NEWS & VIEWS

November, 2000

Forecasts, Commentary & Analysis on the Economy and Precious Metals

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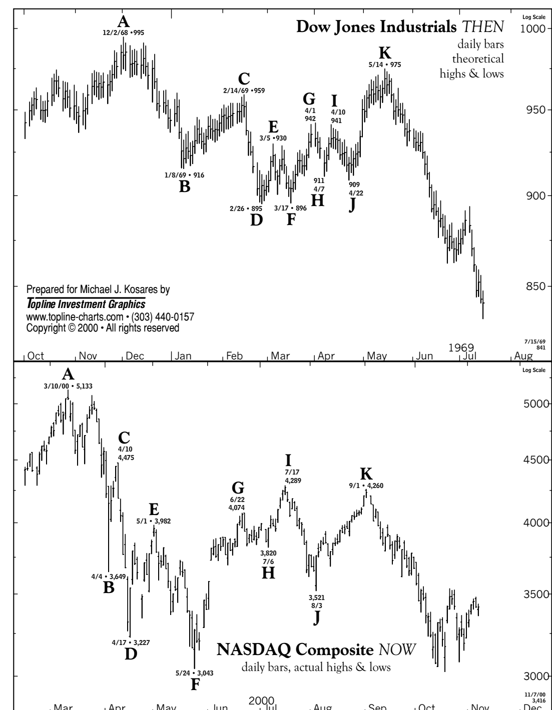
"A conventional valuation which is established as the outcome of the mass psychology of a large number of ignorant individuals is liable to change violently as the result of a sudden fluctuation of opinion since there will be no strong roots of conviction to hold it steady." John Maynard Keynes, *The General Theory of Employment, Interest and Money* (1936)

BACKGROUND: This month we feature a look at the current stock market woes and what they might mean to the average investor. The masthead quote from John Maynard Keynes summarizes why stock market bubbles burst and the long list of stocks collapsing against the backdrop of steadily deteriorating indices is difficult to ignore -- especially when the results of those individualized collapses affect one's quarterly mutual fund statement with unwelcome regularity. The Dow Jones has fallen just under 8% since January; the S&P about 6% and NASDAQ about 19%. From its March peak the NASDAQ has dropped a cool 35%. The question becomes whether or not this is just another dip or the start of a real bear market. Below we offer some insights on that question as well as some advice as to what people have embraced as the unthinkable -- that the bear market has become a reality. Gold displayed its own version of lethargy during most of October, touching on 13-month lows despite the evident decay in equities and good demand in industrialized countries where investors are beginning to feel the pinch from higher oil prices and accelerating inflation trends. Steady gold demand from Asia where there is some concern that a repeat of the 1997 "Contagion" might be in the offing also provided support. Though gold languished in dollar terms, it moved up nicely in just about every other major currency, signaling what might be ahead for the gold price in the United States should the U.S. Dollar suddenly turn south--a possibility mentioned with increasing frequency in forex circles. Accelerating currency decay was wreaking havoc on a number of fronts, not the least of which was Australia where the gold mining industry has apparently been pushed to the ropes--the victim of both hedge book indiscretions and a rapidly deteriorating Aussie dollar. All of the above (and more) are covered in some detail below along with, as is the custom on these pages, an assortment of fact and opinion that has attracted attention as it came across this desk over the past month. MK

SHORT & SWEET . . . . "ARE WE ABOUT TO SEE HISTORY REPEAT ITSELF?" asks retired stockbroker GH in a recent letter to ***NEWS & VIEWS***. The two annotated charts to the right based on GH's important observation could very well be predictive. As we prepared to publish these charts, the NASDAQ (true to form) plummeted another 184 points after it became apparent the presidential election had been thrown into turmoil. The uncanny similarities, says GH, lead him to believe that "we might be on the verge of another major gold market move." GH points out that in the late 1960s when the stock market turned bearish, the gold market turned bullish launching a decade-long bull market that took the yellow metal from $35 to $850. When you also consider that the stock market weakness in the late 1960s predicted an upcoming devaluation of the dollar, these insights become even more interesting. . . . . .Many, including the venerable Richard Russell (*Dow Theory Letters*) believe that the bear isn't on its way, it's here-- a state of affairs to which investors might want to give careful consideration. . . . . . . Why? Because a *real* bear market in equities can last a *very* long time and riding it out can be both costly and frustrating. It took 13 years for the stock market to supercede its highs after the Crash of 1929. Likewise the stock market highs of 1967-68 were not re-visited until 1982. So those "dipsters" biding their time for a return to the old highs may be in for a long wait.. . . . . . As for the short-term outlook on stocks, *Barron's* **BIG MONEY POLL** published in the last week of October put it this way: "Barring a miracle, or a manic episode, the [DJIA, S&P and NASDAQ] are unlikely to post a sixth year of double digit percentage gains, if indeed they manage any gains at all. Between sky-high oil prices and unrest in the Middle East, nosebleed valuations and various earnings shortfalls, it's been tough for rank-and-file issues to make significant headway this year." We would add to



