

CONFUSED GOLDBUGS

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In recent times there has been excitement among goldbugs because upside price action finally started. Then came NYMEX sponsored margin increases! At the same time, silver has mostly lagged, failing to reach \$5.00, then falling again into the \$4.50 range. The silver-gold ratio has touched approximately the 80 to 1 range. For those who favor silver, it has in some degree been embarrassing to see silver under \$5, whereas the posted prices for gold and platinum range to almost \$700! It tempts someone to ask, why is silver rated as a "precious" metal, when its price is so meager compared to gold and platinum. But then, only silver has had a users association, right? People often speak of the silver price as if it was being driven by fundamentals rather than by derivatives! The rigged COMEX silver price is so clearly artificial. Silver Eagles are selling for premiums of 36% and more over spot, and dealer category shortages in silver are commonplace. Silver has a lot of catching up to do and we can be very happy we were able to buy so low.

Silver is about to prove its sustainable upward volatility! With this kind of talk going around, I imagine someone from the users association is muttering something like, "there are **CHILDREN** here!"

OUR METAL CAN BEAT YOUR METAL!

Let's be clear at the start that the precious metals devotees are divided into factions. There is the strictly gold faction who believes only gold is worthwhile. There's what I choose to call the balanced faction, recognizing merit in silver also. Then there's the diversified faction, adding platinum group metals in. Lastly there's the silver only faction that, while affirming the merits of gold, believes silver is due to excel gold in percentage performance. I, a member of this last group, nevertheless have significant

gold exposure through the silver shares I own. I know of no silver enthusiasts who are actually negative about gold, to correspond to the confused goldbugs who have voiced negativity concerning silver. We acknowledge their favorite; they run ours down. Often the disdain for silver is expressed passively, by just ignoring it.

I almost wonder if Martin Weiss and Larry Edelson are scripting for them! (Are they about to promote another silver shorting scheme soon?) Or maybe the disgraced Martin Armstrong of Princeton Economics International, who was one of the biggest silver shorters on the COMEX and predicted \$2.80 silver, just one of many examples of shorts rumor mongering to help sabotage the price. In a brazen display which could define the word hypocrisy, the silver price increase witch hunters at the CFTC increased their "market surveillance" due to allegations of "manipulation" in January 1998 due to the Buffett silver purchases pushing prices up, and Armstrong was approached by attorneys to act as an expert witness in some proposed lawsuits because shorts were unhappy. Maybe Randall Oliphant can be their next "expert witness."

To show how long the silver market has been on such thin ice, American Metal Market magazine (February 5, 1998) reported a major refining executive as claiming that much of the remaining COMEX stocks as of that date were from refiners who had gone out of business, and might not be good for London delivery; and additionally, that the chemistry of some of the bars could be in question! However, the statement may have come from a desire to gain some refining business.

On September 13, 1999, Armstrong---the proposed "expert witness" for silver shorts was arrested in disgrace on 14 counts of securities fraud and conspiracy linked to the disappearance of some \$950 million in Japanese investor funds. It reminds me of the statement by the gang leader

to Texas Ranger Jake Cutter (John Wayne) in "The Comancheros" (1961)---

"We, a society of thieves, cannot tolerate stealing from each other!"

LUCKY TO OWN UNDERPRICED "TOTAL DOG!"

These goldbugs remind me of certain commodity analysts and their commentaries on silver. Silver is insulted as a "total dog." Although the Wizard of Omaha is silent on silver, you can bet he didn't supply that commentary! The enormous mismatch between supply and demand in silver appears to have no bearing on the analysis dispensed by commodity brokers. Only thing that matters to them is a COT report, interpreting chart formations and delusions that the shortside isn't naked. Maybe they are convinced derivatives can substitute on assembly lines for real metal. If that's the case, they couldn't raise their IQ's if they climbed Mount Everest! But there's always a phantom stockpile somewhere backing the short sales, right? In the 2000 third quarter report from a major silver holding company, the chief executive commented---

"Silver prices remain under pressure by short sellers."

