

Will Uncle Sam confiscate Gold again?

Goldcore

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Investors suffered financial losses in recent weeks as stocks globally came under pressure in August and had their worst month in the last three years.

In one of the most volatile trading periods since the global financial crisis, August saw a massive \$5.7 trillion erased from the value of stocks worldwide. No major stock market was left unscathed and the risk of financial and economic contagion became evident again.

There are growing concerns internationally that in the event of another Wall Street or global stock market crash and a new systemic crisis – a Eurozone debt crisis or another Lehman Brothers collapse – there could be enforced bank closures or extended bank holidays in the EU and U.S. as seen in Greece recently.

In this scenario, deposit boxes and vaults in U.S. banks and financial institutions could be sealed and gold confiscated again.

There is a legal precedent for this. April 5th, 1933 – at the height of the Great Depression – was the day when U.S. President Franklin Delano Roosevelt instructed all American citizens to hand over all their gold coins and bars to the Federal Government.

Every coin, bar and certificate had to be handed in to Roosevelt's government or else one would face a very large fine of \$10,000 or 10 years in jail. That is whopping fine of \$180,000 fine in today's money.



Gold was money at the time as dollars were backed by gold so in effect Roosevelt was confiscating the safest and most valuable form of money that people owned for the benefit of the state. Under the Gold Confiscation Act of 1933 Roosevelt ordered all gold be handed to the authorities. At the time, gold was valued at \$20 per ounce. Once the gold was confiscated from the citizens and in the government coffers they revalued gold and devalued the dollar to \$35 per ounce.

All privately held gold holdings were confiscated, capital controls were brought in and all gold exports were banned and the dollar depreciated massively against gold.

In the minds of the public, gold and silver are being associated with terrorists today. Bizarrely ISIS recently claimed it had launched gold and silver dinar and dirham coins as part of the group's outlandish plan for "world domination." As with all things ISIS it is

difficult to establish fact from fiction amid all the disinformation and propaganda of today.



However, it seems possible and it would not be a large step from rightfully denouncing the brutal ISIS to demonising gold owners or the pejorative 'goldbugs' as anti-social and anti American 'hoarders' and using this as a justification for confiscation of legitimately owned gold bullion.

Guilt by association could be used as a tool to persuade and justify to the public why gold is a "barbaric relic" used by terrorists and should be banned in our 'brave new' cashless, moneyless and 'goldless' western world.

Alternatively, being forced to hand in gold bullion may be spun as doing your patriotic duty to help rebuild America after a financial, economic and monetary crash – as happened in 1933.

Given the conditions of today and the clear historical precedent, it is a bit naive to completely discount the risk of confiscation of bullion today.

The bail-ins and confiscation of individuals and companies savings by the Troika (EU, ECB and IMF) in Cyprus shows how there is a risk of confiscation of all assets – from deposits to pensions funds to stored gold.

It is now the case that in the event of bank failure, both your deposits and your gold could be confiscated. Let's be crystal clear: the EU, UK, the U.S., Canada, Australia and New Zealand all have plans for bail-ins in the event of banks and other large financial institutions getting into difficulty.



The U.S. is one of the most indebted nations in the world today and one of the most indebted nations the world has ever seen. The national debt is now over \$18.3 trillion and rising rapidly – see [here](#). Importantly, there are unfunded liabilities of between \$100 and \$200 trillion.

There is a real risk that Uncle Sam will again confiscate citizen's gold.

For many years, we have warned that if a confiscation takes place again, it will likely be of large stores of pooled gold, ETF custodial and unallocated gold in the banking system and large holdings of gold stored with companies and in countries that are massively indebted such as the UK, many Eurozone countries, Japan and indeed the U.S.

This shows the vital importance of owning gold in wealthier creditor nations that have a tradition of respect for property rights and in private depositories in safer countries such as Switzerland, Singapore and or Hong Kong.

It also shows the importance of owning and taking personal possession of some gold coins and bars.

Anecdotally, it is known that some people did not turn in their gold in 1933. Today, it would be even more problematic and governments would be unlikely to send police squads door to door to confiscate the tiny amounts of gold coins and bars held by citizens.

It is likely that in the event of such of another economic crisis – large pools of gold in indebted nations will be vulnerable. Pool accounts, digital gold bullion vaulting providers and depositories in the UK and the US might have their companies and assets nationalized and have their clients gold and silver bullion confiscated.

In the light of these risks, one should take possession of some of your bullion. But for security reasons, generally larger amounts would be safer stored in the safest vaults in the world and in the safest jurisdictions in the world.

Act Now! There is only one structure designed to combat the Confiscation of your gold and that is the Ultimate Gold Trust and its admin arm, Stockbridge Management Alliance Ltd. that can be found at www.Stockbridgmgmt.com

What Goldcore omitted was that gold dealers would also be put out of business as gold dealing would be banned. Only governments would be allowed to own gold and would brook no competition from the private sector!

You need also to protect yourselves as you would then be required to report your gold holdings under a new FATCA regulation to be imposed then. UGT would be in a position to guard you even then!

Contact us at admin@stockbridgemit.com NOW!