

# Investing in Pre-1933 Gold Coins

*for*  
Asset Preservation & Profit Potential



Michael J. Kosares

Author

The ABCs of Gold Investing  
How to Protect and Build Your Wealth With Gold

Copyright 2010 by Michael J. Kosares. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded, or otherwise, without the prior written permission of the author.

**For further information, please contact:**

**USAGOLD**

**P.O. Box 460009**

**Denver, CO 80246-0009**

**1-800-869-5115**

**[www.usagold.com](http://www.usagold.com)**

*Coins & bullion since 1973*

Cover Photo:  
Randal Strauss

Historic European gold coins from the mid-19th to early 20th century offer a rich vein of opportunity for the individual interested in combining gold ownership with numismatic potential. This potential is not too different from the one presented by U.S. \$20 gold pieces and silver dollars in the 1950s and 1960s when early accumulators were able to acquire quality specimens in bulk at slight premiums over the bullion price, then put their acquisitions away, and waited for the market to come to them. Those investors experienced multiple returns later (during the gold bull market in the 1970s and 1980s) when scarcity and quality began to play role in the pricing.



Bags of uncirculated silver dollars and rolls of \$20 pieces then became eligible for culling and selling at premium prices by grade, date and mintmark. Thus, owners of pre-1933 U.S. gold coins benefited not only from a rising gold price; they also benefited from a significant rise in the percentage premium over melt value. There is no way of knowing with certainty whether or not a similar situation will develop with the pre-1933 European gold coins today, but the opportunity presents little or no additional risk for those with an interest in owning gold anyway.

As it was with the American coins in the mid-20th century, grading is virtually a non-issue for the more common date items - or at least not the issue it would become later with the advent of grading services, encased coins, and hundreds even thousands of dollars of price difference from one grade to the next. Pre-1933 European gold coins generally come forgivingly in two grades -- circulated and uncirculated. Having sold thousands of these items at USAGOLD-Centennial Precious Metals over the past two decades, I have had the opportunity to personally inspect a wide variety of national design types and mintages and marvelled at the quality state of preservation on a large cross-section of items. What you can get for the price -- since many of these items can be obtained at very reasonable premiums over the gold melt value -- from a numismatic standpoint is nothing short of amazing. These circumstances present today's investors with an extraordinary opportunity worth exploiting.

This area of gold coin ownership also benefits directly from the large contingent of investors concerned about potential capital controls, including gold confiscation. In 1933, when the Franklin Delano Roosevelt administration closed the banks and confiscated gold by executive order, it also exempted gold coins "having a recog-

nized special value to collectors of rare and unusual coins. In 1954 this more generalized approach was refined by the U.S. Treasury Department to include "all gold coins minted prior to 1933." These are the precedents upon which pre-1933 gold coin owners rely to retain their gold in the event gold bullion is once again made illegal.

Few people know that between 1933 when it became illegal to own gold and 1975 when ownership privileges were restored, investors could own gold in the form of pre-1933 gold coins. In fact during the late 1960s and early 1970s, pre-1933 gold coins appreciated sharply as investors globally moved to protect themselves again the severe dollar crisis that eventually led to the formal devaluation of the dollar and the severance of its link to gold. At the time, the price of gold was fixed at \$35 by government mandate, but the premiums on pre-1933 gold coins were not.

Legal scholar Henry Mark Holzer reported at the time that "[T]he value of certain gold coins had increased substantially over the prior three years. For example, in May 1968, the U.S. 'Double Eagle' had been selling at a premium of about 45% over the actual gold content of the coin, the official rate then being \$35.00 per ounce. In May 1971, the premium was 69%. In May 1968, the German Mark piece had been selling at a 75% premium; in May 1971, the premium was 175%." Holzer's remarks serve as reminder that the supply of pre-1933 gold coins, unlike that of contemporary bullion coins, is fixed. The demand, however, is elastic and tends to accelerate greatly in times of crisis -- a circumstance that can drive premiums significantly higher in a relatively short period of time. This group as a whole is capable of taking large allotments of these coins off the market during times of economic and financial uncertainty.

