



THE ONTARIO NUMISMATIST

OFFICIAL PUBLICATION OF THE ONTARIO NUMISMATIC ASSOCIATION

WATERLOO, ONTARIO

1973 - 1975 O. N. A. OFFICERS

Past Presidents

R. R. REKOFSKI (1962-1965)
L. T. SMITH (1965-1967)
Wm. ENGLISH (1967-1969)
D. FLICK (1969-1971)
C. B. LAISTER (1971 - 1973)

President

W. E. PAT LAMBERT

First Vice-President

Wm. R. GAGE

Second Vice-President

MEL H. FISKE

Secretary

MRS. PAT LAMBERT

Treasurer & Membership

RUCE M. RASZMANN

Mailing Address

Box 33, Waterloo, Ontario

DIRECTORS

Area 1 Howard Whitfield
Elliot Jephson
Area 2 Ken W. Wilmot
Area 3 Victor G. Potter
Area 4 vacant
Area 5 John Craig
Area 6 Richard A. Ford
Area 7 Tony Gordon
Area 8 Ray Pleau
Area 9 Clifford Shipman
Area 10 Gerald Albert

Historian

WALTER GRIGGS

Publicity

BOB VOADEN
Ontario Paper Co.
Thorold, Ontario

Librarian

Wm. R. GAGE
RR #1, Shanty Bay, Ontario

Medal Committee

MEL FISKE
7795 Beaverdams Road
Niagara Falls, Ontario

Audio-Visual Service & Display Case Service

CHAS. B. LAISTER
#3 Highway,
Tillsonburg, Ontario

Speaker Circuit Service

KEN PROPHET
Box 226, Barrie, Ontario

Editor

W. E. PAT LAMBERT
Box 311,
St. Catharines, Ont.

Volume 14 May 1975 Page 41

THE GREAT CANADIAN RIP-OFF

By Robert Aaron

(This is the talk given at the recent Waterloo Coin Society Annual Banquet by Mr. Aaron and with his permission we felt all our readers should benefit from this talk).

My subject for this evening is a serious one. It concerns you and I and every other collector, numismatist, dealer and coin investor in this country.

If I had to title my talk I would have to call it the "Great Canadian Rip-Off".

At the outset, I would like to paint a little background picture for you. I would ask you to consider what I am going to say with this information in mind.

The Royal Canadian Mint became a Crown corporation in 1969, and since then has been publishing its annual profit and loss statement. The following figures are taken directly from the annual Mint Reports and show the number of dollars coin collectors spent on mint products and Canadian Numismatic coins in recent years: 1969 - \$880,000; 1970 - \$2 million; 1971 - \$4 million; 1972 - \$3.1 million; 1973 - \$4.3 million. The 1974 figures are not yet out but based on only production figures to the end of December, the mint sold \$4.4 million of Canadian collector coins not including Olympic Coins. My guess for collector sales of 1974 coins would be well over \$5.5 million. The Mint turns over a tidy profit every year to the Federal Government. In 1973 the Mint handled over \$3.05 million, up drastically from \$962,000 in 1972; \$1.63 million in 1971; and \$78,000 in 1970.

Any corporation in private business the size of the Mint and doing the same dollar volume of sales with the same size profits would be expected to spend huge amounts on public relations, advertising and one or more full time P.R. persons. It is quite apparent that the Mint spends next to nothing on advertising, and its public relations is limited to two or three cocktail parties in

December to encourage dealers to submit orders for the following year's coins, for delivery six or seven months later. In fact, and I have no hesitation in saying this for the record, the Mint's public relations expenditures are a disgrace. The Mint hasn't even been sending a representative to man a table at Canada's largest coin show, the Torex shows held twice a year in Toronto. So that's the background. Now I suggest to you that the Royal Canadian Mint has a serious obligation to Canadian collectors, not just to sell coins, but to promote the Hobby of Numismatics.

Well, what does the Mint do in this line? Every year they send around to their vast mailing list a garbled, confusing French-English one page brochure, outlining their products for the year. This year the brochure is so bad that it even mis-spelled the name of the designer of the Calgary dollar, Donald D. Paterson of Don Mills, Ontario. Not only is this cheap, but it really does nothing to promote the hobby.

