

Gold Repatriation and The Monetary Crisis: Austria, Belgium and The Netherlands Want Their Gold Back

By [Bill Holter](#)

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To say that events are now taking place at the speed of light is an understatement. It was just last Monday, I wrote a missive entitled "The Mother of all Bank Runs". In it I wrote about the German and Dutch repatriations of gold which was then followed by the Belgians beginning discussions on the same topic. As a final speculation, I mentioned that "logically the Austrians would be next". There was no way you could have told me it would be less than one week until the same news would actually come out of Austria! Unlike the Germans, Dutch and Belgians who have gold held in N.Y., Paris, and London, Austria holds 80% of their 280 tons of gold concentrated in London. <http://www.zerohedge.com/news/-2014-12-12/breaking-austria-considers-repatriating-its-physical-gold> This is truly big news for several reasons which we will explore and it certainly brings up a few more questions.

These four countries represent the core of the European Union. The EU is located in Brussels and the ECB is located in Frankfurt so the "power centers" (or financial centers) if you will are located within this "block" of countries, let's call them the "Nordic bloc". These four are the strength of the euro, they are the highest rated credits and for the most part they alone dictate policy. ...And now, ALL of them will be asking for their gold to be returned to them. The same questions I asked last week still apply, even more so now because of the addition of Austria. Why do they want their gold returned and why now? There are other questions which we can look at shortly.

First, "why"? Why is there all of a sudden this rush by Holland, Belgium and Austria to follow Germany's lead in asking for their gold back. The obvious answer is trust, or better said, lack of trust. For years there have been questions as to whether or not "official gold" has been leased into the markets. These questions have arisen because of the simple math of supply and demand. If China, India and Russia have been gobbling up 100% of current mine supply... then where is the supply coming from to meet the demand from the rest of the world? If there was no trust issue whatsoever, these central banks would not "bother" with where this gold is being held because it brings up questions central banks would prefer you not think about. These questions would obviously include "why" move the gold if it is already "safe"? It also brings up the question of why bother if gold is really not important in today's financial world ...as many central banks will have you believe?

You see, for central banks to ask for their gold must mean it has some importance to them, right? For that matter, why have these countries not asked for dollars, pounds or euro's (from France) for the values of the gold held? Why are these central banks asking for the actual metal? The answer of course is because they know gold is real money and there is no substitute... in other words, there is nothing "as good as gold" when it comes to money. I cannot stress enough how big these actions are because these are central banks bringing publicity to gold in a manner showing just how important the gold really is to them! Let's

move on to other questions rather than rehash last weeks missive. Why and why now are the main questions but I believe these two are wrapped up by “why these four countries”? What this obviously leads us to is the very real potential that the Eurozone which is an imperfect union, will now be “splittable”! These four countries are the center of the “have’s” with the rest of Europe being “have nots” for the most part. These four country’s gold reserves amount to roughly 4,000 tons. Officially they would be number two in the world behind the U.S., assuming the U.S. has not already divested their gold (I believe we have), “unofficially” this 4,000 tons would make them number two behind China if you believe they 8,000 tons of gold or more (which I do). These four countries with reserves of 4,000 tons will have the ability to set up a northern or “Nordic euro” ...especially if China revalues gold and re sets the world’s financial system which looks very probable in my eyes.

Repatriating their gold also does something else which few have thought of so far. Actually having their gold in hand may just allow them to purchase energy from Russia. Remember, Russia is testing their own clearing system to bypass the West’s SWIFT system. Would Russia possibly refuse Western currencies for their energy exports if they had a system up and running which could clear rubles and yuan? You bet they would, especially during a time of financial war. Is gold a western currency? Is it an eastern currency? No, gold is the ULTIMATE currency, even Alan Greenspan concedes this! This theory of a possible European breakup into northern and southern euros has more legs if Russia were to accept the new Nordic” for trade but refuse the “southern euro”. Would Russia have more “confidence” and thus be more likely to accept the northern euro ...if it is supported by gold? Gold that is actually accounted for and held within these countries own vaults as opposed to vaults controlled by N.Y. and London?

The answer of course is “yes” but it also brings up another question which has a very humorous answer! For a little background before I ask the question, do you remember why all of this gold was moved to London and New York all those years ago? That’s right, there was a fear Stalin or one of his successors would roll tanks across Europe and take the gold ...so the further away from Russia this gold was ...the better! Fast forward to present day, isn’t Mr. Putin and Russia the “scary and aggressive” potential invaders of Europe? Why would these countries want their gold within their borders at this EXACT point in time if they have any worries of an aggressive neighbor called Russia? Does this make any sense at all? It does, and the humor is that these four countries apparently trust Mr. Putin and Moscow more than they do the U.S., Britain and the West!

Let me wrap this up and speculate a little as to what I believe is happening because it is clear something IS happening. It can be no coincidence these four core European countries want to repatriate their gold. It is also clear this action signals a change of some sort in their “relations”. For this “block” of countries (which is exactly what I believe they will be seen to be) to remove gold from the West and placing it within marching distance from Moscow tells me they trust “us” less than they fear Russia. I also believe they know where this whole game is headed and who is leading it. I believe China will back their currency with a “re marked” price of gold with Russia as their right hand energy man. The game is going toward gold, not away, this Nordic group is simply positioning themselves for when the starting gun is fired.

While the West has tried to “isolate” Russia, we will have succeeded only in isolating ourselves and creating the “cause” for a run on our own banking system. I am not talking about the paper Ponzi scheme banking system as this will also fall, I am talking about an old

fashioned and REAL run on the bank! This “run” started slowly and ran for years as China accumulated what we foolishly “gave away”. Now, it looks like the “run” is accelerating and the “core four” are taking the attitude “he who panics first panics best”! None of this had to happen but it has and is, simply because the West has done dirty business and ruined credibility. There is absolutely no rationale whatsoever for these banks to ask for their gold back if it is truly safe and they have full and complete faith in the U.S. as custodian and enforcer of the rule of law.

Please understand, the “core four” IS Europe. Other than Britain, Europe is supposed to be America’s number one ally. It is obvious allegiances all over the world are changing. It is also obvious what is considered as “important” as far as money and currencies are concerned is also changing, otherwise these countries would accept dollars in lieu of their gold.. The West has bled gold, trust and thus credibility while the East (and new northern Europe partners?) has accumulated gold, trust and thus also credibility. “Power” has always followed gold wherever it went.

If gold is leaving London and New York, it is for a very good reason. I believe we may very well see a “Nordic euro” that trades primarily with Russia and China as opposed to the U.S. and Japan. No one has ever run their bank “just for fun”, there has to be a reason. I can see no reason for these four countries to act in unison on this issue unless trust is being questioned and/or a break away from the other deadbeat EU nations is planned ...we will see shortly.

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Bill Holter writes and is partnered with Jim Sinclair at the newly formed Holter/Sinclair collaboration. Prior, he wrote for Miles Franklin from 2012-15. Bill worked as a retail stockbroker for 23 years, including 12 as a branch manager at A.G. Edwards. He left Wall Street in late 2006 to avoid potential liabilities related to management of paper assets. In retirement he and his family moved to Costa Rica where he lived until 2011 when he moved back to the United States. Bill was a well-known contributor to the Gold Anti-Trust Action Committee (GATA) commentaries from 2007-present.

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