

Welcome to the C.N.A. E-Bulletin Vol. 3, No. 7 – February 9, 2007

An electronic publication of the Canadian Numismatic Association
Copyright © 2007, the Canadian Numismatic Association

INTRODUCTION

Do you know what my ISP thought of last Friday's C.N.A. E-Bulletin? They thought it qualified as junk mail. How I know that is that all control copies from my various e-mail folders (i.e. CNA-A, CNA-B, etc.) got dumped directly into my "Junk Mail" folder. What I don't know is if someone at Look Communications read the bulletin and figured that was an appropriate category, or if the computer decided it on its own? Either way, they finally got it right!

WE HAVE MAIL

From Stephen Woodland: "I suspect that the first coin in Canada with the potential to be used by spies was not the toonie, as you claim, but the PEI 'holey' dollar. It could have been embedded in a wall or painting as a discrete decoration and the spy could have hidden behind it and then removed the plug when the right moment arrived." – So that's were all the PEI 'holey' dollars went. They are stuck in people's walls. No wonder they are so rare.

From Stephen Woodland: "Sounds like you had quite an experience at the ATM. I have been fortunate with them lately as I withdrew money. The other day, in a \$200 withdrawal, I got 8 consecutive UNC \$20 bills and an AU RADAR, making the 3rd RADAR \$20 out of ATMs in the last 8 weeks. Not bad!" – Although my comment about a lady and me forgetting to take my money from the ATM withdrawal was a joke, your experience is going to cause me to make all my future withdrawals via my bank machine in the hopes I will be as lucky as you.

From Doug Andrews: "Re: banks not accepting 50 cent and \$1 coins. The following excerpt is Section 8 of the Currency Act: 'LEGAL TENDER 8. (1) Subject to this section, a tender of payment of money is a legal tender if it is made (a) in coins that are current under section 7; and (b) in notes issued by the Bank of Canada pursuant to the Bank of Canada Act intended for circulation in Canada.' Section 7 referred to above explicitly refers to legal tender being 'any coin issued under the authority of the Royal Canadian Mint Act.' No distinction is made for metallic content. Hence, both fifty cent pieces and one dollar coins fully qualify under Section 8. There is one further limitation, under Section 8 (2) of the Currency Act, which states that the maximum redeemable in one dollar coins at one time is \$25, and \$10 for fifty cent pieces. How can ANY Canadian bank refuse to follow the Currency Act??? On the other hand, how many times have you been successful in arguing with YOUR bank? In the end, the best course of action may be to simply persuade the bank to cooperate because you are seeking redemption." – My bank takes all the halves and dollar coins, because they know I will take it off their hands. Although I have not obtained any silver ones for quite a while, you never know. I just pass them on to others, most of whom are new Canadians who look at them and exchange them from their own money. That's one way of getting people interested. Tell your bank to accept people's halves and dollars and you will take them off their hands. Incidentally, I like your pun about "seeking redemption."

From Stephen Woodland: "I came across the website www.pennycollector.com/tips_clean while reading about elongated pennies (cents in Canada of course!). It contains dozens of ways to "clean" your round cents before subjecting them to the "squisher" so that you can get a nice, shiny elongated cent. I couldn't believe some of the suggestions! Have a look and see." – I assume the website is no joke, but it's got to be kidding, right? I mean, I don't care if it's an

elongated cent or a normal coin, would you use an eraser, steel wool, Brasso, rock tumbler, S.O.S. pads, steel wire brush or a toothbrush attached to a power drill on any of your coins?

RCM PLANNING MILLION DOLLAR COIN

We thought we would have another world first on our hands breaking the news about the possibility of the world highest denomination coin being issued by the Royal Canadian Mint, but Nick Cowan made us aware of the fact that the Canadian Broadcasting Corporation beat us to it (because they publish daily, we only publish weekly). This is what they had to say:

It'll take mighty deep pockets to jingle the new coins planned by the Royal Canadian Mint: Canada's official money-maker wants to stamp out a \$1-million coin. Coin experts say it would likely be made of gold, be the size of a pizza and be extremely heavy. Some numismatists wonder if it would be a good idea. The federal cabinet passed an order earlier this month at the recommendation of the transport minister allowing the mint to stamp out the non-circulation coins.

The editor of Canadian Coin News, Bret Evans, said if it goes forward it would be the first of its kind in the world, the mint's attempt to create a record-breaking coin. "The coin becomes an event," Evans said. "It's purely being done to get attention. To throw something on the market, to make a statement which is, 'Here we are.'"

