

YEAR END SILVER UPDATE

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The long anticipated rise in silver prices, like planting an acorn and waiting for the resulting tree to become tall and big enough to build a tree house in, appears very close to happening. CFTC Commissioner Thomas Erickson resigned effective December 1, Harvey Pitt of the Securities Exchange Commission left office under fire, and on December 6, Treasury Secretary Paul O' Neill announced his resignation. Perhaps these departures have to do with desire on their part to distance themselves from the nearing firestorm in financial and commodities markets.

Mention has been made about O' Neill being the third Treasury Secretary contributed by the Mellon family. However, Alan Greenspan of the Federal Reserve was the Alcoa director in the mid 1980's who recruited O' Neill to serve as Alcoa chairman (Bloomberg News, December 7). Alcoa is a Mellon dominated company, so it could be that Greenspan is also the Mellons way of controlling the Federal Reserve. The guesswork on which of the wealthy families is currently in control of this or that office is interesting, but the effects on the public are the same---transfer of wealth to the old rich. Greenspan was also a J.P. Morgan & Company director and of Mobil, a unit of the old Rockefeller Standard Oil Trust. On Capitol Hill, the money powers are scrambling to ease their liability as their metals and other derivatives disintegrate. Elected representatives are scrambling to accommodate them at taxpayer expense. To these Congressmen and Senators I use a line from Alan Ladd's 1958 film, "The Proud Rebel,"

"Aw, get away from me, you lousy coward!"

INDIA---URGENT UPDATE

In Urgent Warning To India, I pointed out the risks to India should the Silver Users Association somehow succeed in looting India of her silver. I view this as a possible, but unlikely, event. Those lessons are learned best which are accompanied by the most suffering, and few countries have suffered as India has. There is a clear intent on the part of the Silver Users Association to divest Indians of their silver, and to do so at prices as low as possible. Ever since its founding as an abomination in 1947---ironically, the same year India gained independence from Great Britain, the Silver Users Association members have been possessed of a crazed, fixated, near demon-possessed mania to access silver held by governments at give away rates. It was apparently founded specifically to gain access to the United States strategic silver stockpile, at the close of WWII, easily the largest hoard of silver in history. As we are aware, this stockpile ceased existence over a year ago, and because of derivatives, without a price increase.

Apparently foreseeing the eventual demise of the U.S. stockpile, so-called bullion and investment banks with which Silver Users Association companies share interlocking boards of directors, contrived silver leasing around 1982, by which silver held by many central banks around the world has been accessed at give away rates. As Butler noted, it is impossible to return this metal because of the giant growth in demand. A consensus of intuition exists among metals bulls that leasing of silver is over, or very soon to be, as supplies are exhausted.

This being the case, coupled with the fact of India being the last great storehouse of above ground silver in the world, the Silver Users Association, due to its obsessively driven compulsion

to access silver at theft prices, appears to have taken aim at India. They expect by some means to pressure India to hemorrhage (bleed) silver---to be starved of their silver---so they can continue to get silver for \$4.50 per ounce. Not only is this a spoiled brat attitude on their part, it is a great danger, economically and militarily, to India. At westburymetals.com, volume 1 number 1 of "The Silver Lining," (no date, but apparently from 1997 or 1998) we read---

"Silver Users To Urge India To Permit Silver Exports. Washington D.C. November 2--The Silver Users Association (SUA) may seek international support from silver users and producers to permit Indian exports of silver bullion. This project was introduced at a recent association meeting by SUA executive vice president Walter Frankland. With nearly ten years of drawdowns from above ground silver stocks to meet industrial demand, Frankland said, these stocks are getting smaller worldwide. The country with the largest above ground silver stocks is India, he added, where latest reports estimate a minimum of 3.3 billion ounces, is privately held—mainly in jewelry, tableware and artifacts."

"Current laws there prevent the free flow of the bullion from India, Frankland continued. Eventually it is expected that those laws will be amended to allow the Indian people to enjoy benefits from their silver assets as silver market economics change in their favor. Frankland explained further that in the meantime, in order to avoid extended periods of market volatility, there could be a role for the association in conjunction with international using and producing companies, SUA might stimulate sufficient interest in the project to encourage more access to silver in India sooner rather than later. SUA will gather additional information for consideration by its board prior to its annual meeting next May."

This is the same Walter Frankland who went to Treasury Secretary G. William Miller in fall 1979 pleading with him to dump 40 million ounces of silver so the Hunt-Arab silver play could be squashed. Frankland has been an archenemy of silver miners making profits for many years, and when he sees a one-cent up tick in silver, it probably hurts him like razor blades and ice picks going through a normal person. There can be no doubt---the Silver Users Association is chasing India's silver so they can continue getting silver for under \$5 per ounce, and the devil take the consequences to India if they allow this ripoff to be accomplished.