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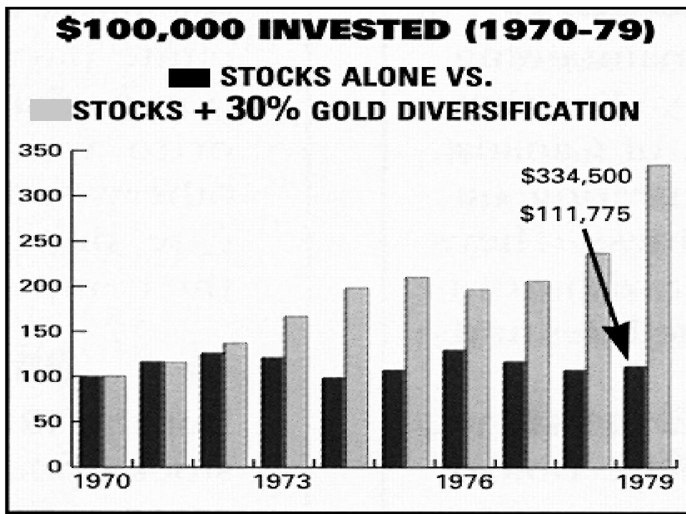
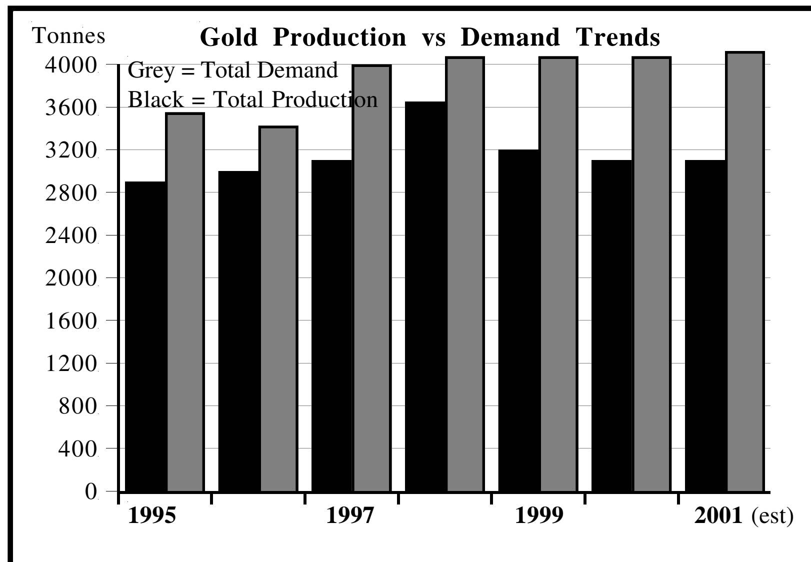
SHORT & SWEET, CONTINUED. . . . . *Barron's* assessment that none of the aforementioned concerns is likely to disappear anytime soon -- not to mention a host of additional concerns overlooked in their assessment, such as potential dollar weakness and an accelerating inflation rate . . . . . . .Many thanks to GH for these insights which are reprinted here with his permission. . . . . . **AS GH HINTS AND AS THE SECOND CHART ILLUSTRATES,** there is an effective antidote to the stock market blues -- **a gold diversification.** We show how an investor with a $100,000 investment portfolio would have fared with a 30% diversification in gold as opposed to riding out the bear market strictly in stocks. As you can, a gold diversification paid major dividends as the bear stock market moved forward -- not only compensating for the losses in equities but providing a hefty return . The portfolio diversified with gold was worth $334,500 -- a 300% gain while the all-stock portfolio managed only an 11% return over the ten-year period. Markets do cycle, fellow goldmeisters, and this stock market is a bit long in the tooth. . . . .**ECONOMIST HERBERT STEIN**: "If you decide you want to buy gold, you have the weight of history behind you.". . . . . **MANY OF US FIND THE LIFE'S WORK** of John Maynard Keynes at least dubious, if not perditious (since he as much as anyone shoulders the responsibility for making government *the* central player in the modern economy), but you have to give him credit for some uncanny insights into investor psychology -- the one at the top of the first page being a good example. Since March of this year, we have seen PRICELINE.COM plunge from 104 to 4; AMAZON.COM drop from 113 to 19; CMGI crash from 163 to 13. And the most stunning of them all, MICROSTRATEGY--in the mother of all stock collapses--went from 333 to 17! To put the MICROSTRATEGY drop in some kind of perspective -- a $33,300 investment would now be worth just $1700 -- a stunning 95% loss of capital. Even the venerable XEROX couldn't get out of the way of this runaway freight train, having traversed the long downhill slide from 30 to 7. . . . . All of this gives credence to Keynes' observation about the "strong roots of conviction." It seems these trees that have grown to the sky have but shallow roots . . . .**OR AS DUGOUT PHILOSOPHER** Yogi Berra might have put it: "The trend is your friend until it goes in the other direction.". . . . . **I RECENTLY SPENT SOME TIME WITH LEANNE BAKER'S ANALYSIS OF THE GOLD MARKET. SHE WRITES AN ANNUAL REVIEW HIGHLY ANTICIPATED BY MARKET PARTICIPANTS.** To get right down to issues at hand, Ms. Baker (who analyzes the gold market for Salomon Smith Barney) is still bullish on the yellow metal and for some very sound fundamental reasons. The report, titled *Gold: Darkest before the Dawn,* starts out by offering solace to "long suffering gold investors [who] have all but given up." . . . . "They shouldn't," she says. The "massive deficit in the gold market -- physical demand in excess of mine supplies and scrap -- *of roughly 1,000 metric tons,* or 24% of the market" (*see* accompanying graph) will be the key to further price action, and she sees that action as to the upside. In years past, the central banks made up that deficit and now Ms. Baker rightly asks how that deficit will be bridged in the future following the Washington Agreement which severely limits central bank sales and leases over the next four years (as reported in ***NEWS & VIEWS*** last month). She says the following factors will stack up in gold's favor: (1) credit quality sensitivity and restructuring in the bullion banking industry; (2) more restrained hedging behavior, and (3) speculator hesitance to short gold below $300 per ounce in a potentially inflationary environment. The report goes on to say that no rally can be sustained "unless investors step up and buy the metal." . . . . **RICHARD RUSSELL:** "A friend of mine asked me to choose one 'Investment that I would want to leave to my great-great-grandchildren.' I immediately answered that it would be gold coins. The reason, I explained, is as follows — corporations can disappear, stocks can





