

DGC

AUGUST 2011
GATA SPECIAL

**GATA
GOLD RUSH 2011
LONDON**



DGC

Digital Gold Currency
Magazine

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DGC Magazine is committed to expanding the legal use of digital gold currency around the world. Slowly, legally and ethically we are trying to move digital gold currency and sound money forward into everyday business.

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DGC magazine

ISSN 2159-791X

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CHRIS POWELL
ERIC SPROTT
JOHN EMBRY
JIM SINCLAIR
JAMES TURK
HUGO SALINAS PRICE
REGINALD H. HOWE
BRIAN A. HINCHCLIFFE
JOHN BRIMELOW
PETER GEORGE
JEFF DAHL
PETER GRANDICH
JAMES G. RICKARDS
ANDREW MAGUIRE
BEN DAVIES
ADRIAN DOUGLAS
NED NAYLOR- LEYLAND
ALASDAIR MACLEOD
ED STEER
JAMES MCSHIRLEY
THOM CALANDRA

GATA

GATA
LD RUSH 20
LONDON



Chris Powell
and
Whistleblower Andrew Maquire

GATA GOLD RUSH 2011 LONDON



Jim Sinclair, JSMineSet.com
First conference appearance in
eight years.

2011 GATA IN LONDON

**Presentation from GATA's Gold Rush 2011
Conference at Savoy Hotel In London on August 5.**



Gold Rush 2011 Presentation from Bill Murphy

Welcome to Gold Rush 2011 and to the 6th year anniversary of our historic conference in The Yukon's Dawson City. What fun to have 31 different countries represented here today.

As many of you know, GATA – Jan 1999 by CP and myself to expose the illegal manipulation of the gold market by the bullion banks, such as...

Within the next year we realized the manipulation extended to the US Government, including the Fed, Treasury, ESF, the BOE, and others ... in what became known to us as The Gold Cartel.

Over past 12 ½ years, GATA has held 3 international conferences, this being the 4th...

- GATA African Gold Summit, on May 10, 2001

- Gold Rush 21 in the Yukon in August of 2005

- And GATA Goes to Washington in April, 2008

The notion of having this particular conference in London, as an anniversary conference to our historic GR 21 conference, was sounded very early this year

by some very special GATA notables:

Adrian Douglas

Sasan Sadegpour

Eric Sprott

And Ian Gordon, among others

Told by a number of people that it was the wrong time of year, etc., to have a conference in London but the idea of saluting what happened in Dawson six years ago was so compelling to pass up. The sellout of this conference suggests it was right time and place. And how could we pass up having a conference in The Belly of The Beast of The Gold Cartel?

The price of gold back at our Dawson conference was \$436 per ounce. The market was quiet. One of DGC Magazine August GATA Special Issue 46 § 7

President Putin's top economic advisors attended the conference.



And, whether a total fluke, or not, the price of gold exploded two days later and went up \$300 in the ensuing 9 months. We had many smiles on our faces when this photo of President Putin surfaced a short time later.

Source: <http://news.goldseek.com/>

LemetropoleCafe/1132758123.php

It will surprise no one in the GATA camp if what happens in the next 9 months doesn't duplicate what occurred six years ago. Percentage-wise it will be a much easier feat.

Well, it would appear, that the head of America's Federal Reserve Bank, Ben Bernanke, went out of his way a few weeks ago to enhance GATA's case about US Gov opposition to gold when Congressman Ron Paul asked him during a televised hearing about whether he thought, "Gold was money?"

BERNANKE SAID NO.

Well, Bernanke might say no, but right now, the Russians, Chinese, Indians, concerned Europeans, and savvy investors around the world are saying "YES."

Chris Powell 1 ... Ben Bernanke 0 on that one.

I would like to add that at GR 21 a number of us pounded the table that it would take \$3,000 to \$5,000 gold to clear the market. So far, so good on that score.

As you are aware of, we have a group of all-star presenters at this conference, a number in the GATA camp and others who just have great market insight. Certainly everyone here presenting has a sympathetic view to what the GATA camp has to say, or, clearly,

they would not be here. Our GATA goal for this conference is that what we all have to say in toto will crystallize your thinking about what lies ahead for gold, silver and other financial markets.

To kick that off, I am going to dwell on one key revelation, which is why the GATA camp has nailed the gold move up over the past decade as well as anyone in the world. That is a fact. And the irony is, if you check the track record the past decade of the mainstream gold world and most of the Planet Wall Street crowd, few of them have got it right. It is unreal how wrong most of them have been and yet the financial market press keeps going to them for opinions and ignores everything we have to say. WHY:

GATA HAS TAKEN ON THE RICHEST MOST POWERFUL PEOPLE IN THE WORLD.

The incestuous relationship between the press, financial institutions, and government is insidious beyond belief. Can you say Murdoch here in England? Some are comparing that scandal to Watergate

Well, how about this one ... when the gold/silver scandal breaks, it will dwarf the Watergate and the Murdoch scandals, BECAUSE it will be a world-wide financial market issue.

So what is that ONE key revelation? And why is that one key revelation so important for you to understand in order to help you make tonnes of money in the coming years?

Funny thing is: it is SO SIMPLE:

For more than a decade the GATA camp has been working on the right supply/demand numbers for gold (including silver) and the mainstream gold and silver world have been working on the wrong numbers because they have failed to deal with the ramifications of the gold price suppression scheme.

Yes, it is that simple and the difference in our track records about what the prices of gold and silver would do proves it all out.

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So, here's the deal:

- In 1997 I worked with a brilliant fellow named Frank Veneroso, who used to be known as the Whiz Kid of Wall Street, worked with the World Bank and the financial ministers for Mexico and Venezuela.
- He produced this genius effort, The Gold Book. In that book he made special mention that back then the gold loans of central banks to bullion banks could be as high as 8,000 tonnes. There was NO taking of these loans into account by the mainstream gold world in their supply/demand numbers. ZERO!
- Years later, on April 5th, 2005 I put out the following in my LeMetropleCafe commentary:

“Frank Veneroso is also one of the leading authorities on the gold loan issue. I was with Frank when he determined out how large the gold loans are and I saw how he figured it out by learning what the gold loans were at individual bullion banks. In addition to that, I was there when he spoke to Terry Smeeton, who just retired as the head of the Bank of England's foreign exchange and gold department, about the gold loans last year. Five years ago Mr. Smeeton was very chatty with Frank about the loans. Last year, he would say nothing and could not get off the phone fast enough when Frank told him how large he now thought the gold loans had become.”

Can you say GATA? Do you think Mr. Smeeton took some heat for what he told Frank and GATA ran with?

When I was working with Frank, we heard a big hedge fund, Long Term Capital Management was short 300 to 400 tonnes of gold, as part of this secretive gold loan operation. Two weeks after I opened the Café web site, LTCM blew up. Not long after I spotted Morgan, Chase, Deutsche Bank and Goldman Sachs, all selling gold in union.

I was once a limit position commodity trader. I know the futures markets and, after hearing other corroborating input, I knew this market was capped.

That is how GATA came into being, thanks to CP.

Within two years Frank V, GATA's Reg Howe and James Turk, using different methodologies, issued reports stating the real central bank gold number was larger than 10,000 tonnes ... that the central banks had nowhere near the 30,000 tonnes of gold they said they had in their vaults. That old number was being depleted by some 1500 tonnes per year to meet an undisclosed, annual supply/demand deficit. We knew this was unsustainable and that The Gold Cartel would have to retreat, even if they managed upside price movements, which they still do.

On May 10th, 2001, at GATA's African Gold Summit in Durban, South Africa, (and with the price of gold at \$256), Frank Veneroso said the central banks would hit the wall with gold selling in 7 to 10 years. EXACTLY in the middle of that time horizon, in December of 2009, the European central banks stopped selling gold.

As is the case today, the key to the GATA camp nailing this market was our understanding the gold establishment world was not taking into account the gold put into play as part of the gold price suppression scheme, etc. Just 12 days ago the NY Times reported the WGC stating the central banks of the world still have 29,000 tonnes of gold. HUH? That is just wrong. Oh well ... the GATA camp knew THEY were working with the wrong numbers and that The Gold Cartel would have to retreat from giving gold away too cheaply. WE KNEW IT and told everyone who would listen what was going to happen and why.

Course, few wanted to listen to nobodies who are challenging the richest and most powerful people in the world. I was CNBC in Feb of 1999, interviewed by Ron Insana.. Never been allowed to present GATA's case on that show ever since.

We hope this conference will change some of that, that the truth will emerge about the real gold market. Only time will tell.

The good news is The Gold Cartel's gold supply predicament is only going to worsen in the years ahead. Securing central bank supply is becoming much more difficult to rig the market. Meanwhile, the reasons to own gold are becoming more obvious

and demand continues to increase, despite the price rises. The Gold Cartel is hitting the wall. At some point in the not too distant future they will be totally overwhelmed and lose their ability to manage the gold price rises. That is when gold shoots for \$3,000 to \$5,000 per ounce and beyond.

Those who follow what I write about on a daily basis, know that I often talk in terms of a Planet GATA point of view versus that of Planet Wall Street.

While our planet is a small one, once you go there, it is very difficult to view financial market action from another viewpoint.

You go from an understanding that the world is flat to the clear realization the world is round. Reminds me of that Johnny Nash song, "I can clearly now, the rain is gone."

For example, when it comes to gold and silver, The Gold Cartel is very predictable.

- James McShirley explained how they control

daily price movements, etc.