Under pressure by short sellers for real, as Commitment of Traders Reports show, for those who could endure looking at them. The confused goldbugs look down on silver as long as upside price confirmation hasn't happened. Now that we've arrived at another COMEX delivery month, be on the alert for another form of "March Madness," not in basketball, but in silver! Delivery defaults appear to be the only force capable of dissolving the short corner, and it appeared as if we were inches away from that late last December! Silver's performance is like a cremated corpse (now read the rest of this sentence), which will suddenly spring to life, and erase

all world records in every sport! The mixed-up goldbugs think silver has no monetary meaning, so is still susceptible to continuing low prices if industrial demand falls sharply.

They say such things in the face of the deficit! While I cannot see industrial demand really dropping, due to price inelasticity and the fact of new uses for large amounts of silver (such as biocide in water purification replacing toxic chlorine) and the developing nations needing it, it should be clear to the gold only faction that the yellow metal is NOT the only kid on the monetary block.

SILVER SPEAKS FOR ITSELF!

A basic question I put to them---which metal did the U.S. government most recently use in circulating coinage? Right, it was silver, and it outlasted gold on that score by over 30 years! Another item the gold only faction needs to consider is, when proposing to use gold as money, if gold goes to \$1500 per ounce, and they have some one-tenth ounce gold coins, the smallest divisible value unit they have is \$150.

Whereas with a bag of 90% silver dimes, the smallest divisible value unit there (.07 ounce silver each) provides far more maneuverability and utility. When the funny money crowd first dumped the bastardized cupronickel slugs into the economy in 1965, what became of the still circulating silver coins? They were snapped up and hoarded by people who perceived the obvious---those coins were, in and of themselves, actual, real, innate, and true money. I wager even some of the gold only faction did that as soon as the bogus coins dated 1965 and later hit the streets. It was another case of Congress and the Administration stabbing the publics back for the gain of greedy interests. But they did it, and it reminds me of the line from the dangerous kingpin in "Enter The Dragon" (1973)---

"Very few people can be totally ruthless. It isn't easy. It takes more strength than you might believe!"

QUIET RUN ON SILVER, PUBLIC PANIC TO FOLLOW!

As this is written in mid to late February 2003, if you take care to notice, there are widespread shortages in all silver categories from coins to large bars at dealers all over the U.S. Many categories are intermittently sold out; a run on silver is taking place. Almost none of this metal will return to the marketplace until silver hits at least \$10. The essay, "Silver Threads and Golden Needles" hosted here recently had an excellent point to make about the sharply rising gold price driving millions of people into silver jewelry, and how that will supercharge silver demand even more, causing additional price escalations. News media will only cover the silver story when it can no longer be concealed, and then with plenty of pre-rehearsed distortions. Investors who are actually informed as to silver realities due to a few uncensored websites are a tiny minority, and this tiny minority has cleaned out most of the remaining silver. Expect the retail shortage to become nearly complete by mid March 2003. The quote from Atlantic Monthly, May 1879, page 569, about someone leaving Kansas for the silver mining district at Leadville, Colorado, is about 124 years late,

"I don't suppose the silver's going to run away before you get there."

We have arrived at the point where the silver **HAS** run away, and it's almost too late to buy more! The point being, what happens to silver demand when the price blows up, and the public becomes aware of the silver shortage and the price changes? Right, they add to the price being bid up higher. Even more silent than the public rush to buy silver has been the efforts of mining companies to add to reserves, something has changed in that environment in recent times,

and further commentary at this juncture is inappropriate. Demand far outrunning supply equals higher prices, and silver-shortening derivatives are headed for dead joke status.

