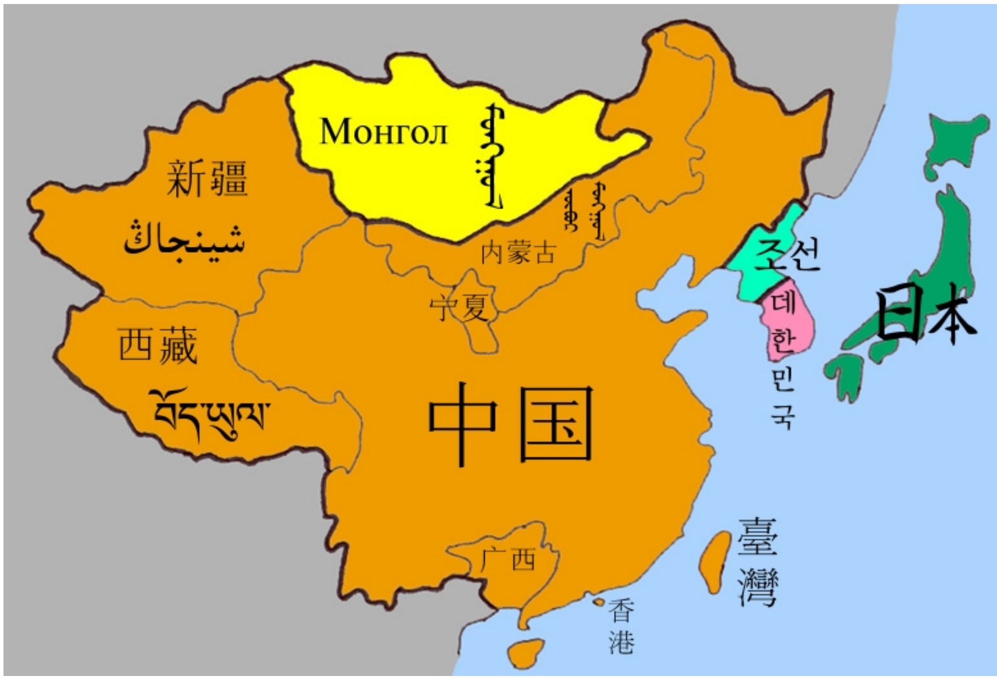
CHINA'S EMPTY SILVER VAULT



Let's talk about the People's Bank of China and its silver vault, from whence has come most of the manipulated silver supply with which to maintain the price suppression, since sometime in 1999. As a gentleman formally known to us as Theodore first pointed out, the Pan American Silver 2003 annual report, page 5, had remarks about some 300 million plus ounces of silver that have found their way out of official Chinese government holdings in the last 4 years, enough to keep the deficit emergency under wraps. In his April 10, 2002 commentary, "The China Silver Syndrome," Ted was of the view that China wasn't dumping its government held silver. You know how shorts will turn loose any rumors they can to influence the price. We thought it was rumor, but it turned out to be fact---another ugly fact in a long parade of ugly facts favoring the users and the paper money mob! In "Is Wo Fat Dumping Chinese Silver?" (Archives) it was also my view, as of October 2001, that it could not make sense, from the Chinese perspective, to dump silver at giveaway rates, and therefore, that such was not the case. By January 2003, when I presented "Silver Devils," I found I had to change my thinking about Chinese silver. It was noticed here last month that Mr. Xiaochuan, head of the Chinese central bank, is a member of a paper money mob organization loaded with Federal Reserve types, including Paul Volcker, the man who took 158 million ounces of silver away from the Hunts. Running as he does with paper money creators, they persuaded Xiaochuan to dump silver so the low COMEX price could continue to prevail. A mountain of gold and interest rate derivatives, and the dollar, are at risk if silver rises, because silver's rise would also free gold to rise! Concerns expressed by Gold Anti-Trust Action Committee over precious metals manipulations were expressed long before their founding, and similarly denied by Treasury Department spokesmen! As we find in the Wall Street Journal microfilm, September 13, 1974, page 25---

"All sorts of rumors, focusing on fears that the price of gold may be forced down by gold sales from central bank holdings, have swirled around the (mining) stocks this week. Reports out of London quoting "official" sources as confirming the possibility that Italy might sell some gold over the next two years seemed to buttress those fears. The speculation has even reached "devil theory" proportions, laying to the U.S. Treasury a vested interest in undermining the price of gold in order to damp U.S. investor interest in direct ownership when that becomes legal next year and to advance the Treasury's aim of further de-emphasis of gold's monetary role. "That's nonsense," says a Treasury official. "The Treasury certainly hasn't any such policy." **(JUST A POLICY OF LYING!)**

As of October 20, 2003, Jeffrey Christian, head of CPM Group, in an alleged "report" entitled "Myths & Errors in the Precious Metals Markets," said that Chinese government silver stockpile sales are a "myth." He also suggested gold can't get much past $400. This is the same fellow who put out an opinion piece in 2001 entitled "Bullion Banking Explained," evidencing his attitude that precious metals longs just don't comprehend the gold and silver markets, and for that reason, his genius assistance is necessary in order that we may think clearly. CPM Group, professing to be unbiased and independent, was a spin-off from Goldman Sachs in 1986, an investment banking organization that has cut a wide swath of losses among many investors. Jeff Christian is also a director of International Precious Metals Institute, along with Alex Patel of Du Pont, Silver Users Association executive committee member. Other Silver Users Association members are represented on this board including Handy & Harman; Englehard (of whom we will read much in this report); Gannon & Scott; and New York Mercantile Exchange, which has a political action committee that donates to Idaho Senator Mike Crapo. Mr. Christian (is he one) is on record as denying the claims of Gold Anti-Trust Action Committee. That's not surprising since Christian has done a research paper with a World Bank economist; that Christian is a personal friend of gold price suppressor Robert

Rubin (with Goldman Sachs for 26 years), who also appears on the IPMI board. Considering the confirmations we've seen about China dumping silver, and the fact of Christian knowing influential people very well, the appearance is that he wished to "cover" for someone. The Federal government has been an accessory to the paper money mobsters for a longer time than most people who know anything about it realize. For example, speaking of the year 1920, Senator Pittman of Nevada said (Commercial & Financial Chronicle, March 23, 1940, page 1859) ---

"The United States government made available to exporters of silver 50,000,000 of standard silver dollars for the purpose of beating down the price of silver."

The great price depressive silver monster first came into being around 1873, when silver was demonetized in America at the secret behest of the Bank of England, whose gold holdings became so much more valuable as a consequence. Then in 1947 the world witnessed the formal founding of the Silver Users Association. The great price depressive silver monster is a two-headed monster, composed of a fiat paper money faction, and an industrial users association (lobby). This price depressive silver monster set out to soak up as much of the world's centuries of accumulated silver metal as possible. As one stockpile was exhausted, it has turned continuously to others for low priced, manipulated silver. In the meantime, silver miners have, for most of this time, suffered terrible privations. National coinage programs in various nations have been cheapened from true money---silver---to cupronickel, aluminum, and other base metal coins, all so the great price depressive silver monster could continue its low-price feast.

We know about the United States government being out of silver. Great Britain has been out of silver for a much longer time. Canadian and Swiss silver coins were raided for low price consumption by the silver-using monster. The ONLY nation of significance that has very sagely retained its precious silver is India. After India repeatedly refused to export domestic silver, some silver users, notably Du Pont, have moved some operations there. In exchange for providing much needed employment, it must be assumed, they are accessing Indian silver. Maybe some government held silver, but more likely, silver from private citizens. If Du Pont was as smart as it thinks it is, it might start offering a 10% premium for those Indians willing to sell it some silver, considering that by such a move they might add a worthwhile amount to their supply, before the price supernova starts in Manhattan.

Considering the history of Chinese silver, it's amazing that the Red government had as much silver available for dumping as the figure reported by Pan Am. After contact was made by the Spanish at the start of the spice, silk, jade, pearl and ceramic trade with China centuries ago, China eagerly accepted Spanish silver, mined in the New World, in trade for its products. Later the Dutch would become competitors, and Britain would progressively drive Spain out of world trade after the defeat of the Spanish Armada in 1588. The Armada was sent to invade England because of colonial competition with Britain, and because English privateers, most notably Sir Francis Drake, were commandeering Spanish treasure galleons loaded with silver, gold and emeralds, on the high seas en route to Spain. In one raid in 1577, Drake seized 26 tons of silver mined in Peru from the Spanish! Cerro Rico at Potosi in Bolivia is said to have produced over 2 billion ounces of silver. In the early days of Spanish controlled silver production from Mexico to South America, beginning around 1534, the richest silver grades were available---far more so than today. The amount of silver that found its way to China must have been enormous.

However, with the start of the British Opium "trade" in China---a forced trade in which China was an unwilling victim, just before the year 1800, a large flow of silver started out of China. The Chinese government officially prohibited silver export in 1814, but the prohibition was widely ignored, even though severe punishment was sometimes dealt to its resident violators. We know of one instance in which the British seized 6 million ounces of silver from residents of the city of Canton, during the first Opium War (1839-1842). According to John Francis Davis in "The Chinese—A General Description of the Empire of China and its Inhabitants" (London, 1857), page 24---

"The rapid growth of the trade in opium, and the continued drain of silver, have greatly alarmed the government."

Most of the Chinese silver was shipped to British India, where opium was grown for "export" to China. This was detailed in "Silver Users And Opium" (Archives). Imagine, getting something very valuable in exchange for purveying deadly poison! Let's just consider for a suggestion as to the scale of silver loss to China, something from "The Opium Trade," which appeared in Merchants Magazine & Commercial Review, New York, August 1850, (pages 147-159)---

"A heavy drain of silver---the vast quantity of silver that left the territory to pay for opium."

While a vast quantity of silver entered China over a period of over two centuries, it sounds like the opium trade took most of it away. Exact figures of silver flows into China before the opium trade started, and how much silver exited China because of it, appear unavailable. However, the Bombay Telegraph & Courier for May 17, 1852, said that "five or six million pounds sterling per annum" in silver left China! Opium sales in China yielded the British profits of "several hundred percent," said the Bombay paper. We aren't told how far back before 1852 this silver drain extended, but by then the opium business had already been going on for well over 40 years. Let's evaluate some possible statistics based on the figures referenced---

5 or 6 million pounds Sterling = 60 to 72 million ounces x Sterling conversion factor of .925 = 55.5 to 66.6 million ounces per year x how many years? Over a period of just under 16 and one half years, at an average silver outflow of 61 million ounces per annum, gives the figure of over 1 billion ounces! Certainly the rate of silver lost to China because of opium would not have been constant, but then the opium trade

was ongoing for over two generations as of 1852, and it certainly extended on a large scale past 1870.

The predecessor entities to Hong Kong & Shanghai Bank (officially founded, 1865) were the British instrumentalities for removing silver from China. You can imagine how much crime was caused---if opium addicts had no silver of their own to pay for a dose, they had to steal silver from their countrymen. In 1935 China went off the silver standard for their monetary system due mostly to the silver drain. At this time two entities staged a huge raid on Chinese silver---Hong Kong & Shanghai Bank and the U.S. government. I haven't found anything in the way of estimates as to how much silver left by way of HSBC Bank, but it was probably "significant," somewhere in the tens of millions of ounces, at least, and possibly more. Very notable is the fact that this giant bank is a Silver Users Association member. The U.S. government, as a result of the Silver Purchase Act of 1934, made off with most of what was left. In the Commercial & Financial Chronicle, March 23, 1940, we note on page 1859, in testimony of Secretary of the Treasury Henry Morgenthau Jr. before the Senate Committee on Banking and Currency (March 19, 1940) ---

"I would like to leave with your Committee several statements which are a consolidation of all silver purchases up to February 15, 1940. These consolidated statements were prepared for the use of this Committee by our fiscal agent, the Federal Reserve Bank of New York, at the direction of the Treasury Department. In order that the Committee may have before it a complete picture of the silver acquired by the United States since 1933 the Department has also prepared a statement showing the amounts of newly mined domestic silver and nationalized silver acquired since 1933. I have also prepared a statement showing the amounts collected each year by virtue of the 50% silver profits tax. You will note that the amount of taxes collected in each of the first three years of the silver profits tax is substantially greater than the amount of tax collected in each year thereafter. One reason for this is that the yield of the tax is higher during a period of rising silver prices than during a period of stable or declining silver prices. As you know, the Treasury has made special arrangements with various foreign countries relating to the purchase of silver. The first and most important of such arrangements was made with China. In June 1936 and from time to time thereafter the Treasury entered into arrangements with China pursuant to which it acquired approximately 565,855,000 ounces of Chinese silver." (Morgenthau Jr. below) ---

