

## **Welcome to the C.N.A. E-Bulletin Vol. 3, No. 36 – June 8, 2007**

An electronic publication of the Canadian Numismatic Association  
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### **INTRODUCTION**

You may or may not have noticed, but this bulletin is having the same problem as virtually every other publication that appeals to its readers for input in the form of letters to the editor. A few of you have been very good in e-mailing us. The majority of you sit back and, I hope, got some enjoyment out of my ramblings.

Although both groups are appreciated by your editor, feel free to jump in and write us, whether in response to an article or something new that is on your mind.

### **CNA APPOINTMENT**

Chuck Moore, C.N.A. President, is pleased to announce the appointment of Dan Gosling as Editor of the Journal, official print publication of the Canadian Numismatic Association. Dan has written the "Closing Comments" column for the Journal over the past couple of years, and is the Associate Editor of the C.N.A. Website ([www.canadian-numismatic.org](http://www.canadian-numismatic.org)). He is also the C.N.A. Archivist and C.N.A. Librarian for both the book library and the audio visual lending library.

### **RCM SIGNS AGREEMENT**

And another late breaking news story: An agreement has been signed by the RCM with the U.S. Olympic Committee involving the sales of 2010 Olympic coins. Although the ink is not even dry yet on the agreement, I do know at this time that both circulating coins and collectible coins are involved.

Watch this space for details as soon as the information becomes available.

### **C.N.A. E-BULLETIN EDITOR TO RESIGN**

The other day, I received an offer to purchase, for a measly \$24.95, a book by Daniel Negreanu that would teach me everything I needed to know about winning strategies playing poker.

Now I receive information that author Daryle S. Lambert, 40-year collector and business man, has released "31 Steps to Your Millions in Antiques & Collectibles" for \$19.95. See details at [www.31corp.com](http://www.31corp.com). It claims that it applies time-tested investment principles to buying and selling antiques & collectibles for the sole purpose of accumulating wealth. The press release states: "From his lifetime of collecting, dealing and various business ventures, Lambert shares his real life stories, experiences, wit, wisdom, and reveals insider secrets known only to a small number of industry insiders."

It further states that the book will enable collectors, dealers, or anyone who has the interest and desire, to begin with a small amount of money, strategically plan their buying and selling, and progressively move up towards dealing in the more rare and sought after pieces. "Anyone who works this method will rapidly accumulate enough funds to last a lifetime," it boasts. He aspires to create Millionaire Collectors and Dealers.

These people don't even know me and they are willing to teach me, for just a few bucks, how to become a millionaire! They must have read these e-bulletins and felt sorry for me. Or else were so impressed with my talents that they wanted me to also cash in on their successes.

If it works for me, I will let you know as soon as I make my first million, by submitting my resignation so that I can take extensive trips around the world. In the meantime, I wonder if the authors or their publishers are willing to underwrite my losses until I hit it big.

### **WHATEVER HAPPENED TO THE \$12 BILLION?**

A while ago, headlines screamed at us: "Billions of dollars have disappeared, gone to bribe Iraqis and line contractors' pockets" (The American Conservative); "Audit: U.S. lost track of \$9 billion in Iraq funds" (CNN); "Millions of dollars in US rebuilding funds wasted in Iraq" (BBC); "How the US sent \$12bn in cash to Iraq - and watched it vanish" (The Guardian); and "Billions of Dollars Wasted in Iraq and Counting" (USA Today). The articles included sentences such as:

- "Special flights brought in tonnes of banknotes which disappeared into the war zone."
- "The US flew nearly \$12bn 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."
- "One billion dollars has been plundered from Iraq's defence ministry in one of the largest thefts in history. The money, intended to train and equip an Iraqi army capable of bringing security to a country shattered by the US-led invasion and prolonged rebellion, was instead siphoned abroad in cash and has disappeared. It is possibly one of the largest thefts in history."
- "The U.S. government is at risk of squandering significantly more money in an Iraq war and reconstruction effort that has already wasted or otherwise overcharged taxpayers billions of dollars. The three top auditors overseeing contract work in Iraq told a House committee of \$10 billion in spending that was wasteful or poorly tracked."
- "At least \$20 billion that belonged to the Iraqi people has been wasted, together with hundreds of millions of U.S. taxpayer dollars. Exactly how many billions of additional dollars were squandered, stolen, given away, or simply lost will never be known because the deliberate decision by the CPA not to meter oil exports means that no one will ever know how much revenue was generated. Most of the money was flown into Iraq on C-130s in huge plastic shrink-wrapped pallets holding 40 "cashpaks," each cashpak having \$1.6 million in \$100 bills. Twelve billion dollars moved that way between May 2003 and June 2004, drawn from accounts administered by the New York Federal Reserve Bank. The \$100 bills weighed an estimated 363 tons. Money also disappeared in truckloads and by helicopter. The CPA reportedly distributed funds to contractors in bags off the back of a truck. In one notorious incident in April 2004, \$1.5 billion in cash that had just been delivered by three Blackhawk helicopters was handed over to a courier, never to be seen again. Paul Bremer, meanwhile, had a slush fund in cash of more than \$600 million in his office for which there was no paperwork. One U.S. contractor received \$2 million in a duffel bag. Three-quarters of a million dollars was stolen from an office safe, and a U.S. official was given \$7 million in cash in the waning days of the CPA and told to spend it "before the Iraqis take over." Nearly \$5 billion was shipped from New York in the last month of the CPA. Sources suggest that a deliberate attempt was being made to run down the balance and spend the money while the CPA still had authority and before an Iraqi government could be formed." Thousands of "ghost employees" were on an unnamed ministry's payroll. Although 8,206 guards were on the payroll at one ministry, only 602 guards could be validated. Possibly the problem of an investigation is the fact that the Bush administration does not regard contracts with the CPA as pertaining to the U.S. government, even though U.S. taxpayer dollars were involved in some transactions."

I might not be exactly wired into the news world, but I certainly do my fair share of reading newspapers or surfing the Internet to seek out money related stories. So what have I read about the squandered billions lately? Nothing. Nada. Zilch.

What did I miss? Can someone direct me to more recent news? Who got charged? Convicted? Did they recover any of the money? At what bank in Switzerland do they suspect it might have wound up? Did any fall into the hands of people that can be tracked and prosecuted? Did the U.S. companies that were accused of defrauding and overcharging return any money? Did the management of those companies get charged?

### **COIN OPERATED ORCHESTRAL REGINA**

In a recent "So, What's it Worth?" column in The Toronto Star, author John Sewell (not the former mayor of Toronto) wrote about an "Orchestral Regina" that a writer gave to her sister. The column made me wonder just what sort of coins are necessary to activate both mechanical coin banks (the ones that you put a coin in and things begin to move for your enjoyment) and the Orchestral Regina types (that play music off a cylinder or some sort of a drum with pins sticking out).

The column stated: "The Orchestral Regina" was made between 1898 and the early part of the 1900s by the Regina Music Box Co., founded in 1892 in New Jersey by Gustav Brachhausen. This coin operated model was designed for a public space, but was also made without the coin slot for use in a home. The company also made smaller domestic models. These music boxes work by turning a crank (just like winding a clock). Each hole on the disc, which you can see in the front, has a projection on the opposite side that plucks assorted teeth on an internal musical comb as the disc turns, thus creating a song. "

The part that caught my eye in the write-up was: "The unit, which is activated by a large penny..." Since it was manufactured in the U.S., I assume it would accept the large U.S. cents. I would have a dilemma with that. Would I use one of the large U.S. cents from my coin collection and risk getting it scratched by the mechanism? NO WAY! I rather buy the CD!

### **CANADIANS LIKE TO HANG ONTO THEIR MONEY**

Canadians like to think of themselves as generous, warm-hearted people, but the reality is that when it comes to giving to charity, we're downright stingy. The typical Canadian donates a mere \$120 a year to help others. Even those with a household income of more than \$100,000 a year manage to hand over a median annual donation of only \$214. Our neighbors in the U.S. put us to shame. Their average donation is over three times as large as ours.

