrait or vignette. In banknote company correspondence the term, "pantograph," is often shortened to "panto," and is used in phrases such as, "the panto to consist of 'ONE DOLLAR.'"

Webster's dictionary defines a pantograph as "an instrument for copying a drawing on any chosen scale, consisting of an assembly of hinged rods arranged as a parallelogram, the whole being able to rotate around a fixed point" (Webster 1987). Such machines were previously widely used in the jewelry and engraved stationery trades. The use of numerous templates of different lettering styles combined with a reduction ratio of 19 to 1 or greater means that very tiny letters or combinations of letters and devices can be copied onto copper or steel plates where they would be etched into the metal. One such apparatus was called a "Universal Engraving Machine;" another, which allowed reduction down to pin-point size, was called the "Zero Engraving Machine."

Royal Approvals: Other archival material bears on the question of Royal approval. In a letter to Treadwell on 9 November 1934, in reply to a request for additional face



Figure 155

proofs of notes except the \$500 and \$1000, Toller says, "you will understand that proofs of the faces bearing portraits of the Royal Family must be sent to London for their approval which explains our request for these particular proofs in triplicate."

Copyrights: Royal portraits used for the 1935 CBN issues were all copyrighted and had two different sources. One of these, dated "Feb 16/34," shows five portraits from "VANDYK, 41 Buckingham Palace Road, London." These include "H M THE KING / H M THE QUEEN / H R H THE PRINCE OF WALES / H R H THE DUKE OF GLOUCESTER / H R H PRINCESS ROYAL." The copyright fee was £5.5 for each.

Further invoices were found in the archive under the following headings: "Bertram Park / Marcus Adams Ltd. / Yvonne Gregory" at the left and "The Three Studios / 43 Dover Street, Picadilly / London W.1" at the right. One is dated "19th Feb, 1934" and reads, "2 prints of H.R.H the Princess Elizabeth, No. 6731.Y & rights for reproduction on New Issue of Bank Notes — £5.5 0d." Another with headings as above and the same date reads, "2 prints of H.R.H The Duke of York, No. 03140.R & rights for reproduction on new issue of Bank Notes — £5.5 0d. 2 prints of H.R.H The Duchess of York, No 01953G...." The third, as above but dated "21st Feb. 1934," reads, "2 prints H.R.H. The Prince of Wales, No 02696.F....," and "2 prints H.R.H The Prince George, No. 02705.A...." Only four of these were used for issued notes; three were used for the \$2, \$5 and \$10 essays.

References to copyrights for the portraits of John MacDonald and Wilfrid Laurier were not found.

Similar Use on Jubilee Stamps: Miniature Royal portraits very similar to those used on the 1935 Royal Bank of Canada notes can be found on the Silver Jubilee issue of stamps dated "May 4, 1935" (Bilesky et al 1992: nos S-211-213). A similar view of Windsor Castle is found on the 10¢ stamp (Bilesky et al 1992: no S-215). The King George V Pictorial issue of 1 June 1935, denominations 1¢ to 8¢, has a portrait similar to that used for the \$1 note.



Figure 156



Figure 157

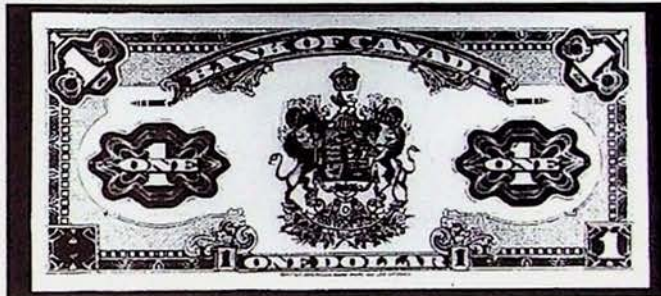


Figure 158

Cancellation of Plates: In a letter of 9 April 1937 to H Treadwell at the ABN offices in New York, P B Toller, at CBN Ottawa, says, "We have received written instructions from the Bank officials to cancel and destroy all dies, rolls and plates engraved for all denominations of the English and French notes, issue of 1935." Five portrait dies, listed as, XV-114, 124, 125, 126, 127 and one vignette of Windsor Castle, XV-128, were to be lightly cancelled and shipped to Ottawa. Rolls of the lathe border cuttings and English and French titles used on the faces and backs were to be included. On 12 April Treadwell replied to Toller, "... will get together the material... [and] have same lightly cancelled, and advise you of its shipment."

A memo from Putnam to Treadwell on 19 April says, "you will note that none of the material prepared for the \$2 and \$5 faces and backs and \$10 Note face are to be shipped to Ottawa. All of these rolls and dies should be cancelled and destroyed in the regular way at the Bronx, and usual records of cancellation kept."

ESSAYS AND PROOFS OF THE BRITISH AMERICAN BANK NOTE COMPANY

As early as 6 March 1934, C G Cowan, Vice-President and Managing Director of BABN wrote a letter to E N Rhodes, Minister of Finance, that refers to Bill 19. "Our company is equipped to furnish notes of suitable character and quality," he writes, "and would like to have an opportunity to submit proposals to the Bank of Canada at the appropriate time." He goes on to "ask the Governor to confer with our company before making definite arrangements for the engraving of the notes of the Bank."

In a reply the following day, 7 March, Rhodes says, "I will certainly be only too happy to ask, as I would have asked in any case, the Governor of the Bank of Canada the moment he is selected to discuss with you the question of engraving Bank Notes. I realize it would take some months to have these notes prepared, but it is doubtful if there is any course we can take prior to the setting up the Bank's establishment to accelerate the matter." As mentioned earlier, the government tender was published on 19 July 1934, with a tender deadline of 8 August 1934.

BABN's tender for producing Bank of Canada notes accompanied a letter dated 8 August 1934 to E N Rhodes. Part of the letter reads,

Enclosed you will find suggested designs for notes size 6" x 2-7/8" including margin for trimming; viz.,

- \$1.00 face and 2 backs
- \$2.00 face and 2 backs
- \$5.00 face and back
- \$10.00, \$20.00 and \$50.00 face and back.

In addition to the above we have included portraits of Sir A. T. Galt, Hon. Alexander MacKenzie and Sir Arthur Currie in case any of these might be considered for any of the notes.

In an appendix attached to this letter we respectfully offer a suggestion as to the portraits which might be used on the whole issue.

August 8, 1934.

APPENDIX

Not having had the advantage of conferring with the Bank as to the portraits to be used on the notes, we venture to suggest the following scheme:

- \$1.00 note - His Majesty, The King
- 2.00 note - His Royal Highness, The Prince of Wales
- 5.00 note - Sir John Macdonald, first Prime Minister of the Dominion of Canada and a Father of Confederation.
- 10.00 note - Hon. Alexander MacKenzie, second Prime Minister of Canada.
- 20.00 note - Sir Wilfrid Laurier, Prime Minister of Canada for fifteen years.



Figure 159

- 50.00 note - Sir Charles Tupper, Prime Minister of Nova Scotia; Father of Confederation; Finance Minister; High Commissioner to England and for a short time Prime Minister of Canada.
- 100.00 note - Sir Alexander T. Galt, Finance Minister of the Province of Canada before Confederation; a Father of Confederation; High Commissioner to England, etc.
- 500.00 note - Sir George E. Cartier - a Father of Confederation.
- 1000.00 note - Sir Leonard Tilley, Prime Minister of Nova Scotia; Minister of Finance of Canada and a Father of Confederation.

It seems to us that this gives representation to the two principal races, to the two established political parties, and to the geographical units of the country. Galt in addition to being a resident of Quebec was interested in Western colonization. The Fathers of Confederation are well represented as well as the four original provinces.

Hillel Kaslove (1990) has provided a brief outline of the BABN essays for the 1935 issue. I believe it is appropriate, for the sake of completeness, to present these photographs along with additional information and descriptions.

These models were prepared from designs by William Linegar, head of the Engraving Department at BABN. The only set of these models known at this time is in the Nova Scotia Public Archives in Halifax. The following photographs of the models have been made available through the courtesy of the British American Bank Note Company and the Bank of Canada National Currency Collection.



Figure 160

\$1 Essay

The main feature of the \$1 face design is a profile portrait of King George V facing left. It was engraved in 1934 as BABN die number 201 (figure 160). The engraver's name has not been determined.