How can the Mint improve? Let's look at the Canada Post Office for an example of how to do things right. With each new issue of stamps, the Post Office releases a separate colour brochure, printed not in mixed French and English, but in separate languages on opposite sides of the same brochure. The background of each issue is completely detailed and not buried in amongst descriptions of six different issues as in the Mint brochure. Full specifications are given, including date of issue, designer, dimensions, manufacturing process, etc. Why the Mint can't do this, I'll never know. Another thing the Post Office has is a deposit account service. A collector can place a standing order with the Post Office for a stated quantity of each new issue, and the order is automatically filled and charged against a credit balance. How about the same thing for coin collectors?

Recently I came across a kind of comic book-text book about Canadian stamps designed for use in public schools. The book features a friendly beaver cartoon character named Phil Ately. Using examples of Canadian stamps divided by subject, the book takes junior collectors on a philatelic voyage through geography, native Canadians, Canadian wildlife, explorers, history, sports, prime ministers and Olympics. It is one of the best hobby introduction books I've ever seen, and it's free. How envious our coin collectors should be.

I'd like now to turn my attention to the Royal Canadian Mint Act and specifically the sections dealing with its Board of Directors. The Mint has a Board consisting of a chairman (the deputy minister of supply and services), the mint master and five other directors, two of whom are from the public service and three from outside. What really bothers me is section 9(4) which says no person shall be appointed a director from outside the public service of Canada who does not have experience in the field of metal fabrication or production, industrial relations or

The Ontario Numismatist is published by The Ontario Numismatic Association. The publication can be obtained with membership in one of the following categories:- Life Membership - \$50., Regular Membership - \$5. annually, Husband and Wife (one Journal) - \$7. annually, Juniors (up to 18 years of age) - \$3. annually, Club Membership - \$10. annually.

Special O.N.A. Silver Lapel Pins - \$2.50.

Remittance made payable to The Ontario Numismatic Association, c/o Mr. Bruce Raszmann, P.O. Box 33, Waterloo, Ontario;

a related field. Section 10(1) says a person may not be a director if he is engaged in or associated with, among other things, "the purchase, production or sale of coins or coin operated devices". The combined effect of these two sections absolutely excludes collectors from the Board of Directors of the Mint, and that's exactly what we, as hobbyists, need - a collector representative on the Board. Representations to this effect have been made to Ottawa for the last several years - but to no avail. The Act still stands.

What about coin design? Granted, we do have collectors representation on most of the time now whenever there is a contest to choose a new design, whether a regular or Olympic commemorative. But a situation arose recently which points to the ineffectiveness of coin collectors when it comes to dealing with the mandarins in Ottawa. Last November, I learned the Mint had prepared designs for the 1975 dollar coin to commemorate the opening of the new mint facility in Winnipeg. No other subject was under consideration and the design in finished form was presented to the Minister of Finance.

The Minister, in his wisdom, killed the idea. There was no little protest from the numismatic community. Mr. Turner, in replying to a letter from Toronto Central Coin Club president John Dewzye, said: "The Government has been commemorating the 100th anniversaries of Canadian provinces, cities and events of national importance by striking one dollar coinage in commemorative design. Given the large number of possible commemorations, it has become necessary to restrict one dollar coins to events of national and historic importance. As a result, it was felt that the opening of a new mint in Winnipeg did not warrant the striking of a dollar coin to mark the occasion."

Well, all I can say to the Hon. Mr. Turner is that if the opening of a new mint isn't an event of national importance, I don't know what is. And even if it isn't, why can't we have an exception in this case. Surely it wouldn't establish a commemorative precedent for, as an example, the opening of a new federal hospital, military base or income tax building. Again, the collector suffers.

I have another suggestion for a way the Mint can improve its sagging public relations. In 13th century England, a custom developed called The Trial of the Pyx. The ceremony was held annually at the British mint to discourage counterfeiting and bolster public confidence in all coins of the realm by requiring that they be struck in compliance with specific standards and testing to verify it.

Until recently at the Royal Canadian Mint was held an annual Assay Commission, the modern day equivalent of the Trial of the Pyx. Five commissioners were usually appointed from the National Research Council and the Department of Energy Mines & Resources. As far as I can determine, the Assay Commission is no longer held in Canada. Not that anyone ever heard about it, of course. It was never publicized and it only rated a brief paragraph in the annual reports of the master of the Mint, and even these have disappeared.

In today's world of space age technology and automated high speed coin production, the Assay Commission is probably unnecessary, but I think it is still good to have an impartial commission meet annually to test samples of the country's coinage. The practice is still carried on in Great Britain, and in the United States, collectors go for the annual Assay Commission meeting in a big way.

