SILVER STAMPEDE 2004

"Regarding the collapse of the silver market, Mr. Lunt is among the optimists---"We couldn't have hoped for anything better. We now have the raw material at a price level somewhere near the cost of what it really takes to get it out of the ground. But the possibility that the market may again skyrocket worries me more than anything."

The above appeared in the Wall Street Journal, March 31, 1980, page 16. Mr. Denham Lunt Jr. of Lunt Silversmiths was, guess what, a member of the Silver Users Association. What would that jackass know about silver mining costs, other than biting the hands that fed him? As Marlon Brando told Captain Bligh in "Mutiny On The Bounty" (1962) ---

"You remarkable pig! You can thank whatever pig god you pray to!"

Remember Trevor Howard as Captain Bligh made a comment about someone's "backbone laid bare," a reference to flogging, ahh silver users, be flogged! The users worry about price uptrends, huh? Let them experience what John Wayne warned a gang of thieves about how they'd die (1942, "In Old California") after drinking contaminated water---

"Burning with fever, all twisted up in agony and fighting for breath!"

Okay users, get braced for silver to skyrocket again and fellow investors, be ready to have the finger of blame pointed your way. Silver will attract so much money as to be a landmark in financial history! China has supposedly tied up 75% of world silver production for 2005. The Wall Street Journal, October 26, 1979, page 48 mentioned a "mysterious silver-buying clique." Silver has been in my thoughts since as an 11-year-old boy at a washateria (laundromat if you prefer) I first saw the new clad coins go into circulation, and I somehow realized the older coins I was used to have true value. The newer coins were pretenders, fakes with orange guts. Time magazine, June 11, 1965, page 84, made it sound like we were getting something better (because of advertising patronage from silver users) ---

"The U.S. will have the world's only two-colored coins."

Two generations removed from that time, many signs indicate we are weeks or days away from the moment the general public becomes aware of the silver shortage. We've heard this before, enough to make us worn-out skeptics, but the end really is in sight now, else silver would still be below $5 where the users and paper money creators wanted it. Understand first that silver is the victim of a monetary conspiracy; and secondly, of an industrial users conspiracy! Wolkoff left CRIMEX in December, and around early February the Silver Users Association website retreated into a "spider hole" (reference to Saddam Hussein type hiding place) with membership list and objectives deleted as its companies move work to India and China. Never mind that the media will find ways to excuse silver shorts and users, and to blame "hoarders" (silver savers); "speculators" (investors); "profiteering mining companies" (while hushing up the fact of many losing or near-profitless years and bankruptcies); and "terrorist Islamic governments" (because paper money creators fear precious metals) returning to silver use for exchange. What Americans will come to understand is the terror of unbacked currency! A look back at earlier silver episodes will give us a basis for projecting what the nearing situation will look like, with more intensity this time. Francis Wemple, treasurer of Handy & Harman (Silver Users Association), blamed "hoarders" for the silver squeeze of 1964 (New York Times, August 18, 1964, page 39). Over and over again, like infinity, we detect the suggestion that only silver users have rights to silver. No one outside their bloodsucking circle has rights to own silver, or to profit in silver! The New York Times, June 21, 1971, page 42, reported a silver summit in Mexico City attended by delegates from Mexico, Peru, Australia, Canada and the U.S. Part of the communiqué stated---

"Delegates all agreed that the price of silver must inevitably rise from its present low level."

We have lived with a real silver shortage, or deficit, in actuality for at least 55 years. COMEX silver delivery delays, including deferred deliveries, are items we've often heard about. The Wall Street Journal, December 21, 1979, page 26, had this typical bit of corruption to report as normal business---

"In recent weeks, when it appeared that large numbers of contracts of these commodities were held by small numbers of traders, three different futures exchanges placed trading restrictions on coffee, copper and silver for December delivery. The idea was to protect holders of short positions, or commitments to deliver the commodities, from having to pay abnormally high prices to obtain supplies, because stocks were scant in approved warehouses."

Yes, the exchanges are operated in connivance with short sellers, especially as regards silver. Large corporate users of commodities appear to have abused producers of commodities other than silver. In that instance, delivery deadlines for coffee were extended from December 31, 1979 to January 25, 1980. Just change the rules as they go along so insiders and users never lose! Do you suppose consumer product conglomerates that sell coffee in supermarkets have more market influence than ol cousin Lemuel working his still back of Outhouse Gap, who bought coffee calls? WSJ, January 11, 1980, page 32 mentioned the increasing rule changes designed to help short sellers in silver and commented---

"The exchange took additional steps to regain control of the silver market by limiting to 50, effective immediately, the contracts traders may acquire for delivery this month or next. Normally the January and February contracts are fairly inactive. "We didn't want a big rush of people coming into those months asking for delivery," said Lowell Mintz, Comex chairman. Mr. Mintz said that all traders "are going to have to comply with our rules. If somebody breaks the rules, we'll take care of it." The Comex also raised silver margin requirements."