For the past several years, I have thought about writing a guideline for assembling a logical and representative collection of these items. As you can see from the booklet you hold in your hands, I have finally gotten through the project. Many of the descriptions which follow originally appeared, at least in part, as advertisements in our News & Views monthly newsletter and comprise a collection of sorts in themselves. The vignettes of each coin were written with Mark Twain's observation in mind that 'if history doesn't repeat, it at least rhymes.' It is extraordinary how often in our history we have found ourselves in the same uncomfortable position with respect to the value of our money, and it seems we may be knee-deep in one of those periods again. I have attempted to at least touch upon a little monetary history in these vignettes with the hope of sparking a deeper interest in young and old alike.

In addition, I have provided some background on availability and general state of preservation for these historic European gold coins. I beg the indulgence of my more studied and rigorous counterparts in the numismatic field for what is meant to be a quick and hopefully interesting introduction to the subject of 19th and 20th century European gold coins.

Historic European gold coins offer, in my mind, one of the great, largely untouched and potentially lucrative opportunities in the field of gold investing today. If you have been looking for a new interest, I think you will find this area worth your attention.

Michael J. Kosares  
January, 2010



## Argentina 5 Pesos Argentino



Minted: 1881-1896

.2334 ounces net fine gold

Around the early 1900's, the phrase "rich as an Argentine" was used popularly to describe an individual of substantial wealth. In 1914, only Great Britain was more urbanized, and by 1929 only Great Britain had more cars per capita. Argentina was considered to be one of the ten wealthiest nations in the world in terms of per capita income.

Not more than 20 years later, a series of poorly executed policies begun primarily under the administration of Juan Peron -- the nationalization of industries, expansion of state services and substantial overseas borrowing, as well as a period of bad leadership -- began to undermine the economic prosperity of the country.



Unable to finance its spending, the government opted to inflate its way out of debt. This caused an astronomical wage and price inflation factor of 2.1 billion times original prices between 1976 and 1991. To give an example, a single one of the 5 Pesos Argentino gold coins pictured above now holds a modern purchasing-power equivalent which is beyond 500 trillion the original, five peso coin denomination. Once an example of prosperity, Argentina's currency failure set the stage for one of the most dramatic economic breakdowns of the late 20th and early 21st centuries.

Reminiscent of early United States coinage, the popular Argentino is a beautifully designed coin with a representation of Liberty on the obverse, and Argentina's coat of arms on the reverse. This coin is difficult to obtain in uncirculated condition.



Austria 1 Ducat  
Franz Joseph I



Minted: 1872-1914

.1106 ounces net fine gold

No country is more closely associated with classical and sovereign Europe than Austria - the home of the famous Hapsburg dynasty which dominated central Europe for nearly 700 years. Franz Joseph portrayed on the obverse of its one ducat coin is generally characterized as 'the last great monarch of Europe,' and the self-proclaimed 'last monarch of the old school.'

Though his reign was long (lasting seven decades), Franz Joseph became one of European history's most tragic figures. His ill-fated brother Maximilian was executed by a firing squad in Mexico. His son, Rudolph, committed suicide over a lost love. His wife died at the hand of an assassin, and his heir Francis Ferdinand was also assassinated - an event which historians point to as precipitating World War I. By the time he died in 1916, the Hapsburg-Holy Roman Empire had already begun to unravel.



The reverse of the one ducat depicts the imposing double-headed imperial eagle of the Hapsburg dynasty. The Hapsburg emperors viewed themselves as inheritors of the Holy Roman Empire, entitled to rule the world, thus the double-headed eagle looking simultaneously east and west, sword and sceptre embraced in the right talon and the globus cruiger (the cross-bearing orb) in the left.



## Belgium 20 Franc

Leopold II

Albert I "Military"



Minted: 1867-1882

Minted: 1914

.1867 ounces net fine gold

If one takes the time to contrast the computerized replication of modern currencies at little or no cost with the old world elegance, solidity and beauty of these Belgian gold coins, the argument for gold ownership makes itself. The "Leopold" invokes a simpler time when the long-term purchasing power of the national money was not an issue and the great nations of the world forthrightly made their money from gold. The saver knew that 20 francs deposited would translate to the same 20 francs in value when withdrawn.

Under Leopold II, whose portrait this coin bears, Belgium colonized the Congo. Leopold made a substantial fortune on the exploitation of its mineral wealth. He financed journalist/adventurer Henry Stanley's exploration of the Congo. Stanley is most famous for his quip upon finding the long-lost Scottish missionary, Dr. David Livingstone -- "Dr. Livingstone, I presume."

