

FESTERING SILVER ANTITRUST VIOLATIONS

Presented February 2009 by Charles Savoie

"IN A FREE AND OPEN MARKET UNFETTERED BY MANIPULATION AND CONTROL, THE SILVER USERS HAVE NO FEAR OF THE PRICE." ---Donald Ramsey, legislative counsel to Silver Users Association, Commercial & Financial Chronicle, April 30, 1953, page 1873 (the same "gentleman," read "brigand," admitted the SUA has no idea "what the price of silver would be in a free market," C&FC, August 30, 1962, page 909.)

So? Why are they all over the Commodity Futures Trading Commission and other Federal Agencies--- including Homeland Security--- as to silver supply? All impartial data screams that silver has been growing ever scarcer across the years, yet the price is routinely assassinated! This obstructs supply being balanced with demand! Obviously when the shortage hits industry and corporations assail Congress for relief, the users intend to blame those who have saved in silver to avoid the ravages of paper currency inflation, and call for another government silver grab as in August 1934! If this happens the silver users are subject to destruction by consumer boycott! We will see to it like Steve McQueen getting revenge in "Nevada Smith" (1966).

"RUMOR HAS IT THAT SOME WEALTHY SAUDI ARABIANS ARE PRESSURING THE STATE DEPARTMENT TO USE ITS INFLUENCE TO HAVE FREE TRADING RESTORED IN THE COMEX SILVER MARKET."---Wall Street Journal, February 4, 1980, page 34 (an admission that this venue is strictly for short sellers!)



Chairman of the Commodity Futures Trading Commission, stout looking bully boy James Newsome, (looking at silver longs like he's German Colonel Hessler about to hit Poland with his Panzer division), addressing the Silver Users Association on May 23, 2001, flattered them with the following simpering, servile verbal bouquet---

"IT IS BOTH AN HONOR AND A PLEASURE TO ADDRESS THIS DISTINGUISHED GROUP. I LOOK FORWARD TO WORKING WITH YOU AS WE MOVE FORWARD."

<http://www.cftc.gov/opa/speeches01/opanewsm-20.htm> Newsome subsequently was “invited” to head the New York Mercantile Exchange, owner of the COMEX, Commodity Exchange, whose trading rules have always been heavily slanted to favor short sellers in silver. This includes delivery limitations and ever rising margin requirements if silver should be so un-American as to head North! Newsome continues in this role to the present, and other CFTC Commissioners have addressed the Silver Users Association in obviously cooperative terms. According to Stephen Fay of the London Sunday Times in “Beyond Greed” (1982, page 172) ---

“In desperation, Frankland even visited the Justice Department in January to inquire into the possibility of an indictment of the Hunts under the Sherman Antitrust Act. Frankland’s problem was that the concern of the Silver Users Association was so evidently motivated by self-interest; they **ALWAYS** thought the price was too high.”

Can anyone feature the hornets nest reaction if Newsome had appeared at annual meetings of the two leading silver holding companies and made a public declaration stating his intention to “work with them?”

Newsome is far from the only instance of a Federal commodity regulator indicating favoritism to a short side users group. Brooksley Born, head of the CFTC, addressed the SUA <http://www.cftc.gov/opa/speeches/opaborn-39.htm> on October 28, 1998, tickling their ears with the typical glowing, turgid encomium by suggesting that the only manipulation possible in a commodity is on the long side---

“I am pleased to be asked to speak today to members of the Silver Users Association. Having represented a client in the cases and investigations relating to the 1980 manipulation of the world silver market by the Hunt brothers and others, **I CONTINUE TO HAVE A SPECIAL INTEREST IN THE SILVER MARKET.**”

