All gold is created equal right? wrong! And generally this is the most common mistake made by those who have decide to take action to protect their finances. But if all gold is not equal , which is the best for you and your portfolio objectives. In this narrative we will explore the various types of gold and how they perform in both bull and bear markets. After you have the information, you can determine which is best for your personal situation.

For years the people have used gold to protect their portfolios from the ravages of inflation and political instability. They realized by looking back at history just how important gold ownership is. In America back during the bull market of 1979-80 I saw most people purchase the South African kruggerrand and Canadian Maple leaf. Both coins came in a one ounce version and offered fractional thereof. No matter how much gold you wanted, or in whatever denominations , you could get it in either coin. Both these coins maintained small premiums above their weigh in gold at the time of purchase and sale.
We also saw many people purchase the Mexican 50 peso (1.2 oz.), Austrian Korona ,
Hungarian Ducats and British Sovereigns. During the run up of 79-80 however these coins traded at "negative premiums". In simpler terms, they sold for less than their weigh in gold.
You how could that be? Real simple. When you have a ton of coins sold unto the market all at once, dealers have the luxury of buying what they want at the price they want to pay. Especially if nobody else wants the type of coin you have. On the other hand, if you have what is in demand at the times, you control the price of what you sell. Remember, all gold did extremely well during the bull market. Just certain forms of gold did better than others.
For example, jewelry gold was selling at a discount as a result of gold traders melting the gold down and turning it into bullion to meet the demand that existed for bullion at the time.
Bags of silver coin that had a bullion content equal to $35,000 were selling at $27,000 because dealers had to send the bags to the refineries into order to make the coins into bullion bars. Kruggerrand and Mapleleafs were clearly the most popular forms of gold bullion coins at the time of the 79-80 bull market. But was their popularity founded? was their in fact a better way to own gold back during that time? And in fact could you have been more profitable with your portfolio had you been positioned properly? The answer is an arousing YES!

During this same time period there was a form of gold that so outperformed bullion gold coins that many still can't believe it happened. High grade US. $20 Double Eagle gold

coins actually increased as much as 501% more than the plain bullion gold coins.
These beautiful works of art outperformed the bullion hands down while still allowing it's owner the ability to hold gold in a nearly one ounce gold coin. We have compiled the charts in windows 1, 2, 3, to show you just how well US. $20 gold coins did as in relation to just straight bullion gold coins. As you can see with your own eyes the results are astounding. Just a short review of the numbers clearly show how far superior $20 gold coins performed versus their bullion coin counterparts.

Chart I is an analysis of the long term price trends of London gold versus a Mint State 65
$20 Liberty gold coin. As you can see in a flat market in bullion (1976-79) performance remained relatively close between both coins. But look at what occurs when the market starts to heat up as it did in 1979-1980. As you can see, the $20 gold coin keep pace with the bullion gold until the market started to correct in mid 1980. Then as gold bullion started to drop, the $20 gold pieces kept increasing far beyond that of the bullion gold and finally plateau and held their increases while the bullion dropped. This leveling off effect gave investors the opportunity to liquidate at the highs of the market instead of getting stuck in a sharp downturn which was experienced in the bullion. The data unquestionably shows that the right position to have in the bull market was $20 gold pieces and not bullion gold coins. As you can see Rare gold coins tend to rise with bullion, yet resist corrections that bullion coins normally experience.

The next area of performance to look at is that of flat of declining markets and see how the two different types of gold performed. Chart 2 illustrates a period from 1983-1985 in which gold bullion prices were in a steady decline. With a few small corrections along the way, bullion continued to drop. However, look at the performance of the $20 gold coin during this same time period. We see steady and continual grow despite the price of gold dropping. Also notice the leveling out periods were $20 gold pieces went sideways. With the exception of a major correction in late July of 1984, the $20 gold piece performance was far superior to that of the bullion gold.

If that were not enough evidence as to why to own $20 U.S. gold coins, look what happened next. From 1985 while bullion prices remained locked into a very narrow trading range of $285 lows to $500 highs, the $20 gold piece continue to increase and increase rather dramatically through the summer of 1989 and then after a radical correction in 90-91 remained constant with the bullion markets once again.

I hope you now see why we are so excited about the possibilities for $20 gold coins in the future. Simply put they are beyond any shadow of a doubt from strictly a performance stand point alone the ultimate way to own gold. There are other aspects beyond performance however that really make $20 gold coins the more attractive way to own gold

Many people have either reader heard about the recall of gold in 1933 by President Roosevelt. That's right a recall of gold did occur. It came via Executive Order April 5,1933 :

"By virtue of the authority vested in me by Section 5(b) of the Act of Oct. 6,1917, as amended by Section 2 of the Act of March 9, 1933 entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuit to said section do hereby prohibit the hoarding of GOLD COINS , GOLD BULLION, AND GOLD CERTIFICATES within the continental United States by individuals, partnerships, association and corporations...
All persons are hereby required to deliver on or before May1,1933 to a Federal reserve bank or agency thereof or to any member bank of the Federal Reserve System all GOLD COIN, GOLD BULLION and GOLD CERTIFICATES now owned by them or coming into their ownership on or before April 28,1933, EXCEPT the following:
b.) GOLD COIN and GOLD CERTIFICATES in an amount not exceeding in the aggregate $100.00 belonging to any one person; and GOLD COINS having a RECOGNIZED SPECIAL VALUE to COLLECTORS of RARE UNUSUAL COINS.....
Section 9. Whoever willfully violates any provisions of this Executive Order or of these regulations or of any rule, regulations , or license issued there under may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agency of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.
Signed: FRANKLIN D. ROOSEVELT
The White House
April 5,1933