"Leopolds" are slightly more difficult to obtain than other twenty franc gold coins, and the average condition is slightly below that of the more readily available British Sovereign or Swiss Helvetia.

The Albert I "Military" 20 franc was minted during the First World War. The obverse depicts the king in uniform, thus the designation as the "Belgian Military." Albert is famous for his resistance to Germany's desire to move troops through Belgium declaring "I rule a nation, not a road." When Germany, ignoring Albert's stand, invaded Belgium in 1914, the much smaller nation was forced from its neutrality. Albert led a spirited defense against Germany's invading armies while his wife, Elisabeth, worked as a nurse at the front. Minted in that single year, 1914, we see the "Belgian Military" rarely and only in small hoards, usually in uncirculated condition.



Colombia 5 Peso  
Simon Bolivar



Minted: 1919-1930

.2354 ounces net fine gold

Simon Bolivar, often referred to as the George Washington of South America, led the war of independence in northern South America for six countries - - Colombia, Venezuela, Peru, Ecuador and Bolivia (which is named after him) -- and became their first president in 1819. Bolivar, who descended from an aristocratic family in the Basque region of Spain, was greatly influenced by Thomas Jefferson, Voltaire and Adam Smith among others, but did not believe South America suitable to a U.S.-style republic -- a position that led ironically to series of revolts against his rule eventually leading to his downfall in 1830.

The Colombia 5 peso is often referred to as the “Colombian sovereign” because it contains the same fine gold content as the widely-traded British gold Sovereign. The Colombia 5 peso’s connection to the Sovereign dates to 1907 when the peso was pegged to the British pound at the rate of five pesos per pound -- a relationship which continued until 1931 when the United Kingdom went off the gold standard and Colombia shifted its peg to the gold-backed U.S. dollar.



Colombia has had its own problems with paper money and currency depreciation over the years. In recent years, its Senate has debated whether or not to introduce a new peso equivalent to 1000 old pesos, presumably the same peso denominating the 5 peso gold coin pictured above.



## Denmark 20 Kroner

Christian IX (Mermaid)

Fredrik VIII and Christian X



Minted: 1873 - 1900

Minted: 1908 - 1912

Minted: 1913 - 1917

.2592 ounces net fine gold

The Denmark 20 Kroner is among the most visually appealing and highly sought-after of the pre-1933 European gold coins. Issued from the 1500s, “kroner” is Danish for ‘crown’ -- a reference to its production at the king’s mint. The gold 20 kroner coins became the fixed standard of value and primary monetary instrument in Denmark, Sweden and Norway under the Scandinavian Coin Union in 1875. The Coin Union was instituted as a reaction to the recurring monetary crises caused by the undisciplined issuance of paper money. One such crisis led to the public burning of bank notes in 1728. Another in 1814 pushed the country toward an inflationary financial collapse and public rioting.

Christian IX was known as the ‘father-in-law of Europe’ because two of his daughters and one son married into the royal lines of England, Russia and Greece respectively. His grandson became the king of Norway. Fredrik VIII acceded the throne at 63 years of age and was succeeded just six years later by his son, Christian X. Christian X is known for his stout resistance to Nazi rule, riding defiantly through the streets of Copenhagen alone on horseback daily to bolster the spirits of the Danish people.



Availability of the Denmark Kroner is spotty, but when they do make an appearance the state of preservation is often uncirculated. The so-called ‘Mermaid’ coin named so because the dolphin near the bottom of the coin seems to merge at Lady Liberty’s feet, is exceedingly popular not just with the Danes but with collectors/investors the world over.



France 20 Franc  
Napoleon Bonaparte



Minted: 1804-1814

.1867 ounces net fine gold

Napoleon Bonaparte, it could be said as it was of Julius Caesar, 'bestrides European history like a colossus.' He is arguably the most famous individual in Europe's long history. A gifted military tactician, statesman and politician, Napoleon conquered most of Europe and, in one of the most famous and vainglorious gestures in history, crowned himself Emperor in 1804 thus fulfilling his ambition to follow in the footsteps of the first French emperor, Charlemagne.

