

“It Belongs to the People, Not the Bankers” – Italian Politicians Want To Seize Gold from the Country’s Central Bank

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Italy’s ruling politicians, led by the populist League and 5 Star Movement pushed ahead to seize control of the Italian central bank and its gold reserves. This is described as the moral thing to do in view of the recent loss of billions of dollars by hundreds of thousands of small investors who bought bank shares and bonds. The populists and communists want to force the private banks to sell their shares to the government at prices from the 1930s. They say the people are the rightful owners of the 2,451.8 metric tons of gold worth \$102 billion. [It’s the usual collectivist trick of getting people to believe that, when something is controlled by the government, that means it is owned by the people. In truth, it is owned by the politicians. If the people really owned it, the gold would be distributed among them, and they could do with it whatever they wish. The Italian people will not be able to sell their alleged share of the gold. Therefore, they do not own it. All that is happening is that the gold and the power of legalized plunder will move from one group to another.] -GEG

Two weeks ago, somewhat out of the blue, ECB President Mario Draghi issued an odd statement confirming that the European Central Bank needs to approve any operation in the foreign reserves of euro zone countries, including gold and large foreign currency

holdings.

"The ECB shall approve both the operations in foreign reserve assets remaining with the NCBs (national central banks)...and Member States' transactions with their foreign exchange working balances above a certain threshold,"

"The purpose of this competence is to ensure consistency with the exchange rate and monetary policy of the Union."

Specifically, Draghi made this statement to two Italian members of the European Parliament.

At the time it did not seem notable for any reason other than its peculiar timing, but now things are starting to make more sense as [The Wall Street Journal reports](#) that Italy's ruling populists pushed ahead this week with efforts to seize control of the central bank and its gold reserves.

Complaining that hundreds of thousands of small individual investors lost billions of dollars after several Italian banks failed in recent years, the anti-establishment '5 Star Movement' and the nationalist 'League', depict the central bank as a symbol of a technocratic elite aloof from the needs of ordinary Italians.

"We need a change of course at the Bank of Italy if we think about what happened in the last years," said Deputy Prime Minister Luigi Di Maio, leader of the 5 Star Movement.

Five Star and the League have repeatedly attacked the Bank of Italy for not preventing the banking crises, and blamed it for the losses suffered by mom-and-pop savers who had bought bank shares and bonds.

"If you are here with your current account in the red, it's because the people who were supposed to control things didn't do so," League's leader, Interior Minister Matteo Salvini, told a group of former investors in Banca Popolare di Vicenza, which was liquidated in 2017.

And this week saw Italian lawmakers from 5 Star asking Parliament to pass two draft laws:

One law would instruct the central bank's owners, most of them private banks, to sell their shares to the Italian Treasury at prices from the 1930s.

The other law would declare the Italian people to be the owners of the Bank of Italy's reserve of 2451.8 metric tons of gold, worth around \$102 billion at current prices.

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