The bank title and wording on this \$1 face model and the other models are all in English. In the bottom border are the words, "OTTAWA 1 ONE DOLLAR 1 JAN, 2nd 1935." The pantograph reads "ONE DOLLAR" in various configurations and the rays, which provide the tint, are in dark green. To the left of the portrait is a white "ONE" outlined in green and to the right is a green double-circle area, available for a distinguishing device of the Bank of Canada. The entire design, aside from two rows of eight red zeros, is printed in dark green (figure 156).

There are two back designs, both printed in dark green. The central design of each is the Canadian Coat of Arms (figure 159), engraved in 1932 by Bruce Hay, brother of the engraver, John Hay. The Coat of Arms is die number 796. The bank title and most of the larger "1" counters are different in the two models (figures 157-158).

The second model with the "1" over "1" top counters has a large inner border comprised of a "One dollar" pantograph similar to that used on the face model. The other back has this area as a plain green tint.

In all three \$1 models, parts of the design are done in green ink, by hand.



\$2 Essay

The main feature of the \$2 face is a portrait of the Prince of Wales wearing a naval uniform. It was probably engraved by Harry P Dawson and is BABN die number 193 (figure 161).

The basic design is similar to that of the \$1 except the bank title and "will pay ..." are in a straight line. The portrait frame is different and the "Ottawa" and date, "JAN. 2nd 1935" have been made smaller and raised to be above the pantograph. The overall design is again printed in dark green except for the red zeros, and the rays and pantograph, which still reads "ONE DOLLAR," are in olive (figure 162).

There are again two back designs. One has a sepia photograph of Parliament's centre block as its central vignette. The balance of the design is in green (figure 163). The other has a pasted-on vignette which may represent "Progress," as suggested by the winged wheel, and "Knowledge," symbolized in the two books, at the lower right (figure 164). The left arm of the seated female figure rests on a shield bearing the Canadian Coat of Arms. The entire vignette could represent "Canada — Progress and Knowledge." It is mainly in green, except for the vignette, which is either black or very dark green, and the inner border area, which is in olive. The vignette is a modified version of BABN die number 820 (figure 165). This die proof of the vignette omits the Coat of Arms. It was probably engraved by Harry Dawson, as a comparison of this die proof with that of the \$5 back vignette shows numerous similarities.

Figures 161-164 (top to bottom, left)



Figure 165 (below)





Figure 166



Figure 167



Figure 168



Figure 169

\$5 Essay

The main feature of the \$5 face is an engraved portrait of John A Macdonald, Prime Minister from 1867 to 1873 and 1878 to 1891. The original engraving of 1893 was produced by the Canada Bank Note Company as die number V3 (figure 166), and later was numbered BABN die number 120. It appears to be the portrait used for the Dominion of Canada \$5000 Bank Legal of 1896. It was re-engraved by George Gundersen for use on the Bank of Canada \$10 note of 1971.

The overall colour of the face is blue except for two rows of eight red zeros. The pantograph reads, "five dollars 5." The inscription under the portrait reads, "1815 MACDONALD 1891" (figure 168). The date and

"OTTAWA" on this and the remaining essays remain the same as on the \$2 essay.

The back model of the \$5 essay features an allegorical vignette. A standing female with the Red Ensign in her right hand, a maple tree and branch in her left, and a background of stream, trees and mountains (figure 169). Harry P Dawson engraved this vignette representing "Canada" in 1934 as BABN die number 812; a cut-out die proof of the vignette (figure xx) shows the initials, "HPD" below. Notice that the lion's head and maple leaves on the woman's girdle are similar to those on the \$2 back vignette. The wide inner border design is the same pantograph as on the face. Various lines and areas on the back are coloured in a blue ink or wash.



Figure 172

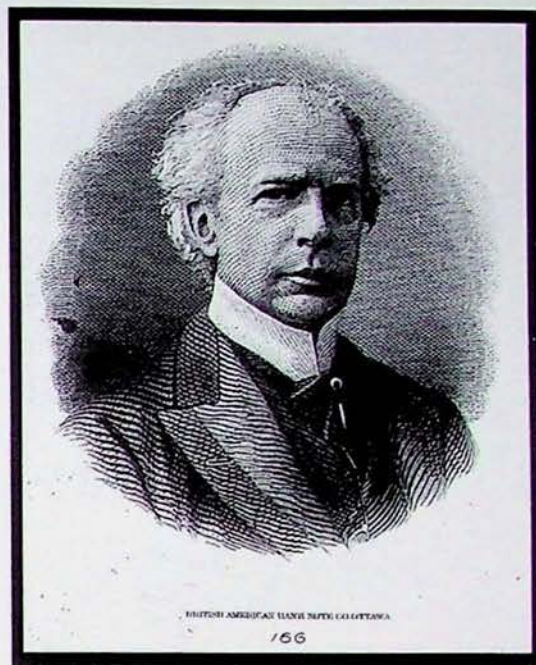


Figure 173



Figure 170



Figure 171

\$10 Essay

The predominant feature of the \$10 face is a pasted-on photograph of George Etienne Cartier, one of the Fathers of Confederation. The bank title is similar to that found on the \$1 essay, except that the word "The" is greatly reduced in size and moved to the left of the word, "Bank." The overall colour of the face design is a blue-green, although the photographic portrait may be black (figure 170). The pantograph reads, "One dollar - 1" like that on the \$1 and \$2 essays. There are two rows of six red zeros in the area for the serial number.

The back design (figure 171) features an allegorical woman holding a cornucopia with cattle and barns to the left, a man in a tractor at right with water and ships at the far right, the whole representing "Agriculture." The vignette,

actually a photograph of a painting, is mostly in sepia except for the water, which is blue. This blue may have been added with blue ink. The large inner border is again a "1 - ONE DOLLAR" pantograph.

Neither the portrait nor the vignette are known to have been engraved.

\$20 Essay

An engraved portrait of Sir Wilfrid Laurier, Prime Minister of Canada from 11 July 1896 to 6 October 1911, is used on this essay (figure 174). It has "1841 Laurier 1919" below. This portrait was engraved in 1906 and given BABN die



Figure 174



Figure 176



Figure 175



Figure 177

number 166 (figure 173). Gordon Yorke later re-engraved it for use on the \$5 Bank of Canada issue of 1972. The note is in black except for two rows of six red zeros and the pantograph, reading, "1 — ONE DOLLAR," which is in a salmon pink, and the rays and large "TWENTY" right and left of the portrait, which are in a light sepia colour. These last have been added with a fine brush. The bank title is similar to that on the \$2 essay, with the "will pay ..." somewhat closer.

The back of the \$20 essay (figure 175) has an allegorical Commerce vignette. A Mercury figure holding a caduceus stands beside a globe featuring North America. To the left are ships and derricks, to the right, a bridge, trains and radio towers. It is a pasted-on die proof which H P Dawson engraved in 1933 (figure 172, BABN die number 819). The bank title is similar to that used on the \$10 and \$50 backs. The vignette and imprint are black, the borders, counters and bank title are a brown-orange, and the pantograph, like the one on the face, is a salmon pink. The two large "20" counters at the sides of the vignette are sepia. This vignette with a different Mercury figure and other modifications was used on the backs of the Bank of Canada's \$2 note of 1935 and \$10 note of 1937. Note that the radio towers were replaced with an aeroplane. The original vignette was engraved by Dawson. In a 1984 letter to H Kaslove at the National Currency Collection, Dick White, President of BABN, writes, "the central figure was redrawn and re-engraved by Dawson." This may only refer to the mercury figure as another reference indicates that the revised vignette was engraved by George Gundersen.

\$50 Essay

A photograph of Charles Tupper provides the portrait proposed for the \$50 note. Tupper was Prime Minister of Canada from 1 May to 8 July 1896. The portrait has "1821 TUPPER 1915" beneath it. The photographic portrait was later engraved by H P Dawson as BABN die number 231 in 1941.

The overall design is similar to the other essays, the bank title straight, but the "will pay..." curved (figure 176). The basic design is mainly a dark green, there are two groups of six red zeros, the pantograph of "1 — ONE DOLLAR" is a grey colour, and the rays and large "50" counters are a light tan. An interesting difference between this essay and the others is the enlargement of the "British American Bank Note Co. Ottawa" imprint and its incorporation into the bottom border of the note.