There's no word on how many coins the mint is looking at stamping out. Mint officials acknowledge they have permission to make a \$1-million coin, but will not comment beyond that. Coin experts are talking, though, and among those questioning the project is Regina dealer George Manz, who wonders who would buy the mint's mega-loonie. "The people that I know, if they're going to go and spend \$1 million on a coin, they want something that is extremely rare," he said. On the other hand, Evans notes that the last time such a special coin was made - euro100,000 from Austria - all 15 sold out in less than a month. The \$1-million loonie, he figures, would weigh around 100 kilograms - about the weight of a typical hockey player.

Your C.N.A. E-Bulletin Editor did obtain a comment about the possibility of such a coin from the Royal Canadian Mint, from no less than the Manager of Communications. Alex Reeves told me that the Mint was receiving calls from the press from around the world and although work on it is indeed proceeding, they still have to conduct a feasibility study and investigate the potential market demand. "We will let the world know when we make a decision," he added.

UNLIKE NIGERIANS, AMERICAN \$12 BILLION IS REAL

The following, first brought to our attention by Nick Cowan, was written by David Pallister and published in The Guardian:

The U.S. flew nearly \$12 billion in shrink-wrapped \$100 bills into Iraq, then distributed the cash with no proper control over who was receiving it and how it was being spent.

The staggering scale of the biggest transfer of cash in the history of the Federal Reserve has been graphically laid bare by a U.S. congressional committee.

In the year after the invasion of Iraq in 2003 nearly 281 million notes, weighing 363 tonnes, were sent from New York to Baghdad for distribution to Iraqi magistrates and U.S. contractors. Using C-130 planes, the deliveries took place once or twice a month with the biggest of \$2,401,600,000 on June 22, 2004, six days before the handover.

Details of the shipments have emerged in a memorandum prepared for the meeting of the House committee on oversight and government reform which is examining Iraqi reconstruction. Its chairman, Henry Waxman, a fierce critic of the war, said the way the cash had been handed was mind-boggling. "The numbers are so large that it doesn't seem possible that they're true. Who in their right mind would send 363 tonnes of cash into a war zone?"

The memorandum details the casual manner in which the U.S.-led Coalition Provisional Authority distributed the money, which came from Iraq oil sales, surplus funds from the UN oil-for-food program and seized Iraq assets.

"One CPA official described an environment awash in \$100 bills," the memorandum says. "One contractor received a \$2 million payment in a duffel bag stuffed with shrink-wrapped bundles of currency. Auditors discovered that the key to the vault was kept in an unsecured backpack. "They also found that \$774,300 in cash had been stolen from one division vault. Cash payments were made from the back of a pick-up truck, and cash was stored in unguarded sacks in Iraq military offices. One officer was given \$6.75 million in cash and was ordered to spend it in one week before the Iraqi government took control of Iraqi funds."

The minutes from a May 2004 CPA meeting revealed a single disbursement of \$500 million in security funding labeled merely "TBD," meaning "to be determined." The memorandum concludes: "Many of the funds appear to have been lost to corruption and waste...thousands of ghost employees were receiving paychecks from Iraq ministries under the CPA's control. Some of the funds could have enriched both criminals and insurgents fighting the United States."

According to Stuart Bowen, the special inspector general for Iraq reconstruction, the \$8.8 billion funds to Iraqi ministries were disbursed "without assurance the monies were properly used or accounted for." But, according to the memorandum, "he now believes that the lack of accountability and transparency extended to the entire \$20 billion expended by the CPA."

To oversee the expenditure the CPA was supposed to appoint an independent certified public accounting firm. Instead the CPA hired an obscure consulting firm called North Star Consultants Inc. The firm was so small that it reportedly operates out of a private home in San Diego. Mr. Bowen found that the company did not perform a review of internal controls as required by the contract."

However, evidence before the committee suggests that senior American officials were unconcerned about the situation because the billions were not U.S. taxpayers' money. Paul Bremer, the head of the CPA, reminded the committee that "the subject of today's hearing is the CPA's use and accounting for funds belonging to the Iraqi people held in the so-called Development Fund for Iraq. These are not appropriated American funds. They are Iraqi funds. I believe the CPA discharged its responsibilities to manage these Iraqi funds on behalf of the Iraqi people."

