



# Gold Market Manipulation Update

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***Mines and Money London***  
***November 2017***



## Fed Has 6,200 Tons of Gold in New York Basement—Or Does It?

\* \* \*

Central bank's parsimony with details feeds endless conspiracy among gold bugs

By KATY BURKE

Eighty feet below the streets of lower Manhattan, a Federal Reserve vault protected by armed guards contains about 6,200 tons of gold.

Or doesn't.

The Fed tells visitors its basement vault holds the world's biggest official gold stash and values it at \$240 billion to \$260 billion.

But "no one at all can be sure the gold is really there except Fed employees with access," said Ronan Manly, a precious-metals analyst at gold dealer BullionStar in Singapore. If it is all there, he said, the central bank has "never in its history provided any proof."

Mr. Manly is among gold aficionados who wonder if the bank is hiding something about what it is hiding.

Other theorists suspect the gold beneath the New York

Fed's headquarters at 33 Liberty St. may be gold-plated fakes. Some conspiracy-minded investors think the Fed has been secretly leasing out the gold to manipulate prices.

"There has to have been a central bank spewing their gold into the market," said John Embry, an investment strategist for Sprott Asset Management in Toronto until 2014 who once managed its gold fund.

"The gold price didn't act  
Please see GOLD page A7



A gold bar

# THE WALL STREET JOURNAL.

DOW JONES | *News Corp.* \*\*\*\*\*

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DJIA 21844.01 ▼ 204.69 0.9% NASDAQ 6216.87 ▼ 2.1% STOXX600 376.05 ▼ 1.0% 10-YR. TREAS. ▲ 8/32, yield 2.211% OIL \$48.59 ▼ \$0.97 GOLD \$1,283.70 ▲ \$10.70 EURO \$1.1774 YEN 109.20



## Notes to the financial statements

### 2. Gold and gold loans

The composition of the Bank's gold holdings was as follows:

As at 31 March

*SDR millions*

	2017	2016
Gold	27,276.0	9,834.8
Gold loans	–	3,342.0
<b>Total gold and gold loan assets</b>	<b>27,276.0</b>	<b>13,176.8</b>
Comprising:		
Gold investment assets	3,048.5	2,944.6
Gold banking assets	24,227.5	10,232.2

Included in "Gold banking assets" is SDR 14,086.9 million (438 tonnes) of gold (2016: nil) that the Bank holds in connection with its gold swap contracts. See note 4 for more details.



**Statement of account**In millions SDR <sup>1</sup>

Line	At 31 Mar 2017		Assets	At 31 Oct 2017	
		%			%
(1)	48,295.5	20	Cash and sight accounts with banks	41,247.1	17
(2)	27,276.0	11	Gold and gold loans	29,889.7	13
(3)	36,163.6	15	Treasury bills	34,077.0	14
(4)	43,929.9	18	Securities purchased under resale agreements	50,204.1	21
(5)	21,136.8	9	Loans and advances	20,281.5	9
(6)	57,402.5	24	Government and other securities	54,969.3	23
(7)	2,220.7	1	Derivative financial instruments	2,563.4	1
(8)	5,626.5	2	Accounts receivable and other assets	5,510.4	2
(9)	196.9	-	Land, buildings and equipment	190.9	-
(10)	<b>242,248.4</b>	<b>100</b>	<b>Total assets</b>	<b>238,933.4</b>	<b>100</b>
<b>Liabilities and equity</b>					
		%			%
(11)	9,934.5	4	Gold deposits	10,070.9	4
(12)	194,442.4	80	Currency deposits	194,699.7	82
(13)	1,418.6	1	Securities sold under repurchase agreements	1,121.2	-
(14)	1,823.5	1	Derivative financial instruments	1,823.5	1



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## Products and services

The BIS has developed a range of banking services specifically designed to assist central banks, monetary authorities and international financial institutions in the management of their foreign exchange and gold reserves.

Central bank customers have traditionally looked for security, liquidity and return as the three basic features of their placements at the BIS.