The back of the \$50 essay (figure 177) portrays an allegorical vignette, probably representing "Invention." It has a seated male figure with his right hand resting on a motor. There is a book at his feet and a paper with diagrams resting on his lap. The background is made up of clouds. H Dawson engraved it in 1934, as is indicated by his initials on a cut-out of the vignette from the archive (figure 179).

The basic design of the back, like that of the face, is a dark green, the "1 — ONE DOLLAR" pantograph in the larger inner border is grey, the large "50" counters beside the vignette are a light tan.



Figure 178

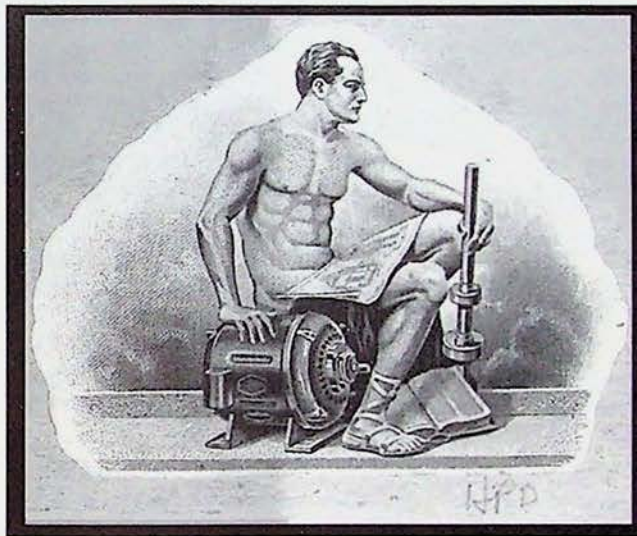


Figure 179

Higher Denominations

The models that BABN submitted with its tender did not include designs for the \$100, \$500 or \$1000 notes. The tender did include three photographic mock-up portraits, including ones of Galt, Currie and MacKenzie (figure 178). Arthur William Currie was Commander of the Canadian forces during the First World War, as well as an educator, while Alexander MacKenzie was Canada's second Prime Minister, from 7 November 1873 to 9 October 1878. The portrait of Alexander Galt has "1817 GALT 1893" beneath it, the one of Currie shows "1875 CURRIE 1933" in the same place, and the one of MacKenzie shows "1822 MACKENZIE 1892" below. These and the other suggested portraits were rejected when the Bank of Canada decided to use Royal portraits on all but the \$500 and \$1000 notes.

BABN's Development of Notes for the 1935 Issue

The essays of notes previously described were sent with the original tender submission in August 1934. Sometime around the beginning of September the government decided which denominations were to be awarded to each company. Orders at ABN pertaining to the \$2, \$5 and \$10, as we have seen, were stopped about 4 September.

The Finance Department evidently had advised BABN to prepare portraits of Queen Mary, The Prince of Wales and Princess Mary. A letter that B J Roberts wrote to BABN on behalf of the Deputy Minister on 15 November includes, "I beg to advise that we have received approval of the engraving of the photograph of Her Majesty the Queen for the \$2.00 Bank of Canada Note, proof of which you submitted to Mr Clark on or about 31st October last." Similar letters were no doubt received in regards to the other two portraits, but these have not been seen.

A letter from G F Towers to C G Cowan, Vice-President and Managing Director of BABN, dated 28 November, notes that

The specifications for Bank of Canada notes call for the use of standard Bank Note paper which is of such quality that 1000 sheets 14" x 17" shall weigh at least twenty-eight pounds.... the standard Bank Note paper supplied by the Howard Smith Paper Mills Limited which has been used for Dominion of Canada notes is quite satisfactory for use in Bank of Canada notes.

A memorandum that Cowan sent to the BABN Order Department on 12 December directs,

Kindly enter their order for notes in accordance with letter of November 30th attached. Paper for all — Howard Smith with green planchettes only.... Unless further advised all notes to be delivered in sheets 24-on. All notes to be numbered in sheets 24-on but are to be divided into six blocks of 4; each block of

four bearing double check letters A, B, C & D. No signatures are to be transferred on any of the plates. Special engravings to be made as follows: -

- \$2.00 notes face - portrait of Queen Mary
- \$2.00 notes back - special vignette "Transportation"
- \$5.00 notes face - portrait die of Prince of Wales
- \$5.00 notes back - special vignette "Power"
- \$10.00 notes face - portrait die of Mary, Princess Royal
- \$10.00 notes back - special vignette "Agriculture"

The memo continues with pantograph tints, "Two dollars 2, Five dollars 5, Ten dollars 10" and also in French.

Colours of notes as per approved proofs — \$2.00 ... blue, \$5.00 ... orange, 10.00 ... purple. Numbers in red in blocks of four check letters A, B, C, D as follows.

English

- \$2.00 1,000,000 sheets Nos. A000001 to A1,000,000
- 5.00 200,000 sheets Nos. A000001 to A200,000
- 10.00 100,000 sheets Nos A000001 to A100,000

French

- \$2.00 150,000 sheets Nos F000001 to F150,000
- 5.00 100,000 sheets Nos F000001 to F100,000
- 10.00 50,000 sheets Nos F000001 to 050000

Delivery to be made to the Comptroller of Currency, Department of Finance, East Block, Ottawa, as requested and until further notice.

The approved proofs mentioned above have not been found. The letter of 30 November to which the memorandum refers was one from G F Towers to C G Cowan containing the above instructions.

BABN prepared descriptions of the \$2, \$5 and \$10 notes and sent them to Towers. Part of the details are as follows.

\$2.00 Note face

Signature panels at bottom of note (microscopic lettering with white two's outlined on either side); also lines running from panel (the rays) to extremities of note in blue.

Issue date at top of note and denomination Two Dollars at bottom of note in white. A framed portrait of Queen Mary appears at the left of the central counter. This shows Her Majesty in evening dress with diamond tiara and necklace. The numbers of the note are shown in red at the top of the central counter on either side. A prefix letter A appears before each number.

A check letter appears immediately beneath the number on either side. One of the letters A B C or D appears on each note in black lettering. At the very bottom of the note in the center in small black lettering the imprint is shown; viz., British American Bank Note Co. Ltd Ottawa.



Figure 180

\$2.00 Note Back

All 2.00 note backs are printed in a bright shade of blue corresponding to the blue on the face. The title of the note is shown in white lettering in a curve at the top. The denomination of the note Two Dollars is shown in white lettering in a straight line at the bottom center.

The central feature of the note is a vignette or picture emblematic of transportation showing in the foreground a classic draped figure of Mercury with a globe behind the figured left leg. On the right side appears an airplane, a locomotive crossing an arched bridge and an electric train emerging from under the arch. On the left side a shipping scene with freight steamer, tugs, derricks, etc is shown. A similar imprint to be shown at the bottom.

\$2.00 Notes French — Face and Back

Designs are identical with the English note. The only difference being that all the lettering is engraved in the French language. The prefix letter before the numbers is the letter F.

Descriptions for the \$5 and \$10 notes follow the same format as for the \$2 note, but include for the \$5 note,

A framed portrait of H.R.H. the Prince of Wales in his uniform as a Colonel.... The central figure of this note is a vignette or picture emblematic of power. It shows a draped classic male figure seated on a dynamo and holding a sledge hammer in the right hand. Under the left foot of the figure a geared wheel is shown. On the left side of the figure is a water fall, on the right side a dam and in the background mountains with the indication of a power line on the right side.

For the \$10 note the description includes for the face,

A framed portrait of H.R.H. the Princess Royal appears at the left. She is shown in evening dress with a diamond necklace....

A central feature of the back is a vignette or picture emblematic of harvest showing a classic female figure with suitable drapery holding a sickle in the right hand. At the foot of the figure on the left is shown the sealed end of a horn of plenty; the open end being just behind the figure on the right and from the horn of plenty appear fruits of various kinds with sheaves of wheat on the extreme right of the picture.



