

## "The Bulletin" June, 2001

### President's Message

Here we are at what I like to think of as the end of another "numismatic season". There is a lull in the number of coin shows and many local clubs adjourn for the summer months. As for this Club, we will be taking July off but will be back with an informal meeting in August. I'm not sure of the date, but it will be sometime during the last two weeks. You will receive a copy of *The Bulletin* about a week ahead of the scheduled meeting date.

In doing an informal survey, it seems that a few of our Club members who are regulars at the annual C.N.A. Convention will have to miss this year because of timing, logistics and the EXPENSE. Quebec City is the location, and while it is a beautiful site, it's also a tourist centre and bargain hotels are hard to find. I understand from a few that they will be staying in residence at Laval University. For myself, I've booked a spot for our trailer just outside the city.

If you are now on the Internet, send an e-mail to me at "[p.petch@home.com](mailto:p.petch@home.com)". This will allow us to send you any last-minute announcements. Phone calls are welcome on my cell at **416-303-4417** and on my home phone at **416-745-3067** (leave a voice message if you can't get through).

## Coin Fair III

The next meeting of the North York Coin Club will be held on **Tuesday, June 26, 2001**, at the Edithvale Community Centre, 7 Edithvale Drive. We start gathering about 7:30pm with meeting start scheduled for 8:00.

This month we will be holding our third Coin Fair with 9 scheduled presenters setting up display tables:

John Regitko	NYCC memorabilia
Albert Kasman	Phone cards
Bob Porter	With his normal useful stuff
Norm Belsten and Russ Brown	Woods
Vince Chiappino	Bi-metallic coins
Dick Dunn	Scottish notes
Marvin Kay	Wedding anniversary memorabilia
Del Murchison	TBA

While there is no listed auction this month and we won't be collecting items for the next auction until August, you are still encouraged to bring along auction material for this meeting.

### Coming Events

**Canadian Tire Swap And Meet** July 6-8, 1806 Sunningdale Rd. West, London. Bring all your CTC material for trading, selling and buying. Space available for displays. Auction at 3pm on July 7. Camping available on property and motels are nearby. Contact Hubert Grimminck, (519) 472-2956.

**CNA Annual Convention**, July 26-29, Quebec City Congress Centre. Contact CNA Convention Quebec 2001, PO

Box 56036, Quebec, QC G1P 2W0 e-mail at [2001@snq.qc.ca](mailto:2001@snq.qc.ca). Website: <http://www.snq.qc.ca/2001>

**South Western Ontario Numismatics Coin And Collectibles Show**, Aug. 12, 9am-4:30pm at the Convention Centre, Paris Fairgrounds, 139 Silver St. Free admission. More than 50 tables of tokens, coins, paper money, sports cards, jewellery, militaria, postcards, and artifacts. Contact Ted Bailey, (519) 442-3474.

**Collingwood Coin And Stamp Club Annual Show**, Aug. 18, 9am-3:30pm at the Leisure Time Club Centre, 100 Minnesota St. Free admission and parking, 22 tables of dealers. Contact Bob Pike (705) 527-1016.

**Next Meeting:  
June 26**

## Meeting News from the May 22 Meeting

The 464th meeting of the North York Coin Club was held on Tuesday, May 22, 2001 at the Edithvale Community Centre, 7 Edithvale Dr., Willowdale.

The President, Paul Petch, opened the meeting at 8:03 p.m. and welcomed 25 members and 3 guests.

Tom Wilson was not present to accept the \$4.00 pot for the On Time Attendance Draw so there is \$6 available for June.

The minutes of the April 24th meeting were read by the Secretary and, after the statement made by Roger Fox advising "a display of Canadian Tire Paper Scrip will accompany this tour" was corrected to "following this display (by the Mint) Canadian Tire Paper Scrip will put on their display", the minutes were accepted by the Chair.

Regarding the ONA Convention, the Chair extended congratulations to the following:

- To Roger Fox for winning the Award of Merit for 2001
- To Paul Johnson and Bob Porter who received ONA Fellow Awards
- To the NYCC who shared the Best Bulletin Award with the London Numismatic Society and
- To Paul Petch and Norm Belsten for winning the ONA Numismatist Editor Awards for 2001.