- Another example is how they attack at certain times of the day, such as at 3 AM NY time, after the PM London Fix, and in the Access Market following the Comex close, in what I call PLAN A, PLAN B, PLAN C assaults.
- As gold is widely viewed as an inverse barometer of financial well being in the US, the Gold Cartel tends to sell around key economic moments; such as a US jobs report, or Fed pronouncements.
- White is black and black is white on Planet GATA. Whenever there is a crisis in the US, or somewhere in the world, all gold rallies are stopped cold and that is always pointed out by the financial media. Why? Because The Gold Cartel wants US financial instruments as the safe haven GO TO investment, not gold.
- The Gold Cartel also does all they can to suppress gold and silver around option expires

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as they usually have thousands of written calls to protect. To protect a position individually is one thing ... to do so in coordinated unison, ripping off an unsuspecting public, is a violation of anti-trust laws, which led to how GATA came into being way back when.

- Then there is the manipulation of the US stock market by The Plunge Protection Theme, The Counterparty Risk Management Group, etc. Curious. How many here who do not follow my commentary know of that Group?

The last report I saw of there's was three years ago. It starts out:

“The Report, prepared by a group of senior officials from a number of major financial institutions, is a forward-looking, integrated framework of private initiatives that will complement official oversight to help contain systemic risk.

And who leads this “market stabilization group? Goldman Sachs, the US Treasury’s bank and JP Morgan, the Fed’s bank.”

And, of course, the shenanigans of the PPT could not be more obvious, who enlists the aid of the CPMG to stabilize our stock market at various times. Like The Gold Cartel, they are blatant and predictable. They often make their move after 3 PM when the DOW is falling apart. The DOW suddenly rallies 100 points, or more, very quickly, for no apparent reason. The inverse of gold, which often tanks for no apparent reason.

Often, to give them cover, the PPT gets floats a positive rumor, often given play by CNBC. Come the next day, not only was the rumor a non-event, it is not even discussed.

Now, why is this Planet GATA view of how our markets work helpful?

We only need to go to our \$246,000 full page color ad GATA placed in the WSJ on January 31, 2008. The price of gold was less than \$1,000 at the time, yet we were already publicly talking about \$3,000 to \$5,000 gold. But, more importantly, we wrote of

about coming “catastrophe” and “disaster” due to the manipulation of the gold market.

This was right before the financial market crash in 2008. The bottom line is The Gold Cartel, PPT, and US Government continue to interfere with our free market process, and that interference leads to serious dislocations and prevents markets going to where they ought to go. Short term this interference helps them. Longer term its ramifications lead to serious unintended consequences which are very negative.

As a side note, there was virtually zero follow-up by the mainstream financial market press on this ad. NONE. Wouldn't you think a few of them would be curious about why we spent all that money? Wouldn't you think, after being so on target, that a few would cover it? Nope ... not when you are taking on the richest, most powerful people in the world.

More specifically, when it comes to gold and silver, viewing the precious metals from a Planet GATA prism is extremely beneficial, not only for the big picture, but in the very short term ... by not getting bent out of shape on sudden price collapses.

Just recently, with the price of crude oil already under pressure, falling below \$94 per barrel, the US Government announced a release of 60 million barrels from our Strategic Petroleum Reserves ... only done twice before ... during the Iraq War and our Hurricane Katrina. Gold and silver were immediately bombed and the prices fell sharply. The release made no sense, even to most of The Muppets on CNBC. But it was clear as could be to us Planet GATA what was going on.

The US economy was falling apart, the Fed's quantitative easing was ending, and the Obama Administration was looking for cover to put more stimulus into play. The problem was the Fed said it would only do so if inflation was not a threat and the economy was in bad shape. We knew the real reason for this action was mainly about the price of gold, a widely watched barometer of economic health and inflation. We also knew that all the contrived lower gold price would do is stimulate more demand for physical gold, and back up we would go. And that's what happened.

Anybody Seen Our Gold?



The gold reserves of the United States have not been fully and independently audited for half a century. Now there is proof that those gold reserves and those of other Western nations are being used for the surreptitious manipulation of the international currency, commodity, equity, and bond markets. The objective of this manipulation is to conceal the mismanagement of the U.S. dollar so that it might retain its function as the world's reserve currency. But to suppress the price of gold is to disable the barometer of the international financial system so that all markets may be more easily manipulated. This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world. Surreptitious market manipulation by government is leading the world to disaster. We want to expose it and stop it.

Who are we?

We're the Gold Anti-Trust Action Committee Inc., a non-profit, federally tax-exempt civil rights and educational organization formed by people who recognize the necessity of free markets in the monetary metals. For information about GATA, visit <http://www.GATA.org>

GOLD ANTI-TRUST ACTION COMMITTEE INC.

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CPowell@GATA.org

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GATA

The fun part is the release announcement was in the morning of June 23. Weeks later the release of the Fed minutes of June 21 and June 22 revealed their first discussions that more stimulus might be needed.

IT ALL FITS.

And just two weeks ago, gold was given waterfall treatment on the downside three times in ONE WEEK, in order to protect 22,000 gold calls at a \$1600 strike price. It was clear to us on Planet GATA, this was the work of The Gold Cartel. Each time gold came right back.

Now, many of you who have followed GATA over the years know that we are an activist organization. We walk the walk, not just talk the talk. This includes numerous trips to Washington over the years (including a meeting with the Speaker of the House), organizing letter campaigns to various Congressmen and Senators, suing the Fed, having conference such as this one, etc.

One of our efforts stands out in particular ... GATA's appearance in front of the CFTC on March 25th of last year. It was a webcast event of a CFTC futures position limit hearing. Thanks to CFTC Commissioner, Bart Chilton, whom I had met in Washington in December of 2008, GATA was given one of the slots to give our views.

Did that ever turn out to be a Wild West show!

Here's what happened, which will give you an idea what GATA is up against...

- GATA's prepared 5 minute testimony was sent to CFTC Commissioner Gary Gensler, a Goldman Sachs alum. In that testimony we went into the manipulation of the gold/silver markets, citing HSBC and JP Morgan's massive short positions in gold and silver respectively.
- Prior to what GATA had to say, chairman Gensler made a remark about not getting into specific allegations. Commissioner Chilton was incensed and responded as to whether this hearing was about "censorship?" Gensler backed off, well almost.

- As soon I began to talk, the webcast went down. As soon as I finished, it went back up. Coincidence?
- What Gensler didn't know was, that Commissioner Chilton had promised me a softball question. Gensler tried to cut off questions before I got my turn. Chilton, a true Eliot Ness, wouldn't let him.
- What Gensler also did not know, is my question would allow me to discuss a silver market whistleblower named Andrew Maguire (ironically, a former Goldman Sachs trader) who had been feeding the CFTC input about JP Morgan manipulating the silver market ... how they did it, and letting the CFTC know in advance when JPM was going to attack. Andrew thought he would be called to testify, but the CFTC (Gensler) turned him down.
- So Andrew turned to GATA's Adrian Douglas about what was going on, just a few days before the hearing. As you know, Andrew will be making some comments later today, so I am not going to leave his story to him. But what fun, Adrian I worked for hours in Washington preparing a one page statement about JPM and their silver market manipulation.
- When I got my softball question, I read the bombshell statement. It was too late for the surprised Gensler to tell the TV crew to shut off the webcast. To say the least it went viral on the internet. Meanwhile, NONE of the press that were there, including Reuters, mentioned GATA or this expose. What a farce!
- The price of silver at the time was \$16 and change. Within a year the price shot up to close to \$50. Whether this event was the catalyst to finally get silver moving, we will never know. However, there are many that credit Andrew Maguire's tenacious and courageous efforts to expose JP Morgan, and the vulnerability of their naked short positions in silver, as just that.
- As to how silver is related to the gold price manipulation scheme, The Gold Cartel needed to stay all over silver. Couldn't have a dichotomy between the two. Both are intertwined and are looked at as key precious metals. Along with the decision to manipulate the price of gold, a decision was made to manipulate the price of silver.

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America is at a crossroads...

If we solve every problem facing this nation today but do not bring back sound money, Thomas Jefferson's words will ring true and the banks and corporations will deprive the people of all property and our children will wake up homeless in this great nation which our forefathers conquered.

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- What more need be said about silver after Eric's brilliant presentation last evening. Pick a price number on the upside as the aftermath effect of JP Morgan's shenanigans. JPM is in some pickle. What's coming down the pike, couldn't happen to a nicer bunch of guys ... and one girl, the one who runs their commodity operations.

I'd like to close by making note that the gold/silver market is the least frothy one, for all the prices have done the past decade, in the history of the world. Think of how few Americans own gold and silver compared to the days of Internet frenzy. Look at how laborious many of the gold/silver shares have been the last years. While, there have been some superstars, some of whom are here at this conference, most have diddled, and recently have been crushed.

This will change. When Planet Wall Street, and even many traditional gold/silver share investors, wake up to what the prices of gold and silver are REALLY going to do on the upside, most of the gold/silver shares are going to go berserk. Our tiny market cap sector will not be able to handle all the buying without that being the case once THE light bulb goes on. Gains of 1,000 to 2,000 per cent will be common. After all

these bull market years, the investment opportunity of a lifetime is right here for the taking.

So remember ...

GATA BE IN IT TO WIN IT!

Thank you.
Bill Murphy



Photo courtesy Maryanne Russell & Associates Photography. To see all the GATA photos, please visit her web site.

<http://www.maryannerussell.com/gata2011/>

(below) A photo of the crowd from the event. In the bottom left corner, the second man over to the right, sitting, is whistleblower Andrew Maguire. This is the first photo we have ever had of Mr. Maguire.