Figure 181



BABN Final Designs

The preceding descriptions give a very accurate picture of the notes BABN produced. For some reason, virtually all the developmental work and progress proofs for these notes were not found in the BABN archives and are presumed to have been destroyed. Nor were any original portrait photographs or copyrights of them found.



\$2 Notes

Proofs of the \$2 note without tint, however, were found in both English and French (figures 180-183).

The portrait of Queen Mary for the face was produced in two versions. The first (figure 184) has the head and shoulders of the Queen slightly larger, the second (figure 185), as seen on the final notes, is slightly reduced to show shoulder straps and leave more area above the Queen's head. Both were engraved by H P Dawson. The former is believed to be die number 1, the second, die number 24.

Final proofs of the back bear the transportation vignette similar to the one used on the back of the first \$20 model. Dawson engraved the original. As previously mentioned, the central figure of Mercury was redrawn and re-engraved by Dawson. It is believed, however, that the balance of the vignette was altered and re-engraved by George Gundersen. An enlargement of most of the vignette, probably cut out of a proof, with "Gundersen" written below is known. A few specimens of the \$2 notes exist (figure 186); naturally they include the full tint.



Figure 186

Figures 182-185 (top to bottom, right)



Figure 187



Figure 191



Figure 188



Figure 189



Figure 192



Figure 190



Figure 193



Figure 194

\$5 Note

Proofs without tint of the \$5 note in English and French survive, although photographs of them are not available at present. A specimen of the face (figure 187) was in the archives, however.

The portrait of the Prince of Wales was engraved by H P Dawson. The first portrait (figure 188) shows the Prince facing right and is possibly die number 11. The second (figure 189), which is slightly larger, has the Prince facing left, as on the note. This is possibly die number 27. A third



Figure 195



Figure 199



Figure 196



Figure 200



Figures 197-198

engraved portrait showing the Prince in profile (figure 190) was also found. Cut-out proofs of each exist.

Final proofs of the back have been seen in English and French (figures 191-192). The back of the note with the "vignette emblematic of power" was engraved by Dawson. The central figure is derived from an original painting whose artist has not been identified (figure 193). A cut-out die proof of the back is in a private collection (figure 194).

\$10 Note

Proofs of the face of the \$10 note without tint are known in English and French (figures 195-196).

Two portrait die proofs are known. The first, without any background, shows Princess Mary facing to the right (figure 197). The second shows her facing forward, as used on the note. It is possibly die number 45 (figure 198).

Final proofs of the back are known in English and French (figures 199-200). The back vignette, representing harvest, is



Figure 201



Figure 202

derived from two similar original paintings (figures 201-202), which differ only in the end of the horn of plenty at the right and the fruits and sheaves. Both of these have the number, "G11," at the top left, and the identity of the artist is unknown. The final die proof vignette (figure 204), engraved by H P Dawson, appears to use most of the first painting of the figure but uses the sheaves at the bottom right foreground of the second one.

Specimens of the \$10 note are known (figure 203). Five of the six portraits and vignettes for these three notes were engraved by H Preston Dawson (figure 207).

Several other engravings that Dawson produced in the same period may have been proposed vignettes for the backs of the notes. Two are shown here. The first shows a transportation allegory (figure 205), the second a harvest allegory (figure 206). A die proof of the latter with the image reversed is also known.

Orders for BABN Notes

The first order was on 30 November, as outlined previously. Additional orders were as in table 2.

Several note orders were not found in the archive. The last was dated "July 19, 1935," apparently the last order for French \$5 notes, but additional orders for the balance were evidently received. The April order was to be delivered to the Chief of the Currency Division, Bank of Canada.

Note Replacements

Most students of this series of notes will know that any notes damaged or otherwise imperfect were replaced with new notes bearing the same serial numbers. This was an expensive and time-consuming job and would obviously hold up various bundles of notes until the defective notes were replaced. A letter from G H Burland, Secretary-Treasurer of BABN, to



Figure 203



Figure 204



Figure 205

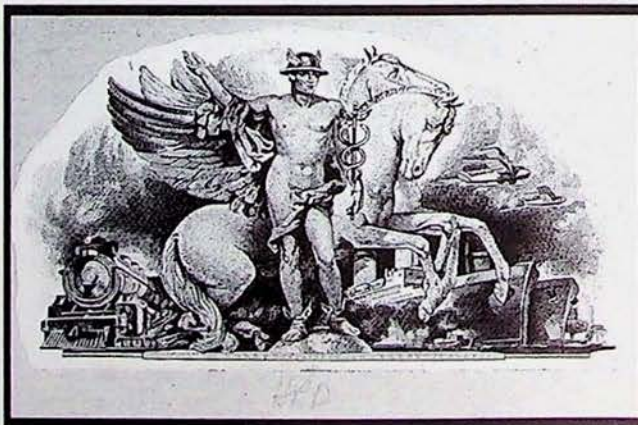


Figure 206



Figure 207

D Gordon, Secretary of the Bank of Canada, on 24 April 1935 mentions, "We will be glad to prepare statements in future, showing full particulars of the notes used in replacement. This statement will cite the denominations of the notes and also the individual number of each note."

Proposed Bilingual Notes

As early as April 1936 the Bank of Canada and BABN were exchanging views on a new bilingual issue of notes. In a letter dated 20 June to Burland at BABN, the Deputy Secretary of the Bank of Canada writes, "Parliament has recently enacted a measure whereby the Bank of Canada will be required to issue bilingual bank notes in the future."

Cancellation of Orders, Notes and Rolls

In the same letter, an order for 860,000 \$5 English notes made on 23 April was cancelled, while another letter from D Gordon at the Bank of Canada to BABN on 29 September 1937 includes,

I am now in the position to certify that there will be a total of 3,664,000 notes of the \$2 denomination, 1935 issue, to be cancelled under the terms of the agreement made between us. The 3,664,000 notes which are to be cancelled are now on hand at our Currency Division.... I am writing to the Canadian Bankers' Association asking that the chartered banks cooperate with us in withdrawing the 1935 \$2 issue as quickly as convenient.

This action was in response to the apparent confusion arising among the public between the blue \$2 1935 notes and the blue \$5 1937 notes.

In a letter to Gordon on 14 April 1937, Cowan at BABN states,

We beg to report that all plates, dies, and rolls used in connection with the printing of English and French Bank of Canada notes of the 1935 issue have been cancelled in accordance with your instructions.

A three-page list of the above accompanied the letter.

Production from the Bank's Inception to 31 December 1936

A statement accompanying the production figures for the 1935 issue (table 3) indicates that for both 1935 and 1936 the total values of notes the Bank destroyed was equal to the total value of replacement notes produced. The total number of original notes printed is 43,330,000. Since the "replacement notes" replaced defective notes from the totals given, these are of course not added to the totals. The above total agrees with the totals found for the \$2, \$5 and \$10 issues in English and French in the Charlton Standard Catalogue (Allan 1992). The percentage of replacement notes in the initial period is 0.51% and in the second period is 0.03%, representing a dramatic decrease of about 95%. The above number includes the 3,664,000 \$2 notes which the Bank of Canada later destroyed.

An audit of 31 December 1938 confirms these figures except for the \$2 replacements, which now read, "English \$163,808, French \$11,792 for a total of \$175,600." The above figures and this revised figure for the \$2 are verified in an audit of 31 December 1941.