Roger Fox reported on a very rewarding Canadian Tire meeting with good attendance. Norm Belsten noted CAWMC celebrated its 20th Anniversary with a financially good auction, good programme and was well attended. John Regitko related that the CATC held an open meeting with member participation and lots of time to discuss common interests.

The Chair drew attention to the dispersement of Harvey Farrow's estate as listed in the bulletin. After listing some up-coming events, Dick Dunn and Rick Craig commented that attendance at the

recent Scarborough Coin Club show was down a bit compared to previous years, but it was considered a success nonetheless.

At the recent Executive meeting it was decided to try to book the 4<sup>th</sup> Tuesday for meetings and the alternate 2<sup>nd</sup> Tuesday for Executive meetings for next year. We are moving the Executive meetings because of occasional date conflicts with our friends at the Scarborough Coin Club. The December meeting with our annual party is planned to move to the 2<sup>nd</sup> Tuesday of December.

As a new feature, Albert Kasman is donating phone cards to the Lucky Draw in order to encourage ticket sales.

At a recent meeting of the C.N.A. Executive, Paul learned that he would be returned as C.N.A. Regional Director for Ontario South-West. The report of the C.N.A. Nominations Committee revealed that all positions would be acclaimed. The C.N.A. has requested that Toronto consider hosting its 2004 Convention, which would be the 50th Anniversary convention. Further discussion is required.

The Chair advised he has nominated Marvin Kay as Club Delegate to the CNA Convention and requested reports from those attending other meetings not covered by Marvin. He also stated Rick Craig will chair the Coin Fair at the June meeting. So far, 6 people will take part in the coin fair displays.

Roger Fox reported that the Torex auction catalogue is an excellent publication. Dick Dunn announced George Fraser would be 90 on May 24. Jim Heifetz inquired about the new 10-cent volunteer coin and was advised it is circulating now.

John Regitko humorously introduced Don Robb as guest speaker for the evening. Don owns a vast collection of 1967 Centennial coins, medals and related items but for this evening he fo-



cused on what he calls his unique or one-of-a-kind, new finds and curiosity pieces. He knows his material extremely well and was able to recall interesting, historical and unusual exciting stories. During the break the members were able to examine interesting pieces, some of which were truly beautiful. Paul thanked Don with a Certificate of Appreciation for an excellent presentation and especially for traveling through a terrible thunderstorm from Kitchener.

As a special surprise, a roll of pennies from Harvey Farrow's holdings was presented to everyone in attendance to be saved as a sentimental remembrance. Each person drew a roll at random, so there was a variety of material going into everyone's hands.

Many thanks go to Roger Fox for the most-welcome refreshments.

Lucky Draw winners were: Mark Lane, David Kneller(3), Paul Petch(2), Lucille Colson, Len Keunzig, Vince Chiappino (3), Dick Dunn, Russ Brown, Ron Zelk and Franco Farronato. The draw tickets were sold by Albert Kasman and called by Roger Fox and they brought proceeds amounting to \$32.00.

Bob Porter ably ran an auction of 19 items with the assistance of Paul Petch as runner and Mark Argentino as auction clerk. It earned \$51.78 through donations and commissions.

There being no further business, the meeting closed (in the nick of time) at 9:58 p.m. Thanks to the members who assisted with room set up and clean up.

## Question of the Month

From time-to-time I like to tie the Question on the Month in with the program feature of the evening. I'm pleased to do that again this month because John Regitko along with Norm Belsten and Russ Brown have Coin Fair topics which make it fairly easy. Here is the two-parter relating to this Club:

1. How many woods have been issued by the North York Coin Club?
2. How many woods did Harvey Farrow issue?

The "official" answer has been supplied by Norm Belsten!

For the May question of the month we asked the fairly easy question, "When and where was the first paper money used?" and "Do you have any idea how word of the use of paper money spread?" Several of the members had the right answer, China, and that it was Marco Polo who brought news of it to Europe.

## When Marco Polo Told Of Money Made From Paper The World Knew He Was Crazy!

by Edward C. Rochette

Black rocks that burned. Liquid that oozed from the earth and when poured into lamps would light homes. Bark paper that passed as money. No wonder they called him, "Il Milione," fabricator of a million tales. Venice, in the year 1295, was not ready for Marco Polo or the stories he told of his adventures in the east. Europe was just beginning to emerge from the Dark Ages, too soon for news about coal, oil or paper currency. It is probable that had Polo not been imprisoned, only his friends and neighbours would have held him in disbelief.

