

Welcome to the C.N.A. E-Bulletin Vol. 3, No. 12 – March 2, 2007

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INTRODUCTION

Over the past little while, I have been receiving the same Greek letters that a few of you have mentioned. I recently received an e-mail, which is reproduced below. Note the Greek letters instead of opening and closing quotation marks, apostrophes and hyphens.

From Joe Boling: ~~â€œ~~In the last Friday~~â€™~~s bulletin you state: ~~â€œ~~The bourse will be open to the public on Friday to Sunday, July 13 to 15, 2007. Collector activities will take place from Wednesday through Sunday, July 11 to 15, including a full-day symposium on Thursday, July 12. Please mark your calendar accordingly.~~â€™~~ OK - where?â€ How could I overlook promoting the Convention~~â€™~~s date and location at every opportunity. It~~â€™~~s at the Sheraton Fallsview Hotel & Convention Center, 6755 Fallsview Boulevard, Niagara Falls, Ontario. But don~~â€™~~t worry, we will issue a couple of special bulletins about the convention soon.

If that happens to you with this bulletin, there doesn't seem to be too much we can do about it.

WE HAVE MAIL

From Dan Buss: "Enjoy reading your CNA Bulletins even though I'm a stamp guy. Can't believe there are still people whining about losing Loonies and Twoonies through holes in their pockets. I used to lose change when we had lightweight coins like dimes, etc. long before these biggies came up. Discovered an inexpensive coin purse that, when you squeeze the top, pops open to reveal all your change. No zippers whatsoever. Haven't had a hole in my pockets yet, although I have to admit they can get pretty heavy if you keep collecting and not spending. On the 1-cent subject, good grief, just simply stop producing the coins and all the hoarded ones will soon appear. Banks will then willingly accept them. I say, Keep the Sense."

From Donn Pearlman: "Are you concerned it will cost collectors an estimated \$84,500 to purchase one of each of the planned Royal Canadian Mint commemoratives for the 2010 Vancouver Olympics? No problem, heh? Just pay with one of the planned \$1 million Canadian 100 kilo gold bullion coins - and ask for change in Lucky Loonies! By the way, who is going to manufacture the enormous encapsulation holder that will be needed to slab the huge \$1 million coin? Pizza Hut?" – I just knew that people were going to have fun with that \$1 million coin, but what did the submission to Parliament state? "This coin would create market visibility and excitement for the Royal Canadian Mint as it would be the world's largest, purest and highest denomination gold coin," "The denomination of \$1,000,000 is requested so that it would be the world's highest value gold coin and increase the ability to gain media exposure for the Mint" and "The 100 kilo coin would be used by the Royal Canadian Mint for advertising and promotional purposes at national and international events related to the bullion and investment industry." Even if they never strike a single \$1 million coin, it certainly has achieved these objectives...although I think the second idea is to consume quite a bit of Canadian gold and make some money for everyone involved.

From Gary Goebel: "As a collector of Canadian coins, I intend to collect all circulating Olympic coin issues. At the same time, I will judiciously avoid all NCLTs. NCLTs are a gimmick to fleece the public of their hard earned cash. The future marketability of such items is highly doubtful. They become mere curiosities much like souvenir spoons." – I know a number of people who enjoy their souvenir spoon collections, proudly hanging them on the wall in the living room or

den. I also know a lot of collectors of NCLTs who acquire them for their beauty, history and art. They specialize in certain topics, such as butterflies, military history, Canadian history, or whatever and don't care about the other items they have no interest in. I was told when I first started collecting stamps that I had to specialize? I was told that I cannot collect everything when I started collecting coins? Why should I treat Mint issues any different? I will acquire what I want and forget the rest!

From JFK: In response to Mr Newby A Reader, the difference between the 1967 .500 and .800 silver 25-cent coins might be determined by measuring their specific gravity. The different alloys should each have its own measurable density. The procedure involves weighing a coin using a balance beam, and then weighing the same coin while it is submerged in distilled water. A good description of the process can be found in The Error Coin Encyclopedia (A Margolis, F Weinberg). Since we do not know offhand what the specific gravity is for each alloy, a number of coins would have to be measured & sorted into two groups. Doesn't this sound like an interesting topic for a display at a CNA convention?!" - We look forward to seeing your entry at the 2007 C.N.A. Convention at the Sheraton Fallsview Hotel & Convention Centre in Niagara.