But we should not feel ashamed. According to a column by Michael Swan published in The Catholic Register, Canadians are the third most generous people in the industrialized world. Statistics Canada reported that Canadians gave a record \$7.9 billion to charities in 2005, 13.8 percent higher in 2005 than 2004.

In 2004 Americans gave 1.67 percent of their aggregate income to charity. In Canada that number is 0.72 percent. Among U.S. tax filers, 30.4 percent claim charitable giving, compared to 25.4 percent of Canadians.

The United Kingdom's National Council for Voluntary Organizations ranks Canada third, just barely behind the U.K., in its survey of giving in 12 countries that together generate 53 percent of global gross domestic product. Canadian gifts of 0.72 percent of gross domestic product are five times the rate of giving in France, where the population contributed 0.14 percent of GDP to charity. It is interesting to note that just 10 percent of donors give 62 percent of the money in Canada.

So stop hoarding all that money for your coin collection. Part with some of it by giving it to the charity or charities of your choice!

### **DOES THIS STILL APPLY TO BANKS TODAY?**

I came across this in an old issue of Readers Digest involving the work to rule policy of the Cork, Ireland Savings Bank. It did not state when it was originally published in Marketing Scope Magazine.

In order to call attention to excessive absenteeism among its staff, the bank posted the following rules:

Sickness – No excuses will be acceptable. We will no longer accept your doctor's statement as proof of illness as we believe that if you are able to go to the doctor, you are able to come to work.

Death (other than your own) - This is no excuse as it is too late to do anything for those concerned. We are sure that someone else with a lesser position could take care of the arrangements. However, if you could arrange for the funeral service to be held late in the afternoon, we could let you off an hour early, provided all is up-to-date.

Leave of Absence (for an operation) - We are no longer allowing this practice. We wish to discourage any thoughts that you may need an operation, as we believe as long as you are an employee here, you need all of whatever you have, and you should not consider having something removed. We hired you as you are and to have anything removed would certainly make you less than we bargained for.

Death (your own) - This will be accepted as an excuse, but we would like at least two weeks' notice as we feel it is your duty to teach someone else your job.

Also, entirely too much time is being spent in the washrooms. In the future, you will follow the practice of going in alphabetical order. For instance, those whose surnames begin with "A" will go from 9:00 to 9:15 a.m. and so on. If you are unable to go at your appointed time, it will be necessary to wait until the next day when your turn comes around again.

### **HEAVY METAL TRADING**

I found the following article recently published in the Toronto Star, dealing with precious metals of copper, lead, aluminum, nickel and zinc, interesting:

Just like clockwork at 12:30 p.m. sharp, 11 men in pinstripes get ready to rumble. They're seated on a round red bench that forms a six-metre-wide arena known as The Ring. A large electronic display board keeps score overhead. This old-fashioned gentlemen's club is the unlikely focal point of a global mining and metals mania.

A routine, five-minute trading session on the exchange floor, which abruptly ends when the bell rings, doesn't look like much. But it will directly affect the price you pay to replace your frozen pipes in the winter and for the wiring and cabling in your home, car or computer.

As metals prices continue to skyrocket, this historic trading centre is crucial to the big players doing mega-deals these days like aluminum giant Alcoa Inc.'s hostile \$33 billion (U.S.) bid for Alcan Inc.

Prices for the grubby base metals traded here – like copper, lead, aluminum, nickel and zinc – have touched record highs over the past year as demand from China and India overwhelmed big producers. The price of lowly lead, for instance, has more than doubled since mid-2005, to a near-record level of \$2,070 a tonne. Nickel continues to climb at a mind-boggling rate. Nickel has doubled in a year to \$50,300 a tonne on the exchange last Saturday, or \$23 a pound.

The LME is the world's oldest and largest market in options and futures contracts for base metals. An estimated \$40 billion changes hands here every day. Even though they never see the metals themselves, they trade in copper, nickel, zinc, tin, lead, aluminum and plastic.