Soon after Marco Polo's return from his epic 24-year journey to China, war broke out between the cities of Genoa and Venice. Polo was given command of an armed galleon. The Genoese proved as adept to warfare at sea as did the Venetians to trade and travel. The entire Venetian fleet, with 7,000 seamen, was captured in a single engagement. Polo included. Sentenced to an indefinite term, Polo had the time to relate his experiences to a cellmate, Rusticello of Pisa. A scribe, Rusticello detailed these adventures in manuscript form to publish *The Travels of Marco Polo*. Completion coincided with their

release from prison. A best seller of the day, hundreds marvelled, more scoffed, at Polo's tales. One of the hardest to accept was the one about paper money.

Gold, silver, even bronze, metals of intrinsic value, this was money for civilized Europeans. They could not comprehend promise of value. The Chinese called their currency "flying money," because of its lightweight. By the time of Polo's visit, paper money had been in use for almost 500 years! Several issues and denominations circulated simultaneously and a bank clearing house system had been in operation for more than two centuries. The Chinese made their paper legal tender. To refuse to accept it was to court death, the same penalty applying to counterfeiting it.

No known examples remain of the earliest currency, nor of those in circulation at the time of Marco Polo's visit. However, several examples dating from the reign of Hung Wu (1368-1398), founder of the Ming Dynasty, exist. All were found by pillaging Western soldiers looting the Summer Palace at Peking during the Boxer Rebellion at the beginning of the 20th century. The notes were printed several to a sheet and cut to size, a process not dissimilar to the way paper money is made today.



The June, 2001, *National Geographic Magazine* featured part two of a three part story on Marco Polo and what he saw and reported in his book *The Description of the World*.

It includes the report that "paper money fascinated Marco as much as gems and spices did. He marveled at the 'alchemy' that permitted the great Khan to print paper money equal in value to gold and silver. He also noted the practice of burning fake money to honour the dead, a custom still alive in China." Polo wrote, "In the other world the dead man will have as many slaves and as many beasts . . . as they have paper ones burnt."

## Dr. T. H. Burras and the Vulcanite Rubber Case by Ernest Beerstecher, TAMS 2960

Dr. T. H. Burras was, according to the writer of his obituary, "a genial man, and quite popular with all who knew him." Another source proclaimed him "full of intellectual and physical vigour." Possessing such attributes, it was only natural that, by 1858, he had introduced the use of Vulcanite, or hard rubber, into his dental practice, because it was in this application that Goodyear's invention was to make its greatest contribution to the relief of human suffering.

Porcelain teeth had become available for dentures early in the century, but the tedious and intricate process of mounting them into a metallic base made dentures quite beyond the reach of all but the wealthy. Worse, in the very year that Charles Goodyear received his first patent on Vulcanization (1884), Horace Wells had discovered anaesthesia. The magic of a few whiffs of laughing gas rapidly produced thousands of patients, and the magic of hard rubber as a denture was to prove an instant and economical solution to their handicap. And T. H. Burras, eminent and respected in his profession, was among its earliest and staunchest advocates.

Dr. Burras was born in 1812, in New York City. Upon graduating as a physician from the New York College of Medicine in 1831, he considered specialization in the eye and ear infirmary, "but concluded on reflection that, as individuals had but two eyes and two ears, and as every well developed specimen of humanity ought to be possessed of thirty-two teeth, and might ultimately require them to be replaced by dentures, I decided to choose my since much-loved profession of dental surgery." He opened a dental office on Oliver Street in 1837. In 1851 purchased a home and office at 48 Great Jones Street, where he remained until 1882. Then, after two years on Lexington Avenue, he retired to Long Island, where he died in 1893.

When, in 1860, the American Hard Rub-

ber Company, owner of the Goodyear patents, decided to further stimulate the use of Vulcanite in dentistry, Dr. Burras became a major contributor to its publication, *The VULCANITE*,

A Quarterly Journal devoted to the Science of Mechanical Dentistry. In that same year the company reported that enough Vulcanite had been sold to account for 42,000 cases at a total cost of \$9,000, as contrasted to the \$63,000 that it would have taken for gold denture bases, the former standard. The cost of the gold would have been minor, compared to the labour in fabrication of the dentures.