This one Act virtually change the face of our economic structure in America. The one true form of wealth that could not be manipulated by the government for the banks was now illegal to own in the U.S.A. Hard to imagine, but it did happen. Any many are saying today it could happen again and I believe it will. The reasons will be different , but the result the same . I believe we will see the government

recall private gold and make ownership illegal. Mr. Roosevelt needed to gold in order to print money against it to pull us out of the Great Depression. Back then our printed money had to be backed by something of value. Our "NOTES' were promises to pay gold and silver. While we don't need gold and silver to print money (sad but true) the government wants it out of your and my hands because it is one of the few assets left in the world that the Federal Reserve and the government can't control. It represents freedom form their very closed system.
Now you say "but Craig, they recalled the gold bullion and coins". Almost correct. You see Mr. Roosevelt did something that we should all be very happy about . Under section 2(b) he made an exception for GOLD COINS having a RECOGNIZED special value. In simpler
terms, Numismatic Gold coins. Wa la- $20 gold coins with recognized special value.
If confiscation of gold was to happen again tomorrow, those of us who are holding high grade $20 gold coin should be exempt from participating in the recall. Now we all know that the government can change anything they want, but I think it would be very difficult to challenge a law that has been on the books for decades.

Another aspect that make $20 gold coins so attractive is the unique privacy that they afford to their owners. Unlike Gold bullion coins which must be reported at time of liquidation to the IRS on form 1099B, $20 gold coins with a premium of 15% or greater above their bullion value are exempt from such reporting. Although it is your responsibility to report your profits and losses accurately, the dealer is not required to do so in the case 0f $20 gold coins with 15% greater premium over melt value.

To most people in America today privacy is still a very important part of their lives. Most other assets or investments that you can own in America are very visible, trackable, reportable and also open to government scrutiny. Every sound portfolio should have a portion of it's value in assets that no one knows about but the owner. The 4th Amendment to the Constitution still guarantees your right to privacy. The $20 gold coin represent one of the last forms of wealth you can own that is strictly under your watchful eye and not that of Big Brother (0r sister Hillary).

In conclusion, which is the best buy for your money when you are buying tangible in the form of gold to protect your future? It depends! If you don' t mind the government knowing your every move in gold and have no fear that the government one day make take your gold as they did in 1933, then buy bullion. If non-repeatability and privacy of your transactions are not important , then stay with bullion. If maximum returns for dollars invested is not a consideration, well I guess buy bullion. BUT! If non-reportable, non-

confiscatable private ownership of gold is what you seek the choice is simple. The facts speak for themselves. Numismatic gold provides Maximum profits in all market conditions. It provides total privacy and eliminates government interference in your personal finances and allows you worldwide market excitability. My wife and I personally hold only Numismatic Gold coins to protect our future. How about you? I could give you a list of very important people who believe just like we do . Why? Because they have read the facts and concluded (as probably you have now) that Numismatic gold is the superior way to own gold.

Today in America there is a almost unanimous felling that something is wrong yet no one seems to be able to get a handle on just what it is. We all know taxes are to high, but we continue to pay them. Many believe the president is incompetent, but he keeps leading. We are told that the economy is great, but we don't see it. So why in the world is this feeling of emptiness so pervasive in our land today?

I wonder if this same feeling was felt during the days of the late 1920's. This was a time when we had just come off a great spurt of growth in the U.S.A.. We had a little trouble in 1907 when the Stock Market took a sharp drop. It was March 13,1907 when Wall Street had what looked to be a melt down. Large railroads led the drop with the Reading, Great Northern, Northern Pacific and Union Pacific line suffering loses of 10 to 11 points themselves. Analysts linked the crash to several banks with heavy short-term needs for cash. Trading was relatively moderate at 2.2 million shares never approaching the level of a general panic. But the plunge followed a period of declining prices that business execs attributed to President Roosevelt's trust-busting efforts. However William Jennings Bryan says the reason is the public is now refusing to trade in "watered stocks"."Must the government refuse to investigate rotten management for fear the mismanaged railroads will no longer be able to FOOL the public into buying INFLATED securities?". I wonder if that same question asked today by many, can explain this feeling of confusion that permeates our land today? Are we today in America being lured into to buying INFLATED securities with the Stock market trading at record level PE ratios?

During this same year of 1907 There was another need to intervene in the processes of Wall Street to keep our economic future moving forward. You see lack of CONFIDENCE threatened our economic health. So a very powerful man of his time J.P. Morgan at midnight on Nov.3, 1907, with New York city's largest banks beset by runs that had gone on for three weeks, locked the Presidents of these banks into the West room of his 36th street office. By 5 am. the next morning they had pledged 25 million dollars to SALVAGE the banks. Morgan did his part by buying Tennessee Coal and Iron who was threatening to declare bankruptcy which was about to tear down Wall Street with the announcement. Before the market opened the next day the call came through from Judge Elbert Gary "all is well". Obviously this averted a major catastrophe on Wall Street.

Then the year 1929 came rolling in for what the history books would recount as the year of the "crash". The year when CONFIDENCE and STRENGTH would yield to panic and

weakness. And the sad part of it all, we never thought it could happen. Not in the great United States of America.