Bremer's financial adviser, retired Admiral David Oliver, is even more direct. The memorandum quotes an interview with the BBC World Service. Asked what had happened to the \$8.8 billion, he replied: "I have no idea. I can't tell you whether or not the money went to the right things or didn't – nor do I actually think it's important."

Q: "But the fact is billions of dollars have disappeared without trace."

Oliver: "Of their money, billions of dollars of their money, yea. I understand, I'm saying what difference does it make?"

Mr. Bremer, whose distancing of the Iraqi armed forces and de-Ba'athification program have been blamed as contributing to the present chaos, told the committee: "I acknowledge that I made mistakes and that with the benefit of hindsight, I would have made some decisions differently. Our top priority was to get the economy moving again. The first step was to get money into the hands of the Iraqi people as quickly as possible."

Millions of civil service families had not received salaries or pensions for months and there was no effective banking system. "It was not a perfect solution," he said. "Delay might well have exacerbated the nascent insurgency and thereby increased the danger to Americans."

GUILTY PLEA IN PHONY TOKEN BUST

We made you aware in a previous C.N.A. E-Bulletin, of the ring that was producing counterfeit Toronto Transit Commission (TTC) tokens. Now, a 31-year-old woman has pleaded guilty to carrying 80,000 of the phony tokens across the border in a counterfeit operation believed to have cost the TTC more than \$10 million.

Andrea Dawson, 31, admitted in U.S. court to taking the tokens, believed made in Massachusetts, across the border in three separate trips. She faces up to five years in prison. Three Toronto brothers – Alfredo, Reginald, and Alexander Beason – also face charges in the case.

SINGAPORE MINT IN THE CERAMICS BUSINESS?

Colin Bruce forwarded a publicity release emanating from The Singapore Mint with the subject "Prominent Personality Piggybanks up for auction!" The write-up accompanying color pictures of ceramic piggies reads, in part:

"Do you wish to own one of these lovely piggy banks? There are a total of 20 piggy banks put up for this auction. The piggy banks are on display at Suntec City Mall from 22 January to 11 February 2007. The base bid for each piggy bank starts at \$128. To submit a bid, simply download the relevant form and e-mail or fax the completed form together with the bid price to us as stipulated in the terms and conditions. All proceeds from this auction shall be donated to Thye Hua Kwan Moral society. The public is invited to put in a bid for the chance to own one of those adorable piggy banks and at the same time aid the less fortunate amongst us."

Colin is wondering if our Mints are going to start peddling ceramics also.

If you don't believe that the Singapore Mint would be involved in ceramics, go to www.singaporemint.com/downloads/piggybankauction/index.

WHAT WOULD YOU PAY FOR A CELEBRITY CHECK?

Last Wednesday, Jay Leno featured items for sale on eBay, asking the audience to guess if the items sold or not. We give you a few examples just to prove that weird numismatic items are not the only things that are in demand by insane people.

One of the items was described as "a very unique Jack-In-The-Box." The photo showed bidders exactly what they were getting for their money: a playing card, namely the jack of spades, in a small box. It was not sold, which is very unusual for eBay, even with an opening bid of only 99 cents.

Another item was a used piece of Jerry Seinfeld's chewing gum. Apparently, someone was walking behind Seinfeld in New York and saw him drop the gum. The starting bid was \$7. It sold for \$47.01, which is not as ridiculous as the piece of used chewing gum from Jessica Simpson. It was recovered when she was filming the movie "Employee of the Month." Starting at 99 cents, it sold for \$500.00 after 89 bids.

A likeness of Jesus on the sole of a sneaker didn't do as good as the thousands paid for Jesus on a slice of toast a couple of years ago. It garnered only \$76. A polish sausage from the Bears NFC Championship game, which cost about \$5 at the ball park, went for \$41.01.

But the piece de resistance mentioned by Leno was a rent check signed by Kevin Federline (of Britney Spears' husband fame) that was returned NSF. The bounced check started at \$1 and ended up being sold for \$200.00.

MAN ARRESTED IN FOUR BANK ROBBERIES

Durham police arrested a man after four banks were robbed in two hours. A lone man walked into banks in Brooklin, Oshawa, Clarington and Pickering, all in Ontario, on Jan. 29 and demanded money. Cash was successfully taken from three of the banks. Martin Beaulne, 26, of Kirkfield, has been charged with three counts of robbery and other charges.