COMEX and CFTC will regulate longs but not shorts. Rules there are designed to help big corporations who use commodities! Lowell Mintz runs with Sanford Weill of Citigroup; Richard Debs of Federal Reserve Bank of New York; James Wolfensohn of World Bank; Mrs. Vincent Astor; British tycoon Sir Deryck Maughan, vice chairman of Citigroup; reporter Peter Jennings (can't wait for him to "explain" the silver shortage); and ambassador Felix Rohatyn of Rothschild allied Lazard Freres at Carnegie Hall in New York, where they are all officials and donors. Mintz must have wanted the silver price to collapse to help the silver users and the paper money creators! Now in spring 2004, will the Central Fund of Canada actually take delivery of all the silver promised, or will a diplomatic incident take place between the U.S. and Canada? We hear that at least 1,000 big ingots are overdue, and that an "arrangement" is in place to allow for up to 6 month deferred delivery! This, with the British Empire affiliated Canadian IMPERIAL Bank of Commerce! Defaults have ALREADY taken place! Anything to accommodate short sellers, rule changes, emergency orders, CFTC intervention if necessary---maybe even a Presidential Executive Order or Supreme Court ruling! The WSJ, October 26, 1979, page 48 commented---

"The Silver Users Association, a trade group that includes film manufacturers, electronics firms and other users, has been calling on the exchanges and the Commodity Futures Trading Commission to limit the amount of silver speculators can hold. "I am dismayed at the way certain individuals are acting in this market," says Walter Frankland, the group's executive vice president."

This is just what happened in the 1979-1980 event! To call SUA a "trade group" is to insult legitimate trade groups. But far from being a manipulation of 15 to 20 years, the COMEX problem traces at least to 1970! The Wall Street Journal, April 29, 1970, page 32 story title says it all---"Silver Futures Prices Plunge at New York Despite Tight Supplies." See also NYT June 10, 1971, page 67 about Mexican officials whose "mines have suffered severely from the falling price of silver" blaming the "speculative futures market" for unnatural low silver prices! Treasury silver "auctions" ended in fall 1970, whereupon COMEX was ready to become the focal point of price-depressive tactics with a repeat of the April 1970 backstabbing incident. Then there was another earlier British Empire silver manipulation in 1969 that depressed prices (Wall Street Journal, December 5, 1969, p.32)--

"General selling of silver contracts was created by news that the British Treasury had worked out an arrangement with British banks and bullion dealers to reduce stocks of silver in a move to recapture some British currency. It was estimated that about $200 million of sterling was used in 1968 to finance silver purchases in the U.S. and other sources. A record of 9,340 contracts of silver was traded on the Commodity Exchange."

As of 2004 there's no silver on hand to be dumped, it seems. Deferred deliveries would be unnecessary otherwise. Naked shorting and rule changes only hold prices down temporarily. What will the silver scene look like when the average person knows about the silver shortage affecting industry and sharply spiraling prices? They will all pile in to buy, of course! That is why you should act in all haste, at the first opportunity, to acquire whatever silver you still intend to obtain. Regular visitors to this website have been building their silver holdings at least since the $4.01 low in fall 2001. Have you ever seen weather broadcasts featuring coverage of coastal areas affected by hurricanes? If so, you must have seen footage of grocery stores emptied of provisions, and people buying up all the plywood they can locate, to board up their windows in an attempt to avoid severe storm damage. These weather events provoke strong buying panics. Gas stations have their inventory pumped dry as people seek to flee the area. National Guard and police watch for looters. Since we are moving towards a lasting scarcity of silver, don't count on being able to buy any silver after the news breaks. Besides, why would you wait to pay much higher prices? Silver prices rose by 75% in just one month (Wall Street Journal, September 21, 1979, page 43, adding that "they haven't any idea where the spurt in silver prices will stop.") A story they ran on September 13, 1979, page 38 said---

"Analysts had been watching silver's steep rise, which began at just over $9 an ounce on August 20, with increasing incredulousness as the gains continued day after day as the metal surged to a peak of $12.74 an ounce."

WSJ, October 26, 1979, page 48, noted silver prices were triple over a year earlier. By mid January 1980, silver jumped some 450% over the August 1979 price. History will repeat, however much more forcefully than before. Worldwide panic buying and absence of supply will drive silver's surge. Consider an item from WSJ, December 3, 1979, page 15---

"In the past two weeks, rumors have circulated in Europe that Arab interests intend to take delivery of as much as $2 billion of silver from the U.S. because they fear their U.S. assets may be frozen if there is a further deterioration of relations between the U.S. and the Muslim world. "Some people are talking about a silver price of $30 an ounce" as a possibility, said Bruce Leeming, a director of Rudolf Wolff & Co., a London Metal Exchange member. Silver's appeal on the LME has been heightened by U.S. exchanges restrictions on trading, another London trader commented. The lack of faith in money has helped too, he added."

WSJ had this to say on February 4, 1980, page 34---

"Unidentified foreigners play a big role in the silver market. Rumor has it that some wealthy Saudi Arabians are pressing the State Department to use its influence to have free trading restored in the Comex silver market. The rumor is denied by the State Department, the CFTC and the Comex, but at least two well-connected metal traders are convinced it is true. The stakes are high in this battle among silver traders, and anything is possible. On any day that silver's price rises $1, and there have been many of them recently, holders of short positions or commitments to deliver silver, have to put up a total of $100 million or more in additional margin money. Yet, these people may make decisions on market rules that favor their positions, others say. A prominent metal trader declares flatly---"Position takers shouldn't be decision makers." Says Philip M. Bloom, a Chicago lawyer, "If the people who made the decision (*liquidation only trading*) have stood to benefit the most, there is something wrong with the decision and the process from which it was made." Mr. Bloom says he has been retained by a foreign holder of a long position on the Comex to press for a complete reopening of the exchange's silver market. On Jan. 21, the Comex board ordered a ban on new positions in silver futures and limited trading to the unwinding of existing positions. Mr. Bloom says his client wants free trading resumed and is willing to institute legal action to obtain it. Mr. Bloom says he has asked the Comex for the minutes and voting record of the Jan. 21 meeting. Lee Berendt, Comex president, says the exchange doesn't distribute its minutes to outsiders. Board members "carried themselves respectfully" in making their decision. "These are trying times," Mr. Berendt adds, "We are a group of people trying to function in these times **and hopefully to survive them**." Some silver specialists wonder whether the trading curbs and some traders' irate reactions to them will spell the end of silver futures trading in the U.S. Many regulators are grappling with how to cope with the changed nature of the silver market. Some specialists suggest the Chicago Board of Trade's approach, which is aimed at limiting rights to obtain delivery, is a better approach than the all-embracing ban on new positions the Comex instituted. The Comex subsequently allowed new positions of as many as 50 contracts, starting today, but "I don't consider that amendment to be opening up the market," Mr. Bloom says."

