NEWS & VIEWS

March, 2000

Forecasts, Commentary & Analysis on the Economy and Precious Metals

Celebrating Our 27th Year in the Gold Business / Centennial Precious Metals/ Since 1973

"Apocalyptic expectations are unnecessary to project a dollar gold price that includes four digits. It will require only the inevitable unwinding of bearish producer and dealer hedge structures amidst a change of market perceptions on the desirability of financial assets."   John Hathaway/Toqueville Asset Management

1999 Gold Demand Rises Sharply; Sets Record

(**EDITOR'S NOTE**: The following is excerpted from the just released World Gold Council annual Gold Demand Trends.)

Gold demand in 1999 reached record levels. Demand in the 27 markets covered rose 566.2 tonnes to 3,278.4 tonnes, 21% above the total for 1998. The full-year 1999 total was 224.8 tonnes above the previous record of 3,053.6 tonnes set in 1997--a gain of 7%.

The 1999 record came in spite of a slowdown at the beginning of the fourth quarter. Demand fell sharply at the start of Q4'99 as a result of the sudden volatility in the price of gold, but recovered as the period progressed. Q4'99 demand totalled 806.0 tonnnes, just 0.7 tonnes below the Q4'98 figure of 806.7 tonnes.

Jewellery demand in Q4'99 totalled 707.8 tonnes, 5% above the total for Q4'98. That brought full year 1999 jewellery demand to 2,799.2 tonnes--a gain of 23% over 1998. Investment demand for Q4'99 was 98.2 tonnes, down 24% from Q4'98. For the full year 1999, invetment demand totalled 479.2 tonnes, an increase of 8% over 1998.

At the height of the Asian economic and currency crisis a year ago, only nine of the 27 markets covered by the WGC recorded annual gold demand exceeding 100 tonnes. That number rose to 12 in 1999 as a result of strong recoveries in Indonesia, South Korea and Taiwan. The recent performance of these 12 markets is shown in the chart above.

Full-year records were set by the following:

-- India, the world's largest consumer, with a gain of 3%.

-- The USA, the second largest market in the world, up 7% year on year.

-- The Gulf States, which registered a fractional increase over 1998.

-- Indonesia, which was a net dishoarder in 1998.

-- Egypt, up 19%, helped by strong economic growth.

-- Pakistan, which shrugged off political problems to register a gain of 24%.

Several smaller markets also achieved record full-year gold demand. These included Mexico, up 27% over 1998 to 69.6 tonnes; France, edging up 1% to 60.0 tonnes; and Vietnam, rising 20% to 53.0 tonnes.

In reviewing a year of record demand, Miss Haruko Fukuda, Chief Executive Officer, World Gold Council said "that the results were the more remarkable in that they were achieved despite a volatile and highly eventful year for the gold market." She noted that consumers in many parts of the world held back from buying at the beginning of Q4 because of the sharp movments in the gold price following the signing of the Washington Agreement on Gold, which restricted sales out of the official reserves of some of the world's largest gold holding countries for the next five years.

"Happily, gold demand recovered as the quarter progressed providing support for the view that it was the sudden increase in day-to-day volatility in the gold price that deterred consumers rather than the absolute levels. It is especially pleasing to note, too, the continuing gains in the demand for gold as an investment," she said.

(**Ed. Note**: Perhaps more importantly, the Washington Agreement, signed primarily by gold-rich European central banks, also limited further leasing arrangements--the other primary method besides outright sales--for increasing the gold supply. The gold price spiked over $80 in a matter of days after the agreement was announced. Since then, the gold market has shown an underlying strength not seen since 1993.)