If COMEX, CFTC and related personalities are sent to minimum-security detention facilities, it's OK with us! Or as the Mexican bandit Tuco told the huge bully soldier in Clint Eastwood's "The Good, the Bad, and the Ugly" (1966)---

"I like big fat men like you! When they fall they make more noise, and sometimes they never get up!"

SILVER IS MONEY IN ANY ENVIRONMENT!

Many who've bought silver have done so not only as an investment, but more to the point, to hold it as disaster insurance or a "God forbid" account in the event paper currency deteriorates into a wheelbarrow full for a loaf of bread situation. To those who believe in God, I suggest that silver was placed in the earth as a companion metal to gold for use as the backbone of monetary systems, for use as medium of exchange. To deny the monetary reality of silver is to suggest that human nature has changed from ages past---no it hasn't. As silver takes off, people will hold it to force industry to bid the price higher! Silver, the unique element, true money and also necessary as a raw material to industry! People recognize the innate value of silver and always will. Trying to deny that fact is a fool's errand. Place any silver quarter in change, you won't follow its trail for long before someone removes it from circulation to some hiding place reserved for more special items. In spite of the bizarre low price warped by derivatives, silver is extremely scarce. As another proof consider the current offerings of the well-known Danbury Mint---porcelain plates! It isn't even a real mint anymore!

THE FRENCH REPUBLIC, NAPOLEON III AND SILVER!

The English Historical Review of September 2001 featured a book review, which mentioned details summarized here. Napoleon III of France was desperate to acquire large new silver supplies for several reasons. The influx of new gold in the 1850's from California strikes preceded the Comstock, Nevada silver strikes, and people in France and most of Europe actually started hoarding **SILVER** coins, because it was perceived as increasing in scarcity relative to gold! Secondly, with the Civil War raging in America, the South's cotton exports to France were disrupted. Turning to India as a cotton source, payment in silver was demanded! France also urgently needed new silver in size to sustain the French bimetallic coinage standard, so it could be supported against the Anglo monometallic gold standard.

The French, in fact, had sponsored expeditions to the Sonora province of Mexico dating to 1851, with silver acquisition as the intended objective. The Duc (Duke) De Morny, Napoleon III's half brother who was fronting for Swiss interests, was a sponsor of the military venture into Mexico, which installed Emperor Maximilian on the throne of Mexico. The Mexicans succeeded in ridding themselves of the French in 1865 by executing Maximilian by firing squad, but during the period 1862 through 1865 the French succeeded in procuring by outright theft sufficient silver to maintain the French bimetallic standard until 1873, when England got its way again with their monometallic plan. Silver has been the target of government and private sector conspiracies for centuries, but it has an irresistible way of coming back!

INVESTMENT DEALERS SAY SILVERS GOING NOWHERE!

In spite of all the clear proofs of a long-term serious deficiency of silver supply, an examination of 28 assorted bulletins on silver companies issued by various prominent

sources, not one bulletin mentioned a silver forecast over \$6.50 per ounce under any conditions. A report from the equity research bureau of Credit Suisse First Boston, dated August 11, 2000, predicting a peak silver price of \$5.25 per ounce, is dismally typical.

Sniffing into the background the scent of industrial users is detected, as First Boston was a Mellon controlled entity, and biographer William Hoffman claimed the family "controls thousands of companies." Andrew Mellon (deceased 1937) was a three-time Treasury secretary who was a director of 51 big corporations and had stock in over 300 corporations (with many subsidiaries) and was probably worth several hundred billion in 2003 dollars! The silver price isn't the only item that is rigged---so are lists of who is supposedly the richest. Mellon operatives have been Kodak directors; interesting how people so rich want to get silver for nearly nothing! UBS Warburg has frequently suggested that silver price fundamentals are poor, probably because they have unbacked silver certificates and OTC silver derivatives! We cannot overlook the name Warburg, which is linked to the Federal Reserve and its funny printing press money which is "created," unlike silver, which is a divine ideal of money and must be recovered by effort---mining!