Unlike 1980, COMEX and CFTC will be powerless to reverse the price increases. Let them get drunk and make a rule freezing the silver deficit! People all over the world will awaken and want silver! In May 1969 the manipulative Feds lifted the ban on melting of the discontinued 90% silver coins in a move to free more metal for the predacious Silver Users

Association, whose predecessor companies, members of the Silver Users Emergency Committee, first melted 90% coins almost 58 years ago (Commercial & Financial Chronicle, July 25, 1946, page 492). However, "speculators" and the ever-infamous "hoarders" took the move to mean that silver was getting scarcer (correct interpretation) and the Wall Street Journal, May 27, 1969, p. 8 reported that the effect also took hold overseas---

"Traders note that continuing monetary jitters in Europe may push the price of silver higher again. There is a tremendous interest in silver coins in European centers, particularly in Zurich, Paris and Frankfurt, one dealer in London observes."

In the article, "Gold, Silver Prices Unfathomable Surge Stirring Rumors of Big Money Invasion" (WSJ), September 6, 1979, page 30, we find---

"The recently fervent interest in precious metals on the part of wealthy individuals isn't surprising, says Norton Waltuch, director of ContiCommodity Investor Services, whose large purchases of silver have been instrumental in spurring prices skyward, traders say. "Just look at the vast pools of money floating around the world," says Mr. Waltuch. "Paper currencies are declining. People who have it, have to put their money somewhere."

WSJ, June 18, 1979, page 30, quoted Simon Strauss of American Smelting & Refining (ASARCO) explaining to the dummies in the readership why the interest in silver versus paper money, among lots of investors---

"Through the centuries, regardless of political or geographic factors, man has retained a passion for things---in this case silver---of intrinsic value."

Strauss was born in 1911 in Lima, Peru, of a copper mining family. At age 36, in 1947, he became a governor of the Commodity Exchange, and held that position into 1963. I haven't seen anything yet to suggest he helped lay a foundation for a silver suppression. Also, he was a director of the Silver Institute from 1971 through 1976, and served as its president, 1971 through 1973. Archives, if available, could reveal if their position on silver prices was as timid then as it appears to have been in recent times.

IT'S NOW OR NEVER!

That was one of the hit songs by Elvis Presley. Take it to heart with silver. WSJ, November 20, 1967, page 28 said---

"Melting of dimes, quarters and half dollars may be the Treasury Department's last stab to prevent runaway silver prices, but industry sources predict it won't be the final solution. Dealers still see the possibility of a price-inflationary silver shortage."

The final solution appears to have been silver leasing from foreign central banks, and suspicion is running high that as of now, there's no more silver to lease (dump). WSJ had several accounts of what took place as clad coins started circulating, like the one it ran on January 19, 1968, page 14, "Hoarders Accelerate Rush for Silver coins." Federal Reserve branch banks accumulated 210 million ounces of 90% silver coins, working against the public for the greedy Silver Users Association. The article said---

"The Treasury wants to melt coins exclusively so the Government can continue to help supply industrial silver needs, which far exceed domestic production."

It would have been unreasonable to ask the Mephistophelean Silver Users Association to fend for itself, right? The Treasury Department ordered "more than a dozen separating machines to weed-out the 90% silver coins from the clad, which will be recirculated." Ironic how they said it was the silver coins that were "weeded out!" I guess the silver users manufactured those machines for them, considering how thoughtful they always are, like when they manufactured the cupronickel material for the new debased coins! The rush to grab silver coins was on! 36 years later, few silver coins are available (most have been melted down for industrial use), especially in proportion to the number of people who will want to own some, and in ratio to the amount of dollars chasing them. Full-page newspaper ads begging to buy silver will be routine. Manufacturers will try to buy silver direct from the public, but will have little success competing with dealers, since industrial users are too accustomed to stealing metal rather than making fair offers for it. They will have to buy from dealers. They will scream to the government that we need "silver purchasing licenses," issued to manufacturers only!

THE COMING SILVER SCENE

Dealers and coin shops will be overwhelmed with demand for real silver coins, even as coins are coming in from sellers, inventories will turn as fast as they come in and demand will not be satisfied. Buyers will attempt to buy from purchasers who come away from the counter with some silver. As of now, one large Internet dealer has only since mid-March 2004 advertised it has "some" half-dollar bags I see now they have only the 40 percenters left. I suggest that as silver climbs, bags will no longer be sold by face value times a multiplication factor. Bags will be placed on scales and sold by weight. Thirty mint state quarters sometimes stack as high as 40 slick ones. The value is clearly disparate. Clean 1964's are better than worn 1928's; condition is important for metals investors. Coins will also be sold more by the roll or by the tube, rather than by the bag or half-bag, due to higher prices and higher demand. This will also make 90% coin verification easier. Remaining coins that are worn slick will tend to go to industry for melting, as collectors usually don't want them, or turned into sterling jewelry for the display case by adding some .999 metal. Unfortunately, there are some lightweight bullion bars around, starting with 10 ouncers, whose bottom edges have had silver filed off, to chisel some grams here and there. Then there are some legit bars that look like that, but the weight was adjusted to correct by the refiner. Don't be surprised if dealers want to check the under side and edges of your bars, and weigh them on a scale. Also be certain to segregate any avoirdupois weight items from standard troy, because you'll get less for these, and hopefully you didn't buy them as troy.

