Impact Is Imminent: Getting Into Gold, Getting Out of the Euro (and Dollar)

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It's been a decade since the financial crash of 2008 which we now know was orchestrated by Wall Street and a compromised US Treasury Dept. Many believe that the very practice which triggered the collapse back then – the inflation of the subprime housing bubble and other paper swaps – is happening again, only this time it's potentially much worse and more widespread. As a result, major moves are being made now to hedge against an impending tumult.

When the shock wave hits, most everyone will feel it. One of the biggest risks is the over-accumulation of debt internationally over the last ten years as a result of ridiculously low-interest rates, hence, countries that are holding inordinate amounts of debt denominated in US-issued fiat paper notes (aka the US dollar) will unfortunately find their balance sheets heavily exposed. As the Federal Reserve initiates this latest phase of Quantitative Tightening , 'QT', this global debt bubble could become critical. No more cheap money to refinance your old deficit means a certain global liquidity crisis, and potentially a global austerity crisis too.

However, a few countries appear to have enough foresight to hedge against this and the potential for a dollar plunge, by moving a significant portion of their reserves out of the US dollar and into hard currencies like gold, and only keeping enough dollars on reserve as needed to conducted essential transactions for essential commodities denominated in US dollars. Among the leaders in this trend are **Russia** and **China** who have been quietly repatriating record amounts of physical gold.

Slowly, and maybe not so surely, Europe is trying to get into the act also. Claudio Grass of Precious Metal Advisory Switzerland, spoke to *RT International* about the latest trend where European states repatriating their gold reserves. If there is a squeeze coming, one of the first institutions to feel it will be the European central banking institutions. Grass notes multiple harbingers in convergence tight now, stating, "The central banks started the repatriation already a few years ago, meaning before we had Brexit, Catalonia, Trump, AFD or the rising tensions between the Politburo in Brussels and the nations of Eastern Europe."

So they're getting into gold and getting out of the euro. *That can't be good news for the technocrats in Brussels….*

In terms of robust and intrinsic value, the euro hasn't always inspired confidence. It's been regarded by some investment institutions as fundamentally weak, and backed in part by faith in the cohesion of a European Project which others would say is being pulled apart by the seams right now for reasons which Grass has explained above. For nearly two decades now, Europe's financial problems have been systemic, from its sovereign debt debacle, to a crisis of credit ratings in the 'poor south' (as opposed to the 'rich north') still treading water under the post-bailout yoke of ECB-imposed austerity measures. Again, you can trace much of the southern Europe's woes back to Wall Street – who made out like bandits by pocketing a $29 trillion dollars in bailout funds to date, while leaving everyone else holding the can after the 2008 apocalypse. Again, any shock waves in the US economy will have an immediate effect on Europe's financial stability. Author **F. William Engdahl** explains to delicate situation we now face:

> The US economy and US Government is not as invincible as it appears to some. The question is what would replace it? The China-Russia-Iran Eurasia alternative, the most promising alternative needs to take far more consequent steps to isolate their economies from the dollar if they are to succeed.

In terms of marco-trends, Grass believes that the global financial playing field is moving towards *away* from a centralized system. He states, "If we follow this trend, it should be obvious that the next step should be an even bigger break up into smaller units than the nation states. With such geopolitical fragmentation comes also the decentralization of power."

When Grass refers to 'centralization' he is likely referring the current system of global financial hegemony in which the US dollar is the world's reserve currency and where all relative gains or losses are determined by the value and liquidity of that currency. In addition, Engdahl also warns of the dangers of centralization; by allowing a single central bank, the US Federal Reserve Bank (which is a privately owned bank), to determine the destiny of every other national economy on the planet via its ability to set interest rates, it leaves the fortunes of rest of the world at the mercy of US monetary policy.

While this shift towards decentralization may offer a degree of financial liberation to certain countries, it can also be interpreted as a disturbing sign of major instability to come. Whether that also entails a global military conflagration is still yet unknown, but the signs are definitely worrying. Recent moves by the US openly stating its desire to destablize and ruin the economies of Iran and Venezuela should be viewed as a prelude to a military action. If target nations do not submit to American demands of regime change, then more anti-American alliances will form, which is sure to intensify the crisis of power politics. When survival of the state(s) becomes the raisin d'etat, the war can be all but imminent under such conditions. History is replete with examples of this.

Even if a direct military confrontation is avoided, the economic war will continue to rage, and with it more uncertainty for investors and markets. Either way, it's a good time to invest physical gold as a hedge against any future dollar devaluation.

Here is the rest of Claudio Grass's discussion with RT International is telling…

(…) Analysts have pointed out that EU countries see gold as insurance in case they end up returning to their national currencies. According to Grass, only a fool believes you can create wealth out of nothing, and use that as a basis for a sustainable system.

"Our system is based on 7 percent paper notes and 93 percent digital units backed up by nothing other than central bank promises to pay back the debt in the future through inflation and taxation."

He explained that in the Western world, the government is forcing people to give up between 35 and 65 percent of their income and to put it into mandatory vehicles such as pension funds, retirement insurance, taxes, and so on.

> **"If you take away 100 percent of a person's fruits of labor it is defined as slavery… So there is still some room but it doesn't look good either."**

Grass added that with the *"accelerating disintegration of the Eurozone and more nationalistic and right-wing parties popping up that have a clear policy, that is going against the EU."*

> "It is just a matter of time before the Euro, the most artificial currency ever, is going to collapse," he concluded.

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