JPMorganChase said in fall 2001 that prices could fall to \$3.60 (the low point was \$4.01). These three institutions are key players in so-called globalization, another term for the British Empire activities of the intermarried rich on both sides of the Atlantic. That's why Jonathan Potts of FidelityTrade, Silver Users Association representative who works with the Du Pont controlled Wilmington Trust, ignored the emblem I sent to him and Wolkoff and Gorham---to use a phrase from "The Mummy," it represents "he who is not to be named." You see, SUA is only one of probably over one hundred other organizations, which are the visible extensions of what the "Money Trust" is and does (Congressional Record, December 22, 1913). Major

financial institutions do a great deal of business with each other, favors are taken care of, and overlapping shareholdings are the rule. They are additionally interlocked with users association companies. It suggests that propaganda has been widely disseminated by powerful entities, that everyone is to issue bearish pronouncements about silver.

As another example, the National Bank of Canada put out a bulletin dated July 31, 2002, forecasting \$6 silver by year-end 2004. Apparently they "forgot" that silver jumped from \$5.55 to \$5.95 in one session just after the Washington Agreement was issued in fall 1999 (someone thought silver leasing was about to be shut off!) A report from CPM Group dated February 2001 spoke of bearish rumors being spread about which appear strategized to scare investors into selling, or at least to inhibit them from buying silver.

ENTIRE NATIONS RETURNING TO SILVER COINS!

Entire nations and groups of nations recognize the reality of silver as money. Consider India, where it remains illegal to export silver, domestic silver, that is. The only silver leaving India is metal fabricated as value added jewelry because of low labor costs. China was on a silver standard for roughly 364 years, from 1571 to 1935. An Islamic bloc of nations including Iran, Morocco, Libya and Bahrain, spearheaded by Malaysia is now returning to a bimetallic system based on a gold dinar and a silver dirham. They recognize that paper based systems are frail, fragile, subject to not only deterioration but to manipulation. Ironically, it was in the wake of George Soros (a big silver investor) making a run at their currency that inspired Malaysia to return to gold and silver. Possibly it was in his long range thinking that this would happen, and his company would supply them with silver. Can we call you "shrewd," George?

Some highly placed Mexicans want their country to return to silver as medium of exchange, and given the fragility of "created" money this seems likely to happen. The International Monetary Fund, one of the "money creators" on the scene, appears responsible for the unrest leading to the February 2003 violence in La Paz, Bolivia, even as it previously worked hardships on the struggling Argentines. Speaking of Soros, Buffett, Gates and Tisch, all billionaires invested in silver and its equities, where are their counterparts in gold? Probably just not as noticeable, or lesser scale billionaires!

COMEX TO VANISH AS SILVER SOURCE!

The idea of gold only as money, wealth or currency backing is a corrupt idea. Gold must always be reckoned in value by contrasting with silver, as a team nothing equals gold and silver as money. Precious stones have been used as money but qualify only by very limited standards. There are some good books on the subject of silver as money, especially "Silver Bonanza" (1993) by the late James Blanchard III and Franklin Sanders. The book contains fine commentary about coordinated conspiracies to derail silver as a monetary factor. For purposes of brevity I suggest instead you consult David Morgan's two essays, "Is Silver Money?" and "The Significance and Sanity of Silver as Money," at Silver Investor archives. Just wait till the price performance of silver dazzles as magnificently as the reflection of a shiny bullion coin in full sunlight---even the price chart will scorch the confused goldbug's retinas!

Word has it that Indiana Senator Richard Lugar---a Rhodes scholar British Empire activist---has told France and Russia that they must back the U.S./British plan to attack Iraq, or they will be frozen out of petroleum development there. It

reminds you of the talk with a CIA agent in Seagal's 1988 film "Above The Law,"

"Are we the damn Romans? We're an empire too!"