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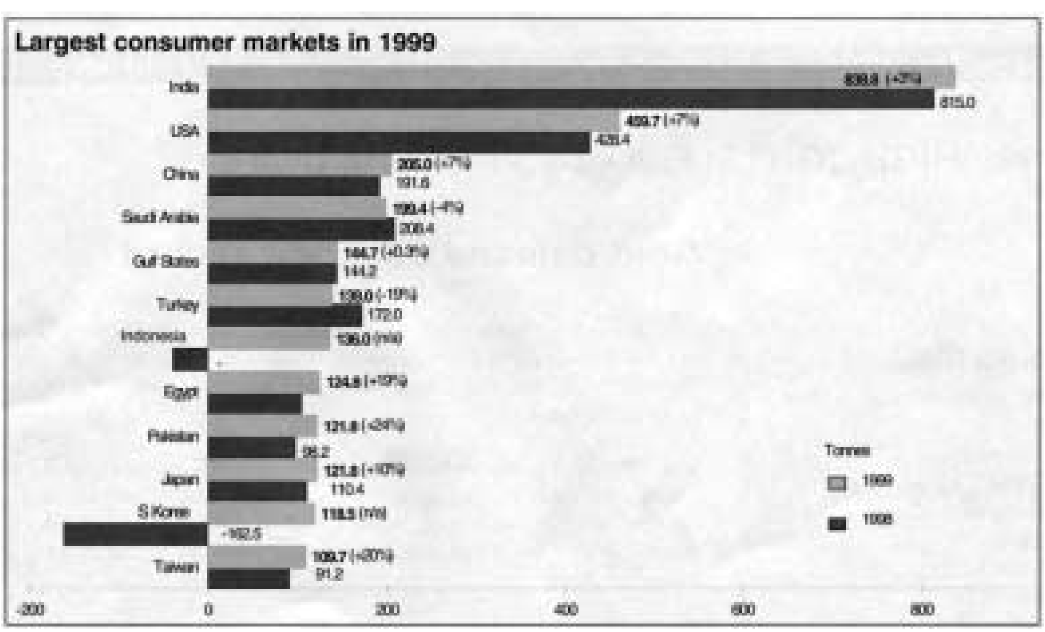

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GOLDNOTES

CURRENT EVENTS STACK UP IN GOLD'S FAVOR

"There has been rapid and substantial progress in gold fundamentals."

The rapid pace of developments in the gold market prompts this summary of key milestones and their status:

- Central Bank/Official Sector Selling: no longer a threat. Washington Agreement limits amounts to manageable numbers over next five years.
- Central Bank Lending: Washington Agreement caps lending for 85 percent of official sector gold.
- Mine Company Hedging: widespread announcements by all of the largest hedgers suggesting that this source of supply will dry up this year.
- Positive Swing in investor sentiment: Very early stages.
- Contraction of bullion bank/producer hedges: in process.
- Financial asset bear market: sooner or later.
- Apocalypse: Not Yet.

There has been rapid and substantial progress in gold market fundamentals since September 1999. The oversupply issue that has plagued the gold price for years has been dispatched. The supply/demand equation in the gold market is far brighter than the gold share or bullion markets have recognized. The largest hedgers have made recent statements that effectively forswear additional hedging or have been eliminated from the game by other circumstances. . .

GFMS (Gold Fields Mineral Services) once estimated the entire stock of gold to be 130,000 tons. This includes central bank gold, private holdings, jewelry, and museum exhibits. The total includes King Tut's mask, the crown jewels of England, and similar artifacts. Also included are the bullion holdings of parties to the Washington Agreement which account for 85% of world gold monetary reserves. Only a small percentage, perhaps 15%, is available to be mobilized at any given moment to satisfy market demand.

At market, the gold "float" approximates $150-$200 billion, less than the market capitalization for many equities. Gold is a currency, a monetary reserve asset and a credit instrument in the way it has been utilized by bullion dealers. Once investors come to realize that the secular low was put into place last August and that a new uptrend has been established, a rising price in itself will cause demand to increase and supply (the willingness of holders or producers to sell) to decrease.

Macroeconomic factors, which could liberate investment demand for gold, can be loosely grouped under the banners: inflation in the pipeline; synchronized world economic strength; impotent Fed. These incipient speculations could transform nonexistent investment demand into a powerful force. The traditional positive case for gold has been characterized as laden with irrational cataclysmic forecasts. It would be a mistake to make the same assessment at this juncture.