Source: http://www.lemetropolecafe.com/matisse_table.cfm?pid=9411



GATA at the Toronto Conference

September 15th -16th

GATA Chairman Bill Murphy and secretary/treasurer Chris Powell will participate again in the Toronto Resource Investment Conference, to be held Thursday and Friday, September 15 and 16, at the beautiful Sheraton Centre Downtown Hotel, and we'll be joined by two dozen other speakers, including GATA favorites Al Korelin of the Korelin Economics Report, David Franklin of Sprott Asset Management, newsletter writers Jay Taylor, Peter Grandich, and Thom Calandra, and GoldSeek.com proprietor Peter Spina. And more than 150 public resource companies will be exhibiting and making top executives available for discussions with potential investors. Admission is free for those who register in advance. Otherwise it will be \$20 at the door. To register and find out more about the Toronto conference, please visit:

<http://cambridgehouse.com/conference-details/toronto-resource-investment-conference-2011/32>

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What makes GATA different is that we are the only activist organization in the gold industry ... at least as far as anything that really counts. On December 18, 2008 I met with CFTC Commissioner Bart Chilton, and three others including their Senior Counsel, laying out GATA's case in the process. Bart is unique in the bureaucratic world and a heckuva smart guy, but the bottom line is despite one on-going investigation in the silver market after another, due to the incredible concentrated short positions of a very few bullion banks, the CFTC does nothing and allows no public comment on this most critical issue re their hearings. Instead they muddle around about zip in the energy and grain markets.

GATA has been all over the manipulation of the gold/silver markets with the CFTC as long as Harry Markopolis tried to expose Madoff with the SEC ... with a similar response. This lack of response to a decade of GATA's efforts deserves serious media inquiry.

Add all this up and you have the recipe for the PERFECT GOLD STORM, one which will send The Gold Cartel reeling and the price of gold headed towards the moon.

Bill Murphy

THE GATA STORY

- **The Gold Anti-Trust Action Committee (GATA) was formed in January 1999 by Bill Murphy, the proprietor of www.LeMetropoleCafe.com, and Chris Powell, the Editor of The Journal Inquirer in Manchester, Connecticut, to expose and oppose the manipulation and suppression of the price of gold. Our efforts to expose manipulation in the gold market parallel those of Harry Markopolos to expose the Madoff Ponzi scheme to the Securities and Exchange Commission. April 27, 1999 – Chairman Bill Murphy met with James Saxton, Chairman of the Joint Economic Committee, in Washington to expose the gold price manipulation scheme.**
- **May 10, 2000 – A GATA delegation met with Dennis Hastert, Speaker of the House, to do the same. He arranged a meeting with Alabama Congressman Spencer Bachus, Chairman of the House Sub Committee on Domestic and International Monetary Policy (this committee has mandated oversight on gold and silver), and 7 of his staff that afternoon.**
- **On December 7, 2000 GATA consultant Reg Howe filed a lawsuit in the United States District Court for the District of Massachusetts, Boston, Massachusetts, against The Gold Cartel...**

Civil Action No.
00-CV-12485-RCL

Reginald H. Howe,)
 Plaintiff,)
)
 v.)
)
Bank for International Settlements,)
Alan Greenspan,)
William J. McDonough,)
J.P. Morgan & Co. Inc.,)
Chase Manhattan Corp.,)
Citigroup, Inc.,)
Goldman Sachs Group, Inc.,)
Deutsche Bank AG and)
Lawrence H. Summers,)
Secretary of the Treasury,)
 Defendants.

The judge on the case did not make one disparaging comment about what Reg Howe presented, but dismissed the case saying he did not have the proper legal standing to go forward with the suit.

- On May 10, 2001 we held the GATA African Gold Summit in Durban, South Africa. Five sub-Saharan African nations attended, as did the South African Reserve Bank, major gold mining producers, labor unions, etc. It received prime time TV coverage on the South African Broadcasting Network.
- GATA chairman Bill Murphy went to Austin, Texas in 2001 (the state capital) to meet with two of President's Bush's boyhood friends from Midland, Texas. One, Tom Craddick, was the Texas Speaker of the House. He sent a two page executive summary of GATA's findings on President's Bush's private fax, the day after I met him. I received a postmarked letter that same day from the President's economic advisor at the time, Larry Lindsay. Lindsay said he could not discuss the matter due to Reg Howe's lawsuit.
- The GATA Army has sent thousands of letters to various Congressman over the years. One, effected Kentucky Senator Jim Bunning of Hall

of Fame baseball pitcher renown, to query Fed Chairman Greenspan to clarify legal counsel Virgil Mattingly's use of the term "gold swaps" which GATA found in prior Fed minutes..."I said that day but I can confirm that I have no knowledge of any "gold swaps" by either the Federal Reserve or the ESF. I believe that my remarks, which were intended as a general description of the authority possessed by the Secretary of the Treasury to utilize the ESF, were transcribed inaccurately or otherwise became garbled." Fed minutes, garbled ... the most scrutinized word for word by the financial world ... garbles? What BS of the highest order!

- Oleg V. Mozhayskov, Deputy Chairman of the Central Bank of Russia, brought GATA to the attention of the mainstream gold world. Mozhayskov delivered the keynote address at the London Bullion Dealers Conference in Moscow on June 4th 2004. His speech was delivered in Russian. The only words he mentioned in English were Gold Anti-Trust Action Committee (or GATA). In that speech he stated:

“Many have heard of the group of economists who came together in the society known as the Gold Anti-Trust Action Committee and started a number of lawsuits against the U.S. government, accusing it of organising an anti-gold conspiracy. They believe that with the assistance of a number of major financial institutions (they mention in particular the Bank for International Settlements, J.P. Morgan Chase, Citigroup, Deutsche Bank, and others), some senior officials have been manipulating the market since 1994. As a result, the price dropped below US\$300 an ounce at a time when it should, if it had kept pace with inflation, reached US\$740-760.”

- On August 8th and 9th 2005 GATA hosted Gold Rush 21 in Dawson City, Canada, a historic conference held in the Yukon to expose the manipulation of the gold market. One hundred delegates attended from 14 countries, including Andrey Bykov, an economic consultant to Russian President Vladimir Putin. To view the two minute trailer of this magical gathering, go here:

<http://www.gata.org/node/20>

The speakers:

Reg Howe – (pointing to a chart) Harvard Law

Bob Landis - Harvard Law

Peter George – The “Mr. Gold” of South Africa

John Embry – Sprott Asset Management and Canada’s “Mr. Gold”

Bill Murphy – School of Hotel Administration, Cornell University

James Turk – Chase Bank and www.

GoldMoney.com

Bob Landis

John Brimelow – Stanford Business School

John Embry

Adam Fleming – former Chairman of Harmony Gold and now Wits Gold Chairman

Hugo Salinas Price – the “Mr. Silver” of Mexico

Chris Powell – Managing Editor of the Journal Inquirer in Manchester, Connecticut

- On April 18 hosted the GATA Goes To Washington conference in Arlington, Virginia. 180 attendees came from 17 countries for the gathering. The conference showcased GATA’s FOIA efforts to learn the truth about US gold reserves from the Fed and US Treasury ... which has led to a GATA lawsuit against the Federal Reserve System in The United States District Court For The District of Columbia...

<http://www.gata.org/node/9092>

- Understanding that the manipulation of the price of gold is profoundly important to all markets and the American public, on January 31, 2008, GATA placed a \$264,000 full-page color advertisement in The Wall Street Journal. GATA’s ad warned, “This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world.” What GATA warned against has come to pass.

<http://www.gata.org/node/wallstreetjournal>

Anybody Seen Our Gold?

The gold reserves of the United States have not been fully and independently audited for half a century. Now there is proof that those gold reserves and those of other Western nations are being used for the surreptitious manipulation of the international currency, commodity, equity, and bond markets.

The Federal Reserve’s general counsel, J. Virgil Mattingly, acknowledged as much when he told the Federal Open Market Committee on January 31, 1995, that the Treasury Department’s Exchange Stabilization Fund had undertaken gold swaps.

Federal Reserve Chairman Alan Greenspan acknowledged as much in testimony to Congress on July 24, 1998, when he said that “central banks stand ready to lease gold in increasing quantities should the price rise.”

Barick Gold Corp. acknowledged as much in a filing in U.S. District Court in New Orleans on February 28, 2003, asserting that the mining company was the instrument of the central banks in shorting the gold market.

The Bank for International Settlements acknowledged as much on June 27, 2005, when the head of its monetary and economic department, William S. White, declared at a convention of central bankers in Basel, Switzerland, that a major purpose of international central bank cooperation is “the provision of international credits and joint efforts to influence asset prices — especially gold and foreign exchange.”

Since last May the U.S. Treasury Department’s weekly report of the government’s international reserve position has cited loans and swaps from the U.S. gold reserves.

Since 2004 four major international investment houses — Sprott Asset Management, Cheuvreux, Citigroup, and Redburn Partners — have issued reports stating that Western central banks have been manipulating the gold market.

The objective of this manipulation is to conceal the mismanagement of the U.S. dollar so that it might retain its function as the world’s reserve currency. But to suppress the price of gold is to disable the barometer of the international financial system so that all markets may be more easily manipulated. This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world.

Gold’s recent rise toward \$900 per ounce shows that the price suppression scheme is faltering. When it is widely understood how central banks have been suppressing gold, its price may rise to \$3,000 or \$5,000 or more.

Surreptitious market manipulation by government is leading the world to disaster. We want to expose it and stop it.

Who are we?

We’re the Gold Anti-Trust Action Committee Inc., a non-profit, federally tax-exempt civil rights and educational organization formed by people who recognize the necessity of free markets in the monetary metals. In May 2001 we gathered representatives of five gold-producing African countries in Durban, South Africa, at the GATA African Gold Summit. In August 2005 we brought gold market experts and investors from around the world to the Gold Rush 21 conference in Dawson City, Yukon Territory, Canada, excerpts of which you can watch on the Internet here:

www.GoldRush21.com

Now GATA is marching on the Treasury Department to demand, via the Freedom of Information Act, that the U.S. government come clean about its gold reserves — to disclose how much gold is left and how much has been compromised by leases, swaps, and other encumbrances undertaken for surreptitious market intervention.