At the close of WWII the U.S. had something like 20 ounces of silver to correspond to every resident, now the U.S. stockpile stands at zero due to Silver Users Association leeches, ticks and vampires bleeding it dry. With world central bank silver gone, India is now in their appalling sights. They speak of recruiting international participants to bring pressure to change Indian laws so that Indians "can enjoy benefits from their silver." HUH? So they can be drained of silver ("as silver market economics change in their favor")---what does this mean, that SUA will offer Indians \$5 instead of \$4.50/ounce, after which they cannot enjoy an increase in their standard of living without paying at least ten times as much to replace the silver if they lose it to proposed SUA ripoffs?

Frankland spoke of avoiding extended periods of market volatility---meaning higher prices, and now defrauding India is the best bet for them to accomplish what they want. Notice he also mentioned producers---the stupid miners who have leased silver and are on a hook to return it, and who may still have hedging problems. So here's the Silver Users Association position clarified---they don't care that the U.S. is militarily at risk due to their ripoff of the stockpile, they don't care about damage done to taxpayers, they now intend the same venomous

consequences to India, and have formed an alliance and a plan to squeeze India dry of her silver, then cast her adrift!

Time Magazine, December 2, 2002, page 55, mentioned Naina Lal Kidwai, managing director of HSBC India, as saying she wants to "help open its economy to the world," you can interpret this as "she wants to open India's silver to the Silver Users Association," as HSBC is a member! She also wants to be on "the cutting edge of reform, the ability to influence." HA! As noted in "Urgent Warning To India," this was Britain's opium finance house for Asia. Profits up to 60,000% were made during the spice trade in nutmeg; maybe the opium trade was as profitable. Funny how people who think they are entitled to such robust profits, conversely feel that silver producers, and silver owners, are only deserving of receiving profitless prices for silver, whereas they as users are entitled to profit. To drain India of her silver for theft prices is inverse to the situation of the British forcing Chinese to become opium addicts. Both are ripoffs; one forced a poison into a nation, the other proposes to remove a vital substance from a nation! The Silver Users Association attitude towards India's silver could be likened to the bad man in "Hombre" (1967) who intimidated others to get what he wanted---

"You got a ticket for that stage out front? Well that's it! You can give me your ticket and you can stay here!"

CFTC AND SILVER USERS ASSOCIATION

As detailed in "Commodity Futures Treacherous Collusion" (see archives) last September, the Silver Users Association and bullion banks apparently are in collusion with the CFTC to hold silver prices low. Having created the definition of reality that no rigging of silver prices exists save to the upside, they act or fail to act accordingly. CFTC commissioner Brooksely Born, on October 28, 1998, said,

"I am pleased to be asked to speak today to members of the Silver Users Association, having represented a client in the cases and investigations relating to the 1980 manipulation of the world silver market by the Hunt brothers and others, and I continue to have a special interest in the silver market."

Her bias is so obvious---no silver manipulation exists except with rising prices, and may silver miners be damned. Walter Frankland said something along these lines ("The Silver Lining" volume 2, number 1),

"The supply picture for those promoting silver as an investment is so often one of impending shortages while in fact, large quantities of silver remain above ground."

Of course he could only be referring to India, a large animal to be bled to death by Frankland's silver using leeches, ticks and vampires. Frankland must be getting up in years, and on the day silver prices rise and it becomes clear India refuses to dump silver, it might put him in his grave. Or he could have a movie line thrown at him from Chuck Norris film "The Octagon" (1980)---"I still say he looks like the constipated type." If he has any silver amalgam fillings, I trust he has willed them to Dow Union Carbide. CFTC Commissioner Thomas J. Erickson, on October 18, 2000, made the following remarks to the Silver Users Association---

"I was pleased to accept Walter Frankland's invitation to speak with members of the Silver Users Association. I would like to share with you my personal observations on the derivatives markets and their regulation. The good news for you as end users is unprecedented access to information, intermediaries and, increasingly, to the market itself. Derivatives market participants are part of a dynamic market whose financial and technological innovation continues to expand expectations. Has the case been made that some commodities are less susceptible to manipulation than others? What role should federal regulators have in these markets? As market users, the way the questions are answered may have profound effects on the way you do business. I have read the Silver Users Association's letter commenting on the Commission's regulatory proposal, so I know you are both concerned and engaged, and commend you for your interest."