We had always avoided this type of crisis in the past, yet it was happening to everyones shock and dismay. The headline in the New York Times said it all "BLACK TUESDAY!! WALL ST. IN CHAOS AS STOCKS CRASH". Frightening when you stop and think about for just a moment. Let me take you back to that time for just a moment and let you experience what those Americans who are just like you and I went through. Remember they were just like us!! They had jobs and kids and bills. Hopes and dreams for their children, just like you do. And overnight their lives fell apart.
The reports tell us that on the day of Oct.29, 1929 panic and fear gripped the floor of the New York Stock Exchange. The wildest of rumors spread through the whole financial district. Ambulances raced to buildings where bankrupted investors are reportedly killing themselves. Whether these stories were true of not (latter confirmed) the very spectacle of a Market gone mad had drawn crowds of thousands to the exchange building. 20 additional mounted police are rushed to the scene to helped the already overwhelmed police officers who are attempting to keep order in the midst of unbelievable chaos. Among the crowd are hundreds of desperate investors waiting to learn the fate of their life savings. Investor held hostage to what the "MARKET" says they are worth. Even those who had nothing in the market are at the scene just to experience the morbid excitement of all that was happening. When I read about what happened and talk to eye witnesses of all this, I see just truly how much people then are no different then people now. Remember when people lined the streets recently to see Al Cowlings and O.J. Simpson run from the police on the freeways of Los Angeles?
Reports keep coming in. People like David Korn of Providence Rhode Island are reported dropping dead a they watch the "tape" coming off the machine that spells disaster to their finances. By the end of the week it is reported that at least $15 Billion has been lost and America is in shock. And to calm the fears of all, Assistant Secretary of Commerce Julius Klein went on a nationwide radio hookup to remind the nation of the words of President Herbert Hoover of the past Friday when he said "The fundamental business of the country, that is production and distribution of commodities, is on a sound and prosperous basis". Very all to familiar to what we here from Mr. Clinton and his aides like Panetta and Bensten today. Like the people of the 1929 era , I don't believe all the "GOOD NEWS". Believe me, I would like to but I also can't fool myself just to feel better. That in my opinion is one of the problems today. People don't want the truth, they just want to "FEEL GOOD".

We as a nation must face some cold hard facts before we get the same rude awakening that Americans before us got. We

have to wake up to the facts that if we are in the "MARKET" that is controlled by forces other than a true "FREE MARKET" then we can be affected by the forces that control the shots unless we take steps to protect ourselves.
We have to realize that the system that was put into place circa 1913 is designed to work against us and not for us.
I know that many of you will say "Craig you are so negative. Give it a rest Craig, it's not as bad as you think". You think not my friends? Well, you are wrong and I can't stop blowing the horn of warning. For if just one of you heeds my warnings and wakes up to what is happening, well, I have done my job. You must understand and except this system is by design slowly selfdestructing. And the sad benefactor of that destruction will be your money, your hardwork and your future. Don't get mad at me. I didn't design the system. Let me show it to you in a very simple way.

In 1913 we instituted two factor in the U.S. that would literally seal the fate on our financial freedom. First was the 16th amendment that allowed the volunteer collecting of Federal income Tax and the Federal Reserve Act. The Federal Reserve Act of 1913 was in my opinion was the single most devastating Act Congress has ever adopted. It would literally take the future away(if we don't protect against it) from the citizens and place into the hands of a few powerful men.
Listen to the words of Louis T. McFadden Chairman of the House Banking and Currency Committee spoken before Congress on June 10th 1932:
" WE HAVE IN THIS COUNTRY ONE OF THE MOST CORRUPT INSTITUTIONS THE WORLD HAS EVER KNOWN. I REFER TO THE FEDERAL RESERVE BOARD AND THE FEDERAL RESERVE BANKS. SOME PEOPLE THINK THE FEDERAL RESERVE BANKS ARE U.S. GOVERNMENT INSTITUTIONS. THEY ARE NOT GOVERNMENT INSTITUTIONS. THEY ARE PRIVATE CREDIT MONOPOLIES; DOMESTIC SWINDLERS, RICH AND PREDATORY MONEY LENDERS WHICH PREY UPON THE PEOPLE OF THE U.S. FOR THE BENEFIT OF THEMSELVES AND THEIR FOREIGN CUSTOMERS. THE FEDERAL RESERVE BANKS ARE THE AGENTS OF THE FOREIGN CENTRAL BANKS. THE TRUTH IS THE FEDERAL RESERVE BOARD HAS USURPED THE GOVERNMENT OF THE UNITED STATES BY THE ARROGANT CREDIT MONOPOLY WHICH OPERATES THE FEDERAL RESERVE BOARD".
Truer words have never before or since been spoke on the floor of Congress. McFadden warned us of just what the Fed was all about yet very few listened. If we do not heed that warning soon, we will be awaken by a loss of wealth that will make 1929 look like child's play. And the scariest part of all, It won't come in the visible form we saw in 1929. That would be to obvious and many would see it coming. It will come as a thief in the night when nobody expects it. It will be hard to see until after it occurs. The process itself started over 20 years ago in our country and with exception of a few has deceived millions of citizens already.

Plain and simple my friends, they are devaluing your money right underneath your nose. They tell you about it in the Newspaper and on T.V. You see the Headlines:

"Dollar hits post W.W.II lows"
"Dollar lose ground against foreign currency"
"Treasury Plans New Dollar Bills"
"New Currency Revealed"

And my only question is - What have you done to protect yourself and your family against such a loss?

Let me show you in a real short illustration the root of the problem. I will try and make this as simple as I can.
Let's say you and I decide to start a new economy. And we decide to "create" Money to help facilitate transactions amongst the people of our new economy. So we go out and print $1,000 . And for sake of our example we are just like our current system, we don't have the corresponding amount of a tangible value like Gold or Silver on deposit somewhere. You see we should if the money we printed was to have a "real" value, but we don't. Now we take that $1,000 and we lend it to Mr. Jones to build a factory. This factory will employ people and help the economy because this factory will create something of value ie: a product that is worth something to someone. O.K. so we are good guys and we lend this money to Mr. Jones at a interest rate of 5%. So now Mr. Jones owes us $1,000 in principal plus $50 in interest for a total of $1050 . If all the money we ever printed was $1,000, how in the world can Mr. Jones ever pay back his loan? Well, he can't unless we "create more money. In this case we would have to print at least $50 more so Mr. Jones could sell some of what he made at the factory to get the fifty dollars to pay the interest. So we create another $50 and all is well right? WRONG! The moment we "create" more Money, the money that is already in circulation has become worth less (devalued) because there is more money in the system competing with the money that was already there to begin with.
Now the real scary part. The Federal Reserve has the ability to "create" money out of the clear blue sky without ever having to pay a penny(except printing cost) to do so. And who pledges to pay back the "created" money? Well, you do dummy. Didn't you Know that?. We don't get to use it or benefit from it, but we are on the hook for it. Peter Kershaw is working on a book for us right now that will show you just how this process functions. Until the book is available I have put Peter's diagram depicting just how this process works and It is frightening

So in conclusion what is a person to due with this information? I would hope it would make you see the real need to have your hard earned money in a area that the Fed or the government can not manipulate or destroy it's value.

