

## **Welcome to the C.N.A. E-Bulletin Vol. 3, No. 35 – June 1, 2007**

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### **INTRODUCTION**

Sometimes we don't fully appreciate what we have until we lose it! This applies to our personal lives as well as the organizations we are involved with.

Take Paul Fiocca, for example. He was not only active in the Jaycees, Lighthouse Cove Lions, Tilbury Golf Board and Lighthouse Association of Property Owners, but was also a volunteer for the Canadian Numismatic Association in a major way. He was appointed Editor of the CNA Journal, its Advertising Manager and assisted with year-end financial summaries and financial matters involving various government agencies. He also volunteered to edit the 2007 C.N.A. Convention souvenir program booklet, same as he had done last year.

With Paul's passing last Friday, this left a major void in manpower. With 48 or 60-page Journals going out 10 times a year, there is no rest for the editor. And with the Convention just around the corner, the timing of the 48-page souvenir program's creation is becoming critical.

### **CNA APPOINTMENTS**

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.

John Regitko, General Chairman of the 2007 C.N.A. Convention, is pleased to announce the appointment of Dan Gosling as Editor of the Convention's souvenir program booklet. Dan had previously agreed to create the souvenir booklet for the Banquet.

### **CLOCK STARTING TO TICK**

In last Friday's issue, I predicted that there would be long legal fights to figure out who the sunken treasure, estimated to be worth \$500 million if you care to believe there will be no downward revaluing for the huge amount of coins that will flood the market, belongs to. Well, it's begun!

The Spanish government has filed claims in U.S. federal court over the shipwreck that a Florida firm found laden with Colonial-era treasure. This is somewhat surprising, unless the Spanish government knows more than was reported, because Odyssey Marine Exploration has stipulated the find was NOT made in Spanish territorial waters.

I expect to have material on the subject for this bulletin for the next decade!

### **RCMP TEAMS TACKLE BUSINESS OF FORGERY**

The 2006 federal budget allotted \$9 million over two years to the Royal Canadian Mounted Police the establishment of Integrated Counterfeit Enforcement teams to help fight organized counterfeiting of Canadian banknotes.

"The business of counterfeiting is big business," said Stockwell Day, minister of public safety, at a news conference recently. "Counterfeiting is not a victimless crime. People are hurt by this criminal activity. Individuals are hurt. Small business, large business." Counterfeit money is also used to help finance activities of organized crime, including the purchase of illegal firearms, he said.

The teams are located in Toronto, Montreal and Vancouver. Some members have been hard at work since last year, helping crack counterfeiting rings, including two in the Greater Toronto Area. Sixteen more officers will be added to the teams. Specialists from the RCMP commercial crime division are already on the teams. The RCMP will work with other police agencies and the Bank of Canada.

In May 2006, the RCMP assisted Peel Region police in the search of a counterfeit currency production plant that produced more than \$1 million in counterfeit banknotes. Police seized \$50,000 in counterfeit \$20 and \$50 notes. In July 2006, RCMP and regional police forces seized more than \$400,000 worth of counterfeit \$20, \$50, and \$100 banknotes, plus equipment, in the GTA and charged six people. The bills most often counterfeited are \$100 and \$20, say the RCMP.

"Banknote counterfeiting can result in the loss of confidence in paper money and it can undermine the economic health of the nation," David Dodge, governor of the Bank of Canada, told the news conference.

### **WORLD CURRENCY NAMES**

The Shoreline, official publication of The North Shore Numismatic Society, included a brief dictionary of the meaning of some world currency terminology that was compiled by Andrius Tomonis. You will note that their origin in virtually every case has something to do with money.