So that we may explain how the unfolding world financial disaster can be mitigated and why free markets in the monetary metals are essential to free markets everywhere, we invite you to join us at our next conference — “GATA Goes to Washington: Anybody Seen Our Gold?” — to be held Thursday through Saturday, April 17-19.

For information about that conference and GATA, visit www.GATA.org.

 William J. Murphy III <i>Chairman</i> Proprietor of the Internet site of financial commentary, LeMetropole Cafe.com in Dallas, former commodities trader, and former wide receiver for the Boston Patriots.	 Chris Powell <i>Secretary-Treasurer</i> Managing editor of the Journal Inquirer in Manchester, Connecticut, and legislative chairman of the Connecticut Council on Freedom of Information.	 Ed Steer <i>Director</i> Edmonton, Alberta-based market analyst for Casey Research LLC.	 Wistar Holt <i>Director</i> Portfolio manager for Holt & Shagard Capital Management LLC, St. Louis.	 Catherine Austin Fitts <i>Director</i> President of Solaris Inc. in Hickory Valley, Tennessee, former managing director of Dillon, Read & Co. Inc., and former assistant secretary of the U.S. Department of Housing and Urban Development.
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GOLD ANTI-TRUST ACTION COMMITTEE INC.
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GATA

- Much of what GATA has to say is about is based on public documentation...

Fed chairman, Arthur Burns, Alan Greenspan, Paul Volcker and William McChesney Martin all spoke on the public record about manipulating the gold market ... as have the BIS and Australian Reserve Bank...

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One of the most important items ever presented and read into the record during a CFTC meeting came from GATA's Bill Murphy

GATA appeals to CFTC to act against manipulative shorts

Dear Friend of GATA and Gold:

GATA today delivered to the chairman of the U.S. Commodity Futures Trading Commission, Gary Gensler, a letter from GATA Chairman Bill Murphy, appealing to the CFTC to act against the concentrated and manipulative short positions in the precious metals markets. The commission is expected to hold a hearing this month on establishing position limits in those markets. Murphy's letter is appended.

CHRIS POWELL, Secretary/Treasurer
Gold Anti-Trust Action Committee Inc.

* * *

March 8, 2010

Gary Gensler, Chairman
U.S. Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st St. NW
Washington, DC 20581

Dear Chairman Gensler:

The Gold Anti-Trust Action Committee (GATA) was formed in January 1999 to expose and oppose the manipulation and suppression of the price of gold. What we have learned over the past 11 years is of great importance in regard to the CFTC's forthcoming hearings regarding position limits in

the precious metals futures markets. Our efforts to expose manipulation in the gold market parallel those of Harry Markopolos to expose the Madoff Ponzi scheme to the Securities and Exchange Commission.

Initially we thought that the manipulation of the gold market was undertaken as a coordinated profit scheme by certain bullion banks, like JPMorgan, Chase Bank, and Goldman Sachs, and that it violated federal and state anti-trust laws. But we soon discerned that the bullion banks were working closely with the U.S. Treasury Department and Federal Reserve in a gold cartel, part of a broad scheme of manipulation of the currency, precious metals, and bond markets.

As an executive at Goldman Sachs in London, Robert Rubin developed an idea to borrow gold from central banks at minimal interest rates (around 1 percent), sell the bullion for cash, and use the cash to fund Goldman Sachs' operations. Rubin was confident that central banks would control the gold price with ever-more leasing or outright sales of their gold reserves and that consequently the borrowed gold could be bought back without difficulty. This was the beginning of the gold carry trade.

When Rubin became U.S. treasury secretary, he made it government policy to surreptitiously operate an identical gold carry trade but on a much larger scale. This became the principal mechanism of what

was called the “strong-dollar policy.” Subsequent treasury secretaries have repeated a commitment to a “strong dollar,” suggesting that they were continuing to feed official gold into the market more or less clandestinely to support the dollar and suppress interest rates and precious metals prices.

Lawrence Summers, who followed Rubin as treasury secretary, was an expert in gold’s influence on financial markets. Previously, as a professor at Harvard University, Summers co-authored an academic study titled “Gibson’s Paradox and the Gold Standard,” (see Footnote 1 below) which concluded that in a free market gold prices move inversely to real interest rates, and, conversely, if gold prices are “fixed,” then interest rates can be maintained at lower levels than would be the case in a free market. This was the economic theory behind the “strong dollar policy.”

Federal Reserve Chairman Alan Greenspan understood Summers’ research when he remarked at a 1993 meeting of the Federal Open Market Committee:

“I was raising the question on the side with Governor Mullins of what would happen if the Treasury sold a little gold in this market. There’s an interesting question here because if the gold price broke in that context, the thermometer would not be just a measuring tool. It would basically affect the underlying psychology.” (See Footnote 2 below.)

GATA has collected reams of evidence that Western central bank gold has long been mobilized and surreptitiously dishoarded to rig the gold market and influence related markets and that this rigging has drawn upon the U.S. gold reserves.

President Obama has called for greater transparency in both the federal government and the financial markets. In pursuit of such transparency GATA has made Freedom of Information Act requests to the Federal Reserve and Treasury Department for a candid accounting of their involvement in the gold market, particularly in regard to gold swaps. In a reply to GATA’s lawyers dated September 17, 2009, Fed Governor Kevin M. Warsh acknowledged that the Federal Reserve has gold swap agreements with

foreign banks but insisted that such documents remain secret. (See Footnote 3 below.)

As a result, last December GATA sued the Federal Reserve in U.S. District Court for the District of Columbia, seeking access to the Federal Reserve’s withheld records of gold swaps.

Understanding that the manipulation of the price of gold is profoundly important to all markets and the American public, on January 31, 2008, GATA placed a full-page color advertisement in The Wall Street Journal at a cost of \$264,000. (See Footnote 4 below.) GATA’s ad warned, “This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world.” What GATA warned against has come to pass.

GATA has long implicated the New York Commodities Exchange (Comex) as being a mechanism by which gold and silver price suppression is implemented. The smoking gun is the excessive concentration of bullion bank positions in the gold and silver futures markets. This concentration enables market manipulation -- just as market concentration was the justification offered by the CFTC in 1980 when it acted against the Hunt Brothers in the silver market.

The weekly commitment of traders report documents the total net short position of commercial traders in the commodity markets. The monthly bank participation reports disclose the holdings of U.S. banks in various markets. In a letter to GATA dated February 19, 2009, Laura Gardy, a CFTC legal assistant, wrote, “The commission determined that where the number of banks in each reporting category is particularly small, fewer than four banks, there exists the potential to extrapolate both the identity of individual banks and the banks’ positions. As a result, as of December 2009 the CFTC no longer names the number of banks when it is less than four.”

The CFTC has been investigating possible manipulation of the silver market for more than a year, so this reporting change is disturbing to us, as it reduces transparency and the ability to uncover market manipulation.

The CFTC's own reports of November 2009 show that just two U.S. banks held 43 percent of the commercial net short position in gold and 68 percent of the commercial net short position in silver. In gold, these two banks were short 123,331 contracts but long only 523 contracts, and in silver they were short 41,318 contracts and long only 1,426 contracts. How improbable is it that these two banks attract most of the investors who want only to sell short? (See Footnote 5 below.)

It has been possible to extrapolate that the two banks that hold these large manipulative short positions on the Comex are JPMorgan Chase and HSBC because of their huge positions in the OTC derivatives market, whose regulator, the U.S. Office of the Comptroller of the Currency, does not provide anonymity when it publishes market data. (See Footnote 6 below.) In the first quarter 2009 OCC derivatives report, JPMorgan Chase and HSBC held more than 95 percent of the gold and precious metals derivatives of all U.S. banks, with a combined notional value of \$120 billion. This concentration dwarfs the concentration in the gold and silver futures markets and should raise great concern about the lack of position limits on the Comex.

It is also disturbing to us that HSBC is the custodian for the major gold exchange-traded fund, GLD, and that JPMorgan Chase is the custodian for the major silver exchange-traded fund, SLV. It is a significant material omission to fail to disclose to GLD and SLV investors that the custodian banks of the two exchange-traded funds have an interest in falling prices in the futures and derivatives markets.

Detailed daily monitoring of gold trading reveals these patterns:

1. In recent years gold price suppression has been apparent from the near-complete failure of the gold price to rise more than 2 percent per day on the Comex (what GATA calls the 2 Percent Rule) while there is no corresponding restriction on days when the gold price is falling.

2. At option expiry gold almost always falls to a point where a large number of call options have been written, nullifying the value of the options. Typically, the price rallies immediately after option expiration.

3. The gold price consistently falls at 3 a.m. New York time when the gold cartel's traders report to work in London, and again following the PM gold price fix, when physical market pricing has concluded for the day, and in the access market following the Comex close.

No other market trades so repetitively.

GATA has evidence that there are enormous physical short positions in the gold and silver markets that cannot be covered. Because of the decades-long interference with the gold market, we estimate that the free-market price of gold is multiples of the current price. Growing stress caused by burgeoning physical bullion demand is threatening to lead to a price explosion, which will restore to the market the balance that regulation has failed to maintain. In our view, the Comex paper market will become dysfunctional, with "force majeure" having to be declared as the concentrated shorts are unable to deliver on their obligations.

We urge the CFTC to report fully and candidly on these markets and take appropriate action.

Sincerely,

WILLIAM J. MUPRHY III, Chairman
Gold Anti-Trust Action Committee Inc.

... Footnotes:

1. "Gibson's Paradox Revisited: Professor Summers Analyzes Gold Prices" by Reginald H. Howe.

<http://www.goldsextant.com/>

2. <http://www.federalreserve.gov/monetarypolicy/files/FOMC19930518meeting.pdf>

3. <http://www.gata.org/files/GATAFedResponse-09-17-2009.pdf>

4. <http://www.gata.org/node/wallstreetjournal>

5. <http://www.cftc.gov/dea/bank/deanov09f.htm>

6. <http://www.gata.org/node/7307>



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CHRIS POWELL: Who will put the gold questions to central banks?



Remarks by Chris Powell, Secretary/Treasurer
Gold Anti-Trust Action Committee Inc.
GATA Gold Rush 2011
Savoy Hotel, London
Friday, August 5, 2011

Those of you who have been following GATA for a long time are owed a bit of an apology from me today. For I will say some things you have heard before, as they may be new to others here, as I'm reminded of the advice given to me some years ago by a friend who was twice elected to Connecticut's state legislature, three times to the U.S. House of Representatives, and three times as governor of Connecticut. He told me that repetition is crucial in politics, and that, tedious as it may seem, just when you think you're going to have to kill yourself if you say something over again, that's when people are just starting to listen.

Of course that was before he disgraced the state, was caught taking gifts from government contractors, resigned under threat of impeachment, pleaded guilty to a federal corruption charge, and was sent to prison for a year. But I guess he didn't get everything wrong.

GATA is still about what it was about when it was founded in January 1999 -- exposing and opposing the rigging of the gold market and related markets.

Why is the gold market rigged?

It's rigged because, despite Federal Reserve Chairman Ben Bernanke's insistence the other day that gold is not money, just "tradition," gold is indeed a currency that competes brutally with government-issued currencies and helps determine not only the value of those currencies but also the level of interest rates and the value of government bonds. This was all documented in an academic study published in June 1988 in the Journal of Political Economy written by Harvard economics professor Lawrence Sum-

mers and University of Michigan economics professor Robert Barsky. This Summers-Barsky study was unearthed and interpreted by another speaker at this conference, gold price suppression litigator Reg Howe. The study implied that if governments could get control of the gold price, they could also get control of interest rates.

Of course Summers went on to become U.S. treasury secretary, an office in which expertise in controlling the gold price is highly desirable.

How is the gold price rigged, and by whom?

It is rigged openly through outright sales of gold by central banks, as it was rigged openly in the 1960s by the association of Western central banks known as the London gold pool, and, since the gold pool's collapse in 1968, rigged both openly and surreptitiously through central bank sales and leases and by bullion bank short positions and derivatives that are backstopped by access to Western central bank gold.

GATA has established this extensively from official sources whose admissions are compiled in the "Documentation" section of our Internet site:

<http://www.gata.org/taxonomy/term/21>

That is, the gold price suppression scheme is not what it is disparaged as being, "conspiracy theory." Rather it is a matter of public record -- at least for those who want to look at the record. I would welcome an opportunity to examine and discuss this record in detail, document by document, with any doubters in a public forum. Some of the most incriminating material remains posted at Federal Reserve Internet sites.

But the official record of gold price suppression is not merely historical. Thanks to GATA's work, it is very contemporary as well. That's what I'd like to update you about today.

Two years ago, using the federal Freedom of Information Act, GATA asked the Federal Reserve to provide access to its gold records, particularly its

records involving gold swaps. Gold swaps are trades of gold between central banks, enabling one central bank to intervene in the gold market at the behest of another, keeping the other's fingerprints off the intervention. Gold swaps are a primary mechanism of the gold price suppression scheme.

While the Fed refused to give us access to its gold records, in adjudicating our request internally the Fed did make, perhaps inadvertently, a sensational disclosure. On September 17, 2009, the member of the Fed's Board of Governors who was acting as the judge of our request, Kevin M. Warsh, wrote a letter to GATA's lawyer, William Olson of Vienna, Virginia, confirming the Fed's denial of access. Among the records being withheld from us, Warsh disclosed, were records about the Fed's gold swap arrangements with foreign banks, which, he wrote, "is not the type of information that is customarily disclosed to the public":

<http://www.gata.org/files/GATAFedResponse-09-17-2009.pdf>

This admission of gold swap arrangements plainly contradicted previous statements by the Fed that it was not involved in the gold market in any way.

Unwilling to let Fed Governor Warsh's letter be the last word on access to the Fed's gold records, on December 31, 2009, GATA sued the Fed in U.S. District Court for the District of Columbia. The Fed told the court that the Fed really couldn't find many records involving gold. Implausible as this was, unfortunately the judge, Ellen Segal Huvelle, denied GATA's request to interrogate Fed officials under oath about what seemed to us to be their wholly inadequate search. Whereupon the judge reviewed, privately in her chambers, the few documents the Fed had submitted, and on February 3 this year she ruled that the Fed could keep secret all but one of those records. She ordered the Fed to disclose that one record to GATA within two weeks.

On February 18 this year the Fed released the document -- the minutes of the April 1997 meeting of the G-10 Gold and Foreign Exchange Committee as compiled by an official of the New York Federal Reserve bank. The minutes showed government and central bank officials conspiring in secret to coordinate their gold market policies.

Perhaps of equal interest, the Fed claimed not to be able to find minutes of any other meeting of the G-10 Gold and Foreign Exchange Committee. Either the the G-10 Gold and Foreign Exchange Committee has met only that once, in April 1997, or the Fed was not represented at any other such meetings, or such minutes were conveniently misplaced for the purposes of GATA's lawsuit.

Thus GATA's lawsuit established that the Fed, despite its protests of innocence, has many gold secrets after all even as we managed to pry a couple of those secrets loose and publicize them -- first, that the Fed has gold swap arrangements, and second, that in 1997 the Fed was conspiring with other central banks to coordinate their gold market policies, and that there was no announcement of this.

Almost as gratifying to us was that, since the court found that the Fed had illegally withheld that one document from us, Judge Huvelle ordered the Fed to pay court costs to GATA, which the Fed did in May, sending us a check for \$2,870, which we'll display here later today.

But the revelations about central bank gold swaps don't end there. In August 2009, while GATA was waging its freedom-of-information battle against the Fed, our consultant, Rob Kirby of Kirby Analytics in Toronto, wrote to the German central bank, the Bundesbank, about a report that most of the German national gold was being kept outside Germany, particularly in New York, presumably at the New York Fed.

The Bundesbank replied to Kirby as follows:

“The Deutsche Bundesbank keeps a large part of its gold holdings in its own vaults in Germany, while some of its gold is also stored with the central banks located at major gold trading centres. This has historical and market-related reasons, the gold having been transferred to the Bundesbank at these trading centres. Moreover, the Bundesbank needs to hold gold at the various trading centres in order to conduct its gold activities.”

So the Bundesbank says it keeps much of its gold at “trading centers” so that it may conduct its “gold activities.”

What are those activities exactly?

In late 2010 the German journalist Lars Schall, who is here at this conference today, sought to follow up with the Bundesbank, posing 13 questions about those “gold activities,” particularly as to whether the Bundesbank has any gold swap arrangements with the United States. The Bundesbank replied to Schall as follows:

“In managing foreign reserves, the Bundesbank fulfils one of its mandated tasks as an integral part of the European System of Central Banks. We trust you will understand that we are not able to divulge any further information regarding this activity. Particularly with respect to the confidential nature of information about where gold holdings are kept, we are unable to go into any greater detail concerning exact locations and the quantities stored at each of these. Likewise, owing to the strategic nature of the activity, we are not at liberty to provide you with more detailed information about gold transactions.”

That seems like a pretty good confession that the Bundesbank has undertaken gold swaps as part of what it considers “strategic activity.”

Another pretty good confession of the secret maneuvers being played with gold came at the hearing held by U.S. Rep. Ron Paul's House Subcommittee on Domestic Monetary Policy and Technology on June 23 this year, a hearing I attended. The Treasury Department's inspector general, Eric M. Thorson, testified that he had been told that no part of the U.S. gold reserve was encumbered. But he did not say exactly who told him this, so his comment was only hearsay. And when Thorson was asked just where the gold pledged by the United States to the International Monetary Fund is kept and how it is accounted for, Thorson couldn't say.

Three years ago when GATA put similar questions to the IMF -- “Exactly where is your gold, and do you possess it or is it just a claim on the gold reserves of your member nations?” -- the IMF was at first evasive and then abruptly cut off the correspondence without

If George III Had Internet Surveillance:

Thomas Jefferson
Died July 3, 1776

After-action report:

The Office of Colonial Security had monitored suspicious transmissions between one Thomas Jefferson, who is described as studious and secretive, and at least a dozen other radical extremists, over a period of months. Finally, on July the second, they agreed together to execute their plan. Acting selflessly to preserve our way of life, agents of the Colonial Security Administration risked their lives storming the homes of the traitors and arrested them. However, the author of their extremist manifesto, Jefferson, after apparently setting his home afire with oil lamps, died in the resulting conflagration. All known copies of the manifesto were destroyed in the above-mentioned actions.

*Privacy is a
tragic thing
to lose.*



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Hugo Salinas Price: President, Mexican Civic Association Pro Silver, A.C.



Chris Powell, Secretary/Treasurer Gold Anti-Trust Action Committee Inc.

Photos courtesy Maryanne Russell & Associates Photography. To see all the GATA photos, please visit her web site. <http://www.maryannerussell.com/gata2011/>

John Embry: Chief Investment Strategist for Sprott Gold & Precious Minerals Fund



Andrew Maguire, London commodities trader and CFTC whistleblower



answering.

But then most official gold data is actually disinformation.

For the six years prior to 2009 China reported to the IMF that it held 600 tonnes of gold. But in April 2009 China reported that its gold reserves had increased by 76 percent, from 600 tonnes to 1,054 tonnes. Had China obtained the new 454 tonnes only in the past year? Of course not; China had been accumulating gold steadily without reporting it for six years.

