

# SIX ITEMS ON SILVER

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## THE SILVER PRESS CONFERENCE

Have you given any thought to what sort of statements will be made in the first press conference on the silver shortage, when it finally becomes public due to delivery defaults, racing prices, and derivative sellers being financially hammered? Expect a tidal wave of propaganda from the shorts!

For those of you who missed it, please refer to “News Media Silver Blackout” in the Archives, to see just how many major media companies have JPMorganChase as their primary bank! Wily Goldman Sachs places second for media connections! Recall that they give jobs to ex-CFTC officials! The New York Times, April 29, 2003, reported Goldman Sachs agreed to pay a \$110 million fine in connection to abusive brokerage practices dating from the internet and telecom stock bust, while JPMorganChase is being hit by an \$80 million penalty. Salomon Smith Barney unit of Citigroup is taking a \$400 million hit, and a lawyer ad seen on TV recently gave 1-800-825-1377 as a number to call for Salomon victims. A regiment of attorneys is about to besiege these entities for far bigger sums in private litigation. Silver **MUST** get this kind of attention! Silver investors, as a class, have had to do their own research to a far greater degree than most other classes of investors. This, thanks to the news media silver blackout! Anything we read or hear in the major media about silver--- what little of it is encountered---is almost always bearish. This suggests advertising patronage of users association companies being an influence.

The contradictions are astounding. Media routinely toots their own horns as to how much we can depend on them to supply us with all manner of intrepid exposes on situations affecting our lives and finances. They receive awards and acclaim for uncovering abusive situations damaging the public. Yet, the “60 Minutes” team and their counterparts elsewhere are silent on the silver situation. We have an essential nonrenewable commodity in a deficit extending back many years, demand on an upward curve, vanishing stockpiles, yet because of leasing and derivatives, the price remains stuffed into a \$4 hole, guaranteeing chronic severe shortages destructive to industry and a menace to national security! Someone in the media should have picked up on the explosive implications of silver as far back as 1965 when

circulating silver coins were replaced with pretenders to their innate value. The information blackout on silver would be airtight, were it not for websites such as Silver Investor and a few others known to us.

We've seen the bizarre situation of flat silver prices persisting side by side with, as Butler called it, silver inventories "racing towards zero" until the frustration of it is coming out of every pore in our bodies, and the press remains silent as a statue of Caesar. The viability of mining companies and the net worth of investors are held hostage to what Butler identified as the "Comex Silver Cartel." Alan Ladd's 1957 film, "The Big Land" is the tale of how he beats a corrupt cattle buyer named Brog, who always bid insane low prices for herds, after preventing legitimate buyers from bidding fair prices. Brog's method was to murder some of the bidders, so that he'd be the only bidder. It sounds philosophically like the COMEX silver situation. The news hyenas won't be silent about silver for much longer. The crisis will be forced into public visibility, signposts have indicated its arrival on the near horizon. Right up to the end, noises will be heard about some government or other entity, which is about to disinvest a few hundred million silver ounces, as if that was a smart move to make, even if the phantom stockpile exists. A satirized example of such rumors would read---

"The Precious Metals Survey Group in London hints to us, that they have on good incognito authority, that their consulting panels have told them that their private contacts understand by way of unnamed third parties distantly related to actual principals, that approximately 770 million silver ounces are available to the market from undisclosed inventories in a respected jurisdiction without bothersome reporting requirements, on a price curve which ranges no higher than \$5.11, the unnerving high closing price in June 2002. Silver is rumored to be coming out of the cracks in the sidewalks in London, and an emergency campaign of new warehouse construction is said to be under way so more silver can be held in depository, rather than stacked on 60 foot high pallets on docks, overshadowing the aluminum ingot piles."

In view of this avalanche of lies about silver---which is an effort to get people to disinvest of their silver---let's attempt to vent our highly justifiable mistrust of news sources, and anticipate what a model of their first press conference on silver could consist of. Let's also be ready to get untainted facts to the world to remedy some of the misinformation. As Paladin, the man in black gunfighter of "Have Gun, Will Travel" (1957-1963) told a crook---

“Go tell the sheriff what happened. I’ll come around later and tell him the truth.”

A new slogan could come about---“Have Silver, Will Hoard!” To the tune of the insolent robotic background music on CNBC, the silver press conference begins, possibly at the Commodity Exchange, CFTC or the Silver Users Association headquarters. You know how some commercials show people being complemented for what a good cup of coffee they serve, as if it’s some special fluid which they’ve secreted from a unique gland---well, this is how outlets like CNBC carry on about the quality of the news they dispense! In the background will be someone flinging darts at photos of Gates, Soros and Buffett! To be succinct we’ll summarize some key points we can anticipate---

Reporter---Gentlemen, we need to explain to the American public the cause of the silver market disruptions we’re witnessing, and what can be done to restore order.