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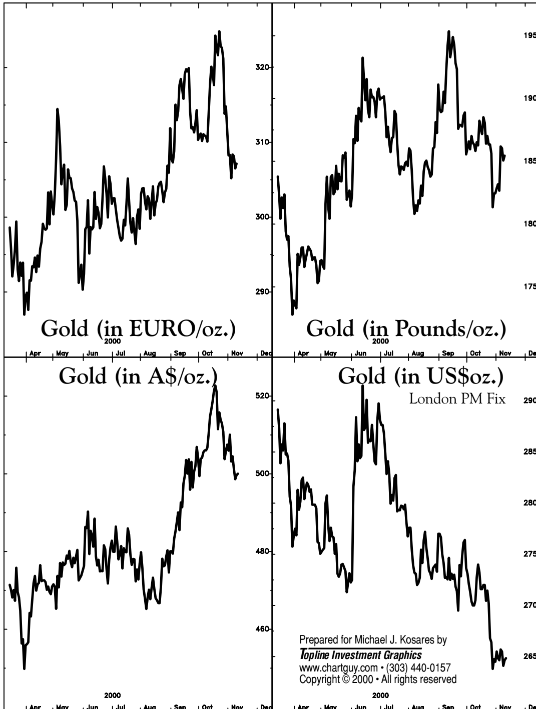