In June 2010 the World Gold Council reported that Saudi Arabia had increased its gold reserves by 126 percent since 2008, from 143 tonnes to 323 tonnes. But a few weeks later the governor of the Saudi Arabia Monetary Authority said Saudi Arabia had not been purchasing gold lately and that the 143 tonnes in question had been held all along in what he called “other accounts” -- held in accounts not being reported by Saudi Arabia.

That is, the true disposition of national gold reserves is a secret more sensitive than the disposition of nuclear weapons. For gold is a weapon just as powerful -- a weapon crucial to market rigging, the secret knowledge of the financial universe. And while nuclear weapons can be used for blackmail, market rigging is a far more effective mechanism for looting the world.

Many of you have heard about the looting of Europe undertaken by the Nazi German occupation during World War II. But most of that looting did not take place as it is imagined, at the point of a gun. No, it took place through the currency markets.

This looting through the currency markets was spelled out by the November 1943 edition of a military intelligence letter published by the U.S. War Department, a letter called Tactical and Technical Trends. Of course the Nazi occupation seized whatever central bank gold reserves had not been sent out of the occupied countries in time. But then the Nazi occupation either issued special occupation currency that could not be used in Germany itself or, in countries that had strong banking systems, took over the domestic central bank and enforced an exchange rate much more favorable to the reichsmark. Or else the Nazi occupation simply printed for itself and spent huge new amounts of the regular currency of

the occupied country.

It was this control of the currency markets that drafted everyone in the occupied countries into the service of the occupation and achieved a one-way flow of production, a flow out of the occupied countries and into Nazi Germany.

For a few years Nazi Germany had one hell of a trade deficit -- and couldn't have cared less about it. For controlling the currencies of occupied Europe, Nazi Germany never had to cover that deficit, at least not as long as the military occupation continued.

Since the United States now issues the reserve currency for the world, the dollar, the United States now more or less occupies most countries economically, even those countries that have their own currencies, since even those countries hold most of their foreign exchange reserves in dollars. Thus the current one-way flow of production -- out of the rest of the world and into the United States.

This exploitation is not well-publicized but it is no secret.

In the 1960s France's finance minister called it an “exorbitant privilege” for just one country -- the United States -- to be able to issue the world reserve currency.

In 2004 the deputy chairman of the Bank of Russia, Oleg Mozhaikov, told the London Bullion Market Association conference held in Moscow:

“Although there are several reserve currencies, the blatant lack of discipline is demonstrated by the U.S. dollar. I am leaving aside the main aspects of this problem, such as the social and economic injustice of a world order that allows the richest country in the world to live in debt, undermining the vital interests of other countries and peoples. What is important for us today is another aspect, which is connected with the responsibility of the state issuing the reserve currency and for the international community preserving that currency's buying power.”

To be continued on page 42

Eric Sprott Will Keynote Silver Summit

**Oct. 20-21
Spokane, WA**

Sprott Asset Management CEO Eric Sprott will be the keynote speaker at Cambridge House International's Silver Summit 2011 conference, to be held Thursday and Friday, October 20 and 21, at the Davenport Hotel in Spokane, Washington.

Also speaking will be GATA Chairman Bill Murphy; David Morgan of Silver-Investor.com; Jeff Berwick, founder of Stockhouse.com and publisher of the Dollar Vigilante; CPM Group founder Jeff Christian; Kitco.com market analyst Jon Nadler of Kitco;

Louis James of Casey Research; James West of the Midas Letter; Greg McCoach of the Mining Speculator; Roger Wiegand of the Trader Tracks letter; Bottom Fishing Report editor John Kaiser; Bix Weir, publisher of the Road to Rوتا letter; and acclaimed winemaker Gordon Holmes.

Moderating the discussion panels will be Al Korelin of the Korelin Economics Report.

Dozens of resource companies will be exhibiting.

Admission will be \$40 or 1 ounce of silver.

A great short video about the conference has been posted at the Silver Miners Internet site here:

<http://www.silverminers.com/resources/videos/SilverSummit2009FinalQT.html>

To register and learn more about the conference, please visit:

<http://cambridgehouse.com/conference-details/the-silver-summit-2011/48>

“The Silver Summit is hailed as the world’s most comprehensive and personable resource investment conference. It’s held every October at the historic Davenport Hotel in Spokane, Washington, uniting silver producers, users and investors for two days of serious conversation, “hands-on” exposure to silver mining and great fun. The Silver Summit is proudly affiliated with Cambridge House International, the premier forum for natural resource producers and investors.”



THURSDAY October 20, 2011

6:30am	Registration Opens	
7:00am	Sponsored Breakfast	Silvercorp Metals Inc.
7:55am	Welcome to Silver Summit	David Bond, Silverminers.com
8:00am	Jeffrey Christian	CPM Group
8:30am	Roger Wiegand	Trader Tracks
9:00am	Corporate Presentation	Silvercorp Metals Inc.
9:20am	Corporate Presentation	SilverCrest Mines Inc.
9:40am	Corporate Presentation	Silver Wheaton Corp.
10:00am	Exhibition Hall Break	
11:00am	Eric Sprott	Sprott Asset Management
11:30am	Great Panther Silver Limited	
11:50am	Sponsored Lunch	Mines Management
1:00pm	Bix Weir	Road to Roota
1:30pm	James West	Midas Letter
2:00pm	Corporate Presentation	Minaurum Gold Inc.
2:20pm	Corporate Presentation	Canasil Resources Inc.
2:40pm	Corporate Presentation	Orex Minerals Inc.
3:00pm	Exhibition Hall Break	
4:00pm	Louis James	Casey Research, LLC
4:30pm	Corporate Presentation	Silvermex Resources Inc.
4:50pm	Corporate Presentation	Fortuna Silver Mines
5:10pm	Corporate Presentation	Hunt Mining
5:25pm	Corporate Presentation	Predator Silver
5:40pm	Panel	Al Korelin M/C, Louis James, Jeffrey Christian, Bix Weir, James West
6:10pm	Silent Auction/Cocktails/ Silver Baron's Banquet	Guest speaker: Gordon Holmes
9:00pm	End of Day	

FRIDAY October 21, 2011

6:30am	Registration Opens	
7:00am	Sponsored Breakfast	Endeavour Silver Corp.
8:00am	Jeff Berwick	The Dollar Vigilante
8:30am	Earl Bennett	Geology of the Silver Valley Update
9:00am	Corporate Presentation	Hecla Mining Company
9:20am	Corporate Presentation	US Silver Corp.
9:40am	Corporate Presentation	Endeavour Silver Corp.
10:00am	Exhibition Hall Break	
11:00am	David Morgan	Silver-Investor.com
11:30am	Corporate Presentation	First Majestic Silver Corp.
11:50am	Sponsored Lunch	Alexco Resource
1:00pm	Greg McCoach	The Mining Speculator
1:30pm	Bill Murphy/Chris Powell	GATA
2:00pm	Corporate Presentation	South American Silver Corp.
2:20pm	Corporate Presentation	Canadian Zinc Corp.
2:40pm	Corporate Presentation	Impact Silver Corp.
3:00pm	Exhibition Hall Break	
4:00pm	Corporate Presentation	Apogee Silver Ltd.
4:20pm	Corporate Presentation	Tahoe Resources Inc.
4:40pm	Corporate Presentation	Physical Precious Metals
5:00pm	John Kaiser	Bottom Fish Report
5:30pm	Panel: Myths & Truths in the Precious Metals Market	David Bond M/C, Jeffrey Christian, Bill Murphy, Earl Bennett, Jeff Berwick
6:00pm	Panel	Al Korelin M/C, James West, David Morgan, Greg McCoach, John Kaiser, Roger Wiegand
6:30pm	Cocktails Sponsored by Silver Circle & Silvermex Resources Inc.	Silver Circle, Silvermex Resources Inc.
9:00pm	End of Conference	



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CONTRIBUTING TO GATA

Here's how you can help GATA and become a part of history

The Gold Anti-Trust Action Committee was organized in January 1999 as a Delaware corporation to expose the manipulation of the gold market by certain bullion banks. As we believe these banks are acting in a manner that is in violation of the Sherman and Clayton Anti-Trust Laws, the committee is gathering evidence to support our claims.

We believe that these banks, with the possible assistance of the New York Fed or the Exchange Stabilization Fund, have controlled the gold market through the use of gold derivatives and borrowed gold. In doing so, it is our estimate that the gold loans now exceed 11, 000 tonnes. As mine supply in 1999 was only 2579 tonnes, the bullion banks are staring at an unstable financial structure that could blow up at any time.

The term loan is a bit of a misnomer as much of the borrowed gold has been sold as jewelry and cannot be called in.

The recent explosion of gold derivatives among certain bullion banks is staggering. An investigator retained by the Gold Anti-Trust Action Committee discovered \$38.1 billion of off-balance-sheet gold derivative contracts on the books of JPMorgan at the end of 1999. That is up from \$18.36 billion on July 1, 1999. Deutsche Bank now has \$50 billion of gold derivative contracts on its books - all accumulated over the past 4 years. It took a leading dealer, Chase Bank, 14 years to build a book of \$22 billion.

To date, the GATA Committee has received over \$212, 000 in contributions. Five major gold companies have supported us financially, as have 10 smaller ones and hundreds of individuals around the world.

As our effort is on going to expose one of the great financial scandals in American history is ongoing, we continue to seek financial support so that we can expose the truth about what is really going on in the gold market.

HOW TO HELP GATA:

If you benefit from GATA's dispatches, please consider making a financial contribution to GATA. We welcome contributions as follows.

