



# North York Coin Club

Founded 1960

MONTHLY MEETINGS 4TH Tuesday 7:30 P.M. AT  
Edithvale Community Centre, 131 Finch Ave. W., North York M2N 2H8

MAIL ADDRESS: NORTH YORK COIN CLUB,  
5261 Naskapi Court, Mississauga, ON L5R 2P4

Web site: [www.northyorkcoinclub.ca](http://www.northyorkcoinclub.ca)

## Contact the Club :

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Phone: 416-897-6684

## Member :

Ontario Numismatic Association  
Royal Canadian Numismatic Association

President .....Bill O'Brien  
1st Vice President .....  
2nd Vice President.....Shawn Hamilton  
Secretary .....Henry Nienhuis  
Treasurer .....Ben Boelens  
Past President .....Nick Cowan

## Executive Committee

Director .....David Quinlan  
Director .....Roger Fox  
Director .....Vince Chiappino  
Junior Director .....  
Auctioneer .....Bob Porter  
Auction Manager.....Mark Argentino  
Editor .....Paul Petch  
Receptionist .....Franco Farronato  
Draw Prizes .....Bill O'Brien  
Social Convenor .....Bill O'Brien  
Librarian .....Robert Wilson

## THE BULLETIN FOR MARCH 2011

### PRESIDENT'S MESSAGE

Welcome everyone! It's a great feeling I get, when the clocks are set forward, that spring is just around the corner. The current weather may not justify the feeling, but the warmth of the sun and the lengthening of the days have me optimistic that the glory days of summer will soon be upon us.

The executive of the club meet last week and we have some interesting programming scheduled before the summer. I would like to get a show of hands from members at the next meeting as to the wishes of the club's members towards meetings during summer, being the months of July and August. We have the room at Edithvale reserved; do we want to use it? Also, I would like everyone to think about the possibility of this club's members supporting another local coin club in its attempt to hold a coin, stamp and collectable sale in the GTA. Would any members wish to buy tables or help organize?

One idea that the club's executive also decided upon is to dedicate an upcoming meeting for an auction. We would like each member to submit material as early as possible so that a catalogue can be compiled and distributed as far in advance as possible, thus enabling everyone sufficient time to prepare.

Another thing the executive wants to do was to re-establish the "Mint Box" that used to be available to our junior members. So please help restock our box by donating a variety of world coins or tokens so that we can make them available to our junior members as a part of each upcoming meeting.

A few quick items before I sign off: As mentioned earlier, the nice weather is imminent, thus the time is right to leave your winter nest and journey out to the area shows. In the upcoming weeks the people in Montreal, Guelph, Kingston and then Hamilton will be holding local events, so please get out and show your support.

Lastly, I would like to thank all members you have been showing their support to the club's executive and I. The generous donations by members like David Q., Bob P., Glen W., Norman G. and others have been invaluable. The real support, however, has been a few key people on the executive who have made my duties considerably easier. I extend my personal thank-you to all involved.

BUT, what about the rest of you who attend our meetings? Here I have failed, as did our President who preceded me, in getting more members to truly participate. The lack of overall participation is troublesome, as it is only a small few you ever talk or offer anything of value during the meetings. The club needs everyone to do their part to ensure that the evening is enjoyable as well as educational. Please volunteer and participate more in the future, or I may have to start selecting members for presentations or member displays.

Enough of my rambling start today with your preparation for the next meeting, or the one after that, and enjoy the warmer weather.

*Bill O'Brien*

### NEXT MEETING TUESDAY, MARCH 22

**We start gathering at 7:00 p.m. with meeting start scheduled for 7:30 p.m.**

For our next meeting we will be highlighting the Canadian one-cent, a coin denomination that may not be with us much longer. A new slide presentation has been developed by Paul Petch and Henry Nienhuis highlighting the coin denomination's 160 year Canadian history. The Canadian Senate Finance Committee brought down their decision late in December 2010, presenting their findings following many months of testimony and consideration... the Royal Canadian Numismatic Association was one of the groups called to give testimony!

This month's bulletin presents two articles on the end of our one-cent coin in the hope that you will read and consider the background material and be ready for part two of the meeting: member discussion. Tell us what you think.

**We appreciate all donations to our supply of draw prize material and please remember to bring your auction lots.**

*Members are invited to pre-list their auction items in the bulletin. Send a description of your planned auction item to the editor at [p.petch@rogers.com](mailto:p.petch@rogers.com) at least two weeks before the April 2011 meeting.*

### ALSO IN THIS ISSUE:

- News about changes coming to our \$1 and \$2 coins
- Bank of Canada announces new \$100 note
- And for St. Patrick's day, some unique token coinage

### MEETING NEWS OF THE FEBRUARY 2011 MEETING

The 562<sup>nd</sup> meeting of the North York Coin Club was held on Tuesday, February 22<sup>nd</sup>, 2011 in the Gibson room at the Edithvale Community Centre, 131 Finch Ave. West.