Sometime during the period 1851-1882, while Dr. Burras was on Great Jones Street, he issued a hard rubber token (Storer 3924a, 3938; Fuld 70A, B). The token is variously described as being red to maroon, and notes in *The VULCANITE* suggest that the denture-base pigment used was vermilion (cinnabar or mercuric sulphide). Difficulties occurred due to adulterated supplies of the pigment, and when the vulcanization was conducted at excessive temperatures. The term "surgeon dentist" used on the Burras token rapidly gave way to "dentist" after 1850, and had practically disappeared by 1870. A patent was issued in 1864 to John A. Cummings of Boston for the manufacture of Vulcanite dental plates, so that Burras' reference to PATENT VULCANITE PLATES doubtless refers to this, and places the token's manufacture shortly after that date. The Burras token, along with a hard rubber Higby & Stearns piece advertising stock teeth and dental foil (Storer 7859, Fuld 196A), appear to be the only hard rubber mementos of the long vulcanite period in American dental history.



*The Burras token is oval (46 x 36mm) and made of dark red to maroon (denture-base coloured) Vulcanite. Rosettes are in fact tulips, with obverse central decoration a star on a shield.*

But if this period was long, it was not peaceful. The Goodyear Dental Vulcanite Company expected to be paid a licensing fee and a royalty on each denture for the use of Vulcanite and the Cummings Patent (which they owned). Many dentists such as Dr. Burras accepted these terms, but most did not. Enforcement was difficult. In 1868 Josiah Bacon became treasurer of the company, and the nemesis of American dentistry. Agents, spies, detectives (including Pinkerton's), lawyers and courts were vigorously employed to bring infringers to justice, with little sign of mercy or public concern. Many dentists were ruined because they could not pay the fees, severe fines and judgements.

Among the "outlaw" dentists was Dr. Samuel P. Chalfont. He had been driven from practice on the East coast, and hounded from Philadelphia, Wilmington and St. Louis. Finally he was again discovered by Bacon's agents in dental practice in San Francisco. Bacon decided to make an example of him. Chalfont was nearly driven out of his mind by the grilling on the witness stand. After one particularly debilitating session he went to Bacon's hotel room in the evening. There he shot and killed him. It was a sensational case, and donations for Chalfont's defence poured in. Chalfont had become a hero and a martyr, but he spent ten years in San Quentin for his deed. Nevertheless, the persecution of the dental profession ceased, and two years later the Vulcanite dental plate patents expired.

*This article is reprinted from the TAMS Journal for August, 1979.*

## The La\$t Laugh by Morton Rapp

*Morton Rapp discusses the best places to find the root of all evil—and how to get rid of it once your pile has grown too large*

This treatise is about money. It deals with the obtaining of money and the dispersion of money, so it is in two parts, whose official subtitles are “Getting” and “Getting Rid Of.” Are you with me so far? That’s good.

However, this is definitely not an essay on the macro aspects of money. Such texts are available, of course. They are written by people who have decided the easiest way to make money is to write a book on how to make money. It doesn’t matter whether their advice works or not; it works for the writer.

But, as I am slowly coming around to telling you, these few scrawls are about the micro aspects of money. And if you just read on—for another half hour or so, I might get around to actually telling you what I am talking about. Still with me? Stout heart!

I am talking about two separate yet interrelated phenomena: finding money on the street (Getting) and disposing of all the loose change in the household (Getting Rid Of).

Finding money on the street happens to everyone, of course, but used to happen to my wife and myself rather frequently because of (you guessed it) walking the dog. At the time in question we were owned by only one dog, a bitch I’ll never forget named “Laska” who liked to walk about 10 miles a day. We could accommodate this on weekends only, but such trips brought us into the denser parts of the Toronto jungle, where money is frequently dropped by business people, such as crack dealers making change, or a fille de joie making a trick.

