

UK NEWS

Bullion boom sparks rush to sell heirlooms

BY DAVID MARSH

SINCE THE start of the year owners of unwanted gold and silver, seeking to cash in on the boom in bullion prices, have been besieging London's precious metal dealers with tons of candlesticks, cutlery and cigarette cases.

People are queuing to sell everything from wedding rings to antique silver plate in Hatton Garden, the centre of London's jewellery and precious metals trade.

The rush to sell is part of a world-wide phenomenon which dealers call "disharding"—the desire to turn in gold and silver for cash when prices rocket.

"The stuff is starting to come out of the woodwork," said Mr. Jack Spall, deputy managing director at bullion dealers Sharps Pixley. But the amount of metal coming on to the market this way is still fairly insignificant compared with the surge in speculative and investment demand that has led to a fivefold rise in the silver price and almost trebled that of gold in the past six months.

Outside bullion dealers Johnson Matthey in Hatton Garden yesterday morning, a

queue of about 20 people had their treasures in an assortment of plastic bags, canvass holdalls and shopping trolleys.

The conversation ranged from the outlook for the bullion market in the event of World War Three to the poor prices offered by some dealers.

There was concern by Johnson Matthey about the security risks—"We haven't had any muggings yet," said one official on the door darkly. But several sellers were willing to show off all the goods they had to offer.

The prize for the most exotic objects went to the bearded young man holding a bag of 22 carat Chinese gold—brought in on behalf of a Chinese friend in Wales whose wife had left him with nothing except these dragon-embossed trinkets presented as part of the wedding dowry.

"You'd better wait until the 10.30 fixing," said a knowledgeable bystander, "the price will be better." (It was—it shot up to \$765.)

Two young antique dealers at the front of the queue said the explosion in silver prices had



The rush to sell gold and silver in Hatton Garden as bullion prices rocket.

made it profitable to buy up silver scrap and sell it to bullion dealers at a higher price.

Indeed, stories have been circulating in the metal trade of dealers touring sales and auctions in the provinces—as well as branches of cut price jewellers—in order to buy scrap. Big profits can be made by bringing the metal to London for melting.

Johnson Matthey was expected yesterday to be offering about £12 per ounce for silver scrap. This was admittedly a big discount on the spot bullion price of nearer £20—which the company justifies on the grounds of the volatile market, as well as refining and handling charges. But this is still good money compared with last summer when the scrap price was a mere £3.

One antique dealer in the queue, brandishing the bottom

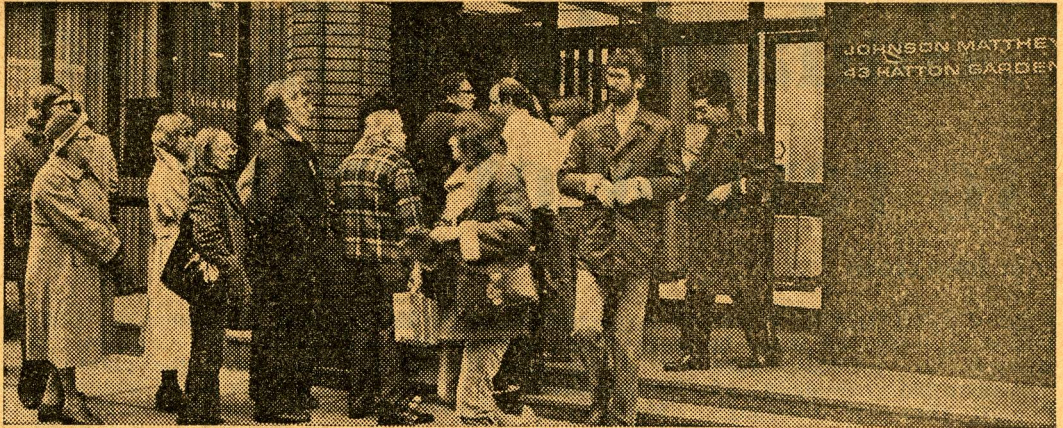
half of a silver salt cellar, explained that it would cost £20 to repair and then might sell in his shop for £60, whereas he could pocket £30 for it.

Another lady dealer, weighed down by a bag of Victorian and Georgian silverware, was computing how much her lot would be worth—well over £1,000. She had some nice Georgian spoons—"But who needs spoons? I'd rather have the money."

An elderly gentleman, complaining that Mrs. Thatcher's austerity policies forced people like him into this, was disposing of a gold watch which had been in a box for 30 years.

Other objects heading for the furnace were gold rings brought in by one middle-aged woman—"of sentimental value—but you can't afford to be sentimental, can you"—and bracelets being sold by a husband on behalf of his wife.

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Johnson Matthey says that all

objects bought over the counter are destroyed immediately. A 1748 silver salver and some modern silver in top showroom condition recently went the same way as all the rest.

But some people in the queue doubted that even hard-hearted bullion merchants could be so indiscriminating if a really valuable piece came in over the counter. “It would be wicked to melt it down, wouldn’t it?” said one lady.