Our President, Bill O'Brien, hammered the 51<sup>st</sup> anniversary meeting of the club to order at 7:38 p.m. in the chair. The meeting was a little slow to start due to technical difficulties with the room partition separating the two parts of the Gibson room. There were 27 members and 2 guests in attendance. Included in this count are four people who applied for membership in the club, one of which was junior Michael G. Welcome aboard everyone.

The on-time attendance draw was the first order of business; member John Regitko's name was drawn. Unfortunately John was not present at the meeting; he is still recuperating from his recent surgery. The prize will increase to a significant \$12.00 for the March meeting.

President Bill O'Brien asked the members present if they had noticed any errors or omissions in the minutes of our January meeting as published in the February newsletter. No changes were identified; member Terry O'Brien made a motion to accept the minutes as published, which was seconded by member Norman G. Gordon. Motion carried.

The next order of business was to hear the Treasurer's report. In the absence of Treasurer Ben Boelens, Bill O'Brien presented the report.

Bill had the pleasure of presenting Life Member plaques to three of our long-time members: Dr. Marvin Kay (in absentia), Jim Heifetz and Glen Williams. This prestigious achievement award is conferred on a member who has maintained membership in the North York Coin Club for 25 contiguous years. In recognition of this

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### Peter Machulec's "Pope John Paul II in Canada" Display



devotion, members receiving this award are relieved of paying annual dues. Congratulations everyone! As a gesture of his devotion to the club Glen graciously donated his \$10.00 annual dues to the club.

Henry Nienhuis asked the members present if they were planning to attend Torex the coming weekend. He reminded those present that it was Charles Moore's turn to hold the auction and that it was split into three sessions on Thursday, Friday and Saturday evenings. A number of members indicated that they were planning on attending the national show.

Roger Fox contributed to the meeting with a display of Canadian Tire "Money" error notes. As an overall comment, he observed that production quality control is far from as good as that applied to government notes. As a result, finding error notes is a bit easier than you would expect.

Paul Petch asked for the floor to pose a question to the membership at large, and Roger Fox in particular, about rumours he had heard regarding Canadian Tire's intention to discontinue issuing the beloved Canadian Tire Money coupons, often referred to as Canada's second money, as part of their loyalty program. Roger, who said he has heard of this rumour for over a year, assured the club that he was not aware of any firm decision either way. He invited anyone interested to come to the CTCC club



meeting held on Saturday at Torex. Perhaps further information would be available at that time. This invitation reminded Paul of the meeting of the Classical Numismatic group which is also happening on Saturday afternoon at Torex. He invited anyone interested to attend this meeting as well.

Bob Velensky asked for the floor to address the executive. It is Bob's opinion that the club meeting at Edithvale is not well advertised. He felt that having signage available that could be placed in the lobby of the Edithvale community centre when the club meeting is in progress would be useful in directing new members our way. Bill O'Brien agreed to investigate the matter further.

With the business portion of the meeting completed, the next item on the agenda was a presentation from Peter Machulec and his friend Wesley on the memorabilia associated with Pope John Paul II. Peter mentioned that John Paul II had visited Canada five times: in 1969 and 1976 as Cardinal Wojtyla

and in 1984 (12-day pilgrimage across Canada), 1987 (visit to Fort Simpson, NWT) and 2002 (World Youth Day) as Pope.

He brought along 4 display cases filled with memorabilia associated with John Paul. Peter indicated that this was a small portion of his vast collection which totals 42 such cases and is still growing! The display cases he brought included: many coins and medals issued by countries honouring John Paul II as well as passes to see the Pope at CNE Stadium and at the Downsview airport site on World Youth Day, special TTC passes issued by the Toronto Transit Commission, scarves, as well as postal ephemera including first day covers with different cancellations.

Peter informed the audience that he is working on a catalogue on the subject and showed a draft copy full of his notes and comments. According to Peter, there are 60 different medals, many coins issued by 12 different countries, bullion bars and etc. There have even been special commemorative porcelain plates issued with the pope's effigy and scenes of his visits.

The presentation was well received by the audience who asked questions throughout the presentation; after which Peter invited members to view the exhibit and to ask further questions during the break.

*Continued next page...*

*Below left, Peter stands with his four display panels... that filled 15 feet of table space!  
Below right, President Bill O'Brien presents a certificate of appreciation to Peter for his presentation*



**NYCC FEBRUARY MEETING  
CONTINUED...**

Also available for viewing was a display assembled by Norman G. Gordon that consisted of the recent article in Canadian Coin News about the striking of the 2010 North York Coin Club medal. This is the article that was brought to the attention of members on the cover of the February issue of The Bulletin. Accompanying the article were the six medal varieties produced by the Club in 2010. Our thanks to Norman for highlighting this North York Coin Club collectible with his fine display.

At 8:15 p.m. Bill O'Brien called for the refreshment break. This being our anniversary meeting, it is the club's custom to serve cake during the meeting. Jim Heifetz graciously volunteered to serve this year's treat to the members and guests; we hope he took a moment to have some as well!

The last portion of the meeting was devoted to lucky draws and auction. Lucky draw winners were: Glen Williams(2), Andrew Silver(2), Roger Fox, Joe Cernyakovich, Norm Belsten, Richard Duquette, Jayden Chen, Dimitri Kiselev, Bob Velensky, Michael G., Henry Nienhuis, David Quinlan, and Franco Farronato. The club earned \$28.00 through the sale of the draw tickets! The lucky draws were intermixed throughout the evening's auction, called by our expert auctioneer, Bob Porter, and guest runner, Leon Saraga. . Paul Johnson, acting as auction manager, reported that receipts from the auction added \$9.30 to the club's coffers in commission.

The club executive would like to send out a special thank you to club members for supporting the club through the purchase of draw tickets and for draw prize donations. Please mention your donations to the club secretary so that your support can be recognized in the minutes and newsletter.

There being no further business, the meeting adjourned at 9:36 p.m.

As a reminder, our next club meeting is March 22<sup>nd</sup> 2011, in the Gibson room, on the second floor at the top of the stairs in the new Edithvale Community Centre building.



*Norman G. Gordon's North York Coin Club anniversary medal display featuring the article from the March 1, 2010 issue of Canadian Coin News.*



*Roger Fox's display of Canadian Tire "Money" error notes.*

COMING EVENTS FOR SPRING / SUMMER 2011

**MARCH 19, Cambridge,** 20th Annual Cambridge Coin Show, Cambridge Newfoundland Club, 1500 Dunbar Rd. 9:00 a.m. to 4:00 p.m. Free admission. *Buy, sell, trade and evaluate at 52 tables. Tokens, trade dollars, coins, paper money, militaria, sports cards, CTC coupons.* For more information, contact Wolfe, email [wolfe1937@hotmail.com](mailto:wolfe1937@hotmail.com), Vincent Nevidon telephone 519-740-1416, or Louie Schmidt telephone 519-653-7838.

**MARCH 26, Guelph,** South Wellington Coin Society Spring Show, Colonel John McCrea Legion 919 York Rd. Hours 9:30 a.m. to 4:30 p.m., Admission \$2. *Free parking, fully accessible, large display area, hot food available, free gold coin draw, selling 50 cent pieces for 49 cents.* For more information, contact Lowell Wierstra, 8 Smart St. Guelph ON, N1G 4K9, telephone 519-824-6534, e-mail [ljwierstra@sympatico.ca](mailto:ljwierstra@sympatico.ca).

**APRIL 1 - 3, Kingston,** EONS Coin and Stamp Show, Days Inn Convention Centre, 33 Benson St. (exit off 401, Division St.). Hours: Fri. 2 p.m. to 5:30 p.m.; Sat. 9:30 a.m. to 5:30 p.m.; Sun. 9:30 a.m. to 3 p.m. Admission: \$4 per day, early admittance on Friday from 11 a.m. to 2 p.m., \$20 good for the weekend. *Coins, stamps, medals, paper money, rare items.* For more information contact Ted's Collectables, 281A Grand River St. N., Paris, ON N3L 2N9, telephone 1-866-747-COIN (2646), email [tedscollections@bellnet.ca](mailto:tedscollections@bellnet.ca).

**APRIL 9 - 10, Hamilton,** TL Coin Show, Sheraton Hotel, 116 King St. W. Hours: Sat. 10 a.m. to 5 p.m., Sun. 10 a.m. to 4 p.m. Admission: \$4, seniors/students \$2, young collectors 12 and under free. For more information contact Linda Robinson, telephone 289-235-9288, email [lindarobinson@cogeco.ca](mailto:lindarobinson@cogeco.ca), or Tom Kennedy 519-271-8825. Website: <http://www.tlcoinshow.com>.

**ONTARIO NUMISMATIC ASSOCIATION 49<sup>TH</sup> ANNUAL CONVENTION**  
**MAY 13 - 15, London,** Four Points by Sheraton, 1150 Wellington Road South N6E 1M3. Fri., 2 p.m. set-up, bourse open to registrants at 4 p.m.; bourse open to public 10 a.m. to 5 p.m. on Sat. and 10 a.m. to 3 p.m. on Sun.; 56 bourse tables, daily admission \$3; *Jeffrey Hoare Auctions is operating a numismatic auction Fri. May 13 at 6 p.m.* Sponsors: Ontario Numismatic Association and Ingersoll Coin Club celebrating its 50th anniversary. For more information contact Tom Rogers telephone 519-451-2316, e-mail [trogers@sympatico.ca](mailto:trogers@sympatico.ca) for bourse tables. Website: <http://www.ontario-numismatic.org>.



**APRIL 17, Chatham,** Kent Coin Club Annual Spring Coin Show, Kent-Belgian-Dutch-Canadian Club - 34 Byng Ave. Hours 10 a.m. to 4 p.m. *Free Admission and parking, 25 Dealer Tables (coins and paper money for all interests), hourly draws and a raffle, displays with prizes in 10 categories.* For more information contact Lou Wagenaar (President) 27 Peters St. Chatham Ont. N7M 5B2, telephone 519-352-5477, email [lwagenaar@cogeco.ca](mailto:lwagenaar@cogeco.ca).

**APRIL 23, Brampton,** Brampton Coin Show, Century Gardens Recreation Centre, 340 Vodden Rd. E. Hours: 9:30 a.m. to 4:30 p.m. Admission: \$3, under 14 free. *Buy, sell, trade and appraise at more than 40 tables of dealers, featuring coins, medals, tokens, paper money, trade dollars, militaria. Children's table. Free parking. Funds raised for Children's Charities.* For more information, contact B&W Coins & Tokens, Willard Burton, telephone 905-450-2870, email [b\\_and\\_w@sympatico.ca](mailto:b_and_w@sympatico.ca).

**MAY 1, Windsor,** Spring Show, Caboto Club, 2175 Parent Ave. Admission \$1, juniors free, includes hourly door prize draw and grand prize. Plenty of free parking. For more information, contact M. Clarke, telephone 519-735-0727, email [mclarke@wincom.com](mailto:mclarke@wincom.com). Website: <http://www.windsorcoinclub.com>.

**JUNE 12, Brantford,** Brantford Numismatic Society 50th Annual Coin Show, Woodman Community Centre, 491 Grey St. Hours: 9 a.m. to 4 p.m. *Free admission and parking, 35 dealers at 66 tables,*

*member assistance for dealer unloading and parking. Display of Canadian coins, paper money, tokens, trade dollars, CTC coupons.* For more information contact Brantford Numismatic Society, PO Box 28071, North Park Plaza, Brantford, ON N3R 2S2, or Ed Anstett, telephone 519-759-3688, email [edanstett@rogers.com](mailto:edanstett@rogers.com).

**JUNE 25 - 26, Toronto,** Torex - Canada's National Coin Show, Hilton Toronto Airport Hotel, 5875 Airport Rd. Hours: Sat. 10 a.m. to 5 p.m.; Sun. 10 a.m. to 3 p.m. Admission \$6. Under 16 Free! *Official Auctioneer: The Canadian Numismatic Company. The Hilton hotel is located directly across from Toronto's Pearson International Airport.* For more information, please call 416-705-5348. Website: <http://www.torex.net>.

**JULY 13 - 17, Windsor,** RCNA Convention, St. Clair Centre for the Arts, Canadian Club Room, 201 Riverside Dr. W. Thursday educational symposium and bourse set up. Fri. and Sat. bourse open 10 a.m. to 5:30 p.m., Sun. bourse open 10:00 a.m. to 3:30 p.m. Admission \$5, juniors free, includes pass for re-entry Sunday. Official auctioneer The Canadian Numismatic Company. For more information, contact M. Clarke, treasurer, telephone 519-735-0727, email [mclarke@wincom.com](mailto:mclarke@wincom.com); or Brett Irick, chairman, telephone 313-207-3562, email [xr7gt@progidy.net](mailto:xr7gt@progidy.net). Website: <http://www-canadian-numismatic.org>, -www.windsorcoinclub.com.



*Remove the penny  
from circulation, says the  
Standing Senate Committee  
on National Finance*

**Ottawa, December 14, 2010** — Senator Joseph A. Day, Chair of the Standing Senate Committee on National Finance, tabled today the committee’s report on the costs and benefits to Canadian taxpayers and the overall Canadian economy of Canada’s one-cent coin.

Over the course of its study, the committee heard from a wide group of stakeholders including representatives of the federal government, financial institutions, consumer associations, the retail industry, charitable organizations, universities, collectors and foreign governments.

Senator Day said, “The testimony we heard was compelling. It is fair to say that this issue proved immeasurably more complex and more interesting than we had expected. We have concluded that removing the one-cent coin from circulation is long overdue. We urge the government to undertake this initiative in a consultative and deliberate manner and with due regard for the interests of all stakeholders.”

Senator Irving R. Gerstein, the sponsor of the motion that led to the study, stated, “The penny has simply outlived its purpose. It is a piece of currency, quite frankly, that lacks currency. In fact, a penny can’t even buy a penny anymore, and this is the heart of the issue. It costs far more than a cent to produce and distribute each penny.”

Senator Richard R. Neufeld, deputy chair of the committee, noted, “If the government were to adopt the committee’s recommendations, it would be rather historic. It would be the first time any piece of Canadian currency became no longer legal tender. But many other countries have eliminated their low-denomination coins with good results, and we’re convinced it would have good results in Canada as well.”

In its report, the committee makes these recommendations:

- 1: That Canada’s one-cent coin be removed from circulation.
- 2: That the Government of Canada, in cooperation with the provinces and with the retail and service sectors, issue clear voluntary guidelines for rounding after-tax total purchase prices symmetrically to the nearest five cents.
- 3: That price rounding be applied in cash transactions only.
- 4: That production of the one-cent coin for circulation cease as soon as practicable, that the one-cent coin be removed from circulation starting 12 months thereafter, and that the calling-in period last an additional 12 months.
- 5: That one-cent coins continue to be legal tender until the end of the 12-month calling-in period, so that Canadians may continue to use them in commercial transactions during that time.
- 6: That the Bank of Canada continue to redeem one-cent coins indefinitely, and that financial institutions be allowed to choose whether, and for how long, they will continue to facilitate the return of one-cent coins to the Bank of Canada after the calling-in period ends.
- 7: That the Government encourage charitable organizations to implement fundraising campaigns that would assist in the collection of one-cent coins for removal from circulation.
- 8: That the Royal Canadian Mint be allowed to decide on the basis of profitability whether to continue limited production of the one-cent coin for direct sale to collectors.