The war appears mainly about seizing wealth, as U.S. and British interests, acting in concert, did so in Iran in 1953 (see "Urgent Warning To India" in archives). In "The Empire of The City (World Superstate)" by E.C. Knuth (Milwaukee, 1946), we find on page 103---

"The principal purpose of the League of Nations was to validate Internationalist plunder with a spurious seal of world law and to gain time for its proponents to prepare for the inevitable World War II. The United Nations Organization is a product of the same group, in fact of many of the same men, and its purpose is precisely the same and to prepare for the inevitable World War III."

The timing of the war---which many are suggesting is a doorway to World War III---seems focused to coincide with the looming COMEX silver delivery defaults. It's the old kill two birds with one stone concept---the oil is coveted, and diverts attention from one crisis to another crisis, which is even noisier! China will be sorely tempted to attack Taiwan once the Iraq war starts, and Lockheed Martin, (a non SUA silver user) built a naval surveillance system for the reds a couple of years ago.

Here's a strangely grim thought to consider, for those of you who are invested only in shares, and have no physical---what if Chinese submarines were to launch missiles at South American or Mexican mine sites? Unless some silver is headed for the Orient! Don't worry that this could give anyone ideas. Where a corrupt idea exists, it was thought of long before I suggested it! Undoubtedly a farfetched event that will never happen. The point being that having physical silver is bargaining power when a stock certificate might be

of no value. You could think of it in some sense as the difference between having a gun, or having an NRA membership card. If you want my real opinion as to what I think is most probable, if you have the right mining shares, you will be stunned as to the positive results. However, be ready to do some diversifying at times.

There is no greater anachronism (something extremely outdated or past its time) than \$4 range COMEX silver. The recent increase in gold margins seems a likely ploy to delay the firestorm at JPMorganChase, Barrick Gold and other entities. Its possible Barrick may be forced to shed some choice assets, which could be acquired in a distressed situation by non-hedgers. Since this was written we hear from Butler (who seems to have kept Barrick under a microscope for several years) that Barrick has moved to reduce its exposure to losses from a rise in silver prices, reducing their vulnerability by 21 million ounces. Other hedgers are certain to move quickly to reduce their risk exposure to advancing prices. By this it appears interpretable that sharply higher AG prices are finally on the near horizon! It may also fulfill predictions that silver's takeoff is what will send gold up.

SHORTS TO BE DESTROYED BY MARKET FORCES!

With natural market forces taking over the pricing of silver, that pricing will reflect all relevant details. It will reflect that metal accumulated from millennia of mining went into the shadows of nonexistence or irretrievability due to industrial consumption; that Indian silver has no bearing on the world price, since they will never release it and in fact, want to add more to it; that Chinese silver consumption will be at least twice that of the United States; that the rest of the developing world will magnify the size of the insatiable demand monster; that silver's monetary role is being

rightfully restored among hundreds of millions of people; that huge scale silver sources from the past, such as Cerro Rico at Potosi in Bolivia, and the Comstock Lode in Nevada, are long since exhausted; that the few large modern working deposits, such as Cannington in Australia, are significantly diminished since their opening and consequently, that the supply cannot match pace with demand. See for instance National Geographic, September 1933, page 259 about silver supply drying up at some primary South American mines then in operation.

Consider this--silver was first mined in the new world by Spaniards in 1534, and all the silver which went into leasing since about 1983 came from silver mined in the 449 years before that. So, it has taken some 20 years to deplete central bank silver, or less than 4.5% of the time it took to accumulate it! And that, while an underground depletion of silver has existed as a parallel shortage! As base metal deposits have been worked deeper into the earth, the silver values have steadily fallen. Now, at the time the world absolutely needs more silver the most, drastically less of it is available. We've heard this drum beat before, but the price explosion is what will convince the skeptics. Since the low price will soon be demolished and never to be seen again, you should have the kind of urgency of action as the Mexican bandit Tuco in Eastwood's 1966 film---

"When you have to shoot, shoot, don't talk!"

