

Early Canadian Gold Coins: Distributing the Bank of Canada Hoard!

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Early Days

Our country, Canada, was stitched together in 1867 out of patches of land (British North America) left over after the Americans won the Revolutionary War and effectively kept everything south of the 49th Parallel. At that time there was no common currency and the requirements for coinage, in this case, gold coins, were satisfied by utilizing foreign gold coins. English gold (Sovereigns) French (Louis d'or) Portuguese (Johannes) circulated freely. Later, U.S. Gold coins (Double Eagles, Eagles, and Half Eagles etc.) were commonly used, but up until the early 1900's there were No Canadian gold coins in use in Canada.

The First Canadian Gold Coinage

Not only were there No Canadian gold coins extant but there wasn't even a Canadian Mint to strike them (although Newfoundland had its own set of \$2 gold coins from 1865 to 1888 that were struck in England). This all changed in 1908 when a Canadian Mint was opened at Ottawa as a branch of the Royal Mint of England. The First coins struck at the Canadian (branch) Mint were sovereigns (denominated as 1 pound) designed for those travelling to England. The sovereigns weighed in at 7.99 grams and were .917 gold. Arguably, as they were struck in Canada they are Canadian, but Numismatists do not agree in this. Gold used was from Larder Lake and the Yukon Territory.

They were minted from 1908 to 1919 and then discontinued.

Canadian \$5 and \$10 Gold Coins (1912 - 1914) APPEAR

As a common currency helps tie a Nation together it was clearly quite important to start minting Canadian gold coins as soon as possible. At long last, in 1912, the first Canadian gold coins were struck in \$5 and \$10 denominations. They weighed in at 8.36 grams (\$5) and 16.72 grams (\$10) composed of .900 gold and .100 copper - the exact same composition and weight as their U.S counterparts, the half eagle and eagle (i.e. \$5 and \$10). The Currency Act (Canada) of 1910 authorized gold coinage in \$2 1/2, \$5, \$10 and \$20 denominations but only the \$5 (the "George") and the \$10 ("double George") were actually struck. Gold for the 1912 coins came from the Yukon, for 1913 and 1914 from Ontario.

The Hoard Builds

The \$5 and \$10 gold coins began circulating in Canada (along with U.S gold coins \$2 _ to \$20) in 1912 and continued into 1914. Then, a catastrophic event struck - World War 1. Circulation of the gold coins was abruptly halted by the Canadian Government and all the 1912-1914 \$5 and \$10 coins were "called in" through the Banks. In due course they ended up (in cloth bags) in the Bank of Canada, where they remained for the next 100 years, occasionally being tossed around by Bank

of Canada employees for relocation/storage reasons. Some coins had been kept by collectors, in various conditions, but the vast majority were held by the Bank of Canada representing about 275,000 coins.

Dispersing the Hoard

Mysteriously, in late 2012, the Department of Finance was instructed by the Finance Minister to disperse the hoard to the Canadian Public. At this time gold was trading in the \$1200-\$1500 (U.S) range.

The Royal Canadian Mint took over at this point, evaluated the hoard, and "hand- selected" about 30,000 of the best coins (ostensibly by grade level) for sale to the public. The remaining, approximately - 245,000 coins were to be melted, a.s.a.p, but only recently has that initiative been carried out. The resulting gold bullion is rumored to be used by the Government in its balanced budget for 2015/16. The official count of melted \$5 and \$10 gold coins was 245,222.

What All This Means To You

These gold coins are highly attractive in appearance and desirable (see photos herewith) with the obverse being George V (Dei Gratia Rex et Ind. Imp.) and the reverse bearing Maple Leaf Sprigs and the coats of arms of ONTARIO, QUEBEC, NOVA SCOTIA and NEW BRUNSWICK.

The coins contain slightly less than 1/4 oz of gold for the \$5 and

1/2 oz gold for the \$10. Thus the melt value is about \$275 (U.S) and \$550 (U.S) respectively (with gold at approximately \$1100 (U.S) per oz).



<u>Mintages:</u>	<u>\$5 Gold</u>	<u>\$10 Gold</u>
1912	165,680	74,759
1913	98,832	148,232
1914	31,122	140,068

These coins will very likely be available for purchase at the **Manitoba Coin Club annual Fall Coin & Stamp Show Oct 31 - Nov 1, 2015 at the Marlborough in Winnipeg.** Ask any dealer after you get there. (Gatewest Coin & Stamp handled much of the original dispersal and will be at show). Given the much lower current price of gold, examples may be available at lower prices than the original issue. Even 1 coin from the series would be a great addition of a highly historical and significant coin for a collection.

Arrive with paper (or plastic) and leave with gold. ■

For more information, contact Barré Hall, Manitoba Coin Club Director, at **204-296-6498.**