**FUN FACTS WRITTEN ABOUT  
THE ONE-CENT**

- There are roughly 22 billion one-cent coins in circulation, or about 600 for each Canadian citizen.
- The Royal Canadian Mint has to produce about 500 million new ones each year — at a cost of 1.5 cents per penny — because so many end up in jars, couches, fountains and elsewhere.
- It costs Canada an estimated 1.5 cents to produce each one.
- A 2005 study found that getting rid of the denomination would save more than \$131 million in the cost of producing, storing and transporting the coins.
- It has lost more than 95% of its purchasing power since it was first struck in Canada in 1908, when a loaf of bread cost five cents.
- It would be the first time Canada has eliminated a coin, although many other countries have already taken low denomination coins out of circulation. (The 50-cent denomination was simply abandoned by the people.)
- Sweden scrapped its two lowest denomination coins in the early 1970s, and New Zealand cut out its one- and two-cent coins in 1989, and scrapped its nickel in 2006.
- Australia dropped its one- and two-cent coins from circulation in 1992, and is currently considering dropping its nickel as well.
- Conservative Sen. Irving Gerstein said, “The penny has simply outlived its purpose. It is a piece of currency, quite frankly, that lacks currency. In fact, a penny can’t even buy a penny anymore, and this is the heart of the issue. It costs far more than a cent to produce and distribute each penny.”
- If they get rid of the penny, how can I comment and give my two cents worth?

## SAVE THE PENNY OR LEAVE THE PENNY?

BY JOHN BOWMAN, CBC NEWS, DECEMBER 14, 2010

Consider the lowly farthing: a quarter of a British penny, or 1/960 of a pound sterling. For centuries, this tiny denomination of coin circulated in Britain for day-to-day purchases.

In the 13th century, when it was first minted as a separate coin (and not just a silver penny cut into quarters), a farthing could buy a chicken or a pound of beef.

But by the 1950s, the coin could barely buy a gumball, and Britons had had enough.

In the May 4, 1953, edition of the Times of London, a letter from reader Leigh Vance appeared: “Recently a bus conductor refused the eight farthings I offered him in exchange for a twopenny ticket. On another occasion the newspaper vendor to whom I gave six farthings in exchange for an evening paper became as abusive as if I had tried to slip him counterfeit coin.” He went on, “Either the farthing has a place in our coinage and is acceptable anywhere, or it is redundant and should be abolished.”

Three years after the letter appeared, the last farthing was minted, and the coin was demonetized on Jan. 1, 1961. (Because it’s so close in size and weight to the current British penny, the farthing sometimes still occasionally shows up in change in the penny’s place.)



### Canada’s farthing

So what about our own farthing, the Canadian penny? Could you blame a bus driver for refusing to allow you to put a couple hundred of them into the fare box? A growing number of economists and bankers are urging the Canadian government to give up the penny, as the U.K. gave up the farthing and, later, the halfpenny.

In April 2010, the standing Senate committee on national finance announced it

would look at the costs and benefits of the penny, including whether it should recommend eliminating it. “By some estimates, the production and use of the penny represents hundreds of millions of dollars every year in direct costs to taxpayers and lost productivity,” Senator Irving Gerstein said in a statement, adding “there would be costs associated with eliminating the penny, as well.”

Both Australia and New Zealand removed their one- and two-cent coins in the early 1990s. New Zealand went a step further in 2006 and demonetized the five-cent piece, and Australia appears ready to follow suit.

At the time of Vance’s letter, the British farthing was legal tender up to one shilling — 12 pence or 1/20 of a pound. Legally, you could pass as many as 48 farthings, although Vance’s letter suggests you were unlikely to succeed. In Canada, the Currency Act says: “A payment in coins . . . is a legal tender for no more than . . . twenty-five cents if the denomination is one cent.” No one is legally obligated to accept more than 25 pennies at a time.

In 1953, it was estimated that there were 600 million farthings in existence — about 12 for every Briton at the time. By comparison, the Desjardins Group estimates that there were 20 billion Canadian pennies — 600 for every one of us — in pockets, jars, fountains and piggy banks in 2007.

According to a Royal Canadian Mint survey released in October 2007, 63 per cent of small retailers said they were in favour of getting rid of the penny, citing efficiency as their prime motivation. By comparison, 42 per cent of consumers said they would support abolishing the penny, while 33 per cent said they would oppose the move. One-quarter of respondents said they were neutral. Consumers who said Canada should get rid of the penny said they considered the coins an annoyance as well as dirty, smelly and germ ridden. People who wanted to keep the coin said prices would go up without the penny and said it’s a part of our heritage.

Near the end of its circulation, it cost the Royal Mint a halfpenny to produce a farthing. Issuing a Canadian penny costs somewhere between 0.8 cents and a nickel, depending on whose numbers you believe. But how does the farthing compare with the Canadian penny in

terms of real money?

