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THE NUMISMATIC ASSOCIATION  
OF VICTORIA



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at

NATIONAL GALLERY THEATRETTE

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MINUTES OF THE 227th GENERAL MEETING HELD  
AT THE THEATRETTE, NATIONAL GALLERY,  
SWANSTON ST., MELBOURNE, 19th MARCH, 1965.

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IN THE CHAIR: R. G. Stewart, Esq.

PRESENT: 75 Members. 23 Visitors.

APOLOGIES: Mrs. Freame, Messrs. Enscoe, Bernal, Miller, Jenkin, Jenner, K. Kennedy, Coller, Neylon, Tapper, Wicks, Pile and Murray  
Mr. B. Carey, President of the newly formed Geelong Numismatic Society was welcomed by the President. Mr. Carey spoke on the progress made by the Society since its inauguration.

CORRESPONDENCE: 1. From Mr. W. Youell, 49 South Road, Bascombe, Bournemouth, Hampshire, England wishing to exchange English uncirculated coins for those of Australia. Mr. Youell also wishes to join the Association.  
2. From Ararat Festival Committee requesting the Association to stage an exhibition of coins during their 1965 Festival held from October 29th to November 7th, 1965.  
3. From Mr. Mahoney, 8 Bachus Street, Schenectady, New York 12307, U.S.A., desiring to exchange U.S.A. proof sets for similar Australian sets.  
The correspondence was received.

RESIGNATION OF PRESIDENT: The Secretary reported that owing to ill health which necessitated his changing his type of work, and taking up another position with shorter hours, Mr. Jewell has resigned from the Presidency in accordance with Section 12 of the Rules and Bylaws. He is now working full time trading in Numismatics.  
After having accepted Mr. Jewell's resignation

RESIGNATION OF  
PRESIDENT - cont.:

with regret, the Executive unanimously appointed the Senior Vice-President, Mr. R. Stewart, to the office of President.

ELECTION OF  
MEMBERS:

- 568 L. L. ABBOTT,  
9 Hamilton St., Gardenvale.
- 569 John BECK,  
20 Windsor Cres, Paisley, N. Altona.
- 570 Les. P. BRANAGAN, (Junior Member)  
Boundary Rd., Mt. Eliza.
- 571 Stuart R. FLETCHER, (Junior Member)  
192 Poath Rd., Hughesdale.
- 572 Chris. S. FORD, (Student Member)  
11 The Close, Beaumaris, S.10.
- 573 Eugene GOODMAN,  
40 Alandale Rd., Eaglemont.
- 574 John HAMPSHIRE,  
5 Rose St., Richmond.
- 575 R. L. HICKS,  
1918N 54th St., Milwaukee,  
53208 Wisconsin, U.S.A.
- 576 R. G. KALDOR,  
1 Ellerslie Place, Toorak.
- 577 J. R. McDOWELL,  
C/o C.S.L., Poplar St., Parkville.
- 578 C. M. MILLER,  
271 Belmore Rd., Balwyn North. E.9.
- 579 P. A. PRITCHARD,  
118 Rene St., East Preston.
- 580 Hugh REVYE,  
15 Rimula Rd., Corio.
- 581 L. J. RYAN,  
386 Wellington St., Collingwood.
- 582 C. R. SIMPSON,  
13 Park Rd., Glen Iris.
- 583 W. F. THORNEYCROFT,  
70 Albert Rd., South Melbourne.
- 584 C. S. VIETS,  
36 West Chalmers, Av., Youngstown,  
Ohio, U.S.A.

ELECTION OF  
MEMBERS cont.:

585 R. G. WINTERBINE,  
161 The Parade, Ascot Vale.  
The above members were elected unanimously.

NOMINATIONS FOR  
MEMBERSHIP:

BLACK. Edward,  
21 Laurel Rd., Demarest N.J. 07627, U.S.A.

GREIG. Edgar,  
14 Bowen St., Kew, E.4.

MOORE. Richard Georges,  
Box 459 Abbotsford, B.C., Canada.

