

CONFISCATION OF BULLION

**Arguments from
Both Sides of the Debate**

**UNDER EXECUTIVE ORDER
OF THE PRESIDENT**

Issued April 5, 1933

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER
\$10,000 fine or 10 years imprisonment, or both, as
provided in Section 9 of the Order



Is it Possible That The U.S. Government Will Once Again “Confiscate” Gold Bullion as it Did in 1933?

- *Absolutely not!*
- *It's highly probable.*
- *Well, it's remotely possible.*
- *Of course, it's unavoidable!*

Those are a few of the answers you may receive, each from a well-meaning and possibly well-informed source.

First and foremost, no one can say with any degree of certainty if gold or silver will be “recalled” again. Additionally, speculating on which items would be part of, or excluded from, another recall is just that - speculation. That’s just how the future works, nothing is set in stone and a lack of open mindedness on the subject indicates ignorance on both sides of the debate.

The only thing agreed on by all is that they did it before. They took gold bullion while excluding collector coins. Silver was recalled a year later in 1934.

The simple fact that it happened before is in itself the best argument it could happen again. This is because of legal precedents, which is so weighty in the eyes of the United States government. According to Economics Professor Vincy Fon of George Washington University, *“courts are expected to be persuaded by past decisions, when there is a sufficient level of consistency between two cases.”*

Simply put, politicians, judges and others in positions of importance would like to do as little work as possible. So, when a situation comes up that is similar to something that happened in the past, they use legal precedents as a guide. Therefore, if an investor expects conditions similar to, or worse than, the previous U.S. depression, they would be naive not to consider legal precedents and the previous facts.

Legal precedents supports a gold bullion confiscation but that alone is not clear proof that another recall is coming.

The second best argument that bullion could be confiscated comes from those that predict the death of the dollar.



Speaking about gold confiscation, Ron Paul says, *"If it gets bad enough, they'll declare a national economic emergency. They'll take over the banks, all business and industry. They may even try to confiscate our gold. I served on the Gold Commission for eight or nine months while I was in Congress along with fifteen other members. I brought up the subject of confiscation. The power to confiscate gold is still on the books as the law of the land. I urged the full Commission to recommend Congress repeal the power to confiscate gold in an economic emergency. We pushed it to a vote and I was the only one that voted to recommend to Congress that we never again contemplate taking the gold of the American people. The fifteen other members voted it down. The power is still there on the books, and they can do it any time they wish."*



Ron Paul in his Congressional Office

In 1966, when it was still illegal to own gold, Alan Greenspan wrote, *"In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value. If there were, the government would have to make its holding illegal, as was done in the case of gold. The financial policy of the welfare state requires that there be no way for the owners of wealth to protect themselves. Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights."*

David L Ganz, a prominent New York City attorney who specializes in precious metals and numismatic law, has authored over 30 books and is a highly regarded consultant, writer and lawyer in the field of precious metals. Attorney Ganz, who constantly fields calls on the subject, says, *"Governments change laws from time to time, and yes, it's possible that under the right circumstances some governments might try to confiscate their citizens' gold."*

Ganz continues on the subject, *"I have no great insight to offer as to whether or not gold seizure is in the offing, but there are some interesting reasons cited by many as to why the government of the United States - and maybe the world as well - may need to nationalize gold again, if only for the purpose of making sure that governments, not their citizens, remain in control of the economy."*

The "Trading with the Enemy Act" is still around; it was last amended by Congress a couple of years ago and the general consensus in the legal community is that a confiscation could happen again in the near future. Want proof? Read Professor Hank Holzer's article in the 1973 Brooklyn Law Review: *"How Americans lost their right to own gold and became criminals in the process,"* Ganz adds.



Ganz cites the following laws that are still in effect.