Few know that Napoleon, among his many accomplishments, was founder of the Bank of France and a staunch advocate of gold as opposed to government issued, unbacked paper money. Andrew Dickson White renders this famous account of Napoleon's views on state finances and paper money: "[The assignat inflation] ended in the complete financial, moral and political prostration of France -- a prostration from which only a Napoleon could raise it. . .at [his] first cabinet council Bonaparte was asked what he intended to do. He replied, 'I will pay cash or pay nothing.' . . .[Later] when the first great European coalition was hard pressed financially, and it was proposed to resort to paper money; he wrote to his minister, 'I will never resort to irredeemable paper money.' He never did, and France, under this determination, commanded all the gold she needed."



The Napoleon I gold coin represents this legacy and is one of the most sought after of the pre-1933 European gold coins. On the obverse Napoleon is depicted crowned in laurel. The mintages are relatively low when compared to later issues and the coin is most often found in circulated condition.



France 20 Franc

Napoleon III



Minted: 1852-1870

.1867 ounces net fine gold

Napoleon III was the nephew of Napoleon Bonaparte and emperor of France from 1852 to 1870. He strove to restore the glory of France and the lofty stature attained under his famous uncle, but his rule was undermined by a succession of political blunders including rifts with the Vatican over papal land and French industry over his free trade policy with England. In the Franco-Prussian War of 1870, he met defeat at the hands of the Prussians near Sedan in part due to the disunity at home. Within days, the weakened Napoleon III was unseated by a new revolution and he left France for England where he died in 1873, failing to restore the glory of Napoleonic France.



For much of the tumultuous 19th and 20th centuries, the “Napoleon” -- as this coin is commonly called -- was saved by well-heeled French investors hedging currency deterioration and war. Whenever you hear the stories of Frenchmen with ‘gold under the mattress,’ this is most likely the gold you would find there.

Napoleon III 20 francs are available readily in circulated condition, but more difficult to obtain in the uncirculated grade. When the uncirculated specimens appear in the market, they do so at much higher prices than the commonly available item, and they go quickly.



## France 20 Franc

### Angel

### Rooster



Minted: 1871 - 1906



Minted: 1906 - 1914

.1867 ounces net fine gold

Owning the famous French Angel gold coin has always been considered good luck. Legend has it that an earlier version accompanied Napoleon in his quest to conquer Europe. He carried it in the long march to Russia and back until he finally misplaced it -- the day before the Battle of Waterloo. The Angel's designer was saved from execution when lightning hit the guillotine as he stood in line allowing him to escape.

The French Angel characterizes the ideals of the French Revolution. Symbolically, the angel depicted on the obverse represents the Spirit of France and he is shown on the coin writing the French Constitution. A rooster symbolizing vigilance appears next to the angel. Behind the angel stands the fasces or bundle of rods - a symbol of power previously carried by Roman magistrates. On top of the fasces is the Cap of Liberty, which also appears on U.S. coinage with the same meaning. The slogan "Liberte, Egalite, Fraternite" appears on the reverse along with the date.



French Angels are readily available in uncirculated condition, but be careful of commercial offerings at very high prices. At present, you don't have to pay much more for French Angel in uncirculated condition than for other 20 franc coins. We have handled large hoards of very high grade uncirculated Angels.

French Roosters were produced in large quantities and can be found readily in a high state of preservation. All issues from 1907 forward were officially restruck in the 1960s and 1970s. They remain a popular inclusion in investor portfolios.



## Hungary 20 Korona



Minted: 1892-1916

.1960 ounces net fine gold

Hungary's tragic inflationary nightmare (1946) is generally considered by scholars to be the most virulent episode of hyperinflation in history -- one that dwarfs in scale the better-known German experience of the 1920s. In fact, the Hungarian hyperinflation holds the record for the largest denomination bank note ever issued by a central bank -- 100 quintillion pengo. In addition, history's largest monthly inflation rate was posted by Hungary in that period at 41.9 quadrillion per cent -- prices were doubling every thirteen and a half hours.

The cause of the inflation was the same as the cause of every other inflationary debacle in history, i.e. the government's uncontrolled and mismanaged issuance of paper currency. Some historians believe that the Hungarian hyperinflation was instigated by Marxists who were determined to destroy Hungary's middle and upper classes. Whatever the causes, if you happened to have been a Hungarian citizen and had the wisdom to own the nation's most famous gold coin, the 20 Korona (pictured above), you would have survived the debacle and, in fact, probably prospered, even though the central bank would not have honored an official exchange of pengos for gold.