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SHORT & SWEET, CONTINUED. . . . .
collapse, governments can change and they can fall, booms and recessions come and go — but gold is intrinsic money, and no man or nation has ever doubted its value. And they never will." . . . . **ONE OF THE MORE INTERESTING THEORIES** mentioned in the report by Leanne Baker is that the current low lease rate "might be due to a lack of demand for borrowed gold," and that "more volatile lease rates may not telegraph the action" the next time gold breaks out. The report concludes that: "*A repeat of last year's events -- when bullish forces built quietly beneath the market -- is a distinct possibility.*" . . . .**WHILE GOLD IN TERMS OF DOLLARS TOUCHED ON 13-MONTH LOWS IN LATE OCTOBER, IT IS SOARING IN TERMS OF MANY INTERNATIONAL CURRENCIES** including the Euro, Australian Dollar and British Pound. (*See* graph on page three.) . . . . Along these lines, *Bridge News* published the following recently: "European central banks might increase their future gold reserves because of reduced 'risk-free' assets available in the global market, Herve Ferhani, head of the foreign exchange division of Banque de France said . . . at the Nikkei Gold Conference in Tokyo. He said he sees United States bonds and gold as global risk-free assets and added that gold is one of the few options available to replace the US bond, or even the only option.". . . . . .Those of you who read our regular offerings on the **COMMENTARY & REVIEW** page at **usagold.com** might recall that we recommended that same course of action, at least with respect to European Central Bank gold holdings weeks in advance of Mr. Ferhani's suggestion which said: "If Europe is waiting for events to carry the day [in driving the dollar lower and the euro up] -- a recurrence of the Asian contagion; a plunge in the U.S. equities market; a change of administrations and dollar policy in the U.S. etc. -- it is a strategy that would be better served by laying a strong foundation now. That could be accomplished by taking two bold steps: One, taking the lead to move in tandem with Japan and the United States to throw water on international derivatives trading which has played a key role in submerging the euro, and Two, building up its own gold reserves to make the euro less vulnerable. In the absence of something tangible and credible, the euro is flying on a wing and a prayer and hoping for better days." . . . . Do Ferhani's comments foreshadow what we might see when the French get their turn at the chairmanship of the European Central Bank? It doesn't take much imagination to foresee what would happen to the gold price should the ECB enter into an acquisition

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SHORT & SWEET, CONTINUED. . . . . . . .program. **FROM A *BUSINESS WEEK* EDITORIAL:** "There are three economic squalls on Wall Street: the oil price shock, global monetary tightening and a tech slowdown, that might be converging to produce the Perfect Storm, which could drown the economy. And we fear there is another squall on the horizon, a growing corporate-bond meltdown." . . . .**NOBEL PRIZE WINNING ECONOMIST, ROBERT MUNDELL,** from a paper entitled "The Euro and the Stability of the International Monetary System" published in January, 1999: "Monetary stability depends of course on monetary policy. But monetary policy is in turn affected by its sine qua non, political stability. Strong international currencies have always been linked to strong central states in the period of their ascendancy. The reason is not far to seek. When a state collapses, so does the stability of the currency. Examples include the hyperinflations of the defeated powers after World War I, the collapse of the rouble after the October 1917 revolution; the hyperinflation of Kuomintang China after the Communist forces of Mao-Tse-Tung crossed the Yang-Tse; and the hyperinflations in the former Yugoslavia in the 1990s. It does not bode well for its currency if a state is not powerful enough to defend itself against enemies from outside and within. . . . What about the euro? Is the EU a strong central state? It is here that one can see a potential weakness in the euro. The decision-making power of the government in Brussels is a pale shadow of that in Washington or in the capitals of the EU members. Rarely up to now has the EU been able to forge a common foreign or defense policy. The problems arising from the weakness of the central state in the EU cannot be swept under the rug." . . . .The euro's Achilles heel? As we go to press there are rumblings about strong, coordinated intervention to defend the euro and talk, as mentioned above from French central bankers, of adding to Europe's gold reserves . . . .**THE EURO GOT A MAJOR BOOST** during October when Iraq declared it would scrap the U.S. dollar and take the euro exclusively in payment for oil. Russia and Venezuela are threatening to follow Iraq's lead. . . . . **BARRY GOLDWATER:** "Trade between nations, whether free enterprise or socialistic, depends, in the last analysis, upon mutual trust and confidence. Gold supplies that ingredient." . . . . **ONE MORE OBSERVATION ON GOLD'S ATTRIBUTES AS A CURRENCY HEDGE:** As you can see by the graph above, gold owners in the currencies depicted have accomplished what they set out to accomplish when they swapped their currency for hard metal. Their portfolio now has what it takes to weather any currency problems from here on out. It would not be a stretch to assume these same hedgers will buy on a consistent basis from here on out . . . . **VOLTAIRE**: "Paper money eventually goes down to its intrinsic value--zero." . . . . . . **FROM OUR FOOD-FOR-THOUGHT DEPARTMENT** (as it appeared first in the book *The Predictors: How a Band of Maverick Physicists Used Chaos Theory to Trade Their Way to a Fortune on Wall Street*, by Thomas A. Bass): this situation took place in late 1993 as the group was testing their models for predicting the markets. "Today's problem is the gold market. Joe and Stephen have found lots of structure in the data coming out of the COMEX, the Commodity Exchange in New York. These are patterns--like tells for a poker player--which indicate which way the market is most likely to move. But there is also something fishy about the data. They display a wide variety of statistical

