

# Dealers anticipating modern-day 'gold rush'

By JOAN S. WEAVER

By virtue of the repeal of the 1934 Gold Reserve Act which prohibited the purchase, sale and holding of gold by private citizens, individuals will be permitted to buy gold as of Jan. 1, 1975, for the first time in forty years.

At that time, private citizens will be able to walk into the brokerage firm of Merrill Lynch and Company in Southfield and exchange their cash for 1/2 to 400 ounce bars of 99.95 percent pure gold.

The buying of gold through Merrill Lynch and Company will be made possible because of a newly formed precious metals company called Merrill, Montagu, Handy and Harman.

The new company is the result of a merger between Merrill Lynch; Samuel Montagu and Company, one of the world's leading gold bullion dealers, based in London, England; and Handy and Harman, a leading metals fabricator headquartered in New York with branch offices in Southfield.

EACH PARTICIPANT will bring the special knowledge and service of their own field to the newly formed company. Samuel Montagu and Company will obtain and trade gold in the world markets for the new company. Handy and Harman will fabricate, assay, store and distribute the gold, while Merrill Lynch will handle sales of the bright, yellow metal at all of their 262 branch offices.

The repeal of the 1934 Gold Reserve Act was the result of two separate congressional efforts. The first, in 1973, repealed the prohibi-

tion on gold ownership but made repeal effective when and if the President determined that repeal would not adversely affect the international monetary position of the United States.

The second was an amendment to repeal the 1934 prohibition as of Sept. 1, 1974, (introduced by Peter H. Dominick, R-Colo.) attached to a bill to insure foreign trade.

President Gerald R. Ford signed the bill in August. The amendment states that if the Department of the Treasury does not act by Dec. 31, that it will become effective on Jan. 1, 1975, which is how it now stands.

According to Gerald A. Kearns, manager of regional commodities for Merrill Lynch and Company in Michigan, details on the sale of gold are almost non-existent as plans are still in the process of being finalized.

"The idea of buying gold is new to us," Kearns says, "but we think we have something that people will want to buy. Initially, there will be a demand just because people haven't been able to own gold in the past, the notion of being able to do it will be appealing—like forbidden fruit."

Kearns says that buying gold will be similar to other stock transactions and for those who are interested there will be several ways to do it. "There will be a gold futures market for those who want to trade in gold," he says, "gold certificates which can be exchanged for gold, as well as the sale of gold bars."

INDIVIDUALS WILL be able to buy gold bars in multiples of

*"A dealer says he has trouble visualizing Kmart selling gold . . . 'I think banks rather than department stores.'"*

five ounces. A five ounce bar of gold would be about the size of a fishing sinker but the shape would be rectangular. The rectangular bars will be stamped with the percentage of pure gold and the weight. At today's free market price of \$157.50 per troy ounce, a five ounce gold bar would cost nearly \$800.

Troy weight is the standard system used in weighing gold, silver, platinum, coins and most jewels. A troy weight pound contains 12 ounces instead of the more familiar 16 ounces.

For people who choose to buy gold bars outright, Merrill Lynch will hold it for them, and Kearns thinks most people prefer to handle it that way. For those who want the gold bars "in hand" delivery would take about five or six weeks, since there are no gold stocks in Detroit, Kearns says.

"The free market price of gold fluctuates," says Kearns, "in November of 1973 the price was \$90 an ounce and in April of 1974 it was selling for \$180 an ounce. Now, it's settled down to \$157. The price will be quoted out of London—bullion dealers fix the prices according to the law of supply and demand—and people will be assured of a fair market price."

Kearns agrees that speculation also influences the price of gold and that if the gold in storehouses was put on the market, the price would drop.

Merrill, Montagu, Handy and Harman will offer to sell gold to wholesale customers such as banks, jewelers and department stores.

KEARNS SAYS he has a little trouble visualizing Kmart selling bars of gold. "I think banks might be a natural step," he says, "I'm more inclined toward banks and jewelers (selling gold) rather than department stores."

In the last stanza of The Spell of

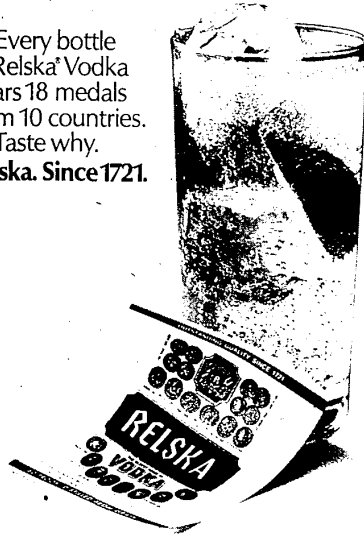
The Yukon, Robert Service writes: There's gold and it's haunting and haunting;

It's luring me on as of old; Yet it isn't the gold that I'm wanting.

So much as just finding the gold; When the "gold rush" starts in January, the sedate business transactions of 1975 will lack the spirit of the Alaskan gold rush (1897) and the thrill of the search that Service finally valued more than the gold.

## READ THE LABEL AND YOU'LL BUY THE VODKA. RELSKA.

Every bottle of Relska Vodka bears 18 medals from 10 countries. Taste why. Relska. Since 1721.