Now, we have this superstition that if you find a penny on the street it means “good luck,” and I suppose it does, since you are now one penny wealthier than you used to be. You also need good luck to find a penny because the Canadian penny is manufactured with a protective colouring process akin to a chameleon, in that it takes on the colour of its background. Indeed, practical use

sharing them with you: just past bus stops, around telephone booths and newspaper vending machines and the parking lots of beer stores. There! The secret is out. Go out and make your fortune. (Take a dog as an excuse.)

But what to do with all this found luck? Well, keep it in a jar, of course. And that is why, if you happen to be breaking into our house some night when we’re away, you will find this former coffee jar half filled with spare change, some of which looks like it had been run over by a bus, because it has been. Please don’t take it, because we have this second superstition that stealing somebody else’s found money is very bad luck—especially if the dogs aren’t crated.

But, while the issues of found money have evaporated along with our ability to walk 10 miles, the problem of disposing of spare change in the household seems to have become worse with the passage of time. Doubtless, this is due in part to the fact that the stuff is worth less and less each year. I think you’ll agree with me that you just cannot buy with a penny what you could 10 years ago. Well, maybe that’s not quite accurate. Ten years ago you could buy nothing

with a penny, and that remains true today. So let’s look at it another way. Last week my doctor examined me and told me I was as sound as a dollar, whereupon I went directly to my lawyer to revise my will.

That’s the other problem. In Canada, money that used to come in \$1 and \$2 dollar bills now come in suspiciously

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was made of this in that my wife and I each knew when our eye-glasses needed changing--our hit rate fell. If I was finding all the pennies, she needed a change of spectacles, and vice-versa.

As our experience progressed, we soon learned to identify specific locations where money was likely to be found, and since we no longer depend for our income on these matters, I don’t mind

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glossy metal discs suitable for doing a temporary and foolish fix on a fuse box.

So all this helps explain why dusting the house usually involves removing a few pennies from most shelves, why a nickel or dime hits the floor every time I go to hang up my trousers, and what that cluster of quarters is doing behind the sugar bowl. It's like having cockroaches—they appear when least expected.

One non-solution to the problem, which I am sure many of you have tried and abandoned, is to throw all the loose change into a jar. Sure, then the jar becomes a 2L bottle, which becomes a 4L jug (we used to make wine) which becomes a four gallon jug (it was a long time ago).

Finally you are stuck with an essentially immovable object, usually beside your desk or behind the sofa.

I have tried to make a habit of stuffing a bit of loose change into my pocket when leaving for work. This encourages me to spend the money on something of passable merit, like the National Post, or on something frivolous and stupid like a chocolate bar. (Did I get those two examples mixed up?)

However the problem here is that loose change drifts into the house much more quickly than you can think of ways (or even have the time) to spend it. So it kind of reminds you of that king who tried to stop the tides from coming in. (I've forgotten his name—it wasn't Midas, and it wasn't Croesus—they were money stories.)

Well, whatever his name was, you still end in loose change up to your ankles in modern society.

***Besides being an avid coin collector, Morton Rapp is a Toronto psychiatrist. This article was forwarded by Dr. Marvin Kay and is reprinted from the January 11, 2000 issue of The Medical Post.***

## Heads and Tails by Rob Carrick

***Making money from coin collecting isn't that hard if you're methodical and, let's face it, a little nerdy***

***This is a pastime with two extremes, the savvy types who chase rare, old coins and the masses who snap up whatever the Royal Canadian Mint happens to be churning out at the moment***

There are big bucks to be made by collecting money. We're not talking here about flipping over your couch cushions to scoop up small change, although it's been my experience that you never know what you'll find if you do this. But the real money is in collecting rare coins. Dubious? Then let me say three words to you: John Jay Pittman.

Pittman, a resident of Rochester, N.Y., began working for Kodak as a chemical engineer in 1936. Somehow, this exciting-sounding job wasn't enough to fulfil him. So, over the course of five decades, he spent more than \$100,000 (U.S.) on a coin collection that was sold off for roughly \$28 million (U.S.) at three auctions in the late 1990s. Pittman was a family man who never earned a deluxe salary, so you can't write off his success as rich man's luck. How did he do it? Pittman had a simple strategy of selectively buying rare coins and holding onto them for the long term.