- Auksinas (Lithuania) – means "golden" or "gulden." Derives from Lithuanian "auksas" which means "gold."
- Drachma (Greece) – means "handful."
- Escudo (Portugal) – means "shield," referring to the coat of arms on the original coin.
- Forint (Hungary) – means "golden."
- Franc or Frank (France, Switzerland, Luxembourg) – first issued in 1360 as a gold coin. Gets its name from its original Latin inscription – Francorum Rex, which means "King of the Franks," – the title given to kings of France in the 1300s.
- Guilder or Gulden (Netherlands) – from the same root as "gilded," the guilder was originally a gold coin. It was first introduced from Florence in the 13th century. Florin is another nickname for Guilder which means "flowers."
- Koruna (Czechia, Slovakia) – means "crown."
- Krona or Kronor (Iceland, Sweden Norway, Etc.) – means "crown."
- Lira or Lire (Italy, Turkey) – from the Latin word Libra, which means "pound."
- Peso (Mexico) – means "weight." It was introduced by Spain in 1497, then adopted by Mexico and other Latin American countries in the late 19th century.
- Pound (English) – named for its weight in Sterlings – the unit of currency in Medieval England. The first pound coin was issued in 1642.
- Riyal (Saudi Arabia) – borrows its name from the Spanish real, meaning "royal."
- Ruble (Russia, Belarus, etc.) – means "cut off," a term that dates back to the days when portions of silver bars were literally cut-off from the bars and used as coins. The ruble was first issued as a silver piece in 1704.

- Yen (Japan) – borrowed from the Chinese Yuan, which means "round" and describes the coin. First issued in 1870.
- Yuan (China) – means "round" and describes the coin.
- Zloty (Poland) – means "golden."

Check out [www.banknotes.com](http://www.banknotes.com) for more interesting information.

### **WHERE ARE THE JOHN SMITH CREDIT CARDS?**

Do you remember the days when every ad ever run by any credit company, showed the name "John Smith" on it. As well, the account number was always "1234 5678 9012."

Lately, every ad I have seen on TV or in print had what appeared to be a real person's name on it as well as a normal looking account number. Do you ever wonder who these people are? Maybe the credit card company's President's son or daughter?

The ads in the ANA Numismatist promoting their credit card show two sample Visa cards bearing the names of Michael Morrison and Pat Anderson.

You'll never guess, though, what President's Choice Financial, owned by Loblaw's, Canada's largest grocery chain, put down as a name? It's "Free Groceries."

### **COLLECTING UNUSUAL SHAPES**

There are many unusual shapes of coins. Other than the common round ones, there are many-sided coins (I already forget what you call an 11-sided coin that we wrote about last month); oblong, oval and scalloped coins; coins with square or round holes; and so many, many more. I know a number of collectors that have a small collection of these unusual coins as a sideline to their main numismatic interests. They all have one thing in common: they collect only legitimate circulating government-issue pieces - none that I know collect non-circulating, quasi-government or fantasy pieces.

The Republic of Somalia recently issued a series of motorcycle-shaped coins. Each of the six coins in the set is minted in proof condition and then brightly enameled on the obverse. The reverse features the Somali seal, the 2007 date and the denomination of One Dollar. They are advertised in the U.S. for \$49.99 and in Canada for \$63.55

Somalia also issued a six-piece set of guitar-shaped coins in 2004, marking 50 years of Rock N Roll and featuring well-known guitars (i.e. Fender Stratocaster, Gibson, Klein and pink star guitars used by Gary Glitter and Abba). They are still available for \$49.99 in the U.S. and \$76.27 in Canada.

Although I am a firm believer that everyone should collect what grabs their fancy, be it for pleasure or potential financial rewards, I am wondering what you think about the unusual shapes of non-circulating "legal tender" coins that some countries are bringing out? Let me know at [cnanews@look.ca](mailto:cnanews@look.ca).

### **WHY DO I ALWAYS GET INTO TROUBLE?**

I went fishing with one of my numismatic friends the other day. As we sat in the boat, he says: "I think I'm going to divorce my wife - she hasn't spoken to me in over 2 months." I responded: "You better think it over - women like that are hard to find."

I went to the mall with my wife the other day and when she told me the full-length faux fur coat was going to cost \$680, I said: "Wow, look at all the coins I could buy with that!"

Considering who is receiving these bulletins, I am sure if my wife would agree to hold a vote, I would have a whole bunch of new coins in my collection!