According to the website MeasuringWorth.com — which adjusts amounts of money from one year to another based on inflation, buying power and other economic factors — one farthing in 1960, the last year it was legal tender, was worth somewhere between two and five pence in 2010 money, or three to eight cents Canadian.

### Inflation and the penny

Since Canada adopted the dollar as its currency in 1858, it has never issued a coin with a denomination lower than one cent.

Adjusted for inflation, one cent in 1870 (the earliest date such data is available) had the same purchasing power as 27 cents in 2005. If 19th-century Canadians got along fine without half- or quarter-cent coins, do we need pennies or even nickels now?



In February 2007, the Desjardins Group released a statement saying the federal government should consider withdrawing the penny and, later, the nickel from circulation. The company’s main arguments against the penny centre on its dwindling purchasing power and the cost of keeping it in circulation, estimated to be about \$130 million per year.

The Royal Canadian Mint produces about 816 million pennies annually. Desjardins argues that this huge production is needed because consumers receive pennies in change,

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**SAVE THE PENNY CONTINUED...**

but don't return them to circulation. They either hoard them or throw them away. Desjardins suggests removing the penny and rounding cash transactions to the nearest five cents, a method called Swedish rounding.

Since the rounding is symmetrical, sellers would not be able to gain money by always rounding up, Desjardins says. It would be similar to the situation now, in which transactions are symmetrically rounded to the nearest cent. Over time, neither the buyer nor the seller benefits from the rounding.

**Small change in Europe**

But what about the world's newest currency, the euro? It's close in value to the U.S., Canadian, Australian and New Zealand dollars, and its coins go all the way down to one cent. Didn't the economists at the European Union consider inflation and the cost of producing all that small change when setting the value of the euro and its coins? In fact, two EU countries, Finland and the Netherlands, don't use the two lowest-value coins. They use Swedish rounding and mint only small runs of one-cent and two-cent euro coins for collectors.

The Finns and Dutch notwithstanding, there was a reason for including the small coins in the introduction of the euro, says Randall Hansen, a political science professor at the University of Toronto. "There was a great fear across Europe that businesses would use the introduction of the euro as an excuse to round up their prices and that the result of that would be general inflation," Hansen said.

The rounding up of prices when merchants switched from the old currency to the euro seemed more likely if the one-cent and two-cent coins didn't exist, Hansen said.

However, the euro was a brand new currency. In theory, the EU could have set its value higher and adjusted the exchange rates from the old currencies accordingly.

If the euro had been set at, say, five U.S. dollars, a one-cent euro coin would have been worth a nickel and maybe the Finns and Dutch would keep using them.

But there were larger considerations than the small change in European pockets when it came to setting the value of the euro. The European Union wanted to create a currency that would compete on the global market with the U.S. dollar.

**PRINCE WILLIAM AND KATE MIDDLETON'S OFFICIAL WEDDING COIN ISSUED**

**BY STEPHEN M. SILVERMAN**

Its face value is five British pounds sterling — about U.S. \$8.12 — but collectors are going to be more interested in Prince William and Kate Middleton's faces.

Unveiled Thursday, this latest special issue coin from the Royal Mint—which has marked royal occasions since 1935's Silver Jubilee of George V—features the work of Mark Richards, a fellow of the Royal Society of British Sculptors. The design was approved by the bride- and groom-to-be before it was sent to George Osborne, the Chancellor, for his green light. The ultimate official okay came from William's grandma, Queen Elizabeth II, whose portrait appears on the flip side.

The coin will sell for nearly 10 pounds, or, roughly, \$16, to commemorate the April 29 wedding.

And though all the interested parties may have chimed in with their approval, the likenesses on the coin were not universally praised. Sniped the British tabloid the Daily Mail, Middleton "looks somewhat toothy, while her 28-year-old fiancé has more hair on his head than has been suggested by recent photographs." Ouch.



*There has been mixed commentary on the UK's commemorative wedding coin*

"It made a lot of sense for the value of the euro to be broadly proximate to that of the dollar," Hansen said.

The euro was introduced at a value of \$1.18 US. It fell to a low of 82 cents US in October 2000, then bounced to a high of \$1.59 US in July 2008.

**RCM To ISSUE COLLECTOR COINS HONOURING ROYAL WEDDING**

**Ottawa, March 2, 2011**—As Canadians count down to the wedding of HRH Prince William and Catherine Middleton and their recently announced tour of Canada this summer, the Royal Canadian Mint is delighted to confirm that it will be issuing collector coins honouring their historic wedding. Details of the coins, which will include an eye-catching technological feature, will be revealed in the lead-up to the wedding day. Royal watchers and collectors are invited to register at [www.mint.ca/royal](http://www.mint.ca/royal) for updates on these and all of the Mint's upcoming royal-themed coins.

"The RCM has a long history of honouring royal milestones through finely crafted collector coins. The upcoming wedding of Prince William and Catherine Middleton is an opportunity to celebrate Canada's pride in royal tradition," said Ian E. Bennett, President and CEO of the Royal Canadian Mint.