An area that you control the outcome and not powerful men who tell you they have your beat interest at heart, yet their actions clearly tell us otherwise.

Will you be one of the people who sits by a "tape" and has to ask the Market what if anything they are worth? Or will you be able to have your wealth dictated by true value? Intrinsic value not a promise that can be broken.

In this volume of our newsletter I will sincerely attempt to show you all the options available to you so you won't be like the poor innocent people of the 20's who were held hostage by the "system". We want you to be free from market manipulation. We want your future to have a solid no nonsense strength that can withstand any financial curve ball the New World Order or our sold out government tries to throw at you. There are solutions!!!! You need not look at tomorrow with pessimism. You can and should reassess your finances before the government through confiscation and devaluation do it for you. If you do it, it will be a lot less painful and potentially very profitable.

You work all your life in hopes one day that you will have enough money to comfortably retire on a nest egg that represents independence from being a burden on anyone, especially the kids. Then one day you wake up only to find that the government that allowed that pension in the first place has changed the rules and you are essentially broke. Could it happen or more importantly, will it happen??

This article is not designed to scare or intimidate you. It is however to alert you to what could be a very real possibility as it relates to all pensions and retirement plans in America. You see more and more today our nation is moving toward socialization of many important areas of our lives. It is occurring in the way we receive Health care, Medicaid, Medicare, Welfare, Food stamps and various other programs that have been "reinvented for allegedly our benefit. With the move towards Socialism in this Nation today it would be foolish and very irresponsible to think that socialization could not ultimately move into pensions and retirement programs.

There is no doubt in my mind that the Clinton administration given the opportunity will set it's sights on the retirement saving in America today and will not be satisfied until they have their "redistribution" (a.k.a. contribution) hands on your savings. Why you may ask? Real simple: Retirement savings in America today represent the largest and richest house of treasure the world has ever seen.
It is estimated that the combined pool of pensions, IRAs, Keoghs, 401(k) and other tax sheltered savings plan now total over 5.1 TRILLION dollars. And let's face facts , this administration needs cash. Lot's of cash to fund every program from taxpayer sponsored abortion on demand all the way down to Headstart programs that are proven failures.

The Clintons (and their government) desperately need trillions of dollars to finance national health care schemes, plus dozens of other " socialistic tax and spend programs" promised to thousands of welfare special interest groups that put him in the white house. Are you aware that out of 256 million Americans, some 53 million are now dependent of one or more welfare programs? 53 million my friends!! Where will the money come from? If this administration is give it's way, right out of your retirement in a well orchestrated retirement asset socialization/government control plan. The Clintons are into plans you know. Especially plans that call for more government control of your life and your money. The method of choice will be GOVERNMENT EMERGENCY FINANCIAL CONTROLS.

From a government point of view, these controls are necessary to protect a nation from economic and financial disaster. It does not seem unpatriotic to me for investors and hardworking American to acknowledge the possibility of these risks and protect themselves form them is it? Through proper planning , astute Americans can order their affairs in a way so as to remain LEGALLY outside the net of these controls, preserving their wealth and offering opportunity to profits no longer available to less well prepared citizens. Controls are real my friend and they have been with us for years and will continued to be viewed by our politicians as viable alternatives to solving our immediate problem without every dealing with the root causes. Here is a short list of controls we have seen in the past:

1.) The World War I economic controls
2.) The Emergency Banking Act of 1933 (Including confiscation of private Gold)
3.) World War II price and goods rationing.
4.) Korean War price controls (1950-1952)
5.) The Interest Equalization Tax of 1964
6.) The Foreign Investor Tax of 1966
7.) The Foreign Investment Program of 1968
8.) The Credit Control Act of 1969
9.) Wage and Price Controls (including dividend pay-out restrictions) in 1971
10.) Iranian asset freezes in 1979
11.) The Special Credit Restraint Program of 1980

These are just a few of many pieces of legislation that show the governments ability to control your future. More recently we have seen the passage of the now infamous Racketeer Influenced and Corrupt Organizations (RICO) law. It is being used against abortion protesters who are defending the lives of innocent children that are being slaughtered by abortionists. How about the Market Reform Act of 1990 which gives the Securities and Exchange Commission the right to declare an " emergency ", with the power to require more reporting, restrict trading and even close the exchanges if it deems fit. To assume that the SEC would not use all or any of these powers would in my opinion be a major strategic error when planning for your "Golden Years".

Emergency Financial Controls can effect Americans in many vital areas of their financial dealings . For example:
1.) Broad economic controls.
2.) Impediments to property and assets.
3.) Market and exchange closures
4.) Administrative procedures
5.) Taxes and withholding rules.
6.) Banking, credit and account restrictions
7.) Currency and Foreign exchange controls
8.) Trade, import/export, customs and travel restrictions
9.) Capital- market controls

10.) International contracts

The point I'm trying to stress here is that the government in all it's wisdom can and does use controls to their advantage and not to yours. The controls are always billed as the helpful, prudent solution yet always seem to effect you and I.

Here in a nutshell what I believe their plan will be.