DERIVATIVES TO ZERO, SKY-HIGH SILVER!

The formula is therefore an overpowering one, for many years of rising prices. Shorts unable to deliver equals the termination of leasing, and therefore of naked shorting---the price of silver is now ripe to start flying! You could say, the twin towers of the silver manipulation will crumble. As for the users association, I suspect our collective attitude is, we

wouldn't throw water if they were on fire---as they will be soon. The price can theoretically surpass gold, as platinum, useable as money, is more of an industrial than monetary metal.

It has been well detailed by Jim Cook's associate, former Merrill Lynch commodities trader Ted Butler that there is far less silver available for investment than gold. What happens to the price of silver when megamillions of people in several countries clamor to own some? If silver goes up roughly 11 times over the price as of mid February 2003, it has merely returned to a high it already reached once, and that would fail to adjust for inflation, which would send it up perhaps 22x over these prices. When the old high in silver was reached, gold was less than three times its current price, again, not adjusted for inflation. When I read commentaries about a "ten-bagger" in silver shares I wince. Silver hasn't moved yet, I am already up 3x! This thanks to increases in the company's asset base. With more reports due in coming months of additional resources being proved out and more recently gained holdings announced, each \$1 increase in silver's price adds roughly \$1 billion to the company's assets!

BANKERS SAY SILVER TO REMAIN LOW PRICED!

I mentioned a bulletin from the National Bank of Canada, which parroted the party line about how silver prices can't get past \$6 in any environment. If they cannot create something by a bookkeeping entry, it'll never rise in worth, to hear them tell it. The bias and self-interest shows. They also said the silver company they were speaking of would have to issue more shares and dilute property interests to raise development capital. No they won't---considering what the price run-up will do for their holdings, they need only sell the smallest of their properties to raise funds to

commence mining at several sites, and the proceeds thereof can be used for other projects. The company will have no need to hedge, dilute shares or reduce equity in its choice properties.

Most financial institutions appear to be discouraging people from investing in silver and gold companies. They'd rather you bought losers instead, which is usually what they promote. A local banker with JPMorganChase suggested to an acquaintance of mine that CE diamonds (clarity enhanced) would be a better place to put funds than silver. (What about the illegal scam of selling CZ's as diamonds?) Another attempt to cause those outside their circle to incur losses, as for most people the only way to profit in diamonds is to own early stage shares of a few select mineral companies. And the bankers took care to not broadcast that worthwhile opportunity when most of it was available. When a shortage is accompanied by flat prices, strings are being pulled. Buy silver until the day before the big event starts!

INDIA, FAR EAST, & SILVER RUMORS VERSUS FACT!

Mixed signals have been heard concerning India and its silver. I suggest that reconciliation of apparent contradictions is fairly easy, considering that the source of the loudest rumors appears to be the users association! They are on record as wishing to see Indian silver become available to the world market. Laws currently remain in force to prevent this. Those laws have in part to do with desire of Indian authorities to prevent citizens from exporting the country's wealth. It's well known that silver isn't smuggled out of India; rather, the reverse is the case, because of the price premiums on silver put in place by the national government. These measures are focused at keeping silver in India---there isn't even an illegal incentive to remove it, as there is nothing to gain by doing so!

Additionally, Indian cultural traditions strongly incorporate silver ownership as family keepsakes or heirlooms, passed down from generations of ancestors. Their silver has strong sentimental value, and they would say if anyone asked them, their feelings matter more to them than the observable greed of a western users association.

American Metal Market magazine, March 20, 1998, commented that silver price declines after the Berkshire-Hathaway (Buffett) silver purchases were based on alleged fears that India would start dumping silver. That rumor served its intended purpose! However, the reality is that in the November 9, 1998 issue of AMM, it reported "India Silver Hoarding Worries Users Group." First rumors were spread of India dumping silver, then as the price was managed down, the truth was admitted that Indian silver is being tightly conserved! Evidently they follow a formula of, say what the occasion calls for, correct or not!