- *Title 12 of the United States Code, Sec 95*
- *Proclamation No. 2725 (2) Exemption of Member Banks of Federal Reserve System*
- *The Trading With The Enemy Act*
- *The Emergency Banking Act, as well as another executive order following legal precedence of the last recall*

Others who recently warned of another U.S. gold confiscation are

- **Jim Rickards**, NY Times Best Selling Author of "Currency Wars" & "The Death of Money"
- **Simon Black** of Sovereign Man
- **Doug Casey** of Casey Research
- **Marc Faber** - Swiss billionaire
- **Steve Forbes** - Forbes Magazine

Now let's look at the other side of the confiscation debate. These folks use scary words like beware, scam, telemarketer and overpriced, but most of this smoke is blown from bullion dealers and their marketing affiliates, not full service firms.

The number one argument that gold could never be confiscated again is along the lines of the following comments:

On his website, The Moneychanger, Franklin Sanders says, *"In 1933, gold formed the basis of the banking system's reserves. Today, it doesn't, and the government propaganda machine has been churning night and day since 1933 proclaiming gold has been demonetized. In 1933, Roosevelt found it necessary to seize the gold to "reliquify" the banking system. Today, that isn't necessary. They perform the same magic with computers, creating money out of thin air. So the government gains no advantage by seizing gold today."*

On a similar note, Adrian Ash, contributing writer for Forbes, says in his article, titled "Governments Still Heavy-Handed 80 Years After FDR's Gold Confiscation," *"Governments change laws from time to time, and yes it's possible that under the right circumstances some governments might try to confiscate their citizens' gold. But it is important to realize that the motivation for confiscating gold which existed for FDR in 1933 has largely disappeared."*

Back then, the U.S. was still on the gold standard (the U.K. had been forced off 18 months earlier). So seizing private gold and then devaluing the currency was, in fact, a 1930's version of quantitative easing. Saving our banks from their stupidity still means swelling the money supply, and hurting cautious savers by devaluing their wealth.



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While gold is still hoarded by governments (and increasingly by fast-growing emerging economies), it is only tenuously tied to our currency system as the "foundation" of sovereign reserves. Gold also makes a disappointing asset to grab, especially in the rich but troubled West. Because few people own it compared, for instance, to real estate (a sitting duck for local government levies and the new talk of "wealth taxes") or readily-captured financial assets such as pension pots (already so enticing to distressed governments in Argentina, Hungary, Poland and Portugal)."

Another often heard argument is that coins with collector/numismatic value cost more than bullion, which is true. And many companies will overcharge for numismatic coins just as the bullion market is plagued with a growing counterfeiting problem. This is why we suggest reading the CGE publication [7 Gold & Silver Investment Blunders](#) which will show you the 7 problems costing gold and silver investors 100's of millions of dollars each year.

John Halloran, CEO of the Certified Gold Exchange, says, "*Don't build your metals strategy on Pride.*" He adds that "*many investors say the government will never get my gold and guns, unless it's over my dead body. Actually, the U.S. did not go door to door in the last confiscation, so had you been around back then, you could have kept your gold. If you did keep your gold back in 1933, you would have had to hold it for 40 years before you could have sold it. The entire 40 years, you would have been in violation of the "Trading with the Enemy Act", similar to being a Russian spy. If it's a dead asset commercially for 40 years, it's certainly a bad investment during that same span of time.*"

John adds, "*In the U.S.A., it's 'united we stand and divided we fall.' Just like recent events in Cyprus proved, governments will do whatever it takes to keep afloat, and rightfully so. Governments don't simply surrender in a financial crisis. Bills must be paid and currencies must be restructured. Does anyone expect this? No. This is why it's called a crisis. Will the government allow you to barter with gold if the dollar collapsed? Not for any length of time, for sure. Governments need foremost to govern money and transactions. If they cannot create and dilute their fiat currencies, they can't steal wealth as they have always done.*"

Renowned Metals Tax Deferral Strategist Pat Collins says, "*It's common knowledge that the U.S. Mint is not authorized by congress to sell bullion directly to the public. The U.S. Mint only sells the proof collectors version of the eagle or buffalo, and the bullion eagle and buffalo are only available through authorized dealers.*" Pat says, "*Call the Mint yourself and ask to buy bullion, and watch how quickly they refer you to an authorized seller.*"

"Why does the U.S. Mint only sell coins that are classified by the IRS and treasury as collectable? It's because the U.S. government is saying you need to pay Peter now to avoid Paul later. To say this has been a very successful approach for them is an understatement. The U.S. Mint and the Royal Canadian Mint are the two largest sellers of collector coins in the world," Pat Collins adds.