The Hungarian 20 Korona gold coin is popular for its history, beauty and the old-world aura it projects. First minted in 1892 to commemorate the Hapsburg Franz Joseph I's crowning as emperor of Austria-Hungary (1867), the coin depicts the emperor on the obverse and angels attending the Hungarian coat of arms on the reverse.



## Germany 20 Mark Wilhelm I & II



Minted: 1874-1888

Minted: 1890-1913

.2304 ounces net fine gold

The later German 20 Mark gold coins are two of the most popular with investors. As the last gold coin minted prior to the disastrous inflation that befell Germany in the 1920s, they proved to be life-savers for those who had the foresight to put some away before economic disaster struck. At the height of the 1920's Nightmare German Inflation, a family's life savings could not purchase a cup of coffee. A purse of Wilhelm 20 Mark gold coins on the other hand stubbornly held its value, a lesson that has not been lost on the modern saver, particularly those of German descent. Even today, it is said the nightmare inflationary experience of the 1920s affects central bank and federal government economic policy.

Wilhelm I was known for his deep religious convictions, high sense of honor and integrity. He was able to unite Germany under his rule and became its first emperor. Fairly or not, Wilhelm II is generally recorded in history as one of its dark players -- highly intelligent, but also tactless, vain, ambitious and adventurous. Historians believe his policies in the early 20th century, particularly toward Britain and France, drove Europe to the brink of war. Forced to abdicate after the war, Wilhelm II lived the rest of his life in exile in the Netherlands.



The Wilhelm II "Military" (1913-1915) is difficult to find in quantity and a perennial favorite among gold investors and collectors.



Great Britain Sovereign  
Queen Victoria

Young Head

Jubilee Head

Veil Head



Minted: 1838-1901; 1887-1893; 1893-1901

.2354 ounces net fine gold

Queen Victoria Sovereign gold coins invoke a special nostalgia for a time when the British Navy ruled the seas and the sun never set on the Empire. London flourished as the trading and financial capital of the world; Britain became the center of rapid technological innovation; and India glittered as the Crown Jewel of the Empire. The gold Sovereign came to symbolize British financial solidity and to this day enjoys a strong international market, wide-spread recognition and strong liquidity.

The mints were pressed to keep pace with Queen Victoria's 64-year reign. Several different portraits were utilized beginning with the Young Head portrait (1838-1887), followed by the Jubilee Head design (1887-1893) and finally, the Veil Head design (1893-1901) which features the mature Victoria. All three designs display St. George slaying the dragon on the reverse. These Queen Victoria coins have lower mintages and are considerably scarcer than the King Sovereign issues of Edward VII and George V which followed.



The "Young Head" is offered for sale in quantity infrequently. The "Jubilee" is more readily available, and the "Veil" head is seen more often than the rest. For the most part, the early Queen Sovereigns are either on the low end of uncirculated or circulated condition, with the "Veil" head variety often sold in uncirculated condition at a premium to the 'King' Sovereigns described on the next page.



## Great Britain Sovereign “Kings”

King Edward VII

King George V



Minted: 1902-1910; 1911-1925

.2354 ounces net fine gold

The first British Sovereign was minted under the Tudor King Henry VII in 1489. It gets its name from that first mintage which depicts the monarch seated majestically on the throne facing outward. The current design type with St. George slaying a dragon on the reverse and the monarch on the front was introduced nearly 200 years ago in 1816 under George III. The Sovereign was minted almost continuously from that date until 1932, when Britain went off the gold standard. Minting was resumed in 1957, as a bullion coin, with Queen Elizabeth on the obverse. As such, it holds the distinction of being the only pre-1933 coin to carry over to the modern era.

British Sovereign ‘Kings’ minted during the reigns of Edward VII and George V are probably the most widely owned and recognized gold coins in the world -- so much so that the U.S. Army included them as part of its special forces survival pack for a number of years. Over 600 million of the St. George design Sovereigns were minted from 1816 to 1932, and other types come in a high state of preservation. Still today, an original bag of one thousand occasionally shows up in the marketplace.

The Edwardian era, named for Edward VII, differed sharply from the rigid and somewhat puritanical Victorian age which preceded it. Edward’s reign was a brief and happy time of peace and prosperity for Britain before the shadow of World War I descended upon Europe. George V and his wife, Queen Mary, made the monarchy a symbol of conservative, middle-class virtue. George relinquished his German titles and adopted the name of Windsor for the British royal house.