COPPER AS A LETHAL WEAPON

Golly, the high price of copper is killing us. Even the Mints are recalling the lowly cent so they can make money melting on them (pun optional).

A would-be thief is dead after breaking into a Hydro-Quebec tower to steal valuable copper wire. A man in his 40s was electrocuted when he cut the electrical wires atop the tower in the north end of Montreal. Electrical wires have been a popular target for scrap metal thieves and there have been many deaths reported in the United States. The wires carry up to 13,000 volts, which can kill instantly upon contact.

IDENTITY THEFT LOSS \$49 BILLION IN 2006

Americans lost about \$49.3 billion (U.S.) in 2006 to criminals who stole their identities, an 11.5 percent decline that may reflect increased vigilance among consumers and businesses, a study released this week shows.

Losses declined from \$55.7 billion in 2005, according to the third annual study by Javelin Strategy & Research. They had increased in each of the prior two years. The average identity theft fraud fell 9 percent to \$5,720 from \$6,278, while the median – where half were larger and half were smaller – held steady at \$750.

According to the study, 8.4 million adult Americans, or one in 27, learned last year that criminals committed fraud with personal data such as credit card numbers.

NEW WAY FOR TAXMAN TO GRAB YOUR CASH

When you have a job that issues you paperwork at year-end stating your total income for the year and the deductions the company held back, or the bank sends you a notice of the interest that was credited to your account, there is no way you can cheat on your taxes – not that you ever would!

But what about all those cash deals, such as the sales and purchases made over the Internet or the purchases made outside the country where sales tax was paid to the various levels of government. Well, if you forgot to include some entries on your federal income tax form because of poor record keeping, not getting around to document it, or simply forgetting it because of advanced age, don't worry, the government is here to assist you in future.

Canada's revenue agency is testing a software program called a "spider" that methodically crawls the Internet looking for online tax cheats. The software, called Xenon and created in the Netherlands three years ago by Amsterdam-based Sentient Machine Research, is ideal for going after online auction, gambling and shopping sites that operate out of Canada but neglect to pay their taxes.

Canada is cooperating with Austria, Denmark, the United Kingdom and the Netherlands as part of an international tax-enforcement cartel that's evaluating the effectiveness of the software, according to a recent report from Wired.com.

Colette Gentes-Hawn, of Canada Revenue Agency, confirmed the department is testing the software to enhance its enforcement activities online, where millions of businesses have been able to conduct business in relative obscurity. "Now we need more sophisticated tools for the new age of commerce. Now we need a spider," she said "There's no difference between a business on the Internet, a Sears catalogue and a business down the street. They're all businesses and they all have to pay their taxes. Internet businesses are not something you physically see, so they present special challenges that require special tools. Whether the program will become a standard investigation tool remains uncertain. We'll see how it goes."

Xenon's spider probes certain categories of websites, such as auction sites or businesses with a track record of tax evasion. A "Web Identification Tool" determines a site's probable owner; then data from the site is captured and cross-referenced with national databases and tax records. Michael Geist, an Internet law expert at the University of Ottawa, said the software could pose privacy concerns if it goes beyond what could easily be obtained through a search for public information on Google or Yahoo.

HONESTY PAYS \$500 ON \$10,000 FIND

When struggling student Jaime Hawkins found a stack of \$20 bills amounting to \$10,000 next to a bank machine at Saint Mary's University in Halifax last month, he immediately decided to return the cash mistakenly left by two security guards.

Toronto-based Group 4 Securicor, the firm that misplaced the money, is giving Hawkins, 29, \$500 a reward for his honesty.

CRITICISM DIRECTED AT ROYAL BANK

The Royal Bank refused to let a Canadian citizen open a U.S. dollar bank account in one of its Montreal branches – simply because he was born in Iran. Payam Eslami, 27, moved to Canada when he was 8. The bank's explanation was that if it wants to do business in the U.S., it must strictly follow American law. American laws discriminate against people from certain countries that Washington doesn't like, including Iran and Cuba.

All of which would have been fine if Eslami had been attempting to open a bank account in, say, Syracuse. But at last count, Montreal was still part of Canada. And in Canada it is illegal and unconstitutional to discriminate against individuals on the basis of nationality.