Apocalyptic expectations are unnecessary to project a dollar gold price that includes four digits. It will only require the inevitable unwinding of bearish producer and dealer hedge structures amidst a change of market perceptions on the desirability of financial assets.

(**Ed. Note**: The preceding is excerpted from an article entitled "Apocalypse No" by John Hathaway, Tocqueville Asset Management. Internet: www.Tocqueville.com)

GOLD PREDICTIONS FROM JOHANNESBURG SA

"Gold is now again becoming a true commodity."

Gold may keep fetching higher prices if producers continue to step away from the practice of hedging, or selling future production at current prices in the expectation that prices will fall, analysts said (recently). . .

Gold-platinum analyst Johan Odendaal of Merrill Lynch in Johannesburg said that the dip was due to the volatility of the gold market, and that it was likely to be only temporary.

His firm expects gold to trade for an average price of $315 in the coming six months with highs of $330, Odendaal said.

Gold had hovered in the high $250s in June and July, tumbling from around $300 at the beginning of the year. It hit its peak of $875 in January 1980.

"What we see in the gold price now is certainly how we are going to see the metal behave in the nearest couple of months," he said.

Johannesburg-based Fleming Martin forecasts the price to hover around $320 over the next few months, and an increase to $350 by the year's end, said a gold analyst who declined to give his name, citing company policy.

Canadian gold producer, Placer Dome Inc., announced (in early February) that it suspended its gold hedging activities and urged others to do the same. Producers hedge gold when they expect prices to fall or when they need to borrow money. Toronto-based Barrick Gold Corp. announced it was revising but not halting its gold sales and hedging programme. Barrick had been widely expected to follow Placer Dome's suit.

But Odendaal expects hedging to decrease anyway, saying it's not worthwhile to hedge at the current prices. Diminished hedging would make the gold market more transparent and put demand and supply more in charge of the pricing, Odendaal said, adding that hedging will never disappear completely from the market.

"Gold is now again becoming a true commodity," he said, citing the European Central Bank's announcement last year to limit gold sales as another reason for the upswing.

-- by Susanah Loof, Johannesburg, *SA Associated Press*

GOLDNOTES, CONTINUED

MANIPULATION SCENARIOS OUTLINED

"The disclosure of manipulation would lend greater luster to gold."

We are more convinced than ever that our supply/demand framework for the gold market is correct. That means that there have been large undisclosed official sales depressing the gold price. If these sales have been by official bodies outside Europe and North America, such as Saudi Arabia, the Vatican, et al., the current large gold market deficit and the new propensity to cover gold shorts by private market participants will exhaust these supplies sooner rather than later and the gold price will explode.

If these supplies involve coordinated intervention by bullion banks with official support, possibly from the United States, the price will be contained for a longer period. If the Fed or Treasury is manipulating the gold price, our supply/demand analysis suggests that they will eventually fail and in a fairly spectacular fashion.

We could conceive of no outcome that could be more bullish for gold. If the Fed or Treasury thought gold was so important as to manipulate its price, the disclosure of its manipulation would lend greater luster to gold.

When the manipulation was eventually overwhelmed by market forces, the failure of the clandestine official effort would lend greater luster to gold. If this all occurred amid a bursting of the U.S. stock market bubble and the long and deep decline of the dollar that must follow in the wake of a record U.S. current account deficit, yet greater luster would be restored to gold. Under such circumstances, investment demand for gold, which we have always disparaged, would probably soar. It might well eclipse the commodity case for gold that we have always made -- which will prevail in the end in any case.

-- Frank Veneroso, Veneroso and Associates

"Last Friday call options on over 5 million ounces expired worthless...yet three months ago they were a quarter of a billion in the money. This is a sum dealers don't like to leave on the table and the decline to $284 on expiry day conveniently solved the problem."

