

“There is nothing more powerful than an idea whose time has come.”

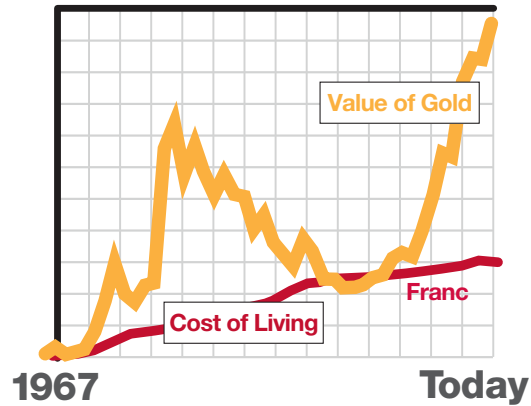
Victor Hugo



“A franc-gold combination would bring more security”

Prof. P. Bernholz

**Winning Combination...
Gold Coin & Franc**



SWISS GOLD COINS

Simple • Practical • Safe

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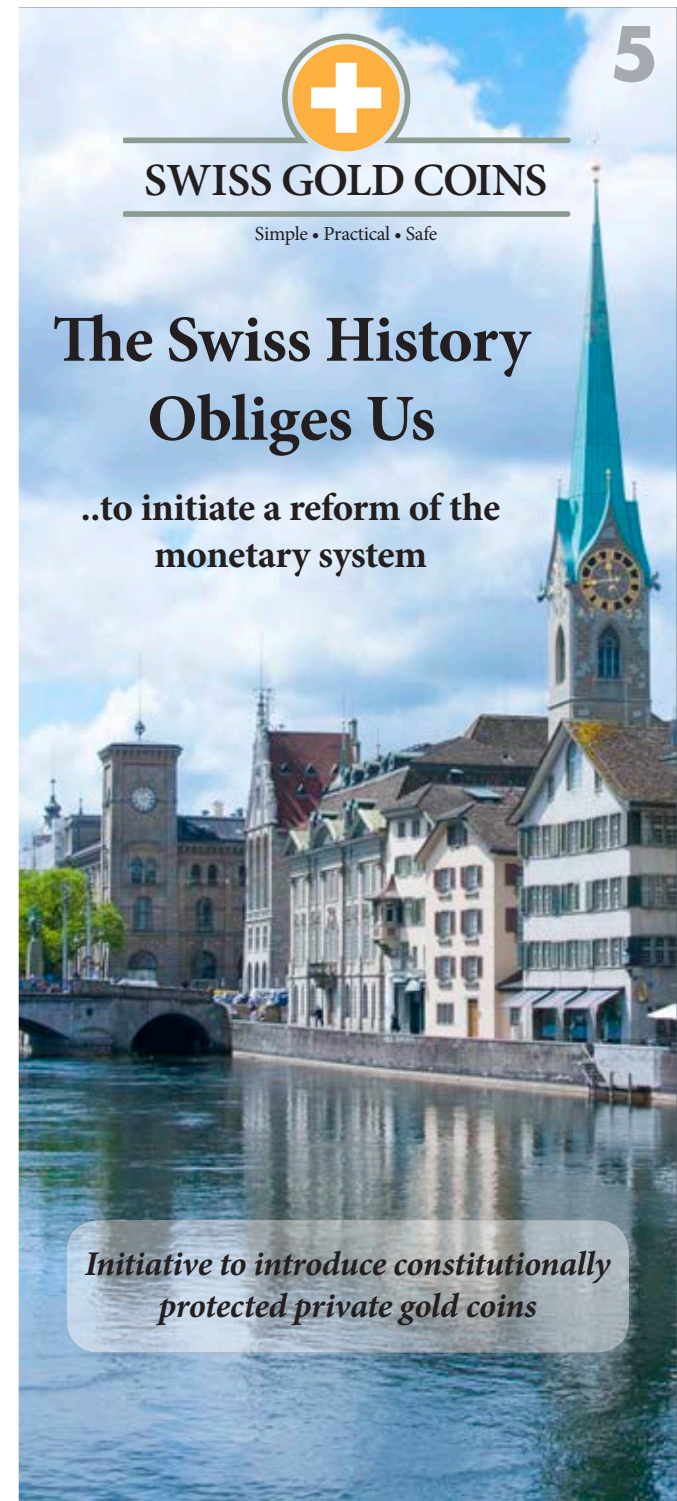


SWISS GOLD COINS

Simple • Practical • Safe

**The Swiss History
Obliges Us**

**..to initiate a reform of the
monetary system**



*Initiative to introduce constitutionally
protected private gold coins*

Financial Crises and Gold Go Together

Our current paper money system exists since 1971, it has virtually left its childhood behind and is now in a serious test. Before 1971, under the Bretton Woods system, central banks in the world could always exchange surplus dollars in the U.S. for gold. However, the gold reserves of the United States were limited, and as long as the right to swap Dollars was taken seriously, the U.S. could not print as many dollars as they wanted. Since 1971 this right to swap no longer exists and along with it the last “natural” limits for the multiplication of money fell away. The global financial system can create any amount of money for the first time in the history of mankind. This allowed for a historically unprecedented and unsustainable growth of money and debt. Economists now widely agree that the debt problem of the world is unresolved and potentially dangerous, it will probably be solved only through long-term sovereign defaults and (or) inflation.



For over 10 years the price of gold has been rising continuously. Lately, and for the first time since 1971, even central banks, according to the IMF appear as net buyers of gold. The reason for this probably lies in the fact that buyers distrust the dollar and want to diversify and secure their huge foreign exchange reserves. The renaissance of gold will continue for at least as long as the problems in the paper money system persist. The larger these problems, the more people want to secure themselves financially with gold. If the paper money system should collapse (which we neither want nor expect), we would find gold once again as a standard of value, maybe even used as a medium of exchange. No other good has its monetary quality. No other good can and will replace gold in this function. Gold Money is the precursor and the origin of paper money, you could say our respect for it is as obvious as the respect for our ancestors.

Free Gold Trade in Danger

History serves as a warning of what even civilized societies are capable of in times of crisis: When U.S. President Roosevelt in 1933 wanted to devalue the dollar, the U.S. citizens had to exchange all their gold money against paper dollars, private ownership of gold was prohibited to the Americans under the threat of draconian penalties until 1973. For our northern neighbors, the use of gold coins was prohibited



during the hyperinflation of 1923, and under the Nazis gold ownership meant economic sabotage. It was punishable by death. Since 1 January 2012, all Americans need to re-register all gold purchases and sales over \$ 600 per year to the tax office, and in Germany the fear of renewed taxes and regulations is on the rise in relevant circles.

The Swiss gold trade has so far escaped unscathed, but it stands on a shaky legal basis. The production of practically useable gold coins is forbidden by the Coinage Act and an easing of this ban could be reversed just as quickly. The taxation of gold is monitored by the VAT authorities: there are presently ongoing investigations, whether certain types of investment in gold, which have so far been exempt from VAT, shall newly be subjected to it. Under such conditions, no long-term strategies and investments are made. Piquant detail: Singapore has just last year got rid of this VAT on gold. It does not take the mind of Einstein to predict in which direction the business and the jobs will tend to move in the future.

A Gold Money Strategy for Switzerland

Switzerland now has a singular opportunity to pursue a proactive gold money strategy thanks to our direct democracy. The goal is an amendment to the Swiss Constitution to legalize the production of practically useable Swiss Gold Coins. The federal government creates a set of gold coins, each coin with a prescribed amount of gold in grams. It may regulate the naming, for example guilder and controls the privately produced coins especially in regard to the correct gold content. The Swiss Gold Coins should have the same legal status as other currencies, in particular the protection from taxation and confiscation.

These coins are something like new, privately produced “Vrenelis”, suitable for everyday use and legally protected. Technically and economically feasible are gold coins starting from 0.1 grams of gold in the center, which means around 5 Francs worth of gold at today’s market price, compared to around Sfr 260 for a regular Vreneli. Such simple Swiss Gold Coins also allow the proverbial “common man on the street” access to gold. Gold becomes as easy and convenient as today Euros or Dollars. They will be used for savings plans, in life insurance products and pension plans. Under such circumstances, 99% of the population will probably soon possess gold, compared to 13% today. Only then, when the overwhelming majority of the population has a personal interest in gold, the legal protection against taxes and restrictions is maximally guaranteed.



Our Historic Obligation

The mere existence of practically useable Swiss Gold Coins will increase the public’s understanding of money issues and hopefully help to avoid catastrophic scenarios. When people get to know gold coins they will wonder why these tend to gain in purchasing power, while the paper money loses its value permanently. The Swiss Gold Coins could put into question the current dogma, according to which inflation is necessary and beneficial, and thereby hopefully help to stabilize the paper money system.



Such constitutionally protected Gold Coins exist nowhere in the world and represent a unique opportunity for Switzerland.

There are good reasons why the nations of the world defend their monopoly of money: the issue of paper money is very profitable. Any State may, at any time, tax its citizens through inflation. And it can favor individual economic sectors through its monetary policy.

No state will therefore become active by its own and legalize potential competition by practically useable gold coins. But such a stable, non-reproducible alternative is certainly in the interest of every citizen, as it protects his savings from arbitrary inflation, taxation and redistribution. Only in Switzerland, the citizens can enforce their own interests, if needed against the interests of the state, through direct democracy. With the introduction of the Swiss Gold Coins, the Swiss citizens would not only act in their own interest, but in the interest of all citizens of the world, which have no such political options. Swiss Gold Coins make it easier for all people around the world to rescue their savings from inflation caused by the desperate Treasury.

We are not only responsible for what we do but also for what we do not do

Time is short, the signs of the global monetary sky point to storms brewing. The time for the idea of the Swiss Gold Coins has come. Switzerland has now a unique opportunity to put its own stamp on the idea, or better its Swiss cross. Otherwise, some other state might grab the chance. The gold coins will then bear, instead of the Swiss cross, stars, crescents, or double eagles.

*Vreneli is the informal name of legal tender gold coins produced in Switzerland. These coins were last issued in 1949.