Before you sell coin bags, please verify that there are no "orange gut" coins present, or if halves, 40% coins. Most investors check their bags as they buy, or when they take delivery. Some of us unknowingly have some clad mixed into our silver. I got some that way, checked the contents (a slow process), notified the dealer, who took me at my word and shipped the appropriate coins to round out the transaction. I believe the only dealers who would purposefully place clad and 40% in with 90% are those lacking a fixed address. Reputable dealers have their company name on the canvas bags. If you find and remove some clad coins, you will be saving both them and yourself embarrassment. If you have elderly relatives or friends who want to buy or sell silver, you should accompany them to see that transactions are handled properly, and to carry the load. (Example---a roving dealer has a 100-ounce branded bar that has been drilled and filled with lead, and evidence is visible on one end of the bar, and on the scale reading. The dealer switches the good bar brought in by the elderly person by maneuvering the good bar briefly out of view, and returns the corrupted bar, saying how sorry he is to say, but the bar has been drilled and filled with lead, so he can only offer 20% of full price! To clarify, I didn't say, "all roving dealers are shady.") The same problem could occur with switches of clad coins and 90%. Write down the serial numbers on bars that have them, before you go in. Another problem might be someone suggests assay charges are applicable just because you don't have Englehard or Johnson-Matthey. There are a fair number of other good bars, including Manfra, Tordella & Brookes (MTB) that you don't see as many of and Wall Street Mint. I know someone who has Royal Canadian Mint 100 ouncers, not often seen, but more attractive than Englehard and just as authentic.

PHYSICAL SILVER TO BE SCARCER THAN MINING SHARES!

If the only way you can get some physical silver, or add to what you have, is to sell some mining shares, you should do so. Remember mining shares will continue to be available at some price; however, don't count on being able to buy more metal. With a careful approach, first verified by paper trading, you can trade your way to more shares. Not so with real silver. There will probably be advisory services offering guidance on silver stock trading. You can track their performance, or subscribe to several, and compare their results. You can view the shares as investment, but the physical metal is an insurance policy. People who cut diamonds, and traded in them, used to regard the gems as "disaster insurance" or a "God forbid account," sometimes concealing them in the hollowed out leg of a wooden chair. I question whether you will be able to buy much real silver in an environment of full public awareness, for several reasons. First, many dealers will resort to use of waiting lists, to give the impression of trying to treat the public fairly. First come, first served is a maxim that few can argue with. Yes, higher prices will cause dishoarding but remember, most of that overhang was eliminated by 1980, melted and consumed by industry and also, buyers will greatly outnumber sellers.

FAILING TO GET SILVER IN THE STAMPEDE!

You could make phone calls and get busy signals for hours, and when you finally connect, after being on hold for 20 minutes, be told there are 17,262 individuals ahead of you on the list. To be on the list, good-faith deposits may be asked for. That way, the insincere "tire-kickers" will be shaken out, leaving only serious buyers of real silver in a market that may well be rising 7 sessions out of 10. Dealers will use recorded messages to save themselves phone time. Buyers will accost people bringing in silver to sell to dealers on the parking lot, offering to pay a little more than the dealer rate; police will be summoned by commercial real estate owners to prevent loss to their tenants from such activity. Police will be in the area to prevent hold-ups on and off the premises. Dealers may have to partition their offices to keep sellers and buyers insulated from each other. State tax collectors will be on hand to monitor tax applicable transactions. Mass mailings could go out offering silver for cheaper rates, then when funds are remitted, buyers find the "sellers" are gone with their funds. If a National Emergency is declared, the Federal government will elbow its way to the front of the silver acquisition line, and your hopes to own some silver, or additional silver, are out the window. Watch for the Defense Department under Mr. $1.61 silver, Donald Rumsfeld, one of the most extremely dangerous operators ever in government, to suddenly announce we need a new silver stockpile, and that private citizens have no rights to own silver and must turn it in (for $1.61 an ounce?) Maybe the Defense Policy Board will make such a recommendation.

$1.61 SILVER RUMSFELD RUNS WITH THE DEVIL

Rumsfeld is, guess what, an acquaintance of General Lord Guthrie of Craigiebank (Order of the British Empire), a director of N.M. Rothschild & Sons, of the banking family whose influence demonetized silver in America in 1873 and wrecked the middle class, causing untold numbers of foreclosures! Another of Rummy's pals is the Right Honorable Lord Brittan of Spennithorne of UBS Warburg, connected to the 1913 Federal Reserve Act; Peter Sutherland, chairman of British Petroleum and Goldman Sachs International, founder of the World Trade Organization; and Carla Hills of silver short American International Group. Rummy also associates with George Fisher, CEO of Kodak. Maybe Rumsfeld could sell his New Mexico retreat and buy a place in Nevada or Idaho so he can be closer to the silver miners he's abused. You might be able to get a 1964-dime sideways through the gap in Condoleeza Rice's front teeth, but that doesn't guarantee you'll be able to buy it. (Or would want it after that!) Of course, you will also be competing with industrial silver users, making it enormously difficult to buy more silver. There is nothing to stop industrial users from walking into coin dealer offices and buying over the counter, especially as they can't get silver in their accustomed manner from leasing, polymetallic byproduct silver, and futures contracts. In my first essay here, "Silver's Mushroom Cloud," I predicted---

"By the end of the second week of the crisis, many industrial users cannot get delivery of metal, and the unbridled buying panic erupts---***the sun catches on fire!"***

WSJ had this to say about industrial need for silver (July 18, 1967, page 2)---

"So important is the metal to Kodak production lines that it will meet any price it has to on the open market."