Table 2. Orders for BABN notes

| | | |
|------------------------|----------------|-------------------------|
| Jan 2, 1935 | | |
| \$5.00 notes | 300000 sheets | Nos A200001 to 500000 |
| \$10.00 notes | 150000 sheets | Nos A100001 to 250000 |
| Jan 11, 1935 | | |
| \$2 notes | 250000 sheets | A 500001 to 750000 |
| March 15th | | |
| 5.00 notes | 250000 sheets | A 500001 to 750000 |
| 10.00 notes | 150000 sheets | A 250001 to 400000 |
| French Text: | | |
| 10.00 notes | 25000 sheets | F50001 to 75000 |
| April 3 - English text | | |
| 5.00 notes | 250000 sheets | A750001 to 1000000 |
| 10.00 notes | 100000 sheets | A400001 to 500000 |
| French Text: | | |
| 2.00 notes | 125000 sheets | F150001 to 275000 |
| 5.00 notes | 50000 sheets | F100001 to 150000 |
| 10.00 notes | 25000 sheets | F75001 to 100000 |
| July 19, 1935 | | |
| English | | |
| 2.00 notes | 1250000 sheets | Nos A3000001 to 4250000 |
| French | | |
| 2.00 notes | 500000 sheets | Nos F750001 to 1250000 |
| French | | |
| 5.00 notes | 250000 sheets | Nos F500001 to F750000 |
| French | | |
| 10.00 notes | 100000 sheets | Nos F250001 to F350000 |

The Pros and Cons of the 1935 Note Issue

An interesting letter from J A C Osborne, Deputy Governor of the Bank of Canada, to C G Cowan at BABN, dated 8 May 1935, summarizes an expert's views on the subject of the new Bank of Canada notes:

Pro

- (1) The notes possess the security afforded by most excellent engraving (both by hand and machine).
- (2) Their security is enhanced by the inclusion of a vignette on the face and a "picture" engraving on the back.
- (3) The notes bear the full measure of protection that excellence of printing can provide. I have nothing but admiration to offer for the quality of the printing.
- (4) A high degree of security is provided by the notes being plate-printed on both sides.

Con

- (1) *The note contains no watermark.*
A brilliant and distinctive 3-plane watermark in a "window" specially provided would be a main security feature). [sic]
- (2) *The plate-printing bears no protective overprint*, either on the face or back; the view is apparently held that any overprint would partially obscure and therefore detract from the clarity and value of the plate-printing.
(In some countries they fear the expert photographer more than the expert engraver or printer. I presume the converse is the case in the States and Canada).

- (3) *The face of all denominations is plated-printed in black ink.*

This is the easiest colour to photograph; the easiest colour to forge; it makes a protective overtint valueless; it makes the uttering of forged notes easier (if suitable folded); it also makes the sorting and recognition of notes more difficult.

- (4) *The numbers are too close together.*

The most desirable arrangement is for one number to appear in the upper right quarter of the note and the other number in the lower left quarter. This allows a number to remain on both halves of the note if it is cut, or torn, either from north to south or east to west. It also provides the maximum chance of ascertaining a number if the note is partially mutilated or burnt.

- (5) *The presence of the "protective" (?) green spots.*

Whatever the reason is for these spots, I regard them as a positive danger rather than a security feature. It would be child's-play for a forger to reproduce them in any position and their very presence (so reproduced) would tend to "hall-mark" the forgery and induce the general public to regard it as being genuine.

- (6) *The absence of any "two-colour" printing on the face.*

The colour design on the face is presumably for the purpose of distinguishing the denominations only. It has little protective value. A "two colour" print on the face would considerably enhance the security of the note.

- (7) *The notes are calendered.*

A certain loss in the security value of plate-printing is caused by the original "embossing" being flattened out; this gives a smooth result that can be imitated in various ways without the necessity of plate-printing.

Table 3. Production figures for 1935 and 1936

| Denomination | Original Issue | | | Replacement Notes | | |
|---|----------------|------------|------------|-------------------|--------|---------|
| | English | French | Total | English | French | Total |
| Production from Start of Bank to 31 Dec 1935 | | | | | | |
| \$2 | 24,000,000 | 6,000,000 | 30,000,000 | 156,640 | 10,592 | 167,232 |
| 5 | 18,720,000 | 10,000,000 | 28,720,000 | 155,240 | 17,960 | 173,200 |
| 10 | 24,000,000 | 10,000,000 | 34,000,000 | 37,920 | 14,600 | 52,520 |
| Totals | 66,720,000 | 26,000,000 | 92,720,000 | 349,800 | 43,152 | 392,952 |
| The above represents 24,144,000 original notes and 123,508 replacement notes. | | | | | | |
| Production from 1 Jan to 31 Dec 1936 | | | | | | |
| \$2 | 20,680,000 | 4,600,000 | 25,280,000 | 4,968 | 1,200 | 6,168 |
| 5 | 11,980,000 | 5,000,000 | 16,980,000 | 4,980 | 920 | 5,900 |
| 10 | 26,000,000 | 5,500,000 | 31,500,000 | 13,920 | 1,920 | 15,840 |
| Totals | 58,660,000 | 15,100,000 | 73,760,000 | 23,868 | 4,040 | 27,908 |
| The above represents 19,186,000 notes and 5,848 replacement notes. | | | | | | |

The reader will no doubt have varying opinions as to the validity of this unnamed expert's opinions.

This concludes this review of the work by ABN, CBN and BABN on the 1935 issues of the Bank of Canada. One can only hope that more information on these issues will appear at a later time.

I hope that the reader will have persevered in the study of this rather long and sometimes technical treatise. It is, I believe, all the information that is currently available and presents an absorbing glimpse into the behind-the-scenes production of bank notes. I hope it will be a source of enjoyment for some, and an incentive to others to pursue further research in this area. A future article will review the essays and models for the 1937 Bank of Canada issues.

Acknowledgements

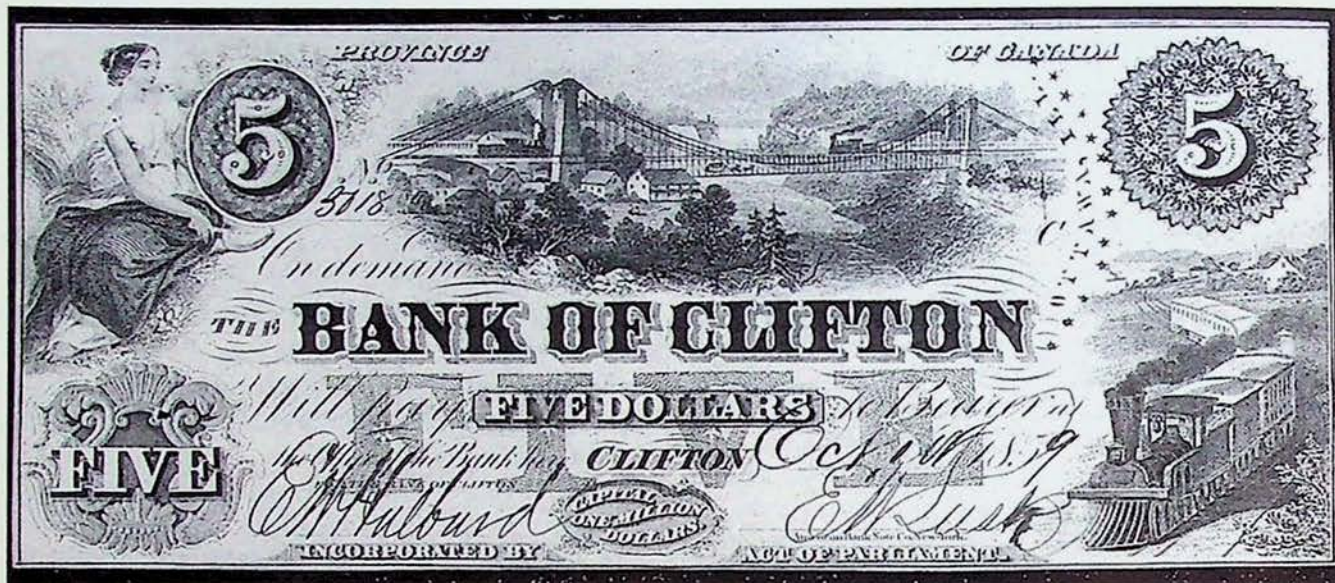
The following individuals provided invaluable assistance in the preparation of this manuscript: J Graham Esler, Chief Curator, National Currency Collection, Bank of Canada; H Kaslove, National Currency Collection, Bank of Canada; K R Thomson, G Prosser, Richard White and J Trudeau, all of the British American Bank Note Company; A Chen of the American Bank Note Company, S. Longfield of the Canadian Bankers' Association; and E Banning, Editor, *Canadian Paper Money Journal*. All photographs are by the author, unless otherwise noted, from material in the ABN archive, BABN archive, National Currency Collection, and the author's personal collection. The original source of copies of correspondence between ABN and CBN and the Finance Department and Bank of Canada is unknown. Copies of correspondence between BABN and the Finance Department and Bank of Canada are courtesy of The British American Bank Note Company.