Walter Frankland, high priest of the cult of perpetually depressed silver prices, spoke of recruiting organizations in other (industrialized) nations to get on their bandwagon of pressuring (my choice of words) India to start hemorrhaging silver, because, to use Frankland's words, they need to get India to release silver before "volatility" hits the silver price again! Meaning, they want to start gouging India of its silver before the worldwide central bank lease silver is exhausted! So, the silver price must remain flat so the Indians won't want a higher price! It appears those lease supplies have reached the threshold of exhaustion---and India has still not began to release its silver! The apparent intention to have India supply them with cheap silver before the central banks go dry, has failed! As a member of Lee Marvin's commando team told someone in "The Dirty Dozen" (1967)---

"Nice try, but it won't work!"

Apparently Indians learned the bitter lessons of exploitation from almost 350 years of British colonialist piracy. The more recent (1984) incident of the Bhopal chemical disaster--- handed to them by the carelessness and cost cutting ruthlessness of Union Carbide---a Silver Users Association member, undoubtedly figures prominently in their thinking as one of a very lengthy list of reasons to leave their silver laws as they are! (See "Urgent Warning To India" in archives). Frankland reminds me of Imhotep, the supernatural desperado villain of the recent film "The Mummy," in which Imhotep went about "assimilating the organs and fluids" of his victims, to regenerate himself, metaphorically speaking, as regards silver!

Or he could be likened to the tarantula hawk wasp which stings the spider, drags it to an underground nest, and lays an egg upon it. When the egg hatches, the grub slowly eats the spider alive, taking care to consume the vital organs last, lest the feast begin to spoil. The three pillars of the Silver Users Association, Kodak, Du Pont and Dow Chemical, represent staggering advertising revenues for media enterprises, and don't entertain any delusions that this has no bearing on editorial views! During the Hunt silver run-up, Tiffany & Company, a SUA member, took out full-page ads in the New York Times bitching about having to pay higher prices for metal. Their real gripe was that someone outside their association was going to profit in silver, as if they have some sort of "divine right of kings" doctrine going for their claims on silver! Silver has been looted from world reserves to the nth degree. The coming spectacle of the Silver Users Association providing "expert witnesses" on Capitol Hill alleging that longs are to blame for the shortage, whereas the leasing, short selling, price capping and bankrupting of mining companies is some kind of "so what" deal, is enough to send someone sliding across the floor in their own puke.

In 1969 my older brother and our dog were at a remote lodge during the summer heat, and as we were the only ones there we used the only air-conditioned room. Later that day another party arrived and attempted to have us move out of the comfortable room. My older brother informed them with a smirk, "I think we'll go ahead and keep the room" as he closed the door. I heard one of them grumbling outside, "there's a dog in there and we're out here!" So I say, that will be the sentiment of the Silver Users Association as we enter the shortage, disgusted that the "inferior" Indians have a hoard of silver they can't plunder. They must think Indians are stupid, or they wouldn't even have tried to trick them out of their silver with talk about the "benefits" to them of being dispossessed of it, and how they were going to enlist others around the globe (probably Europe, Britain and Japan) to try and bluff their way in!

As for the rest of Asia, China isn't the only silver owner to have been affected by efforts to draw silver out at pirated rates (see "Silver Devils" in archives). Before we move on from China, it could be of silver significance (AMM, October 28, 1998) that KGHM, the Polish copper concern, sold 21,000 tons of copper to China in fall 1998, and as many of you know, KGHM has considerable silver byproduct production and may be sought by China! AMM of March 20, 1998, reported that South Korea, acting through sponsorship of corporations including Samsung, Daewoo, SK Global, LG International and Korea Zinc, conducted a month long campaign with the cooperation of the country's jewelry stores, to buy silver from the public and export it. The reason mentioned was to boost foreign exchange reserves. However, those Korean corporations have business dealings with American interests, and guessing which interests those are isn't likely to lead you into wrong territory!

