Netherlands Pulls Tons of Gold From Federal Reserve in Preparation for "Severe Crisis"

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The Netherlands has transferred more than a quarter of its gold reserves from North America to Europe, to be used in a "crisis situation." This follows a similar move by France earlier this year, which sold all the gold reserves it had in the U.S.

The mainstream media portray this as further evidence of the deteriorating relationship between Europe and the U.S. For many, though, this is more proof that the U.S. is losing its global status as a symbol of stability and that the international financial system is changing.

Preparing for Crises

It's also pretty clear that this is another step nations are making to prepare for major geopolitical turbulence. The Dutch central bank, De Nederlandsche Bank, said in a press release that moving 27 percent of the gold from the U.S. and Canada to London is intended to improve "the liquidity and tradability of the Dutch gold reserves" and raise preparedness for a "crisis situation." An overwhelming majority of that gold is being moved from the U.S. to make it "most readily available." Based on the release, that still leaves 227 tons of Dutch gold in the U.S. and Canada.

Earlier this year, France sold the rest of its gold holdings, about 129 tons, that it had in the U.S. Federal Reserve, and replaced it with new gold in Paris. Peter Schiff, a financial expert and gold advocate, interpreted France's move as a sign that the rest of the West no longer trusts the U.S. as a reliable ally, saying:

> I think we've projected this threat where the world looks at American military strength as a liability rather than an asset, realizing that we could use our military power just because it benefits us. We have the toughest, biggest military, and so we can do whatever we want because we've got weapons that nobody else has.
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> And if I'm another country, I'm thinking this ain't a good situation here. We've created a monster. The United States has got too much power, and we need to stop financing it. We need to stop paying for it. And the way you pull the rug out from under the U.S. military, is to pull the rug out from under the dollar. You stop subsidizing our trade deficits, you stop subsidizing our budget deficits, allow interest rates to surge, allow consumer prices to surge, and let the U.S. economy implode. That's it — that's how the world disarms America. That's how they win a war before it starts, is to win the economic war.

That's one theory. Another, somewhat along those lines, is that what we're watching is the overhaul of the global financial system, a change that includes the dethroning of the U.S. dollar. As we noted in

April in our Insider Report on the French move:

> In the 1960s, President Charles de Gaulle famously became concerned over the massive welfare program in the United States, as well as the expensive Vietnam War. Skeptical as to how the United States could be financing both "guns and butter," de Gaulle repatriated French gold from New York, contributing to pressure that led U.S. President Richard Nixon to end dollar-gold convertibility in 1971. Today, pundits are drawing parallels, wondering if gold movements might be signaling a larger financial-system overhaul (possibly entailing a new digital currency system). Central banks worldwide have been quietly repatriating gold in recent years, citing sovereignty, security, and diversification away from the dollar-dominated system.

Countries have been bringing their gold home, or closer to home, for years now. In 2017, Germany concluded a transfer of 300 tons of reserve gold from the U.S. to Berlin. Over the last two years, India has repatriated more than 200 tons of gold from the U.K. to the Reserve Bank of India. In some cases, including those of Russia and China, countries have added more than 1,800 tons of gold to their reserves since 2000.

A Safe Haven

Gold has always been a safe haven in times of trouble. And the general consensus is that we are approaching times of trouble. Even the central banks are being open about that, a case in point being the statement from the Dutch central bank.

Six years ago, Chris Rossini said something on Dr. Ron Paul's Liberty Report that has only become more prescient since:

> If I'm in another nation, I have these dollars that I see in my wallet, and I look across the ocean and I see in America [that] they spend a trillion dollars … more than they pull in (the government), which is pretty irresponsible, and this same country also has $22 trillion in debt, which is very irresponsible, and it has made promises of over a $100 trillion to people — whether it's Social Security, Medicare — which is extremely irresponsible, and then to top it off there's a gaggle of socialists that are trying to become president promising free everything — healthcare, education — which is insane. So if I'm across the ocean looking at this, you know, the very first thought I think to myself is: "Where's the nearest gold dealer?"

The national debt has almost doubled — to $40 trillion — since Rossini made these comments. The reckless spending has continued unabated. Two wars have erupted since: The war in Iran has further destabilized the world, and the war in Eastern Europe, which the U.S. is also involved in, is threatening to explode into the rest of Europe and possibly other parts of the world. The forecast is ominous. Governments are saying it out loud. And the U.S. is clearly no longer perceived as a sanctuary of stability.