Comex Official (remembering his rehearsal)---The silver delivery defaults appear to have been caused by overseas entities intent on disrupting our economy. A lot of silver has been removed from London warehouses that was going to meet delivery obligations. The authorities there are working with us to determine the identity of the culprits. They may be the same elements that have dumped stocks, causing the big slide in the Dow. The same situation is being investigated in Zurich. TOCOM officials have joined the consultative team. An expose called “Beyond Greed” was written about the Hunt-Arab silver squeeze, it appears another such book will follow. We stand ready to consult.

Reporter---Are we to understand that this is deja vu, this has happened before with the Dallas Hunt brothers and their Arab allies squeezing the market by removing supply, and it’s happening again, in a slightly different form?

Silver Spokesperson (shaking his finger)---We’re not totally certain at this time who the guilty parties are, but they will be identified, you can count on that. The silver supply was adequate to meet ongoing demand, to the contrary of those who’ve acted irresponsibly by promoting silver as an investment. Overseas interests hostile to America may have picked up on

those notions to illegally create a silver hoard. The U.N. should intervene. There's no basis for these unrealistic prices of over \$30 per ounce. There is a site in Chile for example where silver can be mined for only 38 cents per ounce. We also have a concern about a number of corporations based outside the United States, which appear to have formed a "Silver Trust," to exploit higher prices. Instead of the Hunt brothers, other billionaires are involved, with no sense of social responsibility. We urge Western hemisphere governments to nationalize their holdings for the benefit of industrial stability. Argentina for example retains all uranium mining control; silver urgently needs this type of protection. Argentina might team with the International Monetary Fund in expropriation of the silver sites, in exchange for debt repudiation.

Reporter---Gentlemen, can't any of you be more specific at this time as to who the culprits are? Does the government have any intelligence information on the matter?

CFTC Official (loosening his tie)---Well, preliminary reports suggests a possible coalition of radicals inside Saudi Arabia, plus Indian interests identified with their silver hoarding elements---even though the Saudis are said to have helped Pakistan's nuclear development program, and Malaysia and Iran, who misguidedly want to return to a gold and silver monetary system, and possibly China, removed the silver from London warehouses in order to disrupt the West. The Saudis may be in this picture, both to get revenge for their losses in the Hunt era, and may also be about to interrupt the flow of oil to us also, due to growing influence of Islamic fundamentalist radicals friendly to Osama Bin Laden.

Reporter---Until this manipulation is resolved, do you gentlemen have any suggestions for the rank and file American?

Silver Spokesperson (fighting back tears)---This is a trying situation and it won't be easily resolved. We know that the economy is seriously afflicted in many dangerous ways with silver over \$5. We would certainly urge all Americans to not show sympathy for these collusive overseas interests by hoarding silver. A rationing program appears likely. Price controls on silver should be implemented to stop the thievery that has begun. Sanctions should be placed on India to discourage their silver hoarding.

Reporter---Thanks to our expert panel for the input. Updates will follow.

Those in the silver long community, including investors and unhedged mining companies, will immediately understand the need for their own press conference---if they can get any media to attend! Massive evidence exists that due to influence of shorts and users, only the longs in silver have been regulated by the exchanges and the CFTC. To the above press conference you can throw in some Senator associated with the users association. Just think of the cartoon where the chimp dressed as a reporter holding a notepad featured the caption, “Senator, can’t you say anything that isn’t off the record?” Sadly, we can expect a three-ring circus of distortions.

The entire above press conference isn’t fictionalized. Cerro Bayo in Chile has cash costs estimated at 38 cents per ounce, but the site contains only 22 million ounces, hardly enough to feed world demand for that low price. The site is a fluke---like one chocolate chip out of the whole package; most locations have a much higher production cost, but you must expect the users to stress only those details that appear to support their position. It is the overall picture that won’t be acknowledged by them. I suggest a novel format for an alternative viewpoint silver press conference, to be conducted by Morgan or Butler. Reporters would be required to maintain a grip on a silver plated rail conducting a stout electrical charge. The reporter able to hold on the longest would get to ask the next question, then they would all resume holding the rail to see who gets to ask the following question. This completes Silver Item #1.

## **SILVER RATIONING PRIORITY SCALE**

Since we’re heading into an era of silver shortages, someone will demand a rationing scheme. Someone must be denied silver, since there won’t be sufficient to meet all demand. Who but the Silver Users Association will be in the lead to insist on a silver rationing priority scale? Their senators and congressmen have always strived to give them the special rights they want.

