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President's Message

Summer is upon us and the price of gas may deter you from a long trip anywhere. May I suggest a great educational and fun trip here in Ontario? To explore the R.C.M. you might say is worth a mint. A number of years ago I visited the R.C.M. in Ottawa and was given a behind the scenes tour and its history. This facility to me looks very much like a fortress or castle.

Just a bit of history, Jan. 3rd 1908 the mint marked its official opening of the Ottawa branch of Britain's Royal Mint, with the striking of fifty cent pieces. This historic sight on 320 Sussex Drive is still used today. The R.C.M. was officially placed in Canadian hands in Dec. 1931, reporting to the Dept. of Finance, then to a crown corporation in April 1969. All monies in Canada are technically issued with the authority of the Canadian Monarch; however, all operations are overseen by the Master of the Mint. The Mint produces collector coins, gold, silver, palladium and platinum customized medals, tokens, trade dollars, and high-end jewellery featuring coin designs. It refines silver and gold and provides assay services.

The mint has been at the forefront of currency innovation. Among its greatest achievements was the world's first colored circulation coin, the 2004 (Poppy). The mint has remained at the forefront of minting technology through continuous investment in research and development.

1982 first to produce .9999 pure gold

1996 Bi-metal \$2.00 coin

1999 Hologram struck on gold coins

2007 Named one of Canada's top 100 employers

Produces coinage for foreign countries

Employs 700 highly skilled people

Guided Tours are Mon. to Sat. 9am to 5pm. Open Sundays in the summer months Adults \$5.00 Children \$3.00. Tour 1-800-276-7714 Boutique on site www.mint.ca. I would encourage one and all to plan a day and tour this Fort Knox and get a behind the scenes, view of how security, production, shipping, design, play a huge part in getting coins into circulation.

2008 is the Mint's Birthday they may have a surprise or two for you.

Tom

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MEMBERSHIP FEES

Regular Membership - \$15.00 per year
Husband & wife (1 Journal) - \$17.00 year
Junior (up to age 18) - \$5.00 year
Club Membership - \$20.00 year
Life Membership - \$450.00

(life memberships are accepted only after one year of regular membership)

Send money order or cheque (payable to the ONA) for membership to

Bruce Raszmann, ONA Treasurer
P.O. Box 40033, Waterloo Square P.O.
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We would like to THANK the London Numismatic Society for donating 29 power point presentations for the ONA and its member clubs to enjoy. In the near future we will publish an updated list of what is available in the ONA video library.

Lighter Side:

It's not the pace of life that concerns us
It's the sudden stop at the end

No man ever injured his eye sight
by looking on the brighter side of things

From The Editor:

Important Changes

Please be advised that my contact information has changed as follows:

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E-mail: rick@citizennews.ca

I ask that all clubs and corresponding members make these changes.

Thank you,
Rick Johnson

MEMBERSHIP REPORT

The application for membership that appeared in the May - June issue of the Ontario Numismatist has been accepted. We welcome:

1962 Keith Novak, Ajax, Ont.,

The Following application has been received:

1963 Bob Lenz, Kitchener, Ont.,

Bruce H. Raszmann
O.N.A Treas. & Membership Chairman

Upcoming Show Dates

JULY 17 - 20, Ottawa, ON - Canadian Numismatic Association 2008 Convention, Crowne Plaza Hotel, 101 Lyon St. Bourse open Friday, 10 a.m. to 5:30 p.m.; Saturday, 10 a.m. to 5 p.m.; Sunday, 10 a.m. to 2 p.m. Canada's \$1 million coin on the bourse floor Saturday. Other highlights include auction, speciality club meetings, CNA annual meeting and awards banquet. For information contact Serge Pelletier serge_pelletier@sympatico.ca or go to <http://www.canadian-numismatic.org/2008ottawa.php>.

AUG. 2 - 3, Niagara Falls, NY, USA - Niagara Frontier Coin Show, Elk Lodge No. 346, 1805 Factory Outlet Blvd. Hours: Sat. 9 a.m. to 5 p.m., Sun. 9 a.m. to 4 p.m. Free admission, raffle tickets offered for prizes. Sponsor/Affiliate: Niagara Frontier Coin Club. For more information, contact Frank Munzi, 724 Mohawk St., Lewiston, NY, USA, 14092, telephone (716) 754-8205, e-mail chicmunzi@verizon.net.

AUG. 10, Paris, ON - SWON, Special Events Building, 139 Silver St. (Paris Fairgrounds). Hours: 9 a.m. to 4:30 p.m. More than 50 tables of coins, papermoney, military and more. Admission \$2 includes ticket on a gold coin draw. Food and drink available at show. Buy, sell and trade. Sponsor/Affiliate: Ted's Collectables Inc. For more information, contact Ted Bailey at 1-866-747-2646 or E-Mail tedscollectables@bellnet.ca.

AUG. 24, Woodstock, ON - Woodstock Coin Club Annual Show, New location. Woodstock Community Complex, 381 Finkle St. Hours: 9 a.m. to 4 p.m. Door prizes and displays. Admission \$1, kids free. For more information, contact Woodstock Coin Club, 41 Masefield Cr., London, ON N5V 1M9, (519) 451-2316.

SEPT. 6, Guelph, ON - South Wellington Coin Society Fall Show, Colonel John McCrea Legion, 919 York Rd., Guelph or Hwy 7. Hours: 9:30 a.m. to 4:30 p.m. One of Southwestern Ontario's biggest shows, 50 dealer tables, free parking, fully accessible. Large display area, hot meals. Admission \$2 for age 16 and up. Free gold coin draw. For more information, contact Lowell Wierstra, 8 Smart St., Guelph, ON, N1G 4K9. Phone (519) 824-6534.

SEPT. 14, London, ON - London Numismatic Society 16th Annual Coin Show, Ramada Inn, 817 Exeter Rd. (off Hwy. 401). Hours 9 a.m. to 4 p.m. Draws for prizes with admission of \$1, children free. Free parking. Displays, and dealers for coins, tokens, medals, paper money and more. For more information, contact Len Buth, 519-641-4353. Email lbuth@webmanager.on.ca.

SEPT. 26 - 28, St. Catharines, ON - TNS, Quality Hotel, 327 Ontario St. TNS, Quality Hotel, 327 Ontario St. 10 a.m. to 4 p.m., on Saturday and Sunday. Daily admission is \$4, Show pass is \$20. Sponsor/Affiliate: TNS. For more information, contact Rick Simpson, Jo-Anne Simpson, rscoins@cogeco.ca (905) 643-4988, fax (905) 643-6329.

OCT. 4 - 5, Cambridge, ON - TLC Show, Future Inns, 700 Hespeler Rd. Hours: Sat. 10 a.m. to 5 p.m., Sun. 10 a.m. to 4 p.m. Admission Adults \$4, \$2 seniors (65), students 16 and under free. Free parking. For more information, contact Linda Robinson (289)235-9288, lindarobinson@cogeco.ca or Tom Kennedy (519)271-8825.

OCT. 18, Oshawa, ON - Durham COIN-A-RAMA, Five Points Mall, 285 Taunton Rd. E. Hours: 9:30 a.m. to 5 p.m. Free dealer public, and membership draws. Free admission. Featuring paper, coins, tokens, medals & many other items. Sponsor/Affiliate: Oshawa & District Coin Club. For more information, contact Sharon at 905-728-1352 or e-mail papman@idirect.com.

OCT. 18 - 19, Regina, SK
Regina Coin Club Fall Coin and Stamp Show, Western Christian College 100-4400 4th Ave. Hours: Sat. 10 a.m. to 6 p.m., Sun. 10 a.m. to 4 p.m. Admission: Adults \$3, 13-16 yrs \$1, 12 and under free. Displays and door prizes. Bring the kids to join the CoinHawks, our new kids coin collecting club. Live auction Saturday evening, go to georgemanzcons.com for more information. Sponsor/Affiliate: Regina Coin Club. For more information, contact Jim Tourand (306) 924-2303 or (306) 540-2924. Web site: <http://www.reginacoinclub.com/>.

OCT. 19, Mt. Elgin, ON - 46th Annual Tillsonburg Coin Show, Mt. Elgin Community Centre, Highway 19. Hours: 9 a.m. to 3:30 p.m. Admission \$1. Free parking, lunch available. Sponsor/Affiliate: Tillsonburg Coin Club. For more information, contact Wayne MacFarlane, (519) 842-6666, waynemacfarlane@sympatico.ca.

OCT. 25 - 26, Toronto, ON
Torex - Canada's National Coin Show, Hilton Toronto Airport Hotel, 5875 Airport Road, Mississauga Ballroom. Featuring Canada's finest dealers. Hours: Sat. 10 a.m. to 5 p.m.; Sun. 10 a.m. to 3 p.m. Admission \$6. Official Auctioneer: the Canadian Coinoisseur, Michael Walsh. The Hilton hotel is located directly across from Toronto's Pearson International Airport. For more information, please call 416-705-5348. Web site: <http://www.torex.net>.

OCT. 25 - 26, Saskatoon, SK
Saskatoon Coin and Stamp Show, German Canadian Concordia Club. Sat. 10 a.m. to 5 p.m., Sun. 11 a.m. to 4 p.m. Adult admission \$3/day, children 12 and younger free. Sponsor/Affiliate: Saskatoon Coin and Stamp Clubs. For more information, contact cab@sasktel.net.

OCT. 26, Stratford, ON
Stratford Coin Show, Army, Navy, Air Force, 151 Lorne Ave. E. Hours: 10 a.m. to 4 p.m. Adults \$2 admission includes draw on gold coin, 16 and under free. Buy, sell coins, paper money, tokens. Lunch available. Sponsor/Affiliate: Stratford Coin Club. For more information, contact Larry Walker (519) 271-3352, Box 221, Gadshill, ON, N0K 1J0.