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Dr. MoneyWise says:
If you'd have my advice, a Word to the Wise is enough and many words won't fill a bushel. Listen to this: Those who Diversify dread not the coming day. The well-trimmed sail knows not the Cold wind from the Warm, but only that it takes the ship to Harbor. Diversify and let the Winds carry us where they may.

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Please contact us if you have an interest in trading your bullion gold coins for pre-1933 European gold coins. A large number of bullion coin holders have already taken advantage of our swap program and we invite you to examine the reasons why.

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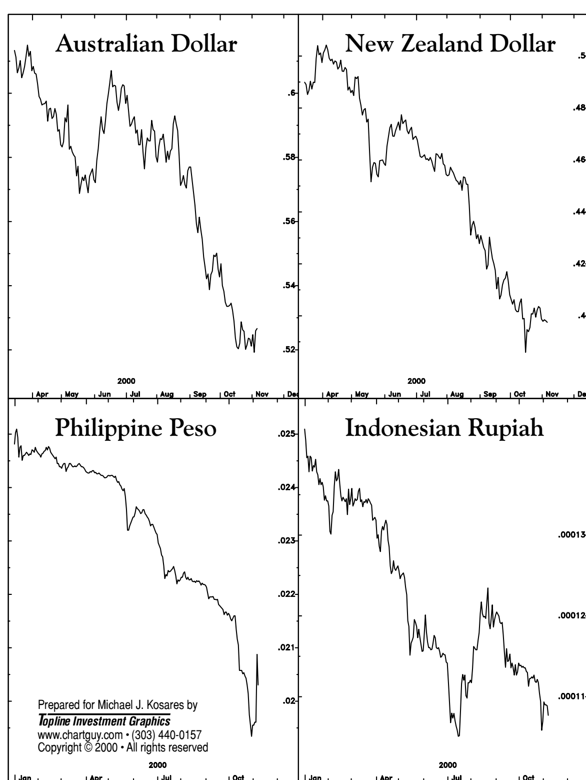
SHORT & SWEET, CONTINUED. . . . .

aberrations. These imply that the benign hand of the market is being tinkered with by other hands not so benign. 'This is interesting,' announces Stephen, who is leafing through a book on gold trading published by the International Monetary Fund. 'Do you know why it's called the 'daily fixing' when they announce the price of gold in Zurich or London? Because the price is 'fixed' by something called the 'gold pool.' The closing price is not the price at which the last gold contract changed hands on the open market. It is the price established by a cartel of bankers meeting behind closed doors.' 'No wonder the time series for gold is squirrelly,' Joe remarks" (pages 222-23). . . . . WHILE CONCERNS LIKE INTEREST RATES, OVERVALUED STOCKS, AND CORPORATE BOND



PROBLEMS are readily discussed throughout the financial media on nearly a daily basis, one major concern is being ignored as it quietly builds to crisis proportions under the radar of the mainstream press--**ASIAN CONTAGION II**. Several Asian currencies are already in the tank as you can see by the graph above and several other teeter on the edge. The reason for the meltdowns and near-meltdowns is simple and direct--the overvalued U.S. dollar. To purchase oil, a nation must first purchase the U.S. dollar. What is now bubbling to the surface in Asia could very well make the first contagion--and its attendant threats to the U.S. banking system through international loan defaults--look tame by comparison. And this time the

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AUSSIE ASHANTI
Under-Water Down-Under