You can do it, too, in a few easy steps. The first is to make a firm decision to adopt Pittman's approach of operating as a discriminating collector, rather than an aggressive investor. Bret Evans, editor of Canadian Coin News, explains that an investor seeks only appreciation in the value of coins. "A collector," he says, "is quite often very emotionally attached to things!" You'll make better decisions if you immerse yourself in the coin world and buy for enjoyment. If you're interested in rapid-fire buying and selling, you're better off with stocks. This probably explains why investors make up only a tiny minority of the people engaged in the pursuit of numismatics, or coin collecting.

Step 2 in becoming a successful collec-

tor is to acquire the knowledge needed to make shrewd choices. "The guy who walks into the field with a pile of cash and not much knowledge is raw meat," Evans says. There are lots of web sites on coin collecting, coin clubs to join, and a couple of essential reference books. *The Charlton Standard Catalogue of Canadian Coins*, published annually since 1952, lists every coin circulated in Canada from the days of New France to the current day, and it costs just \$12.95. You can also consider the annual *Coins of Canada* guide.

If reading coin books sounds like a little slice of hell, well, persevere. How else are you going to know enough to find the hidden gems that others have overlooked? Robert Lodge, who runs a cultural centre in Grand Falls-Windsor, Nfld., and has been a collector for decades, owes his greatest coup to his coin savvy plus a little luck. Lodge was looking over a coin dealer's wares when he spotted a double-punched Canadian coin from 1859 on which the "9" was imprinted over another number. Cost to him: \$3. Estimated current value: \$70. "I didn't have my magnifying glass with me, so I couldn't really see it," Lodge recalls of the double punch. "But I had some knowledge about coins because I'd been collecting them for a long time!"

To refine your knowledge of coins, try visiting one of the coin shows that are held on weekends throughout the country "Leave your wallet at home and just look at what's out there," says Michael Walsh, a Vancouver coin dealer who calls himself the Canadian Coinoisneur. "Then, compare and go back home and do some cross-referencing."

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As a serious collector, you'll inevitably be drawn to coin auctions. Again, Walsh suggests you visit only to observe at first. Buy a catalogue, then take a look at what's available in the various price ranges. One of the benefits of visiting an auction as a beginner is that all items are available for viewing before the bidding. Another way to build up your knowledge of the coin market is to develop a relationship with a dealer or two. Then there's the inherent snobbishness at the high end of the coin market. While just about every city in Canada has its share of reputable storefront coin dealers, Walsh turns up his nose at them for being panderers to common taste. He goes out to meet clients by appointment only.

Actually, the snob in you is really going to like collecting coins. This is a pastime with two extremes, the savvy types who chase rare, old coins and the masses who snap up whatever the Royal Canadian Mint is churning out at the moment. Ah, the Mint. If there's one rule for novices with serious intent, it's to avoid this institution's lines of collectibles. It's giftware," says Walsh. "It's the ideal thing for Aunt Mildred to give to the nieces and nephews at Christmas."

Now that you know what to avoid, let's look at what's worth buying. According to Bill Cross, publisher of *The Charlton Standard Catalogue of Canadian Coins*, Victorian and Edwardian coins from 1858 to 1910 are in demand right now, while coins from 1911 to 1936 are worth some attention as well. "They're showing a spark of life," says Cross. "This could be a place for a new collector to start!"

An appealing thing about numismatics is that you can play the game with \$100 to spend, or tens of thousands. In a catalogue that Walsh prepared for Torex, the national coin show in Toronto in February, coins up for auction ranged in price from \$60 for an 1862 New Brunswick 20-cent piece, to \$50,000 for an 1885 Canadian 10-cent piece. Robert Lodge says he buys coins on a weekly basis and tries to spend no more than \$100 a pop. "Sometimes, depending on how rare the coin is, I'll buy it even if it costs a little bit more."

Some experts say it's a basic rule that you should go for the highest-quality coin you can afford. "There's an adage—buy the best and forget the rest," says Stan Wright, a Calgary coin dealer. There are a couple of good reasons to do this, the first being that quality coins can sometimes be quickly sold at a profit. Don't get the wrong idea *here, however*; it might take five to 10 years or longer for some coins to appreciate. Wright says a second benefit of going with quality is that you'll be insulated from the periodic ups and downs in the broader coin market. You might have a little trouble finding a buyer when the market slows, he says, but you should get your price.