NOV. 1, Scarborough, ON - Scarborough Coin Club 12th Annual Coin Show, Cedarbrook Community Centre, 91 Eastpark Blvd. Hours: 9 a.m. to 3 p.m. Free admission, free draws and refreshments available. Tables still available. Sponsor/Affiliate: Scarborough Coin Club. For more information, contact Dick Dunn at cpms@idirect.com or PO Box 562, Pickering, ON L1V 2R7.

NOV. 9, Windsor, ON - Windsor Coin Club Fall Show, Caboto CXclub, 2175 Parent Ave. Admission of \$1 includes draws for hourly door prizes and a grand prize. Plenty of free parking. Sponsor/Affiliate: Windsor Coin Club. M. Clarke email: mclarke@wincom.net, telephone (519) 735.0727.

Courtesy of North York Coin Club

REPORT ON THE ONA 2008 CONVENTION

by Tony Hine

I was pleased to attend the ONA 2008 Convention in Sudbury hosted by the Nickel Belt Coin Club from April 25th to 27th.

The show was well attended with over 85 delegates pre-registered and over 50 bourse tables doing a brisk business as rainy weather on Friday and Saturday gave collectors a good reason to be indoors.

At the Saturday evening banquet, Len Buth received the ONA Award of Merit and Joe Ash, treasurer of the Nickel Belt Coin Club, received the Fellow of the ONA Award.

At the bourse floor, visitors to the CNA table expressed enthusiasm for the 2008 Convention's VIP tour of the RCM. The bourse was well attended and the dealers present offered a wide variety of material for collectors of many numismatic specialities.

Collector Lorne Barne's exhibit of HBC tokens won first prize in the competitive exhibit category, while his Newfoundland tokens placed third. Bill Kamb from Ohio received a second place ribbon.



Sales and prices at the Wendy Hoare auction held Friday and Saturday were reportedly robust, with many lots selling well beyond estimates.

The meeting of the Canadian Association of Token collectors was abbreviated when the scheduled program speaker was unavailable and President Harry James led an informal discussion about historical Ontario tokens. The need for an annotated map to correctly locate tokens from Ontario towns that share a name with

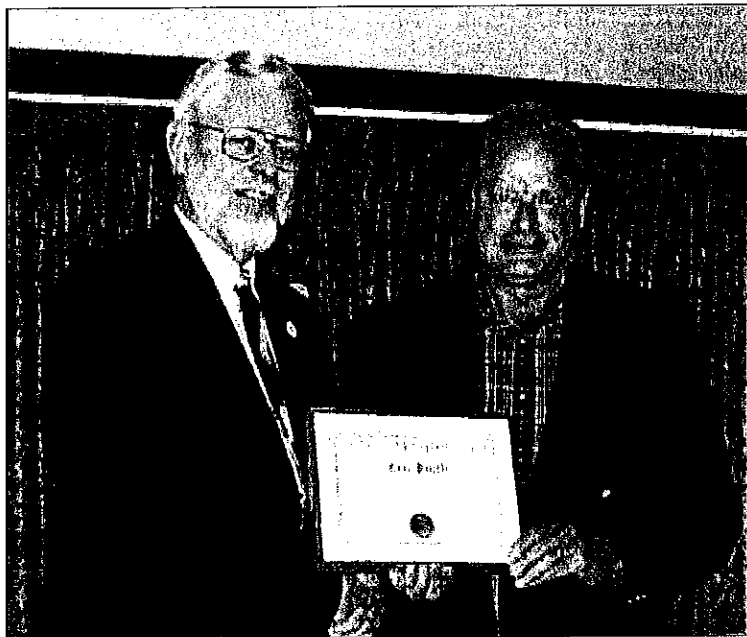
another town in Ontario was noted (Dundas is an example).

The club delegates meeting did not include reports from the audio-visual librarian as VHS material is being converted to DVD or PowerPoint. As well, the club services chairman was not present, so club services were not discussed. Paul Petch, first vice-president spoke about the lack of convention sponsors for 2010 and 2011. He pointed out that ONA presidents like to have conventions close to where they live, hinting that if Tom Rogers steps down in 2009, conventions in northwest Toronto become more likely.

The writer was privileged to sit beside ONA Numismatist editor Richard Johnston for the Saturday banquet dinner. Arising from that meeting, the May/June issue of the Ontario Numismatist includes an article on the RCM Centennial reprinted from the North York bulletin.

The Saturday banquet speaker was Dr. David Pearson, a professor of earth sciences at Laurentian University, who spoke on the geology and natural history of the Sudbury Basin. He was responsible for the vision from which Science North grew as well as the INCO exhibition Dynamic Earth and was a familiar face to many, being a TVO personality.

Tom and Lois Rogers, as well as Gerry and Roland Albert of Nickel Belt Coin Club deserve a hearty congratulation for another most successful event.



Len Buth (right) receives the 2008 ONA Award of Merit from Awards Chairman Paul Petch

(Our thanks to Rick Craig for this photo.)



Courtesy of North York Coin Club

CANADIAN MINT TO FOCUS ON WORLD MARKET

BY DOUG ANDREWS, WORLD COIN NEWS

Remaining competitive internationally, leveraging off technology and exploiting opportunities as world metal prices continue to rise will be the objectives of the Royal Canadian Mint, says its president and chief executive officer, Ian Bennett.



Ian Bennett

The Mint recently announced a record \$30.1 million profit for 2007. "Our target had been growth, now it is growth and profit," Bennett said. "We doubled our profit last year, which was a great achievement," Bennett noted in an exclusive interview with World Coin News.

The mint's use of its multi-plate plating process for circulating coinage is essential to attracting contracts from foreign governments. "This allows us to produce coins at much lower cost than other mints, and it is part of our medium term plan, to exploit our competitive advantage as much as we can. Our goals are tough to achieve in this economy and with the rising Canadian dollar, but it's something that we have to strive to do," Bennett said.

Part of the RCM strategy is to invest in replacement of all the presses in its Winnipeg production facility with higher speed equipment, and to expand plating capacity. Since 2005 the plant has doubled its plating volume and has licensed its patented technology to leading suppliers, including Jarden Zinc Products Inc. of Greeneville, Tenn. The Canadian Mint is aggressively pursuing other partnerships in its quest for more foreign business.

Domestically the future of the Canadian one-cent coin figures prominently in its day-to-day operations. "In terms of the foreseeable future, I think that it is true that Canadians will see one-cent coins in their pockets and purses, but I am not sure how long that is," he said. Bennett, who had a long career with the Canadian department of finance and served as its deputy minister before joining the mint in 2005, says the future of the cent is a government rather than a Mint decision.

While he says governments may not decide the issue based on polls, Bennett

notes that public opinion is almost evenly split on whether to keep or drop the cent. "Those 50 percent of Canadians who want to retain the cent think that it offers them some protection."

Bennett observes that the matter is controversial and that concerns center on the question of rounding prices to the nearest five-cent increment and whether this would be inflationary. "All those sorts of things are out there in the minds

of Canadians," he said. If the Canadian one-cent coin were to be discontinued, Bennett acknowledges that the RCM would have additional productive capacity to devote to contracts with other countries. "We would see some benefits associated with not producing the cent," he says.

The Royal Canadian Mint does not have a major expansion of existing facilities in its immediate plans but Bennett will not rule it out, noting that, "We are the only Mint in the world whose legislation says we are to operate in anticipation of profit." He also states that the Mint must achieve its financial goals without any appropriations from the Canadian government.

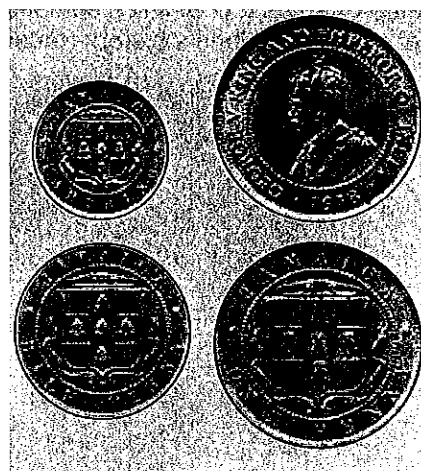
Profit objectives are not the only priorities on Bennett's mind as the mint reaches its 100th anniversary in 2008. Its multi-year program for circulating and numismatic coins marking the 2010 Winter Olympics in Vancouver is being extensively marketed in television and radio advertising.

"I would really like to stimulate the interest of new collectors and younger people. We are going to make a greater effort at doing that," Bennett emphasizes, "We want to be the best mint in the world. That is our vision. I hope that Canadians will be able to see us on that track in our centennial year."

FROM 90 YEARS AGO

I expect that none of the readers will be surprised to see that the Canadian mint produced coinage for Newfoundland in 1918. But were you aware that the Ottawa mint was charged with producing coins for Jamaica in the same year?

These pictures are from the Spink auction catalogue of the Jerome Remick sale of January 24, 2007.