-- Toronto-based gold analyst, Murray Pollitt

(**Editor's Note**: The graph below takes on significantly more

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meaning when studied in the context of the two quotes which preceded it. A question we are often asked goes something like this: "With world gold demand setting one record after another, why hasn't the price skyrocketed?" We always point out first that gold is roughly 20% over what it was about 6 months ago -- that's 40% annualized. In order to answer the question why hasn't it skyrocketed, the answer to that probably lies within the confines of the graph shown below. Whenever a commodity--regardless of what it is--is restrained by the government or some other insitutional big player--that commodity moves strongly opposite the direction of the control once it is removed. Not only does it move, but the correction is oftentimes radical and highly accelerated.)

STOCK MARKET OUTCOME: NIKKEI OR WEIMAR?

"I have been leaning toward the Weimar alternative."

The answer to the next major move of the stock market is not so much about the economy or earnings or the impact of the Internet as it is about money. Tell me what the Dollar is going to do, and I'll tell you what the outcome of the stock market will be. And as I see it, there are only two alternatives. I've discussed these before, and labeled them the Nikkei alternative and the Weimar Germany alternative.

In Japan, stocks crashed hard in the early 1990's ending that country's stock market bubble, but the Yen survived as currency. In Germany in the early 1920's, stocks went to infinity because the purchasing power of the Reichsmark fell to zero. In other words, the German currency was destroyed, so stocks were priceless in terms of that currency. Which will it be for the US stock market and the Dollar? Long-term readers of these letters know that I have been leaning toward the Weimar scenario. In other words, there will be a serious flight out of the Dollar, so stocks will continue higher in Dollar terms (but not in terms of purchasing power).

As a result, I think the stock market will head higher in due course, as measured in nominal Dollar terms. But in the short-term, this latest sell-off looks like it could get nasty.

James Turk, *Freemarket Gold & Money Report* (1/31/00)/
P.O. Box 5002 / North Conway, New Hampshire 03860.
Internet: www.fgmr.com.

Current Prices Since last issue.....

02/29/2000

Gold	$294.20	+ 7.10
Silver	$5.05	- 0.37
Platinum	$471.70	+ 26.10

Comment: Earlier in the month gold jumped $23 in one day but has since given back some its gains. Gold is hovering just under $300 awaiting its next wave higher. Silver has fallen on weaker demand and supplies coming from London. Platinum has Russian production problems.

GOLD NOTES, CONTINUED

BAD TRADE NUMBERS HAUNT U.S. FUTURE

"Gold will break loose..."

[F]oreign trade was neatly balanced between imports and exports when George Bush was in the White House in 1992. For the next five years we slowly fell into a negative balance, reaching a monthly deficit of $10 Billion by 1997. Since then the shortfall has grown at a pace that can only be described using words like dangerous, frightening and destructive.

At $25 Billion a month, America is now saying "charge it" at an annual rate of $300 Billion a year. The World has never before dealt with a situation this extreme. But we can tell you that when America was running a serious trade deficit in the 1970s, the world eventually grew tired of our IOUs. They began discounting the value of our Money. . . the Dollar. They did so by raising their prices to us. Of course, that may already be happening. It is starting with commodities, just as it did in the 1970's. And in a few cases it has spread into manufactured goods...such as computer chips. We would be surprised if the next stage does not arrive in the year 2000...with significantly higher prices on goods we import. That would, of course, end the game of pretending that the laws of economics have somehow been repealed. You'll know when it arrives because real estate will move up in price and Gold will break loose and move up closer to its intrinsic market value, which we calculate today at $500 or higher.

Adrian van Eck, *Money-Forecast Letter*/ 300 Woodland Street / P.O. Box 8006 / Holliston, MA 01746 / 1-800-542-5018

JIMMY ROGERS ON THE DOLLAR

". . . this is the beginning of long, long secular fall."

What I can see is that if despite all the problems the euro works, it has to replace the dollar as the world's most important currency. That is, if the euro works it will become the world's chief reserve currency and the world's chief medium of exchange. What this means is that the world's central banks, which until December 31st (1998), the day before the launch of the euro, held nearly 60% of their foreign-currency reserves in dollars, will over the next five years, say, sell off many of these dollars and buy euros.

Our enormous balance-of-trade deficit has never been addressed by our government, but more and more investors are seeing the big picture, that the dollar cannot keep its value forever with these awful pressures against it, not the least of which is the enormous Japanese trade surplus and largest foreign-currency reserves in the world. Indeed, the dollar has already fallen dramatically over the last few months; I can't help but believe this is the beginning a long, long secular fall.

GOLD: THE INVESTOR'S SAFETY BELT

"There will be a sudden stampede into precious metals."

Precious metals (which) have been officially suppressed (especially gold) and adjusted for inflation, are at the lowest levels in almost 25 years. In a financial crisis or rapidly rising inflation, the establishment will no longer be able to hold gold down--they will lose control as they did in the inflationary 1970s when gold rose 2500%. They almost lost control last September when gold rose from $253 to $330 in just a few weeks.

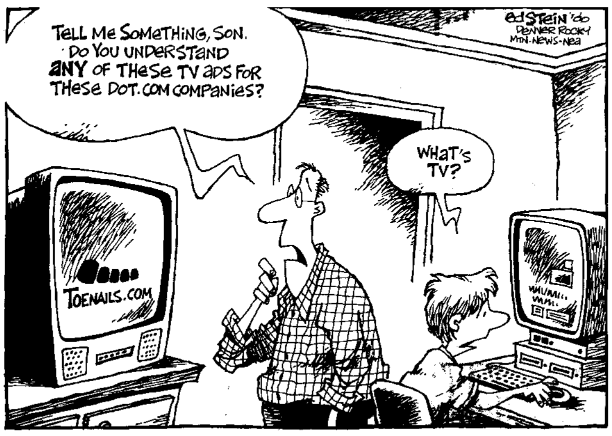
Inflation is very bullish for gold, silver, platinum, and all commodities--as present commodity price rises are demonstrating. In the coming financial crisis, there will be a sudden stampede into precious metals, which will rise hundreds or thousands of dollars in a matter of days, weeks, or a few months. Once the stampede begins, it well difficult or impossible to get in.

Gold, silver, and platinum coins are like wearing a seat belt. Most of the time you don't need it, but when the crisis comes, you need it instantly. CASE IN POINT: The January 23 tragic auto accident that left Kansas City Chiefs star linebacker Derrick Thomas paralyzed. Thomas and another passenger (who was killed) were not wearing safety belts. A third passenger was wearing a safety belt and was unhurt. Thomas didn't need the safety belt until the crisis -- but he didn't know when the crisis was coming and he definitely needed the protection when the crisis hit.

The same can be said of precious metals. Like the safety belt, they may seem unnecessary or non-productive before the crisis--but during the crisis they are essential.

Don McAlvany, *The McAlvany Intelligence Advisor* (February 2000)/ P.O. Box 84904 / Phoenix, AZ 85071