From Grant Gilker: "In your second last e-mail bulletin, you indicated that there is a specific number of coins of each denomination that are deemed to be legal tender. Would you mind letting us know what the specific numbers are? That way we could all force the issue when paying our "debts." – Because Bret Evans of Trajan Publishing had done articles on this previously, we asked him. His answer: "The (Canadian) Currency Act puts the following limits on legal tender: \$40 in coins from \$2 up to \$10; \$25 in \$1 coins; \$10 for coins from 10-cents to 99-cents; \$5 for 5-cent coins; and 25 cents for 1-cent coins; coins greater than \$10, one coin. These change from time to time (at one time the limit was pretty much the amount of a roll. They also cover NCLT (so you can't spend more than one \$1 million coin at a time). Note also that all debt paid to the same person in one day, even under more than one obligation, are considered one transaction. So you can't spend more than 25 1-cent coins in a store in one day. Obviously many businesses accept higher amounts (even a roll of cents exceeds the limits)."

From George Heaven: "In Volume 3 Number 10 of February 23rd, the first article in "We have mail" was shown as "From George Heaven." You must have mixed up your mail because I didn't send this article in. I don't mind but you might be slighting the person who actually sent it to you?" - Sorry about that. Because I delete the incoming e-mails as soon as I copy them into the draft E-Bulletin, I don't know who the actual sender was.

From Ralph Trimble: "I just finished your latest E-Bulletin and wanted to let you know I thought it was one of your most interesting top-to-bottom bulletins yet. While I always enjoy your others, except for all the Nigerian scam stuff and the like, this one was particularly good! Well done" – The comments I have received about the Nigerian scams have all been positive up to now. Anyone else wish to comment?

From George Heaven: "This latest issue was very interesting and I will pass it along to my buddies who do not have a computer and therefore would miss out on the bulletin."

From Abbey national Plc London: "Dear Beneficiary, I write to inform you that the management of the Abbey National Plc London, has been mandated by the Central Bank of Nigeria, to effect your long outstanding inheritance funds payment of US\$9,546,000.65 to you, without further delay. Please advise when you shall be in London to pick up your draft. Sincerely, JAMES SMITH. Head/CEO RSFF, London +447031818548" – Just as soon as you send me non-cancelable return airfare. And I tell you what, make a reservation for me in the

Penthouse Suite at the Ritz for a month, and I will pay you back ten-fold as soon as I get my inheritance. Maybe then you can get your own Website and e-mail address rather than relying on Yahoo. What a deal for you, eh?

From Gerry Mack: "I love getting your e-mails. I find them very informative about all aspects of coin collecting. I am hoping you can help me with one question I have. I am trying to find what a mule 1999 or 2000 quarter is. I have seen them listed on eBay but it never has a description of what a mule actually is. Thanks and I look forward to your next production as usual. Keep up the great work (especially for isolated people who can't get to shows etc)." - The Webster's Dictionary states that a mule is "the offspring of a donkey and a horse" or "the offspring of a jackass and a mare." In other words, it is the pairing of two things that were not meant to be together. The Charlton Catalogue of Canadian Coins states that a so-called mule coin is "a coin struck from dies not designed to be used together." The catalogue mentions examples, and I will be asking one of my knowledgeable friends to list them in a future C.N.A. E-Bulletin.

IS CIA COUNTERFEITING U.S. DOLLARS?

Global Research published the following article in January:

The CIA could be responsible for manufacturing the nearly-perfect counterfeit 50 and 100-dollar-notes that Washington pins on the terror regime of North Korea. The charge comes after an extensive investigation in Europe and Asia by the Frankfurter Allgemeinen Sonntagszeitung, and after interviews with counterfeit money experts and leading representatives of the high-security publishing industry.

The U.S.-dollar forgeries designated "Supernotes," which are so good that even specialists are unable to distinguish them from genuine notes, have circulated for almost two decades without a reliable identification of the culprits. Because of their extraordinary quality, experts assume that some country must be behind the enterprise.

The administration of George W. Bush officially accused Pyongyang of the deed in the autumn of 2005, derailing Six-Party Talks on Pyongyang's nuclear weapons program. Since then, tensions on the Korean Peninsula have increased considerably. America charges that North Korea is financing its rocket and nuclear weapons program with the counterfeit "Supernotes."

North Korea is one of the world's poorest nations and lacks the technological capability to produce notes of such high quality. According to the Frankfurter Allgemeinen Sonntagszeitung, North Korea is at present unable to even produce the won [the North Korean currency]. The sources, which do not wish to be identified, allege that the CIA prints the falsified "Supernotes" at a secret facility near Washington to fund covert operations without Congressional oversight.

THE VENDING INDUSTRY AND THE U.S. DOLLAR

Following is an article by Ari Rabinovitch of Columbia University on the impact the new U.S. dollar coin has on the vending industry:

"A circulating dollar coin would help us pick up a couple hundred million dollars that we lose each year," said Tom McMahon, chief counsel at the National Automatic Merchandising Association, which represents the nation's vending machine industry. His members spent close to \$1 billion to make their machines accommodate the dollar coin, and they've yet to enjoy the benefits. The reliance on bills costs the industry \$300 million a year because three percent of the dollar bills collected are degraded and worn out and because it is expensive to maintain the electronic dollar bill readers.