First, I don't believe they will come right out and tell you they are taking your money. That would clearly be to obvious. So they will come at it from the stand point of look at all these great "opportunities you have to "invest in the rebuilding of America, while making a great profit in the process. The first rumblings of this occurred April 24, 1989 at the African American Summit in New Orleans. During the summit there was a call for the creation of an American Investment Bank to transfer pension savings into community investment project. This idea was instantly embraced throughout the counrty, across racial lines.

In 1991 we witnessed the first move of $860 billion of state and local pension funds. Democrat and Republican administrations alike in California, New York, Illinois, Colorado, West Virginia, Rhode Island, Oklahoma, Virginia, Maine and Washington D.C. attempted, with varying degrees of success, to finance budget deficits with pension assets, as well as fund social programs and stimulate their local economies. Some states simply "deferred" the contributions that should have been made for another year. When Governor Mario Cuomo said " I find the Idea generally irresistible". You see the approach? Make it sound like a good deal. A great way to help your state or local community.

Bill Clinton's campaign book "Putting People First" suggests if not urges the "leveraging " of the nation's retirement savings to pay for his Rebuild America Fund. Hey you will be helping the country according to Bill. Federico Pena our Secretary of Transportation says " pension funds can be accessed for the public good". Dept. of Housing and Urban Development Henry Cisneros announcing his successful trick to put AFL-CIO union pension money into "community Investment" declared that private pension money is the "largest sum of investment capital in the world"
Olena Berg, the Assistant Secretary of Labor and Welfare Benefits revealing her clear ignorance of economics and finance sees pensions as "passive " investments, useless to society, helping only the rich. She has threatened to "ask" pension plans to forgo maximum returns and focus instead on social welfare. This is the same woman who is in charge of regulating private pension. Are your concerns starting to mount as mine did will writing this article? I sure hope so

, because what I tell you here is real!!! Even Alicia H. Munnell , Federal Reserve board economist has said that such rules as the ones suggested by Clinton , Pena, Cisneros and Berg would involve "either the inadvertent or deliberate sacrifice of return." But in case "asking" doesn't work, Berg has a back-up plan: A "Partnership Tax". It doesn't take a genius to see how this would work. Government officially a "partner" or "participant" will have increasing say in what
qualifies as a "good investment." Ayn Rand described such government/private sector arrangements as a "partnership with a thief". History has proven Rand astonishingly accurate. The plan will be clear. Make it look like giving up control of your pension will be the "right" thing to do." Why it would be "unpatriotic" to not be willing to help the country" will be their battle cry. I hope after reading this you won't fall prey to their bleeding-heart appeals to steal your retirement.

In conclusion, despite the headlines, the threat to your retirement is not merely that the government's PENSION BENEFIT GUARANTY CORPORATION (PBGC), insuring the pensions of 40 million Americans in defined benefit pension plans, is facing insolvency and require a bailout like that of the FSLIC. It is not just that some private pension funds are underfunded. It's not just that Social Security will be bankrupt (the Wall Street Journal calls it "a rip off"). And it's not that some firms have encountered scandals such as when Robert Maxwell cleaned out his Corporate pension before killing himself. It not even the threat that major corporations and local governments create by using their pensions as personal checkbooks. What it is , in fact, is the prospect of OUTRIGHT CONFISCATION of your money via government order. Space does not permit all the gory details, but I will in future letters try to reveal this very diabolical plan.

I'm am suggesting to our clients that have significant funds in pensions, IRAs, Keoghs, 401(K) and other tax deferred retirement plan to move a minimum of 20% of their funds and purchase tangibles with a strong emphasis towards high grade numismatic gold coins. This will act as "insurance" if the outright confiscation of the remaining 80% occurs. Each persons needs are different so you should speak to your account representative for individual suggestions. I am personally making arrangements to only have tangibles in our pension in an amount sufficient to protect any cash or dollar denominated investments we have.
I CAN'T STRESS ENOUGH THE NEED THERE IS RIGHT NOW TO TAKE WHAT I SHARED IN THIS ARTICLE AND PUT IMMEDIATE THOUGHT , PRAYER AND ACTION IN MOTION. When the government moves, unlike currency recall or additional tax increases, they will happen over night so as to not give you the ability to

readjust or reposition your money. TAKE ACTION TODAY!!!!!!!!!!!!!!!!!!!!!!!!

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Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, SECOND SESSION

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH (for himself, Mr. BREAUX, Mr. FORD, Mr. DOLE, Mr. SIMPSON, Mr. BOREN, Mr. RIEGLE, Mr. GRASSLEY, Mr. WALLOP, Mr. HATCH, Mr. LAUTENBERG, Mr. COATS, Mr. SHELBY, Mr. WARNER, Mr. SMITH, Mr. JOHNSTON, Ms. MIKULSKI, Mr. BOND, Mr. CRAIG, Mr. HELMS, Mr. PRESSLER, Mr. STEVENS, Mr. FAIRCLOTH, Mr. BROWN, Mr. COCHRAN, Mr. LOTT, Mr. THURMOND, Mr. BENNETT, Mr. GREGG, Mrs. HUTCHISON, Mr. INOUYE, Mr. HATFIELD, Mrs. FEINSTEIN, Mr. BURNS, Mr. D'AMATO, Mr. MACK, Mr. HOLLINGS, Mr. NICKLES, Mr. SPECTER, Mr. EXON, Mr. SIMON, Mr. DODD, Mr. MURKOWSKI, Mr. DECONCINI, Mr. LIEBERMAN, Mr. BRYAN, Mr. ROBB, Ms. MOSELEY-BRAUN, Mr. AKAKA, Mr. MCCONNELL, Mr. NUNN, Mr. GRAMM, Mr. KOHL, Mr. PELL, Mr. HEFLIN, and Mr. BIDEN):

S. 2301. A bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes; to the Committee on Finance.

SAVINGS AND INVESTMENT INCENTIVE ACT OF 1994

Mr. ROTH. Mr. President, I rise today to announce the reintroduction of the now well-known Bentsen-Roth IRA Plan. The former chairman of the Finance Committee, and now Secretary of the Treasury, Lloyd Bentsen, joined with me to offer his leadership on this bill during the last session of Congress—and now I believe we have to continue with the work that he and I started.