By check:

**Gold Anti-Trust Action Committee Inc.
c/o Chris Powell, Secretary/Treasurer
7 Villa Louisa Road
Manchester, CT 06043-7541
USA**

By credit card (MasterCard, Visa, and Discover) over the Internet:

<http://www.gata.org/creditcard.html>

By GoldMoney:

<http://www.GoldMoney.com>

**Gold Anti-Trust Action Committee Inc.
Holding number 50-08-58-L**

By bank wire:

E-mail GATA at GATAComm@aol.com for details. Donors of \$750 or more will, upon request, be sent a print of Alain Despert's colorful painting symbolizing our cause, titled "GATA."

We will ship a print of the GATA painting to GATA's first 300 donors of \$750 or more, including those who already have donated that much. For the purpose of qualifying for a print, we'll count donations cumulatively. That is, if you've sent less than \$750 already, we'll send you a print if you donate further and reach \$750, for as long as prints remain in stock.

If you want a print, please tell us so and include an additional \$25 for shipping to addresses in the United States and Canada, and an additional \$75 for shipping elsewhere.

GATA is a civil rights and educational organization under the U.S. Internal Revenue Code and contributions to it are tax-deductible in the United States.



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**GATA
GOLD RUSH 2011
LONDON**
AUGUST 4 - AUGUST 6, 2011

**Louis Boulanger's report
on GATA's Gold Rush 2011
conference in London, which he
attended.**

The Gold Standard
The Gold Standard Institute Newsletter
Issue #8 • 15 August 2011
<http://www.goldstandardinstitute.net>

GATA Gold Rush 2011 Was a Blast!

—We remain largely amateurs. At the outset we did not half understand what was going on and what we were setting about to do. Our name preserves that imperfect understanding. We thought we had discovered just another anti-trust violation. It was a while before we perceived that we were up against government policy and that most of what we were discovering had been discovered long ago, at least in principle, just not well taught, publicized, preserved, and made timely again.

Chris Powell, Secretary/Treasurer, Gold Anti-Trust Action Committee Inc., in his opening address at the GATA Gold Rush 2011 conference at the Savoy Hotel in London on 5 August.

In the above remarks, Chris Powell was referring of course to when he and Bill Murphy established back in 1999 the anti-trust committee that is known as GATA. Little did they know, back then, just how rigged the gold market actually was; but it wasn't long before he and Bill realised who they were up against. The rest, as they say, is history. And the GATA Gold Rush conference in London on 4-6 August was exactly that: history in the making.

Never mind that the G7 countries (why do they even bother, still?!) were having a global conference call the

day after the GATA event in London. Never mind that S&P downgraded the US debt after the first day of the conference. What mattered was that just before the GATA conference started, Bill Murphy, GATA's Chairman, also affectionately known and much loved as Midas of LeMetropoleCafe.com, actually appeared on CNBC for the first time in over 10 years and wasted no time to tell us as it is! It is still posted on the CNBC website.

I consider it to have been a privilege to be able to attend the GATA Gold Rush 2011 event earlier this month in London. It was also a lot of fun. How could it not be, with guys like Bill and Chris and all the great speakers who came to impart their knowledge with all of us so generously? The location was the newly refurbished Savoy hotel in London: a true classic and the first hotel in London to have electricity and electric lifts in 1889 (although they did not call them lifts just yet, back then, but, „ascending rooms“! How befitting for the location of a global celebration of an ascending price of gold!

There were, according to Chris Powell, 400 delegates from 38 countries. I myself came from New Zealand, which has to be the farthest place from London on the planet. But I was not alone from New Zealand and there were quite a few Australians as well.

I often wish that GATA was more professional in their approach, so that the professional investment community, including the CFA Institute and all its members and CFA charter holders, who claim to abide by the highest standards and always act in their clients' best interests when they manage other people's money, would at least pay some attention to the impressive record of irrefutable evidence (and not conspiracy theory!) that GATA has managed to uncover over the past decade or so. But I now fully



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continued from page 31

Incidentally, the only words of English spoken by Mozhaiskov in that speech were “Gold Anti-Trust Action Committee.” The Bank of Russia long had been following our work without our knowledge.

And just this week Russia’s prime minister, former president, and perhaps future president, Vladimir Putin, called the United States a “parasite” on account of its huge external debt and the dominance of the dollar.

The whole gold price suppression scheme -- a dollar-support scheme -- is exposed by any serious questioning. But who will ask the questions? The scheme survives only because of negligent journalism about the true reserve currency, gold.

The falsity of the data about the gold market practically screams at financial journalists:

-- There is the omission from official gold reserve reports of leased and swapped gold.

-- There are the sudden huge changes in official gold reserve totals.

-- And there are the deception and conflicts of interest built into the prospectuses of gold and silver exchange-traded funds, whose metal custodians happen also to be the world’s biggest gold and silver shorters.

Valid documentation about the gold market also practically screams at financial journalists:

-- There are the huge and disproportionate gold, silver, and interest rate derivative positions built up at just a few international banks, positions that never could be undertaken without the expressed or implicit underwriting of government,

particularly the U.S. government.

-- There are the many official records, collected and publicized by GATA over the years, demonstrating the explicit plans and desire of the U.S. government to suppress and control the price of gold.

Most obvious is the question that should follow the common disparagement of gold, a question that somehow is never asked. You’ve heard it: the constantly reported observation that gold has not come close to keeping pace with inflation over the last 30 years. Oil has kept up, food has kept up, other metals have kept up, but not gold.

So why not? Why hasn’t gold kept up with inflation?

Could it be that someone found a way to vastly increase the supply of gold without having to go through the trouble of mining it -- to dishoard and lease it from central bank reserves and then issue certificates against gold that never existed in the first place?

“Why” is supposed to be a basic question of journalism. But it has fallen out of financial journalism when it comes to gold.

In May I spent an hour in New York with the commodities reporter of The Wall Street Journal. That newspaper has been given much of the documentation GATA has collected but has not yet published anything about it.

Also in May a nationally broadcast television program interviewed me for an hour, with the cameras rolling, on the steps of the Federal Reserve in Washington. That program has all the documentation too. Nothing has been broadcast yet, though I’m hopeful.

Over the last year I’ve spent much time briefing a reporter for a major news agency, at her request. At my urging, unlike all other reporters, she even called the Fed and got a very telling “no comment” about the gold swaps. But last I heard from her, she couldn’t get her editor’s permission to write a gold story.

Frustrating as all this is, it can’t be too surprising. After all, who are the major advertisers in the financial news

media and the major sources of news? The market manipulators and governments themselves. And journalists seem to take for granted that central banks operate in secret, particularly in regard to gold, so there's no point in questioning them.

Well, maybe someday some journalist somewhere will put to a central banker a critical question about gold. Maybe it will be one of the journalists we met at our press conference yesterday.

In any case, whenever I come to this great city I can't help falling into June 1940 mode and reminding myself that liberty is worth contending for no matter how bad the odds -- that there really isn't much else.

The other day a few blocks from here I went through the museum that has been made out of the old Cabinet War Rooms, where the rescue of all decent civilization was arranged even as the bombs of the most evil totalitarianism fell all around and Britain, at Churchill's urging, heroically faced them alone.

At the museum there was, of course, a photo of General DeGaulle, who refused to accept the fall of France and flew to London to fight on. For the time being, De Gaulle decided, in exile he would be France, and he was -- though maybe, years later, he thought himself to be France even after France was once again able to do the job itself.

From GATA's beginning I have wondered whether we could really presume to speak for gold. And not just for gold, of course -- we are not idolaters -- but for the economic and political liberty it serves and stands for. With gold always under attack precisely for what it represents, and with no others coming forward to defend it for what it represents, with the gold mining industry's main trade association refusing to acknowledge the attack, we have hoped that any presumption on our part might be forgiven.

We remain largely amateurs. At the outset we did not half understand what was going on and what we were setting about to do. Our name preserves that imperfect understanding. We thought we had discovered just another anti-trust violation. It was a while before we perceived that we were up against government policy and that most of what we were discovering had been discovered long ago, at least in principle, just not well

taught, publicized, preserved, and made timely again.

Because it can work only through surreptitiousness and deceit, this government policy will be defeated when it is more widely understood -- and every day it is being better understood.

Just yesterday GATA Chairman Bill Murphy was invited on CNBC Europe -- GATA's first invitation on CNBC in 12 years. And two more speakers at this conference, James Turk and Ben Davies, were on CNBC Europe this morning.

The word is getting around now, and thanks to you and the speakers who have come here today, we are no longer alone. That, I think, will prove decisive.

Some of our speakers will talk about what should be. At this turbulent time for its financial system, the world surely needs new options. But with your support GATA will keep working to reveal what is.

This is, we think, a great cause. And as Churchill said even as the bombs fell on this city, "When great causes are on the move in the world, we learn that we are spirits, not animals, and that something is going on in space and time, and beyond space and time, which, whether we like it or not, spells duty."