McMahon testified before Congress on the matter of dollar coin vs. bill. His association was substantially involved in the Coin Coalition, a lobby that supported the elimination of the dollar bill. The coalition has been dormant since the failure of the golden dollar, but its devotees remain eager to see the new legislation pass.

“We were enthusiastic about the first golden dollar with its different size and design,” said Mark Thorsby, executive director of the International Carwash Association in Chicago. “It was distinguishable,” whereas past dollar coins looked too much like quarters. An estimated half-million people are directly involved in the car wash industry nationwide, and 40 percent of the locations are coin operated. Thorsby thinks the proposal in Congress is a step in the right direction for making dollar coins easier and more appealing to use.

An organization called Save the Greenback whips into action when the dollar bill is threatened, lobbying Congress to block any legislation that calls for the systematic phase-out of the dollar bill. Save the Greenback draws its support from members of the ink and paper industries. One of its big supporters is Crane and Co., the paper company that is the exclusive manufacturer of the paper used for U.S. currency.

“The next series is a great idea,” said David Sklow, a researcher with the American Numismatic Association. The presidential dollar coins would be an educational tool for the public and a boost for the coin-collecting industry, Sklow said. “But it is an uphill battle. These coins are not going to circulate.”

For the full story, go to jscms.jrn.columbia.edu/cns/2005-12-13/rabinovitch-goldendollar.

FIND THE MONEY YOU DIDN'T KNOW YOU HAD

Did you catch the new ad on TV from ScotiaBank? They tell you to go to ScotiaBank “To find the money you didn't know you had!”

I thought you had to contact the Nigerians for that?

MAN ARRESTED AFTER BUNGLED ROBBERIES

Theodore Myers attempted to rob eight corner stores in Oshawa, Ontario, over the past weekend.

In most of the eight cases, clerks told police the suspect was armed with a knife. In one case, a store clerk refused admission to two men wearing masks. In another three cases, store clerks refused his demands, forcing the bandit to leave empty-handed.

Monday night, police found a stolen vehicle in Oshawa with two balaclavas, a knife and other items inside. Myers, 29, of Oshawa, faces eight counts of robbery and attempted robbery, according to The Toronto Star.

ONE FOR THE MONEY

Three brothers rented an apartment for \$300 per month. They each gave their sister \$100 for a total of \$300 to pay the rent. When the sister went to pay the rent, the landlord reduced the rent to \$250 and gave her back \$50. Rather than trying to divide \$50 equally among 3 brothers, she gave each one \$10 and kept the balance of \$20 for herself. Now it cost each brother \$90 for a total of \$270, which added to the \$20 the sister retained would add up to \$290.

So what became of the \$10 unaccounted for?

YOUNG EURO THREATENS DOLLAR SUPREMACY

The following was submitted by Tony Hine. It comes from the "Money" column by Barrie McKenna published in the Globe and Mail.

Flash the greenback just about anywhere in the world, and chances are you'll seal the deal. The mighty U.S. dollar remains the world's default currency. Central banks keep two-thirds of their reserves in dollars. Oil, gold and most farm products are all priced in dollars. A little green will even get you a fake Prada handbag in Shanghai or a cab ride in Havana. And yet the U.S. currency is facing its first serious challenge in decades from the infant euro, now five years old.

At the end of last year, the euro quietly reached a key milestone. The value of all euro notes in circulation exceeded the value of all dollars for the first time - \$828 billion (U.S.) to \$753 billion. "The euro is the first currency in 100 years that can really compete with the dollar on a global level," said Fred Bergsten, director of the Washington-based Peterson Institute for International Economics. "The U.S. dollar has been the dominant currency because it had no competition. The creation of the euro changes all that." Within five or 10 years, half of all global finance could be conducted in euros, Mr. Bergsten predicted.

Meanwhile, a clutch of central banks have begun to cautiously shift some of their reserves into euros, including Russia, the United Arab Emirates, Qatar, Indonesia, Sweden, Venezuela and Iran. European central bankers can barely contain their glee. "The euro is becoming extremely attractive, as a vehicle, a transaction, an investment and a reserve currency," Bank of France governor Christian Noyer said in a recent speech. "We are neither encouraging, nor discouraging the process. But as a citizen, I cannot help but feel proud of having one of the two main currencies in the world."

Mr. Noyer may be less proud of another sign of the euro's coming of age. The 500 euro note is reputedly becoming the currency of choice among arms smugglers and drug traffickers eager to escape the tracking of movement of large sums of U.S. dollars. They used to prefer \$100 bills.