(**EDITOR'S NOTE:** One of things I thoroughly enjoy about my on-line **COMMENTARY & REVIEW** is the opportunity it affords to comment on events in the markets *as they happen* on nearly a daily basis -- and there never seems to be a lack of interesting developments upon which to pass judgement. Below is a recent **COMMENTARY** on the developing mining company hedge book situation in Australia -- developments which I believe could provide the direct, gut-level impetus to move gold quickly over the $300 mark should the situation go from bad to worse. Ashanti, you may recall, nearly went under when the gold price rose as a result of the Washington Agreement because essentially it had sold forward so much gold it was more like a hedge fund than a mining company. Four major Australian gold miners could very well find themselves in similar straits for reasons outlined below, thus providing a quick study for those moving to the graduate level of gold economics. This article also demonstrates how we follow a developing gold story from one stage to the next. We apologize to our on-line readers for the duplication but a large number of our hard-copy clientele do not have web access and we wanted them to see why it might be in their best interest to boot-up, get online and get the gold news as it happens.

(11/2/00) Gold once again kick-started in the Pacific with the price running up over $3 at one point on Australian producer short covering and general dollar weakness in international markets. Gold got an additional boost in Europe on euro strength, but the single currency ran out of gas on this side of the Atlantic taking some of the wind out of gold's sails.

The numbers are beginning to come public on the developing hedge book mess among Australian producers -- a mess that could send gold soaring unexpectedly some early morning in what we call here "the overnight market."

In a *Dow Jones* article titled "Australian Gold Hedging Starts to Hurt Producers," John McDonald, a gold mining analyst with CIBC World Markets, warned that "the numbers [for Australian gold producer hedge books] are beginning to mount to concerning proportions." He estimates that the four leading producers (Normandy, Newcrest, Sons of Gwalia and Delta) face total liabilities of AUD $1.8 billion in their "gold and currency hedge books." When the Aussie dollar tumbled (from US65¢ to US52¢), the currency portion of those hedge books went under-water opening up these companies to huge trading losses (and possibly stiff margin calls). In the same article, Greg Barns of the Australian Gold Council put the total hedge position of Australian producers at 42 million ounces (over 1300 metric tonnes of gold)--the equivalent of roughly one-half of the world's annual mine production. On October 6, I wrote the following in response to the daily mainstream press mantra of Australian gold sales supposedly depressing the price:

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SHORT & SWEET, CONTINUED. . . . .

crisis might not be contained in the far Pacific; the battleground may shift instead to Frankfurt, Paris, London, Tokyo and New York -- the world's premier equity trading centers. While G-7 policy makers have their eyes glued downfield, watch out for a blind side from the Pacific. . . . .**MEANWHILE**, the flooding of the world economy with excess dollars continues unabated: Over the past year foreign central bank holdings of dollars have gone from $609.6 billion to $689.6 billion -- a 13% increase.. . . . .**RICHARD MAYBURY (*EARLY WARNING REPORT*) OFFERS THIS REASONING WHY THE OIL CRISIS IS LIKELY TO CONTINUE:** "The Saudi royal family owns a fourth of the world's oil deposits. They are the only large producer with excess capacity, so the Saudi royal family is the sole swing producer, they control the price. Until recently, Saudi rulers had faith that the U.S. armed forces could protect them against the Iraqis and Iranians. Iraq and Iran were owners of the Persian Gulf for more than 2,000 years until the British took it away from them and gave it to the puppet Saudi clan. The Persian Gulf is called the Persian Gulf because it belonged to Persia, which is Iran. Washington is afraid of another period of inflationary turmoil like that of the 1970s when high oil prices led to a sharp rise in prices. Saudi faith in the U.S. armed forces has meant a desire to keep Washington happy, which meant low oil prices. In February last year oil was $10.35 per barrel. Now, thanks to Clinton's continual wars and deployments, the U.S. armed forces are worn out, and if the Saudi family has any brains at all, their faith in the U.S. ability to protect them is gone. In short, I believe the Saudi desire to keep Iraq and Iran happy is now stronger that the desire to keep Washington happy…Result: higher oil prices." . . . . **THOSE OF YOU FOLLOWING THE UNFOLDING AUSTRALIAN DOLLAR SAGA/DEBACLE** might take an interest in an article published in late October by the AFP news service. Titled "*U.S. Dealer Accused of Trashing Aussie Dollar*", the article tells the story of Chicago-based speculator, Richard Dennis, who started the Aussie dollar's demise by

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ANNOUNCEMENTS: Yes. We have gold IRAs. Please call for an info packet. . . . . The new and pleasant voice you hear when you call CPM is Jill Snyder -- our new staff addition. Welcome, Jill . . .. . . .Watch usagold.com for interesting pre-1933 coin offers that can be ordered on-line. . .. . . We will be activating our Coin Jewelry links for Christmas shoppers. View the possibilities on-line, then call THE SMALL ORDER DESK. . . . . A subscription to ***NEWS & VIEWS*** might be just what the portfolio doctor ordered for that favorite friend or business associate. . . . . .With Thanksgiving upon us, all of us here at CPM/USAGOLD would like to take this opportunity to thank all of you for doing business with us.