Louis K. Eilers, president of Eastman Kodak, said that a one-cent price increase in silver cost them $280,000, a figure from two generations past (WSJ, September 23, 1968, page 28). So the best reason for acting at once is the present relatively low price, plus the lack of competition from these other groups. Once the emergency comes into public view, gold and silver prices will be rising so fast jewelers will have trouble marking up their metal items fast enough, as before (Wall Street Journal, January 9, 1980, page 37), except things will accelerate faster this time, go higher, and be sustained even considering chart declines between increases. The same article related the true account of Gimbel's department store in Philadelphia, where two college students bought all the sterling silverware for $50,000, then they sold it to a dealer for a profit, then the dealer re-sold it to Gimbel's, again, for a profit---because silver prices were racing high so fast! WSJ, February 1, 1980, page 30, reported that Kodak experienced a run on film products that produced shortages in some areas, and had to slap on a 75% price increase in one day. At Willoughby's, a camera store in New York, film products were depleted in one day (buy some soon); a store in Cambridge, Massachusetts reported a "panic situation." Dentists, doctors, medical supply houses and hospitals placed huge orders for X-ray film, buying a 12-month supply if available. Electronics manufacturers placed a "precious metals surcharge" on everything containing gold, silver and platinum. A spokesman for Kodak said---

"I don't know what to compare it with. This is all unprecedented."

Industrial silver users, users of X-ray film (no X-ray film, no medical business), and businesses who buy items containing silver, will fall all over each other to secure supply, and 75% daily price increases could go on literally for weeks.

HE WHO HESITATES IS LOST!

We are near the start of a new era in history, that of silver prices piercing the past record high of January 1980, not only in straight number terms, but also in inflation-adjusted terms, and being sustained at high levels. Central banks are out of lease-silver; they aren't silver mines! Remaining hoards are all price-sensitive. We are near the start of a new era in silver, that of the metal being very difficult to come by at any price. Mining companies will become "monetary agencies!" We are nearing the era of worldwide awareness on the part of the average investor of the ongoing silver deficit. If your credit is good and you can make monthly payments for six months, you should consider taking out a loan to buy silver. You should be able to sell a fraction of the silver within less time than that, to pay off the loan. Using other people's money to make money, especially in this case, is a smart move. You are investing in scarcity which provides a secure foundation for profit. This makes far better sense than the hopeful fools who think they will get silver by buying metal detectors and go foraging in public places. The meddling Federal government will be sorely tempted to impose silver rationing. In such a case, wishing to own silver for investment, or just because it's a scarce item, will not be considered a legitimate reason for you to get some, regardless of price.

CONSIDERING THE UNTHINKABLE!

In any rationing scheme a central feature will be Washington dictating to silver producers who they may sell silver to. Only those holding licenses may buy silver. In this way their intention would be two-fold---first, to dampen the price by excluding the general public from bidding; and second, to allow those who've made campaign contributions to get the political favor of access to silver. Watch Senators and Congressmen from states like New York, New Jersey, Pennsylvania and Michigan fight price increases and silver investors! The next phase would be a move to set a price cap on silver sold to licensed buyers. That will stir the hornet's nest of trade retaliation by Canada. We need to be ready to identify Fascism on the part of our dear old Uncle Sam. Fascism occurs when it tells business to whom it may sell its production, and for what price. We must have an all-around Precious Metals Lobby to safeguard interests of mining companies, their shareowners, and investors in physical metals. Trying to consider all possibilities, would some arm of the Federal Government blow up a metals dealer location and cause mass fatalities, in order that all such sites nationwide be ordered shut down? They could say, public safety is the reason. "Bring your metal to the nearest Federal Reserve branch bank or Internal Revenue Service office and we'll safely take it off your hands. Armed Treasury agents will be posted!" My reason for mentioning such a seemingly remote eventuality is so that it won't happen. We could say, we predicted you'd do something tyrannical, and we specified what it was. Evidence exists that Roosevelt knew the Japanese were going to attack Pearl Harbor, and allowed it to come without warning, so we could be drawn into the war to help his British associates. Not to boost Kerry, but we really must get rid of Mr. Bush and his "anti-terrorism" agenda, designed to relieve us of our personal freedoms! Will they try to criminalize silver ownership here, while it's lawful for citizens of some Arab states, the alleged sources of terrorism? Wouldn't that make the Feds look all the more like financial terrorists?

SECURING YOUR SILVER

This is a matter that is not easily answered. Each investor must develop the solutions that apply best to their situation. First, be discreet as to buying and owning silver. Before anyone can target you for theft, they first must be aware that you have silver. Get a paper shredder and use it, or burn excess documents. If you own a relatively large amount of metal (whatever that threshold is), be counseled to resist the urge to brag about it. Yes, some fish are bigger than others. In this case, the bigger the stash, the more appealing the target. If it becomes known that you own much silver, be aware that you may be a kidnap target, or more simply, "we'll hold these guns on you till you take us to where it is." If your state allows right to carry a firearm, take advantage of that. Be observant when you come and go at a metal dealer location, who may be watching you from without and from within, and be alert as to being followed on the road. Columbian cocaine gangs are well known for stealing diamonds in transit between dealers, there is no reason they'd overlook gold, platinum and silver.