### Related information

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## Foreign exchange and gold services

Services offered are:

- ♦ spot deals, swaps, outright forwards, options, FX-linked deposits
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- ♦ safekeeping and settlements facilities available loco London, Berne or New York
- ♦ purchases and sales of gold: spot, outright, swap or options



BANK FOR INTERNATIONAL SETTLEMENTS

## The Bank for International Settlements: An introduction

Jean-François Rigaudy  
Head of Treasury



BANK FOR INTERNATIONAL SETTLEMENTS

### Our products

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- MTI & Callable MTI (1 - 10 years)

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- Dedicated portfolios
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BANK FOR INTERNATIONAL SETTLEMENTS

## Can central banks talk too much?

Hyun Song Shin<sup>1</sup>  
Economic Adviser and Head of Research

Speech at the ECB conference on  
"Communications challenges for policy effectiveness, accountability and reputation"  
Frankfurt, 14 November 2017

I am happy to be at this conference on central bank communication. I was asked to address the question of whether central banks can talk too much. This is a timely question, with central bank accountability and transparency high on the policy agenda. Central bankers are giving more speeches, holding more news conferences and embracing new communication channels on social media. With so much going on, the onus is on clarity, simplicity and consistency. Andy Haldane gave an eloquent statement along these lines recently.<sup>2</sup>

However, communication is a two-way street. It is not just about talking. It is also about listening. Before the central bank can steer the economy, it needs to listen in order to learn where to steer the economy. However, the louder the central bank talks, the more likely it is to hear its own echo. In my earlier work with Stephen Morris,<sup>3</sup> we put it in more prosaic terms – that the signal value of financial market prices is impaired when market participants place too much weight on the central bank's pronouncements. Let me give you an example, so as to fix ideas. It comes from the very common task of inferring inflation expectations from market prices.



FOR  
AGENDA

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AND FOR  
IMMEDIATE ATTENTION

SM/99/65

March 10, 1999

To: Members of the Executive Board

From: The Secretary

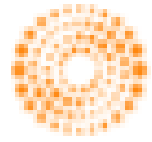
Subject: **Second Review of the Special Data Dissemination Standard—  
Further Considerations**

Attached for consideration by the Executive Directors is a paper on further considerations relating to the second review of the Special Data Dissemination Standard, which is tentatively scheduled for discussion on Tuesday, March 23, 1999. Issues for discussion appear on pages 12 and 13.

It is intended to release this document to the Bank for International Settlements (BIS), the Organization for Economic Cooperation and Development (OECD), the African Development Bank (AfDB), the Asian Development Bank (AsDB), the European Bank for Reconstruction and Development (EBRD), and the Inter-American Development Bank (IDB) on the same basis as the proposal set forth in EBD/99/37 (3/1/99), which was approved by the Executive Board on March 3, 1999. The letter of transmittal to these organizations will state that the document has not yet been considered by the Executive Board and, as such, represents only the views of IMF staff and management.

In view of the generally expressed desire to improve communication with national statistical offices on matters related to data dissemination standards, this report will also be transmitted to the national statistical office or equivalent of each member, unless the concerned Executive Director objects by noon on Friday, March 12, 1999. The intended recipients are listed in the attachment to this paper. Mrs. Carson (ext. 37900) is available to answer questions on this matter.

Mr. Patterson (ext. 37907) or Mr. S. Brown (ext. 38431) is available to answer technical or factual questions relating to this paper prior to the Board discussion.



REUTERS



#BUSINESS NEWS DECEMBER 2, 2016 / 4:45 PM / 10 MONTHS AGO

## Deutsche Bank to pay \$60 million to settle U.S. gold price-fixing case

Jonathan Stempel

2 MIN READ



NEW YORK (Reuters) - Deutsche Bank AG has agreed to pay \$60 million to settle private U.S. antitrust litigation by traders and other investors who accused the German bank of conspiring to manipulate gold prices at their expense.



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SECRET

4.1.80.

G.P.S.