Let's ponder several aspects of what the Treasury Secretary said. The Federal Reserve Bank of New York was the "fiscal agent" for the United States Treasury, evidently in connection also with silver coming from China, in the 1930's and apparently also during the 1999-2003 period! What was their notion about buying all that silver, so that fiat currencies could more easily be inflicted on other nations? You see, some of the same elements that opposed silver coinage here, were also involved with our huge silver purchases! Head of the New York Fed at this time was George L. Harrison, a member of the executive committee of the World Money Power as of the 1940's while he was at the helm of New York Life Insurance. At the Fed New York site there is a paper by Harrison entitled, "Some Essentials of Monetary Stability," in which he first mentioned there were those who believed gold no longer had a role in the money system, then after that, he admitted that was also his view! In order to transfer as much wealth as possible from the middle class and the non-aligned rich, to the World Money Power, they create fiat money! In another paper there, "The Key To The Gold Vault," they state that the gold standard is "largely a relic." As the New York Times, November 4, 1935, speaking of China going off the silver standard, said---

"Banknotes issued by the government owned Central Bank of China become legal tender---debts payable in silver may be settled in the new legal tender and all holders of silver must surrender it to the Central Bank and accept notes in exchange at face value."

However, there existed in the U.S. Senate, a so-called "Silver Bloc," with supporters in the House of Representatives, who were able to keep our silver coinage program running till 1965, when it was scaled back drastically, the 40% halves being the last silver containing coins for circulation. Could it be that industrial silver users had a lot of input into the 1934 Silver Purchase Act, and intended that taxpayer funds were to be appropriated for their private gain, by creating the biggest stockpile of silver in history, which they intended to have sole access to? (Only it didn't fully work out that way till the last few billion ounces were squandered for the users, 1965 through 1970!) It appears that the Federal Reserve Bank of New York has had Chinese silver connections dating back at least 70 years; and that the New York Fed Bank is very highly likely to have been involved in the Chinese silver dumping since 1999! We will consider aspects of THAT later!

Another aspect of what Morgenthau mentioned, was the 50% silver profits tax! This punitive tax was imposed so as to "curb speculation" in silver. We didn't see an end to that sinister tax till the early 1960's. Since it existed before, expect various sources to propose that it be reinstituted! The predatory circles associated with the World Money Power are structured as rings within rings, publicly known organizations whose leadership belongs to the thing that refuses to divulge its list. That's for another time. These people are determined to obstruct those outside their circles from becoming wealthy! They are extremely dangerous. Beware of proposals to strip us of our gains after silver flies, as they will be emanating from these financiers. We need to be informed as to how metals investors are being treated in other nations, to prevent Uncle Wall Street Sam from treating us more harshly. We must make our government live up to claims about America that it's the best place in the world to live.

Now let's look at that 565,855,000 ounces of Chinese silver Morgenthau mentioned, that came to the U.S. due to the 1934 act. Just think, some of us have in our "hoards," some Chinese silver that was minted into U.S. 90% silver coins, dated as early as 1934. And that silver, which came by way of China, originally came from mines in Mexico and South America. That near 566 million ounce silver haul equates to 23,788 silver investors each owning an average of 23,787 ounces, approximately. It seems doubtful that so much silver as that is presently held by silver longs in the United States and Canada both. If Europe and other nations are thrown in, maybe a bit more silver than that is held, waiting for the sustained rising price, which is the revenge curse so feared by the Silver Users Association, and by the criminal central bankers. That was 565,855 of 1,000-ounce bars, or some 19,409 tons of silver! According to Frank Fetter in "China And the Flow of Silver" (Geographical Review, New York, January 1936) page 40---

"Shanghai stocks of silver reached an all time high of 449,840,000 ounces in June 1934."

Professor Fetter of the anti-silver money American Economic Association received a Guggenheim fellowship (grant) in 1937-1938 and was an "economic advisor" to the Central Bank of Ecuador in 1940; with the Lend-Lease Administration in 1943-1944 then with the State Department till 1946. The Lend-Lease Administration was run by various representatives of the

World Money Power and was among the first, if not the very first, experiments into silver "leasing," a subject I hope to do more research on if I can find time; unless Congressional silver hearings start first! (Congress should also investigate itself for not doing its job to protect Americans from financial abuses including the silver price depressive conspiracy!) According to the Wall Street Journal, September 23, 1968, page 28, 427.8 million ounces of silver was transferred ("leased") to the Atomic Energy Commission in 1943 for uses relating to the development of the atomic bombs dropped on Japan 2 years later! Fetter was also a member of the American Commission of Financial Advisors, a banker front through which he had direct dealings with China in 1929, possibly touring its silver vaults. That 449,840,000 silver stockpile in Shanghai in 1934 was equal to 79.5% of the silver drained from China due to the Silver Purchase Act of 1934, meaning that if all the silver in the Shanghai stockpile left, silver in the amount of 116,015,000 ounces also came from somewhere else in China. If we could know roughly how much silver was drained out of China by Hong Kong & Shanghai bank by the close of 1935, it would be very revealing.

Let's additionally take a look at some items that are NOT in Morgenthau's statement quoted above. Let's consider his background. He was a second-generation member of the World Money Power, the nickname I use for the one organization of financial elitists, whose membership list is refused release. There are ways of knowing who certain of the members were/are, however, this will be articulated upon at a later date. Morgenthau Senior, also Henry, was born in

Manheim, Germany on April 26, 1856. His mother was Babette Guggenheim, of the family who was to become VERY prominent in copper and other metals mining, and also dominant in aspects of the ore smelting business. Lundberg in 1924 estimated their worth at close to $200 million, and noted that by the mid-1930's, their worth was triple that ("America's 60 Families," page 166). Crashes and depressions are engineered to make the World Money Power richer!

Various Guggenheim agents over the years have been members of the World Money Power. Henry Sr. was president of Central Realty Bond & Trust, New York, 1899-1905; president, Henry Morgenthau Company, 1905-1913; and a director, 1915-1921, of Equitable Life Assurance Society. In 1905 ex-President Grover Cleveland was made a director of Equitable. Refer to "Silver Wars And Silver Surprises" (Archives) for details of Cleveland's anti-silver money stance. Cleveland also participated with William Whitney in investments, a Standard Oil heir and a relative of Robert H. Knight, President of the Federal Reserve Bank of New York, 1977-1983, who has ties to two recent Ambassadors to China. Equitable was and is associated with various members of the World Money Power, such as the Harrimans (railroads, banking, investments, Governors and Ambassadors) and the ultra-influential Morgan group.