### **ATM CHARGES TO STAY**

Here is one for the banking historians:

A number of weeks ago, a New Democratic Party MP introduced a private member's bill amending the Bank Act to prohibit banks from charging for the electronic transfer of funds or account information through automated banking machines. Finance Minister Jim Flaherty has made it clear he expects some or all of the major banks will reduce or scrap automated teller machine fees for lower-income Canadians. Bloc Quebecois Leader Gilles Duceppe said later the banks are rich enough they should be able to absorb the cost of getting rid of ATM charges.

Canada's major banks were accused of being arrogant for refusing to tell Canadians the cost of providing automated teller machines or their profit margins on controversial ATM fees. "It is a very disappointing response," a member of the New Democratic Party said in an interview. "The arrogance of the banks just boggles the mind. Almost every time the Commons finance committee was probing ATM fees, they were rebuffed when they were asked about profit margins for the ATM fees."

At the centre of the controversy are the sometimes hefty fees charged when a consumer uses an ATM not owned by the bank they normally deal with. In many cases, that means paying a \$1.50 fee to the company that owns the machine plus another \$1.50 to their own bank, ostensibly for the convenience of using the ATM. With so-called white labels, the charge for withdrawing money can be as high as \$6.

But the banks say that most of their clients – anywhere from 75 to 90 percent - pay no fees. Representatives of the major Canadian banks and the central agency for credit unions objected strongly to suggestions the government should regulate bank charges that hit poor people particularly hard. Any attempt to reduce or eliminate these charges would result in a lower level of service and probably fees added elsewhere.

Canada has more ATMs per capita than any other country in the world and Canadians are among the heaviest users of these automated machines. It is a user-pay system that doesn't have to be regulated. At least one said no one is forcing consumers to pay fees and that they always have the option of voting with their feet.

The banks spend tens of millions of dollars on improving the ATM service by adding more machines across the country. Other countries, including Britain, the Netherlands and Ireland, allow free withdrawals of clients' money from their own banks, but the Canadian bankers told the committee that banks there don't provide the same level of service and tack on their charges in other areas.

According to Hansard, the official record of government proceedings, Mr. Pat Martin of the NDP had the following to say:

"Mr. Speaker, I listened to my colleague's remarks regarding the Bank Act and I share some of the frustration and concern that I heard him express. In the inner city riding that I represent, the banks abandoned, systematically over the last decade, 15 bank branches. My colleague from Winnipeg North experienced something similar. I believe she counted 13 bank branches that folded up their tents and took off from that inner city community. The

point I am trying to make is that the banks were given the exclusive monopoly on some very lucrative financial services in exchange for the duty and the obligation to provide basic financial services to all Canadians whether it is small town rural Manitoba or the inner city core areas of Surrey, Vancouver or Toronto. They broke that compact. They tore that agreement up and threw it out the window, yet we still call them charter banks. They still enjoy the exclusive monopoly on these very lucrative financial transactions, yet they broke their end of the deal. When they fled the inner city, they left a financial services void, a vacuum that was filled very rapidly with what I call fringe bankers, the payday lenders that sprouted up like mushrooms, like a scourge on the inner city. They offend the sensibility of every Canadian when they charge 10,000% interest on a basic loan. People think I am making that figure up. A study done by the University of Winnipeg studied fringe banking. It ranged from 1,000% at the low end to 10,000% interest. A person cannot make that kind of money selling cocaine. It is organized crime that is behind a lot of these payday lenders. I say that with no hesitation and no fear of being sued. We know that for a fact. There is nothing else that can be done in this country to make the kind of financial return as payday lenders receive with their loan-sharking practices. My concern and what I wanted to raise with my colleague, whom I know probably faces similar issues in the Montreal riding that he represents, is that the banks are not serving us well. We have one opportunity every five years or so to have a statutory review of the Bank Act and we fail to address some of these fundamental issues. Why do we not force the banks to live up to their obligation to provide basic services? Why do we let them close bank branches that are still profitable, they are just not profitable enough, or they are not as profitable as their branch out in the suburbs? Why do we let them put up ATMs that mystify and baffle people like my mother who has banked at the same street corner of Grosvenor and Stafford since 1948 until that bank branch closed? Now there is this nameless, faceless, cold ATM that she is supposed to try to figure out how to use, and then to add insult to injury, they start charging these exorbitant banking fees just to access her bank account. Really, when we add up all these things, the banks have been raking it in making record profits. Every quarter they set new records. There are not many industries, not many sectors, that have set record profits every single quarter, year after year after year. Why can we not rein these guys in? Why did this committee not have the guts to take the banks on and tell them they are not living up to their end of the deal with their charters, and to start doing it or we are going to tear up their charters?"