Just last month, President Ford, appointed 26 people from all

WALKS of life including several prominent coin collectors. They all met in Philadelphia for a full day spent counting, weighing and assaying sample coins selected and reserved during previous year for this purpose. Members of the press are invited and this is the value of the American practice: Coin testing and the hobby of coin collecting generally are given wide media coverage on the day the commission meets. Publicity like this for our hobby couldn't be purchased for thousands of dollars. And yet the Canadian mint shuns the practice. I'd like to know why.

Listen now to a little story I wrote two years ago at a time when the largest silver coin the country had was a silver dollar. It goes like this:

An international coin collection Convention is scheduled to be held in a major Canadian city in 1976. Nothing like it has ever happened in Canada before. Thousands of amateur and professional numismatists from all over the world will attend. Choice specimens from major private and museum collections will be brought to Canada for display. Illustrious guest speakers will present the results of their latest research and bourse dealers will offer super numismatic wares. New facilities will be constructed to protect the millions of dollars of coins on display and unprecedented security measures will be taken to protect both the coins and the collectors. World-wide publicity will be given to the event.

Despite government contributions, the event is forecast to run up a huge deficit. The mayor of the host city has come up with a brilliant idea - a surcharge of \$1 will be imposed on every ticket to every sports event in the country during the two or three years preceding the convention. The proceeds would guarantee that there would be no deficit to be paid either by some level of government or by the collectors themselves. Ridiculous? Yes. Hypothetical? - not necessarily. This fictional scenario is the exact reverse of the situation which Montreal mayor, Drapeau, expects to pay for the 1976 Olympic games.

Why tax the coin collectors? Why gouge just one small sector of the Canadian public, the coin collectors? Well, it's become painfully obvious to everybody concerned that the Canadian public in general and increasing numbers of coin collectors in particular want nothing to do with the Olympic coin program. The first series with an issue of 9 million has become a drug on the market and many dealers still have huge inventories of unsold series 1 coins. In fact, series 1 is still wholesaling at below issue price.

Instead of lowering the price on series 11 to stimulate sales, our friends in Ottawa raised the price from \$36. to \$45. blaming rising silver prices. But when series 3 rolled around, and silver had dropped \$1 to \$1.50 from the previous high, the price was again raised to \$47.50. This, of course, is guaranteed to cut sales. As if to acknowledge this, mintages were cut from 9 million to 7 million for the second series and about 5 million for the third series. If this keeps up, there won't be enough of series 7 to go around this room. Not surprisingly, Austin Page, head of the program, said in January that revenue from the coin program might not top \$100 million, as opposed to the original target of \$250 million.

American collectors, I think, have the right answer to over-priced coins. Last year, the U.S. mint started taking orders for a three coin proof set of bicentennial commemorative silver coins - the dollar, half and quarter - priced at \$15. Collectors were shocked at the outrageous price and boycotted the issue in large numbers. Orders were only trickling in instead of pouring in and Congress had legislated that a

MINIMUM of 15 million coins or 5 million sets be struck. Finally in desperation the U.S. Mint reduced the price from \$15. to \$12. and extended the ordering deadline from Jan. 31 to July 31.

That's what I call collector power, and I'd like to see the same thing happen in this country. It seems to me that what we have now in Canada is a partial boycott of Olympic coins. Many collectors don't like them (although series 111 is truly a classic design), many can't afford them and even more don't recognize them as currency. What I would personally like to see is an organized, publicized collector boycott of Olympic coins until the exorbitant prices are lowered. This would probably benefit the Olympics in the end, as no doubt more collectors could afford to buy the coins if the prices were lowered.

If American collectors have enough economic clout to bring the U.S. Treasury to its knees, surely their Canadian counterparts have enough power to get the Olympic coin program to reduce its prices.

The final topic I want to discuss with you is probably the most important one, as it threatens the very existence of our hobby. I am referring to the problem of counterfeiting. If any of you bought a rare date silver dollar at the shop today, there is a very good chance the coin is a counterfeit. In the last two years, hundreds if not thousands of counterfeit Canadian silver dollars and gold pieces have entered this country from Italy and Lebanon. Most of them are so good that not even an expert can tell the bogus from the genuine. When a dealer in the northwest U.S. is offering quantities of 1948 silver dollars and when a dealer at Torex last fall has 2 full trays of rare date silver dollars at below market value price, something is wrong. The police are willing to help but their knowledge of the subject is limited and arresting someone for possessing a coin that turns out months later to be genuine might be embarrassing.