In his 1922 book, "All In A Life Time" Morgenthau (page 82) noted that the Stillmans of National City Bank, and the Rockefellers, through Mutual Life Insurance Company, owned stock in the Central Realty Bond & Trust, of which he was made president, a large scale real estate operation. The Stillmans and Rockefellers are intermarried and both groups are assuredly members of the "World Money Power." An interesting book on the Stillmans came out in 1951 entitled, "The First Billion---The Stillmans And The National City Bank" by John Winkler. Stillman was called "a great money magnate" (page 68) and named one of "the money masters" (page 180). These are the figures who associated with the Treasury Secretary's father. Roosevelt appointed Henry Jr. to Treasury Secretary on January 1, 1934, a post he held until July 22, 1945. Cornelius Vanderbilt Whitney (World Money Power) and Floyd Odlum (World Money Power), a billionaire financier who made his money going short stocks just before the crash in 1929, and uranium and public utilities kingpin little known to the public, were among Roosevelt's biggest contributors. Other contributors were Vincent Astor, of the greatest real estate fortune in history; Edward Harkness and Harry Harkness Flagler (Standard Oil), all of the World Money Power. Morgenthau Sr. was a director of American Metal Company, a copper concern, and another director was Andrew Mellon (World Money Power), the only U.S. kingpin in his time to stand shoulder to shoulder with John D. Rockefeller Jr. (World Money Power). (Morgenthau Sr. below)---

Clearly the Morgenthaus were associated with the “right” people---people back of the Federal Reserve System. No wonder the U.S. Treasury named the Federal Reserve Bank of New York as its fiscal agent in the Chinese silver deals---and all its other deals! Morgenthau Sr. was chairman of the finance committee of the Democratic National Committee in 1912 and 1916. He was Ambassador to Turkey, 1913-1916. Pursuant to settlement of military conflict he was also the representative of Great Britain in Turkey at that time, an outer reflection of his being in league with the British Empire, as all our leading financiers apparently are. He was president of the Economic Club of New York, 1919-1920, another roosting place for anti-precious metals policy makers. Morgenthau was decorated a Grand Officer of the Legion of Honor, France, in 1919, and in 1920 was inducted into the Order of the British Empire. He was a delegate to the Monetary and Economic Conference in London in 1933, a forerunner to the Bretton Woods Conference in 1944, attended by his son, Henry Jr., as Secretary of the Treasury. Bretton Woods was a snake pit of banker prostitute economists paving the way for more paper money corruption. In 1948 Junior was decorated with the Chinese Order of the Auspicious Star, probably because of his extensive silver transactions with China. It was in 1935, under Morgenthau, that the notorious "all seeing eye" over the pyramid (Egyptian mysticism) was placed on the currency. Both Morgenthaus were members of the World Money Power, whose members today continue to suppress metals prices. Powerful though they are, when the manipulatable silver supply is gone---as it may already be---prices zoom.

Ironically, Morgenthau's predecessor as Treasury Secretary was Ogden L. Mills (WMP), whose grandfather, Darius Mills, was a gold and silver mining tycoon in California with timber interests in Nevada and partial ownership of several Comstock Lode silver mines. Some of his silver likely found its way to China in the form of silver trade dollars. Mills also operated banking interests in San Francisco, where he founded the Bank of California. Darius Mills was a business associate in railroads with William H. Vanderbilt (WMP) and John D. Rockefeller (WMP), "History of the Great American Fortunes," 1907. Ogden Mills brother in law was Henry Carnegie Phipps (WMP) of the United States Steel fortune. Mills personal fortune in 1924 was estimated at $48 million, and that of the Phipps family, $600 million ("America's 60 Families," Ferdinand Lundberg, 1937, page 27). As all these WMP family groups receive advance details from the Federal Reserve as to when a major crash is to be triggered---as in 1929---we must assume that they were out of stocks before October of that year and bought shares at huge discounts later, and that the members of the Society are readying to do so again. Paul Warburg (WMP) warned them to get out (Commercial & Financial Chronicle, March 9, 1929).

Butler, in keeping with being a news source monitor, informed the silver community of the Reuters story dated June 1, 2004, that American International Group (AIG) just exited the gold and silver markets, and is no longer involved with the COMEX ("CRIMEX") silver delivery process. The likeliest reason would appear, they cannot access any more Chinese silver, because the Chinese silver vault is **EMPTY!** The fact that both Maurice Greenberg of AIG, and his son Jeffrey, a trustee of the anti-silver Brookings Institution (once chaired by Douglas Dillon, Treasury Secretary who took us off silver coins) are both members of the Trilateral Commission, along with Zhou Xiaochuan, head of the People's Bank of China, places them in an insider's position for having access to that Chinese silver vault, and for knowing when the depletion is absolute. This, undoubtedly, is why AIG exited the silver market! Skadden Arps, the law firm Eliot Spitzer came from, represents AIG! We must assume that at some future date when his political career is over, he will want a well-placed job, and will refrain from offending powerful elements, such as coming down on high paying clients of his former law firm! Fines amounting to a slap on the wrist are merely to appease the public and do NOT constitute justice!

The senior Greenberg also chairs the Asia Society, a British/American influence group over Asia founded in 1956 by John D. Rockefeller 3rd (WMP) and today Senator Rockefeller IV (WMP) is a trustee. Greenberg is a member of the President's advisory committee on Trade Policy & Negotiations, in which capacity he backed China's entry into the World Trade Organization (WTO) in 2002. Additionally, Greenberg chairs the U.S./China Business Council and campaigned for "most favored nation" trade status. This is someone you would think favors are owed. With China having passed the $400 billion mark against America in foreign exchange totals this represents a considerable danger. We have something called the U.S. Trade Deficit Review Commission that pretends concern, but consider that its members include Wayne Angell, a Federal Reserve governor from 1986 through 1994 and a member of the anti-precious metals American Economic Association; Robert Zoellick, who was on the Enron advisory board, as well as the Goldman Sachs advisory board; and Donald Rumsfeld, Mr. $1.61 an ounce silver from the Nixon era.

