

Gold Really Does Matter in “Polite Company”! Direct Competitor of the US Dollar...

By [Bill Holter](#)

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Theme: [Global Economy](#)

Every once in a while it is good to go back to basics. We have looked at the topic of whether gold even matters several times in the past. Charles Hugh Smith undertook the exercise of “re hypothecation” process last week and can be read here, <http://charleshughsmith.blogspot.com/2015/04/the-rehypothecation-of-gold-and-why-it.html>. He ends this article with a common sense question that asks “if gold is such a useless relic then why don’t they just charge the public for tours to see the gold in Ft. Knox? What’s the danger?”.

Actor after actor has been paraded forth to tell the public, “gold is a useless and barbaric relic.” We are told daily “it doesn’t pay any interest, it costs money to store it, you can’t eat it and Walmart won’t take it. It’s pretty for jewelry but that’s about it”. I ask the questions, why then do central banks bother to hold gold? Why the secrecy of our own gold holdings? We are told that no audit can or will take place because it would cost too much? Why not sell a few of the “useless bars” to pay for the audit?

The answers of course are all so obvious. Gold is badmouthed because it is the direct competitor of the U.S. dollar. We haven’t had an audit because the numbers would not match up and it would be discovered we do not have the gold we claim(ed) to have. Put simply, the “danger” is the U.S. will be discovered as a fraud, a thief and a liar if an audit took place. This is why we are bombarded daily with negative psyops regarding gold and why for the last couple of years the price suppression has been so openly blatant and fierce. It is ALL about the dollar and the privilege of issuing the reserve currency, namely the U.S. ability to hang on to this privilege.

The above is “U.S. centric”, the view or perception is far different in the rest of the world. China and Russia are openly buying gold for their coffers. They even encourage their citizens to buy gold for themselves. The Indians even smuggle gold into their country while being discouraged by a pro U.S. government. My point is this, the rest of the world knows what gold really is, it is money. I would even say many Western governments understand the game as proven by their requests to repatriate gold from N.Y. vaults, “trust” is waning.

You see, gold is “trust” itself. Gold is not “issued” by any country, the reality is, any country who has gold is seen to have “wealth”. Ask yourself this question, which is more important, whether the U.S. considers gold to be wealth or whether the rest of the world does? I have been asked the question “what if the U.S. decides to outlaw gold and make it illegal to own”? THIS is why you should own some or even the majority of your metal OUTSIDE of the U.S.. The rest of the world clearly views gold as valuable, you would have wealth outside where this wealth could either remain or be brought back in the form of another currency.

It should be clear to you by now that power is moving away from the U.S. “Trust” is also moving away from the U.S., this is evidenced by the various actions of nations over the last several years, an alternative clearing system to SWIFT, currency hubs, the AIIB and other banking systems... AND their buildup of gold reserves. All of these measures have progressed as the U.S. has lost more and more trust. The world sees the U.S. in a very poor light for what we do and how we act. They no longer see us as a “model citizen” who follows the rule of law and will “call us” on this shortly.

As I have said previously, the “we’ll show you our gold and we demand to see yours” moment is close at hand. What exactly do you think will happen in this event? Can the U.S. get by with “trust us, the gold is there”? Can an audit demanded by the rest of the world be denied? And what if an audit is done and the U.S. turns out to have less than 1,000 tons and a bunch of custodial gold is missing?

Back to the top and the title, does gold really matter? I guess I can answer this with another question, “does trust really matter”? “Trust” matters in everything we do, from daily life to financial affairs. Trade depends entirely on trust and living standards depend on trade. The endgame of the Bretton Woods agreement is upon us because the leader, the U.S., has done so many dirty deals, twisted so many arms and abrogates the rule of law at will.

I believe the defining moment will be when either [China formally applies for inclusion into the SDR](#) or, when they outright announce what their gold holdings are. If China does apply for SDR inclusion, as I understand it they will need to provide audited figures for their gold holdings.

They are a very polite and proper people but not the third world fools our press would have you believe. The intelligent move on their part would be to ask for an audit of the others included in the SDR.

By requesting an audit of “all” they would be asking for an audit of Britain and of course the U.S.. They know full well these audits will not add up because they know they have purchased more gold than has been produced, it had to come from “someone’s vault”. In my opinion, this is the most likely way to “politely” expose the issuer of the world’s reserve currency as fraudulently abusing their power. Gold really does matter to the rest of the world which means when all is said and done, it will also matter in the U.S. whether we like it or not!

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Bill Holter writes and is partnered with Jim Sinclair at

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