SHORT & SWEET..........................."In 1981, forty-six media companies controlled most of the book, magazine, newspaper, movie, and television industries," according to *Third World Traveller*. "By 1986, this number had shrunk to twenty-nine and by 1989 to twenty-five. . . By 1997, just seven giant companies had nearly cornered the vast multimedia markets of the United States: Rupert Murdoch's News Corporation, Viacom, Time/Warner, Newhouse, General Electric, Westinghouse, and Disney.".........................Media consultant Hal Becker: "I know the secret of making the average American believe anything I want him to. Just let me control television.... You put something on the television and it becomes reality. If the world outside the TV set contradicts the images, people start trying to change the world to make it like the TV set images...." ....Donald Regan had the reputation for being one of Wall Street's tough guys when he worked for Merrill Lynch in the 1970s; and as Ronald Reagan's Secretary of the Treasury, his reputation preceded him. Now he has taken up oil painting and has become something of a success at it. Says Regan, "I decided that there had to be more to life than the stock market, golf and drinking."................................ Speaking of painting, Otto Scott (*Otto Scott's Compass*), one of the pre-eminent critics of modern American culture, has this to say about how got to where are today in the world of fine art (bear with me because this has market implications): "A new and bolder future, expressed by Matisse and Picasso, was established fashion. Painters who persisted in the traditional styles were associated with the past, which was sinking in importance. As this struggle extended, the Right defended the people's human images, but was injured by the support of conservatives, whose attacks on the new art enabled the Left to associate tradition and even classic liberalism with Nazism. This was a propaganda coup of tremendous and still functioning importance that virtually barred new traditional artists from the fine art market.".........I suppose you could say the same of the classical music genre which took off into wild abstractionism at about the same time (from which it has yet to truly recover).....................Scott quotes novelist Tom Wolfe on this same subject: "(The art world) consisted of some 3000 curators, dealers, collectors, scholars, critics and artists in New York. Art critics, even in the most remote outbacks of the heartland, were perfectly content to be obedient couriers of the word as received from New York. And the word was that school-of-Renaissance sculpture like (Frederick) Hart's was nonart. Art worldlings just couldn't see it.".................... I bring all this up by way of realization that the sociological underpinnings of today's financial markets reveal the same cultural clash. On the one hand you have the classicists who, for the life of them, cannot understand what drives today's seemingly "insane" markets (out in the hinterlands), and the New Paradigmers (abstractionists guided principally by Wall Street) who believe we have abandoned all the market economy rules of the past............................Says Ludwig von Mises Institute chairman, Llwellyn Rockwell: "Where are we today? There is no shortage of New Era thinking. The line you read again and again in the pages of the *Wall Street Journal* is that the business cycle has been abolished, and that we have entered a new paradigm of permanent prosperity. This kind of talk worries me. It is precisely what we heard about Asia for the last several years prior to the crash. And it is what was said in the late 1920s in America."...............................Talk about Divine intervention......When Rob Helmick of Denver decided he wanted to start "eCollege"--a web-based university--he logged on to the web site of Pope John Paul II to get some ideas how to design the site. He found out that the site was designed by Jon Dobrin--a 24 year old "Jewish kid" as Helmick refers to him. He then contacted Dobrin, the company went public, and the rest is now



(CONTINUED ON NEXT PAGE)

SHORT & SWEET, CONTINUED...................... history. Says Helmick: "Jon always said our company is blessed because of how we met. The Pope put us together, but after that, it was execution on a big idea.".........All of which proves the old saw, "God helps those know the right url's."..................Speaking of pop culture economic miracles, Thomas J. Stanley made a fortune on his first book , *The Millionaire Next Door*, which graced the *New York Times* best-seller list for more than 150 weeks. Now he's written a new book titled *The Millionaire's Mind* in which he reveals (after surveying 1300 millionaires) that the average millionaire made B's and C's in college and their average SAT score was 1190. Says Stanley, "I find no correlation between SAT scores, grade point averages and economic achievement. None.".........Not recommended reading for your Ivy-bound sons and daughters, it would seem......................Two Japanese academics say that Japan's economy is teetering on the abyss and could bring the world economy crashing down with it. The island nation has a public debt of $5.5 trillion (Ed. Note: This was news to me), or 130% of gross national product. Most of that debt came at the behest of the United States which over the past decade has encouraged Japan to spend its way out of its longest slump since World War II. One problem, says Akio Ogawa of Tokyo's Chuo University: "Now we face a dire choice between huge tax increases or hyperinflation to help reduce, if not wipe out, the debt that has already gotten out of control.".........Why does that sound ever so familiar? Appears that the Asian Contagion is far from being a problem of the past. If Japan sinks into the hyperinflationary quicksand, it will likely take the rest of Asia with it--not to speak of the effects it will have on the United States, its chief trading partner. When asked to comment on the situation, Matthew Poggi of Lehman Brothers said, "It's a disaster waiting to happen.".................If you are nervous about the value of that folding green stuff you carry around in your pocket, here's a story you won't want to skip over. It seems that a counterfeit ring in the Philippines has been printing counterfeit U.S. dollars like there's no tomorrow. Over the last three months, Philippine officials seized over $333 billion in bogus U.S. money (yes, you read that right -- $333 billion)....Makes you wonder about the viability of those new counterfeiting protections that got so much publicity a couple of years ago................To give you some perspective of the magnitude of the Philippine counterfeiting operation, total M1 equals about $1.1 trillion. The illegal Philippine printing press would have added another roughly 30% to the legal version of money printing--and this is just one operation they put an end to. What about other nefarious counterfeiting rings around the world??? .... The following are Robert Chapman's insights on the late February Alan Greenspan Humphrey-Hawkins testimony: "What we have from Alan Greenspan and the BIS (Bank of International Settlements) is an admission, that wealth is a concern of the world banks. Wealth is out pacing income, they don't like it and to stop it stock market and real estate prices must go lower. This is why Mr. Greenspan warned Congress not to cut taxes. Budget surpluses should not be used to cut taxes, but should be used to reduce debt. This is why the US Treasury is buying back its own bonds and notes from the market. This has a temporary side effect of lowering long rates and adding to the inverted yield curve. Long term it means much less growth, a lower standard of living and losses for investors and an end for now of the bull market.".......................In keeping with the on-going *News & Views* National Debt Watch, we report that according to the *Barron's* Market Laboratory the U.S. government has added $123.9 billion of red ink to the national financial position over the past twelve months.

