

China's Plan to have an International Reserve Currency linked to Gold

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Common wisdom has China as the future model for the Globalist economy. Also, conventional thinking has the Western financial debt created money system as the backbone of the New World Order. The big question is, are both components of the same intentional plan? When [China Has Announced Plans For A 'World Currency'](#), the world is put on notice that a fundamental shift is about to take place.

What you are about to see is rather startling, but it shouldn't be a surprise. When it comes to economics and finance, the Chinese have always been playing chess while the western world has been playing checkers. Sadly, we have gotten to the point where checkmate is on the horizon.

The following comes [from CNBC](#) ...

The tightly controlled Chinese yuan will eventually supersede the dollar as the top international reserve currency, according to a new poll of institutional investors.

The survey of 200 institutional investors – 100 headquartered in mainland China and 100 outside of it – published by State Street and the Economist Intelligence Unit on Thursday found 53 percent of investors think the renminbi will surpass the U.S. dollar as the world's major reserve currency.

Optimism was higher within China, where 62 percent said they saw a redback world on the horizon, compared with 43 percent outside China."

Before the celebration begins that the game is up for the Federal Reserve mastery from the days of the Bretton Woods Conference, look a little closer. While gold and its fixed price were instrumental to that monetary standard, the freeing from fixed rates has generated the madness of floating currency speculation that now dominates the financial markets.

The cunning and patient Chinese built their export economy on cheap priced goods into their importing customer economies. Saving is a noble objective in the East, while going into debt is the hallmark of Western practices. The Chinese have applied their huge balance of trade surpluses to buying up commodities. Most notable is gold.

The article, [Could China actually have 30,000 tonnes of gold in reserves?](#) Makes the strongest argument that China is poised to become the new superior currency is based upon the potential of establishing a convertible relationship between the renminbi and bullion.

“China has much more gold than it is allowing the world to see. As Alasdair Macleod, probably the world’s number one analyst of the gold market, wrote that between 1983 and 2002 China probably accumulated 25,000 tons of gold. Thus, its current gold holdings are probably north of 30,000 tons in contrast to the USA which has either sold or leased most of its gold.” Now this statement coming from one of the usual gold megabulls might be ignorable, but Hunt does not fall into this category and has a good track record of insights into China’s strategic initiatives as far as metals and minerals are concerned.”

Before the rush to the door to dump your U.S. Dollars for whatever store of wealth one believes will maintain its purchasing value, consider what the voice of the global financial establishment, the IMF says. Stating the outlook from the central Bankster’s perspective in, [Will the Renminbi Rule?](#), the message is that paper money, burdened by debt, is still firmly in place.

“Given China’s size and growth prospects, it is widely seen as inevitable that the renminbi will eventually become a reserve currency. To gauge the likelihood and timing, it is necessary to consider the typical attributes of a reserve currency and evaluate China’s progress in each of these dimensions. The factors that generally affect a currency’s reserve status includes:

- Economic size
- Macroeconomic policies
- Flexible exchange rate
- Open capital account
- Financial market development

The IMF concludes:

“The renminbi is unlikely to become a prominent reserve currency—let alone challenge the dollar’s dominance—unless it can be freely converted and China adopts an open capital account.”

Now for anyone even remotely schooled in the manners and maturations of the financial elites, turning the other cheek to a pretender, is not in the lesson book.

Investment manager, Richard Harris offers in a report, [Time to create new Chinese-Hong Kong dollar](#), an interesting possibility.

“The HK dollar itself is a dead unit having been pegged first to the pound and later to the US dollar, with the current rate fixed in 1983. The prevailing view about depegging is that it would be too dangerous. The unit only floated for a relatively short period from 1974-1983 and, I recall, without much confidence in its success.

The obvious answer is to combine the dead HK dollar with the embryonic CNH. This would be a completely independent, floating currency. The CNY would be used for current account transactions such as exports and imports, whilst the new “Chinese Dollar” (HKD/CNH combined) would cater for capital account

financial transactions.”

Keeping paper money in place as the international medium of exchange is fundamental to the New World Order. While China may never implement an actual redemption of gold for their renminbi, there is a real possibility that some gold weighted backing for Chinese paper instruments could be introduced.

The U.S. Dollar maintains illusionary worth, only because the central bankers are all in with their dollar dominated derivatives. Moreover, the Chinese are very much dependent upon their exports to keep their economy going. Settlement in Federal Reserve notes is crucial for the American system to keep buying from overseas.

Just the mere threat of payment in the renminbi for all the Chinese goods that Walmart imports could be devastating. Allowing for a gradual transition into a semi-reserve renminbi status keeps the Bankster’s game going.

The prudent analysis suggests that the NWO created China’s emergence into an economic power through off-shoring domestic industries in their subject countries. Nonetheless, the international cabal is not about to starve their interest paying indebted nations by letting the Chinese accumulate even greater cash reserves.

Expect a downturn in China’s prospects, as soon as any ascendancy for their currency begins gaining a reserve acceptance.

James Hall - March 11, 2015

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