

Ferdinand Lips

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Personal Letter to:
Members of the Swiss Federal Council
Members of Parliament
Supervisory Council of the Swiss National Bank
Governing Board of the Swiss National Bank
200 selected opinion leaders of Switzerland

Re: Festive Season, World Crises and the Welfare of Citizens and the State

Gentlemen:

Here is my most recent book, *The Gold-Conspiracy*. First of all, let me say why a retired Swiss banker took such an initiative and why you should study this book in your own interest and in the interests of our country.

Since 1968, when I was part of the management team that formed the Rothschild Bank AG, Zurich, and later in 1989, when I formed Bank Lips AG, my main endeavour was always to invest my clients' wealth prudently, to maintain safety of principal, and to achieve capital growth.

To a much greater extent, this is the task of our Nationalbank and of our politicians, because they are charged with the much bigger task of managing our nation's social security systems. They are responsible for investing the national savings for old age retirement and for safeguarding our nation's patrimony, built up over many generations, in order to transmit it to successive generations. This is an increasingly difficult task since our current fraudulent irredeemable-paper-ticket-fiat monetary system does not allow for sound politics. Workers and pensioners eventually suffer most under this regime.

An uninformed Federal Government, an uninformed Swiss parliament and either incompetent or already involved in the international gold-price-manipulation scheme, the Swiss National Bank finished the job of selling a great part of the Swiss gold reserve by investing the proceeds mainly in soon-to-be worthless U.S. "dollars." I put the word dollars in quotation marks because they are no longer in conformity with the dollars mentioned in the *U.S. Constitution*. What were those who must have been, or who should have been, aware of the dimension of this fatal decision thinking?

In any discussion of the future of gold, or the price of gold, the first thing that must be acknowledged is that *gold is a political metal* for the simple reason that gold, in its historical role as a currency, is fundamentally incompatible with the modern financial system.

Up until August 15, 1971, there was never a period when no paper currency was linked to gold. The history of money is replete with instances of currency debasement, devaluations, coin clipping, printing, debt defaults, other fraudulent practices, and bankruptcies. But in prior times, one could always escape to a currency whose gold backing remained intact.

Since 1971, when President Nixon unilaterally defaulted on the U.S. sovereign obligation to pay an ounce of gold for \$35, with the exception of the Swiss franc until 1996, there is no escape because, in accordance with the 1978 modifications to the IMF's Articles of Agreement (Section 4-2-b), no currency of any member country may be linked to gold. All economic, monetary, and financial crises of the past 30 years flow from the Nixon default.

The global irredeemable-paper-ticket-token currency system is very young. *Its continued functioning depends on the belief that the debt upon which it is based will, someday, be repaid and serviced along the way. The one thing, above all others, that could shake that faith, and therefore the foundations of the modern financial system is a rise (especially a sharp rise) in the U.S. dollar price of gold.* This is the real reason why Switzerland was persuaded into disposing of half of its gold.

The prosperity of the Swiss banking system, the Swiss insurance industry and the Swiss economy in general was based on its currency being tied to gold. As a consequence, the Swiss franc was considered the strongest currency in the world. Concomitantly, the Swiss banking industry gained international trust and admiration. That trust is now being irresponsibly wasted by uninformed organizations.

Russia and other oil producing countries are beginning to sell their oil for euros. This is extremely negative for the dollar because it reduces demand. Furthermore, some of the world's best-informed investors, such as Sir John Templeton, Warren Buffett and George Soros, are expecting the "dollar" to lose purchasing power.

Regardless, the Swiss National Bank continues to squander Switzerland's golden treasure, which had been built up by generations of hardworking Swiss under severe privations. The proceeds of the sales are "invested" in soon-to-be worthless "dollars," which the U.S. banking system, thanks to its "exorbitant privilege," as General de Gaulle called it, is creating daily out of thin air by the billions. It is about time that our authorities realize that the best alternative, and the free-market choice, to irredeemable paper-ticket-fiat money is gold.

Even in a global world one needs reserves to be respected. For 15 years, the Swiss have experienced an estranged government that does not respect for the will of the people and which is striving to become part of the EU. Switzerland is becoming financially weakened; its social systems are beginning to tumble, and savings are declining. The country simply will not be in a position to face looming economic and financial dangers. This is only because a dishonest elite has been lulled into a false sense of security and either does not know what it is doing or is consciously doing everything to weaken and to sell out our country.

I wish that during the coming festive season you will find the leisure to read Chapter VII about Switzerland. Since I no longer have confidence in our institutions, I will make my analysis known and it will be my pleasure if I can give some inspiration to honest minds.

It may be that you are not too familiar with these thoughts or ideas, but I assure you that my friends worldwide are alarmed that central banks are exchanging gold for paper and liquidating the savings of their people in the process. This concern is probably responsible for the fact that the American version of my book, *Gold Wars*, is enjoying a continued high rating among professional books.

If this book finds your favour and you agree with my hypothesis as a worried citizen of our country, then you manifest this by using the enclosed deposit slip in favour of the International Red Cross. I am obviously at your disposition if you desire to discuss this topic further.

With best wishes for the coming festive season and a happy New Year for you and your family.

Sincerely yours,

Ferdinand Lips, Zurich

Enclosure: *The Gold Conspiracy*. See in particular Chapter VII: "The Betrayal of Switzerland", as well as Chapter VIII: "What happened to Germany's Gold?"