What type of special interest was she alluding to? An interest favoring flat to falling prices? What other interest would she have entertained, considering the group that invited her to give an address? She is a partner in Arnold & Porter, District of Columbia based lobbying law firm that claims to have “roots in the days of the New Deal.” That was the New Deal inflicted on America by Pilgrims Society member Franklin Roosevelt, who like Joseph Stalin seized gold and silver from citizens in lawful possession of the monetary metals! Her husband, Alexander E. Bennett, also with Arnold & Porter, states in his profile that he has “represented parties in antitrust proceedings involving a variety of businesses including silver” and has done legal business with the central banks of Brazil and Zambia and with governments such as Venezuela and Argentina <http://www.arnoldporter.com/professionals.cfm?u=BennettAlexanderE&action=view&id=5> Evidently Ms. Born and her husband both had activity in silver as attorneys years before she was “invited” to take the helm of the CFTC as an official, to all appearances, totally compliant with the wishes of the Silver Users Association. Arnold & Porter doesn’t sound like a law firm that would care to file anything on the Silver Users Association, with its roots in the New Deal. FDR himself had an office at 52 Wall Street before tragically assuming the Presidency, and his

son James wrote a perverted essay, "The Case For Deficit Spending" in the December 1949 American Mercury, which allowed him to make a fool of himself by hosting his senselessness.

October 18, 2000, saw CFTC Commissioner Thomas J. Erickson addressing the Silver Users Association <http://www.cftc.gov/opa/speeches00/opaericks-7.htm> and indicating the expected genuflecting attitude---

"I was pleased to accept Walter Frankland's invitation to speak with members of the Silver Users Association."

After leaving the CFTC Erickson was "conscripted" (very cooperatively we must assume) to assume the chairmanship of the Commodity Markets Council, another District of Columbia entity. He is additionally associated with agribusiness colossus Bunge Corporation, associated with French (Rothschild?) interests.

Frederick W. Hatfield, CFTC Commissioner, spoke to the Silver Users Association <http://www.cftc.gov/newsroom/speechestestimony/opahatfield-4.html> on May 24, 2006 and opened with the typical glittering, phosphene inducing benediction (possibly with bejeweled slave maidens singing ethereally in the background)---

"It is a pleasure to be here today to address your association."



Just like clockwork, after Hatfield exited the CFTC as of December 31, 2006, he became a director of the NYBOT (New York Board of Trade) on January 29, 2007. Fall 2007 saw its renaming to ICE Futures U.S. and is the old New York Cotton Exchange started in 1870. There is a revolving door between the alleged regulatory agency and those it regulates. How can these unprincipled personalities be impartial when they expect to get jobs later with those they regulate? Hatfield is also an attorney with Patton Boggs, another DC lobbying organization. May 2005 saw Walter Lukken addressing the Silver Users Association, and within a few days of that event, President Bush reappointed Lukken to a CFTC term ending in April 2010. On November 19, 2008, Lukken again addressed these silver raiders http://www.silverusersassociation.org/meetings/2008_Fall_Program.pdf while the previous day's

session saw Jeffrey Christian speaking to them on the topic of “conspiracy theories” in silver. Apparently that net is cast over my views of the SUA, though not the first to mention them, I have brought forth the most details. All documented. The Romans had silver mines in Spain. It would be a delight to see Jeff and all his CFTC/SUA pals worked under such draconian conditions.

Ted Butler has engineered the most public contact with the CFTC of anyone and I have backed him up where I could. His weekly commentaries will be quite damning when the silver rigging collapses and court motions are filed. Reuben Jeffrey III, who chaired the CFTC into 2007, moved to the State Department. He’s a 1975 Yale graduate who was with the Pilgrims Society law firm of Davis, Polk & Wardwell and the Pilgrims Society investment bank, Goldman Sachs before landing at CFTC (yeah all those silver call option holders got the shakedown and Reuben thinks it’s a “ha ha” deal)---



The CFTC pretty boy Commissioner, Bart Chilton, was born in Wilmington, Delaware, on May 1, 1960, according to his listing in *Who’s Who in America*, 2009, page 851. I will allow that the May 1 date has no actual link to “Mayday,” the international Communist holiday, tracing to May 1, 1776 in Bavaria and the “Illuminati.” As for being born in the capitol (and “capital”) city of the Du Pont family, Silver Users Association members, that appears somewhat less of a coincidence. It could also be mere happenstance, yet he said nothing regarding the identities of his parents---including his mother. What, is he a Du Pont relative? Probably not; however, did they help him get started? We know they are interested in politics (witness the Du Pont Good Government Fund.) Still, I wonder what his experiences were while growing up in Wilmington. In 1983-1984 pretty boy Bart was operating out of Chicago as regional director of Walter Mondale for President. Mondale of course was a notorious “one-worlder.” Ironically, it was in Wilmington, Delaware in September of 2000, that Sunshine Mining, one of the most revered names in silver, filed for corporate bankruptcy. Chilton was also legislative director for three term Indiana Congressman Jim Jontz, who was associated with a campaign sponsored by Americans for Democratic Action called “Working Families Win.” Tell that to silver mining employees laid off, and those with wages reduced so the company can hang on by its fingernails a while longer while waiting for the COMEX shorts to self incinerate.

Gary Gensler, Obama's Wall Street pedigreed henchman to take over the CFTC, probably has a dreamy look on his face thinking about his first speech to the SUA, assuring them of his fidelity. Gensler helped exempt credit default derivative swaps from regulation---a toxic instrument that has cost hundreds of billions so far <http://www.cqpolitics.com/wmspage.cfm?parm1=5&docID=news-000002999740b> Suggesting this spook for CFTC chairman is like recommending a jackhammer wielding vandal be placed in charge of the Smithsonian Institution. He held high Treasury posts from 1997 through 2001 and backed the misnamed Commodity Futures Modernization Act of 2000 and has been with Goldman Sachs for close to 20 years, grinning like an effervescent goblin---



We won't take time to review CFTC history back to 1975 except to note several cases. The main agitator back of its founding in 1975 appears to have been Pilgrims Society member Nelson Rockefeller (see "Commodity Futures Treacherous Collusion," Archives of Silver Investor.) Susan M. Phillips was a CFTC commissioner from 1981 to mid 1987, then became a Federal Reserve System Governor, 1991-1998. The Fed's hostility to rising silver prices is meticulously documented in "Michael Gorham's Paper Money Mob," Archives of Silver Investor. Just five weeks after she left the CFTC, having chaired the agency from February 22, 1988 to January 22, 1993, Wendy Gramm became a board member of Enron, chaired by a Trilateral Commission member. Her husband Phil worked on Capitol Hill to prevent regulatory oversight of derivatives. Maybe he needn't have bothered; the CFTC has virtually no record of intervention before a scandal breaks---refer to "Seven Silver Suggestions," Archives of Silver Investor, to review a scathing indictment of the CFTC written by a member of the Association of Former Intelligence Officers.

Another instance comes to mind in which the CFTC was in its usual see no evil, hear no evil, speak no evil mode---



The caption at <http://agriculture.house.gov/republicans/PictureGallery/pict2.html> read---

“President and Chief Executive Officer of the New York Mercantile Exchange James E. Newsome and Commodity Futures Trading Commission Walter L. Lukken testified before the Committee on futures markets and gasoline prices. The witnesses testified that they had not discovered any manipulation or inappropriate activity in the futures market affecting increased gasoline prices, April 27, 2006.”

While I am not versed in other markets as in silver, it appeared to me that the rise in gas prices, then the slump, was mostly about first, soak the public then second, punish Venezuela and Iran by crimping their export revenues. In any case, the CFTC isn't an agency to stop any unfair commodity trading practices or do anything to shield innocent investors. It's just another Wall Street sponsored spear carrier protecting guilty parties while they hack away at the public. According to http://www.nymex.com/newsome_bio.aspx “Dr.” Newsome is on the board of directors of the Dubai Mercantile Exchange and the National Futures Association. While with the CFTC he was a member of the President's Working Group on Financial Markets, which united the CFTC, the SEC, the Treasury Department and the Federal Reserve System into an unholy quartet allowing the public to be pillaged by Wall Street---



Newsome was also a member of the President's Corporate Fraud Task Force, another entity whose name mocked its purpose. It's associated with the Justice Department, which has never had the slightest interest in examining the Silver Users Association for "prospective" antitrust violations <http://www.usdoj.gov/dag/cftf/membership.htm> and has the same composition as the Working Group, plus a network of other Federal officials. The Dubai Mercantile Exchange <http://www.dubaimerc.com/> has a heavy overlap with the same clearing members on the NYMEX in New York. Greg Collins, a DME director, is ex of Merrill Lynch and Dennis Dutterer (of the Swiss Burgenstock Conferences), another director, was general counsel to the CFTC, 1981-1983 and went to head the Board of Trade Clearing Corporation in Chicago. The short profile in silver, exaggerated beyond any other commodity, has been supported by many bearish statements issued with the apparent intent to spook longs. The problem has international, not merely British/American support (see for example "Severe Oversupply of Liars," Archives of Silver Investor.) Englehard was sued for \$200 million in class action damages by P.B. Trading Company of Princeton, New Jersey (no connection to Princeton Economics and Martin Armstrong). Another plaintiff was physician Edward Tomasik of Wisconsin. The Wall Street Journal, May 25, 1971, page 28, noted---

"The suit, filed in Newark federal court, cited one instance in which an Englehard vice president, Richard C. Glogau, made statements that allegedly caused a severe drop in the price of silver. J. Seymour Montgomery, attorney for the plaintiffs, said the complaint alleged that Englehard had issued statements with the deliberate intent to manipulate the silver market by depressing the price of silver futures traded on commodity exchanges. He added in an interview that Englehard allegedly had done this as a course of conduct over several years, and that his clients damages dated from 1968."

American Metal Market, July 5, 2002, quoted Walter Frankland of the SUA, in reference to his expressed belief that the government had another 25MOZ squirreled away someplace, and that they got it back in the 60's at \$1.29 an ounce---

"As long as they've got silver not being used for any other purpose, it makes sense to use the \$1.29 silver and not go out into the marketplace and purchase silver at today's prices."

Gee, these folks who tunnel into resources owned by others such as taxpayers, never quit. If there's a gram anyplace, it needs to be transferred to them at \$1.29 an ounce, regardless of what the super

shorted COMEX price is! According to <http://www.silverinstitute.org/priceny.php#2002> the average COMEX spot silver price during all of 2002 was \$4.60. The Silver Users Association was proposing that Uncle Sam (read---taxpayers) gift them with a load of silver at 72% lower rate than the COMEX "prices" that put a red hot dagger into Sunshine Mining and twisted it. The Justice Department is an empty building where silver shorting and its array of dirty tricks is concerned. JPMorganChase "predicted" silver would tumble to \$3.60 in 2002. Maybe Frankland wants to just offer face value for our 90% coins!

The entire silver commodity, and silver as former money scene, is so riddled with antitrust violations a long volume would be required to catalogue the majority of the most outrageous collusive acts. There has been no free market in silver since the days of the John Tyler administration, ending in spring 1845. This fairly brief review is intended for use by the silver community to be presented to their representatives in Congress. At the mere suggestion of asking Congress to do anything for the national citizenry, rather than pondering the atrocities it sends our way, stomachs churn, smiles sour, eyes roll back in heads, and spit hits the trash can. It's hard to feature much respect for Congress coming from the average voter, considering the national mismanagement, waste, and rescue of Wall Street schemes Congress hatches. To all appearances there are few members of Congress whose overriding concern transcends making whatever deals with the devil it takes to be reelected. However, we must make the attempt. We will only focus on the Treasury Department---the Commodity Futures Trading Commission---the NYMEX/COMEX---the Justice Department---and the parasitical Silver Users Association. I will strive to be brief and only summarize this infamy of multi-generational duration.