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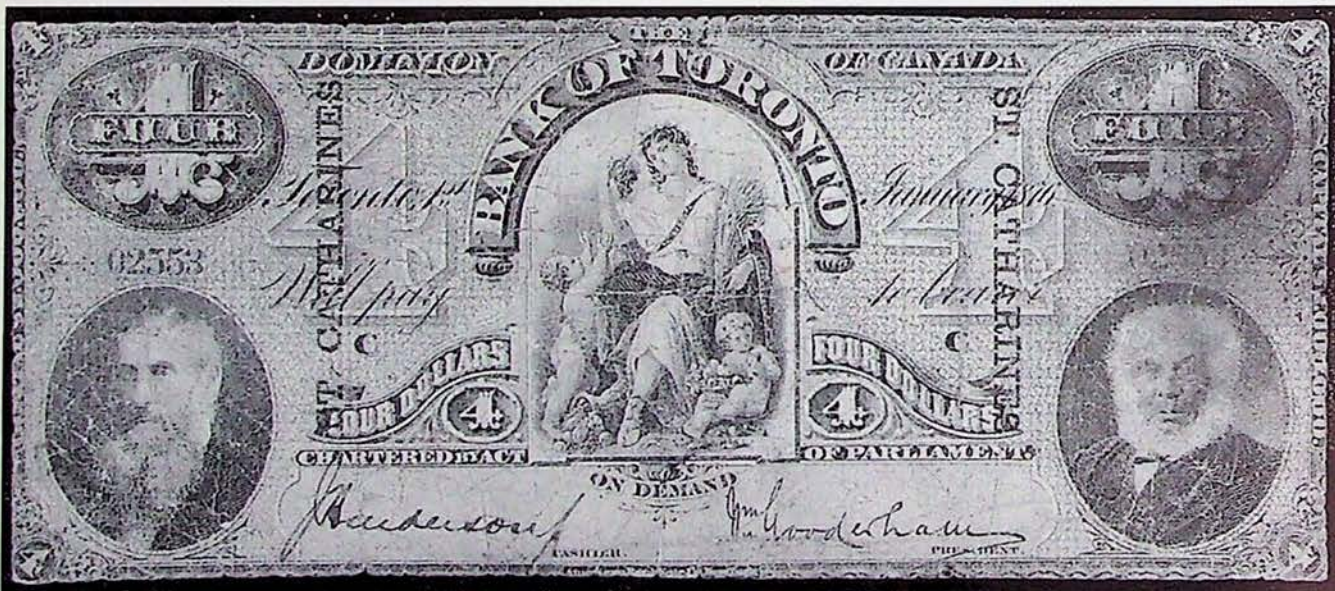
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In this regular feature, with the help of J Graham Esler, Chief Curator, we present recent acquisitions at the National Currency Collection of the Bank of Canada.



\$5 note of the Bank of Clifton, Oct 1, 1859. 3718/C overprinted "OTTAWA, ILL" over stars (photo, Zagon). This is the first recorded example of the overprint on a partially engraved, two-signature note.



\$4 note of the Bank of Toronto, 1 January, 1876. 02553/C, overprinted "ST CATHARINES" (photo, Zagon). The portraits are of James G Worts (left) and William Gooderham (right). This is one of three notes known, and the only known example with this overprint.

The following two notes are the only known examples.



\$2 note of the Union Bank of Lower Canada, March 1, 1866. 14969/B, overprinted "MONTREAL" (photo, Zagon).



\$4 note of the Union Bank of Lower Canada, March 1, 1866. 25612/A, overprinted "MONTREAL" (photo, Zagon).

La Sarre, Québec, Issues Three 1992

Trade Notes

Jerry Remick, FCNRS

La Sarre, a small municipality situated north of Rouyn-Noranda near the Ontario border in northwestern Québec, issued trade notes in denominations of \$2, \$5 and \$10 to mark its 75th anniversary in 1992. The notes were legal tender in La Sarre throughout last year, and were issued by le Comité des Fêtes du 75e de La Sarre (La Sarre committee for the celebration of the 75th).

The face of each note is identical except for the basic colour, denomination and counters. The denomination appears in the centre, flanked by La Sarre's crest to the left and the municipality's 75th-anniversary logo to the right. "1917 La Sarre 1992" appears on a ribbon near the top of the note, with "75e Anniversaire" just below it. "Ce billet a cours légal à La Sarre du 1er janvier au 31 décembre 1992" (This note is legal tender at La Sarre from 1 January to 31 December 1992) appears below the denomination in the centre. The signature of the Mayor of La Sarre is below the crest at left, and that of the president of La Sarre's 75th anniversary is just below the logo at right. Counters occur at upper left and lower right. Near the bottom edge is the printer's name, J. B. Deschamps, Inc., Québec in upper case letters.

The back of each denomination shows a different scene from La Sarre with the title below and counters in the four corners. The Mercier lumber mill ("Moulin Mercier") appears on the \$2 note, Saint André's Church ("Église Saint-André") on the \$5 and La Sarre's Dam number 2 ("Barrage La Sarre N° 2") on the \$10. Lumbering is one of the municipality's main industries.

The notes all measure 30 mm x 152 mm and are printed on white bond paper containing small green and red planchets to protect against counterfeiting. Each denomination has its own basic colour: brown for the \$2, blue for the \$5 and green for the \$10 note. On the face all inscriptions, the crest and logo are printed in black against a background in the note's basic colour. The five-digit serial number is printed in red in the lower centre of the face with three prefix letters in black.

The firm of J. B. Deschamps printed the notes in Quebec city in the following numbers.

| | |
|------------|---------------|
| \$2 | 40,000 copies |
| \$5 | 10,000 copies |
| \$10 | 1,000 copies |

The set of three notes in Unc condition is available for \$21 postpaid from Jocelyn Roy, c/o J R Numismatiques Enr, Box 486, Station C, Montréal, PQ H2L 4K4.



Face (\$2) and back (\$2, \$5, and \$10) of trade notes issued by La Sarre, 1992.

Origin of Banknote Vignettes

VI — Medea

Walter D Allan, FCNRS



The subject of this imposing vignette is Medea, the daughter of Aetes, the King of Cholchis. Her mother was either Hecate, a goddess of the lower world, or one of the oceanides. This partly supernatural origin gave her the wonderful powers of sorcery which were added to her other obvious charms. She used her powers to aid Jason, leader of the Argonauts, in obtaining the Golden Fleece from her father. She married Jason and had two sons. Jason eventually deserted Medea for Glauce, the daughter of Creon, King of Corinth. Medea, feigning resignation, sent a gift of a robe and coronet to Glauce. After Glauce had donned the gifts, they burst into flame and inflicted on her a painful death. Her father, in his attempt to save her, also perished and the palace was destroyed. Medea then horribly killed her own two sons and fled to Athens. The painting shown here (figure 1) shows an angry Medea, knife in hand: "Heaven has no rage like love to hatred turned, nor hell a fury like a woman scorned." Whether this is before or after slaying her children is not apparent.

The picture was painted by Nathaniel Sichel, a German artist born at Mayence in 1844. He was first a lithographer but then entered the Academy of Berlin where he was a pupil of Schradel. He won the Prize of Rome for his painting, "Joseph interpreting Pharaoh's Dream." On leaving Rome he studied for a year in Paris. He later lived in many cities in Germany, painting ideal heads and portraits. He also painted quite a number of women in Athenian and Egyptian dress. Some of his paintings are "Turandot," "Deborah," "An Egyptian Slave," "An Odalisque," "Aspasia" (daughter of Axiochus and friend to Pericles of Athens, "Alceste," "A Thelian Fruit Vendor," "The daughter of Jephthah," and "Fellah Woman." Quite a few of these women have common facial features which seem to reflect the artist's ideal of feminine beauty. Sichel is best known for his compositions of refined and dignified Classical subjects.



The earliest note depicting this vignette (figure 2) was produced by the Homer Lee Bank Note Company, a ten-peso note of El Banco Mercantil de Yucatán, Mérida, Mexico, dated 1890 (Pick 1987: S447). This shows a woman in the same pose as in the painting, but with a more pleasant visage and the dagger replaced by a small caduceus. Her left hand rests on a ship's wheel. This is die no 203 (figure 3).