COINAGE AT OTTAWA MINT FOR 1918

The following table shows the coinage executed at the Royal Mint at Ottawa, Canada, for 1918, as reported by Deputy Master James Bonar:

For Canada—	No. of pieces	Nominal value
Fifty Cents	832,805	\$ 416,402.50
Twenty-five Cents	4,167,533	1,041,883.25
Ten Cents	5,109,450	510,945.00
Five Cents	<u>5,790,276</u>	289,513.80
Total	15,900,064	
One Cent	13,084,983	\$ 130,849.83
For Newfoundland—		
Fifty Cents	360,000	\$ 180,000.00
For Jamaica—		
Penny	187,728	\$ 3,754.56
Halfpenny	248,717	2,487.17
Farthing	<u>206,516</u>	1,032.58
	642,961	

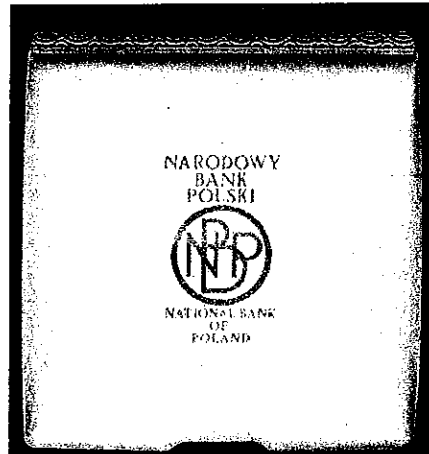
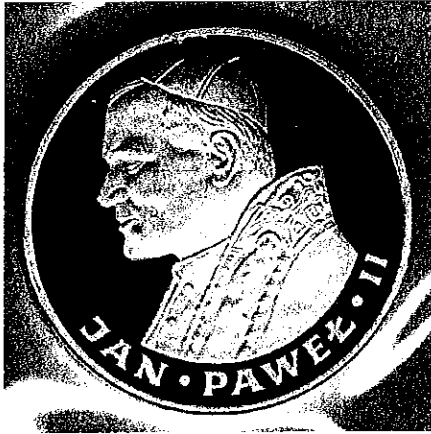
The Royal Canadian Mint won top honours with the Coin of the Year award in 2008 from Krause Publications earlier this year, and Bennett says mint employees take pride in that accomplishment. "We see the numismatic community as being part of what we are."

Those Unexpected Instant ROI Discoveries

Submitted by Judy Blackman

My First ROI Discovery

Recently during one of my monthly visits to Colonial Acre Coins in Kitchener, I was able to procure some unusual items ("unusual" anything, always interests me). I purchased two mint cased 1982 Poland unc 1000 Zlotych Polska Rzeczpospolita Ludowa polished silver coins for only \$3.50 each. My interest was because they have Pope John Paul II on them, and I like Papal currency. In researching the history further, I discovered they may be a little rarer than I had thought, so I checked them out on the internet and lo and behold opening bids were U.S. \$9.99 and as of May 21st, 2008, they had already reached U.S. \$61 and the bid had not yet closed. So my $\$3.50 \times 2 = \7.00 investment seems to have a market value of at least U.S. \$122 combined total, quite a return! So why might these be important collectibles? Let's review Poland's history (most of this I was able to get directly from the mint in Poland):



Until December 31, 1944, the bank had a monopoly for printing currency, with gold reserves of 40% or higher. The dividend could not exceed 8% of income. In the event of a higher income, the state treasury had the right to 50% to 66% of it. Prior to the invasion of Poland in 1939, all the gold reserves were evacuated from Poland to Paris, then to London and on to Canada. The Bank continued to function in exile, as the central bank of the Polish Government in Exile, and financed most of the Polish armed forces. In 1946 the remaining prewar gold reserves were returned to Poland's new communist authorities, while the Bank of Poland itself was closed down and finally in 1952 absorbed by the newly-created Polish National Bank.

The latter was one of two banks allowed to operate in Poland's postwar planned economy. It had a monopoly for currency, credits and accumulation of savings. The other bank, *PKO Bank Polski*, was responsible for private accounts. After the fall of the communist system in 1989, the market economy was reintroduced and the *NBP* limited its functions to currency control and supervision of other, privately-controlled banks.

World War Two (1939-1945)

During the Second World War Poland was divided again. The Russians introduced their own currency in the part of Poland that was under their control. Many people were arrested and sent to the USSR. Their property was confiscated. There was collectivisation of agriculture and supply shortage. The Nazis wanted to make the part of Poland they occupied uniform both when it comes to politics and economy. They confiscated the land and took over Polish factories. Poland suffered the heaviest losses in the world. Six million of Polish citizens lost their lives. Factories, farms, and transport machines were devastated.

1. Political transformations and the change of state boundary (1944/45-1946)

As a result of international agreements the state boundary changed. Poland gained quite a big territory which had belonged to Germany. These lands were devastated to a large extent. They were inhabited mostly by the Germans. Industrial production gradually increased. There were obligatory supplies of materials used in agriculture. New zloty was introduced. In 1945 the National Bank of Poland was created. In 1944 an agrarian reform was carried out. This reform brought about serious changes in the political, social, and economic situation of the country. The management of factories was handed over to workmen's committees, and industry was nationalized. This resulted in a change of the distribution of property. Capitalism and exploitation of people it promotes were severely criticized. The results of the presidential election in 1947 were falsified, and a Communist, Boleslaw Bierut became president.

2. Implementation of programmes the aim of which was to rebuild economy (1947-1949)

In 1945 the Central Office for Planning was created, and it drew up a programme to rebuild the country's economy. The three-year programme was created. Its aim was to improve the standard of life in Poland, remove the damage done during the war, and increase industrial and agriculture production so that it would be bigger than before the war. Having solidified their power, the Communists started to transform the political and economic system in Poland, modelling it on the USSR. An increase in employment resulted in a rise in industrial production. The authorities started to limit private trade by means of administrative measures.

3. Creating the basis of Communism (1950-1955)

Poland submitted to the political and military domination of the USSR. The authorities aimed at the intensification of industrial production and created a new programme, the six-year programme. It aimed at fast development of industry and transforming individual farms into collective ones. The heavy industry developed, and especially shipbuilding, car industry, the metallurgic, and plastics industry. In the period during which the six-year programme was being implemented living standards in Poland deteriorated. There was a constant shortage of supplies and ration cards for food were used.

4. Attempts to create Poland's own form of Communism (1956-1975)

The inefficiency of Soviet economy and society's dissatisfaction with it led to changes in the Party's policy. After Stalin's death workers and intellectual elites started to show their feelings openly. After the strikes in 1956 Wladyslaw Gomolka became the first secretary. This resulted in changes in economic policy the Party's interference with economy was weakened, there were more supplies, and the collectivization of agriculture was abandoned. However, the improvement of the situation was very short-lived. The transformations were stopped in 1957. Economic stagnation was more and more evident. In 1970 prices rose drastically. Society reacted to this by taking strike action in the coast. The strike was quelled. Wladyslaw Gomolka was demoted and Edward Gierek became the first secretary. What followed was an economic revival the situation in agriculture improved, workers' salaries rose, and consumption (of e.g. meat) increased. The authorities decided to speed up the process of industrialisation.



5. Decay of the Communist system (1976-1989)

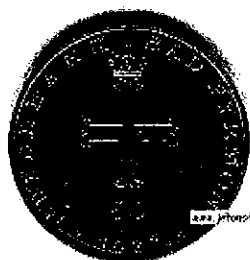
The first symptoms of an economic crisis were visible in 1976. After prices went up workers went out on strikes and organized manifestations. The changes that followed were only temporary. The international trade deficit increased. Debts were incurred abroad. There was a crisis in agriculture. In 1980 the prices of meat rose unexpectedly, with dissatisfaction among society. The workers of the Gdansk Harbour took strike action under the leadership of Lech Walesa. The Solidarity (Solidarnosc) movement started. In 1981 the situation was really bad. There were no goods in shops. Wojciech Jaruzelski became Prime Minister. On 13 December 1981 he declared that Poland was in a state of war. Young and educated people started to leave the country. In 1989, under the pressure of Polish society, the Communists agreed upon the talks with the opposition (the talks of the 'Round Table') and upon a free (partly) election, which they lost. A new government was created and it started a reform aiming at free-market economy.

V. Development of free-market economy (1990-2005)

The transformations which started in 1989 led to the development of free-market economy based on free competition. In order to be successful the whole transformation required privatization and the development of small and medium companies. The process of privatization and restructuring has been very difficult and time-consuming. There are still many big state-owned companies which need to be privatized, mainly in the metallurgic, chemical, mining and engineering industry, as well as in transport, and the energy and gas sectors. During the last decade of the 20th century the private sector developed substantially in Poland, and in 2000, 70.4 % of GDP was achieved by this sector. Since 1995 the Polish economy has been developing quite fast. In 2001, the development was slower. However this was true not only about Poland but about the whole world. Between 1995 and 2002 GDP increased, and in 2002 it equalled 772 248 million zloty. While GDB decreased in the building sector, the processing industry, and the mining industry, it rose in the transport and communication sectors. In recent years, more and more foreign investors have come to Poland. In 2002, 65 114.6 million USD has been invested in Poland. The majority of foreign investors come from France, the USA, and Germany. Despite the dynamic development of some sectors, there are still many problems that have to be faced. The biggest problem is unemployment (2002: 18.1%) and budget deficit. However, on the whole, there are plenty of opportunities for foreign investors in Poland.

My Second ROI Discovery

The other discovery also came in its own jeweller's case and is beautiful. The case is from Matthias Heinrich Jeweller & Goldsmith Sallstr./Ecke LutherstraBe 59, 3000 Hanover 1 hat viele Zder aus Th. And it's a 1977 50 Spielbank (German for Casino) Bad Pymont (name of Casino) in Hanover Germany. It's a Special chip / medallion the casino had made up. One of the Bad Pymont Casino theatres in Hanover closed in 1998 but I believe the other still operates. Since mostly my father and grandfather only swore at me in German and Polish growing up, I have much difficulty making out some of the information I was able to find on this as it's all in German, and my electronic converter was unsuccessful. I was able to find on the internet where one of these (a more current year) went for U.S. \$45. Now I paid \$7.50 for this, and of course I didn't even know if it was a coin or not at the time. I will likely research this further, and for those who collect tokens and medallions, you may see it show up in an upcoming club auction. Below are photos from Bad Pymont, however, my medallion is actually very bright, proof-like, new in the original case, uncirculated, and may be polished silver.



