

THEY DON'T WANT US AROUND!

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“I realize silver users don’t like silver investors *and would rather not have them around.*”---Jeffrey Christian of CPM Group, speech to Silver Users Association, reported in American Metal Market magazine, August 10, 1988.

Dear friends in silver! Please join forces in a summer action plan. A very simple and sensible plan! The above referenced quotation originated almost 17 years ago. It remains true today, in fact, more so. A sneaky coalition of industrial silver users self-righteously believes themselves to be the sole claimants to silver. They would rather not have us around! Hold your silver as it becomes scarcer---to punish them! If you sell, sell only to other “hoarders!” This organization has often made Uncle Sam an accessory to its purposes. The Treasury Department, the Federal Reserve System and the Commodity Futures Trading Commission (created by silver price suppressors) have all strongly favored the silver users over the American public. The Justice Department refused to investigate them over anti-trust concerns. Many Senators and Congressmen are in sympathy with them due to lobbying.

Let us remember that one of the first historic uses of silver was as money---as circulating medium of exchange in many territories of the ancient world. Most of the American 90% silver coinage has been melted and consumed by the silver users---an attack on Constitutional money by a cartel the Justice Department refuses to recognize. Needing and using silver are certainly not wrong. But the public should not be forced to subsidize any private organization, should it? Neither should a special interest corporate lobby be allowed to jeopardize national security by running off with the national silver stockpile. Then there’s the matter of mining shareholders being cheated of healthier returns---when returns have been possible at all!

Some of that silver went for coining silver Eagles. But the users got most of the metal. How devious do I think the silver users are? That includes the Wall Street bankers! Try this---they could get some economist organization to recommend to Congress that a 90% capital gains tax and dividend rate be imposed on silver mining shares---the proceeds to go into a fund held by the Treasury with the joint supervision of the Defense Department, for the purpose of building a

new silver stockpile! How about, nationalize all the silver mines into a National Silver Agency, and work them with convict labor? (Business Week, March 13, 1965, page 114, mentioned a mining operation in Mexico that gave out a half ton of corn each week to miners; it might be a cue to Silver Users Association member Dow Chemical, selling pesticides to agribusiness giants in the Midwest, huh?)

The bad boys are fully capable of creating the problem like we know they have exactly done---then inflicting the burden on us. Don't worry about me giving them ideas. If I thought of it, they already did a long time ago. Then again, that might not be in the plans at all. I have noticed names like Morgan Stanley/Fidelity and Mellon Financial taking positions in the two leading silver holding companies! We haven't come so far as to say, all shares will be brutalized except those held by the intermarried elitists.

The Senate Armed Services Committee, currently chaired by John Warner of Virginia (married into the Mellon family, linked to the Treasury Department, very anti-silver); John McCain of Arizona (his father was an Admiral and member of the paper money mob's Pilgrim Society); Carl Levin of Michigan (Dow Chemical, Silver Users Association); John Cornyn of Texas (President's Export Council---what are they exporting, besides American jobs); and Hillary Clinton of New York (husband is another member of The Pilgrims Society, anti-silver paper money mob) cannot as constituted be expected to be friends of silver investors! However, with such interests taking positions in silver, they face what to them must appear the revolting prospect of those outside their circle getting ahead.

Were it not for so-called "coin hoarders," virtually all 20th century silver coins would already be extinct. Far from doing the country a disservice, we have accomplished the preservation of an important aspect of American history. Scarce date coins aren't much of an issue in this matter, as they make up a tiny percent of the whole picture---probably under 1% of mintage totals. Silver users don't criticize numismatic collectors; coin hoarders (investors) get knocked. We must respond to any such fault finding by reminding the onlooker---those coins were minted to be used as MONEY, not to be scrapped and used for jewelry, electrical contacts, mirrors, film and chemical catalysts. In the free society in which we allegedly live, we have the absolute right to hold

savings in the form of silver (and gold), versus paper dollars. Paper dollars stand in relation to silver and gold, as do photographs of diamonds, to actual sparkling diamonds you can hold in your hand. We understand precious metals to be wealth; and paper dollars are supposed to be receipts for such wealth. Whenever the creation of paper money goes unlinked to metallic backing, dishonesty rules.

