

Welcome to the C.N.A. E-Bulletin Vol. 3, No. 27 – May 4, 2007

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INTRODUCTION

I got a bulletin ready last Tuesday, sent my test copies as usual to three of my e-mails, and waited. Nothing! I sent it again, and waited. And waited.

The bulletin was headed “Special Internet Scam Issue.” It included very unusual scams that people try to pull, sometimes very successfully (but nothing on the Nigerians and Euro lotteries). I contacted my Internet service provider to find out if some key words are caught by filters on my outgoing Webhosting e-mails. That’s not the problem, I was told, but they could not identify the problem. Hence, no special bulletin this past Tuesday.

WORLD’S LARGEST COIN UNVEILED

Not long ago, a request to Canada’s Parliament was made to authorize the striking of a bullion coin that would be the world’s purest, largest and highest denomination gold coin. It would be made from 100kg (220 pounds) of 99.999% pure gold, with a \$1 million face value.

Such a coin was unveiled yesterday, at a special ceremony at the Royal Canadian Mint’s headquarters in Ottawa. The coin was originally conceived as a one-off novelty, as a unique showpiece to promote the RCM’s new line of 99999 pure one-ounce Gold Maple Leaf bullion coins with a face value of \$200 that the Mint also unveiled yesterday. After several interested buyers came forward, the RCM decided to make a very limited quantity of the \$1 million coin available for sale.

You could tell that Ian Bennett, RCM President and CEO, is proud of the Mint’s achievement: “Our 100kg and one ounce 99999 pure gold bullion coins are an achievement which separates the RCM from a large field of competitors. By producing the best quality products in the world, the RCM is enhancing its global reputation for excellence.”

The reverse of the \$1 million piece features an elegant maple leaf designed by RCM artist and Senior Engraver Stan Witten. The obverse bears the effigy of Her Majesty Queen Elizabeth II by Susanna Blunt. To view the illustration, go to www.mint.ca. You can also obtain information there about purchasing a few, although you might have to wait a little for delivery since the coin will be made to order only.

I jokingly referred to it in previous bulletins as pizza size. Well, Canadian Press describes it as “the size of a very thick pizza - 50 centimetres wide and three centimetres thick” and “the size of a party pizza.”

Five have apparently been sold, with three going to A-Mark Precious Metals Inc. of Santa Monica, California. I understand that the initial selling price for these 3,215 troy ounce gold coins was \$2.6 million each, U.S. funds.

JOHN REGITKO’S TOP TEN QUESTIONS

With respect to the new \$1 million coin, I like to ask my Top Ten questions:

1. How long did it take Stan Witten to engrave the pizza-size dies? (“You have until Thursday...”).

2. Taking inflation into account, how long will it take before we have a \$1 million "circulating" coin?
3. If we did have a circulating \$1 million coin, how much would it cost to resize my pants to accommodate 220 pounds the size of a pizza?
4. How many umpires will it take to flip the coin at a football game to decide who gets the ball?
5. Will my favorite Tim Hortons have change if I tendered one for my usual extra large hot cappuccino? Would they have enough \$100,000 coins on hand first thing in the morning?
6. How large will a vending machine be to accommodate the \$100,000 and \$1 million coin mechanism?
7. What exactly would you sell through a vending machine for that amount? (If the government raises taxes again, my guess would be cigarettes and cans of gasoline.)
8. Will Austria, which has a 100,000-euro gold coin only 37 centimetres in diameter and weighing a measly 31 kilograms worth a lousy \$153,000, want to break the Canadian record by issuing a Billion Euro gold coin?
9. Will my wife give me one for my birthday?

And the number ten question:

10. How many to a roll?

NAME THAT COIN

The CBC is looking for a name for the \$1 million coin. As usual, I have an idea.

Why not call it a Canadian Tire? Wait a minute, that is not so farfetched. Even Bloomberg News describes the coin as "wheel-sized...as big as a car wheel."

We have had new issues distributed by Tim Hortons, the Royal Bank and Shoppers Drug Mart. If we call it the Canadian Tire, we can have the Canadian Tire Corporation distribute it through their many outlets. They already distribute Canada's second most popular circulating money, those famous Canadian Tire coupons that all True Canadians carry in their pockets. When I bounced the idea off Alex Reeves from the Royal Canadian Mint, he thought that I should send the idea to the CBC, but I am too shy.

When I suggested to him that Canadian Tire Corporation should be appointed as the official distributor, Alex commented that it would overcome any copyright problems with the name I suggested for the coin. And all you faithful readers thought that I was just another pretty face!