"Historically and culturally, Canadians have a deep attachment to their royal heritage and our government is delighted that the RCM is honouring their sentiments with coins dedicated to the wedding of Prince William and Catherine Middleton," said the Honourable Rob Merrifield, Minister of State (Transport).

As Canada is also counting down to the 60<sup>th</sup> anniversary of Her Majesty Queen Elizabeth II's reign, the Mint is preparing to launch an extensive collection of royal-themed collector coins. On March 15 2011 the Mint will release the first two coins in its Continuity of the Crown Series, with ultra high relief silver coins portraying Princes William and Harry (Henry). The coin featuring Prince Charles will be released in September 2011 and the exciting variety of coins honouring Queen Elizabeth II's Diamond Jubilee will begin appearing in May.

"If you had a currency whose nominal value was five times that, you wouldn't have that obvious comparability with the U.S. dollar," Hansen said.

"That was much more important to policy makers than whether the Finnish or the Dutch were happy with small coins," he said.

## MORE NEWS ON CHANGES COMING FOR THE LOONIE AND TOONIE

Last year there were interesting hints made of changes coming in our \$1 and \$2 coins. Details of these changes now include details of several high-tech security features, such as a lasermark, a virtual image, an electromagnetic signal and edge lettering.

“I would venture to say that our coins would be leaders in the field in terms of high technology and security features,” said Alex Reeves, spokesperson for the Royal Canadian Mint.

But while the move would save the federal government money, it risks initially being costly for some companies.

The government estimates introducing the new coins, which will be composed of multi-ply plated steel alloy rather than a nickel alloy, will save it \$16 million on the 30 million coins it produces annually.

However, the government says it will cost the vending machine industry \$40 million to recalibrate its estimated 200,000 machines across the country to read the new, slightly lighter, coins.

The move could also affect small retailers who use weight-based coin sorting equipment as well as the parking, transit, casino gaming, retail and pay-telephone industries.

The cost to the nickel industry of selling less nickel for Canada’s coins will be offset by gains for the steel industry. In fact, the government says it is the high cost of nickel and the volatility of its price in recent years that has sparked the proposed move.

“The current one- and two- dollar Canadian coins are manufactured from nickel alloy, which in recent years has experienced increased volatility in pricing, reaching record high levels,” the government wrote in its proposal.

“Over the last decade, the London Metal Exchange price for nickel has fluctuated over 1,000 per cent and is currently trading at nearly four times higher than it was in 2000.”

Canada has been phasing nickel out of coins for some time.

The one-, five-, 10-, 25- and 50-cent pieces produced in recent years have been of multi-ply plated steel alloy. To date, the move has saved the government an estimated

\$250 million.

What will make the new \$1 and \$2 coins unique, however, will be their security features, including new lasermark technology developed in Canada.

The \$1 coin will continue to be yellow and, so it can easily be identified by the visually impaired, it will remain 11-sided.

However, it would have an electromagnetic signal to discourage the use of counterfeit coins, or “slugs,” and a lasermark image will appear on the reverse.

The \$2 coin will be even more high-tech. It will continue to be two colours, but will be thinner to accommodate lettering along the edge of the coin. It will have an electromagnetic signal and a lasermark, as well as a virtual image on the reverse.

Eventually, the mint plans to remove the existing nickel alloy coins from circulation as part of its Alloy Recovery Program.

While Reeves would not say when the new coins will be launched, the proposal says the mint hopes to start making the new coins in the last quarter of this year.

It also plans to make samples of the new coins available to the industries most

affected by the change six months before they are launched, so they can test and recalibrate equipment.

Reeves expects the new coins will also boost one of the mint’s other sources of revenue: producing coins for other countries.

The mint has produced coins for more than 70 countries, including New Zealand, Panama, Paraguay and the United Arab Emirates.

“One of the advantages of developing these new security features is that they are highly marketable to other jurisdictions,” said Reeves.

But while the government says most stakeholders accept the proposed change, it acknowledged that the Worldwide Vending Association opposes using plated steel for higher-value coins because it is concerned that the availability of steel metal discs will make it easier to produce counterfeit coins. The government has been working with the association to try to address its concerns.

Members of the public and industry groups have 75 days to voice their opinions before the government makes a final decision.

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## BANK OF CANADA ANNOUNCES FURTHER DETAILS ON NEW SERIES OF POLYMER BANK NOTES

On March 10 the Bank of Canada announced that it will begin circulating a new \$100 polymer bank note in November 2011, with a polymer \$50 note to follow in March 2012. The Bank also provided further technical and background information about the new bank notes. More details on the security features, themes and designs of these denominations will be unveiled in the spring of 2011. The remaining denominations—the \$20 note, followed by the \$10 and \$5 notes—will be unveiled and issued by the end of 2013.

With the introduction of the polymer bank note series, the Bank’s main focus continues to be security. “Canada’s new bank notes will have innovative security features that are easy to verify,” said Mark Carney, Governor of the Bank of Canada. “The leading-edge technology in these notes will expand the frontiers of bank note security.”