The press, television networks and radio stations are supposed to keep us informed. Yet for really important facts we have to go to alternative sources. The average American knows nothing about the Mexican silver remonetization initiative, or that which has taken place in states such as New Hampshire and Nevada. Why has our “informative” media not covered the story? Is it because paper money creators own them? There can be no other conclusion. Protect yourself from hyperinflation and monetary collapse; own real money. The summer action plan I ask you to take part in is simple. Cancel your vacation plans, unless they involve seeing someone without much time remaining to them. Take your vacation budget and instead, buy silver. If you planned on air travel, you stand to avoid the unpleasant experience of being treated like a potential criminal or terrorist at the airport. The mentality of security is---if no one is causing trouble, accuse someone; get some “action” going by “rousting” someone. Bullying of passengers is part of the reason airlines are all headed towards bankruptcy and nationalization. Let’s hope our mining execs and PM commentators don’t get disrespected at national or foreign airports. This vacation cancellation plan is to affect you only this summer. It is a plan that I have followed since 1998---live well below my means so as to have more for investment. Have less now, to enjoy much more later. You should be able to take several vacations later for the current cost of one, based on buying silver---or gold---before prices “go supernova.”

The five best-known silver stocks must have over 100,000 shareholders total. Please advise these shareholders at their respective message boards to channel their intended vacation funds into buying physical silver instead. Ask the managements to buy physical silver, and to stockpile production. If they can’t find enough silver for budget, they should take some gold off the market. Cause the derivative creators pain! As to production, if we own something, we should be free to either sell it, or keep it. There is no need to let short sellers totally have their way until the deficit itself stops them! We assert---there is no legal

obligation on the part of silver mining companies to sell production into the market as long as the price is being dictated by huge unregulated amounts of “paper silver!” Just look at the paper money mob figures on the CFTC advisory committees. American Metal Market, December 12, 1989, quoted Michael Boswell of Sunshine Mining (since bankrupted by COMEX naked short sellers and silver leasing) as saying---

“NEW YORK--The head of a major silver-producing company said last week he blames commodity traders and silver users for keeping silver prices artificially low, and said that silver market conditions are not being adequately reflected in price levels on the Commodity Exchange. "Something is really wrong with the silver market," Boswell told the annual convention of the Northwest Mining Association in Spokane, Washington, last week. "The price of silver compared with the price of other metals is appalling.”

It would be morally responsible for current silver company managements to line up and admit Butler’s charges of a COMEX short cartel are factual, and seek redress through appropriate means. It would be refreshing to see this take place, before the deficit finally kills the shortside. If a silver executive speaks out like Boswell of Sunshine did in 1989, he would emerge as the most admired silver executive in the industry, when events proved him correct. Are there any takers? There sure should be! Commentators can write endless silver articles, but just one significant silver exec speaking out would have 1,000 times the impact! As May ends and June starts, we see an improved Commitment of Traders Report for a price rise. Will we see this rise squashed again as we have seen so many times? It isn’t quite enough to admit that silver prices couldn’t be manipulated if there was no metal to deliver.

Another quote from Jeffrey Christian of CPM Group (American Metal Market, August 12, 1988)---

“The price of silver has very little overall correlation to demand.”

