

Fed Orchestrated Smash In Gold: “Stocks of Physical Gold are Declining”

By [Dr. Paul Craig Roberts](#) and [Eric King](#)

Global Research, April 14, 2013

KingWorldNews.com

Region: [USA](#)

Theme: [Global Economy](#)

“I have assumed from the beginning that it is the Fed’s concern with the dollar because the dollar is being printed in huge quantities at the same time that other countries are abandoning the use of the dollar as international payment. The exchange value of the dollar is (being) threatened, and if that collapses the Fed loses control over interest rates. Then the bond market blows up, the stock market blows up, and the banks that are too big to fail, fail. So it’s an act of desperation because they’ve got to establish in people’s minds that the dollar is the only safe place, it is the only safe haven, not gold, not silver, and not other currencies.”

Today a former Assistant Secretary of the US Treasury told King World News that the smash in gold and silver today was entirely orchestrated by the Federal Reserve. Former Assistant of the US Treasury, Dr. Paul Craig Roberts, also warned KWN that stocks of available physical gold are “rapidly declining.” Below is what Dr. Roberts had to say in this extraordinary and exclusive interview.

Eric King: “Dr. Roberts, we have this smash on gold and silver today. Gold down \$75 at one point and silver was down \$1.75, your thoughts here?”

Dr. Roberts: “This is an orchestration (the smash in gold). It’s been going on now from the beginning of April. Brokerage houses told their individual clients the word was out that hedge funds and institutional investors were going to be dumping gold and that they should get out in advance.

Then, a couple of days ago, Goldman Sachs announced there would be further departures from gold. So what they are trying to do is scare the individual investor out of bullion. Clearly there is something desperate going on....

“I have assumed from the beginning that it is the Fed’s concern with the dollar because the dollar is being printed in huge quantities at the same time that other countries are abandoning the use of the dollar as international payment.

The exchange value of the dollar is (being) threatened, and if that collapses the Fed loses control over interest rates. Then the bond market blows up, the stock market blows up, and the banks that are too big to fail, fail. So it’s an act of desperation because they’ve got to establish in people’s minds that the dollar is the only safe place, it is the only safe haven, not gold, not silver, and not other currencies.

And to help protect this policy they have convinced or pressured the Japanese to inflate

their own currency. The Japanese are now going to print money like the Fed. They are lobbying the ECB to print more. So I see this as a dollar protection policy.

...I know where the gold is coming from in the market, it's just paper. It's naked shorts, there is no gold there. If somebody wanted to take delivery on those contracts nobody would be able to provide it. I don't know what the source of the (physical) gold is. Some people are saying that the actual stocks available for possession are rapidly declining."

Eric King: "Going forward, Dr. Roberts, what do you expect out of all of this? If the gold is coming out of Western central bank vaults and flowing to the East, the old saying is, 'So goes the gold, so goes the power.'"

Dr. Roberts: "Well, I think the power of the West has already been lost. When you have off-shored your manufacturing and professional service jobs, you've hollowed out your economy. So gold or no gold, the United States economy has been severely damaged and I don't think it can recover.

This gold business (smash in price) is something to do with the dollar. They are trying to save this Federal Reserve policy of negative real interest rates. You can't do that if the dollar loses value relative to gold because it implies it should be losing value relative to other currencies.

If the dollar's exchange value drops, then the price of imports that come in here (to the US) rise. So you get domestic inflation, and if you have domestic inflation you can't have zero interest rates, or negative real interest rates. So the Fed would lose control and that's the basis of this policy.

They are trying to destroy gold as a (safe) haven from the dollar in order to carry on the Fed's policy of negative real interest rates. That is what is driving the illegal policy of selling naked shorts in order to manipulate a market. If you and I were to do something like this without the government's instruction or protection, we would be arrested (laughter ensues). So the fact that it's illegal, being done by the authorities, tells me that they are seriously worried about the dollar."

This write-up is only a small portion of what Dr. Roberts had to say in his extraordinary audio interview. The KWN audio interview with Dr. Paul Craig Roberts will be available shortly and you can listen to it by

Eric King, KingWorldNews.com

[Click here for audio](#)

www.PublicCentralBank.com

The original source of this article is KingWorldNews.com

Copyright © [Dr. Paul Craig Roberts](#) and [Eric King, KingWorldNews.com](#), 2013

[Comment on Global Research Articles on our Facebook page](#)

Become a Member of Global Research

Articles by: [Dr. Paul Craig Roberts](#) and [Eric King](#)

About the author:

Paul Craig Roberts, former Assistant Secretary of the US Treasury and Associate Editor of the Wall Street Journal, has held numerous university appointments. He is a frequent contributor to Global Research. Dr. Roberts can be reached at <http://paulcraigroberts.org>

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca