



**GLOBAL GOLD**  
*The Swiss Solution for Precious Metals*



**Claudio Grass**  
Managing Director at Global Gold AG

# Switzerland Is the Ultimate Safe Haven for Liberty and Wealth

By Claudio Grass



**GLOBAL GOLD**  
*The Swiss Solution for Precious Metals*



**Claudio Grass**  
Managing Director at Global Gold AG

Managing Director, Global Gold

At Global Gold, I am often asked what we would do if, for example, the US comes out with a confiscation order. My reply is: We would do nothing whatsoever! Why? Quite simply, because no one in Switzerland has the political power to execute such an order! Even if Swiss politicians would support such a confiscation order, the Swiss people would likely have the final vote. I am confident that any such confiscation order wouldn't have any chance to reach a majority in Switzerland, especially when it concerns assets held outside the banking system such as physical precious metals.

Even in the unlikely case that it would be accepted, the vote would take at least twelve months, thereby giving the persons affected enough time to move their assets. In my view, this is the main advantage of a direct democracy, it assures that the people and not the politicians in power have sovereignty. The federalist structure of Switzerland additionally guarantees that political power is reduced to a minimum. "Confederation Helvetica" might be the old name for Switzerland, but it is just as valid today as it was in the past.

The mainstream press claims that Western countries are democratic, but is a representative democracy a true democracy? I don't think so! Voting for a party or a politician who decides "on your behalf" without being held accountable is not how democracy should work.

Would you give a power of attorney, which you cannot cancel for four years, to someone who cannot be held accountable for their actions on your behalf? I wouldn't!

American researchers from Princeton University came to the conclusion that the United States, the self-proclaimed bringer of democracy to the world, is not the democracy that it claims to be, but rather an oligarchy that is driven by the interests of the elites. I was particularly drawn to an article written by John W. Whitehead of the Rutherford Institute who wrote the

following passage:

“Perhaps the most troubling fact of all is this: we have handed over control of our government and our lives to faceless bureaucrats who view us as little more than cattle to be bred, branded, butchered and sold for profit. If there is to be any hope of restoring our freedoms and reclaiming control over our government, it will rest not with the politicians but with the people themselves. When all is said and done, each American will have to decide for themselves whether they prefer dangerous freedom to peaceful slavery.”

### The Swiss Strengths

Direct democracy is the reason why I feel safer in Switzerland than in any other country and I can honestly say that there is no other country I would rather live in. Although Switzerland is by no means perfect, there is a growing opposition movement that is gaining momentum headed by a few Swiss who have the potential to become true leaders, not rulers. They understand that our personal freedom and liberty are at risk and that our country's legacy embedded in its decentralized political structure is also at risk.

In addition to direct democracy in Switzerland, the decentralized system of government not only limits the power of politicians but also restrains the wishes of the masses, because local fiscal responsibility is held at the lowest possible level forcing citizens to balance the benefits and costs of public expenditure. Without these limits on power, government positions only attract power-hungry people.

Hans-Hermann Hoppe once wrote: “Democracy has nothing to do with freedom. Democracy is a soft variant of communism, and rarely in the history of ideas has it been taken for anything else.”

In essence, I agree with Hoppe's statement, however, I am confident that a decentralized and direct democratic state, such as Switzerland, represents an acceptable form of state.

The small country of Switzerland has over 2'000 communes, each of which sets their own income tax rate. This creates huge competition between the different communes and gives the population the possibility to "vote with their feet", i.e. move to a commune a couple of miles away should they be unhappy with the way things are run at their current place of residence. In such a system politicians and bureaucrats will have to serve the people because otherwise they would lose the support of the taxpayers and their funding!

As always, competition is key and the only protection against totalitarianism. I am confident that the majority of the Swiss people understand the beauty of the Swiss form of government. This can be seen, for example, in the fact that even though statist and lobby groups have tried to push Switzerland into the EU several times. Today around 70% of the Swiss still don't want to join the EU!

### A look on some developments in Switzerland

Having said that, Switzerland is, of course, not a libertarian utopia and some developments in recent years are worrisome. One topic close to heart is how at the end of the 1990s Swiss politicians and central bankers decided to get off the gold standard through the back door, while keeping the Swiss people in the dark. Since then, we have seen an excessive monetary expansion.

At the end of the 90ties the balance sheet of the Swiss National Bank (SNB) stood at CHF 50 billion, which doubled by 2007 and propped up fivefold to CHF 530 billion as of today. Politicians, bureaucrats, big businesses, central banks and the big credit institutions are building an alliance to change

the rules to their own benefit and political agendas.

Swiss banking secrecy had enjoyed a long lasting tradition since it was introduced in the 1930s to protect Jewish clients from the Nazis. It was certainly not implemented to hide money for criminal purposes or circumvent taxes, but to provide privacy to the people who needed it. The wrongdoings of one bank, UBS, were seen as an opportune moment by some leftist politicians to follow through on their long-term plan to abolish banking secrecy.