STERN. Max,  
Port Phillip Arcade, Melbourne C.1.

WADE. Gordon,  
64 Sutherland St., Glenroy.

WADE. James Cecil,  
3 Canning St., North Melbourne.

YOUELL. William,  
49 South Rd., Bascombe, Bournemouth,  
Hampshire, England.

Applications to remain on the table for one  
month.

PUBLICATIONS:

The following publications were received -  
Royal Mint Report for 1963.  
Canadian Numismatic Journals for January and  
February 1965.  
VCC News - Official organ of Valley Coin Club  
of Abbotsford British Columbia.

SYLLABUS ITEM:

Mr. R. Stewart, our President, spoke on  
"Medalets". He also exhibited many examples  
of medalets - mostly Australian.

NEXT MONTH'S  
MEETINGS:

Meetings for April will be held on Wednesday  
April 7th and the Friday meeting on April 23rd -  
the fourth Friday due to Good Friday falling on  
our normal meeting night.

TENDER SALE:

Our usual tender sale was held and conducted  
by Mr. Pethard and our new auctioneer Mr. R. L.  
Henderson who has replaced Mr. R. Stewart in  
this role.

Mr. Henderson is now a member of the Executive  
Council having been appointed on the resignation  
of Mr. R. Jewell.

CLOSURE:

There being no other business the meeting closed at 9.30p.m.

CORRIGENDA:

I regret the following errors occurred in the March issue of the "Australian Numismatist" viz. -

Vol. 19 No. 3

Page 9, Joseph Clenens should read Clemens.

Page 10, For Virtue read VIRTUTI.

Page 11, For Max Jos BAIIOALAE read BOLAREAE.

Page 12, For VPD read V.E.H.

I regret the above errors and any inconvenience they may have caused any of our readers.

"The Editor"

IT ALL STARTED WITH LINEN

E. Philpotts

That may seem to be a very strange title to a paper of numismatic interests but nevertheless the British Linen Bank did start in Linen business and in the following article I will try to convey to members how this came to pass.

In 1746, a year memorable for other historic events, Geo II granted a Charter to certain persons giving them permission to form a company later to be known as the "British Linen Company" with powers to carry on the manufacture of linen in all its branches and to do everything in its power to promote the manufacture of linen.

While the name of the Company was new - the business which it took over had been carried on for some years under the name of the "Edinburgh Linen Co-Partnery".

The Chairman of this Company was Lord Milton whose Mother had been instrumental in forming the Company in its first stages - she together with a weaver and a millwright had spent some time in Holland where she gained some knowledge of linen manufacture and machinery used at the time.

On her return to Scotland she started a small weaving establishment at Saltoun.

Lord Milton, well known citizen of Edinburgh at the time was naturally very interested in the promotion of linen manufacture. His practical interest was shown in the growing of flax on his estate at Brunstare near Edinburgh and also by his experiments in dyeing yarn in various colors.

He was not the only one anxious to raise the standard of Scottish linen and to extend its manufacture to such a degree that Scotland should become independent of the foreign countries - namely France, Flanders and Holland whose superior fabrics were preferred by the Scots.

Several companies had tried but had not succeeded in capturing the local trade from overseas competitors. The most promising had been the Scottish Linen Manufactory which had been established in 1693 by four members of Parliament and three of Edinburgh's leading merchants. However in spite of special privileges and exemption from taxes, it had to give up four years later.

A sailcloth company formed in 1720 fared no better probably because skippers of the world persisted in purchasing the sailcloth at foreign ports.

The company carried on for some years, at first very successfully but later about 1760 due to improvements in foreign business owing to superior quality linen being imported into England and Scotland business began to decline and in 1763 the Company's troubles appeared to be so great that the Directors of the day deemed the best thing to do was to wind up their affairs, and yet in a year or two the same directors were laying the foundation of a prosperous banking business.

This banking business, to become known as the British Linen Bank, was greatly resented by other banking houses. All banks at this time issued their own notes and great was the competition between rival banks to acquire great numbers of these notes and attempt to cash them at the one time with a view of making its rival run out of ready cash and close its doors.