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Where's the Beef? Show me the Proof.

The coin on the left is the American Eagle Proof coin with the W (West Point) Mint marking, while the bullion coin on the right has no Mint mark. The best explanation for this comes from special writer for Coinworld.com and author of 100 Greatest U.S. Modern Coins, Scott Schechter.



Proof Version Has The Mint Mark



Bullion Version No Mint Mark



In his Coin World article "Mint marks in error on gold American Eagle coins, only two different coins have them," published 02/19/2015, Scott writes, "Bullion coins are very purposefully struck without Mint marks. The simple explanation for this is that bullion coins are meant to be bought and sold based on the intrinsic metal value, not as numismatic collectibles, so a Mint mark isn't strictly necessary."

Since the U.S. Mint is not a precious metals dealer, it can't sell bullion coins to the public. Instead, it produces bullion coins and then distributes them through a network of "Authorized Purchasers."

But the Mint can sell collectibles. Since the beginning of American Eagle coinage in 1986, the Mint has sold Proof issues directly to collectors. To distinguish these numismatic collectibles, they are given Mint marks. To read this entire article, use the following link:

<http://www.coinworld.com/news/precious-metals/2015/02/Mint-marks-in-error-on-bullion-coins.html#>

So why can't the U.S. and Canadian Mints sell bullion to the public? Now you're starting to understand how clear cut this whole mess is. You see the Mints are not even authorized by the U.S. congress and Canadian Crown (Crown is the equivalent of congress) because if they should need to recall bullion, it is a much cleaner mess if the same government recalling an item did not sell it to you directly. This is the number 1 reason why bullion maples and eagles are only sold through authorized dealers and not directly through the Mints that produce them.



- **Popular Bullion Items** - American Eagle Bullion in Gold and Silver, Canadian Maples, Comex-approved Gold & Silver Bars, South African Krugerrands.
- **Popular Private Collector Coins** - PCGS & NGC Certified Pre-1933 U.S. Gold and Silver coinage. Proof & collector Coinage from the U.S. Mint & Royal Canadian Mint.



Rest assured, the Certified Gold Exchange offers both popular bullion products like Eagles, Maples and Krugerrands, as well as certified private investment-grade coins to satisfy investors on both sides of the gold confiscation debate. Also, all of our certified investment collector coins automatically come with our PriceMatchPlus® guarantee, which states that we will beat any legitimate dealer's confirmed price by 1%, so you can invest with confidence. This guarantee is also included on the modern day collector coins like the American Eagle Gold & Silver Proof coins and Royal Canadian Mints Arctic Polar and Fox coins.

Please call our advisors today at **1-800-300-0715** and tell them that you read our report on confiscation. Let them know if you want a plan protecting you from another financial collapse or if you are just speculating on price appreciation. We do have effective strategies in place to serve investors in both events.

The entire CGE staff will always recommend bullion for price speculation and PCGS Certified Gold and Silver private collector coins to hedge against a similar event to the last U.S. depression or worse. Our reasoning is that legal precedence and human nature is far stronger than any other argument on the subject.

Disclaimer: This material is a collection of 3rd-party references and personal opinion and not to be deemed as legal advice. The Certified Gold Exchange and its staff use this material as a guideline on advising investors as to what type of metal to purchase. Please note that CGE staff members cannot guarantee what items would be safe from confiscation in the event of another gold or silver recall.



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