The Treasury Department, when it had huge amounts of silver, doled it out below replacement cost to the freeloading Silver Users Association. John Parker, former associate editor of Mining World and one time columnist with the Arizona Republic newspaper, writing in "Metaling---Silver And Gold" (American Opinion Magazine, January 1965, page 77) stated---

"This tremendous waste of monetary metal is costing you money and will cost you much, much more. It is costing you because, in the process of wasting the world's greatest stockpile of silver, our government managed to lose money in the physical operation. It appears from a study of Treasury silver operations that this jolly juggernaut of jim-crack tax collections and free-wheeling giveaways has now managed to dissipate some half-billion dollars in the process of losing that one billion, two hundred twenty-eight million ounces of silver. This, remember, was the actual cost of doing the job **AND DOES NOT INCLUDE THE VALUE OF THE VANISHED SILVER.**"

(An extensive review of Treasury silver giveaways to the Silver Users Association, "The Silver Raiders," appears in Archives of Silver Investor and covers the same period, plus additional years into the early 1970's). Mr. Parker went on (page 78)---

"Summed up, Secretary Dillon's daffy report revealed that we had scarcely time to sell Treasury silver at cut rates before we must turn around and try to buy it back at thirty to fifty percent more than we received for it."

(The buy-back, which was eventually to never happen, was in reference to having silver for redemption of circulating silver certificates. That program was extinguished as of Tuesday, June 25, 1968, so that monetary demand for silver would not compete with the Silver Users Association for supply.)

“This vanished silver stockpile was never at any time just a big heap of white metal in storage waiting to be minted. It was a practical financial instrument in our foreign economic policy during the war and after. It was also a vital ingredient in the success of nuclear fission; during this period more than 900 million ounces were loaned to the Manhattan Project and other critical industries. Another 411 million ounces were loaned to European and Asiatic allies to shore up their monetary systems.”

(Lend-Lease silver during World War II is discussed in “War And Silver,” Archives of Silver Investor. The massive silver “bus bars” used for electrical transmission in aluminum plants are discussed in “War And Silver,” and Bix Weir had a fine speculative hypothesis in <http://www.silverbearcafe.com/private/silvermystery.html> concerning 470MOZ silver used in “calutrons” of the 900MOZ that Parker spoke of.)

“After the war it became apparent that increasing world coinage demands for silver, plus expanded space age industrial uses, would require a much larger quantity of silver than could be mined **UNLESS THE PRICE ROSE SUBSTANTIALLY.**”

(That’s the main aspect of the silver price suppression---disallowing the price to rise substantially, as silver is a competing currency to the hokey Federal Reserve Note. The silver price stranglehold remains in effect until refined silver is extremely difficult to obtain, at which point the price goes berserk---and silver savers get blamed for the lack of supply!)

“Domestic consumers and foreign governments began drawing on United States free silver reserves, a practice that had long been an exclusive prerogative of the jewelry and silverware trades.”

(I imagine Parker intended to mention the photographic, chemical and electric industries also.)

“The bureaucracy, **INDIFFERENT TO THE RAPIDLY CHANGING STATUS OF SILVER, CONTINUED SALES AT BELOW REPLACEMENT COSTS.** Five years after the war, demand was outrunning production by 80 million ounces annually and all of our domestic production was moving out of the country---**ATTRACTED BY HIGHER PRICES ABROAD.**”

(The production to demand deficit in silver has actually existed since 1950, or since 1949, using a smaller deficit figure than Parker cited. Refer to “Severe Oversupply Of Liars” in Archives of Silver Investor for profuse---but hardly comprehensive---over two hundred references cited---documentation of the near three generation length of the silver deficit. Melts of demonetized coinage, silver bus bars in aluminum plants and dismantled calutrons, along with leasing from foreign central banks, must exhaust as a silver supply, since borrowing from the past is a finite medium---now far more so than ever.)