Gee whiz! WHY doesn’t the price correlate to demand? Because unlimited naked short selling (and lease silver) has been in control of the price. This is the sole reason the world is entering a time of silver defaults, and assembly lines sporadically shutting down due to metal

shortages. The same action plan applies equally well to gold only investors. I feel certain the Gold Anti-Trust Action Committee wants to see gold mining investors to buy more hard stuff during June and July, and would send the message around the globe in advance of their August summit in Canada. Newer silver investors may be surprised to learn that, amid all our (correct) allegations of silver price-rigging, the matter of such price-rigging used to be out in the open! The Wall Street Journal, July 24, 1967, page 4 commented---

“In mid-May the U.S. Treasury ended its long practice of setting an effective world silver price ceiling through unlimited sales of U.S. government metal at \$1.29 an ounce. With the price lid removed and with silver demand in the Free World far outstripping supply, quotes for the metal soared dramatically.”

We won't make a lengthy commentary as to the price rise that followed, except to say that price capping measures were still very much in effect. See for example in Archives “The Silver Raiders.” 24 years after that admission in the WSJ, price-capping was still raging (May 1, 1991, page A-12)---

“Prices are the worst in the century.”

That was Alonso Ancira speaking, whose family in partnership with another group took over the Real del Monte and Pachuca silver mines. Silver quotes off the COMEX slid to the \$3.50 range. That mining concern reported production costs of about \$4.50 an ounce as of 1991 and was badly hindered by the suppressed price environment---

“Recovery costs must fall even further before Mr. Ancira can go through with plans to take the company public through the Mexican stock exchange, he said.”

Since the users and shorts don't want us around, could they get the government to take away our silver to send prices back to \$3.50-ish? Or do any of you want to donate your metal to interests far wealthier than yourselves? The WSJ ran another article, “Coin Hoarding Is Expanded As the Treasury Joins In” (July 24, 1967, page 4) which reported that the Secret Service was “charged with bringing coin exporters and

melters to justice.”) Later the users fixed things so they could melt coins.

If we can get 100,000 silver investors, including some who only hold mining shares at present, to invest \$1,500 each in silver during June and July, at a possible average price of \$8.00 per ounce, it would remove 20 million ounces from inventories of coin and bullion dealers. There is no need to go through the more complex process of taking delivery of a COMEX silver contract. You really don't want silver in 1,000-ounce bars---you want smaller units. With so much silver being taken out of retail dealer inventories (is there even that much available that way---I doubt it), metals dealers will have to try and get supply from the COMEX, and butt heads with the CFTC (who is there to help low prices persist as long as possible!) WHY do you want to take delivery of silver---asks the CFTC! Our metals business depends on having silver to offer---reply the bullion coin and 1 to 10 ounce bar sellers! Let's get some 1,000-ounce ingots coming from New York and broken down to 10-ounce bars and 1-ounce rounds for Americans who want monetary security! I am certain that no stone tablets ever came down from Mount Sinai engraved with the message that only industrial users are entitled to be in possession of silver! These users helped inflict monetary degradation on us beginning especially in the mid-1960's. In recent times they have exported who knows how many thousands of American jobs. Congressmen and Senators from states such as New York, Michigan, Ohio, Delaware and New Jersey, silver users strongholds, represent less and less the interests of employees of such firms, as the jobs continue to shift overseas. People, use your votes and get rid of members of Congress who cast votes for the Silver Users Association!

Eventually it will become impossible to keep the facts of the silver deficits, running since at least 1950, from tens of millions of investors. When they find out, you will be so happy to have bought physical and shares at far lower rates. There are so many crises converging on the national and world scene right now, all of which will force PM prices up, that it nearly puts photo- luminescent spots in front of your eyes thinking about it. The unfunded pension plan crisis, for one, represents several hundred billion (\$278.6 as of USA Today, June 17, 2004) dollars in funds at risk. On May 11, 2005, the Associated Press reported that a Federal judge in Chicago (name not given in story---why?) ruled that

United Airlines can terminate its pension plan. Just at the time when Congress has made it harder for individuals to write-off debt in a bankruptcy, corporate interests are being excused. Already the Pension Benefit Guaranty Corporation has taken over some 3,500-plus-pension plans that were floundering. Can taxpayers be plundered to pay for mismanagement? Apparently so! However, it looks like printing press money, looking ever more like fancy toilet tissue, will have to be belched out by currency plants in increasing quantities. That means purchasing power of the dollar will continue spiraling down.