Greenberg is a person with all necessary links to Red China for any silver dealings that have taken place. Of course, everything has transpired away from public view and open documentation. It would be amusing to see Greenberg questioned by Congress after the silver scandal erupts; and that outrageous child of his also! Recall that Barber Conable, ex of the World Bank, is an AIG director; as is Marshall Cohen of Barrick Gold; and Frank Wisner, ex-Ambassador to the Philippines, a country whose central bank leased silver; two

Chinese; and William Cohen, ex-Secretary of Defense, who mentioned how the U.S. has "given" military secrets to China (see "Michael Gorham's Paper Money Mob," June 2004). In connection with "Silver Users And Opium" (Archives, March 2004) take note that Cornelius V. Starr, founder of AIG, was linked to drug trafficking in Asia ("The War Conspiracy," 1972 by Peter Scott, see chapter 6, "Opium, the China Lobby and the CIA"), Maurice Greenberg of AIG is one of the personalities sometimes mentioned as a possible CIA chief! In any Asian drug trafficking, the so-called Chinese "Triad" mobs are involved at street level. Barclay's Bank International, London (World Money Power) is the largest AIG shareholder. For a review of details outlining AIG activities, please refer to "AIG---The Un-American Insurance Group" at www.the-catbird-seat.net/AIG.htm

It should also be kept in mind that Greenberg is vice chairman of the Council on Foreign Relations, in which some 1500 plus bankers, diplomats, generals, admirals, corporate executives and other establishment wheelhorses hold membership; and that its honorary chairman is David Rockefeller of the World Money Power, who started the China trade in the early 1970's after discussions with Red leaders---Rockefeller, who, by virtue of his astonishingly underrated holdings, has been decorated by Argentina; Belgium; Brazil; Cameroon; Chile; Colombia; Dominican Republic; Ecuador; France; Germany; Guinea; Italy; Ivory Coast; Japan; Lebanon; Liberia; Mexico; Morocco; Pakistan; Panama; Paraguay; Peru; Poland; Senegal; South Korea; Thailand; and Venezuela. David is also honorary chairman of the Japan Society, founded in 1907 as the predecessor (by 66 years) to the Trilateral Commission, by Lindsay Russell, an attorney who as a liaison front man for the Vanderbilts and Rockefellers, helped organize the World Money Power in London (1902) and New York (1903) based on the wills of Cecil Rhodes, diamond cartelist, who was sponsored by the Rothschilds. The Rockefellers and Vanderbilts have had a continuing relationship over the years, as seen in various manifestations including David Rockefeller's brother Winthrop, who was a Vanderbilt University trustee in the late 1960's to early 1970's. Another director of the Japan Society is Paul Volcker, head of the Federal Reserve, 1979-1987 who wrested 158 million ounces of silver away from Nelson and Herbert Hunt. Volcker is another Trilateral, a director of the giant Prudential Insurance Company with its hundreds of billions of investment funds, and a member of the Group of Thirty in Washington, D.C. Recall that the Group of Thirty has interlocking memberships with Governors of the Bank of England, and with the contaminated Commodity Futures Trading Commission, which has allowed so much damage to the silver price, and the world's miners, for almost 29 years! My view, they should be on wanted posters.

The traces of the paper money mob and the silver users to China and the Far East are eyebrow raising. Greenberg senior has also chaired the U.S./Philippines Business Council, this of a country suspected of its central bank having taken part in the dirty silver leasing business. Charles Englehard (born 1917), who in 1953 became head of Englehard Industries, Silver Users Association members, was, like Volcker today, a director of Prudential Insurance. Englehard was also a director of

International Silver (Silver Users Association member) and of Anglo-American Corporation, interlocked with the De Beers diamond interests of the Oppenheimer/Rothschild (World Money Power) families. He was a director of the Atlantic Council, a British front organization. In 1965 Englehard was named to the President's Special Committee to Study East-West Trade. Maybe they were studying how to get at Chinese silver to help hold the price down! This Committee was out of the Commerce Department at a time when John T. Connor (World Money Power) was Commerce Secretary. Peter G. Peterson, who we looked at last month, was Commerce Secretary 1972-1973. Barbara Franklin of Dow Chemical (Silver Users Association) was Commerce Secretary, 1992-1993. Then there was Sinclair Weeks, Commerce Secretary, 1953-1958, who founded the Silver Users Association in 1947. On page 227 of "Beyond Greed---The Hunt Family's Bold Attempt To Corner The Silver Market" (Viking Press, New York, 1982), Stephen Fay alleged that it was Charles Englehard who provided the real life model for Ian Fleming's fictional "Goldfinger," of James Bond fame! So the real metals villain of modern history wasn't one of the Hunts, rather, he was a member of the sorry Silver Users Association! Fay also said that Charles Englehard imparted a "buccaneering" spirit to Englehard Corporation! With his involvement in the East-West concept, Englehard must have been thinking about raids on Fu Manchu's last silver!

No wonder Fay's bias in this book was against the Hunts, since he was since 1964 in the employ of the London Sunday Times, owned by Lord Astor of the World Money Power, descended from John Jacob Astor, once America's richest man, the "landlord of New York" and a director of the second Bank of the United States, forerunner of the Federal Reserve System, paper money mob! The Astors are intermarried with the Windsors (British Crown, World Money Power) who recently made Fed chief Greenspan a Knight of the British Empire. The New York Times, July 27, 1931, page 10, article titled, "Doubts Mexico Move Means Silver Rise" said---

"No expectation exists in government circles here that the action of Mexico will have any bearing on the course of the British Government for India, which has been accused of being chiefly responsible for the depreciation in silver price by demonetizing the metal. As for China, doubt was expressed that there would be any reaction in that country from the Mexican plan. Gandhi at the round table conference in London will, perhaps, demand that Great Britain shall change her injurious gold policy and permit India to have either bimetallism or the benefits which would flow from giving to silver a purchasing power now denied it. The Mexican government indicated months ago that it desired an international conference to deal with the silver question. That government appreciated that, unless silver were restored to a monetary status and added to the gold metallic base to strengthen world credit and world currencies, world financial conditions would grow worse. In my opinion, the demand for an international conference to deal with the silver question will prove irresistible. The President of the United States ought to call such a conference as requested by the United States Senate. If our government does not, I believe that aroused public sentiment throughout the world will compel some other countries to call such a conference. The time has come when the silver question must be settled and the wrong which was done by Great Britain in 1816, Germany in 1871 and 1872 and the United States in 1873, and other nations following that example in demonetizing silver, shall be righted."