GATA's Bill Murphy and Chris Powell

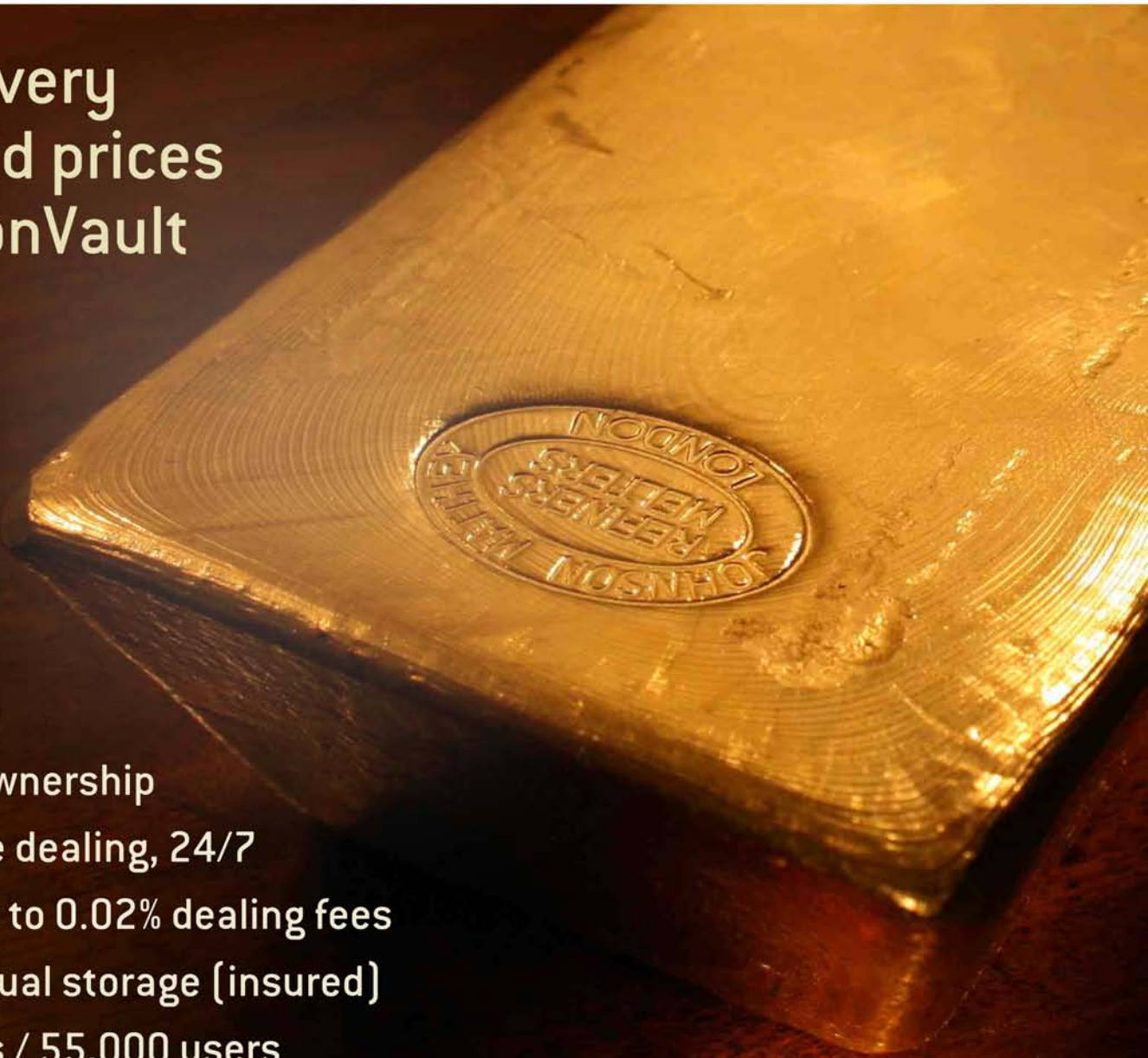


Photo courtesy Maryanne Russell & Associates Photography. To see all the GATA photos, please visit her web site.

<http://www.maryannerussell.com/gata2011/>

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America Needs a Gold Standard



Monday, August 15, 2011 Washington, D.C.—Today marks the 40th anniversary of President Nixon removing the U.S. from the gold standard. American Principles in Action and The Lehrman Institute, joined by a host of leading experts and economists, issued the following statement:

“The U.S. government made a tremendous mistake in severing the tie between the dollar and gold 40 years ago today. President Nixon’s decision to invalidate the Bretton Woods monetary agreement and let the dollar become a paper-based currency set the stage for significant economic turmoil, including the high inflation of the 1970s and today’s debt burden. Since 1971 the dollar has lost 83 percent of its purchasing power and continues to be debased by the actions of the Federal Reserve.

“To restore permanent value to our money and stability to the monetary system, we support a 21st century international gold standard. The U.S. dollar should by law be convertible into gold by citizens and foreigners, and nations should use gold rather than the dollar or other national currencies to settle payments between one another. America should lead by unilateral resumption of the gold standard. The most important action our government can take to repair our economic system is to make the dollar as good as gold.”

The signers are: Sean Fieler, American Principles Project; Lewis Lehrman, the Lehrman Institute; Andresen Blom, American Principles Project; James Grant, Grant’s Interest Rate Observer; Jeffrey Bell, American Principles Project; Judy Shelton, Atlas Economic Research Foundation; John Mueller, Ethics and Public Policy Institute; William Fleckenstein, Fleckenstein Capital; Brian Domitrovic, Sam Houston State University; Charles Kadlec, Gold Standard 2012; Alejandro Chafuen, Atlas Economic Research Foundation; William Frezza, Adams Capital Management; Dean Zarras, SESCO Enterprises; John Tamny, Forbes Opinions; Howard Segermark, Segermark Associates; Thomas Lehrman, Alta Investors; Ralph Benko, American Principles Project; Christopher Potter, Northern Border Investments

The Gold Standard 2012 project is an initiative of American Principles in Action, which works to reach out to lawmakers to advance legislation that will put the gold standard at the forefront of economic issues in the 2012 election.

The Lehrman Institute’s project, The Gold Standard Now (www.TheGoldStandardNow.org) educates policy makers and the public on the crucial importance of America’s move forward to the gold standard. For more information or to arrange an interview, please contact Dan Wilson with Shirley & Banister Public Affairs at (703) 739-5920 or dwilson@sbpublicaffairs.com.

James Turk: Time for an accurate accounting of Germany's gold

GoldMoney founder and GATA consultant James Turk has reiterated calls for a candid accounting of Germany's gold, which GATA long has suspected has been swapped with U.S. gold and sold into the market as part of the Western central bank gold price suppression scheme.

Last December GATA's friend the German journalist Lars Schall pressed the Bundesbank with pointed questions about its gold swaps and received only a demand for secrecy. (See <http://www.gata.org/node/9363>.) The Bundesbank replied to Schall: "In managing foreign reserves, the Bundesbank fulfils one of its mandated tasks as an integral part of the European System of Central Banks. We trust you will understand that we are not able to divulge any further information regarding this activity. Particularly with respect to the confidential nature of information about where gold holdings are kept, we are unable to go into any greater detail concerning exact locations and the quantities stored at each of these. Likewise, owing to the strategic nature of the activity, we are not at liberty to provide you with more detailed information about gold transactions."

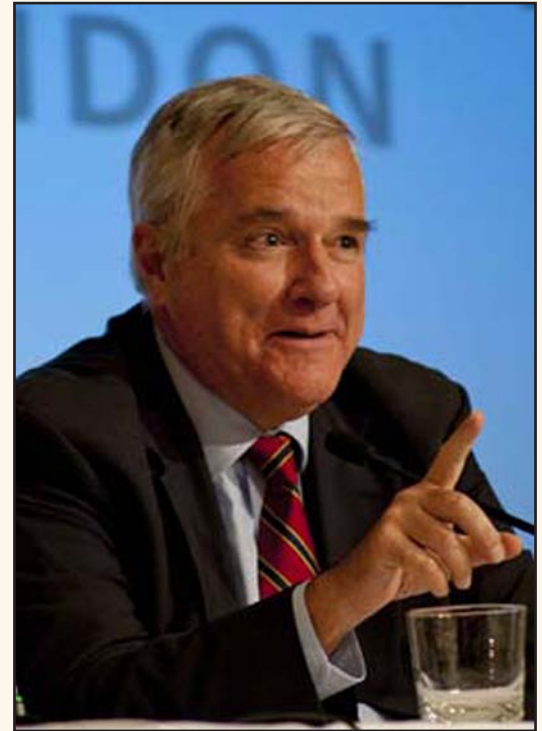


Photo credit Mary Anne Russell
<http://www.maryannerussell.com/>

But the Bundesbank's response was at least an acknowledgement that Western central bank gold reserves just don't sit around aimlessly, waiting for some emergency. Rather, they are used in an "activity" of "strategic nature," which can be construed only as currency and commodity market rigging.

Turk writes this week that the Bundesbank's annual report says the bank "owns E83,939 million of 'gold and gold receivables.' Surprisingly, it does not distinguish between these two fundamentally different assets, nor does it report how much of each it owns. Clearly gold stored safely and securely in the Bundesbank's vault in Frankfurt has a different level of risk than gold that has been loaned out. Physical gold is a tangible asset and therefore does not have counterparty risk. But a loan -- regardless whether you are lending euros, dollars, or gold -- is only as good as the creditworthiness of the borrower. This lesson was learned the hard way, for example, by the central bank of Portugal. It had loaned gold to Drexel Burnham Lambert, and that gold receivable was still outstanding when this bank failed two decades ago."

Pressed by GATA's freedom-of-information demand for its own gold records, the U.S. Federal Reserve acknowledged, perhaps inadvertently, in 2009 that it has gold swap "arrangements" with foreign banks that the public and the markets must not be permitted to know about. (See <http://www.gata.org/node/7819>.)

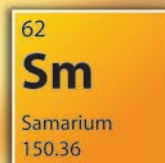
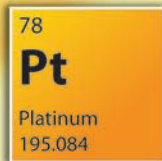
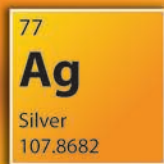
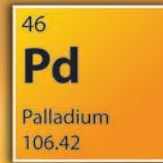
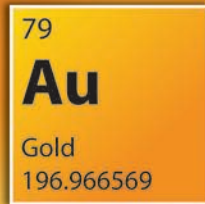
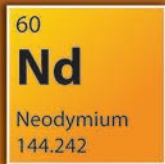
With the Bundesbank's annual report Turk once again has shown that the gold price suppression scheme is fully documented in government records available to any journalist who has a professional appetite for more than press releases. Turk's commentary is headlined "Germany's Gold: It's Time for an Accurate Accounting" and you can find it at GoldMoney here:

<http://www.goldmoney.com/gold-research/germanys-gold-its-time-for-an-accurate-accounting.html>

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