(Continued on next page)

SHORT & SWEET, CONTINUED..................... The total national debt now stands at a cool $5.744 trillion. Meanwhile, beltway Democrats and Republicans continue to argue over how to spend the non-existent surplus. Is there any wonder Alan Greenspan tries to finesse the whole mess by saying the surpluses should be used to reduce that national debt, not taxes?.................................Arch Crawford, editor of *Crawford Perspectives: Quintessential Market Timing by Planetary Cycles and Technical Analysis*, has become bullish on gold in this Chinese Year of the Golden Dragon. He says: "Our research implies the next important intermediate highs in all these Inflation Hedges will take place on March 16 and/or April 6. We believe that the general rise in commodity prices will last much longer, after consolidations."...................................From a recent issue of *Barron's* by way of James Turk's *Freemarket Gold & Money Report*: "The Dow includes some high-octane issues, such as Microsoft and Hewlett-Packard. So its overall performance doesn't begin to reflect the disaster that has been visited on vast stretches of the stock market. Amont the hardest-hit sectors have been regional banks, airlines, railroads, inurers, homebuilders, retailers, supermarkets, apparel makers, food companies and manufacturers. These groups have experienced outright bear markets, with many stocks experiencing price declines of 50% or more in the past year."............................Along these lines, we came across this report from *USA TODAY* on internet stocks: "Time to face the hard truth: The Internet bubble has burst. The carnage is easy to miss. After all, a steady stream of Internet companies are still selling stock to the public; many still double, triple or more on their first day of trading. And the USA TODAY Internet 100 index is up 72% from its inception last June. For the year, it is up 6%. But dig deeper, and the landscape gets ugly fast. On average, each stock in the Internet 100 is down 38% from its high, which by even the most optimistic definition qualifies as a bear market.".....Kind of reminds me of the heady days of the Denver penny stock market which ended up with many luminaries going to jail and the entire industry shutting down and thousands of brokers disappearing into the woodwork.............. From a recent *Associated Press* article: "America's trade deficit widened by more than $100 billion last year, reaching a record of $271.3 billion, the government said Friday. The booming U.S. economy pushed up demand for foreign goods, and the cost of imported oil more than doubled. The Commerce Department also reported trade deficits with Japan, China, Canada, Mexico and the 15-nation European Union--all set records in 1999. The overall deficit rose by 65 percent from the previous record, 1998's imbalance of $164.1 billion.".................................... Those looking for answers as to why the Asian demand for gold has surged to record levels might find this analysis from U. N. economist, Yilmaz Akyuz, helpful. Back in 1996, Akyuz was one of the first economists to warn of what came to be known as the Asian Contagion. Now, he says, international policy makers have so far failed to make the changes to the architecture of the global financial system that might avert a repeat of the Asian crisis. "The danger is complacency. . . economies are recovering, but people aren't.".............................With that, we will bring this issue of *News & Views* in for a landing. Spring is beginning to spread across the land as this is written. It was 70 degrees plus in Denver today. We wish all a happy Spring.............and would like to thank you again for being friends and clients of Centennial Precious Metals................Happy Trails, my fellow goldmeisters, until we meet again.
Mike Kosares