Gradually the company withdrew from the Linen trade and concentrated on Banking. The linen industry had deteriorated ever since the Act imposing low duties on Foreign linens had been promulgated. The Scottish linen which was dearer had little chance to compete with the imported goods. In spite of all these setbacks the company in 1767 made a profit of £936 - not much in these days but quite a good sum two hundred years ago.

The company then converted their warehouse to Banking chambers and in 1769 a vault was built into the Cash Room.

The Company which had been granted a Royal Charter as a bank in 1765 was followed by the Bank of Scotland in 1771.

Money was scarce in 1771 (much the same as today for most of us) and this necessitated a supply of Gold from London, to the amount of

£1000 weekly, later to be reduced to £325 weekly and finally to £325 fortnightly. This was necessary to discount bills which were the fore-runners of the Bank notes as we know them. All these transactions were under the control of the Bank of England.

The Bank of England, together with other Banks, had towards the close of the 18th century issued £5, £1, 10/- and 5/- notes. The number of notes issued in Scotland at the time was  $2\frac{1}{2}$  to 3 million. These notes (particularly the £1 note) were regarded with great suspicion by the Scots who lost no time in changing them for metallic currency.

#### Regulation of Note Issue

In the depression years of 1837-40 there was widespread unemployment and destitution in England and Scotland among the persons employed in the weaving trade. Public subscriptions were raised and the British Linen Bank together with other banks contributed large sums.

The bank did not lose heavily during these lean years because the directors were careful in respect to the granting of advances without ample security.





The crisis of 1837 led many Ministers to believe that paper money was the cause of it and consequently every note issuing Bank was required to furnish a return to the stamp office of the amount of notes in circulation at different periods from 1833 to 1840, distinguishing notes over £5 to those under £5.

A select Committee was appointed to enquire into the effect of notes issued by the various Banks.

The three Senior Banks of Scotland took umbrage at this movement and they presented to Sir Robert Peel a petition reminding him of their parliamentary priveleges and the confidence placed in them by the country.

Peel finally gave in and the three leading banks were relieved of the responsibility of furnishing regular returns.

This paved the way for a regular issue of notes by the British Linen Bank which was required to hold gold cover for issues made in excess of £438,000.

In 1942 the British Linen bank was appointed sole Bankers for the U.S. forces in Britain remaining open day and night for cash transactions by U.S. troops.

Thus I have attempted to convey to you the history of the British Linen Bank which commenced in a humble way of linen production to the position it now holds in British Banking circles. It is still one of the six British Banks producing its own notes.

#### FROM VANCOUVER N.S. BULLETIN MARCH 1965

A short article appeared in The Vancouver Numismatic Societys' News Bulletin for March - this paper comes to me each month and contains some very interesting articles. The item that appealed to me and rather amused me was as follows:-

#### OINK! SQEE, SQEE, SQEE.

"Only a few short weeks ago speculators were gleefully anticipating their profits from 1965 mint sets.

It seems long ago now but it was only in late January that dealers were offering \$12.00 per set and then the roof fell in.

The announcement by the Minister of Finance that an unlimited number of 1965 sets would be struck kicked the hogs right in their wallets and set off the loudest squealing that has been heard for some time.

On the morning after the announcement was made only one firm offer for sets was heard of. \$4.35 or a profit of 35 cents instead of \$8.00.

There is little doubt that prices will level out but what about the dealers who paid \$12.00.

All this is of little concern to the small collector who ordered one or two sets - he will not get hurt; but if the "big boys" will persist in making hogs of themselves they must expect to be butchered."

With Acknowledgements to V.N.S. News Bulletin.

There is a moral in the preceding item - don't think it can't happen here - with our new decimal coinage in the offing. I am willing to bet my last 1930 Penny (Aust.) that some of the "big boys" will try the same thing here next year.

The Editor.

### PAPER MONEY OF CANADA.

The Chartered Banks.