AUSSIE ASHANTI, CONTINUED

"Tellingly, these feared Australian sales trumpeted almost daily in various mainstream press gold reports have yet to materialize. According to one report from Downunder, overnight there was only "a bit" of selling in a generally quiet market. More interesting is the fact that top Australian mining stocks of late, in echoes of the Ashanti debacle, have been suffering -- not gaining -- from the higher local gold price now at a two-year high of over 500 AUD. Perhaps all those feared sales were already made -- long ago. Could it be that there's not much Aussie gold left to sell? "

In that same *Dow Jones* article referenced above, Gary Barns of the Australian Gold Council supports my claim that those sales failed to materialize. He takes it a step further by saying that in fact Australian producers are buying back some of those positions -- albeit slowly.

Quoting *Dow Jones*: "Barns said Sons of Gwalia hasn't hedged any gold this year, nor has WMC Ltd (WMC) and Normandy hasn't done anything serious." He goes on to say that overall Australian hedge has been reduced from 42 million ounces to 41 million ounces. As we have said, there is precious little Australian production left to sell. In fact we have heard rumors that one or more unnamed Australian gold producers have hedged their production for the next fifteen years -- if you can believe that.

[**NOTE**: It is good to revisit false assertions and assumptions about the gold market published almost daily so that our readers can see how far off-base the mainstream press wanders in its unceasing campaign to bad-mouth the yellow metal. As I have said so many times before: One wonders why these attacks are so unyielding and persistent. What is it about this inert metal that they so greatly fear?]

The reference to "echoes of Ashanti" stands out in that it appears that another Ashanti debacle might be precisely what is unfolding in Australia. It appears at least on the surface that these hedge books were built upon a premise that through the ensuing years we would experience the best of all possible financial worlds--a stable Australian dollar and a stable gold price. Now, if the AUD falls, the mines are in trouble. On the other side of trade, if the dollar falls and gold rises in dollar terms, (guess what?) the mines are in trouble--a very messy, apparently no-win proposition. One wonders what mine management was thinking when they signed these agreements because they certainly weren't thinking like goldmeisters who inherently distrust fiat money and the vagaries it engenders in markets--as you would expect those associated with gold to think. They would have been better off simply mining the gold and selling it as it came out of the ground. For the

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SHORT & SWEET, CONTINUED. . . . .
placing a $208 million bet against the currency in January "sparking an avalanche . . . from the which [it] never recovered" because he saw "an opportunity to make a quick buck." The currency which stood at 66.64¢ in January is now trading in the 52¢ range. When asked to comment on the situation, Wesley Covel -- Dennis' assistant -- said, "The Aussie dollar has become a great currency to short and make money as it sinks downward. Lots of money is being made as it goes down . . . Who cares if the economy is sound? The trend is down, so traders short the currency. It's as simple as that.". . . . . . As Mr. Covel's comments settle in, also consider that while virtually no one is watching, the U.S. Congress is in the process of passing legislation aimed at "deregulating U.S. futures and derivatives markets to help them better face growing global competition.". . . . . Astonishingly, as cases like the one involving the Aussie dollar show, derivatives gun-slingers can virtually thwart the fiscal and monetary policies of nation-states and create whatever trend they find to their personal advantage and no one in government seems to see anything wrong with this. . . . . . . **A RECENT *REUTERS* ARTICLE CONCLUDED AS FOLLOWS:** "The bill will also radically revise the regulation of U.S. futures exchanges, basing the level of oversight exchanges receive on the products they trade and investors they serve. And rather than being bound, as they are now, by explicit rules laid down by regulators, exchanges will instead be expected to adhere to a number of core principles relating to market integrity and investor protections, choosing for themselves how best to meet these performance standards." . . . . . With that testimony to unabiding faith in human integrity, we bring this issue of ***NEWS & VIEWS*** to a close. **HAPPY THANKSGIVING** to everyone. Thanks for supporting these endeavors. . . . . And Happy Trails until we meet again.