There's a whole world of coins to look at as a prospective collector, and ancient worlds as well. Ducats, doubloons and tetradrachms are widely available from the same dealers who sell Canadian coinage. That said, aspiring John Pittmans might do well to focus on the Canadian market. According to Walsh, a comparatively small population has meant that Canadian coins are rarer than those from many other countries, including the United States. At the same time, he says, Canadian coins are one-quarter, or less, the price of comparably rare coins from the United States.

Before you buy anything, study hard. As Walsh puts it, "The person with the most knowledge wins."

*Reprinted from the Report on Business Magazine, April 2001.*



## A Licence to Print Money by Hollie Shaw

Canadian Tire's paper bills are still No. 1 in the crowded market of loyalty programs – and they won't even track buying patterns.

It's springtime. You decide to rid your wallet of the paper junk that has grown there like a fungus since mid-November. Out go the gum wrappers, the ABM receipts and the long-expired 2-for-1 coupons. But for some reason, you can't bear to toss out that \$1.80 of Canadian Tire money broadening your billfold's girth.

"People don't like to throw away currency. The coupons themselves remind people of money and so they find it very hard to toss them out," says Adrienne Simmons, a researcher at Toronto-based Kubas Consultants, pointing to a key reason behind the success of the timeless redeemable coupons.

Canadian Tire money is the oldest and most successful loyalty program in Canada. It has spawned numerous imitations, none as widely known, and none that can boast of having a sentimental connection to this country's culture.

It's that association that the multi-purpose retailer hopes to trade on in its first ever TV ad campaign focused solely on the phoney currency, which began airing three weeks ago. One spot, Big Spender, is set to the strains of Peggy Lee's classic tune. It features a man holding a briefcase stuffed with Canadian Tire money, proudly parading around a Canadian Tire store with his son in tow as the two try to decide what to buy. It's a whimsical spot, but one might wonder why the campaign is hitting the airwaves now, more than 40 years after the loyalty program's inception.

Scott Bonikowsky, the retailer's spokesman, said TV is a good forum to alert customers to the breadth of ways in which the coupons can now be collected.

Canadian Tire now allows customers to collect virtual money on the company's house credit card, its Web site and its affiliate MasterCard, a move that broke the chain's loyalty initiative out of its original mould. Despite the programs timeless popularity, doling out coupons with every customer purchase yields none of the much-desired consumer information that became useful to retailers in successive generations of loyalty programs. For example, the blue Air



*Wayne Sales, Canadian Tire's CEO, displays a briefcase stuffed with crisp new bills.*

Miles card accepted at numerous retail chains across the country automatically tracks its users' purchase patterns as it logs points. In a Kubas study of major Canadian cities, Air Miles ranked No. 2 in consumer popularity behind Canadian Tire money. Almost 49% of respondents surveyed were Air Miles cardholders, while 50% of them collected Canadian Tire money.

"Loyalty programs started off years ago as purely an incentive and became a really successful way to encourage customer loyalty, and with Canadian Tire money, you can essentially buy some-

thing for free," said Steve Boase, a retail Consultant at J.C. Williams "The trouble is, how can you change long-standing programs in a way that, in the long run, leads to a better in-store experience for customers?"

A knowledge of consumer buying patterns helps retailers to deploy more effective promotions, and ideally will make customers more loyal.

However, Canadian Tire's original program - which dispenses coupons equaling 2.5% of the subtotalled value of goods purchased at the cash register - has changed little, Mr. Bonikowsky noted, because "first and foremost, Canadian Tire money is about rewarding people. It's not about tracking customer buying patterns."

While Mr. Bonikowsky would not reveal how much of the promotional money it doles out every year, he estimates \$100-million worth of coupons are out there in customers' pockets - much of which will be redeemed.

However, the relative simplicity of the veteran plan could be what consumers find most appealing in a retail marketplace saturated with competing loyalty programs.

"It's successful because of the ease of use: There is no expiry date and there are no restrictions. People get the money, keep it, and spend it; said Ms. Simmons.

The central program's failure to keep tabs on its consumers might not be too much of an impediment on overall sales, she added. "People see the money in their wallets and it reminds them of going to Canadian Tire."

That, she said, is marketing at its most effective.

*Reprinted from the Financial Post for Monday, April 30, 2001.*