In obtaining these exclusive rights, they deny others due process or competitive opportunity. Real money in the form of 90% silver coins was wrested away from Americans in 1965 due to users influence. The main question attached to the issue of silver rationing I imagine silver investors have, beyond that of the respect they expect to be accorded to their sovereign property ownership rights is---will the users association finally receive scrutiny as being a group in violation of the Antitrust laws?

In the national silver rationing plan,  
We users aren't an also-ran,  
We want a Federal regulatory authority,  
To see we always get first priority!

Never mind that we caused the whole sorry mess,  
We, with ethics like Nazi official Rudolph Hess!  
We caused silver shortage but will blame others,  
And all the devils in hell are our brothers!

At any rate, the users will take all possible leadership in "informing" the public as to the causes of the silver problem (the ticks say, the dog dropped dead because someone took his blood away, not because they were draining him of it). Undeniably, some applications of silver are more urgent than others. Tiffany & Company is a big jewelry concern and a users association member. Picture the hypocrisy of the users group submitting a silver rationing priority scale which places all their members on the urgent silver delivery priority list. Are we to accept the view that Tiffany & Company has urgent silver priority needs just because it's a users association member, while all other jewelers who aren't members are to be denied silver? And this while admitting that silver is infinitely more vital for communications, transportation and defense than for jewelry! Tiffany's is as expensive a jeweler as you can find anyway, and their quality can be had elsewhere for substantially less without bleeding for their arrogant snob name.

Perhaps before the cataclysm begins, the other users association members need to ask Tiffany & Company to resign from membership, in order that their interests not be compromised by the suggestion that silver for jewelry is more vital to America than silver for cell phones and computers, but only when Tiffany & Company needs silver, not when other jewelers who aren't users association members need it! What was it that Butler predicted, that the fight for silver will be a "brass knuckle brawl never before witnessed in any other commodity." Maybe the users association will set up a lot of silver buying offices nationwide to offer \$4.50 an ounce to the public for silver. But that offer won't get them any silver, since the derivative stranglehold in New York will have been swept away. They'll have to offer competitive rates for silver purchase, because others will be competing to buy metal. I suggest that ownership of these outlets be determined before selling to them, and to sell only to outlets not part of their apparatus. Enter

their facility and inform them you were just kidding when you called about selling silver, and tell them you're selling it to the competitor across the street. Or worse yet, that you're going to continue "hoarding" it! Tell them what Charles Bronson as Chaney the street fighter told a New Orleans promoter in "Hard Times" (1975) when he declined an offer to buy half of his action---

"We can get along without you!"

Better yet, imagine you're on the way out of a Silver Users Association metal buying office, having teased them by withholding silver, and you run into Frankland himself. So you use the dialogue between the hunchback member of the Mexican bandit gang (played by Frankland) and Colonel Douglas Mortimer ("the best shot in the Carolinas") played by Lee Van Cleef in the 1965 Eastwood western, "For A Few Dollars More"---

"It's a small world! Yes, and *very bad!*"

This completes Silver Item #2. If you're a short or a user, I suggest you check your blood pressure before continuing through the next 4 items. It's going to be a rough ride being dragged around the ship's keel!

## **LBMA & ASSIGING BLAME PART 2**

In "Is The Silver Lie Ready?" (Archives) I postulated that shorts, users, exchange officials and CFTC regulators will try to shift blame for the silver crisis---that they will select a scapegoat, most likely Arab interests, possibly with India, China, Malaysia and Iran involved. They really must find a fall guy to take the blame. The London Bullion Market Association has no reporting requirements for silver held in London vaults. This irresponsible lack of transparency will allow a fraud to take place---the hoax that silver backing short sales on the COMEX was in London, and that it was spirited away by Arab interests---probably Saudis. Really, the reason we and the British invaded Iraq was to secure control of the oilfields, the major reason being the fear that Saudi oil will be shut off either by radical inspired Saudi government policy changes, or by terrorist attack crippling refineries and pipelines.

So it naturally follows that if Islamic fundamentalists are to blame for shutting off Saudi oil to the West, would they not also have interest in hurting us by disrupting supply in other vital commodities, such as silver? The weapons of mass destruction chant took place with such frequency in the months leading up to the Iraq invasion, that it became tedious hearing it. If Saddam Hussein had weapons of mass destruction, chemical, biological or otherwise, it seems likely he would have employed these against the coalition forces. If the claim is made that they were there but not used, it must be viewed as a corrupt police department planting evidence. No one is on site to control any news output other than the coalition. Most likely the bulk of Hussein's armaments were exhausted during the Iran-Iraq war ending around 1988, and in the Gulf war of 1991.