The other note showing "Medea" is the \$20 of La Banque de St Hyacinthe, dated 1892 (Allan 1993: CH-645-12-06;

Figures 1 and 2.



Figure 3.



Figure 6.



Figure 4.



Figure 7.

Pick 1986: S929). It was printed by the Canada Bank Note Company as die no 62 (figure 4). William Cumming Smillie, an engraver for many firms, including Canada Bank Note Co, left it to work for the Homer Lee Bank Note Co about 1888. Perhaps he sent the vignette to his friends at Canada Bank Note Co, who copied it. They reversed Medea's pose so that she looks to the right, and omitted the gold bands on her arms. When the company was purchased by the British American Bank Note Co in 1891, the die became BABNCo no 404 (figure 5). British American Bank Note Company titled the vignette, "Commerce."

It is a great coincidence that in the same year, 1892, a vignette bearing a striking resemblance in general pose and facial features, type of clothing, position of the left arm, etc, was produced by engravers at the Western Bank Note Company (figure 6). Whether they copied the Homer Lee rendition we may never know. It was used on the \$10 note of the Bank of Hamilton, Canada (Allan 1993: CH-345-16-04; Pick 1986: S452; figure 7). In this note, Medea's face looks forward, the ship's wheel at her left hand is replaced with a basket of fruit, the right arm is straightened and cradles a larger caduceus. The die number is unknown.

The pursuit of the origin of banknote vignettes is difficult, but rewarding, especially when vignettes migrate from one banknote company to another. We have, then, a delightful "Commerce" figure adorning banknotes thanks to a painting of "Medea" by the German artist, Nathaniel Sichel.



Figure 5.

VII — Joseph Brant — Thayendonegea

Walter D Allan, FCNRS

1992 was the 250th anniversary of the birth in 1742 of one of North America's most renowned aboriginal leaders.

The great Mohawk war chief was a man of two worlds, on one hand, a ferocious and daring warrior leading his braves in ferocious attacks against the settlers in the Mohawk valley and, on the other, drinking tea with George Washington in the capital. He was a graduate of the Indian school that later became Dartmouth College, and translated the Bible into the Mohawk language.

As the American colonies' war of Independence began to heat up, the old war chief of the Iroquois named Thayendanegea of the Wolf clan as the new war chief. The Six Nations held a council and found that they were hopelessly divided in their support of the colonists, the King, or neutrality. The Mohawks and many of their allies, however, decided to support the British, since Sir Guy Carleton, Governor of Canada, and Sir Frederick Haldiman, his Major-General, and, indeed, King George III himself, on Brant's visit to London, assured the chief that Iroquois lands would be

returned to them, or equivalent lands elsewhere, once the war with the colonies was over.

When the Treaty of Paris was signed, it appeared that native lands were given no thought and the territories were transferred to the American colonists. The Mohawks were greatly disturbed, and Brant decided that now was the time to remind General Haldiman of his promise. He did so and the General replied that if the chief were willing to move his people from the north side of lake Ontario and River Niagara, the King would grant them lands of equal extent at Catarqui, near the Bay of Quinte. On hearing of this plan, a group of Seneca chiefs hastened to Fort Niagara to urge Brant not to move his people to the Bay of Quinte as that would separate them, and they would be unable to support each other in time of need. They suggested that suitable land could be found in the valley of a river called the Ouse, or Grand, which emptied into Lake Erie. The Mohawk chiefs agreed and asked Brant to secure this land from General Haldiman for his people. Within a few months the British government negotiated the purchase of the Grand River property from the Mississauga tribes and, on 25 October 1784, the General signed a deed on behalf of King George III allotting the Mohawks the land six miles deep on either side of the Grand River from Lake Erie to the river's head. Many other aboriginal groups, disillusioned by the unfairness of the Americans, travelled to the Grand River and were welcomed by Brant and his people. Soon 1843 native people had settled there.

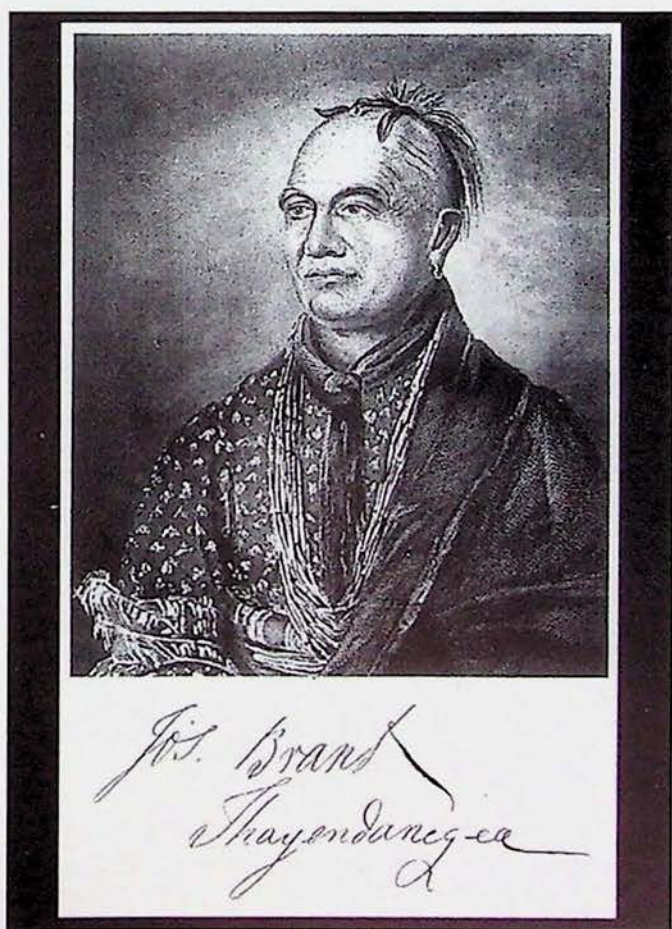


Figure 1.



Figure 2.



Figure 3.



Brant and his chiefs did not realize that the deed did not give them the right to sell any of their property. They also discovered that most of the fur-bearing animals in the Grand Valley had been killed off.

Brant spent many years trying to convince Lieutenant-Governor Simcoe that the true intent of the Haldiman deed should be put into effect. Simcoe did issue a new deed in 1793, but again the power to dispose of any lands, except to the Crown, was denied. Brant continued to press his demands with Simcoe's successor, Lieutenant-Governor Russell, and later with Major Peter Hunter, but without success. Unexpectedly, King George III gave Brant, for his loyalty to the Crown, a grant of 3500 acres fronting on Lake Ontario at Burlington Bay. Brant moved to this new location and built a house there, where he spent his remaining years. He died there on 24 November 1807. Most of the native lands in the Grand Valley were surrendered to the Crown in 1841 so that their disposal by the government would provide income for the Six Nations people and their posterity. The house in which Brant spent his last years was eventually moved and is now the Joseph Brant Museum in the Town of Burlington.

The town of Brantford, founded in 1823 on the Grand River, was named after the famous Mohawk leader. There a monument was erected to him in Victoria Square in 1887. Brant's remains rest in the Brant Mausoleum in Brantford.

The above is a brief review of the life of Chief Joseph Brant. Given such an illustrious career, it is not surprising that Brant's portrait appears on paper money. A sheet of \$1, \$3, \$5 and \$10 notes of the Montgomery County Bank, Johnston, NY, was printed by V Balch and C Durand and issued in the 1860s (Haxby 19???: NY-1130 G4, 10, 14, 18). The portraits appear at the left end of each note, and the name, "Thayendanegea" is engraved on a ribbon beneath the portrait on the \$5 note (figure xx). The portrait is derived from a painting by Ezra Ames in 1806. Later George Catlin, the famous painter of aboriginal chiefs, copied it. This likeness of Brant was used in various engravings in books (figure 2).

At the right end of the notes two buildings appear. The \$1 and \$10 show both, the \$3 has one, and the \$5 has the other. The vignette with three buildings is Johnson Hall in Johnston, NY, the venue for a number of native Councils. It was built about 1862 by Sir William Johnson, superintendent of the affairs of the Six Nations. Johnson was adopted by the Mohawks, whose language he spoke well and who named him Waroghijaghe (He who has charge of affairs). The other vignette shows a church building. This is probably the Episcopal Church built in the village soon after 1862.