I am proud to be joined by my friend, JOHN BREAUX, in introducing this bill today. I believe now, as I did last Congress, that this bill is extremely well conceived and promotes the two most important issues facing us today: the family and the future of our economy. Never has strengthening the family and our economy been more important than it is today—at a time when, once again, the family is being recognized as the most valuable unit of our society, and when the global community is redefining the nature of superpowers by the strength of their economies, and not by the size of their arms.

It is clear, after passing the Bentsen-Roth IRA twice in 1992, that Congress not only understands these changes, but is willing to advance—in a strong bipartisan way—this proposal that addresses the needs of our changing environment. As many will remember, the Bentsen-Roth IRA was vetoed by President Bush for other reasons in 1992.

SEC. 104. CERTAIN COINS AND BULLION NOT TREATED AS COLLECTIBLES.

(a) IN GENERAL.—Paragraph (3) of section 408(m) (relating to exception for certain coin) is amended to read as follows:

"(3) EXCEPTION FOR CERTAIN COINS AND BULLION.—For purposes of this subsection, the term 'collectible' shall not include—

"(A) any coin certified by a recognized grading service and traded on a nationally recognized electronic network, or listed by a recognized wholesale reporting service, and—

"(i) which is or was at any time legal tender in the country of issuance, or

"(ii) issued under the laws of any State, and

"(B) any gold, silver, platinum, or palladium bullion (whether fabricated in the form of a coin or otherwise) of a fineness equal to or exceeding the minimum fineness required for metals which may be delivered in satisfaction of a regulated futures contract subject to regulation by the Commodity Futures Trading Commission under to the Commodity Exchange Act,

if such coin or bullion is in the physical possession of a trustee described under subsection (a) of this section.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

EQUITABLE TAXATION PROJECT

Legal Tender Coins & Bullion in
Individually-Directed Retirement Accounts

The Equitable Taxation Project (ETP) is a coalition of groups that seeks the expansion of items allowed into individually-directed retirement accounts. Currently, only US gold and silver Eagles are permitted in these accounts.

Senators John Breaux (D-LA) and William Roth (R-DE) have introduced S.2301, "The Savings and Investment Incentive Act of 1994", and Representatives Pickle and Thomas will soon introduce companion legislation to S.2301 in the House of Representatives.

S.2301, also referred to as "The Super IRA Bill," includes a provision which would restore legal tender coins and precious metals as qualified investments for individual retirement accounts (IRAs) and other individually-directed retirement plans.

The reasons the coin/bullion industry and hobby supports the bill and our specific provision are:

1. Equitable Treatment for Small Investors. Currently, legal tender coins and precious metals can be included in defined contribution pension and profit sharing plans (both corporate and Keogh), and in other tax-deferred or tax-exempt entities; therefore it seems both logical and equitable that those same assets should also be an investment option for individually-directed plans.

This legislation combines investment incentive and flexibility which should significantly boost our nation's savings and economy. Our provision would allow individual investors to select from the same "menu" of investment options currently available to larger and corporate investors; it would "level the playing field" for smaller investors.

2. Investment Stability. The conventional wisdom states that persons saving for retirement should diversify their investment portfolios to include some percentage of counter-inflationary investments, including precious metals or coins. These assets traditionally tend to experience appreciation during certain economic cycles that otherwise diminish the value of financial assets.

3. Exchanges Promote Liquidity. Like the stock market, bullion and legal tender coins trade on exchanges that offer immediate, on-line access to live buy and sell prices. These prices are quoted in major metropolitan newspapers. If your local paper carries this information, use it! Coin certification has further enhanced liquidity.

4. No Revenue Impact. Since the ETP's proposal does not change the amount of or manner in which individuals may invest in individually-directed retirement accounts, there will be no adverse revenue impact to the Federal government (that is, the Project won't cost the government anything). Senator Breaux has directed the Joint Committee on Taxation to prepare a revenue estimate on this issue. In initial discussions with JCT, its staff could see no reason why the legislation would be anything other than revenue neutral.

5. Third Party Trustee Required. The ETP's legislation requires that investments in precious metals and legal tender coins be held by a third-party trustee as defined by the IRS. This will ensure that these retirement investments are not "consumed" in any way prior to the time such funds would normally be distributed. Legal tender coins and precious metals are able to easily fulfill the requirement that they be held by a third-party trustee.

The ETP is preparing an economic study on "productive vs. non-productive assets" that will be available in the very near future. This is a topic that Senator Roth has raised; it is very complicated, and we are having experts collate some information for us.

If you are able to visit your Members of Congress and/or their Tax Counsel in your district office take some bullion coins and bars and some encapsulated coins for "show and tell," **not** to be left! Let them hold the bars and bullion.

Emphasize that this legislation

- will help your business
- levels the playing field for the small investor
- costs the Federal government nothing
- may help encourage "baby boomers" and others to save so as not to be a drain on the government when they reach retirement age (in the next 10-15 years!)
- merely expands the types of products approved for IRAs and other individually directed retirement accounts.

g:\users\el\tax\talkpoints
August 9, 1994

SAMPLE LETTER - SENATORS

The Honorable _____
United States Senate
Washington, DC 20510

Dear Senator _____:

Senators Breaux and Roth recently introduced S.2301, "The Savings and Investment Incentive Act of 1994," and were joined by 54 other Senators as co-sponsors. I strongly support this measure and request your support and co-sponsorship of this critical legislation.