What do you think? As usual, serious suggestions are discarded, humorous ideas published. There is no charge!

DR. PEPPER'S \$1 MILLION COIN ADVERTISING

A few issues ago, we wondered whether Canada did indeed have the world's first \$1 million coin. As it turned out, the \$1 million coin referred to in a Dr Pepper promotion did not exist after all. But their promotion is sure getting a lot of publicity, and not necessarily what Cadbury Schweppes figured on.

Last month, Boston police bomb squads received reports of possible bombs that turned out to be electronic blinking signs set around the city for a marketing campaign promoting a Cartoon Network show, "Aqua Teen Hunger Force." The network's parent, Turner Broadcasting System, and a marketing firm apologized for the scare, which closed bridges and highways, and paid \$2 million in compensation. The two men who installed the signs on overpasses, bridges and elsewhere face criminal charges.

After that incident, no wonder a new marketing scheme by Dr Pepper has led angry Boston city officials to shut down the 347-year-old Granary Burying Ground, the final resting place of John Hancock, Paul Revere, Samuel Adams, Benjamin Franklin's family and other historic figures. The gates were locked after a clue in a Dr Pepper promotion suggested a coin that might be worth as much as \$1 million was buried there (the clue was "by the name of a patriot at rest in Philly"). Dr Pepper's response was to cancel the Boston portion of the 23-city coin hunt promotion due to concern that it could be damaged by treasure hunters, acknowledging it had hidden the coin in the graveyard.

The coin in the Dr Pepper campaign was revealed as having been hidden behind the lip of a stone slab covering the entrance to an almost 200-year-old crypt. The company said it would instead award \$10,000, the value of the Boston coin, in a random drawing of area residents who had registered for the contest.

Incidentally, the coin is still missing. Even with directions by cellphone from an executive that knew where the coin was hidden, a city parks official spent 45 minutes searching but could not find it. City officials said the failure to quickly locate the coin buttressed their concern that the cemetery could have been overrun by prize seekers digging and disrupting the burying ground.

The promotion's most valuable coin, which in publicity releases was referred to as a \$1 million coin but was only redeemable for that amount in cash, was found by a Houston woman near the Spirit of Confederacy statue in Sam Houston Park.

Having been in marketing and sales all my life, my opinion is that Dr Pepper could never have dreamed of the publicity they received over this. Or been able to afford if they could buy it!

CANADIAN TAXMAN DOESN'T WANT YOUR CASH

Nick Cowan made me aware of the CBC report that states that Ottawa will no longer accept cash payments from people paying their taxes at service counters across the country.

The Canada Revenue Agency says it will still accept cash payments made through banks, however. Service counters will continue to accept cheque and debit payments. The agency says it made the change because the amount of people who pay by cash is so small. Of the seven per cent of taxpayers who make payments at the service counters, less than one per cent pay by cash, said Revenue Canada spokesperson Heather Cameron. "It comes down to the fact ... that there's so few people that are actually making their payments in cash now," said Cameron.

It's not clear when the agency will stop accepting cash at service counters, but one New Brunswick woman says she was told it would start on June 1. Patricia Farren says she was shocked when she paid her income taxes at a Canada Revenue office in Saint John and was told it would be the final time she could pay by cash.

Farren says she was so angered by the decision, she wrote her local MLA and Prime Minister Stephen Harper. "The idea that our money in our country is not going to be accepted by our country is unacceptable. I do not have another government that I can go shop with," she said.

STOLEN BANK OF CANADA BONDS SEIZED

Late last month, the Ottawa RCMP arrested four males and conducted a series of searches in Gatineau and Val-des-Monts. Through the course of this investigation, 666 bonds stolen from

the Bank of Canada in 2001 were recovered. This prevented the criminal group who had orchestrated a fraud from profiting from these bonds.

As this investigation is ongoing, charges have not yet been laid. However, investigations of this nature often result in criminal charges such as conspiracy to commit forgery, possession of property obtained by crime and conspiracy to commit fraud, which carry maximum sentences of 10 to 14 years.

WILL TORONTO TAX PEOPLE USING SIDEWALKS?

A City of Toronto councilor wants to tax sidewalks. Adam Vaughan has proposed to tax bar, theatre and movie patrons for lining up on public sidewalks. What, you say?

Actually, it is not a tax. I misspoke. It is, to use Vaughan's words, "a new permit scheme for licensed entertainment facilities that regularly use public sidewalks for queuing." Phew, and I here thought it was another tax. He notes that a bylaw should include rules for how the line is formed and where it is located, the number of people allowed into it, crowd control and the need to pay duty police to maintain orderly conduct. Vaughan proposes the permit fee should include rent for the use of a public sidewalk.

While he insists the permit would be targeted to night clubs or large entertainment facilities, his request leaves the door open to apply the same law to any events that require a line-up on public sidewalks. This led your too-much-time-on-his-hands editor to consider other groups that might be asked to pay a tax for using the sidewalk:

- Panhandlers
- People sleeping on the sidewalk (yes, there are some in Toronto)
- Joggers
- Delivery people
- Bicyclists who always use sidewalks
- Protesters
- Homeowners every time they leave their house
- Parking lot owners who park cars on sidewalks when they run out of parking spaces

Feel free to add to the list, but please don't tell Adam Vaughan. He might just amend his proposal to include these groups.

WHAT CANADIANS LOOK FOR IN SUNKEN SHIPS

While most people look for sunken treasures such as gold and silver coins, gold bars, jewellery and other valuables, guess what we Canadians treasure?

More than 197 years after fire ravaged her masts and deck, the U.S. schooner Hera's hull and some other cargo remain intact. This past week-end, the district of Tofino, B.C., has declared the wreck Canada's first municipal underwater heritage park. Built in Boston, Mass., in 1869, the three-mast schooner spent her first 30 years sailing between San Francisco and Australia or Portland. She sailed for Honolulu on November 18, 1899, laded with grain, 11 pianos, 1,800 barrels of lime, a knocked-down school house and 60,000 quarts of the Seattle Malting and Brewing Company's Rainier beer. As the Hera crept past Cape Flattery, the vessel took on water, and the crew abandoned ship. A diver located the wreck in 1974

What caught my attention in the CP press release is the fact that, with the hundreds and hundreds of ships that have been found, we should select the U.S. schooner Hera as our first municipal underwater heritage park.

So there you have it. We ignore finds of precious metals, jewellery and other things that might interest historians and tourists. Instead, we are fascinated with, what? All that Beer! It just doesn't get any better than that!

GOVERNMENT CHEQUES GET BIGGER

The good news: the Canadian Government cheques are getting bigger!

The bad news: Nobody is getting richer. That's because the federal government has begun sending cheques to millions of Canadians, for everything from tax refunds to childcare payments, whose physical size is actually larger, as Ottawa braces for a revolution in banking.

Canada's financial sector is planning to stop returning cashed cheques to banks and credit unions, eliminating a complex system that requires couriers and trucks to crisscross the country hauling five million cheques every business day. Instead, only digital images of cheques will be returned to financial institutions, on a secure electronic network, with the paper version destroyed soon after. Consumers with chequing accounts will also have access only to cheque images.

The new rules require that the cheque amount be spelled out in words, not just numerals, which for Ottawa means both French and English. So the cheques have been made slightly wider to fit in all those extra words.

The Receiver General for Canada is among the country's most prolific cheques writers, issuing about 70 million paper versions each year. The use of paper cheques has been eroding as more consumers opt for direct deposits; however, businesses continue to use cheques more than consumers do. Personal cheques already meet new design standards, according to a CP press release.

E-GOLD ACCUSED OF MONEY LAUNDERING

Colin Bruce made us aware of the story about three Florida men facing money laundering charges. The two men and two digital currency businesses they operated in Melbourne, Florida, have been indicted by a federal grand jury in Washington, accused of running an unregulated financial network that catered to criminals moving money.

The count indictment charged e-gold Ltd., Gold & Silver Reserve Inc. and owners Dr. Douglas L. Jackson, 50; his brother Reid A. Jackson, 44; and Barry K. Downey, 47, with crimes involving conspiring to launder monetary instruments or operating unlicensed money transmitting businesses from 1999 to December 2005.

E-gold, incorporated on the Caribbean island of Nevis but based in Melbourne, Florida, began offering Internet services in 1996. Gold & Silver Reserve Inc. operated e-gold and its Web site and offered a currency exchange called OmniPay. Services included checking, bill paying and money transfers.

The indictment charged that the company's digital currency functioned as an alternative payment system and was purportedly backed by stored physical gold, which investigators said was on deposit in Dubai and Switzerland. Customers needed only to provide an e-mail address

to open an account and that no other customer information was verified, according to court papers. The indictment accused some customers of using fictitious names such as "Mickey Mouse," "Donald Duck" and "No Name" and could conduct international transactions without any government oversight.