Courtesy of North York Coin Club

17TH CENTURY RARE GOLD COIN RECOVERED IN NEWFOUNDLAND

BY KEN MEANEY, CANWEST NEWS SERVICE

Call it the 17th century equivalent of losing your bankcard - and then picture the owner losing his mind trying to find it. Sometime around 1627, the owner of a very valuable gold coin lost it at an early British colony on Newfoundland's Avalon Peninsula.

Archaeologist Jim Tuck, who dug the rarity out of the stone footing of a house this week at the Colony of Avalon, says how it got there is anybody's guess, but the erstwhile owner - maybe the man who founded it in 1621, Lord Baltimore, himself - didn't let it go very easily.

"It's a very valuable piece of stuff. I'm amazed at the kinds of things people will lose. I believe whoever lost it spent a long time trying to get it back," he said with a laugh.

"I know I would."

The loonie-sized Scottish coin is 22-karat gold and weighs about five grams, worth about \$143 Cdn today. When originally issued, it was worth six British pounds (or 120 shillings), which represented a lot of money for its owner.

"It's difficult to put a price on it in today's terms. But it probably represents something like four months' salary for the purchasing agent for the King of England at the time. I don't know what that person would make today, but it's a hell of a lot more than (six pounds)," Tuck said.

The "Sword and Sceptre" coin dated 1601 was issued during the reign of King James VI of Scotland two years before he ascended the throne of England as King James I.

It features the crowned arms of Scotland (rampant lion) on the obverse surrounded by the Latin inscription, "James VI, by the Grace of God, King of Scots."

The reverse features a crossed sword and sceptre, flanked by two thistles - all below a crown. The reverse Latin legend reads, "The safety of the people is the supreme law."

"It's probably the most unusual and valuable thing from this early period (ever found). I don't know of any other (com-



17th Century gold coin found in stone footing of a house this week at the Colony of Avalon.



This 1603 Sword & Sceptre gold coin, similar to the one discovered, was auctioned by Heritage Auction Galleries on September 27, 2007 for \$2,999. (Photo from the Heritage web site)

plete) gold coins from any other land archaeological sites in eastern North America or Canada," said Tuck, who has been excavating the site of the colony since the early 1990s. "Those underwater guys are always finding them by the bushel from ships and stuff."

Tuck says when he first saw it, he didn't believe it.

"At first I thought it must be something that came out of the inside of a soft drink cap or something like that, you know, a piece of gold-coloured foil because you just don't expect anything like that," he said.

"(But) gold is such nice stuff - it doesn't rust or corrode or anything. As soon as the dirt began to brush off you could see there was lettering around the rim and the crest and stuff. So it was pretty exciting for a few minutes there."

Tuck figures it was lost and not part of a stash of coins hidden to protect it from French raiders.

"It's much too early. The context is wrong for the French raid (1696) or even the Dutch raid of 1673. Unfortunately. It'd be nice to find a horde of these things. That'll never happen."

The coin is being examined and cleaned at the Colony of Avalon Conservation Laboratory.

Baltimore's colony left substantial remains. Archaeologists have uncovered over a million artefacts to date, including gold rings, Portuguese ceramics and other unusual objects, as well as a blacksmith shop, a stone-walled well, a sea-flushed toilet and the "prettie (pretty) street" described in early accounts of the settlement.

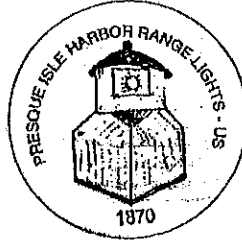
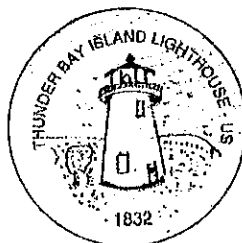
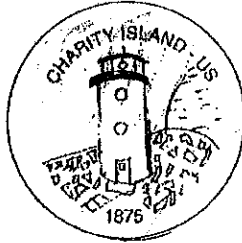
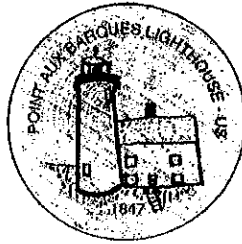
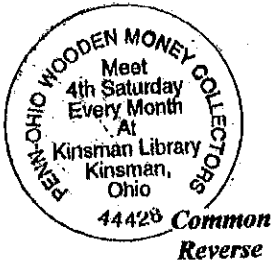
There is also evidence of earlier occupations by Beothuks and Basque fishermen.

Baltimore, born George Calvert, eventually gave up the Newfoundland colony, after complaining about French raids and winters that lasted from October to May. He was granted land in Maryland in the United States where the city of Baltimore is named after the family.

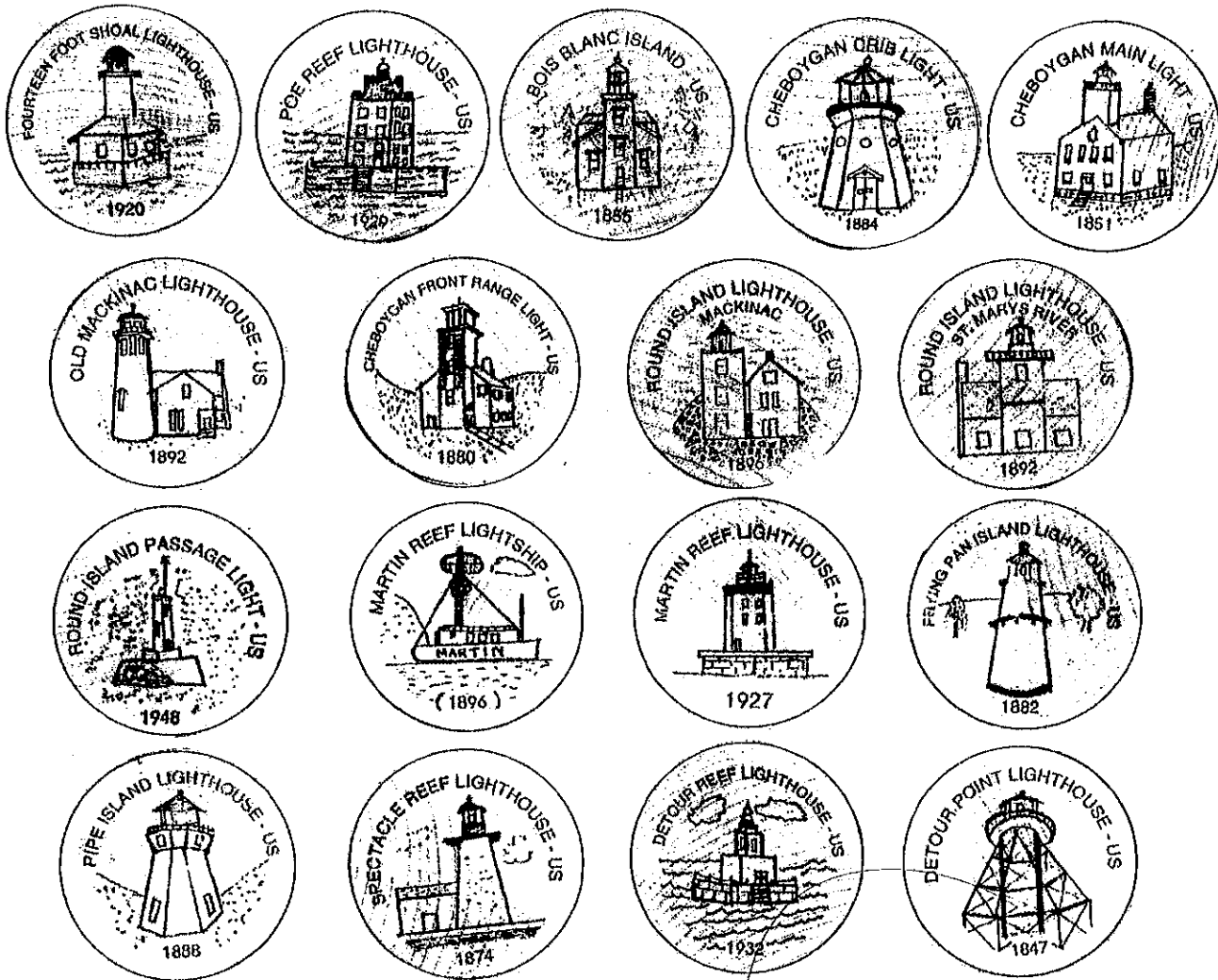
Courtesy of Timber Talk

P.O.W.M.C. LAKE HURON LIGHTHOUSE SERIES (U.S.A. SIDE):

As stated in last month's newsletter, shown here and on page 6, is the entire set (36 woods) of **Lake Huron** Lighthouse woods from the **U.S.A. side**. These woods are issued by the Penn/Ohio Wooden Money Collectors (P.O.W.M.C.). Ordering information is at the end. Future newsletters will show the lighthouses from the Canadian side, of which there are two sets. The first of those two sets (Canadian) is also now available.



Courtesy of Timber Talk



ORDERING INFORMATION:

Lake Huron- U.S.A. side – (woods shown above) - \$20.00 U.S.A. funds

Lake Huron- Canadian side Set # 1 (33 woods) – just recently released - \$20.00 U.S.A. funds

Lake Ontario- U.S.A. and Canadian sides (41 woods) - \$25.00 U.S.A. funds

Lake Erie- U.S.A. and Canadian sides (51 woods) - \$25.00 U.S.A. funds

Make cheques payable to P.O.W.M.C. and mail to Rich Boyles 734 Greenfield Rd. Mercer, PA 16137 .