However, the basic instincts of the Swiss against centralized government are still intact and the public is finally waking up. The fractional reserve banking system is one of the key pillars of our financial system and an initiative is currently underway in Switzerland to take this power away from banking institutions. Although I am critical of this initiative, because it aims to give the SNB more powers, it shows how critical the Swiss are of the status quo.

The population is also becoming increasingly skeptical of the Swiss National Bank, often dubbed Switzerland's largest hedge fund. Although the gold initiative was rejected, it showed that a large part of the population would like to return to a gold standard and, more importantly, even helped raise a public debate about our current monetary system and that is key. We also see other positive signs. Voters rejected a new law to increase paid vacation from 4 to 6 weeks per year, a piece of legislation that would have passed with a very high majority in any other European country (if they would be allowed to vote on such topics).

At the same time a new party is collecting signatures to abolish the funding for our governmental propaganda TV and radio stations. There is also an initiative in the pipeline to assure that Swiss law will stand above international law and thus restore our full sovereignty as a nation.

Conservative and libertarian values opposing a centralized

government are on the rise and we have a growing number of blogs and newspaper writings about the libertarian values, tradition and the history of Switzerland. More and more Swiss seem to recall the advantages of a decentralized political system and are finally waking up. Pro-freedom parties are gaining seats in the National Council, which will shift the balance from a center-left parliament to a more traditional, conservative and freedom oriented parliament. Due to all the reasons mentioned above, I am confident that Switzerland will continue to swim against the tide and be able to remain a bastion of stability and freedom.

Do you want a cashless society?

Jean-Claude Juncker, the 12th and current President of the European Commission, made a statement that depicts the exact situation we are in: "We decide on something, leave it lying around and wait and see what happens. If no one kicks up a fuss, because most people don't understand what has been decided, we continue step by step until there is no turning back." Although he made this statement with regards to the introduction of the Euro, I believe it also applies to the recent developments where politicians and banking lobbyists are pushing to move towards a cash-free society.

The Danish government announced in the beginning of May that they want to abolish cash. There have been reports that the EU is intending to become cash-free by 2018. If this is true, this means that governments will monitor every single transaction and financial privacy (not criminal action) will be washed away.

Banks are complaining about the overwhelming storage costs for cash, and politicians are using security and the fight against terrorism as a justification to abolish cash altogether.

But is this really the solution?

What are the aims?

Aside from having control over every transaction in the country, abolishing cash would give governments complete control over the management of money. In a cashless society, central banks would have unlimited leeway to maneuver and push interest rates even further down. This is certainly a convenient measure for financial institutions, but for us advocates of liberty, this is a clear red flag! Negative interest rates mean there will be increasing expropriation of wealth, higher consumption and more and more borrowing which will take debt to a whole new level. Not only that, but as we go digital, the authorities will have full access and control of our accounts and transactions. Privacy will no longer exist.

Last March, JP Morgan Chase in the US went so far as to apply a new policy implemented in certain locations, whereby borrowers can only make cash payments on cards, mortgages, equity lines and auto loans. Not only that, Chase even prohibited storing cash inside safety deposit boxes! Isn't what I store inside my safety deposit box my own private matter? Some countries like France and Greece have already started to impose cash payment restrictions. Australia is even imposing a compulsory tax on savings! Simply put, paper money is now the obstacle; isn't that ironic?

On the other hand of the spectrum we have Switzerland once again. Our parliament recently rejected the suggestion to forbid cash payments above CHF 100'000, a bill that was introduced due to pressure from the FATF and the Global Forum.

How can you protect yourself?

I believe that the best way to protect oneself is to buy (more) physical gold and silver and to move it outside the banking system in a safe jurisdiction such as Switzerland!

This is your chance to protect your savings from further undisciplined money printing, from government confiscation and possible bail-ins in the banking sector. One ounce of physical gold will always remain one ounce! In the dangerous world we are living in today, I like to think in terms of gold, the only anchor I know that has survived over thousands of years and the only form of insurance that can protect you from the uncertain times ahead.

I would like to conclude with Victor Hugo who once said “You can’t stop an idea whose time has come” – and I believe now the time has come for the government to become smaller and to have less power.

*Claudio Grass is the Managing Director of Global Gold, a company QWealth has known and been associated with for many years.*

Global Gold AG  
Herrengasse 9  
8640 Rapperswill  
Switzerland

[www.globalgold.ch](http://www.globalgold.ch)

Tel. +41 (0) 58 810 1750

Fax +41 (0) 58 810 1751

*To read more about holding physical gold outside the banking system and the available solutions offered by Global Gold, please visit [GlobalGold.ch/physicalgold](http://GlobalGold.ch/physicalgold) and request an investor kit for free.*