

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

*Victor Hugo*

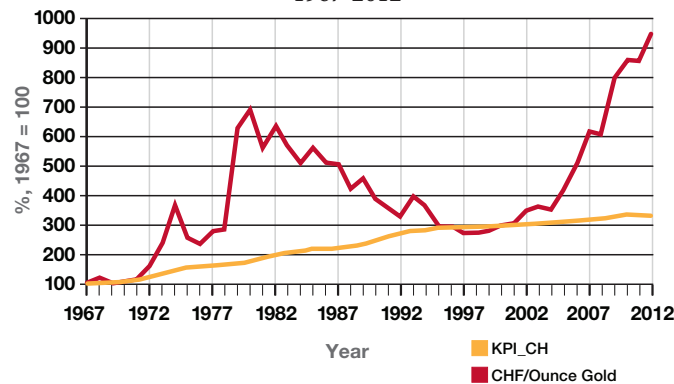


“A franc-gold combination would bring more security”

*Prof. P. Bernholz*

Development of Gold and Cost of living in Switzerland

1967-2012



**GOLD COIN CURRENCY**

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**GOLD COIN CURRENCY**

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**A Gold Money Strategy for Switzerland**



*A non-partisan initiative to legalize gold coins as a second currency alongside the Swiss Franc*



## The Problem: Securing Prosperity in Times of Crisis

The world's escalating debt problems also affect Switzerland. They jeopardize its future prosperity.

The Swiss financial center is suffering under foreign pressure, bad press, and increasingly dense regulations. Threat of state bankruptcy, slow economic growth and a widespread, massive inflationary monetary policy threaten the private savings and pensions in particular. The Swiss economy is suffering from the uncertainty about the future development of the world economy and currencies. The following proposal will alleviate many of these problems.

## The Idea: A Swiss Gold Money Strategy

As always in times of crisis, Gold experiences a renaissance. Switzerland can take advantage of this renaissance through a gold money strategy.

Gold was and is used, in uncertain times, anytime and anywhere for financial security. Recently, even central banks have been buying gold again. As long as the debt policies continue (there is no end in sight!) this will not change.

Gold more than any other commodity had the property that it is suitable for direct use as money. However, gold can only function in this capacity optimally if it can be traded freely and unhindered.

Switzerland has the world's best political conditions to be able to facilitate trade in gold with a gold money strategy and use it actively for the public and state.

## The Proposal: A New Gold Coin Currency

The Swiss gold coin strategy consists primarily in the creation of a constitutionally enshrined and protected Gold Coin Currency.

The Gold Coin Currency, according to this concept, is a new set of coins created by the federal government, where each coin has a prescribed content of gold. Consider it a usable "Vrenelis"\* not only for collection purposes, but also for easy and versatile use in everyday life.

The smallest, practically coin would have a core of 0.1 grams of gold which according to the current market price (January 2013), has a value of approximately CHF 5, compared to CHF 260 for most of the Vrenelis.

The federal government determines the naming of the new coins, provides all the necessary rules and checks for private producers to produce and distribute these coins.

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



## The Multiple Benefits of a Swiss Gold Coin Currency

### 1) Government-Supervised Coin Production

The production of the coins shall be done by private mints, on behalf of companies (firms, institutions) that want to bring the coins in circulation. Therefore, neither the federal government nor the taxpayers incur any special risks or costs. One side of the coins display a uniform Swiss cross and the backside would be available to the producers for their self-presentation - within certain guidelines. The federal government enforces the rules and controls the gold content of the coins.

### 2) New Markets and New Products

Gold coins with practical weight categories will encourage new products and markets, particularly for smaller ventures. They enable new clearing and payment systems. Also, they are easily available through specially equipped ATMs and can be integrated into annuities, pension annuities and life insurance products. As a "new practical Vreneli," they will be ideal gifts, collectibles and souvenirs.

### 3) Secure Financial and Commercial Contracts

The unit of account of the Gold Coin Currency is "gram of gold." Financial, commercial and other contracts in this easily understandable currency give the contracting parties a new way to reduce the (political) currency risks of today's paper contracts.

### 4) Dampening Effect on the Swiss Franc's Exchange Rate

The Gold Coin Currency makes gold more useful as a cash reserve. It will be used as a "safe haven" for investors worldwide. If Dollars, Euros and other currencies held in Swiss francs are invested in gold coins, this will tend to stabilize the Swiss Franc's exchange rate and support the National Bank's respective efforts. This will benefit the whole of Switzerland.

### 5) Gold Coins Promote the Reputation of Switzerland

The Gold Coin Currency helps to restore Switzerland's prestige which has been damaged in recent years due to bad actions of Swiss banks and political pressures from abroad. The term "Switzerland" will likely to be associated in the world once more with such notions as "security, reliability, quality, and innovation."



## Can this not be done today already? - NO! Three differences for gold trade today

### Easier

Today, gold is traded as a raw material in various forms with different buying and selling prices. By contrast, the gold coins will change "gram gold" into a separate currency and accounting unit. Gold will gain monetary quality, free of exchange rates and exchange costs. **With the Gold Coin Currency, gold can be used easily and conveniently for deposits and withdrawals of any kind, exactly like the current currency.**

### Practical

Today, the average citizen is unfamiliar with gold trade. If he does trade, its done in the form of "Vrenelis" (an antiquated gold francs norm) of bullion coins (in oz. form, etc.), of small or large gold bars - or even of (often complex, occasionally dubious) products and certificates.

None of today's commercial forms are satisfactory. Accordingly, just 13% of the population possess gold (Q: ProAurorum). Vrenelis, which were last produced in 1949, have different prices depending on the year of issue gold bars and are often sold in costly packages. Trade with other forms of gold impose costs on the buyer. Those who want to acquire or sell gold often need expert advice. All of this will disappear with the new Gold Coin Currency. **With the new Gold Coin Currency, dealing with gold becomes easier to use and as practical as any other currency.**

### Safer

Today there is worldwide legal uncertainty in gold trade. The number of rules and regulations tend to increase and in Switzerland, inquiries are conducted on how certain types of investments can be subjected to the VAT. The production of practical usable gold coins is prohibited by the Coinage laws. This environment of legal, political obstacles and uncertainties discourage gold trading activities and investments.

Through the introduction of a **constitutionally protected Swiss Gold Coin**, most of these obstacles and uncertainties would be irrelevant or redundant. The new Gold Coin Currency would promote the free trade in gold, investments in gold and the development of related, new business activities. This in turn would stabilize the gold price (more on this subject on our website). **The Gold Coin Currency would significantly contribute to a safer gold trade - which in turn will help the Gold Coin Currency.**