Dealers will come and go from their office in bullet resistant vehicles accompanied by armed security. If you are concerned about being followed by someone like a private investigator who might be able to run your license plates, splash some mud on these before leaving home. Return to your residence by different routes, or to wherever your silver is located. Speaking of which, do not commit the grave error of holding all your metal in one location. There is no need to lose all your metal if some can be sacrificed to save the rest, and hopefully, none will be lost. If you have a way to disperse the silver among various addresses, including out of state and rural areas, evaluate the opportunity. I feel better about not having my metal at home. It is probably not advisable to even think about storing precious metals at banks, though years ago it was common practice. The Wall Street Journal, May 5, 1970, page 10 said---

"U.S. coins containing silver have all but disappeared from general circulation, but vaults at many banks across the country are brimming with them. These coins generally don't belong to the banks. They are owned by investors, who have set up some unusual safekeeping and financing arrangements with their friendly bankers. Silver users and some banking authorities, however, aren't taking a friendly attitude toward the arrangements. Big commercial buyers of silver claim the bank arrangements are artificially buoying the price of the precious metal. Banking authorities say privately that some of the more complex investor-bank transactions may be in violation of banking regulations. No one knows for sure just how many silver coins have found their way into bank tills, but sources say the amount easily runs into many millions of dollars. One investor syndicate alone claims to have more than $10 million of coins tucked away in bank vaults. For investors, the lure of silver coins is obvious. By buying such coins, they can, in effect, speculate on the silver market and at the same time have the assurance that their coins will always be worth at least face value. (Melting of silver coins has been permitted since May of last year.) Another benefit, investors claim, is that the coins have an intrinsic numismatic value. As the existing supply dwindles, they reason, the silver-based coins will become collector items."

WSJ, February 1, 1980, page 30, commented---

"Those who don't want to part with their silver now face a higher security problem. Customers of the Darien, Connecticut, branch of Union Trust Company have filled the bank's storage area to capacity with trunks laden with silverware. Other branches report similar demand. In most states, standard homeowner insurance policies carry a $1,000 specific liability limitation for loss of silver due to theft. In many states a homeowner with a more valuable silver collection must buy a separate policy to get adequate limitations. New York and New Jersey, however, don't have such liability limitations. In those states, silver thefts present the potential for very large losses to the insurance companies, up to the policy limits for personal property."

If you insure your silver against loss to any extent, you could wake up one morning to read that the Federal Government just required insurers to report all such insured silver! They might try to say, you can't sell silver to any dealer without an "approved" receipt showing that you originally bought it, and you are therefore assumed to have committed some kind of "no-no" by having discreetly paid cash for it. Writing checks for cash at the bank could be a no-no! They could rig the definition of "approved receipts" so as to make it impossible for any receipts to qualify! Just because the paper money says "legal tender" on it, doesn't mean they want you to always use it instead of a check! Big Brother Uncle Federal Octopus has a need to know your every financial move, like the computer in (1969) "Colossus---The Forbin Project." If you go in to sell 100 ounce bars, you could find, well, there's a 10 day hold while reports of stolen property come in, and the Feds have people fabricating false reports, so they can say, your silver was stolen and you must forfeit it or else. (Watch for "Precious Metals Emergency" next month). They could copy down the bullion serial numbers, then come back at you later with a list saying, those numbers are stolen. No reputable dealer would willingly cooperate with such official wrongdoing. Therefore, dealers need to immediately rush to their attorneys if approached to become part of a Federal plan backed by private financiers to steal silver from investors. If the Feds want gold and silver for the Treasury or the Federal Reserve, let them bid for it in a free market.

TO SERVE AND PROTECT, OR TO SEIZE AND STEAL?

Would your local police department cooperate with Federal thievery? Absolutely! Read "Law Enforcement's Drug of Choice" by Robyn Blumner, St. Petersburg, Florida Times, August 17, 2003, page 7-D, about civil asset forfeiture. See Archives at sptimes.com for the editorial. Under Federal Forfeiture, local police send proceeds to D.C., which then returns money to the local police agency, who are after all, primarily tax collectors! State law doesn't necessarily matter! You aren't accused of a crime, your property is! When police in Utah---bullies on a power trip--- were told they had to turn over seized assets to a public education fund, they stopped making seizures since they couldn't keep the money for themselves. Who are the lawbreakers now? Those who claim to be enforcing law! Police constantly want more power and less accountability! We are in an extremely perilous situation until they are drastically curtailed! That means forcing them to undergo personality profiles, and the misfits are dismissed, not to be rehired elsewhere. The same thing took place in Kansas City, with the police keeping millions in seizure funds that was supposed to go to public schools (Kansas City Star, October 19, 1996, page 1).

A Dallas attorney in a high-profile case commented that "the police don't know sheetrock from cocaine," in that case, we are all guilty! It would be an attitude improvement if police would think of their fellow Americans as "citizens" rather than "civilians," a term an occupying army would use! Since Ms. Blumner has the power of the press behind her, she is probably safe from retaliation. I have sent this item to her so she can see the reference to her fine editorial and the need to reference all types of property against official theft. By calling them on something before they attempt it, a deterrent measure is accomplished. My friends, you are all going to have to do what you dread worse than your doctor telling you that you're a terminal patient. You have to give up time watching professional sports, going golfing or playing card games, so you can have time to become politically active. We will improve the situation in no other way! Public officialdom is often in a septic tank condition with regard to their morality. Don't you wish to avoid going through what Franklin Sanders has endured?