By W. E. Curran, Esq.

In a previous article on the Paper Money of Canada, I referred to the notes issued by the Chartered Banks, but owing to lack of space I did not then deal with them. However, I feel that any article on the Paper currency of this Dominion would be incomplete, without at least a brief summary of this ancillary series.

For many years before the union of the provinces of Upper and Lower Canada, under the title of the Province of Canada, took place, the fast expanding industry of the colonies had evidenced the need for a sound basic system of fiduciary exchange, to assist and implement it.

The war of 1812 was carried on and financed on the paper money which General Brock issued, and the fact that these promissory notes were met, and paid in full later on, created a confidence in such currency amongst the public, that a strong demand was made for the introduction and continuity of some such form of paper money.

Although an organization known as the 'Canada Banking Company' was formed, in 1791, and issued notes dated 1792, it apparently could not survive, and the Montreal Bank, seeing the need, and also realizing that herein lay some profit, ventured into this new field, and what is more, it succeeded, until in 1822, the name of this financial organization was changed to 'The Bank of Montreal', and receiving a Charter became Canada's first chartered bank. The field having been opened up, competitors sprang up every where, and within eight years, no less than 7 new charters were issued, embracing Ontario, Quebec and the Maritime Provinces. Of these seven banks, one lasted three years, one for thirteen years, and for the remainder, from 40 to 60 years passed before they closed their doors. None are in existence today.

Perhaps, it might not be out of context, to explain here what is meant by a Charter. A charter is a power, right or privilege, granted by a Sovereign State, through its legislature, to a corporate body, empowering it to carry on, conduct, or transact certain business, as set out in the wording of the Charter or document.

With the vast increase of new settlers in the Colony, the demand was made for more banks. The erroneous idea that more banks would provide more money for circulation, and that this must result in prosperity for all, to borrow money would be easier, industry would expand rapidly on the funds so made available, siezed the people as a whole, and the Government granted, though most reluctantly, many new Charters, and so more banks were opened. Regrettably, some were unscrupulous ventures, having but one aim, viz., to issue paper which the people would accept in good faith, but which had no reserve finance to back it up.

The Home Government back in London saw that the position was fast moving towards the stage of economic disaster, refused to issue more charters but this action came too late. The competition with the soundly established institutions was too much for the young fledglings in the financial nest, and they had to close their doors. This created the financial panic of 1837, which was to cast a gloom over the Colony for the next twenty years.

Lack of foresight had resulted in an over-estimation of the natural growth of the Colony, and the economy could not meet it.

With the expansion of railroads, many new banks reaped a harvest from the new industries for a short period, but the less firmly established gradually dropped out: some were absorbed by stronger competitors; and some were paid off in full or part by the later Dominion Government.

Since the year 1800, no less than 98 banks were opened, and in 1960, only 9 remained. 39 had failed. 50 had been paid off, closed up, or absorbed. The nine remaining are:- Bank of Montreal, Bank of Nova Scotia, Toronto-Dominion Bank, La Provinciale du Canada, Royal Bank of Canada, The Canadian Bank of Commerce, Imperial Bank of Canada, La Banque Canadienne Nationale and Barclays Bank (Canada).

The Bank of Toronto and the Dominion Bank, both of which had carried on an honorable banking business for over 100 years, merged about 1957. Under Canadian Legislation, the Banking Act was required to come up for review every 10 years, and in 1934, it was legislated, that as from 1935, the Bank of Canada should take over the sole

prerogative of the issue of paper money, and in 1950, the remaining Chartered Banks, paid to the Bank of Canada, the outstanding balance on the value of their notes still in circulation, (that is to say, not redeemed) to the amount of 13 Million Dollars. Where are those notes today? Undoubtedly many are in the hands of collectors.

Apart from the few priceless surviving notes of the Canadian Banking Company, dated 1792, and incidentally, bearing no issuing signatures, the earliest notes are those of the Montreal Bank, dated 1818.

