

Federal Reserve: “They Do Not Have Any More Gold”. Paul Craig Roberts

By [Dr. Paul Craig Roberts](#)

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By Greg Hunter

Former Assistant Treasury Secretary Paul Craig Roberts is making some bold new claims about the Federal Reserve and its official government gold holdings. Dr. Roberts contends,

“They don’t have any more gold. That’s why they can only give Germany 5 tons of the 1,500 tons it’s holding. In fact, when Germany asked for this delivery last year, the Fed said no. But it said we will give you back 300 tons . . . So, they said we will give you back 20% of what you trusted us to keep for you over the next seven years, but they are not even able to do that.”

Dr. Roberts goes on to say, “The stocks of gold at the Bank of England seem to be disappearing. The stocks of many of the gold trusts, such as GLD, are being looted . . . all of this gold is disappearing into Asian markets. The entire West is being drained of gold.”

According to Dr. Roberts, this is an inflection point for the gold market.



Dr. Roberts says,

“The reason is: the ability to supply large amounts of gold to the bullion dealers to sell has diminished with the supply of gold and silver. What the Fed did was turn to massive ‘naked shorts’ of gold futures contracts. They don’t have the real gold . . . so they come in and dump contracts, say in a period of 6 minutes, that are three times the amount of gold COMEX has to make delivery. . . . So, it drives down the price of gold. That’s how they got the price down from \$1,900 to \$1,250.”

Roberts contends that America's gold is "mainly gone." That's right, a former Assistant Treasury Secretary who is the father of Reaganomics, says, "They obviously don't have any because, if they did, they would have given Germany's gold back. If they had any, they would let people audit the vaults." Dr. Roberts warns,

"The point is the ability to continue selling these 'naked shorts' is now disappearing because there is no gold left to back them up. . . . None of these EFT's has the gold to back the shares. The ability to continue looting them in order to make good on gold deliveries is running out. So, this will prevent the Fed from selling 'naked shorts' to protect the dollar from its policy of quantitative easing. That's what's it's all about. You can't print \$1,000 billion new dollars every year without causing other holders of dollars to wonder about the value of the money and to seek a way of getting out of it. China has been doing that by going into gold."

On gold holdings, Dr. Roberts argues there are two big reasons why he says, "I don't think they have any." Roberts says,

"There is no reason for partial delivery if you have the gold. There is no reason to sell all these naked shorts if you have the real gold you can dump on the market."

Roberts predicts,

"If people in the West try to move from dollars into bullion and there's not any to speak of, then you would see a massive rise in the price."

Dr. Roberts also predicts,

"I think, this year, you are going to see a further downturn in the economy. The signs are not only that we do not have a recovery, but it's going to get worse. . . . Christmas sales were very negative. There's no growth in people's income and no jobs. So, if the economy goes down further, what does that mean? It means the deficit widens. It means they have a greater debt ceiling lift. They have to have a bigger debt ceiling increase, and all of this will alarm the world. They'll say, good heavens, they already had a trillion dollar deficit. Now it's gone up, and the Fed can't stop the quantitative easing without the stock and bond market collapsing. The banks' solvency will become an issue. So, the world is watching a bigger deficit, more printing of money, and they are likely to start dumping dollars. When they do that, they'll say 'gold, I want gold.' There's not much supply to meet demand, and the price has to escalate. So, I wouldn't be surprised if that shows up this year."

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