The only answer to this problem seems to be greater collector knowledge. Next year in Toronto there are plans for a counterfeit seminar like the one which has been held in Vancouver for the last two years. If this becomes a reality I hope to see the members of the Waterloo Coin Society lined up with me on registration day.

It is only illegal in this country to counterfeit coins that are lawfully current in Canada or elsewhere. It is perfectly legal to make and possess counterfeits of coins that have been demonetized and are no longer current. Last year, German firms were advertising copies of obsolete German and Prussian coins. Duplications of originals worth as much as \$19,000 were selling for \$19. A group in Vancouver protested to the German ambassador to the United States, and they were joined by the Montreal Numismatic Society. In less than three months, as a direct result of these Canadian protests, the West German government passed a law prohibiting the manufacture of unmarked reproductions of coins.

The law closely follows the U.S. Hobby Protection Act, a law which I would like to see passed by the Parliament of this country. That statute prohibits the manufacture or importation of coin reproductions which are not plainly and permanently marked COPY. Violating items may be seized.

The act is designed for private enforcement. A collector can sue to restrain a violation, and for damages, costs and his own lawyers fees. The U.S. Hobby Protection Act was brought into being because American collectors have a strong lobby and a strong voice in Washington. It looks to me like Ottawa not only doesn't listen to Canadian

collectors but doesn't even want to listen.

I call on the Canadian government to enact a Hobby Protection Act and to make the Royal Canadian Mint and the Olympic Coin Program more responsive and more responsible to Canadian coin collectors. And I call on the Canadian Numismatic Association and other collector groups in the country, including this one, to stand up and be counted in Ottawa. We must push for representation on the mint's board of directors, consultation on coin designs and subjects. a Winnipeg mint commemorative, more government promotion of numismatics, an end to official price gouging, restoration of the Assay Commission, as a public event and tough new counterfeit laws.

We must write our M.P.s, the Prime Minister and members of his cabinet. We must pepper them with numismatic questions during election campaigns. And we must support any party, whether government or opposition, which is sympathetic to our goals. Numismatics is a great hobby, but we have a long road to travel to make it better. I'm starting the journey down that road and I hope you'll join me.

Ye Ed's Note - Author Aaron's hard hitting talk had his audience convinced that now is the time for action to force the Royal Canadian Mint to do something --- at least it was felt worth a try, futile though it may be --- Any comments on Bob's article would be welcome either as a letter to the Editor to Bob in care of Ye Ed.

ONTARIO NUMISMATIC ASSOCIATION
"BOOK LENDING LIBRARY"

BORROWING PROCEDURE

1. Members of the Ontario Numismatic Association may borrow listed books for a period of two weeks. Books may be renewed for a further two week period, if there is no other request on hand.
2. Postage both ways to be paid by the borrower.
3. In returning books, please mark BOOK POST on outside of package to obtain lower postal rates.
4. Be sure books are packaged so as to protect them from transit damage.
5. Rare and valuable books will be sent by FIRST CLASS mail, insured for their retail value, and must be returned in the same way.
6. Address all library correspondence to:

Mr. Cixtor Potter,
18 Prince Paul Crescent,
ST. CATHARINES, Ontario L2N 3A9

A Personal Note from the Canadian Large Cent Club

Dear Friends:

We would be interested in hearing from any of your members who collect large cents. The only cost of our members is the monthly postage to cover mailing of our newsletter.

Sincerely,

Signed: Gary C. Littrell,
4300 Prairie Ave., #41,
AMARILLO, Texas, 79109, U.S.A.

NEW MEMBERS

Applications published in the March 1975 issue of the Ontario Numismatist have now been accepted. The following applications have been received and if no written objections are received, their acceptance will be acknowledged in the June issue of the Ontario Numismatist.

950 Wm. J. Gordon, P.O. Box 937, Waterloo, Ontario N2J 4C3

951 Robert Aaron, c/o 372 Bay Street, Toronto, Ontario.

***** ***** ***** ***** *****

PROPOSED COIN SHOWS

Listed below are the proposed coin club annual shows we have with dates and banquets. Please check this list as you decide on a date for your forthcoming show to see if any of these dates conflict with your date.

June 1 - Welland District Coin Club Annual Show from 10.00 a.m. to 6.00 p.m. in the Princess Elizabeth School, Schofield Ave. and Lincoln St. Enquiries re bourse, etc., to Dennis Laverdiere, 21 Vanier Dr., and displays to Claude Trudel, 72 Wellington St., Welland, Ontario.