Courtesy of North York Coin Club

A TREASURE TRAVELS, INCONSPICUOUSLY

BY TODD HEISLER, THE NEW YORK TIMES

They didn't exactly hire two guys with a truck to secretly move one of the world's largest and most valuable coin collections over the weekend in Manhattan. But they did use five standard-issue moving vans.

No armoured-car convoys. No helicopter gunships. No National Guard outriders flourishing automatic weapons. Just sweaty movers, in blue shirts with their names stitched at the front, schlepping 425 plastic packing crates that were filled with treasures trussed in humble bubble wrap and garden-variety vinyl packing tape.

Yes, the New York Police Department provided an escort, but during more than eight hours on Saturday, one of the great hoards of coins and currency on the planet, worth hundreds of millions of dollars, was utterly unalarmed as it was bumped through potholes, squeezed by double-parked cars and slowed by tunnel-bound traffic during the trip to its fortress like new vault a mile to the north.

In the end, the move did not become a caper movie.

"The idea was to make this as inconspicuous as possible," said Ute Wartenberg Kagan, executive director of the American Numismatic Society. "It had to resemble a totally ordinary office move."

The collection of 800,000 coins, bank notes, medals, commemorative badges, pins, historic advertising tokens, campaign buttons and other artefacts has been amassed during the 150-year existence of the non-profit society.

It was transported from the society's high-security headquarters at 96 Fulton Street, in the former Fidelity and Deposit Company building at the corner of William Street, to its future home, a secure \$4 million vault and exhibition space 22 blocks away, on the 11th floor of One Hudson Square, at Varick and Canal Streets.

Even as the moving vans shuttled back and forth, the society's 14 employees began the endlessly tedious work of unpacking the boxes. They began freeing 12,000 metal trays full of coins from their quarter-inch foam packing, then stacking them in their new locations in custom-built cabinets in a vault erected on the concrete floor of a former printing building.

The society's holdings rival the comprehensiveness and rarity of those in the Smithsonian Institution and comprise "one of the world's great collections, the equivalent of those in Berlin, Paris and the

British Museum," said Christopher S. Lightfoot, an associate curator in the department of Greek and Roman art at the Metropolitan Museum of Art.

"It is a vast, encyclopaedic collection of the highest quality," he added.

Of the collection's value, Dr. Wartenberg Kagan said, "It is priceless because it has so many unique pieces," adding with deliberate vagueness that experts had valued it in the hundreds of millions of dollars.

The collection "is incredibly valuable, so you can understand why they don't want to publicize exactly how much," said Rosemary Lazenby, curator of the Federal Reserve Bank of New York.

During the move, coded numbers on each sealed crate were checked again and again, and "nothing fell off a truck," said Andrew R. Meadows, the society's deputy director.

Society staff members were pledged to secrecy about the timing of the move, and "we didn't tell our movers what the cargo was until the morning of," said James McVeigh, operations manager of Time Moving and Storage Inc. of Manhattan, referring to the crew of 20 workers.

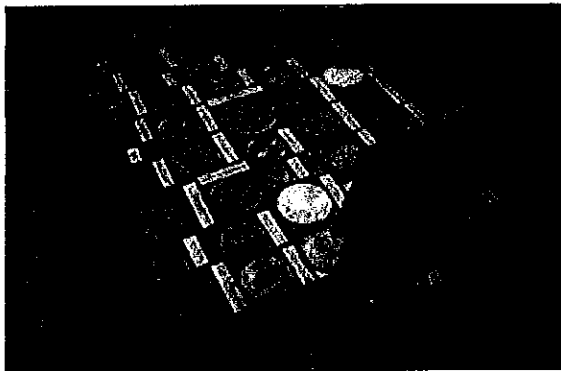
"How could you not think that there are crazy people out there who want to do crazy things?" he added, noting that he spent six months planning the move with his brother, Tom, another manager of Time Moving.

And so as bright orange rubber-wheeled crates concealing fabulous doubloons rumbled out onto the sidewalk, pedestrians obliviously headed into the Duane Reade two doors away at 130 William Street.

Amid much shouting and hand gesturing, the moving vans barely squeezed past a parked Duane Reade truck on the



Movers began hauling some 425 crates filled with valuable coins from the old headquarters of the American Numismatic Society on Fulton Street to its new location at Varick and Canal Streets on Saturday. The society houses one of the premier collections of coins in the world.



The collection of 800,000 coins, bank notes, medals, commemorative badges, pins, historic advertising tokens, campaign buttons and other artefacts has been amassed during the 150-year existence of the non-profit society. Here, a collection of medallions was filed at the new \$4 million vault and exhibition space.

Courtesy of North York Coin Club

narrow street as the drivers manoeuvred past water and gas main renovation work on Fulton Street.

Then, before arriving at their loading-dock destination on Watts Street, the trucks had to battle Holland Tunnel approaches clogged with weekenders on the way to the Jersey Shore.

"It's our first coin collection," said a New York police detective, Gregory Welch, of Emergency Service Unit Truck One, which shadowed the move with hidden heavy weapons "just in case," along with patrol cars from the First Precinct. He said his unit was accustomed to protecting Federal Reserve gold transfers and gem shipments in the Midtown diamond district.

The numismatic society, which has about 2,000 members, was founded by a group of New York collectors in 1858. Thanks to the discovery and minting of gold in California and the development of new federal coinage, interest in coin collecting — as well as the size of the society's collection — grew quickly. By 1908, the society had its first permanent home, in a neoclassical building next to the Hispanic Society of America on Audubon Terrace at 155th Street and Broadway.

Portions of the collection — which grew through donations from the society's members and officers — were long on view. But a decline in its finances starting in the 1970s resulted in a whittling down of the staff, and the society considered shutting its doors, Dr. Wartenberg Kagan said. However, she added, an infusion of new board members and wealthy donors has given it a current endowment of \$45 million.

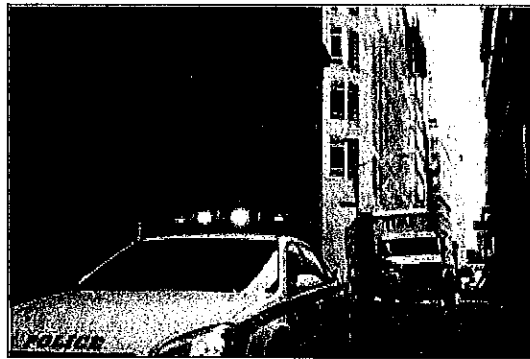
In 1998, the society bought the seven-story Fulton Street building for \$6.5 million and reopened its doors to scholars in 2004, but the growing cost of renovations in the antiquated structure proved too great to provide an exhibition space, Dr. Wartenberg Kagan said.

So the society lent hundreds of its rarest and most valuable

holdings to a museum in the Federal Reserve Bank of New York, as well as some 250 gold and silver coins to the Metropolitan.

The society sold its building this year for \$23.9 million, "which was mostly for the endowment, and some for the build-out in the new space," Dr. Wartenberg Kagan said.

The oldest item in the society's "cabinet" (the coin-maven word for collection) is one of the first coins ever produced, made of gold-silver alloy and issued around 650 B.C. by a Lydian king who was an ancestor of Croesus.



A police cruiser escorted a moving truck down Ann Street in Lower Manhattan during the move. The operation was planned over the course of six months and included a crew of 20 workers from Time Moving and Storage Inc. of Manhattan.



Once the coins reached their destination, they were quickly unwrapped and filed in the new vault. For long stretches, the only sounds were the popping of tape and bubble wrap, the squawk of trays sliding into cabinets and the very occasional ring of a coin bouncing on the concrete floor, accidentally tipped from its tray. Instantly, work would cease as the errant coin was hunted down and restored to its niche.

There is also a 2,000-year-old gold aureus coin of the Roman Emperor Augustus; a gold stater of Alexander the Great, dating to about 330 B.C. (minted in Babylon from Persian loot); and one of the rarest examples of Confederate States currency, a \$1,000 note printed in Alabama in 1861. Fewer than 700 were printed.

The society also has a library of 100,000 books, pamphlets, manuscripts, catalogues and other items, which will open to the public in September.

The new, 20,000-foot space, with its 14-foot ceilings, has panoramic views north to the Chrysler Building and west to the Hudson River and will have a climate-controlled rare-book room, conference and lecture spaces, administrative offices and an exhibition hall.

"Our collection is amazing, and much of it has not been on view," Dr. Wartenberg Kagan said. The first exhibition, celebrating the society's 150th anniversary, is to open in October.

The society "deserves a new home, where its holdings can be displayed to the public," said Ms. Lazenby of the Federal Reserve, which has exhibited parts of the society's collection in recent years in the bank's admission-free coin museum, in its massive iron-barred neo-Florentine building at 33 Liberty Street.

All day Saturday, after the movers put the crates in place, workers quietly and steadily unpacked the coins, some golden and gleaming, others dulled by the centuries. For long stretches, the only sounds were the popping of tape and bubble wrap, the squawk of trays sliding into cabinets and the very occasional ring of a coin bouncing on the concrete floor, accidentally tipped from its tray. Instantly work would cease as the errant coin was hunted down and restored to its niche, undamaged.

Finally, after the massive doors and gates of the vault slammed shut, Dr. Wartenberg Kagan expressed gratitude to the police and the heroic efforts of her staff, and gave the order for the alarm to be armed. "To say I'm relieved," she said after the lockdown, "is putting it mildly."