Will Uncle Sam drive all silver underground? Next month I will have an article about how our rights as metals investors are under threat, and witch-hunt type asset seizure is part of that threat. If we don't take action, we are subject to losing everything, understand, everything! Paper money creators have no moral limits on what tyranny they will set in motion to stop precious metals from being used as money. Conceal your silver well! You might try an ancient Japanese method called "hiding behind the light," in which the searched after target cannot be found because it is "behind the searchlight." This may take some interpretation on your part, so exercise your imagination. Resist the temptation to divulge how much precious metals you have acquired. WSJ, February 1, 1980, page 30 had these remarks (that time the police were acting properly)---

"Detroit area police say the big rush by the public to unload silver heirlooms has made it hard for them to trace stolen goods. Thieves have discovered that established dealers buying silver provide them with a profitable, risk-free fencing outlet, police say. Dealers pay better prices than fences, who typically offer as little as 10 cents on the dollar. The risk is minimal because the silver is melted down in short order. "Our biggest problem is that dealers aren't asking for identification," says detective Jack Kalbfleisch of the Birmingham, Michigan police. He and other law enforcement officials are skeptical of dealers' claims that they are unwitting accomplices. "People come in with pillowcases or paper bags filled with silverware," he says. "The dealers buy from anyone of any age and there's no regulation covering it." Of particular concern are dealers who rent hotel rooms, advertise in local newspapers and after taking in silver, leave town. As evidence of dealers' complicity, James Ahearn, chief investigator for the Oakland County, Michigan, prosecutor's office, notes that arrested thieves report they are getting only 50% of the going rate for silver from dealers. Detroit police hope to require dealers to ask for identification, and to hold silver items long enough for them to check files of stolen goods."

I very strongly urge that you lay out your silver in such a way that you can make good photographic records of it (with dates on the photos), showing your whole metal inventory broken down by category, and with your face in each photo, to establish later, if need arises, that this was/is indeed your silver or other metals, so our dear Government can't suggest you stole it and therefore should forfeit it. Large investors may consider affidavits signed by metals dealers attesting to purchaser status, with duplicate documentation and photographs stored by their attorneys. You should also record all visible serial numbers on bullion. If you have these photos developed by a photofinisher, use one from out of state. Ship film and receive prints through a rented post-office box or through an office address. You know the film developers location. They don't need to know yours. Those with greater assets may wish to install hidden cameras where record of hostile events could take place, to convict burglars, or defend against state sponsored despotism.

SILVER, MACHINE GUNS, HOLDUPS AND BURGLARIES!

The Wall Street Journal ran a story titled, "As Gold, Silver Soar, Metal Mania Strikes, And So Do Burglars" (January 9, 1980, page 1). In Princeton, New Jersey, thieves were melting down silver objects in getaway vans. The Carlton House Hotel in Pittsburgh even had silver PLATED tableware removed. Detroit dealers ran ads promising police protection. People were so frantic to hide their silver, that sometimes they couldn't remember all the stash locations! Upscale neighborhoods united to hire Pinkerton's security patrols to protect their valuables, to include gold, and high-grade diamonds, which were also soaring. Sales of home safes jumped 30% in one week. Jewelry appraisal business also jumped, because of rapidly escalating prices. The article reported that even beauty salons opened up gold and silver buying departments! There is the chance that diamonds may once again take off with rising silver prices, as before. Again on the matter of being tight-lipped as to your silver or other metals holdings, you could mention this to someone who would never move against you, but gossip being what it is, that person could pass word on to others without ethics. Before you answer your doorbell, look out a window to see if it's someone you recognize. You might want to post a sign visible up close---"Warning! Pit Bull/Timber wolf hybrids inside!" However, that could suggest you have something to hide, some people use sound recordings. Be ready to thwart a home invasion! Shotguns are best up close and are often maintained by metals dealers. It would be nice if we lived in an ideal society in which protection was unnecessary. Poverty drives some to desperation. Something potentially useful would be, buy the biggest work boots you can find and leave them on the front porch---make them think you're huge! Difficult though it may be, I suggest that the best prepared physical holders will store little of it at their residence or office, and definitely not at a bank or with a metals dealer who doesn't need his security problems heightened. Under the paragraph subtitle "Armed Clerks In Chicago," the Wall Street Journal, June 20, 1968, page 1 related---

"Item: On Chicago's North Side yesterday, individuals were lined up all day outside the offices of E.B. "Red" Strauss, who, like Mr. Dantone, has been buying silver certificates from the public at a markup. He took in $650,000 of the bills Friday and Saturday alone, paying up to $1.70 for each $1 face amount of bills. His 10 clerks are armed with pistols, while two hired guards, one toting a submachine gun, roam the premises to protect against theft."