In The Atlantic Monthly (Boston), May 2003, pages 53-62, we find an article entitled "The Fall of the House of Saud" (the Saudi royal family), by Robert Baer, who was with the Central Intelligence Agency for 21 years. The article is condensed from his book, "Sleeping With The Devil" (Crown Publishers), due for release in June 2003. The magazine cover calls the Saudis "corrupt and dangerous." Many references can be found in the article text about Saudi financing of terrorism, links to Bin Laden, anti-Americanism, and suggestions that the Saudis may attack our economy by turning off their petroleum output. On page 62 the Saudis are called "thieves, criminal and dysfunctional," which you may suppose, is a suggestion of mental instability. Never mind that the greatest thieves of all time are centered in London and New York and connected to the Bank of England (since 1694) and the Federal Reserve (since 1913).

\$150 per barrel oil is suggested as likelihood if Saudi oil infrastructure is dealt a paralyzing blow by terrorist attack, or by embargo; and a U.N. Security Council report claims Saudis have transmitted some \$500 million to al Qaeda in the past decade (page 54). Baer calls Prince Abdul Aziz a "megalomaniac" and that two of the 9/11 hijackers met with a Saudi company representative to the Ministry of Defense, and also that a high ranking royal family member arranged a \$100 million gift to the Taliban (page 55). He notes on page 59 that since 1994 support has been given to Pakistan's nuclear development program. The Saudis have some \$1 trillion on deposit in U.S. banks and additionally hold another \$1 trillion in stocks in U.S. corporations, and there is the fear that the funds will be withdrawn and the stocks dumped, causing a market panic (page 60). If this is going to

happen, insiders on Wall Street will know it in advance and ready short positions accordingly!

No mention was made of the Saudis involved in the Hunt silver play of 79-80, however, this is something which will come up if Arabs are to be blamed for a silver supply disruption. Maybe if the users would be truthful, they could say that it's India's fault, since it refuses to step in as a sacrificial animal and supply them with silver as leasing ends. You just can't expect any user to say the shortage was brought about by too many years of low prices, squelching mining activity. With this background, it appears likely that Saudis could be prize-winning scapegoats in the impending silver crisis.

The London Bullion Market Association is run by the likes of N.M. Rothschild & Sons (as famous a name in finance as there is); JPMorganChase; Bank of Nova Scotia, Scotia-Mocatta bullion division; J. Aron & Company, once a Goldman Sachs unit, whose name was first to be associated with silver leasing; HSBC Bank (Silver Users Association); Standard Bank London; Deutsch Bank (mentioned by Gold Anti-Trust Action Committee as being heavy on price suppressive gold derivatives); Union Bank of Switzerland (has silver certificates which are probably unbacked); Mitsui & Company (Silver Users Association); and two other Japanese giants, Sumitomo (recall its copper trading scandal and Mr. Hamanaka) and Mitsubishi Corporation (silver consumers); American International Group or AIG, mentioned by Butler as a silver short, and Macquarie Bank, Australia's leading investment bank with 4,700 employees which provides gold hedging facilities to gold producers in most major gold mining countries. Hedging precious metals at low prices no doubt warms their heart. Macquarie Bank used to be known as Hill Samuel Australia, a unit of Hill, Samuel & Company of London, a major international financial powerhouse of long standing, with Crown connections. The LBMA crowd and the ESF (Exchange Stabilization Fund) people probably know one another intimately.

Laurence Cox is a current Macquarie director. He's associated with Rupert Murdoch, said to be worth \$5.3 billion U.S., the tycoon who runs News Corporation. Expect News Corporation to join in the chorus that silver shorts and users are blameless victims of the silver shortages. His Canadian colleague Lord Thomson, over three times wealthier than Murdoch and a director of Toronto Dominion Bank (the bank's chairman, John Thompson, is also a Thomson director) can be expected to blast the metals price

increases through Thomson Media. As the introductory narrative to “The Outer Limits” TV science fiction series (1964) said,

“We will control all that you see and hear!”

Laurence Cox was previously a director of S.G. Warburg Securities London, named for Sir Siegmund Warburg, who Business Week magazine said, “counts among his friends some of the most powerful men in the world” (article entitled “A European Prefers Wall Street,” November 23, 1974, pages 92-93.) Uncle Paul Warburg was the mastermind, with Rockefeller relative Senator Nelson Aldrich, of the Federal Reserve System. Speaking about relatives, Fortune magazine, March 31, 2003, page 109, noted that George Walker, in charge of Goldman Sachs hedge fund operations, is second cousin to President Bush. Recall his father’s full name is George Herbert Walker Bush. The 2002 CPM Silver Survey (page 13) estimated total London and Zurich silver inventories at about 47 million ounces as of the middle of 2001. What silver they may still have because of the black hole of the deficit is likely just window dressing, some 1,000-ounce and a few 100-ounce bars. Not that they’re going to let any investigative reporters in for an audit of their vaults. And of course such reporters are more interested in covering earth shaking events like crossword puzzle contests.

