

## **Clearly speech of BIS official William R White (2005): The fifth objective of Central Bank cooperation is to influence the price of gold.**

William R White, Head of Monetary and Economic Department at the BIS, held an opening speech at the fourth BIS Annual Conference, on 27 – 29 June 2005 – while celebrating the 75 years existing of the BIS (1930 – 2005).

Mr White mentioned the five intermediate objectives of Central Bank cooperation. The fifth objective was the joint effort of Central Banks to influence the price of gold and foreign exchange.

### 1. William R. White, former Economic Adviser, Head of Monetary and Economic Department BIS<sup>1</sup>



Mr William White joined the Bank for International Settlements in June 1994 as Manager in the Monetary and Economic Department, and was Economic Adviser and Head of the Monetary and Economic Department from May 1995 to June 2008.

Prior to coming to the BIS, Mr White spent 22 years with the Bank of Canada. His first six years at the Bank of Canada were with the Department of Banking and Financial Analysis, first as a economist and finally as Deputy Chief. In 1978 Mr White became Deputy Chief of the Research Department and was made Chief of the Department in 1979. He was appointed Advisor to the Governor in 1984 of the Bank of Canada in September 1988.

Mr White early career was spent at the Bank of England, where he was an economist from 1969 to 1972.

Born in Kenora, Ontario in 1943, Mr White was educated at the University of Windsor and the University of Manchester.

### 2. Speech of Wiliam R White on June 27, 2005<sup>2</sup>

At the fourth BIS Annual Conference, 27 – 29 June 2005 – while celebrating the 75 years existing of the BIS (1930 – 2005), Mr White held a speech with opening remarks regarding the past and future of Central Bank cooperation.

Mr White said in part:

“Let me begin this meeting by welcoming all of you, both Central Bankers and academic, to this conference on the “Past and future of Central Bank cooperation”. ... It is worth spending a minute on

---

<sup>1</sup> BIS.org November 27, 2015

<sup>2</sup> BIS Paper No 27 Past and future of Centrak Bank cooperation, Juni 27 – 29, 2005

what is meant by **Central Bank cooperation**. ... The ultimate objectives have always been monetary and financial stability. ... The intermediate objectives of Central Bank cooperation are more varied.

- First, better joint decisions, in the relatively rare circumstances where such coordinated action is called for.
- Second, a clear understanding of the policy issues as they affect Central Banks. Hopefully, this would reflect common beliefs, but even a clear understanding of differences of views can sometimes be useful.
- Third, the development of a robust and effective networks of contact.
- Fourth, the efficient international dissemination of both ideas and information that can improve national policymaking.
- And last, the provision of international credits and **joint efforts to influence assets prices (especially gold and foreign exchange)** in circumstances where this might be thought useful”.

### 3. Note from the writer

In our paper from July 20, 2015 (Is de dollar gold price controlled by JPM in cooperation with the BIS?) we concluded that JPM in cooperation with the BIS controls the dollar gold price by using their very dominant position in gold derivatives in the US Banking System. JPM held during 1999 – 2014 an average of 3.262 paper metric tons gold (derivatives) available for interventions on the development of the dollar gold price with the BIS as counterparty. Furthermore we concluded that the paper volume sets the dollar gold price and that there is almost no influence on the dollar gold price from the physical supply and demand. Overall the conclusion is that there is no free market for gold.