July 14-16 - Canadian Numismatic Association Annual Convention in Calgary Alberta. Reservations to Front Office, Manager, Palliser Hotel, 133 - 9th Avenue SW, Calgary, T2P 2M3. For Stampede Tickets to CNA '75, Stampede Tickets, c/o Mrs. M. Wolley-Dod, General Delivery, Midnapore, Alberta, T0L 1J0 and any other enquiries to Calgary Numismatic Society, P.O. Box 633, Calgary, Alberta, T2P 2J3.

Aug. 9 - Collingwood & District Numismatic Association First Annual Show at the Lion's Den, Hurontario St., Collingwood, from 10.00 a.m. to 6.00 p.m. For information re bourse, etc., to Collingwood & District Numismatic Association, P.O. Box 565, Collingwood, Ontario.

Sept. 13-14 - C.Y.N. Third Annual Convention at the Four Seasons Sheraton Hotel, 123 Queen St. W, across from City Hall, in the Essex and Algoma Rooms. For information contact Jon Jones, P.O. Box 367, Reddale, Ontario.

Oct. 4 - Richmond Hill Coin Club Annual Show at the Hillcrest Mall, Yonge St. at Carrville Road, south of Richmond Hill. More details later.

Oct. 19 - Hamilton Coin Club Annual Show and Banquet in the I.O.O.F. Fellowship Hall, Wellington St. North, Hamilton, from 10.00 to 6.00 p.m. More details later when received.

Oct. 25 - St. Catharines Coin Club Annual Show and Banquet in the Westminster Church Parish Hall, Queenston St., St. Catharines. More details later when received.

***** ***** ***** ***** *****

IN PASSING - Tid-bits from Readers Digest

You do not lead by hitting people over the head -- that's assault, not leadership.

In youth we want to change the world; in old age we want to change youth.

THE BANK OF ENGLAND

By J. J. Cullimore Allen - City of Ottawa Coin Club

It was founded in 1694 (William III), and in its vaults lie our gold reserves. In this respect the Bank is the Fort Knox of Great Britain. During the 18th century the Bank became the main source of supply of gold coins. Owners of bullion could exchange it here for coin. It must have been most exciting to be able to go along to the Bank with a bar of gold, and to be handed lovely new sovereigns in exchange. Unhappily one cannot do this now. The practice was stopped by the Gold Standard Act of 1925.

To the tens of thousands of people who pass this building every day it is just "The Bank". I imagine few of them have a clue to the number of people employed there, to the amount of work that is dealt with every day, to the immense influence the Bank has on world monetary affairs, and to the vast resources that lie in the vaults. One of the smaller sights of London is the progress of the Bank Picket, which normally marches from Wellington Barracks to the Bank each night, to stand guard over the nation's wealth. The need for this picket of Guards has recently been questioned in the House. Allegations have been made that its progress obstructs traffic, and that the men hate the assignment. It would be a pity to see this ancient and colourful little ceremony forced off the London streets by modern traffic. Moreover, I have always understood that the men, in the main, liked the job of guarding the Bank, since the Governors were not ungenerous to their guard in the matter of creature comforts. How true is the saying, "safe as the Bank of England". My thoughts when passing the Bank are of gratitude, and a dream of what a wonderful time I could have were I allowed to sort through some of the sovereigns in the vaults below. To the Bank a sovereign is just a sovereign, but I am sure I should find varieties I have never seen, or may never be able to acquire".

***** ***** ***** ***** *****

THIS 'N THAT

I had a brief note from fellow collector Stan Clute thanking me for the March issue of the Numismatist which he received April 16th... 'Twould have been quicker to have gone by pony express, so much for the mails, and speaking of mails, MALES I mean, Ye Ed should let our readers know that the reason for an eight page Bulletin in May and a possible late Bulletin in June is due to the fact that a number of pretty nurses at the St. Catharines General Hospital have invited Ye Ed to be with them for two to three weeks while they look into his innards. However, we promise that some sort of Bulletin will go out even if no good samaritan will volunteer to take over Ye-Editorship. Any takers.... It has been most rewarding to receive over the past few weeks many letters from our readers requesting that we continue on as Editor, however, I must again repeat that for health reasons for myself and Mrs. Ye Ed we must in all fairness request to be relieved from this important duty.... In conclusion I would recommend to those of our readers who have been disappointed by the Mint and its products to put your complaint in writing to Mr. Gordon Hunter, Master of the Mint, with a copy to your local M.P., then we may get action..... See you in June, So long,

Ye Ed