S.2301, also referred to as "The Super IRA Bill," includes a provision which would restore legal tender coins and precious metals as qualified investments for individual retirement accounts (IRAs) and other individually-directed retirement plans. Legal tender coins and precious metals can be included in defined contribution pension and profit sharing plans (both corporate and Keogh), and in other tax-deferred or tax-exempt entities; therefore it is both logical and equitable that those same assets should also be an investment option for individually-directed plans.

This legislation combines investment incentive and flexibility which should significantly boost our nation's savings and economy. The provision in which I am specifically interested would allow individual investors to select from the same "menu" of investment options currently available to larger and corporate investors; it would "level the playing field" for smaller investors such as myself and my family.

I urge you to support this legislation which is so vitally important to all American investors, and I would be happy to provide you with additional information. Thank you for your attention to this matter. I look forward to hearing from you on this issue.

Sincerely,

BE SURE <u>YOUR</u> NAME, COMPLETE MAILING ADDRESS, AND TELEPHONE NUMBER APPEAR ON THE LETTER.

SAMPLE LETTER - REPRESENTATIVE

The Honorable _____
US House of Representatives
Washington, DC 20515

Dear Ms. [or Mr.] _____:

It is my understanding that Representatives Pickle and Thomas will soon introduce companion legislation to S.2301, "The Savings and Investment Incentive Act of 1994," in the House of Representatives. S.2301, also referred to as "The Super IRA Bill," includes a provision which would restore legal tender coins and precious metals as qualified investments for individual retirement accounts (IRAs) and other individually-directed retirement plans. I request that you contact Reps. Pickle and Thomas seeking the inclusion of this proposal in their legislation and lend yourself as a co-sponsor of their bill.

Legal tender coins and precious metals can be included in defined contribution pension and profit sharing plans (both corporate and Keogh), and in other tax-deferred or tax-exempt entities; therefore it is both logical and equitable that those same assets should also be an investment option for individually-directed plans.

This legislation combines investment incentive and flexibility which should significantly boost our nation's savings and economy. The provision in which I am specifically interested would allow individual investors to select from the same "menu" of investment options currently available to larger and corporate investors; it would "level the playing field" for smaller investors such as myself and my family.

I urge you to support this legislation which is so vitally important to all American investors, and I would be happy to provide you with additional information. Thank you for your attention to this matter. I look forward to hearing from you on this issue.

Sincerely,

BE SURE <u>YOUR</u> NAME, COMPLETE MAILING ADDRESS, AND TELEPHONE NUMBER APPEAR ON THE LETTER.

ICTA Washington Wire

Volume XI, Number 3
August, 1994

SUCCESS IN "PHASE I" OF ETP

Great news! The Equitable Taxation Project (ETP) has succeeded in getting a provision to allow legal tender coins and precious metals in individually-directed retirement accounts into S.2301 "The Savings and Investment Incentive Act of 1994." Also known as the "Super IRA Bill," S.2301 was just introduced by Senator William V. Roth, Jr. (R-DE) on Thursday, July 21, 1994. Enclosed with this issue of *The Washington Wire* is the introduction of the bill and our specific language.

The Equitable Taxation Project is a coalition of groups, including the Industry Council for Tangible Assets (ICTA), precious metals dealers, banks, brokerage firms, rare coin firms, and major mining and refining companies which seeks the reclassification of precious metals and legal tender coins as qualified investments for individually-directed retirement plans such as Individual Retirement Accounts (IRAs), Keogh Plans, 401Ks, and others. ICTA administers the ETP.

To date, the work of the ETP has been funded by some of the industry's major numismatic and bullion companies, as well as PCGS and NGC, and most PCGS and NGC dealers who support the project via a voluntary 25¢/coin grading surcharge that goes directly to the Equitable Taxation Project.

As you read the actual language, you may wonder why the bill limits coins to those "...certified by a recognized grading service and traded on an nationally recognized electronic network, or listed by a recognized wholesale reporting service..." While we worked for a broader definition of allowable items, this compromise was necessary to have our provision included in the bill at all.

Although this is a great start, our work has only just begun, and we ask all ICTA members to help. encourage them to write to their Senators and Representatives on this issue. We have enclosed a page of "talking points" for you and your clients.

We in the coin and bullion industry must flood Congress with our letters; our elected representatives must know where we stand on this issue and how it will help savings and "level the playing field" for the small investor. **If we as an industry don't act now and continue to follow up, this important provision could be eliminated from the final bill.** Your Members of Congress need to know the importance of and your interest in this provision; **if they are not made aware of your interest, the provision is likely to be dropped from the final legislation as insignificant.**

We believe this can be a real boon to dealers of all sizes. Once our legislation becomes law, the ETP, in conjunction with ICTA, will prepare information kits for dealers to instruct them on how to assist clients in including legal tender coins and precious metals in their individually-directed retirement accounts.

Remember, the ETP's ultimate objective is concerned with the very real possibility of the imposition of a national consumption tax. Sen. Robert Kerrey (D-NE) chairs the Bi-Partisan Commission on Entitlement and Tax Reform which has specifically identified a VAT as a means of avoiding an economic and social disaster as the US sinks deeper into debt.

If such legislation is passed, investment assets, which will obviously include stocks and bonds, will almost certainly be exempted from the tax. To the extent that rare coins and precious metals are still classified as collectibles, the very real possibility exists that they will not be treated as investment assets and will not be exempt from the tax. The ETP's long-range goal is to ensure that precious metals and rare coins are treated as investment assets for purposes of any future consumption tax, national sales tax, or legislation that

Mal Varner (Alhambra Coin Center, Inc., Alhambra, CA)

Gold (Dues level of $1000 - $1,499)
MAXIMUM OF 2 ELECTED

Steve Ivy (Heritage Capital Corporation, Dallas, TX)
Frank Greenberg (Delaware Valley Rare Coin Co., Inc., Broomall, PA)

Double Eagle (Dues level of $1,500 - $2,499)
MAXIMUM OF 1 ELECTED

Gaylen Rust (Rust Rare Coins, Salt Lake City, UT)

reprezentatives at any time. For addresses and telephone numbers, please call Eloise at 703-847-1740.