This is a bunch of operators with a vested interest in holding silver and gold prices down. They are paper money creators, and want to have things appear that through their magic touch nothing of value need be used to back it. They have a secret circle upon which the light of day must shine! Gold Fields Mineral Services of London, an informational think-tank on gold and silver, is an associate member of LBMA. So when GFMS puts out statistics and unsubstantiated claims alleging hundreds of millions of silver ounces are still available to the market at the derivative driven price, consider the source! Consider who their jolly shipmates are! The Financial Times, January 30, 1997, said,

“Roughly 250 million ounces of silver valued at more than \$1 billion are cleared daily in London.”

Since the world only consumes around 900 million silver ounces per annum, the leveraged OTC derivatives traded on the LBMA represent a factor of over 72 to 1 over the physical commodity. The ratio of derivatives to real metal may be larger now. Such crazy leverage adds to world financial

systemic risk---it is a needless contagion factor. And it will allow shorts and users to shift blame to scapegoats, because the zero reporting requirement rule they have is a giant portal for abuse. No reporting requirements for London and Zurich will make a silver shell game possible. They can swear the metal for delivery was there, but enemies of the West came and spirited it out, causing delivery defaults. Presto, the situation isn't the fault of shorts and users, but the culpability is borne by greedy longs!

We had silver inventory hidden in the dark,  
But while we were drunk on Cutty Sark,  
Arabs and others moved it all out,  
Media friendly to us has a lot of clout,  
And tells any lies for us, let critics pout!

Not having to prove how much silver we have here,  
Helps "fuzzy math" accounting, a situation so queer,  
Let our buddies over at COMEX clearly state,  
The silver was going for delivery, but too late,  
Cause Arabs and others took it away crate by crate!

In light of corporate accounting scandals and offshore baloney that brought down Enron, WorldCom and others, this absence of accounting transparency should be scrapped immediately. But those market participants have a vested self-interest against operating in the clear light of day. The connections to COMEX silver trading are beyond question. The lack of identification reporting for the large COMEX silver traders is also thoroughly wrong. The Securities Exchange Commission makes public the identity of those who buy large chunks of corporations. But COMEX identities must be shrouded in secrecy (even if we can scent who they are, like JPMorganChase saying silver was going to fall to \$3.60 in the last quarter of 2001 when thanks to their help it was knocked to \$4.01!) This completes Silver Item #3

## **THEY DON'T CARE WHAT PRICE THEY GET?**

It's been said many times by many sources that over the years of low silver prices, the polymetallic miners of zinc, lead, copper and gold don't care

what price they've received for their byproduct silver. To that notion I say three things---it's true of some of them, it's not true of all of them, and their retrospective view on the issue is subject to change, especially with an agitated shareholder base. The whole silver picture going back for a very long time appears as if its been rigged in the absolute favor of the industrial users. No one else has had any rights or benefits in silver, other than just during brief occasional blips, as if by accident. For the CFTC and COMEX to refuse to regulate the shorts is like the highway patrol refusing to ticket someone for blocking the fast lane at 4 miles per hour.

The Mexican miner Bartolome de Medina, originator of the so-called "patio process" in 1557 by which mercury was used to extract silver from ore, must have turned over in his grave during the insane ripoff of the polymetallic miners! To answer the question, what would the price of silver have averaged over the last 20 years had leasing not occurred, and realistic speculative position limits in silver trading been in place on the COMEX, requires another essay, and another commentator more familiar with the topic than myself. Just not some potted plant I.Q. commodity moron appointed by sources with self-interest at stake. What has taken place here is a million times bigger theft than Alan Ladd's 1958 film "The Bad Landers" in which Ladd as a geologist and his rancher partner Ernest Borgnine are cheated out of a rich gold mine by a corrupt businessman. They got even in the end!