Please Remember
the Golden Rule:

It is your purchase of gold
from Centennial Precious Metals
that nourishes these pages!

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THE GOLD COIN OF THE MONTH

THE DUTCH TEN GUILDER

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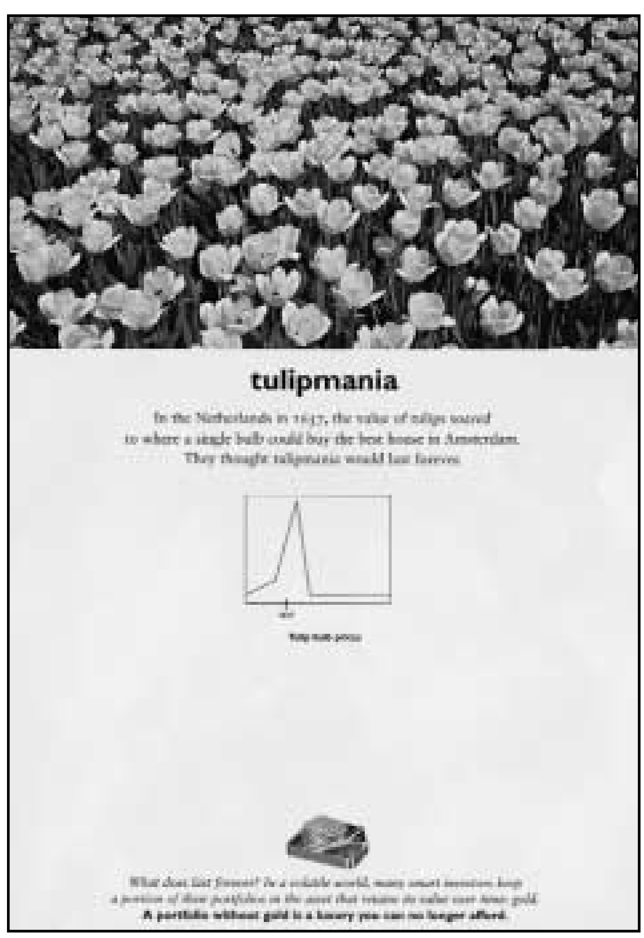
Minted: 1911-1933

Two things pop to mind when the subject of Holland comes up. One, the 1637 Tulipmania--graphed so vividly by Robert Prechter on page one and referenced in a recent World Gold Council ad campaign (see below). And two, the Dutch penchant for fully understanding all things having to do with money, banking and trade --including the gold market. Though tulips have spent the last 360 years in happy financial dormancy, gold has not--as those of you who frequent these pages already know. It still holds the same position in the U.S. portfolio against the paper mania which seems to be raging across the financial landscape that it did for Dutch citizens at the time that a tulip bulb could have bought you the farm that grew it. Those who owned yellow metal prevailed. The Dutch Guilder has become a mainstay in the Centennial Precious Metals' client portfolio, though we can't always get them in sufficient quantity to make offers such as this. But we have them now, and we have them at very competitive premiums over the gold value. We invite you to take advantage of this offer. Though some equate the current stock market with Holland bulbs in the late 1630s, no such claim can be made against gold which is trading at historical lows for this period--and offering plenty of upside potential for the patient portfolio hedger.

As always, your questions are welcome.

- **Pre-1933 gold coins, qualified as collectors' items**
- **Small gold coins serve well as barter/exchange items**
- **Comparable in premium to small size bullion coins**
- **Liquid international market**
- **Double-play profit potential as gold**



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