## Italy 20 Lira

### Victor Emanuele II



Minted: 1861-1874

### Umberto I



Minted 1880-1897

.1867 ounces net fine gold

Victor Emanuele's place in history is inextricably connected to that of Giuseppe Garibaldi, the Italian revolutionary leader with whom he collaborated to unite Italy under a single kingdom in the mid-19th century. Prior to that, Italy was a loose confederation of states. Known among the Italian people as 'the honest king,' Victor Emmanuel became the symbol and central figure of the 'Risorgimento,' and spent the rest of his monarchy consolidating the new kingdom.

He was succeeded by his son, Umberto I, who was known for his inclination to constitutional government. Generally seen as good-humored, tender-hearted and generous, he was thought by his subjects as 'Umberto the Good.' The beloved leader fell to an assassin's bullets in 1900.

The Italian 20 Lira coinage under Emanuele and Umberto was relatively short-lived and the mintages small when compared to other items in its genre. These items are generally available in uncirculated condition and are essential to any collection of 19th and 20th century gold coins. Despite the small mintage, the pricing is favorable.





## Mexico Pesos

50 Pesos

20 Pesos

10 & 5 Pesos



Minted: 1921 - 1931; 1944-47

Minted: 1917 - 1921; 1959

Minted: 1905-1920, 1959

1.2057 ounces

.4823 ounces

.2411 ounces

The 20th century is rife with examples of financial breakdown and Mexico's rendezvous with economic disaster in 1994 is among the most instructive. The crisis began, as happens so often in these affairs, with a surprise announcement by Mexico's government that the currency had been devalued. As soon as it was made public, depositors lined up at the banks to retrieve their money and inundated brokerages with sell orders. A general panic gripped the nation almost immediately. The inflation rate went to 50% overnight, and interest rates soared to 70%.

Only a proper diversification into gold *well before* the crisis emerged properly insulated savers from the devaluation's pervasive reach into every area of the financial system. In many cases, those who managed to diversify did so in the coins shown above. Immediately after the devaluation, the price of gold went from 1200 pesos per ounce to 2500 pesos, and from there it exceeded 3000 pesos in 1995, living up to its reputation as a safe-haven for investors.



First minted in 1921, the 50 Pesos gold coin honors the Centennial of the successful end of Mexico's War of Independence. The 20 Pesos gold coin features the mysterious Aztec calendar, or Sun Stone, likely the most recognizable symbol of Mexico. The 10 and 5 Pesos coins feature Miguel Hidalgo, considered the chief instigator of the Mexican revolution and the "Father of the Nation." In open defiance of Spanish rule, he united the downtrodden and indigenous peasants in a revolt in 1910, thus beginning the War of Independence. Hidalgo was captured shortly after the uprising began and was publicly executed.



Netherlands 10 Guilder  
King Willem III



Minted: 1875-1889

.1947 ounces net fine gold

Holland is most famous in financial history for its Tulipmania in 1637 -- the prototype financial bubble against which all other bubbles will forever be measured. It is also known for the gold 10 Guilder coins which grace many modern gold portfolios.

Though tulip bulbs have spent the last 366 years in happy financial dormancy, the more contemporary mania involving stocks and irredeemable paper money continue to crop around the globe with disturbing regularity. A Dutch newspaper reported in 2002 that there now exists a tulip appropriately named *Dow Jones*, and advised that stock market investors might consider cashing in their holdings and investing the proceeds in (you guessed it) . . . tulip bulbs. It seems they are once again on the upswing. History teaches us that gold coins, like the Dutch 10 Guilder, protect one's portfolio against such mania.



Dutch Kings, as they have come to be known, are more difficult to obtain than the better-known Queen Wilhelmina 10 Guilder gold coins shown on the next page, though high-end brilliant uncirculated specimens show up often. The obverse depicts King Willem III, a ruler known for his autocratic tendencies. England's Victoria referred to him as the 'uneducated farmer.' He died in 1890 leaving the throne to his precocious daughter, Wilhelmina.