Besieged pensioners have even been saddled occasionally with a “transaction suspension period” in which they’ve seen the value fall and been helpless to act! It is becoming increasingly apparent to more observers that the only hope for America’s economy is to return to a gold backed system, with a role also for silver. There is no way around these metals gaining fantastic purchasing power! A landslide effect will trigger in which millions of people will seek to liquidate IRA accounts and any other assets they can access, and transfer into gold and silver. The public will recognize that Federal Reserve Notes are no better than wooden nickels. They will recognize that real money comes out of gold and silver mines, not from forest products made into multicolored scraps of paper. The Ontario Teachers Pension Plan holds 616,818 shares of one of the two silver-leaders, as of a check just now. A similar plan in Ohio used to hold some of those shares. They will be sorry they jettisoned them.

In roughly the last five weeks we saw the COMEX registered silver category under 39MOZ, then move past 50 and to just over 60MOZ. Talk about movement! Will the delivery daisy chain be interrupted soon? The only cure for the low silver price is delivery defaults. Recycled silver supplies couldn’t cover 20 million more ounces of demand from June through July. My suggestion isn’t the first of its kind, except as it relates to diverting funds from vacation to silver buying. Butler and Hommel both suggested silver buying first. Look at the sense it makes! Many of the mining investors hold only shares, which are a claim on silver (one step removed from owning the end product). They really should hedge some of their shares by owning physical. In the event of currency collapse and banking failures, the only “bridge over troubled waters” is the hard stuff, which you can hold

in your hand. When order is somehow restored first with a gold-based system, your shares will be OK provided the company is well managed.

In addition to rededication of your vacation budget to buying silver, please consider selling some mining shares to add to that. You can do it through trading---selling before a decline, buying the position back at lower prices and placing the difference minus gains taxation, into silver; or just by selling shares. I have done both. It's a way to "mine silver" out of the paper claim to silver production, which you own. Some people have also taken delivery of some shares on a stock certificate, then used that cert as collateral for a loan with which to buy real silver.

When the price finally spikes, the shares will also soar and a small portion can be sold through the lender to satisfy the loan; or a fraction of the physical that was bought, using OPM (other people's money) will be sold to terminate the loan.

This jump in the registered silver category took place days after India announced its intention to sell 1,670 tonnes of "surplus" silver. The announcement could be for real, or it could be completely bogus. Corrupt personalities on Wall Street know for sure. It's along the lines of the announcement by Lehman Brothers, referred to by Walter Frankland of the Silver Users Association, that the world contained 11 billion ounces of silver (as of April 12, 1988, American Metal Market). As Frankland commented---

"How can anyone talk about impending shortages of the white metal when such enormous supplies we have just mentioned are available?"

Reading between the lines you clearly understand that such supplies did not exist then, and far less so today---and that the intent is to frighten investors into dumping their metal! Will some silver investors send certified letters to Tiffany & Company after the silver crisis starts raging, notifying them that they have some silver available (but not for the old COMEX prices!) Then when the interested response comes back, tell them you decided to sell it to some jewelers who aren't members of the Silver Users Association! Tell them also that you are interested in buying any diamonds from them, on the condition that they are priced at 93% off Rappaport Diamond Report. That's about how far silver prices plunged from 1980 to the early 1990's. Like the Silver Users Association report in American Metal Market, May 5,

1996, “Silver Price Declines---Government Stocks Fall.” Diminishing supplies, falling prices---features of a manipulated market that CFTC economists would blandly tell us we “don’t understand.” We want them hauled before Congress and forced to account for refusing whistleblower calls that an equilibrium price in silver couldn’t be reached for many years due to excessive paper silver sales, creating the physical shortage and disrupting the market!