The Governor has seen:

copy in Basle Dossier

Copies to: Mr. McMahon  
Mr. Balfour  
Mr. Byatt

*JB*  
*7/1*  
GOLD

1. Wherever one starts - with the gold price pre-1933, the 1935 price (when however the U.S. deliberately over-valued gold), somewhere between then and the end of the \$35 price in 1968, or more recently somewhere between the high of end-1974 and the low of September 1976 - the most recent evolution of the price is clearly beyond reason.

5. Since the market has further extended itself, any central bank operation would now have greater chance of success. But it would have to be a co-operative effort preferable on a G.10 plus Switzerland basis. Obviously the contributors, with the possible exception of the USA, would go into the operation in the hope and intention of subsequently recapturing their gold. But I think the new "pool" must face the possibility that they might not recapture some or all of their gold - in which case they would have to envisage the operation as a general contribution to the struggle against inflation.

6. If a G.10 plus Switzerland operation were mounted on a pro rata basis our share would be just under 3%. If the Italians (who sometimes talk as if the loss of one ounce of their gold would mean the end of the world) and the Swedes (very low gold holders) dropped out, our share would be about 3 1/4%. If the Japanese declined on the excuse of a very low gold proportion then I think we could do so too.

*JLS*  
4th January 1980.

JLS



operation to stabilize the SECRET price within a moving band.  
 (frequently) + Clappier have said this to him in the 21.9.79.  
 he believes (I do not know on what evidence) that de Stuycker + Raffi  
 and go along with such a plan. All recognise however,  
 has no disposition to support. Copy to Mr. Byatt  
 Curran  
 29/9

GOLD

It is just possible that over the next few weeks some  
 central banks may try to discuss a possible revival of the gold pool.  
 rather like the sterling credit of June 1976, a number of people could  
 spontaneously be thinking that the time is ripe for some joint action.  
 The main arguments would be:-





## FOREIGN RELATIONS OF THE UNITED STATES, 1969–1976, VOLUME XXXI, FOREIGN ECONOMIC POLICY, 1973–1976

### 61. Note From the Deputy Assistant Secretary of State for International Finance and Development (Weintraub) to the Under Secretary of the Treasury for Monetary Affairs (Volcker)<sup>1</sup>

Washington, March 6, 1974.

Paul:

This is a paper which we prepared for Secretary Kissinger giving some of our views on the gold question. We discussed it at a meeting for his background,<sup>2</sup> without attempting to reach any conclusions. We would appreciate any reactions you have to the paper. The Secretary said he would most appreciate meeting with you and anybody else you wish to designate in about two weeks to talk out the issue and what might be done, using a revised options paper for this purpose.

One option that is not included in the paper, but which should be for various reasons, is how to deal with thwarting the Europeans if they were to go ahead without us in a way which we felt was inimical to our interests.

#### FOREIGN ECONOMIC POLICY

[Press Release](#)[Preface](#)[Sources](#)[Abbreviations and Terms](#)[Persons](#)[International Monetary Policy;  
Economic Summitry](#)[Negotiating the New Rules, May  
1973–June 1975](#) (Documents 38–  
90)[Trade Policy](#) (Documents 153–241)

## Libor: Bank of England implicated in secret recording

By Andy Verity  
BBC economics correspondent

10 April 2017 | Business

f t w e Share



A secret recording that implicates the Bank of England in Libor rigging has been uncovered by BBC Panorama.



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## LONDON WHOLESALE GOLD DEALERS' VIEWS ON U.S. GOLD SALE AND PRIVATE U.S. OWNERSHIP

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Concepts: GOLD | PRIVATE INVESTMENT  
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# The Four Crucial Questions

- 1) Are governments and central banks active in the monetary metals markets or not?
- 2) Are the documents compiled by GATA from government archives and other official sources asserting such activity genuine or forgeries?
- 3) If governments and central banks are active in the monetary metals markets, is it just for fun or is it for policy purposes?



## The Four Crucial Questions (cont.)

- 4) If such activity by governments and central banks is for policy purposes, do those purposes involve the traditional purposes of defeating an independent world currency that competes with government currencies and interferes with government control of interest rates and, indeed, control of the entire economy, control of the value of all capital, labor, goods, and services and thereby control of all society itself?

# For More Information

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*Thank you*