Courtesy of South Wellington Coin Society



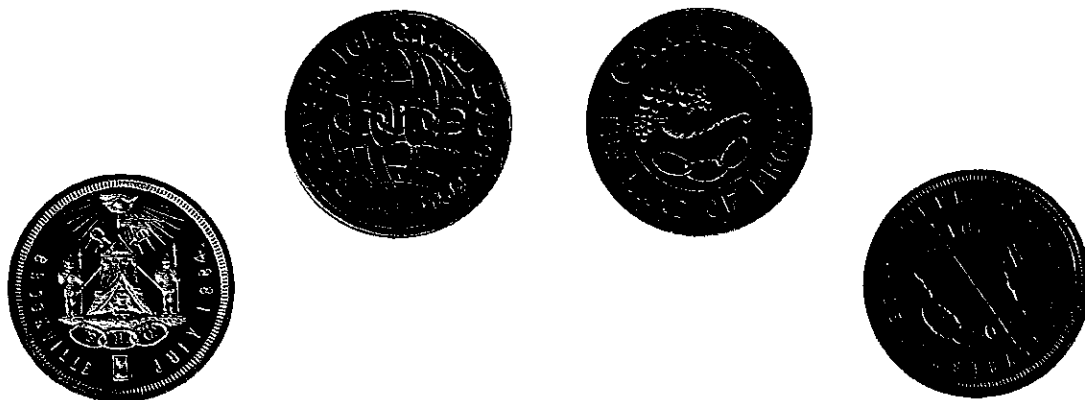
The Independent Order of Odd Fellows.

DID YOU KNOW.....?

By Scott E. Douglas

.....that the Independent Order of the Odd Fellows began as an organization in Canada more than 150 years ago? The first Odd Fellow lodge was instituted on August 10, 1843 in Montreal, Quebec some 24 years after its birth in the United States. This Montreal lodge, known as the Prince of Wales, received its charter largely due to the efforts of two Americans living in Montreal at that time. The Grand Lodge deliberated quite some time before granting authorization of the charter. In less than a year and a half the Montreal area boasted 3 lodges all under the leadership of Grand Master W.M.B. Hartley. The IOOF became fashionable in Montreal society and boasted several prominent elected members of our Parliament. In typically political fashion these members felt a need to be independent of their American brothers and so they petitioned the Grand Lodge of the United States for sovereign status. Eventually the Canadian arm received this authority although it had limited powers. At the height of its popularity the Grand Lodge of British North America, as it was known in Canada, chartered 4 Grand Lodges and a total of 28 Odd Fellow lodges. One Odd Fellow lodge was granted a charter in Nova Scotia. Unfortunately the euphoria was not to last and 10 years later all lodges in the city of Montreal disbanded. The debts from these Grand Lodges were paid by the subordinate lodges that remained. When the smoke cleared there were 7 lodges left remaining in Ontario and the one lodge in Nova Scotia. These remaining lodges would now come under the umbrella of the Grand Lodge of the United States. Today the Order survives with seven jurisdictions operating under the Sovereign Grand Lodge with lodges in 101 towns and cities in Ontario alone. There are 6 Grand Lodges representative of 6 Canadian Provinces and 1 Grand Lodge for the Maritimes.

In Canada the Odd Fellows are supporters of research at the University of Toronto Eye Bank. They are also known as advocates of tree planting as a way of combating Global warming. The organization participates annually in the wreath laying ceremony in Ottawa at the cenotaph.



THE CASE AGAINST THE PENNY

by Andrew Duffy

Canada's Currency Museum stages a travelling exhibit, *Count Your Pennies*, in which would-be shoppers are invited to explore grocery stores of the 1900s, 1930s and 1950s. The exhibit allows shoppers to compare prices between decades: a box of soap goes from four to eight to 12 cents; a dozen eggs climbs from 22 to 31 to 57 cents; one pound of sausages costs 12, 15, then 45 cents. Today, a box of laundry soap can cost \$5.99, a dozen eggs \$2.29, one pound of sausages \$3.99. Although not its stated intention, the museum exhibit highlights the radical decline in the value of the Canadian penny, which was first minted a century ago. "It certainly used to mean more than it does today: it had a value," says Caroline Roberts, exhibition and program planner at the Currency Museum. "Even when I was a child, it meant more."

A penny today is a shadow of its former self. The penny retains only 5 per cent of the purchasing power it commanded in 1908, which means it can buy 1/20th as much today. (By extension, today's dime holds 60 per cent less purchasing power than the first Canadian-made penny.) The penny holds so little value that consumers regularly stockpile them in Mason jars and beer mugs, along with mismatched buttons and orphaned keys. Billions of pennies now moulder – removed from circulation – in dark corners of Canadian homes. For many, the penny has become the cockroach of the currency system. Reviled, ubiquitous and damn near indestructible, pennies have survived 20 years of concentrated government scrutiny.

New Democratic MP Pat Martin, however, recently announced his intention to exterminate them once and for all through his private members' bill. But can anyone really kill the penny? "The business case for abolishing the penny is overwhelming now," says Mr. Martin, whose proposed legislation would stop production in 2009. "This idea has reached critical mass. Any fiscally responsible government can't ignore the facts." The first penny produced in Canada was struck on Jan. 2, 1908, by Lady Grey, the wife of governor general Earl Grey, at the opening of the Ottawa branch of the Royal Mint. (Before then, all

Canadian coins were minted in Britain.) At the time, Canada's currency system was a hodgepodge. Each of the country's 33 chartered banks printed their own notes and many individual merchants issued tokens that were redeemable only in their stores.

The penny began the currency's march to standardization. The new pennies were welcomed by Canadians, who had long been frustrated both by coin shortages and counterfeit notes. (The Bank of Canada took over the job of issuing paper notes in 1935.) But the penny itself proved far from immutable. It went through the first of many makeovers in 1920, when it was reduced in size and weight because of a spike in metal prices after the First World War. The coin would continue to shed weight for the rest of the century: today's version weighs less than half as much as the original.

The most dramatic change in the penny has been in its mineral composition. What began as a coin made largely of copper (95.5 per cent) became mostly zinc (98.4 per cent) in 1997; since 2000, it has been

predominantly steel (94 per cent). The changes reflect the skyrocketing cost of most metals. Canadian pennies minted before 1980 contain more than two-and-a-half cents' worth of copper at today's prices. (Nickels of the same vintage hold more than 14 cents' worth of metal.)

Herein lies one defining problem with the penny: it is more expensive to produce than it is worth. At least two studies have found that the face value of the penny cannot cover the cost of its manufacture and transport. A 2003 study by two Wilfrid Laurier University economists used the Royal Canadian Mint's own figures to conclude that each one cent coin costs four cents to produce and distribute, a condition known as negative seigniorage. A 2007 study by the Desjardins Group of Quebec estimated the average cost of issuing a one-cent coin at 1.5 cents. Last month, U.S. Mint Director Ed Moy told a congressional committee that coin-manufacturing costs are rising sharply. It now costs almost 1.7 cents, he said, to mint a penny, up from 1.23 cents just two years earlier. In response, U.S. Treasury Secretary Henry

Continued on page 10



Courtesy of North York Coin Club

Paulson said the penny should be eliminated, but added he didn't think it possible given the other economic challenges facing the country. Costs in Canada remain lower because our penny is made from steel, which is more inexpensive than the zinc used to produce U.S. pennies. (Congress is now considering a proposal to make U.S. coins out of cheaper metals.) Alex Reeves, communications manager for the Royal Canadian Mint, says each penny contains raw materials worth 0.8 cents. The mint, however, will not reveal other costs associated with penny production, such as labour and transportation, because it is considered "commercially sensitive information." (The Canadian mint competes with other national mints to produce foreign coins.)

Pennies impose costs on everyone who must handle them. Banks, grocery stores and consumers spend time and money to sort, count, roll and move pennies. Economists have pegged those costs at more than \$100 million a year. "It is just a waste of resources," says economist Jean-Pierre Aubry. But the actual cost of the penny is only one plank in the case against the coin. More fundamental is the utility of the penny itself: Does it serve a meaningful purpose in today's economy? A September 2007 study, prepared for the Royal Canadian Mint, found that 93 per cent of retailers will sometimes complete transactions even if a customer is one or two pennies short. About 64 per cent of Canadians said they wouldn't bother to fish out a penny if it dropped between the sofa cushions. More than half (52 per cent) agreed with the statement, "A penny isn't really worth anything anymore." The attitudes captured by the survey help to explain why so many pennies disappear from the retail distribution system. More than 31 billion have been minted in Canada since 1908 and yet, every year since 2000, an average of 800 million new one-cent coins have rolled off the presses. In 2006, penny production surged: 1.2 billion pennies were produced in Canada – enough to cross the country three times when laid flat. Why so many coins? "These astronomical figures," a Desjardins Group study concluded this week, "show that many pennies don't find their way back into the retail distribution system either because they are hoarded, which is usually

the case, lost, or simply thrown away." About two-thirds of Canadians don't use pennies anymore, according to the Desjardins study. It means that millions of dollars in pennies have been effectively sequestered by consumers who regard the coins as more trouble than they're worth. "If a coin has such low purchasing power that consumers refuse it, throw it away or hoard it without worrying about putting it back into the distribution system," the Desjardins study concludes, "it would seem logical to stop producing it."

Most Canadians understand that logic. The Future of the Penny in Canada was a study prepared last year for the Royal Canadian Mint and the Department of Finance. It contains a survey that shows a majority (63 per cent) of small retailers and a plurality (42 per cent) of consumers favour the elimination of the penny. The study found that the major banks are also in favour of elimination. Logistical problems present the biggest impediment to the penny's removal, according to the study. The key question for retailers is how they should price items without the penny. Should the actual price be rounded to the nearest nickel? Or should the customer's bill, after tax, be rounded to the nearest nickel? How will electronic cash registers manage the results? There are also questions about the mechanics of the procedure. It is generally understood, the study says, that the mint would "shut off the tap" of pennies by eliminating their production. But would pennies be legal tender forever? Would the mint buy back everyone's stock of pennies? Proponents of elimination contend that the problems are all surmountable. Australia, New Zealand, Britain, France and Norway have all managed the elimination of their low-value coins without cost inflation. What's more, they say, rounding to the nearest five cents will only apply to final cash transactions. All other payments, whether by cheque, credit card or debit card, will still be settled to the nearest cent.