“By 1961, raiding on Treasury silver was in full swing. Between January and October of that year the balance of the Treasury general fund dropped from 123,500,000 ounces to 40,800,000 ounces. Sales to industry during that ten month period amounted to 44 million ounces; more than double purchases for

the entire year 1960. By November of 1961 **EVEN AN ABORIGINAL BARTERER SHOULD HAVE REALIZED SOMETHING WAS WRONG.**"

(Conspiracy or, if you prefer, collusion---not stupidity---was the problem in silver.)

"During November 1961, purchases by industry and foreign governments screening our shrinking fund mounted to the proportions of a "run" on the Treasury, totaling nearly twice as much as in any previous month. The "run," even then, was not stopped until one of the liberated nations negotiated a loan to subsidize its currency and then sought further help in the form of 30 million ounces of silver for coinage. **ABOUT THEN, SOMEBODY IN THE THIRD ROW ASKED, WHAT SILVER?** The President was forced to take precipitous action terminating Treasury sales. By the time President Kennedy issued his Executive Order, the Treasury supply had shrunk to 22 million ounces and we faced a coinage shortage."

"For 1963, world silver production was 235 million ounces, consumption was 370 million ounces. **DEPLETING OUR SILVER STOCK BY SELLING AT A PRICE LESS THAN THE COST OF MINING IT HAS THUS EFFECTIVELY PREVENTED THE NORMAL PRODUCTIVE INCREASE IN RESPONSE TO DEMAND.** And as anyone might guess, we got troubles. Big troubles."

(While the Treasury silver giveaways were wildfire under Pilgrims Society members Douglas Dillon and Robert Roosa---both associated with Pilgrims Society members David, Nelson and William Rockefeller---silver miners were suffocating under the low price chokehold maintained by the Money Power. For intro on the Pilgrims Society, refer to the "Meet The World Money Power" series, Archives of Silver Investor.)

If it occurs to anyone to ask, of what did the antitrust violations in silver consist in the Treasury sales and mock staged "auctions" of silver---it's just this---what would have normally been a price rise in the price of silver, balancing supply with demand, was obstructed from happening, by these giveaways. Prime beneficiary of taxpayer and miner subsidized silver giveaways was the Silver Users Association. The SUA is especially unique in the entire galaxy of business consortium organizations in that it constitutes the only users group in any commodity. As Ted Butler commented, "not even gold has a users association" and as Ed Steer pointedly inquired, "Why is this organization allowed to exist?" Obviously the Money Power maintains the SUA as a favored pet, since they help dispose of what was the main monetary metal used in the majority of transactions across the pages of history! The Wall Street Journal, October 26, 1979, page 48, stated---

"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."

Speculators or investors? Apparently it depends only on who is crafting the definitions. Watch for someone in the Federal Government to issue a statement declaring that the only legitimate recipients of silver are industrial users, the Treasury Department, and the Department of Defense. Apparently we are moving towards nationalization of the banking, automotive, air transportation and other sectors.

What's to stop the nationalizers to apply that to silver and silver mining companies? As we move more distant from Constitutional concepts, ever more unknown to newer generations due to intentional perversion of the educational system, our liberties are increasingly at risk. Lines from "The Silver Raiders" over five years ago on the SUA bear repeating---

"I don't know what you could compare them to in any other commodity, because this is the only users group in any commodity. If anyone can show why they are not an illegal shortside price fixing cartel in violation of antitrust law, regular readers of this website would like to see it. That would be like proving the great white shark isn't a marine predator."

A can without a label, bulging from both ends!

This is the CFTC; they aren't our friends!

Many links to silver shorts; collusion it portends!

Will Courts force manipulators to make amends?