In addition to enhancing security, the new bank note series will be easier to verify, more economical and have a reduced environmental impact. The Bank of Canada evaluated a number of options before deciding on a new suite of security features and on the use of polymer material—which is expected to last at least 2.5 times longer than the current cotton-paper bills.

To prepare for the new notes, the Bank is working closely with financial institutions and manufacturers of bank note equipment to ensure a smooth transition to polymer. Law-enforcement agencies and retailers will also be important partners as the Bank introduces the polymer series. “With these new notes, the Bank of Canada will provide Canadians with a durable, high-quality, secure form of payment that they can use with confidence,” added Governor Carney. *[Thanks to Mark Argentino for his tip on this story! Ed.]*

## ST. PATRICK'S TOKENS

COMPILED BY PAUL R. PETCH

This is a timely St. Patrick's story about some mysterious tokens that circulated in the present-day United States state of New Jersey. It came from a description of a collection offered for sale by the U.S. Auction firm Stack's as a part of the sale of the late John J. Ford Jr.'s collection. This was a huge sale, comprised of twenty-one catalogues, with this important commentary by one of its cataloguers appearing in sale number seven. Please notice that it was Irish settlers, in what they considered to be (at the time) a British colony, that used the St. Patrick token series.

"More ink has been spilled over the St. Patrick's tokens than on almost any other series among colonial era coins. Virtually everything about the St. Patrick's token issues is unsettled and in dispute. They have been dated to the late 1640's, to the late 1660's, and to the middle years of the 1670's. Their authorship has been claimed for Essex, Lord Lieutenant of Ireland, the Corporation of Dublin, and unknown royalist sympathizers. The mint that struck them has been named as Dublin, the Tower, and Edinburgh. They have been declared official coins and private tokens. Even their denominations are in doubt, the smaller sized pieces being called both farthings and halfpennies. Metrological evidence is equivocal but suggests that neither size piece was struck to an easily recognizable weight standard. The denominational names are applied more for convenience than out of any certainty of their original, intended values.

The few facts known about the coinage do not certainly tell us much about it. The coins have edge reeding and brass splashes on their obverses. These facts have suggested to some that the coins may have been officially made by a legal, public authority. The larger pieces have the arms of the City of Dublin on their reverses. This has been taken by some as evidence for their official



nature, too. The obverse types of the smaller and larger issues are the same, as are the obverse and reverse legends. This suggests to some that the two issues are by the same maker and had related coinage purposes when made.

In 1681, Quaker Mark Newby brought with him to America a quantity of St. Patrick's coppers. Newby settled near modern day Camden, New Jersey. In 1682, he pledged 300 acres of his land as surety and in return the legislature of West Jersey authorized him to circulate his coppers as halfpence. Sylvester S. Crosby reports in *The Early Coins of America*, published in 1875, that some large size St. Patrick's tokens had been found in the ground in southern and western New Jersey, suggesting that the bigger sized pieces circulated in New Jersey in the late 17<sup>th</sup> century. However, some collectors believe that since all coppers circulating in the country at the time were rated at twice their homeland values, the coins the West Jersey legislature actually authorized were the smaller sized pieces that we today call farthings. The conclusion is in some dispute, but it does serve to explain the very large number of dies found on the smaller size pieces and the comparative rarity of the large size pieces.

Despite the uncertainty about most things connected to the St. Patrick's issues there is one thing that is absolutely sure about them: they have been actively collected by colonialists since before Crosby's time. Fine points about whether the small or larger sized pieces were the ones brought to New Jersey in 1681 by Mark Newby do not seem to carry much weight with collectors. Both sizes are avidly sought after and included in mature collections of colonial coins.

Two names stand out among others in the field of St. Patrick's pieces. For the larger sized ones, Bob Vlack's catalogue of varieties is still



the place to go for an attribution guide. For the smaller ones, the catalogue of John Griffiee's collection presents the largest offering of these and the illustrations to follow are a good attribution guide substitute until John's book on the series is published."

Mr. Ford's collection of St. Patrick's tokens was not as large as Norweb's or Griffiee's but it contained some of the most important specimens ever to cross the auction block. The single highlight was a gold St. Patrick's farthing. This unique specimen traces its descent back to a time barely a century removed from when the issue was believed originally struck. The January 18, 2005 sale was the first time since 1909 that it came up for auction and it fetched \$160,000.

Subsequent to the 2005 auction was a Coinage of the Americas Conference on November 11, 2006 with the single topic being *Mark Newby's St. Patrick Coinage*. Canadian Oliver D. Hoover was the Conference Chairman. In the Introduction to the published proceedings of the Conference, he cautions researchers:

"Readers expecting to find definitive answers to the problems of the St. Patrick coinage in the following pages are doomed to disappointment for the most part, as the sketchy state of the evidence makes it very difficult to arrive at absolute conclusions. Instead, the primary purpose of the conference and the publication of the proceedings was to present the state of the question(s) in the hope of establishing a solid basis for future study."

Any series of pieces that evokes satisfaction in supplying great questions in place of any definitive answers is truly formidable!

Gold St. Patrick's farthing shown enlarged. FLOREAT REX (May the King Flourish) obverse and QVIESCAT PLEBS (May the People be Quite) reverse