E-gold had completed more than 67 million transactions, processed up to 70,000 daily account transfers exceeding \$2 billion annually. The company had more than \$68 million in gold on deposit at the time at London Bullion Market Association member repositories. Its Web site claims more than 4 million accounts.

The charges follow a December 2005 raid on the company's offices and seizure of electronic records detailing millions of accounts, said James Glendinning, of the Secret Service's Orlando office. The probe, he said, was a spinoff of a 2004 international crackdown on Internet identity thieves who also used e-gold to receive payments.

"Douglas Jackson and his associates operated a sophisticated and widespread international money remitting business, unsupervised and unregulated by any entity in the world, which allowed for anonymous transfers of value at a click of a mouse," said Jeffrey Taylor, the U.S. attorney for Washington. He reported that in a decade of operation, the government had asked for records in 300 cases (all of which concerned third party members, not the service itself).

For the full story, go to

www.floridatoday.com/apps/pbcs.dll/article?AID=/20070428/BREAKINGNEWS/70428010/1086.

NUMISMATIC NEWS WEBSITE ADDS CONTENT

Numismatic News out of Iola, WI has added a new feature of blogs written by its editorial team including Tom Michael, Fred Borgmann, David Kranz, George Cuhaj and Colin Bruce II. These blogs include various tidbits of information throughout. I am told that they will sometimes go beyond the realm of numismatics and will change on a weekly basis. Check it out at www.numismaticnews.net.

NATIONAL RADIO TO PROMOTE GAMING TOKENS

As General Chairman of back-to-back C.N.A. Conventions in Niagara Falls, Ontario, the location of Canada's foremost casinos, I have developed a keen interest in casino chips. As a matter of fact, this year's main registration kit will include a dozen casino chips, different than the dozen that were included last year. If you wish to know more about this extremely popular numismatic collectible, read on.

Sheldon Smith, Publicity Director of the Gaming Token Collectors Club, has advised us that Michael Knapp, a founding member of the Club in 1987 and an honorary life member, will be doing a nationally broadcast interview with Mr. Harry Rinker, noted expert on antiques and collectibles on his radio show, "Whatcha Got?," America's leading antiques and collectibles call-in radio show. The interview will occur on Sunday, May 13, at 9:30 AM EDT (7:30 AM MDT).

For a list of the 40 radio stations in 23 U.S. States that will be carrying the program or for the full story, go to www.ccgcc.com/cgi-bin/mb/webbbs_config.pl?read=26116. You can also listen to the program live on the Internet on www.goldenbroadcasters.com.

"Whatcha Got?" features a five-minute, telephone guest interview with an author, collector, dealer, auctioneer, publisher, show promoter, antiques mall manager, or other leader in the

antiques and collectibles field at the bottom of each hour. A guest interview ends with an opportunity for the guest to plug his or her book or area of expertise.

For information on the Gaming Token Collectors Club and Mr. Knapp's extensive background, go to www.ccgcc.com.

MINT TO HOST COIN SHOW

In all the years that I have been involved with the hobby and being the C.N.A. Liaison to the Royal Canadian Mint for must be close to 20 of those years, I can state from personal experience that the cooperation between staff at the Royal Canadian Mint and the hobby has never been better. Therefore, it should come as no surprise that the cooperation even extends to the Mint hosting a coin show on their premises.

Kyle Mutcher has advised us that the Manitoba Coin Club is holding a coin show June 9 and 10 at the Royal Canadian Mint's plant in Winnipeg, Manitoba. Kyle writes: "We expect a good turn out of dealers and collectors but there is room for more of both to attend. One of the highlights will be an 'Inside Tour' of the Winnipeg Mint where you can get up close and personal with the minting process right from the formation of the blanks to the plating facility and the striking of the coins. It's a fabulous tour not often available to the general public. You have to reserve a spot before June 1st and it's open to anyone that belongs to a coin club or numismatic organization."

If you are planning on attending, a special hotel rate is available at the Regent Hotel and Casino. Displays will include a 1916C sovereign, complete Canadian Decimal collection of the 19th and 20th century, an amazing collection of famous people in history on coins from Lydia 700BC to the 21st century. There will also be competitive displays.

For more information regarding the tour, hotel, displays and bourse contact Kyle Mutcher at mbspringshow@mts.net or call 204-942-5953 Tuesday through Saturday 11:00 AM to 5PM CDT.

CONCLUSION

It is my intent to publish a special '2007 C.N.A. Convention' Issue this coming Tuesday.

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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