Netherlands 10 Guilder  
Queen Wilhelmina

Long Hair

Younger Portrait

Older Portrait



Minted: 1892-1897; 1911-1917; 1925-1933

.1947 ounces net fine gold

Queen Wilhelmina ascended the throne at a young age after the parliament passed a special law allowing a woman to become monarch. She first displayed an incisive intelligence during a meeting with the powerful Kaiser Wilhelm II of Germany prior to World War I. Wilhelm boasted to the young Wilhelmina that 'my guards are seven feet tall and yours are only shoulder high to them.' To this, she replied politely: 'Quite true, Your Majesty, your guards are seven feet tall, but when we open our dikes, the water is ten feet deep!'

Later, Wilhelmina would display this same acumen in the world of business and finance. She amassed a fortune from her investments and business dealings, becoming one of the most wealthy individuals in the world and the first female billionaire. She moved throughout her life in the highest circles of international finance.

Known for her spunk, she called Adolf Hitler "the archenemy of mankind" after being forced to leave Holland for England during the German invasion. In 1953, when the country was devastated by floods, she bicycled the countryside at 73 years of age offering hope and inspiration to the Dutch people.

This series remains a popular addition to collections in both the United States and Europe. The "Long Hair" surfaces in bulk quantities only rarely, but when it does, the grade is often uncirculated. The other two varieties are more common with many in an excellent state of preservation.



Russia 10 Roubles

Nicholas II



Minted: 1898-1911

.4892 ounces net fine gold

Czar Nicholas II, pictured on the obverse of the coin, and his family suffered a sad and horrible fate at the hands of the Bolsheviks in 1917 when the whole family was brutally murdered. These coins reflect a happier time when the Romanovs ruled over a vast territory and became one of the most powerful and wealthy dynasties the world has ever known. Nicholas, misguided by his mystical wife and the mad monk, Rasputin, was an autocrat who crushed all hope of democratic reform--a circumstance which irrevocably alienated the Russian masses, contributed to his family's fate at the hands of the Bolsheviks, and led later to the even darker regimes of Vladimir Lenin and Josef Stalin.



The reverse of these Rouble gold coins features the devices of the imperial coat of arms and the seal of 'His Tsarist Majesty' - a two-headed eagle (first introduced by Ivan the Terrible) with three crowns representing Astrakhan, Kazan and Russia. Hanging over the eagle's breast is a shield on which a horseman is slaying a dragon -- a symbol well known to all holders of the popular British Sovereign.



Sweden 20 Kroner  
Oscar II



Minted: 1873-1902

.2593 ounces net fine gold

Over our many years of handling pre-1933 European gold coins, we have offered the Oscar II from Sweden as a special just twice, though we consistently get availability inquiries. The reason? Swedish 20 Kroner gold coins are difficult to find. The mintages are low to begin with, and the availability of large hoards is hit and miss. The mintages on the entire issue of the 20 Kroner are less than 12 million pieces -- very small when compared to the British Sovereigns and Netherlands Guilders, by way of example, which were minted in the multi-millions.

These hefty specimens are eye-catchers and the state of preservation usually high. There are two mintage types: The first minted from 1877 to 1899 depicts a young Oscar II while the second minted from 1900 to 1902 (not shown) portrays a mature Oscar II. The heraldic side of the coin is particularly striking.



Oscar II was a man of culture and learning -- an able musician and writer. His reign was noted for Sweden's industrialization. This was also the period when approximately 1.5 million Swedes emigrated to the United States and settled largely in the upper American midwest. This coin is an excellent companion piece for the Denmark 20 Kronor discussed earlier in this booklet.



## Switzerland 20 Franc

Confederatio

Helvetia



Minted: 1886-1896



Minted 1897-1935

.1867 ounces net fine gold

Owing to its central geographic location among the great powers of Europe, Switzerland has been a commercial and banking center for centuries. It is famous for its role in the gold market where 'the gnomes of Zurich' are said to hold much sway. The 'gnomes' made their first splash in the gold market when they convinced South Africa that Swiss bankers would be a better market for its gold than the London variety. Russian gold business quickly followed the South African lead. Noted gold authority Timothy Green once said that "Gold is as much a part of Switzerland as the Alps and skiing."

Many individuals in Europe and elsewhere who do not trust their own governments and financial systems trust the Swiss to handle their money. As a result, much of the world's privately held gold is stored secretly in Swiss vaults. For centuries, Swiss bankers and money men have recommended gold coins and bullion as standard portfolio inclusion.

The Swiss 20 Franc gold coins reflect Switzerland's commitment to both gold and republican principles. The 'Confederatio' commemorates the assemblage of the twenty-five Swiss cantons into the modern federal state. Lady Liberty graces the obverse and the Swiss cross the reverse. The 'Helvetia' is one of the most popular pre-1933 European gold coins, and traditionally trades at a very low premium over the gold price.

Investor Note: Some firms offer the 1935 mintage at a lower comparative price to the earlier coinage. If your interest is to acquire items dated before 1933, be certain that you are not inadvertently buying the 1935 item.



## United States \$20 gold piece

Liberty

St. Gaudens



Minted: 1866-1907



Minted: 1908-1932

.9675 ounces net fine gold

Nothing demonstrates dollar depreciation to Americans more precisely than coins from the Gold Standard era, particularly the artistically beautiful and popular \$20 gold pieces, also known as Double Eagles. Although each was minted with a face-value of \$20, the coin's value today just in terms of gold content exceeds \$1000.

The *average* premium during the past decade for U.S. \$20 gold pieces has been in the 35% to 40% range, significantly higher than the premiums generally prevailing for other pre-1933 coinage -- a circumstance that bodes well for European and South American coins which can be acquired now at roughly half that premium. By way of example, in the wake of the 1997 - '98 Asian Contagion economic crisis, coincident with the West's own financial jitters in the run-up to Y2k, safe-haven investors (for reasons outlined in the Introduction to this booklet) drove U.S. gold coin premiums to *nearly double* the gold content.

Given the prolonged nature of the financial crisis which began in 2008, and the continuation of economic uncertainties, demand should continue unabated for pre-1933 gold coinage as a whole; and the average premiums, under the right circumstances, could rise to match that of the U.S. \$20 gold pieces. Whether the European and South American coins will follow such a path remains an open question, but as suggested in the *Introduction*, the prospect presents no additional risk for the investor who wants to own safe-haven gold anyway.



## Uruguay 5 Pesos



Minted: 1930

.2501 ounces net fine gold

It seems to be the sad legacy of many Latin American currencies to suffer "an endless death" at the inflationary hands of their official custodians. And so it has been with the fate of the Uruguayan peso during the latter half of the 20th century. Today, after a more or less continuous battle with inflation in Uruguay, doing the calculations with spot gold at \$1000 per ounce, each physical 5 Pesos gold coin retains the same purchasing power as would currently require 6,000,000 of the original "old pesos" issued 75 years ago.

Listed in *The Standard Catalogue of World Gold Coins* as the only coin of its design type and minted in 1930 only, the catalogue notes: "Only 14,415 were released. Remainder withheld." A hoard of roughly 80,000 coins was released, rumor has it, by the Argentina Central Bank in 1998, and most of those coins were placed immediately with private investors and collectors.



Examination of this coin reveals the words 'Republica Oriental Del Uruguay' (Oriental Republic of Uruguay). The designation "Oriental" in the official name of Uruguay refers to the country's location upon the eastern bank of the Uruguay River, which separates it from Argentina to the west. Comprised of a population exceeding 3.25 million largely derived from Spanish and Italian descent and occupying a landmass about the size of Oklahoma between Brazil and Argentina, Uruguayans, in fact, sometimes call themselves "Orientals."

## Acknowledgements

I would like to thank three of my colleagues without whom this effort would not have reached fruition: Randal Strauss who is responsible for the remarkable coin photography displayed throughout the booklet, Jonathan Kosares who contributed to several of the vignettes, and finally, George Cooper who did the copy editing.

## Legal Disclaimer

This booklet is distributed with the understanding that it has been prepared for informational purposes only and the Publisher or Author is not engaged in rendering legal, accounting, financial or other professional services. The information in this booklet is not intended to create, and receipt of it does not constitute a lawyer-client relationship, accountant-client relationship, or any other type of relationship. If legal or financial advice or other expert assistance is required, the services of a competent professional person should be sought. The Author disclaims all warranties and any personal liability, loss, or risk incurred as a consequence of the use and application, either directly or indirectly, of any information presented herein. This booklet does not guarantee that pre-1933 gold coins would be exempted from a confiscation should it occur, nor is it meant to offer a formal legal opinion on the subject.

For more information visit:

[www.usagold.com](http://www.usagold.com)