All but the first two sentences in that article were spoken by Utah Senator William H. King, who was, God rest him, a "silverite!" China has been cheated out of its great silver economy it once had, and silver users like Charles Englehard took us off silver coinage. In 1960 Englehard was co-chairman with aluminum kingpin Richard S. Reynolds Jr. (World Money Power) of National Committee of Businessmen for Kennedy/Johnson. Later Englehard became a director of Eurofund, set up by financier James Russell Forgan (World Money Power) at 45 Wall Street, a man with links to the silver using Du Ponts (Du Pont, Glore-Forgan investment bank). As of year-end 2001, the Charles Englehard Foundation had assets of $106 million. In the period 1989-2000, this foundation contributed $974,000 to the Natural Resources Defense Council, an anti-mining organization lobbying for, among other things, repeal of the Mining Act of 1872, which encourages mining and exploration.

Let's evaluate some items located in the public record, which appear to have relevance to silver leasing, and to Chinese silver. When it is first noticed that something underhanded is taking place, it may be difficult at first to ascertain how long it's been going on. Sometimes the trail of corruption extends much further back than it first appears. As pointed out, the first really meaningful silver leasing experiments took place during the Lend-Lease Administration in the second World War. (See for example, C & F Chronicle, December 21, 1944, page 2738). Official proposals to “loan” silver abroad took place as early as 1931 (New York Times, July 27, 1931, page 10). However, at a later date I might have to revise that outlook if I encounter such details referenced to the first World War. The Wall Street Journal, November 29, 1961, page 3, under a subtitle paragraph, “Red China Could Affect Market,” we read---

“One mining executive noted that a big factor in the market could be Red China, which is estimated to have sold at least 40 million ounces of silver in world markets in the first 10 months of this year. A spokesman for Handy & Harman, silver fabricators, asserted---“There will be no shortage of silver.”

The story didn’t identify the mining executive. It should be assumed that he was with a very large concern, and his intelligence on the situation was most likely correct. Handy & Harman, Silver Users Association members, were right there, asserting themselves! If ANY government has a silver stockpile, the prowling silver users hyena pack will figure a way to tap such stockpiles at give-away prices! Apparently China has been dumping silver sporadically over the years, whenever some financial conspirators in London and Manhattan have needed an upward blip in the silver supply, as derivatives alone don’t suffice to hold the price low. We shall shortly see this demonstrated. Who knows what sort of deal was worked out in the 1961 situation? My guess is, a transfer of nuclear technology took place! Maybe the Pugwash Committee (nuclear and other scientists from many nations), founded by Cyrus Eaton, a Red-trading Rockefeller associate, could shed some light on the matter! Pugwash was named after the small town in Nova Scotia where he was born; the conferences were first convened there in 1957. According to Joseph Esrey Johnson of the World Money Power, an official of the Carnegie Endowment for International Peace, scientists from the People's Republic of China attended the early Pugwash conferences, which are most assuredly closed to the uninvited, heavily guarded, de-bugged and surveilled, and receive nearly no press coverage, considering the extent of media ownership by the World Money Power (see Johnson's book, "Unofficial Diplomats," Columbia University Press, 1977, page 38.) To the silver users, any silver that can be cheaply accessed, and preferably below its mining cost or at least below replacement cost---they feel they are entitled to it, like the "divine right of Kings" doctrine from centuries past. The Wall Street Journal, September 12, 1963, page 3 said---

"In the past week, silver users in the U.S. have had to go to the Bank of Mexico to get part of their supply."

Isn't it handy to have so many central banks collaborating to suppress the silver (and gold) price, and robbing their respective peoples of real monetary backing for their currencies, all so a bunch of paper money creators can continue their subversion, and so a hooligan gang of looting silver raiders can get cheap metal for silverware, jewelry, chemical catalysts, and a whole range of industrial applications? Silverware will still be made, but only for the rich! Foreign-based silver mining concerns with operations in Mexico are well advised to cast a suspicious eye at the Bank of Mexico, because its links to "internationalists" are still functioning. WSJ, June 27, 1966, page 24, raised the specter of Chinese silver dumping again---

"Don't forget, you never know when Red China might put a lot (of silver) on the market, one analyst says."

As with the unnamed mining executive, the analyst remained unidentified. We are well acquainted with users, shorts and paper money mobsters fostering bearish rumors in silver, yet the rumors about Chinese silver dumping turned out to be true, with the first instance occurring almost 43 years ago! WSJ, May 22, 1967, page 4 had this to say---

"Typical of the relative unconcern shown by most large scale users in the U.S. was International Silver Company, Meriden, Connecticut, which said it doesn't expect to ever see a time when there's insufficient silver to meet our needs. An official noted that there are "staggering amounts of silver above ground in the hands of hoarders and others and this will become available when the price moves up." The halting of sales of government owned silver overseas is expected to work a serious hardship on purchasers in Britain and Japan, and may possibly draw Red China into the world silver market as a major supplier. Some observers claim soaring prices may draw Red China---until a few years ago, a leading contributor to the world market---back into the picture. **CHINA IN RECENT YEARS HAS APPEARED TO IGNORE CONSIDERATIONS OF PRICE**, offering metal for sale in the West as a means of securing foreign exchange or as a political tool to influence neutral countries." (Emphasis added.)

The staggering amounts of silver held by "others," spoken of by International Silver, Silver Users Association members, (Charles Englehard, director) must have been an allusion to the world's central banks, all modeled after the grand master of paper money creation, the ultra-subversive Bank of England! The article openly acknowledged that governments have sold silver, and that China had sold silver without regard to price (dumping), apparently in the course of other years before 1967, and not just the first year specifically identified, 1961. So if for convenience sake we tally up the known silver dumping statistics for China, starting with the Morgenthau raids (566 million ounces), the 1961 dumping (40 million ounces) and the dumping which has taken place starting in 1999 (300 + million ounces), we have at least 906 million ounces dumped by China! The 1967 WSJ article implied that China dumped silver onto the world market over a span of several years, not just the specific 1961 incident! If China dumped silver over a total of 3 years, at the same rate as 1961, that would equal 120 million ounces, or, add another 80 million ounces to the initial 906 MOZ tally, we have 986 million ounces dumped (or should we say, "duped?") We have information from the highly informed head of Pan American Silver, that "over" 300 million ounces have flowed net from China since 1999 so, we can very safely figure that China has been coaxed by trickery, subterfuge, and probably by treasonous transfer of military technology, into dumping over 450 million silver ounces since 1961, to help the paper money mobsters and the greedy silver users, to hold the price low! According to GFMS, London, the Chinese government silver outflow in 2003 was 57 million ounces. Any other silver they've retained should be assumed to have been consumed in their own industries, as their silver use cannot be zero since 1934! The 1936 article in Geographical Review (page 33) said China's net silver imports during 1888-1932 were over one billion ounces; this appears to have finally been wiped out. As the article said of Chinese silver imports and exports before 1888, complete statistics are not obtainable but it's reasonable to assume that most of that metal was removed by the opium trade, in fact, the figure could easily exceed the amount that left China since 1934! According to the article (page 41)---

"Beginning in April 1933 there was an export of silver, principally from Shanghai, to foreign countries."