Keep in mind in the approaching environment, availability of silver, not price, will be the key concern. I strongly believe the Mexican silver initiative will overwhelm its opposition during 2005. That means perhaps one-third of Mexican silver exports will be diverted into coining 1 ounce Libertads. You can find information about these governors at www.conago.org.mx Return of monetary use of silver WILL take place in Mexico, and will point the world sanely away from fiat currency suicide. No wonder CNBC hasn’t covered the story! You can click on this website--- www.mgossart.free.fr/english/brief_history.htm to read some history about Mexican bank notes (some of the first were made of “orange colored cardboard,” an unbelievably bad substitute for gold and silver coins gleaming in the sunlight). The Bank of London, Mexico & South America was strongly involved with the resuscitation of paper banknotes in Mexico in 1864. Yes, London is the home base of the global paper money mob! Argentina might be the second contemporary nation to restore silver, then Peru. With a crescendo of silver money in the Western hemisphere, India will find the temptation to follow suit irresistible. This monetary demand may take place before, or after, the industrial silver user famine begins. In either case, this money demand for silver will add monumental value to silver’s purchasing power. Morgan, Puplava, Hommel and Sanders are absolutely bullseye as to silver being money; its return is being forced by decay of paper currency purchasing power. Go out and acquire all the physical silver you can before news reaches the entire public as to the silver problem. Did you see the story, “Silver Users Wary of Regulatory Revamp” in AMM August 11, 2000, where they expressed concern, in effect, that the CFTC continue on its merry way, apparently in tow with their wishes? Trying to get silver at below cost of production forever is like attempting to dry up the Pacific with one cotton ball. Shareholders of polymetallic concerns should take management to task for selling silver at throw-away prices for so many wasted years.

I ask Mr. Hugo Salinas-Price and his organization to request of the 31 Mexican provincial governors, that they sign a brief statement to be transmitted to the 50 U.S. governors, to notify them of their silver initiative; that America should follow Mexico's lead. The Mexican governors should also notify their counterparts in all nations to their South, from Guatemala to Chile, and urge the same actions. A league of countries going back on silver and gold medium should be formed.

Mexico and Argentina are already displaying such inclinations. Representatives of the International Monetary Fund and the World Bank must be barred by armed guards from attending meetings, to be held in Mexico or Argentina! Perhaps Mr. Salinas-Price and his governor associates would care to organize the conference.

Let's evaluate a New York Times story dated August 9, 1942 (section 3, page 4, Sunday edition), "Mexican Banks to Control the Domestic Market"---

"Mexico City, August 8 (Associated Press)---The Miners and Merchants Bank announced today that it and the Bank of Mexico, the central government bank, jointly would control the sale of Mexican silver in the domestic market in the future. The large silver producers now sell directly to the United States Government while the small ones, representing about 20 per cent of Mexican production, have been supplying the domestic market."

"Prices in this market have risen to nearly double the price paid in the United States, working hardship on small silversmiths here. The bank said it and the government institution, as well as other agencies which might later be permitted to deal in silver, would sell at the 35.38 cents an ounce price fixed by the United States Government."

The Miners & Merchants Bank of Mexico probably faded into some other group by merger over the years. The Bank of Mexico remains today, working as it has and does with the Bank of England and the Federal Reserve System. It looks like a bad idea to allow the Bank of Mexico to play any role in the proposed silver Libertad issue. Notice, the largest Mexican silver producers were selling straight to the U.S. Treasury in wartime 1942, in spite of the fact that prices were higher elsewhere! Can we see a silver price in the United States of \$3.50 an

ounce in 2006, when it might be over 100x as much elsewhere? No, but the economist organizations propagandizing for the Federal Reserve can still wish for it! The web of monetary subversion has been astonishing in its extent and duration. That situation was suggestive of miners today who may get banker enticements to hedge output---why be locked into sucker prices? The New York Times, September 2, 1942, page 32 reported---

“The demand for foreign silver has exceeded the amount available.”