The second use of the Brant portrait is on an advertising note for "The Bank of Health" (figure 3), which will pay on demand for twenty-five cents one box of Briggs' Indian Vegetable Life Pills. The principal office was at 100 King St, Hamilton, CW. General agents were C V Clickner & Co, 81 Barclay St, NY. Brant's portrait appears at each end under the large "25" counters.

The last use of Brant's portrait is on two reward-of-merit cards. They show no place of origin. The one shown here (figure 4) has Brant's portrait on the bottom right; the other shows his portrait at bottom left. Documents such as these were generally given to children at churches or schools.

This brief excursion into the life and engraved memorials of the great Mohawk chief can only partially explain the very limited use of his portrait on US notes, but does not explain why this true British patriot was not portrayed on Canadian ones. His influence was perhaps at least equal to that of Chief Red Jacket, whose image appears on various US and Canadian notes. Perhaps Canadian guilt at the treatment of Brant and his people was the underlying factor in this omission.

A very interesting and informative account of Joseph Brant's life and death can be found in the *Globe and Canadian Farmer* for 19 January 1877 (Anonymous 1877). More than two full pages recount his exploits, including his presence at a masquerade ball in London, England, in January 1786, where he scared many guests "half to death" by emitting the terrible war-whoop of the Mohawks.

Acknowledgements

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Notes and Varia

The Old Bank Museum, Riverside-Albert, New Brunswick

It is surely not very often that a three-storey building is moved from one location to another. It's even more unusual that it should change location a second time, after standing in one place for 56 years. Perhaps it has never happened to any other bank in this country.

Ours is a unique old bank. It has the distinction of having served two prestigious institutions, first The Bank of New Brunswick and, after bank amalgamation in 1913, The Bank of Nova Scotia. Imagine the stories it could tell from its 90 years of existence! Like how it was moved by one horse and two men or about New Brunswick's biggest bank robbery, which took place in 1984.

Our research has revealed that the building was especially constructed to house a bank. It has served this community since 1903. The bank's placement was of strategic importance: its original location in Riverside by the wharf and next to a large hotel made it convenient for arriving and departing merchants and mariners.

A nicely decorated apartment to house the manager's family added prestige to that office. The bank manager was one of the prominent citizens of the community and his living quarters reflected his status. Also, living upstairs added a measure of security for the bank. Nowadays, it is considered risky to live above a bank. Times and robbers have changed!

In 1913, The Bank of New Brunswick merged with The Bank of Nova Scotia. Our old bank continued to operate under the new name, but in the 1920s the local lumber industry and general economic conditions declined. Since there was another branch of The Bank of Nova Scotia in Albert, one had to be closed. After much rivalry and

disagreement, it was decided to move this building from Riverside to Albert, which was considered a better location.

During the summer months of 1928 the bank was placed on skids and moved one mile west along Water Street to Albert. One horse turned a capstan (known as "the crab") to pull the building along at a barely perceptible rate. Some older people, who at that time attended school, remember how they were supposed to walk around the moving structure, but of course they preferred running through it. One boy was told that he would get his bottom spanked if he did it again.

The bank robbery which took place on 11 July 1984 created a big sensation. Two culprits were caught and convicted but the money, \$177,000, has never been recovered.

In 1985 Scotiabank, desiring larger and more modern quarters, constructed a new building and gave the old one to Albert County Heritage Trust, which moved it again, diagonally across the corner to the place where it now stands, but this time it was supported on I-beams pulled by a big truck and the actual move only took a half-hour.

As you enter the old bank, you step back in history. Try to imagine depositing your savings, or withdrawing money, in bills today no longer in use. Seeking a loan, you are invited into the manager's office and are impressed by the dignified room with its fireplace, heavy desk and books. The back work room now houses documents and objects connected with the economy and history of this area. A small café on the second floor is decorated in a style to which the manager's families would have been accustomed. Most meals resemble those served for generations in New Brunswick homes. The rooms on the third floor will soon be ready to portray the

typical family dwelling of an early bank manager.

Courtesy the Albert County Heritage Trust, Inc. For more information, contact the ACHT at RR2, Albert, NB E0A 1A0 (telephone 506-882-2015 or 882-2100).

The Canadian Bankers' Association Walter D Allan, FCNRS

A meeting of prominent bankers took place on 19 May 1892. This was the first executive meeting of the Canadian Bankers' Association. The first president was George Hogue, General Manager of the Merchants Bank of Canada. Other members of the executive included Byron Edmund Walker, General Manager of the Canadian Bank of Commerce, Thomas Fyshe, General Manager of the Bank of Nova Scotia, and D R Wilkie, General Manager of the Imperial Bank of Canada. Also present at the meeting, as an associate, was Edson L Pease of The Merchants Bank of Halifax (later the Royal Bank of Canada).

At a second meeting which took place on June 1893 the executive decided to publish a quarterly journal with articles submitted by members or associates, and the birth of the *Journal of the Canadian Bankers' Association* took place in September of that year. The lead article was a paper that B E Walker had read at the Congress of Bankers and Financiers in Chicago in June of 1893 (Walker 1893).

The journal has persisted now for 100 years, its name changed to *The Canadian Banker* in 1936. Two of its editors are known to members of the Canadian Paper Money Society; Victor Ross, author of the first two volumes of a history of the Canadian Bank of Commerce, was editor from 1915 to 1919, and C S Howard was author of the article, "Canadian banks and bank notes — a record," which was then republished and has served as a valuable resource ever since (Howard 1949).

The Association was incorporated by Chapter 93 of the Statutes of 1900, entitled, "An Act to incorporate the Canadian Bankers' Association." The Act listed 34 banks as members of the association (table 1). By 1959 this number had fallen to ten banks, mostly through amalgamation, although three had become defunct. The Merchants Bank of Halifax had changed its name to the Royal Bank of Canada and the Ontario Bank had suspended operations in 1906. Later, in 1961, the Canadian Bank of Commerce amalgamated with the Imperial Bank of Canada to become the Canadian Imperial Bank of Commerce, reducing the number of member banks further (today there are nine domestic banks and 52 foreign banks operating in Canada [Anonymous 1993]).

Some of the early by-laws of the association which have relevance to readers of the *Canadian Paper Money Journal* include ones pertaining to the following.

1. The supervision of the making of notes of the banks which are intended for circulation, and their delivery to the banks,

2. The inspection of the banks' disposition of these notes,
3. The destruction of notes of insolvent banks and those in liquidation,
4. The destruction of banknote plates, dies and rolls,
5. A record of the particulars of all plates, dies and rolls from which the notes of the banks in Canada are printed.

It can be seen from these by-laws that the archives and records of the Canadian Bankers' Association could contain a wealth of information of interest to students and collectors of Canadian paper money. The information pertaining to notes, plates and rolls would obviously encompass the period from the incorporation of the Association in 1900 to 1943, when the last chartered banknote was printed. Researchers and authors would do well to make use of this valuable resource.

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Table 1. Member Banks in 1900

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|-------------------------------|------------------------------------|
| The Bank of Montreal | La Banque Jacques Cartier |
| The Quebec Bank | The Merchants' Bank of Canada |
| The Molsons Bank | The Union Bank of Canada |
| The Bank of Toronto | The Union Bank of Halifax |
| The Ontario Bank | The People's Bank of Halifax |
| The Dominion Bank | La Banque de St Jean |
| The Standard Bank of Canada | The Commercial Bank of Windsor |
| The Bank of Hamilton | The Western Bank of Canada |
| The Halifax Banking Company | The Traders' Bank of Canada |
| La Banque d'Hochelega | The People's Bank of New Brunswick |
| The Imperial Bank of Canada | The Saint Stephen's Bank |
| La Banque de St Hyacinthe | The Summerside Bank |
| The Bank of Ottawa | The Bank of British North America |
| The Bank of New Brunswick | The Bank of British Columbia |
| The Exchange Bank of Yarmouth | The Canadian Bank of Commerce |
| The Eastern Townships Bank | The Merchants' Bank of Halifax |
| La Banque Nationale | The Bank of Yarmouth, Nova Scotia |

The Canadian Paper Money Journal

Publication of the Canadian Paper Money Society

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