GRAND INQUISITOR HATES SILVER VOLATILITY!

The Indians have dug their heels in and barricaded themselves in every possible way to prevent their silver from being taken under pretext of "enjoying benefits" as Frankland, the Grand Inquisitor General of rising silver prices put it, from having their silver ripped off (my choice of words). With the global silver deficit attaining the hair-raising figure of 198 million ounces in 1997, the Indians aren't about to be taken for suckers as some Koreans were. They understand that when the shortage erupts as COMEX delivery defaults, the price will begin racing! The Indian people don't behave like the asinine central bankers and have no intention of gifting a users group with their silver.

When Silver's Mushroom Cloud (see archives) erupts, Frankland will be more confused than the biblical Adam on Mother's day, as to how to stop the "volatility!" 14 months ago AMM (January 10, 2002) mentioned shortages, liquidity congestion, and market participants scrambling for silver supplies. How much longer can this go on, 14 days or 14 weeks? When the cataclysm starts, expect a heavily researched "expose" to be published within a few weeks after, which will reveal how the silver crisis is another disruption caused by greedy interests on the long side. The author might even consult with Walter Frankland and the CFTC as to content!

MILLIONS TO STAMPEDE INTO A FEW SILVER ISSUES!

As highly leveraged as the leaders are, with silver itself due to increase by possibly 50 to 1 over time, the ten bagger effect in the shares could happen for most owners with silver at just \$10! And just as silver is under far more demand pressure than gold, so too will silver shares be in more

demand than gold shares. The selection is far narrower, and the percent price rise in silver will trounce gold! The right silver equities should solidly outperform the fallen stars of the Internet stock universe, when they were at their peak! Another proof as to how few good silver stocks there are, is the fact that over half (53%) of the silver companies listed at Info Mine don't even have a website! The Penasquito project in Mexico, owned by one of the worthwhile silver companies (which is just now changing its name), rhymes with "mosquito;" so I say, let them remain unhedged, and may they suck blood from the silver users! Consider a few lines---

Entire nations returning to money that's real,
Fiat money a joke, even with its "great seal,"
Gold & silver are true money for all time!
For precious metal comeback, conditions are prime,
Down with naked shorting COMEX crime!

Astonishing price action near straight up in gold!
Still 2nd place to silvers percent it will be told!
Industrial & monetary demand hopeless to fill,
Users association contemplates taking poison pill,
Silver ounce to cost more than hundred dollar bill!

Aggregate silver profits to soar past one trillion!
Soros, Gates and Buffett were worth many a billion,
Far wealthier now due to silver, money of the ages!
Read about silver money all over history's pages,
Silver roars to life, and not in small stages!

Many owners of silver and silver shares,
Set to fast become multimillionaires!
Forces of supply & demand at long last command,
No more COMEX naked shorting sleight of hand,
Irresistible price pressure nothing can withstand!

Admitting they work to lower the price,

CFTC, COMEX & Congress 3 blind mice,
For decades doing whatever they wish,
Gutting taxpayers like helpless fish,
AARGH! "King of cash" in silver—Mr. Tisch!

Whoops! Someone thought only gold was real money!
That's a fable like a space alien Easter bunny!
For silver, a mad rush and an incredible craze,
Screaming for silver wherever you see the sun's rays,
Silver's orbital, the confused goldbug's in a daze!

Other than the overdue drastic price increase, I suspect the next item silver investors are intent on watching, is the fate of users, naked shorts, exchange officials and so-called CFTC regulators (and the members of Congress who sponsored their appointments!) This rightfully includes all CFTC and COMEX personalities who were previously with those organizations, especially from the start of leasing. They have some squirming to do, and let's use Trevor Howard's line as Captain Bligh in "Mutiny on the Bounty" (1962), on them---

"If that's an attempt to win clemency I spit on it!"