Imagine the outrage if the Royal Bank had refused to let a Canadian Jew open a bank account just because it wanted to protect its business with Saudi Arabia. In fact, you don't have to imagine. There was such outrage some 30 years ago when countries such as Saudi Arabia attempted to extend the so-called Arab boycott against Israel to countries that wanted to do business in the Middle East. Ontario responded by making it illegal for firms in this province to adhere to the Arab boycott. So did the federal government in Ottawa. In 1990, the director general of the Ontario Science Centre was fired after it came to light that the government-run attraction had signed a contract with Oman containing a boycott-of-Israel clause. As well, successive Canadian governments have consistently objected to U.S. laws that penalize Canadian firms doing business with Cuba. Ottawa's quite reasonable argument here has been that American laws have no standing in Canada.

But that's not the case these days, it seems. The response by Public Safety Minister Stockwell Day to the current situation? "These are accounts in U.S. currency, and the law applies to the country of jurisdiction." By which he meant that U.S. dollar holders around the world have to adhere to American rules, while Canadian currency holders – even in the U.S. – have to obey Canadian ones.

Huh? Would the U.S. government be willing to apply the same logic and concede its right of independence from Canadian laws?

And don't you dare think of sneaking a Cuban cigar into the U.S.!

HOW TO OUTSMART A THIEF IN MEXICO

Tony Hine sent us the following published in The Globe and Mail. It was written by Jamie Simpson from Oaxaca, Mexico:

"We could use a drink. I'll buy us a round of beer," I offered with a hesitant smile. My two companions were slightly shocked: It was our first day in Oaxaca, Mexico, and we had just been mugged and were supposedly penniless.

We had wandered the city with a wide-eyed enthusiasm and naivete typical of freshly arrived travelers, and found ourselves on the outskirts of the city in a park that the guidebook (we later read) recommended that visitors avoid because of thefts. A man materialized in front of us on a dirt road void of people. I noticed him only a moment before we reached each other; and we did that awkward dance-like step people do to avoid each other's path, only to step in the same direction. I gave a polite, apologetic laugh and moved to avoid him. I don't know what the man said as he stepped back in front of me, but the knife in the man's hand left little room for miscommunication. He hurriedly repeated his request for – obviously enough – money, the knife waving a few inches from our bellies.

A quick cost-benefit calculation evaporated thoughts of physically defending ourselves. We could run, but I figured it wasn't a sensible option to impose on my companions. Another idea popped into my head. It is ethical to cheat a thief? I didn't ponder this question for long. I opened my wallet and swiftly handed the man a wad of Canadian Tire cash, which a friend had suggested I carry for use as bribes. If I had planned this swindle, I'm sure I would have blown it. But I did it with barely a thought and it worked; I left with my real money safe in my wallet.

The beer calmed our nerves, and before long my friends and I were chuckling and speculating about what our robber might do with a fistful of Canadian Tire bills. I privately mused whether he

might eventually see a little humor in the situation. Who knows, but I sincerely hoped I would never have the occasion to find out.

I should add that after the incident described here, I spent six crime-free months in beautiful Oaxaca, an exceptionally safe and friendly city.

CONCLUSION

One day God was looking down at Earth and saw all of the rascally behavior that was going on. So he called one of His angels and sent the angel to Earth to investigate. When the angel returned, she told God, "Yes, it is bad on Earth; 95% misbehave and only 5% do not."

God was not pleased. So He decided to e-mail the 5% that were good, because He wanted to encourage them, give them a little something to help them keep going. Do you know what the e-mail said?

Okay, just wondering; I didn't get one either!

John Regitko
Your C.N.A. E-Bulletin Editor
Canadian Numismatic Association

The Canadian Numismatic Association is a not for profit organization devoted to serving those who enjoy coin collecting/numismatics by promoting fellowship, communication, education and providing advocacy and leadership for the hobby.

If you have a comment to make, or would like to submit an item for publication, email:
cnanews@look.ca

To subscribe to the E-Bulletin email:
cnanews@look.ca

Back-issues of the C.N.A. E-Bulletin are available from the C.N.A. Website at
<http://www.canadian-numismatic.org/ebulletin.php>

If you have questions about our privacy policy, email:
privacyissues@canadiannumismatic.org

To learn about the benefits of membership or to join the C.N.A. visit our website at:
www.canadian-numismatic.org

For a complimentary copy of The CN Journal, email your name and mailing address to:
cnainfo@look.ca

Any submissions, comments or information sent to us will be shared with subscribers unless indicated otherwise. We reserve the right to edit submissions for publication.