"The U.S. cannot stay being the sole winner forever."
Kenji Takei
Tokyo branch of Societe Generale, SA

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AUSSIE ASHANTI, CONTINUED

loss on gold to equate to the loss they've already taken on their currency hedges, gold would have to be trading in the $225 range.

As it is, we wait and watch wondering if the bullion bankers were cautious enough to subject those currency hedges to margin calls. If they do, the move in the gold price could be explosive as the mines are forced into covering. Meanwhile, the bullion banks may find themselves in another workout situation similar to Ashanti/Cambior. How many of these can they shoulder? It's no wonder that the gold market is rife with rumors that upper management in these international banks want these operations squared and shut down.

[**NOTE**: My thanks to gold mining expert, Alan Brown, for alerting me to the nuances of these hedge books, most importantly the currency aspect, and Randy Strauss for guiding me through the structure of these hedges. The conclusions, my fellow goldmeisters, are my own and subject to alteration as more information comes out.]

On 10/16/00 we advised: "The next gold rally could start in Australia, but that country is only one piece of the puzzle. There is also this nettlesome problem of a huge debt overhang, severe currency weakness, and rising oil driving a number of Asian economies towards potential default. As the Middle East roils politically, keep an eye on the Pacific for possible financial turmoil."

We'll stick with that assessment as we see the Australian problem part-and-parcel of a much deeper and threatening Pacific currency problem. Have a good day, fellow goldmeisters.

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We are pleased to be able to offer this wonderful old gold coin from a country famous for its gold dealings--Switzerland. These 20 franc coins dating from the late 19th century represent the confederation period in Swiss history when the various cantons amalgamated into the present Swiss state -- complete with rights guaranteed each citizen and each district in this mountain nation. The “gnomes of Zurich” are said to be the largest dealers of physical gold bullion in the world. “Gold,” says noted gold authority, Timothy Green, “is as much a part of Switzerland as the Alps and skiing.” We invite you to take this opportunity to own a piece of history and the Swiss gold legacy by acquiring this intriguing gold coin. It is much scarcer than the Swiss Helvetia, but still priced reasonably. The Confederatio makes a good companion acquisition for those who already own the 20th Century Helvetia 20 franc coin.

Orders will be filled on a first-come, first-served basis

.1867 fine ounces / Dated 1883-1896 / Uncirculated / Offer limited to 500 coins only.

This coin enjoys all the advantages that come with ownership of pre-1933 gold coins:

Considered a collector item with the attendant privacy advantages.

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Double-play profit potential: first, as the gold price rises and second, as the premium rises due to a very limited supply of uncirculated coins.

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Small size makes for easy application as a form of money, if necessary.

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No dealer-reporting requirements.
European Delivery Available With Wire Payment Only

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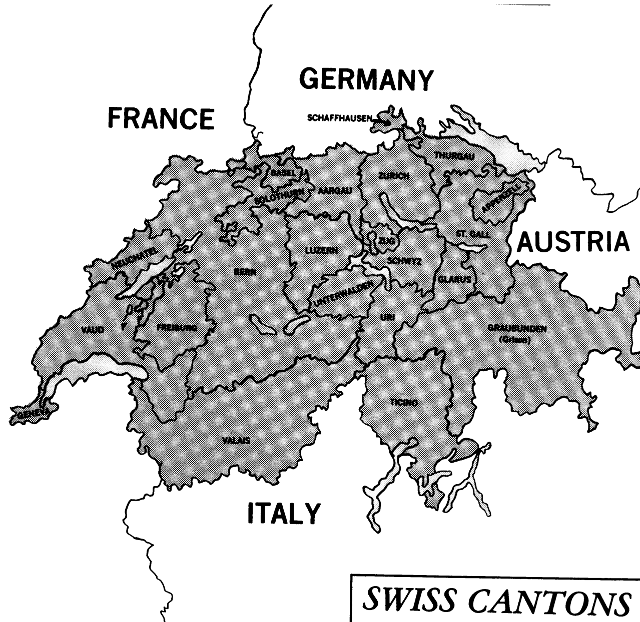
PLEASE CALL FOR QUOTES AND FURTHER INFORMATION

1-800-869-5115



NO MINIMUM
LIMITED AVAILABILITY
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WWW.USAGOLD.COM/ONLINESTORE/SPECIAL.HTML

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