I am tempted to choose some extremely expressive profanity in response to that, but catch me in private to hear it. What in the HELL did the major university trained economists at the Office of Price Administration (OPA) expect, that silver mined in other countries should flow towards the lowest prices offered? We need to get all Government economic planners and market manipulators locked up in the Louisiana swamp prison featured in Steve McQueen’s 1966 film “Nevada Smith,” and let a free market set prices for commodities.

In regards to the current Mexican silver initiative, silver investors may also be surprised to learn that this isn’t the first time this was attempted in modern times; however, the current movement appears much stronger than ever before. Reading between the lines at www.historicaltextarchive.com/sections.php?op=viewarticle&artid=554 you can see why that initiative didn’t get to blossom forth. The United States government and the Federal Reserve was involved in stopping it, and Mexican banks were nationalized in September 1982. The WSJ, December 10, 1976, page 26, “Silver Related Ventures Planned By Mexico Stir Speculator Interest” commented---

“For the silver speculator, the nicest Christmas present would be tidings that major new demand for the shiny metal is imminent. And Santa Claus would be Mexico’s newly installed President Jose Lopez Portillo. Last Wednesday, when President Lopez Portillo gave his inaugural speech, he said his administration was planning two silver related ventures to help alleviate some of the country’s current financial troubles. That was important news to silver speculators because Mexico is the world’s largest silver producer and more silver is used up each year than is produced.”

“One of Lopez Portillo’s proposals is to resume the minting of Mexican silver coins. “For everyday transactions, we will once again be minting the traditional Mexican silver coin,” he said. Mexico currently mints one, five, and 10 peso coins, which are 85% copper and 15% nickel.

The other plan is to issue “new long term bonds backed by the production of basic raw material and linked to the world market price of some of our most important resources, such as silver---we are the foremost producer of silver in the world---and oil,” the president said.”

“Details about when and how, or even if, the Mexican government will get its silver plans off the ground aren’t certain, however. Silver industry sources say the plans haven’t been worked out yet. Silver speculators are conjuring up a few ideas on their own about silver coinage. Some think the Mexican government will mint coins for mass circulation, while others figure it instead will mint limited amounts as collectors items.”

“Mexico stopped minting silver coins in any major way, in 1968 when 15 million ounces were used up for coinage celebrating the Olympic games in Mexico City. In 1972, the government minted silver coins commemorating another event using slightly more than one million ounces; each coin contained 72% silver.”

The article concluded by mentioning the International Monetary Fund’s recent action to dampen the gold price. Precious metals price suppression is nothing new. But let’s all work to make it a thing of the past. Viva Mexico, viva silver! Greenspan, Bush, Snow and Wolfowitz, new head of the World Bank, must be near nervous breakdown over the Mexican silver restoration movement. They don’t want them around!

Silver backers should be united in suggesting the Mexican initiative delete the central bank from receiving any seigniorage on silver, inasmuch as it opposes the initiative. They don’t want the celebration to happen, why ask them to sponsor it? The Mexican Treasury would be a better candidate provided supporters of sound money staff it. It is critically important to buy silver (or more of it) BEFORE such landmark events occur. Please make your plans to add to your silver holdings before August, and follow through with action. Postpone all possible expenses and buy silver. Live a Spartan lifestyle for two months to get more metal. Silver will set the gold price free. We as

silver investors have had more time to position ourselves, than we would have believed when we got in (unless we are new to this market). But there must come an end to the price suppression. There can't be much of a wait remaining. Shorten the wait by buying and holding more silver off the market. Owning precious metal is about wealth transfer. The more of it in the right hands---such as yours---the better for Constitutional restoration in these United States.

This essay is dedicated to my dog Parker, found abandoned on February 6, 1993; killed by greed on May 21, 2005, passed away May 25, 2005.