Obviously, however, the price would have been substantially higher for silver had a pure free market prevailed, and the many polymetallic miners who've supplied the industrial users with probably over 7 billion ounces since leasing began around 1983, have therefore been cheated out of (at an average price of \$10 per ounce) some \$35 billion dollars. There is such a thing as treble damages! This is money which could have been paid to shareholders in dividends, since their primary activities in base metal commodities and gold covered their operating expenses. Royalty holders have also been shafted! The silver they recovered along with the main metals they sought was just a bonus, as we've heard repeated numerous times. Except that, their bonus funds were much less than what a free market would have allowed for. It's like the candy bar incident I suffered through in junior high school, when candy bars were ten cents, and there were still some circulating silver coins around. I put in two nickels, pulled the knob on the selection, and got nothing. Faster than I could react, a shifty operator put in one nickel, pulled a knob, and walked away with my ten

cents for five cents. This has happened to polymetallic miners, courtesy of silver users, to a degree that goes off the scale! It would be refreshing to hear some judge tell some of these people what the Air Force Colonel told Captain Kirk in “Tomorrow Is Yesterday” (Star Trek, January 26, 1967)---

“I am gonna lock you up for *two hundred years!*”

Instead of dumping silver so the selfish users could continue to have dirt-cheap metal, the silver should have been held as a perpetual asset by the central banks. Several times as much metal has been taken from polymetallic miners at theft rates, than has been pilfered from the central banks. In the 1967 western “Hombre,” a corrupt Indian agent, Mr. Favor, of the San Carlos Apache Reservation in Arizona, cheated the government out of funds while the Apaches were starving, the money supposedly being paid for cattle which wasn’t delivered. Cicero Grimes (Richard Boone) and his outlaw gang knew about Favor’s stealing, and stopped the stagecoach for the hold-up. As Grimes opened the satchel containing the money, he asked Dr. Favor---

“How much did you steal? Tell us so we don’t have to count it!”

Have we now caught the attention of shareholders of copper, lead and zinc, and gold miners? Maybe you folks should look into some possible remedy here, especially when holding the price of silver artificially low through abusive use of manipulative derivatives is an antitrust violation. It wasn’t the Hunts and Arabs who shrunk your bonus money---it was definitely someone else. And it’s as obvious as the smell of a natural gas leak who did that to you. Disregard who your mining company’s primary bank is and see to what your rights should be. The wrong type of affiliations may have cost you dearly! This completes Silver Item #4.

## **GLOBAL POWER SHIFT COMING!**

Banking giants mentioned above, and industrial silver users, seem likely to take a back seat in the times ahead, to the best positioned silver and gold mining concerns, as tangible assets zoom above paper currencies in the investment constellation. It may be significant that of the known billionaires in silver, none serve as directors of the so-called bullion banks! A big investor in the company I nicknamed “Hercules Silver Holdings” (see “The

Kronos Effect” in Archives) was mentioned in an article entitled, “Wall Street’s Secret Power Elite,” Fortune magazine, March 31, 2003. Louis Bacon runs the \$8 billion Moore Capital Management, a top-tier hedge fund and he was described on page 112 as “fabulously wealthy” and the owner of “remarkable real estate properties” in England and the U.S. The article also commented that Bacon is “publicity allergic.” Yes, just as publicity allergic as the media is about saying anything concerning the silver situation, until after the train wreck takes place! Users may get so constipated they’ll need some fiber and some of them may end up with a wicker chair in the rest room.

Those holding silver, gold, platinum and palladium will gain massive purchasing power versus those who, like the unfortunate individual I recently spoke to, said, “Well, I’ll go with the U.S. dollar!” It did no good to point out that silver has been recognized as money since before 3,000 B.C., and the point that the value of the U.S. dollar has skidded some 95% since the Federal Reserve parasitism began in 1913 wasn’t understood! As this power shift takes place and the shorts, users and fractional reserve bankers throw tantrums, we say to them what David Janssen as Dr. Richard Kimble said to a crazed individual in an episode of “The Fugitive” (1963-1966)---

“Get yourself some help---see a psychiatrist!”

Difficult as it is to imagine, some of these mining companies in silver are sitting on assets, which are capable of attaining in value to possibly over 4,000 times the present market capitalization of each individual company! Think of all the platinum that has come out of South African mines. Then think of the best companies silver mines having a product that is likely to eventually be priced like platinum. As Butler said, these unhedged silver companies “will enjoy bounty beyond belief.” And as another of his sayings has it,

“The coming demands on silver stagger the imagination.”

Or to quote a description from the 1956 science fiction classic “Forbidden Planet”---

“The total potential here must be nothing less than astronomical! Nothing less! The number 10 raised almost literally to the power of infinity!”

James Ewart, author of a fine research piece entitled “Money” (Principia Publishing, Seattle, Washington, 1998) commented on page 140 that because of continual silver consumption, there is the prospect that silver will become more valuable than gold. I take issue with his 50-year time frame for this to happen. Ten years is more like it. Remonetization of silver is a strong current now, feared by central bankers along with gold. See for example “Nevada vs. the Federal Reserve” at Insight Magazine, April 29, 2003, a recent link at Silver Investor. That proposal contains some flaws as silver genius Franklin Sanders pointed out, and also for Nevada to have the coin show a \$20 face value is an attempt at price capping. No government should attempt to fix the price of any commodity!