It appears, therefore, that an undetermined, but significant, amount of silver left China for destinations other than the United States! How many tens of millions of ounces that was, or over a hundred million ounces, we cannot determine; but worry not, chances are strong that it too has been raided! Furthermore (page 43) we are informed, "extensive smuggling (of silver) has already taken place." Maybe smuggling accounted for as much as 50 million ounces; "brigandage led to the looting of interior banks by bandits and military chieftains" in the period 1925-1934 (page 40). Also from WSJ, October 1, 1970, page 28, article titled, "Silver Futures Plunge Over 4 Cents an Ounce For Second Day in Row"---

"Traders at New York noted that industry officials in the past week have expressed more conservative views about the prospects for a rise in silver prices. These sources believed the trade appraisals are having some impact on futures. The weakness in silver futures comes on the eve of termination of Treasury sales of silver to industrial users, slated for November 10. Industry officials don't expect that rising world silver production will catch up with demand. Consumers will have to draw on silver supplies currently held off the market by some countries, officials add. Dealers believe these stocks on a global basis are very large and term them an "overhang" in the silver market. It is uncertain what price levels will bring these reserves into the open market, dealers comment."

Did you notice---just five and a half weeks before the Treasury ran out of silver to gift to the Silver Users Association---and it was widely known that the sales were coming to a close and that, therefore, **THE** major source of price-depressive silver in the world at that time, was soon to dry up---what happened to the price of silver on the COMEX? Why, it started sliding, of course! Supply/demand basics do **NOT** apply to the silver price, until just a few million ounces remain in the manipulatable supply! If we can press Congress for a full investigation of the silver problem, I believe it will be seen that COMEX silver has been excessively shorted for at least 34 years! Notice the article mentioned that "consumers" (silver users) would have to "draw on silver supplies currently held off the market by some countries," and that was a remark added by some "officials." These particular "officials" were probably with the Treasury. How do you access silver stockpiles held by "some countries," meaning foreign, and we assume, sovereign governments, unless they willingly go along with your plans? What can that possibly be referring to, other than **LEASING**? We have to assume that silver and gold leasing has taken place over the years, with the aid and assistance of every Treasury Secretary since at least 1961, with Douglas Dillon (second generation WMP), one of the most dangerous operators to ever come out of Wall Street! It appears that this "overhang" of government owned silver around the globe is on the verge of total extinction, and with that end, will go the unhealthy low price! There will be no revisiting of the 45 cents per ounce rate that Morgenthau Jr. sold Treasury silver to his industrial user pals (Commercial & Financial Chronicle, October 1, 1942, page 1186).

Continuing confirmation of this silver accessing by leasing theme was found in the WSJ, May 25, 1971, page 28 in the story, "Englehard Is Accused In Suit of Attempt To Rig Silver Price"---

"There is a vast amount of silver above ground which is ample, at least for the next decade and perhaps well beyond that, to meet the shortfall between new mine production and consumption."

The shortfall, as we know painfully well, is caused by the "stupid cheap" prices as Ted called them. An Englehard vice president, Richard C. Glogau, made the statement about the vast amount of silver available (to the users at stupid cheap prices) at “a forum on silver organized by the publication American Metal Market” and this statement “allegedly caused a severe drop in the price of silver,” according to the statement accompanying the lawsuit filed in Federal court in Newark, New Jersey. Milton Rosenthal, then head of Englehard, said it was “inconceivable” that Englehard had any blame for the silver price decline. This was at the same time his associate Harry Ekblom (World Money Power) was head of European-American Banking Corporation, a huge consortium of paper money bankers, and at the same time that Rosenthal was a director of the U.S./U.S.S.R. Trade & Economic Council, of which various members of the World Money Power were also directors over the years, including William Hewitt, who married into the Deere & Company (agricultural machinery) fortune and who later installed himself as chairman of the National Council for U.S./China Trade, founded in 1973, which later renamed itself the U.S./China Business Council. Treasury Secretary Robert Rubin addressed them on June 5, 1997. (The predecessor organization was the China/America Council of Commerce & Industry, chaired in the 1940’s by Thomas Watson Sr. of the World Money Power, IBM founder). This WSJ article mentioned that---

“The suit also alleges damages of $200 million for all other persons, as a class, who lost money as a result of the alleged manipulation.”

It would be highly revealing to have an approximate figure of how much money small investors have unjustly lost in COMEX silver futures and options over the last 30 plus years! Milberg Weiss, class action law firm extraordinaire, get ready for an unprecedented action in the coming months! J. Seymour Montgomery, the plaintiff attorney in the 1971 case, said that Englehard had issued price-depressive statements about the silver market "with the deliberate intent to manipulate the silver market by depressing the price of silver futures traded on established commodity exchanges," and further that Englehard (Silver Users Association member) had done this "as a course of conduct over several years" and that his clients damages dated to 1968, giving us as much as a two-generation period of time in which COMEX silver prices have been artificially pushed down by a secretive elite, inflicting what must by now be many billions of losses on small investors---investors whose faces have just been slapped by the Commodity Futures Trading Commission. Hey Gorham, you said you couldn't detect any motive for depressing the silver price---how'd you like the article I did on you and your motives last month? Was that the stimulation for your resignation 8 days later? Did the paper money mob take care of you and get you a new job at a university in Illinois? Anything we silverites can do to "help" you, we are very willing! (Somebody offer him a deep shaft job where he'll get pulmonary silicosis!) Gorham, care to recommend a replacement spook for your ex-CFTC post? How about a member of the American Economic Association, the Royal Economic Society, or someone from Brookings Institution, Rand Corporation, Aspen Institute or National Bureau for

Economic Research? The Associated Press put out a feature on June 15 last, "Enron Manipulated Market, Records Say," but you have to wonder if such a story will ever come out about silver, considering how the government fears precious metals!

