

Texas Bullion Depository Signals New Gold Rush

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Grab your gold, and hold on!

The financial wizards who have declared precious metals to be a treasure of the past in this interconnected and digital world of currency and trade may have a few things to reconsider.

It is now official - [Texas House Bill #483 was passed and signed](#) into law by Gov. Abbott, establishing a Texas Bullion Depository to house billions of dollars in [gold owned by Texas'](#) university investment firm UTIMCO, as [SHTF has](#) long reported, and, of course, other interested parties looking for a safer haven than the notoriously corrupt banking sector in New York.

As [Money Metals Exchange](#) explains, Texas' move to repatriate gold is a big deal, centered around distrust of Wall Street financial markets and a keen eye on schemes surrounding the physical possession of gold.

When Governor Greg Abbott signed House Bill Number 483 in his own hand on Friday, **Texas gave a big gold "finger" to Wall Street and will soon bring \$1 billion in gold bars back to the Lone Star State.**

[...]

In fact, **those with the fiduciary responsibility for managing the Texas gold are feeling less certain than ever.** That's why they convinced state officials to build a depository and move the gold bars home from Wall Street. Texas joins Germany, Venezuela, the Netherlands, and other **governments that have lost trust in New York depositories for safeguarding their metal.**

While many nations in Europe and Latin America have demanded the return of their physical gold holdings AFTER DECADES of trusting the Fed with it, [Texas has](#) now passed a bill going even further - by deciding to build their own repository.

Moreover, they are inviting others to trust in the Lone Star state above the sketchy financial dealings of the New York Fed and the closely-connection megabanks who have been caught in episodes of financial mischief, fraud and insolvency.

Banking crimes typically only result in fines and headlines, not jail time for the principal actors in often very serious misdeeds. However, the accumulation of shady practices is apparently contributing to the lost confidence that is driving Texas' decision:

Who could blame them? [Gov. Abbott indicated on Friday](#) in his signing statement that some of the Lone Star State's gold is actually in the grubby hands of the New York Fed itself. And HSBC, [the bank reported to be storing some of the gold](#), has been the subject of criminal investigations and lawsuits.

HSBC's suspected activities range from manipulation of metals and currency markets to rigging LIBOR interest rates. And the bank avoided prosecution for laundering Mexican drug cartel money in 2012 by paying nearly \$2 billion in fines instead.

Texas could have chosen to store with another bank. The problem is the alternatives aren't much better. Virtually all of the major Wall Street banks appear to be engaged in some pretty unsavory activity - including ripping off their own customers. In recent years, banks have paid nearly \$200 billion in fines.

This is hardly a small-time showdown.

Whether or not the NY Fed and HSBC make good on returning Texas' gold, or whether they show signs of inventory strains (read: *shortage*) forcing them to buy back from the market, will all have a bearing on whether this decision will prompt other actions in this new gold rush. As [Money Metals notes](#):

The story will bear close watching as HSBC and the New York Fed prepare for Texas to take actual delivery down the road.

The state's gold holdings are reported to now total \$1 billion in value. **If those gold bars have been surreptitiously leased out, pledged, hypothecated, or even sold, then we could see a scramble for the physical metal.**

And that scramble could lead to a musical chairs on the scale of global world order, with seats in the new global currency, and the solvency of major states and institutions determined by who holds the gold, and who is short on collateral to back their leverage. ([SHTF recently called it "The Ultimate Call"](#))

The actual infrastructure to keep Texas' gold has yet to be built, but that's hardly the point. Those decisions will be made in due time as the announcement meanwhile signals a major turning point that could have major impacts on the gold market the world over.

Superpowers like China are scrambling to accumulate as much gold as possible, and smaller countries are wondering how safe their own gold deposits will be... until they are, of course, in hand.

The age of fiat faith in the power of governments is cracking, and the foundation of the new world order still rests on the idea that he who holds the gold makes the rules.

Are your holdings safe and secure?

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