Industry Council for Tangible Assets, Inc. (ICTA)
6728 Old McLean Village Drive, Suite 200
McLean, VA 22101
Telephone: (703)847-1740; Fax: (703)847-1742
Eloise Breddar.....Executive Director

Diane Piret...Industry Affairs Director
P.O. Box 316
Belle Chasse, LA 70037
Telephone: (504)682-6818; Fax: (504)682-2875

(continued from page 1) dollars, ANA staff will contact the appropriate convention bureaus and California agencies that would be able to get this situation clarified. In working with the ANA, ICTA will provide a letter to ANA expressing the concerns of our members that ANA will be able to use to reinforce the urgency of resolving this issue. In addition, we have been in touch with Bob Brueggeman, Executive Director of the PNG, who has agreed to write a similar letter on behalf of the PNG membership.

As we reported in the last issue of *The Washington Wire*, California recently sent notices of sales/use tax audits to several coin dealers. We do not know what has triggered these audits, but many are concerned that this may become a widespread problem. Long Beach Expo Co-chair Paul Koppenhaver has been working with his legal counsel toward getting a definitive answer from the California Board of Equalization on its policy regarding shows. ICTA has refrained from taking similar action because inquiries from ICTA could interfere with Paul's efforts and focus unwanted attention on trade shows.

The US Supreme Court's decision in Quill v. North Dakota required "substantial physical presence" to empower the taxing state to force out-of-state marketers to collect sales/use tax. However, the Court did not define what qualifies as "substantial" for these purposes. In essence, we as an industry don't know what the rules are and, therefore, can't know whether a true, industry-wide problem exists. Certainly you need to know how the laws are being enforced if you are to be able to make sound business decisions about trade show attendance.

We already know that if you are a corporation attending shows in California, you will be held liable for the State's Franchise Tax which is a minimum of $800 for attending even one show.

IF California is using and attempting to enforce a "three-or-more trade shows equals nexus" (physical presence) interpretation, then we know we have a battle to fight. Until then, however, we feel it is more prudent to work behind the scenes with other organizations to clarify this issue.

ICTA BOARD OF DIRECTORS
JULY 29, 1994 - JULY, 1995

ICTA's Board met in Detroit during the ANA Convention. The following individuals comprise ICTA's Board until the next annual membership meeting held during the 1995 ANA Convention in Anaheim.

Member-elected Board Positions

Bronze (Dues level of $250 - $499)
MAXIMUM OF 2 ELECTED

Ed Fritz (Centerville Coin and Jewelry Connection, Centerville, OH)
Mark Mendelson (Fountain Square Stamp and Coin, Cincinnati, OH)

Silver (Dues level of $500 - $999)
MAXIMUM OF 2 ELECTED

Larry Hanks (Hanks and Associates, El Paso, TX)

Platinum (Dues level of $2,500 - $4,999)
MAXIMUM OF 1 ELECTED

Terry Hanlon (Dillon Gage, Inc., Dallas, TX)

At-Large
MAXIMUM OF 4 ELECTED

Jeff Garrett (Mid-American Rare Coin Galleries, Lexington, KY)
Bob Harwell (C & M Clearing Corp., Atlanta, GA)
Jeff Nichols (The Austrian Mint, Charlotte, VT)
Russell Rulau (Pobjoy Mint, Iola, WI)

Board-elected Positions

The Board itself may elect additional members. The list is representative of ICTA's general membership with regard to dues level, geographical location, and specialty. In addition, all past chairmen and any firm with dues of $5000 or more may be considered for a Board position:

Gary Adkins ((Professional Numismatic Services, Apple Valley, MN) - SILVER
Mike Clark (Wilmington Trust Company, Wilmington, DE) - PAST CHAIRMAN
Tom Denly (Denly's of Boston, Boston, MA) BRONZE
Don Doyle (Blanchard & Company, New Orleans, LA) DUES OF $5000+
Sondra Fell (David Fell & Company, Los Angeles, CA) - SILVER
Ned Fenton (Imperial Bank, Inglewood, CA) - SILVER
Kent Froseth (K.M. Froseth, Inc., Richfield, MN) SILVER
David Ganz (Ganz, Hollinger & Towe, New York, NY) - BRONZE
Nick Hauser (Hauser's Coin & Stamp, Inc., Lakeland, FL) - BRONZE
Joe Hylas (Eastern Numismatics, Inc., Garden City, NY) SILVER
Todd Imhof (Pinnacle Rarities, Tacoma, WA) BRONZE
Jean McHale (World Gold Council, New York, NY) DUES OF $5000+
Tom Noe (Numismatic Investments of Ohio, Sylvania, OH) - PAST CHAIRMAN
Craig Rhyne (Rhyne Precious Metals, Seattle, WA) PLATINUM
Mark Schroeder (Lone Star Mint, Plano, TX) BRONZE
Jim Stucky (A-Mark, Santa Monica, CA) - DUES OF $5000+
Luis Vigdor (Powell Associates, New York, NY) - PAST CHAIRMAN
Mark Yaffe (National Gold Exchange, Tampa, FL) - GOLD

Organizational Courtesy (non-voting) Seats:

ANA (Bob Leuver)
NSDR (Al Johnbrier)
PNG (has declined to accept its ICTA Board courtesy seat for the present)

All ICTA members should feel free