Considering one final WSJ item on world silver stockpiles then held by stupid governments (all with central banks), from September 10, 1976, page 22, we find---

"When people notice that the last large government silver hoard is being disposed of, then many new long term investors may be willing to enter the market."

Highly placed intelligence in the silver mining world, already referred to, seems to think that China's silver vault is the last government owned silver in the world that can be dumped, and its silver is now virtually gone. So yes, many new long term investors will bid the silver price up to undreamed of levels as the price explosion starts. You who have patiently waited for so long with silver and mining shares, can expect staggering rewards as the right mining shares literally become winning lottery tickets! In conversations with David Morgan of Silver Investor I have been advised that his wide-ranging sources in the silver and gold industry---miners, metals dealers and investment advisors who are highly informed and extensively traveled, are of the opinion that China has no silver left to dump, by which the price may continue to be held down. Silver coming from China is more likely to have originated from mining concentrates sent there from the Western hemisphere for smelting. An investor relations manager for a major silver holding company corroborates this information. Therefore, the flashpoint is on the near horizon. However, just as with your lawn hose, when the faucet is shut off, residual water continues to discharge from the other end for a few moments. Such may be the case with this situation. Any remaining Chinese silver is in the pipeline, but the source has gone dry. Considering how much silver went into China over a multi-century span, it is amazing that China could, by the agency of several adverse factors that we have examined here, be squeezed of silver till it is virtually dry of stockpiled metal. Current Chinese silver production barely equals their consumption. The Geographical Review, New York, January 1936, in "China And The Flow Of Silver," page 32 said---

"China has few silver mines, and in recent decades her production has been but a fraction of 1 percent of the world's total. Almost all of her hoards of silver have come in the last three centuries from the mines of the new world."

Now in 2004 China is recently estimated to have much more silver underground than that, such as the 164 million ounce Fuwan project. However, none of this waiting-to-be-mined silver is currently available for export, and it should be reckoned that China will need every ounce of silver, domestically, which it can squeeze out of its mines. On July 8, 2003, the Huatong Nonferrous Metal Wholesale Market opened in the Liangyou Mansion, with 8,610 kilos of silver traded by around 50 licensed dealers. The name has since changed to Shanghai White Platinum & Silver Exchange with a Mr. Wenfeng as CEO. There will have to be more going on there besides paper derivatives trading. This exchange has an overlapping membership with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, Chen Haoran, CEO. Chinese manufacturers will have to regularly take delivery of consumable silver. The second annual China Silver Conference took place last November 17-19 with various speakers including Ross Beaty of Pan American Silver; Paul Bateman of Silver Institute; Dennis Wheeler of Coeur d' Alene; David Ryder of the United States Mint; and Philip Klapwijk of Gold Fields Mineral Services, a London based organization that sometimes seems to think that the same amount of silver, or more, can be left in the world after another year of deficit. Mr. Beaty and Mr. Wheeler, so their statements indicate, don't believe a silver manipulation has taken place. Such views are routine when dealing with corrupted financing sources like the World Bank and JPMorganChase, one's bankers must be placated!

HSBC Bank U.S. and JPMorganChase recently held some $3.8 billion in silver derivatives, with HSBC accounting for 57.9% of that figure, according to the Office of the Comptroller of the Currency. Current chairman of HSBC Holdings is Sir John Bond (WMP), director of London Stock Exchange and Ford Motor, who has addressed one of the WMP front organizations, the English Speaking Union of the U.S. Bond is a director, along with Xiao Gang (correct spelling) of the Institute of International Finance. Mr. Gang chairs the Bank of China. You could say, this Britisher runs with a gang! According to the Bermuda Sun, January 28, 2004, Sir Bond is an advocate of corporate outsourcing---beating down the middle class living standards is central to WMP hierarchy. HSBC has all the proper connections to the World Money Power. Sir Charles Addis, with the bank for 41 years, became vice chairman of the Bank for International Settlements in the crucial year 1929.

Mike Billington of Executive Intelligence Review produced a series of documentation showing the involvement of Sir Charles Addis in backing various warlords fighting the Chinese nationalist leader, Sun Yat-Sen, and how Addis and Thomas Lamont of JP Morgan & Company (World Money Power, executive committee) backed the Japanese invasion of China, which reached full scale status by 1937, after most of China's silver had been removed. By 1949 Chiang Kai-Shek, the next Chinese nationalist leader, had been driven into Taiwan by Communist forces after the defeat of Japan in 1945. This isn't the place to tell the story of the banker front, the Institute of Pacific Relations, and how it helped Communism to take China. The reason? After outright colonialism became unsupportable, an unproductive economic system had to be imposed on China, until the financiers could come in years later will all their trade related groups, so they could be in control of China's development. This is exactly what has taken place, and the bankers got control of a manipulatable supply of silver as part of their payoff. That supply now appears extinct.

According to the March 2004 National Geographic, it was only last year that China attained the figure of ten million automobiles on its highways. Look at the tremendous room for growth in that figure in a population 130 times that, and all vehicles will consume some silver. As a current Chinese proverb says, "An American is a man with two arms and four wheels." If in the next five years, their per capita silver consumption attains to say, four tenths of an ounce--- that adds some 520 million ounces to annual world demand. We are in negative territory with silver supply now for many years, and as what appears to be the last significant government held stockpile in the world is exhausted, there will be no where else to turn to for silver, other than to a free market, with free market prices. This will light the blazing inferno under the gold price, and create widespread support for remonetization. The world's paper money systems are headed for severe crisis, and these bankers resent independent thinking people holding precious metals, knowing that these cannot go broke! Hold your silver, gold, platinum and well-positioned mining shares. **It is not possible at this moment, considering the limits of imagination, to conceptualize in your consciousness how extreme are the impending demands on the silver supply, and how astronomically sky-scraping the price of silver will mount!** China's silver vault appears to be empty! Prepare yourself for the ride of your life!

“Master Po, if the government silver vault is empty, does not this mean the price can at long last rise?”

“Yes Kwai Chang, the price will soon rise like the great Minya Konka peak in Szechwan province.”