Yes, a power shift is coming. India, think what ownership of such wealth can do for you. Think of it as revenge for the 1984 Bhopal chemical disaster---caused by a Silver Users Association company---or think of it as the revenge of Chunilal Saraya of the Indian Specie Bank, who attempted to force a run up in silver during 1907-1913, but was stopped cold by the London financial establishment, leading to his suicide. Mainly, think of retaining your silver as an act of self-preservation---it’s needed for so many critical applications! Keep walking away from the users associations \$4.50 per ounce offer. You can suppose that emissaries of the users association are in India scoping things out, trying to pull strings, but Indian leaders know what they’re about. As the scientist in “Forbidden Planet” (1956) said to the space ship captain and his assistant when he caught them poking around in his house---

“You’ll find the household silver in the dining room and my daughter’s jewelry on her dressing table!”

As the price of silver finally starts racing, Walter Frankland and the silver users can say with rapist-killer A.J. Maggot (Telly Savalas) in “The Dirty Dozen” (1967)---

“I was in a state of grace!”

Yeah, they were in a state of grace as long as silver was depressed; let them remember those days because they’ll never come again. There was a scene in “Return of the Archons” in the Star Trek series, aired on February 9, 1967, in which inhabitants of a planet routinely went crazy berserk in the

streets, running around all wild-eyed and celebrating like doped-up drunken fools, which calls the users low priced silver party to mind, with one idiot flailing his arms around wildly and screaming at the top of his lungs---

**“FESTIVAL!! FESTIVAL!!”**

The mining companies, who have been treated very badly during the generation long COMEX silver scam--those who have survived---are about to see the tables turned in their favor---with an incredible vengeance! The 1958 film “The Vikings” featured Kirk Douglas as a Viking warrior (the COMEX naked silver short) who had a treacherous Englishman (the underhanded CFTC official) consorting with him for raids in Britain. Tony Curtis (the silver miner) was a captive of the Viking raids. Kirk Douglas floored Tony Curtis with a tremendous punch, whereupon he asked his English collaborator, “Any Objections?” The English traitor to his homeland (the CFTC official) replied,

“Of course not my lord, he’s only a slave!”

That’s how the mining companies have been treated, as slaves. (Near the end of the film, Tony Curtis ran Kirk Douglas through with a sword near the top of a castle). In the impending global power shift, things will be the other way around. It’ll be our festival! The users will feel like helpless captives cowering before a seven foot tall Viking wearing a furry helmet with a horn sticking up from each side and swinging a battle-ax. And in their dark nightmares he’ll send them to the bottom of the financial fiord! To the desperate user who can’t get silver at any price, if you consider suicide, take the advice of Charles Bronson as lieutenant Lou Torrey in “The Stone Killer” (1973) as he arrested a suspect---

“You could die easy!”

Low silver prices for generations have made it easy for users to laugh at silver as an investment. However, with the supply nearly gone, we ask this parasitical faction, along with Robert Mitchum, sheriff of “El Dorado” (1967) as he slammed a rifle barrel into the bad man’s head---

“Why don’t you laugh? Let me hear you *laugh!*”

Silver producers and inactive companies waiting to produce are entitled to such hate towards silver shorts and users, that they could share the sentiment of the sailor who was so brutalized by Captain Bligh in “Mutiny on the Bounty” (1962) that he told him in response to his protest that one more man added to his exile boat after the successful mutiny would sink him---

“Well if that’s the case, I’ll volunteer!”

Completing Silver Item #5, we comment that as the long-term party ends for the users, we can dismiss them from the position of control as their celebration ends, with the words of the 6’ 8” Don Megowan, who played the role of a brawling rugged Canadian lumberjack in the 1968 film “The Devil’s Brigade”---

“WE’LL finish your drinks!”

## **SILVER AND FEAR!**

We know the users group has been worried about so-called Indian silver “hoarding” since they publicly admitted to that fact on November 9, 1998 (American Metal Market magazine). They fear a rising price, because they aren’t used to it. Most people have a fear of some things they aren’t used to.

I was at an international festival in Dallas in 1999 and heard someone mumbling about the various authentic national costumes being “disturbing.”

Clothing differences is only one example of an altered environment producing fear. However, as with that example, a higher silver price is something the users could get used to. After all, when their costs for other raw materials increase, do they start howling about “excesses in speculation” being the cause of the higher price? Do they rave about price increases in natural gas, gold, copper or lumber?