The verdict on the future of the penny ultimately rests with Finance Minister Jim Flaherty, who said earlier this month that he's not interested now in eliminating the one-cent coin. There's little political advantage to the move, particularly since some Canadians consider it part of the

country's heritage. (Curiously, the mint's survey shows that younger Canadians are more attached to the one-cent coin than older ones.) Mr. Aubry, a former Bank of Canada economist who helped author the Desjardins study, argues that more damage will be done by allowing the penny to linger. "What we see now is a disrespect for the penny: some throw them away as garbage," he says. "In the long run, this is bad because it generates disrespect for the currency and currency is supposed to be something important in society." While the penny's fate is still being debated in the court of public opinion, another coin is already in the dock.

The nickel faces some of the same charges as its copper-coated cousin: that its diminishing purchasing power can't justify its cost and nuisance. New Zealand eliminated its five-cent coin in 2006. The Desjardins study released this week calls for the immediate elimination of the penny, followed years later by the removal of the five-cent coin. But not everyone dismisses pennies and nickels as worthless. A company in Ohio, Jackson Metals, melts pre-1981 Canadian nickels for their mineral content. (Canada's Currency Act prohibits the melting of coins by private firms, but there's no prohibition against the export of Canadian coins for that purpose.) Another business, Coinstar, has also found gold in mining the rich deposit of coins stored in North American basements. In Canada, Coinstar kiosks – there are 300 in Ontario and Quebec – charge a 9.8-per-cent processing fee to count and collect loose change. Coinstar has turned over 1.3 billion coins worth \$72 million to the Royal Canadian Mint since launching its services in 1998. Mr. Aubry says the fee imposes yet another unnecessary cost on consumers, who wouldn't have to resort to such machines if their currency was more rational. "It is another symptom of the penny problem," he says. MP Pat Martin says the penny has enjoyed 100 good years, but is now a too-costly anachronism. "This isn't about eliminating the penny," he says. "This is about eliminating wasteful spending, and that's why (Finance Minister) Jim Flaherty can't ignore it."

The Ottawa Citizen, April 12, 2008

AS EURO NEARS 10, CRACKS EMERGE IN FISCAL UNION

BY MARK LANDLER

FRANKFURT — The euro turns 10 next January, a milestone that will be marked with celebratory speeches, inch-thick scholarly papers and a commemorative 2-euro coin, designed by a Greek sculptor. It was chosen from five candidates in an online poll of European residents.

For Greece, winning the coin contest may be the high point of the festivities. Seven years after forsaking its drachma for the euro, the Greek economy is faltering, inflation is spiking and exports have been hobbled by the surge of the euro against the dollar. Greece, said Thomas Mayer, the chief European economist at Deutsche Bank, is an “accident waiting to happen.”

By most yardsticks, Europe’s common currency has been a success, emerging as an alternative to the fading dollar for bond dealers, central bankers, Chinese exporters, even Jay-Z, the American rapper, who put a pop-cultural imprimatur on the currency by flashing a wad of 500-euro notes in a music video. Yet fissures are forming in the European monetary union that threaten to widen in coming months.

Greece, Portugal, Italy and Spain — the sun-drenched fraternity sometimes called Club Med — are struggling with eroding competitiveness, rising prices and bloated debts. Meanwhile, Germany, the sick man of Europe for most of the euro era, is suddenly vigorous again. Economically fit after years of reforms and fortified by brisk global demand for its machinery and other goods, it has fended off China to retain its status as the world’s export champion.

Germany’s northern neighbours are generally doing well, too, which has rekindled talk of a north-south divide: a north that is growing decently but is concerned about inflation, and so prefers higher interest rates and is willing to live with a strong currency; a south that is worried about stagnating, and prefers lower rates and a weaker currency. When leaders and laggards use the same money but have opposite problems, tensions are bound to surface.

Take Italy, facing high labour costs, slumping exports and a gaping public debt, its old remedy for hard times would have been to devalue the lira. Now, chained to the mighty euro, it cannot do that. Instead, it will probably have to endure a recession and rising unemployment, something no politician — but especially not one just elected, like Silvio Berlusconi — wants to face.

Mr. Berlusconi has already said he wants the European Central Bank to weigh more than inflation when setting monetary policy. In other words, the bank should lower interest rates, which would probably deflate the euro somewhat and make it easier for Italy to sell its wine and shoes overseas.

Mr. Berlusconi has found an ally in Nicolas Sarkozy, the French president, who has tangled repeatedly with the central bank on the same issue. Mr. Sarkozy will assume the rotating presidency of the European Union in July, giving him a ready-made platform for his views.

The founders of the euro anticipated such tensions; some feared they would strangle the currency in its crib. But in the late 1990s, when the monetary union was being created, Europe’s leaders set aside national concerns for the goal of a common currency.

“There was a major political will to get to the union,” said Alexandre Lamfalussy, who was president of the European Monetary Institute, the forerunner of the central bank. “There was also political will in the countries to put their own houses in order. I remember being very surprised at the time.” Today, though, “the old temptation of the governments to find a culprit for their problems has returned,” he said. “It is a wider problem than one or two political leaders.”

In some sense, the political honeymoon for the euro ended in May 2005, when voters in France and the Netherlands rejected the proposed constitution for the European Union. While that document had little direct bearing on the currency, it symbolized Europe’s steady march from economic to political integration, a process that, for now at least, has stalled.

Like so much in European history, the debate over the euro is at heart a debate over the role of Germany. When the monetary union was being fashioned, weaker states like Italy justifiably feared having their fortunes lashed to a Teutonic locomotive.

Unexpectedly, though, Germany fell into a deep slump soon after the euro began circulating in 2002, three years after its adoption as Europe’s currency. Because it accounts for a third of the monetary union’s economic output, Germany, with its troubles, bequeathed Europe an easy-money policy — the reverse of what Italy and its neighbours feared. “Rather than struggling to keep up with Germany, they got tremendously low



A model of a 100-lira coin was set ablaze in December 2001 in Bologna as Italy adopted the euro

interest rates,” Mr. Mayer of Deutsche Bank said. “Instead of wearing a hair shirt, they were partying like crazy.” In Germany during that time, companies underwent a painful process of cutting costs and streamlining operations. Gerhard Schröder, the former chancellor, pushed for an overhaul of the labour market, which probably cost him his job but helped make Germany competitive again.

Now the party has moved to Berlin, and the hair shirts are being handed out in Rome, Madrid and Athens. In Spain and Ireland, the European Central Bank’s low interest rates fuelled American-style housing bubbles, which have burst with predictable consequences.

Given the deepening distress in these countries, experts said they were surprised that there had not already been more complaints. In 2005, when the divide was less striking than it is today, an Italian labour minister, Roberto Maroni, called for Italy to abandon the euro and return to the lira. Even members of the previous Berlusconi government hooted him down.

Part of the reason for the quiescence may be that Europe has remained steady despite the recent financial upheavals in the United States. Economists said, is a fair price to pay to avoid messy Italian-style currency devaluations.

“There will be lots of talk about Spain and Italy leaving the euro, but the weak cannot afford to leave,” said Daniel Gros, a German who is director of the Center for European Policy Studies in Brussels. Still, the rigors of life under the euro may keep this club from growing. Poland, Hungary, the Czech Republic and other Eastern European countries once hoped to adopt the currency fairly soon after joining the European Union. Now, with a deeper awareness of its cost, most will wait until after 2012.

Europe’s monetary union may be lasting, but it is not widely loved.

The Lincoln Cent

A Short Story by James J. Antonio

It was an awful shock. She was in the bedroom looking out the window and watching the golfers rolling by in their carts. Just a phone call. And then, through watery eyes, she found herself gazing at the photo, numb, disbelieving.

Hannah, now in her fifties and hardly looking it, reminisced. With no effort at all events slid through her mind like a slide show. Her pinkish arms hung loosely at the sides of her gingham dress, feeling out of place and almost ridiculous. Poise is what we need, she thought. So she folded them across her chest. She couldn't fall apart, there'd be people to see. A good front would be best. He'd worked long hours at his practice but had lived with panache, rewarding them all with wonderful things a lovely ranch style home on the lake, a boat by the pier; the best clothes and schools; trips to exotic, far away places; and fancy cars. A bright red Buick convertible, then a white Oldsmobile sedan quickly taking its place. With air conditioning and power windows, something to talk about in those days! Her mother--she could hear her distinctly had been glad to see the convertible go: "My hair will stay up and my ears won't ache." There he was, a picture on the wall, young, with a smile. She had his distinctive black hair, and his pale skin, so incompatible with the eternal Florida sunshine. He didn't have glasses, they'd come later. His eyes were narrow, peaceful. She couldn't remember him being cross with anyone; he'd never responded to gruff words, at the most with a shrug. There'd been art shows, her introduction to the world of escape. They went on Saturdays or Sundays and in her pretty dresses, she saw pictures from the past, made by hand, with brushes and real paint, the colors coming together, sometimes in realistic ways, sometimes abstract images of what otherwise would never have been seen by future generations. Coin shows were the most fun. People talked right out loud and laughed too. There was an air of conviviality and smiles were legion.