There are a few simple reasons for the euro's recent dominance in the global cash market. The euro zone, which recently welcomed Slovenia a member, is now larger than the United States by roughly 10 million people. And Europeans are far more likely to use cash than Americans, who favor credit and debit cards.

The change in sentiment among central bankers is more complex. But some of the reasons include last year's 11 per cent fall in the dollar versus the euro, growing confidence in the stability of the euro and the maturity of European financial markets, according to experts. "The liquidity and breadth of euro financial markets are fast approaching those of dollar markets, and as a result the euro is eroding some of the advantages that have historically supported the pre-eminence of the U.S. dollar as a reserve currency," economists Gabriele Galati and Philip Wooldridge of the Bank of International Settlements concluded in a new working paper. The economists found that Russia and members of OPEC have cut their U.S. dollar reserves to 65 percent in 2006 from 67 percent. Their share of euros correspondingly rose to 22 percent from 20 percent.

The U.S. dollar has been the world's dominant reserve currency since the Second World War. It now accounts for roughly 66 percent of the nearly \$5 trillion held in the coffers of the world's

central banks. That's up from about 50 percent at the end of the 1980s, but down slightly from an all-time peak of 70 percent in the late 1970s.

The share of reserves in euros has reached nearly 25 percent. The British pound has overtaken the yen for third spot with 12 percent. About 5 percent is held in yen, down from 10 percent at the end of the 1980s. The wild card in all this is China. It holds 20 percent of all foreign reserves, or roughly \$1 trillion. And the bulk of that is believed to be in U.S. dollars.

Some Chinese banking officials have suggested they may want to diversify out of dollars. But there's no evidence that's happening yet. "The big question for 2007 and beyond is whether China will do it (convert to euros)," said Andrew Busch, global foreign exchange strategist at BMO Nesbitt Burns in Chicago. "It's a brave new world for them and we don't know what will drive that decision making."

Some economists said the recent excitement over the euro is overblown, and the dollar remains firmly entrenched as the world's reserve currency. "So far, the euro hasn't displaced the dollar as a reserve currency," said economist Peter Morici of the University of Maryland. "People talk a lot about it, but it hasn't happened." He said "Eurosclerosis" – slow growth, an aging population and restrictive labour rules – will keep the euro a lesser currency for a while yet. "Over time, the United States has earned the confidence of people that it will manage their paper assets," he said. "The things people want, they can buy with U.S. dollars. It's a true store of value."

CANADIAN NICKNAMES

On the Canadian edition of Howie Mandel's "Deal or No Deal," the three lowest amounts offered were shown on the board as "\$0.01," "Loonie" and "Tonnie."

How nicknames can stick? You don't see the U.S. version of "Deal or No Deal" referring to a "Lincoln" or "Washington" or "Susan B. Anthony," do you?

CONDOLENCES

The numismatic community lost a valued coin dealer from Woodstock, Ontario on Friday, February 16th, 2007. Dumitru Motorca, 58, died after a short illness. He was a familiar coin dealer at various coin meetings and frequently had a dealer table at the Ingersoll Coin Club meetings and also had a table at the 2006 C.N.A. Convention. He was formerly on the Rumanian wrestling team before coming to Canada several years ago.

He is survived by his wife, Maria and two daughters, Cristina and Nora.

THEFT OF REVOLUTION DIE AND MEDAL

In a press release from the ANA, Gail Baker made us aware that two rare and possibly unique French Revolution numismatic items, one die and one medal, were recently reported stolen by Stephen Abraham. The package containing both items was en route from France to California. The theft most likely took place when the package went through U.S. Customs in New York.

Abraham, who paid \$800 for the items says, "The two pieces are extremely distinctive and would be recognized by any collector of the period." The American Numismatic Association will pay a reward up to \$5,000 for information that leads to the arrest and conviction of any person committing burglary, theft or robbery of numismatic items from a member of the Association. For specific information about the ANA's reward program, please visit the ANA website at www.money.org and click on "Consumer Awareness." Illustrations of the pieces can also be viewed on the ANA website.

Anyone with information about the stolen items should contact Stephen Abraham (949) 720-4176.

CONCLUSION

I received an e-mail a couple of days ago: "I don't know how you produce the e- bulletin so often and about 7 pages. I don't have enough time just to read them. Please delete me from your list. Thanks."

Other than thinking that the gentleman must be REALLY BUSY, but accepting it as the real reason for asking to be removed, it makes me wonder what others think. I would like to hear from you how you feel about the length, frequency and content of these C.N.A. E-Bulletins. Is once a week preferred and not a few special Tuesday specials as I am planning? Should they be shorter? Should we go for more humor and less serious topics? Non-numismatic jokes sent to us by collectors? Please tell us at cnanews@look.ca.

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.

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