This Bank was opened in 1817, and in 1822 became the Bank of Montreal. The 1818 note issues bear the signatures of R. Griffin, Cashier, and John May, President, and a large contemporary view of Montreal is seen on the face. The last issue by this Bank is dated 1938, in the denominations of 5.10 and 20 dollars.

The Banque de Quebec opened in 1818, and as the Spanish dollar was the common coin in circulation upon which other values were based, and also as a gesture to the predominantly French population, we find these notes bearing the values, set out in sterling, Canadian dollars and French francs. Thus a Quarter dollar of 1837, bears the values 15 pence, 30 sous, and 1/4 Dollar. A Spanish Dollar is also engraved on the note. Hence everybody was catered for. The french wording and denominations were dropped later on, and in 1818 the Banque de Quebec became the Quebec Bank, merging with the Royal Bank of Canada in 1917. A view of Quebec was a prominent feature of the engraving.

The Bank of New Brunswick was opened in 1820, and the Banque Nationale opened in 1860, using the French wording and values until late in the century. In 1904 it became Le Banque Canadienne Nationale. Its notes bore as a motif an engraving of an early type Steam locomotive, and a portrait of Jaque Lecartier.

In 1912 the Canadian Bank of Commerce absorbed the Eastern townships Bank, which had opened in 1860, with its Head Office at Sherbrooke, Quebec. A Pastoral scene including a Steam locomotive and several carriages, plus, of course the President's portrait, decorates the face of the note.

The Banque Provinciale du Canada, was opened in 1900, and has survived, and is still operating under the original name today.

Another of the 9 Banks which survived is the Royal Bank of Canada which opened in 1901, and in the same year absorbed the Merchants Bank which had opened in 1864, and had become the Merchants Bank of Halifax in 1869. The Union Bank of Lower Canada, opened in 1865

at Quebec, transferring its Head Office to Winnipeg in 1925, and was absorbed by the Royal Bank of Canada in the same year. A fine harvesting scene decorated its notes.

The Canadian Bank of Commerce opened in 1866 with its Head Office at Toronto. It is also one of the nine surviving banks today.

The Dominion Bank, opened in 1871, amalgamated with the Bank of Toronto, under the title of the Toronto-Dominion Bank. In the mid 50's The Banque of Hochelaga was opened in 1874 and in 1924 became the Banque Canadienne Nationale, and is still operating. Its earlier notes were printed in French, but later were issued in French and English.

There remain now, only five to complete our summary of this series:- Le Banque de St. Hyacinthe established in 1873, closed in 1908 when the Dominion Government redeemed its notes. The Imperial Bank of Canada opened in 1875 and still survives. The Bank of British North America was opened in 1835, and was taken over by the Bank of Montreal in 1918. Its early notes bear an engraving of the young Queen Victoria seated on the throne, whilst later issues bear portraits of the Queen in her later years, and Edward, Prince of Wales, later King Edward VII.

Lastly, we mention Barclays Bank, which was opened in Newfoundland in 1929, under the title of 'Barclays Bank(Canada)', and it is still operating in the Dominion.

In conclusion, I think it has been clearly established that the collector who interests himself in this series, will find it most rewarding, and should he achieve the completion of the series, he still has left the series of broken notes, 'bons' and etc., which are just as rewarding as their more successful and prosperous predecessors, the Bank Notes of Canada, and those of the Chartered Banks.

Acknowledgements to H. C. Taylor, and Somer James, F.R.N.S.



THE NUMISMATIC ASSOCIATION  
OF VICTORIA

Established 1946

OBJECTS :

Briefly, the objects for which the Association was established, are—

To encourage the study of Numismatics in all its branches

To represent generally the views and interests of all Numismatists

To provide education in the field of Numismatics, and to encourage  
sound and methodical collecting practice

ACTIVITIES :

Discussion at Monthly Meetings

Reading of Papers

Assisting members in the study and acquisition of numismatic specimens

An Annual Exhibition

A monthly publication containing articles and items of interest  
to all Numismatists

Stimulating research into the currency of Australia

Encouraging correspondence between members throughout the world