The Exchange's humble roots trace as far back as the 1500s when merchants, shippers and traders met at the city's cafes to hash out a fair price for high-demand construction metals. Metal traders who bought ores and concentrates from as far away as Chile and Malaysia had no way of knowing what the price would be when the ships arrived months later. Both merchants and consumers were at serious financial risk without a fixed price for their cargos during those lengthy voyages.

Eventually, the invention of the telegraph and the change from sail to steam ships made arrival dates more predictable. Merchants were able to sell their cargo forward for delivery on a fixed date protecting themselves against a fall in price during the voyage. It resulted in the creation of the three-month futures contract that is an industry benchmark today.

The symbolic ring at the LME was born in the early 1800s when metal sellers would clear a circle in the sawdust on the floor of the Jerusalem Coffee House to invite bids. When they got kicked out onto the curb - or the British "kerb" – after the coffee shop closed and wanted to continue trading, they would draw a ring in chalk on the sidewalk, which is how kerb trading came to be known.

The LME doesn't really have direct competitors because the New York and Chicago exchanges trade other commodities from gold and oil to hog and cattle futures. London is solely focused on the industrial base metals that are used to make everything from batteries to bicycle wheel spokes, pop cans to plumbing pipes.

The LME cautions it is not the natural outlet for physical metal but a financial market used mainly for limiting future price risk. Just one quarter of 1 percent of transactions at the exchanger result in physical delivery of metal.

### **GOLD BATHTUB WORTH \$1 MILLION STOLEN**

With so many people getting caught stealing copper wire and other items containing base metals because of its value, it is almost unusual to read about the other precious metal...gold... being stolen. Tony Hine sent us the following from Canadian Press:

A glittering bathtub made of gold worth nearly \$1 million has been stolen from a resort hotel, an official said Wednesday. A worker at Kominato Hotel Mikazuki in Kamogawa, south of Tokyo, notified police that the fancy tub was missing from the hotel's guest bathroom on the 10th floor, according to a local police official. The round tub, worth \$987,000, is made of 18-karat gold and weighs 176 pounds.

The tub, flanked by two crane statues, has been a main feature of the hotel's shared bathroom. Visitors can take a dip in the tub, but it is only available a few hours a day "for security reasons."

Someone apparently cut the chain attached to the door of a small section of the bathroom where the bathtub was placed, but not riveted, and made off with the tub.

### **TAKE AIM AT ID THEFT**

The federal government should introduce tough new measures to protect Canadians from identification theft and reflect the seriousness of the crime, Canada's privacy commissioner was quoted as saying in the Toronto Star. Jennifer Stoddart said recently that there is nothing in Canada's Criminal Code to specifically address ID theft. She told a news conference to mark fraud prevention month that there are few deterrents to this type of crime and "few people are actually caught." Stoddart called identity theft the "ultimate" invasion of privacy. It claims thousands of Canadian victims each year.

A recent U.K. study of identity theft suggested it costs the British economy about \$8 billion (Cdn.) annually.

Scott said fraud, whether it's Internet or mail fraud, deceptive telemarketing or identity theft, is costing Canada billions of dollars each year. Stoddart said identity theft involves stealing personal information such as a name, address and social insurance number in order to impersonate someone, "ring up hefty debts and then disappear, leaving the victim holding the bag."

She stated: "The federal government needs to act strongly against spam. Spam is much more than a nuisance. It stops workers from doing their job. it is increasingly being used in frauds." She noted that an anti-spam organization, Spam House, lists Canada as number six in the top 10 worst countries for originating spam.

### **CONCLUSION**

Technorati, and Internet search engine that tracks about 65 million blog sites, states that only the top 100 blogs make money. Some blogs make money through Google ads or through their own sales staff, but most "do it merely for the love of doing it," according to the Technorati's vice-president of marketing, Derek Gordon.

The C.N.A. E-Bulletin staff of one plus a very helpful proofreader/wife also does it for the love of doing it. We could set up our website with display advertising and Google text ads. But that's not for us. No pop-up ads. No paid advertising. No promos for which we charge.

Just some not-so-serious fun stuff!

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