To which the government representative responded:

"Mr. Speaker, I am not sure Canadians know their banking rights. I am not sure that they insist on having their rights respected in the context of banking. For instance, some of the payday loan companies, those rip-off outfits that have taken the place of banks in the inner city, are charging people 2%, 3%, 4%, even 5% to cash a cheque, even a government cheque. It is against the law to charge a fee to cash a government cheque and yet they do. Also, one of the reasons people have to go to these rip-off alternate banking companies is that they do not have an account with an established bank. Banks have to open accounts for people, even if they have no money. In the trade we made with the chartered banks, we granted them the exclusive monopoly privileges on certain very lucrative financial services in exchange for providing basic needs to Canadians. One of those things is they have to open a bank account for people. All people have to do is show some ID, even if they have no money, and then they have a relationship which enables them to cash cheques. Does the member share my concern that perhaps we have not informed Canadians of their banking rights so that they know enough to demand their rights and that they be respected in the context of banking?"

The next comment was made by a member of the Bloc Quebecois:

“Mr. Speaker, my colleague is absolutely right. The interest rate established by law is 60%. This rate is already unreasonable. The government allows this. It allows interest rates of 60%. To go higher than this rate is a crime. First, I believe that we must do something about this. We must do so because 60% is already a crime, in my opinion. That is the reality. When a bank charges 3% or 4% to cash a cheque, we can calculate it in this way: 4% a day, over 365 days, comes to more than 1,200% a year. Thus, it is a crime. The member is absolutely right. We must be able to make all these things public. People must stop being exploited and they should file criminal complaints against people who do these things. That is the reality. Once again, we had a Liberal government and we now have a Conservative government that continues to support all this movement of credit that enriches the wealthiest and makes the people poorer. That is what the Bloc Quebecois will try to fight against.”

Your C.N.A. E-Bulletin might not be the brightest light on the block, but I could have told the government that banks were not going to eliminate ATM charges...or even reduce them. Personally, I do not use third-party machines or machines from banks where I do not have an account.

### **SUBLIMINAL MESSAGES**

Did you read about the three slot machines games that have been pulled from Ontario casinos over concerns about subliminal messages flashing when they are being played?

The Ontario Lottery and Gaming Corporation has yanked 87 of its 22,000 slot machines after being alerted to the problem, sources say. Manufactured by Konami Gaming, the affected machines are: Most Wanted, Sgt. Fritter and The Billionaires. Concerns were raised about a message that appears during the gamers' spinning wheel animation. As the screen spins 30 to 40 times a second, it flashes a jackpot winning combination.

The jackpot symbols are invisible to the naked eye during normal play, but can be seen when the animation is slowed down. That raises concerns that gamblers might continue playing because they subconsciously believe they are about to win the jackpot.

This gave us an idea. What if we could get the Fallsview Casino, which is a block away from the Sheraton Fallsview Hotel & Convention Centre where the 2007 C.N.A. Convention is taking place in July, to include subliminal messages in their machines? We could flash invisible messages about attending the Convention, buying material in the bourse room, attending meetings...you get the idea.

So how would you use the subliminal messages if they were legal?

### **CONCLUSION**

I have come to realize that we know so little about our fellow numismatists. Look around you at your next coin club meeting and see if you know who is married, what their wives' names are, kids, their collecting specialties, etc.

The opening comments mention some of the things that Paul Fiocca was involved in. I never knew of any of his non-numismatic background. And I also didn't know that he was a twin?

John Regitko

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

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