Another rubber-stamping CFTC commissioner for the shorts and users is nothing new. Buffett is said to have called derivatives "financial sewage." Interesting how Erickson resigned from the CFTC four and a half months before his term was due to expire---maybe he wants to be elsewhere when the silver situation unravels. He joined food multinational Bunge Corporation (24,000 employees, founded 1818) as v.p. of government affairs. Tom Daschle, Democrat Senator from South Dakota who placed Erickson in the CFTC, has accepted PAC funds from such silver manipulators as New York Mercantile Exchange (COMEX), Goldman Sachs Group and Fleet Boston (Silver Users Association).

THE COMEX ZONE (KILLING SILVER PRICES)

The Comex Zone is a land of both shadow and substance, of things real and imagined---you've just stepped into---the Comex Zone! This is a paraphrase to Rod Serling's famous "Twilight Zone" TV series (early 1960's). The Las Vegas Review Journal, February 5, 1998, quoted Edgar Smith, general manager of Couer Rochester mine near Lovelock, Nevada, as saying---

"We've seen a drop in inventory and demand outstripping supply for a long time, but silver stayed below \$5 an ounce. It didn't add up."

No, it didn't add up, till you read Butler's articles on leasing and naked short selling. It all parallels the Silver Users Association fixation to get silver forever at under \$5 per ounce, while making shipwrecks of miners and entire nations. On February 8, 1998, an Associated Press release entitled, "Big Surge In Silver Prices Isn't Worrying Users---Yet," quoted Walter Frankland of SUA as exclaiming,

"When volatility hits the marketplace, it just disrupts everything. It's certainly not in the best interest of consumers in the long run."

What is, in Frankland's view, in the best interests of consumers? To hold the price of silver so low for so many years, and to exhaust all known stockpiles, while suppressing mining, so that at last a severe long term shortage takes place? You, Mr. Frankland, are an idiot---you have succeeded in cutting off your members from reliable supplies of silver, and I scoff at your being able to get much silver from India at any price. India owes big time payback to Dow Union Carbide for the Bhopal disaster, and can best retaliate by denial of pressure for exporting silver. India as a whole owes big time retaliation against Britain and America for centuries of

exploitation, and for opposing efforts at Indian self-preservation against China and Pakistan by having nuclear capability.

As India witnesses the start of the great silver crisis in the West, she will fully realize how critically important it is to retain all her silver for modernization and defense applications. As for China, if it has indeed dumped quantities of silver to help the SUA, my belief is there could only be one inducement for China, in addition to Most Favored Nation trade status---and that is, transfer of missile technology (see archives, "Is Wo Fat Dumping Chinese Silver?")

Frankland speaks of the best interests of consumers with sought after perpetual low silver prices. But consumers are also TAXPAYERS, Mr. Frankland, and your organization should have to pay for replacing the national strategic stockpile that you depleted. Remember, no silver is mined in the Comex Zone. That is only the site where silver has been artificially cursed with low prices, bringing on the approaching unserved deficit. String pullers in the Comex Zone can attempt to say the fair market price of silver is under \$4.50 per ounce, but as the deficit becomes unserved, the marketplace will be forced to ignore those derivative views. Frankland and his association and their buddies in the Comex Zone will soon hear from India and unhedged silver companies---

"LEAVE US ALONE; CAN'T YOU SEE WE'RE BUSY?"

As India wisely refuses to give away its silver, what is the next major source? Since SUA is mainly concerned with above ground metal because it can be accessed faster, expect them to unleash all the interrelated PAC money necessary to have Congress enact theft legislation to steal silver from investors. Expect them to ask Bush to issue an Executive Order to force Americans to sell silver for \$5 per ounce. I advise you, when the first big surge in prices hits, as a cautionary measure, sell enough physical silver and mining shares to recover your original funds, at least protect your capital. From a financial perspective, we are dealing with personalities similar to the drug lord Ramon Cota in "Delta Force II" (1990) who said---

"My men are professionals---now, even the children will die!"

In the long run the unhedged silver equities will hold the whip hand over SUA because most of their holdings are outside the U.S., and U.S. holdings of Canadian companies cannot be easily nationalized without retaliation from this crucial trading partner. If a Federal price cap or nationalization of silver occurs, we must launch a class action suit against the Silver Users Association. Included in such a suit would be the discovery process detailing links of men like Leland Ira Doan (Dow Chemical), Lamot Du Pont Copeland (Du Pont), Birny Mason Jr. (Union Carbide) and Kodak directors to British Empire activities undermining American sovereignty via membership in concealed organizations. As SUA finds that the flow of low priced silver is over and they must do what any **normal** organization does---simply pass the cost along to consumers---let them consider as their new motto the line from "The Day The Earth Stood Still" (1951)---

"You see the electricity has been neutralized---all over the world."

For electricity read, "low priced silver!"