Relska Vodka 100 and 80 Proof. Distilled from grain. By L. Relsky & Co., Hartford, Conn. © 1974

## Bloomfield Hills Country Club appoints new business manager

The exclusive Bloomfield Hills Country Club on W. Long Lake Road has a new general manager.

George M. Haddad, chief executive officer of the Racine, Wis. YMCA since 1961, assumed his duties at the club Oct. 16.

He replaces Jim Walsh Jr. who left the post to manage the Eldorado Club in Palm Desert, Calif. Walsh was a resident of Farmington.

"I'm looking forward to the new opportunities presented in managing a country club," said Haddad. "I've already met a great many wonderful people."

Speaking for the Racine YMCA, public relations director Donald E. Rowe said Haddad "streamlined our entire operation, from the employment of sound accounting and business principles to the employment of competent personnel to man key positions."

Rowe said YMCA attendance

doubled during Haddad's years as manager.

"When he came here," said Rowe, "There was a \$600,000 mort-



GEORGE M. HADDAD

gage, a \$200,000 back debt to contractors and an \$80,000 accumulated operations deficit.

Today all debts are wiped out with the exception of the mortgage, which has been invested and will be paid off in the near future," Rowe added.

Haddad is married and has a son in college and a teenage daughter. He plans to move his family to the area soon. Haddad is now living in Southfield.

## Drive a different car each day of the week.

**Sun.** A perfect day to relax amidst luxurious surroundings like the Mercedes-Benz 280S.

**Mon.** The answer to getting in and out of traffic is to have the same type of steering system as the racing Ferrari.

**Tues.** You've got a car that handles beautifully in the rain. That's because it has front-wheel drive like a Cadillac Eldorado.

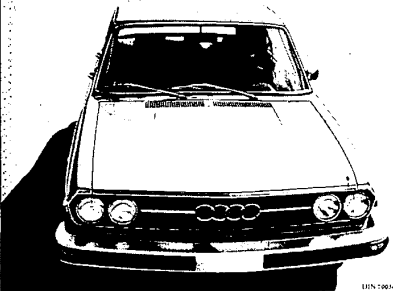
**Wed.** City potholes aren't that bad if you've independent front suspension like an Aston Martin.

**Thurs.** A long business trip ahead. Thank goodness the car gets 24 mpg. That's virtually the same as a VW.

**Fri.** Getting ready for a nice weekend. And all the luggage fits nicely into a trunk as big as the Lincoln Continental Mark IV's.

**Sat.** The whole family is enjoying the ride. Because there's about the same headroom and legroom as a Rolls-Royce Silver Shadow.

**The Audi 100LS**  
It's a lot of cars for the money. It's a lot of miles to the gallon.



Tom Sullivan Porsche Audi Co.

499 South Hunter Blvd.  
Birmingham

OVERSEAS DELIVERY AVAILABLE

**HENNESSY** SINCE 1947

*Pharmacy*

**PRESCRIPTIONS**

• FREE DELIVERY •

Open Daily 9 AM - 6 PM  
Sat 9 AM - 5 PM  
Closed Sun. & Holidays

**GRATYD 8 MILE CENTER**

**GRATYD**

**HENNESSY & HARRINGTON**

**20803 BROCK EAST DETROIT**

CALL 777-8823

R. B. MILE

## "The Yellow Pages is the best prescription for curing profit problems!"

"We've used the Yellow Pages since we opened our pharmacy in East Detroit, and we keep using it. We like to keep our name before a constantly changing public," claims Joseph A. Sokal, Hennessy Pharmacy, 20803 Brock, East Detroit. "One year we used a coded telephone number in our ad and received approximately 100 calls per week on that line alone. Almost our entire advertising budget goes for the Yellow Pages."

"The Yellow Pages is a great friend to have—especially when a businessman is just getting started," says Michael Richardson, Dependable Battery Co., 13550 Dix Toledo Road, Southgate. "Two years ago we opened our battery shop and placed an ad in the Yellow Pages hoping to draw retail business to supplement our wholesale accounts. You can imagine our surprise when we got a large wholesale account that had located us through the Yellow Pages! Wholesale or retail, our Yellow Pages ad more than pays for itself."

"When I bought Warren Rustproofing, one of the first things I did was increase the Yellow Pages advertising. We are now in five different directories. We don't advertise in any other medium because we don't need to. Approximately 75% of our new business comes from the Yellow Pages. Our faith in the Yellow Pages has been rewarded. Although this year and the one before were supposed to be slow in retail sales, we've done fine."

Jim Maligne, Warren Rustproofing, 25600 Van Dyke, Center Line.

"A little less than two years ago, I decided to open my own driver training school," explains Peggy Ostro, ABC Driving School, 542 West 8 Mile Road, Ferndale. "As quickly as I could, I took out a large ad in the Yellow Pages. Why? Because it's the best source of business I know. At least 90% of my business, and perhaps more during my first year, could be traced directly to my Yellow Pages ad. The Yellow Pages is the most efficient advertising medium I know."



Travel the Yellow Pages road to sales success. Call your Yellow Pages representative!