No, they only pick on silver and those who own it or would produce it when a free market takes over. They haven’t considered the fear they’ve inflicted on silver miners. See for example the article dated February 23, 2002 at Pennaluna & Company entitled “Sunshine On The Ropes.” Sunshine went on to die as a mining company because the derivative COMEX price for silver continued. This fear has prevailed at many mining companies, and among physical silver holders. But guess what? As with the coming power

shift, a shift of fear in silver is coming---from miners and investors in silver to users and shorts! Charlton Heston retired as head of the National Rifle Association in April 2003, reminding the membership of his slogan, “from my cold, dead hands,” a reference to the only way his guns would be taken. Some of us have that view on silver, as India evidently does also. The long reign of leasing and derivatives will cause years of disruptions, and it’s probable that we will continue to hear for years of a phantom stockpile of silver, which was backing short positions, but was snatched away from the users by interests hostile to the U.S. (and Britain). In April Butler reported a \$2 million options transaction on COMEX, 75% of them calls that silver would exceed \$7 by November 24, 2003. These options will undoubtedly be in the money and as he said, the sellers will be “in a world of hurt.” Still, they will have to eat, though dead broke financially. As Colonel Trautman (Richard Crenna), mentor of John J. Rambo (Sylvester Stallone) in “First Blood” (1982) said---

“To eat things that would make a billy goat puke!”

And that’s fear! “The Night Gallery,” a TV sequel to “The Twilight Zone,” both by the late Rod Serling, featured an episode aired on December 8, 1971 entitled “Cool Air,” based on a fiction written in March 1926 by Howard Phillips Lovecraft. The main character was a Spaniard, Dr. Juan Munoz, who fell victim to a rare disease. The condition required him to remain in a room in which the temperature never rose above 55 degrees; else a catastrophic cellular degeneration would quickly follow. One of the lines has him saying---

“My wife committed suicide because she could no longer stand living with a corpse.”

Dr. Munoz has a woman acquaintance who sought to help him when his power generator for his air-cooling system failed. A repairman was urgently summoned in the dead of night, and he said a part was necessary, which could only be obtained during business hours. That would come too late for the frantic Dr. Munoz. During a raging thunderstorm Juan Munoz sent his woman friend out to get ice, to bring to him in his near-barricaded bathtub. As she returned with some precious ice, she saw he had completely cloaked his entire body, with only his right eye appearing as he informed her---

“I’ve changed considerably in the past few hours.”

The effort failed to save his life as the deterioration consumed him. The woman who tried to help him visited his grave once a year for many years. It had a novel headstone inscription that read---

“Dr. Juan Munoz. Born 1877. Died 1913 and 1923.”

The woman remarked that her acquaintance with Juan Munoz featured---

“Elements of horror that could drive me insane!”

Relating this clever horror fiction to Walter Frankland of the Silver Users Association, he plays the role of Dr. Juan Munoz. Instead of 55-degree temperatures, his disease requires maintenance of \$4 range silver; else he begins, presumably, to deteriorate into a bubbling mass of goo while emitting a pathetic whining noise. As soon as the silver price starts racing, he will feel like he’s “changed considerably in the past few hours,” for the worse. The repairman can’t fetch a part, for the central banks are empty of silver. India won’t dump silver, and silver investors are retaliating against the years of low prices by holding fast their metal! The silver price spike, to be followed by some slight dips, then an even greater price spike, will contain “elements of horror that could drive him insane!” He died emotionally in 1979 as silver rocketed, 2003 will feature a worse fatality. A line spoken by an outlaw gang member to the white-collar crook in “Hombre” (1967) is descriptive---

“Things have a way of closing in on you don’t they!”

I suggest the crazed user re-read Silver Item Six a total of six times, and think of it as his own personal “666” or Mark of the Beast, if you prefer.

Like a skull crushing jaguar bite,  
Or a grizzly’s slashing claws---fright!  
Silver shortages fill industry with dread,  
Will silver user become an acid head?

Other elements also fear the silver price supernova, because it will also set gold free! The Fed has already said it stands ready to “inject massive amounts of cash into the banking system,” so they plan to help out the buccaneers at JPMorganChase. Rising silver and gold prices are like a death

sentence to derivative creators. A line from Kirk Douglas as marshal Matt Morgan in “Last Train From Gun Hill” (1959) in which he tells a killer about how he’ll “do a lot of sweating during the trial” is descriptive---

“I never saw anybody who didn’t get sick to his stomach when he heard the kind of sentence *you’ll* draw!”

Or as gunfighter Panama Billings said on an episode of “The Rifleman” (1958-1963)---

“Are you scared sonny? That’s good! You just go right on being scared! You tell your daddy to be scared too! Never mind, I’ll tell him myself!”