The first coin her father had given her was a Lincoln cent, 1909, the beginning of a series. It was brand new or 'brilliant uncirculated' and shone brighter than the brass handles on the doors. She turned away from his photo and dug in a drawer of the dresser to pull out the folder. She smiled opening it. There they were, lined up like soldiers, President Abraham Lincoln again and again. Her father's coin was just as bright as ever. Two tears fell from her pale blue eyes.

Hannah moped around the house for much of the afternoon, striving not to feel sorry for herself. That was how it had been for quite some time, since losing her job as a salesperson at a paint and wallpaper store in a new mall in Boynton. It had had nothing to do with her work. She was responsible and competent, so the owner had said. Rather, he'd explained, it had to do with "saturation": there were

just too many stores in too many malls selling the same things. Perhaps he'd call back if things picked up. She'd tried not wholeheartedly to find something else. Financially, there was no need. Curtis made enough money. But there was her sanity. She couldn't spend the rest of her days shuffling from room to room like a zombie. She liked to do needlepoint and had accomplished colorful, intricate pictures that she'd displayed and even sold locally. There'd been a write-up about her in the paper. But she could only spend so much time on it and then she would squint and her eyes would burn like fireballs. She could, she supposed glumly, get work in a fast food outlet. There were all kinds of *them* around. The idea struck her, for lack of a better word, as distasteful. She liked paint and wallpaper, new brushes and rollers. It was the smell of the paint, the million colors you could create, computer matching the whole idea of helping bring someone's home back to life. Pastels were her favorite because they seemed more pacifying. Why have the dark when you can have light?

Gazing out the front window of the pink L-shaped bungalow, Hannah was thankful for the shade of the torrey tree and the striped awning. The days were already becoming torrid, the air conditioner thrumming constantly. She became wistful. No snow to shovel. Barbecues, beaches, and just plain fun. But that had been a long time ago. She was from Erie, where the winters were terrible, the snow squalling in off the lake in blinding rages. When she met Curtis, she was twenty-two, fresh out of college and working at a decorating center. He was a few years older, slim, tall, a pediatrician who, with the help of his father, had just bought a practice in West Palm Beach. Thoughts of mansions along the ocean, white yachts, expensive cars and chauffeurs, days and nights by a pool, dinners in fancy restaurants, nightclubs after, and parties rife with gossip the high life! He was kind and caring and she knew she was in love when he took her to a practice range to teach her how to hit a little white ball. Staring at the fiddlewood that bordered the walk up to the door, she burst out laughing as if to spite her tearful eyes. The patience! He'd spent the better part of an hour showing her how to grip the club, the way to plant her feet, cautioning her to keep her knees slightly bent and to "always keep your beautiful eyes on the ball." She'd hit them, eventually, after mostly swinging through the air and missing, then watched with a mixture of embarrassment and surprise as they merely popped up and dropped immediately, rolling away like lazy eyes. She'd made quite a fool of herself but Curtis persisted. She'd hoped to heaven no one was watching. Playing after for real, they'd held up the whole golf course while he helped her get the ball going or looked for it after it trundled delinquently off into brush or tall grass. Oh, his

everlasting patience!

She took a deep breath and phoned Curtis Jr. in Vero Beach. He was their only child and a car mechanic with his own garage and towing business. That was one ride she didn't like, up Interstate 95 past North Palm Beach. It brought on a heavy heart, even on the nicest of days. The land was flat, the buildings were few, and traffic was sparse on the boring straight stripes of road. She knew much of the gloominess came from inside. Perhaps she was too introspective. She had a social life, thank goodness: she belonged to a bowling league where she'd made friends, though she'd be the first to admit she didn't chase them down regularly, preferring rather to stay around the house and tend to things. She'd been told the bungalow was picture perfect. In elementary school, the teachers had always been amazed at what good work she did, her notebooks were neat and well-kept, her exams returned to her with the highest marks. They used to tell her mother at interview time that she hardly participated orally and spoke only when spoken to. She no longer had much of a self-image. Losing her job had knocked her down the rungs and she was becoming timid. Needlepoint was keeping her out of emotional trouble. So were her coin sets in the drawer. She could pore over them, just marveling at the whole picture they made together as little friends in a book. She admired their order and neatness and got from them a sense of security, perhaps because her life seemed to have such little direction anymore. She went along with Curtis to most of his social functions, which got her out of herself for a time. There were dinners, lectures, and the like. There'd been his speech at Florida State University the week before but she'd opted out. His boyish face had appeared crestfallen. He was proud of his work as a pediatrician, his research into finding a solid cure for Epidermolysis Bullosa.

She picked up the phone and began to cry. She already missed him, and the only consolation she could find was telling herself his suffering was over, he was out of *that home*, no longer a prisoner.

"Oh."

"It's likely for the best," she said.

"He wasn't going to get better, ma."

"I know."

She was crying when she hung up. She went to the washroom for a kleenex and dabbed away the tears. Then she looked at herself in the mirror. Her eyes were red from crying and her face reminded her of a ghost. She needed some color. She ought to go outside for a while and sit by the pool. But she burned in the sun or only got pink as a beefsteak tomato, if she was really careful. This made her smile. She had a small nose and mouth and few wrinkles, aside from whorls of crow's feet next to her eyes. Her short curly hair made her look a touch boyish and soon, after it was cut and close to her head like a bathing cap, this would be even more evident.

After the will was read she got the biggest surprise of her life. She'd figured on the basics: bank accounts, stocks and bonds, the apartment in Palm Beach where he'd lived for a time after her mother had died, and the coin collection. It was this last thing that astounded her. She knew he'd been collecting for years. He'd go to every show at home and many even abroad. This had gone on until, and perhaps even a little after, the onset of dementia. She knew it for a fact: one Monday he'd phoned and said he couldn't find the coins he'd bought on Sunday. She'd gone over and questioned him at length. Did you have them when you got home? You don't know? They'd searched the apartment. Have you looked in the car? You have? Affirmative. She went to the parking area and checked the car again anyway and came back, retracing his steps. She found the envelope with the coins in it in the mailbox. It was hard to believe on the one hand, and disheartening on the other, a sign her father was failing.

She placed an ad in *Coin World*, a half-page, listing some of the coins for sale. There were rolls in every denomination, some bank-wrapped, silver dollars too, sets of this and sets of that; certified coins by the hundred, United States and world; copper, gold, and silver. For a time, Curtis helped her sort it in the evenings but the safety deposit boxes were so numerous and full the task seemed endless.

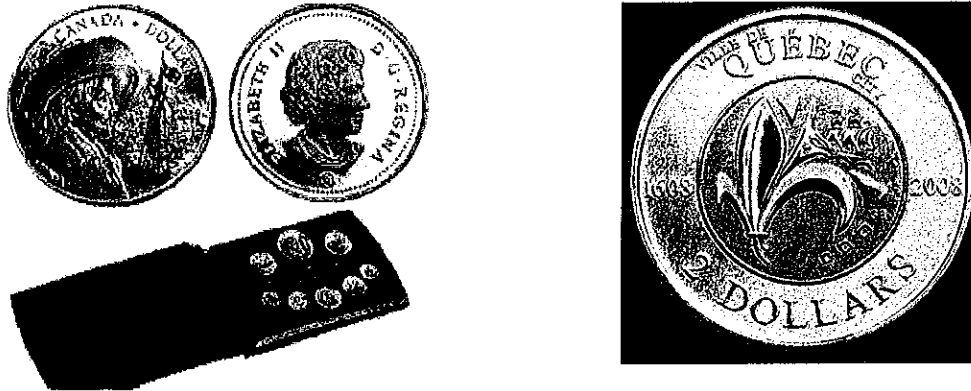
In all of the activity surrounding her father's collection, Hannah felt brighter and cheerier. She came out of herself, experiencing a renaissance of sorts. The sorrow was there but she managed to stand outside of it as it were and not in it and thus kept it from affecting her daily life the way the loss of her job had. She quickly took on the role of a businesswoman and saw herself as a coin dealer.

"You don't need a store," Curtis told her at a table nestled in the shady alcove of a café just off Worth Avenue. "You would need security alarms, a safe. It would be a nuisance, Hannah love. We'll do the ad thing, some local shows, and then blossom outwards to something greater. You will be a success! And what about eBay? We'll do the 'work-at-home' thing. What do you think? It's much easier. There are enough coins to last a lifetime. You're in business, Hannah love!"

She was enthralled. It all sounded promising and easy enough. Curtis seemed to set success in front of her like a cup of tea and a cookie. There wouldn't be as much time for needlepoint anymore. But that was fine with her. She spooned up the ice cream, especially good on this hot day. She hadn't felt so altogether, so outgoing for a while. She could see how things in life were linked like a bracelet. She might not have ever had an interest in coins if it hadn't been for the 1909 cent with Abraham Lincoln's picture on it.

END

1608-2008 Quebec \$2 Commemorative



There is a proof set and also available is a special gift pack with a medallion and \$2 coin (Credit Union in Quebec). The commemorative 1608-2008 Quebec \$2 is designed as:

(i) the obverse impression shall depict, on the inner core of the coin, the effigy of Her Majesty Queen Elizabeth II by Susanna Blunt, with the initials "SB" on the bottom left-hand corner of the neckline, and the Mint Mark to the left of the neckline and, on the outer ring, the inscriptions "CANADA" and "ELIZABETH II" at the top and bottom of the outer ring, respectively, and

(ii) the reverse impression shall depict, on the inner core of the coin, a fleur-de-lis, a ship and lines representing water to the right of the fleur-de-lis, three squares and the artist's initials, "GB", at the bottom right of the fleur-de-lis and, on the outer ring, the words "VILLE DE QUÉBEC CITY" and "2 DOLLARS" at the top and bottom of the outer ring, respectively, and the years "1608" and "2008" to the left and right of the outer ring, respectively

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