Monday, June 24, 1968, was the deadline set for redeeming silver certificates in metal, and the stampede for redemption was on. About one week earlier, the Treasury ran out of .999 fine bullion for redemption, and started offering .900 and even silver granules for redemption, partially defaulting. An elderly man called Ira Goldberg of Superior Stamp & Coin in Los Angeles a "dirty thief," as the man was told the trading value declined due to the decline in purity of metal for redemption (same story, page 22). Returning to the front page, we find---

"Item: At an undisclosed time today, B.J. Dantone, owner of the Peachtree Coin Shop in Atlanta, will board a jet for New York with a suitcase containing $100,000 face amount of silver certificates he has purchased from dozens of individuals at a total cost of $148,000. Accompanied by two off-duty Atlanta policemen acting as bodyguards, Mr. Dantone will attempt to unload his certificates through a big New

York coin dealer for a handsome profit. By midnight, he will be on a flight home; the New York dealer, presumably, will be waiting for the Federal Reserve office to open in the morning. There, he will exchange the certificates for a receipt entitling him to withdraw silver valued at about $195,000 at open-market prices from the U.S. Assay Office."

Notice three items---this paper money was worth something, because you could EXCHANGE IT FOR SILVER (by a deadline); awareness that there was a silver shortage and crisis was commonplace, and this created a stampede; and security---armed security was involved because true value was present! Finally, the article commented (page 22)---

"The acknowledged "Mr. Big" of silver certificate trading is Pep Levin, who operates out of Camden, N.J. From January through next Monday's deadline, Mr. Levin estimates he will have purchased about 22 million silver certificates for about $35 million. His biggest deal so far was 441,000 certificates he bought last month from a Chicago coin dealer for $750,000, but he also buys directly from amateurs, although the latter generally receive lower prices. Not surprisingly, Mr. Levin is highly conscious of security. He keeps eight armed guards inside his establishment and owns two armored cars. When a seller arrives from out of town, Mr. Levin meets him at the airport and drives him to his place of business in one of the armored cars. He never deals in bullion itself; the certificates he buys are sold to the largest silver bullion broker in England."

Over $100 million of silver certificates were redeemed for silver by the deadline (WSJ, June 28, 1968, page 3). The Journal, May 27, 1969, page 8, reported that in two weeks since the lifting of the coin-melting ban by the Feds, Pep Levin bought less than $100,000 face of silver coins, about one third the amount he anticipated. The reason his goal came up short? Prices on the COMEX were too low to encourage people to sell---

"He doesn't think he will be more successful at buying coins until the price of silver climbs to $2 an ounce from the current level of near $1.75

that traders are willing to pay for an ounce of the refined metal on the Commodity Exchange of New York."

The Journal ran a story on June 22, 1978, page 6, "Truck With Cargo Of Precious Metals Taken by Gunmen," subtitled, "Handy & Harman Shipment Valued at $1 Million Is Waylaid in Connecticut." Perhaps the metals-transporters should watch the John Wayne/Kirk Douglas film "The War Wagon" (1966) to take pointers as to how to securely ship precious metal! On September 17, 1998, Las Vegas casino heir Ted Binion was allegedly poisoned by his girlfriend and her lover. That was the same fellow who built an underground vault in the desert near Pahrump, Nevada, in which he stored some $8 million in silver, including 100,000 silver dollars, one of which later sold for $10,000 (Las Vegas Review Journal, May 20, 2002). Maybe you should take care as to who prepares your food and drink, people will kill for far less than $8 million. This would be an appropriate time for the reader to review "Guns And Silver" here in the Archives. Like Bruce Lee said in "Enter The Dragon (1973)---

"Why doesn't someone pull a 45 and bang, settle it?"

Hide your silver well in multiple locations and be ready to defend it, an attitude of a grizzly bear defending its kill is necessary. As the villain Mr. Han said in that film---

"It is strength that makes all other values possible!"

Friends, I have said several things here that can be interpreted as alarmist or sensationalistic. I hope events prove me wrong. The lunatic fringe says space aliens will take your silver; the real danger is from your fellow man acting under color of "for national security." I would rather be viewed as having crackpot tendencies, than to be proved correct. But I don't believe there are any moral restraints on the enemies of silver money to stop them from attempting extreme measures. Like, give us all your silver, then we open fire on you anyway and turn you into opium addicts (see last month). Wall Street and government have colluded many times to hurt people, they are more suspect than ever. This includes especially those with anti-corruption reputations. Watch Congress, follow news reports, and be alert for disastrous propositions against metals investors! There are several financier sponsored economist organizations more than willing to declare that citizens have no business owning gold and silver. We have Gold Anti-Trust Action Committee (note how unfriendly the media have been towards them), but we need a full-blown permanent legislative lobby to shield metals investors, the same way the NRA shields gun owners. I believe unless we can form this lobby, eventually, we're all quits as to our metals and mining shares. If someone else gets the credit, I don't care. I don't want to be more than a rank and file member. Anyone who wants to be a trustee or official needs to be looked at under 50,000x magnification first.

Next month I will issue an emergency appeal to the metals community to take action, and provide suggestions. If we don't have the beginnings of the needed lobby before the next President takes office, I will consider unloading everything I have related to silver, and you should too. I'd rather transfer the risk to others and come away with something, than to lose everything by legislation sponsored by the paper money creators. Perhaps the Bank of England sponsored Group of 30 in Washington has already drafted the necessary legislation to strip us of our rights. No wonder they maintain a link to the CFTC, and the CFTC has done nothing to stop silver shorts. Silver suppression has emanated from London for 132 years! Details last month and next! Below, images of Silverwriter and a prominent silver executive, rushing to add more silver and ore reserves before the Silver Stampede of 2004 starts among the general public. (An endorsement of the viewpoints I have expressed is NOT implied, nor necessarily on the part of Silver Investor. Everyone will speak for themselves as to what their viewpoints are, when the time is right for them. There is NO editorial content on the part of any silver company, in anything I've written.) Stock certificates have their purposes, but those 100-ounce bars feel more substantial!

Photos made possible by the magic of SILVER!