The Genesis of the Gold-Tungsten: The Rest of the Story

Abstract: Back in October, 2009 I penned an article titled, A Blight on Humanity, where I reported that, in an Asian depository there had been found 60 metric tonnes of "Good Delivery" gold bricks that had been gutted and filled with tungsten. That article was followed up with, On Doing God's Work, where additional information on the fake gold bricks was presented. This lengthy report has been written to provide the background and genesis of who was involved, why the fake gold was produced and how it was fed into the international gold market.

Background of the London Gold Pool: Cause and Effect

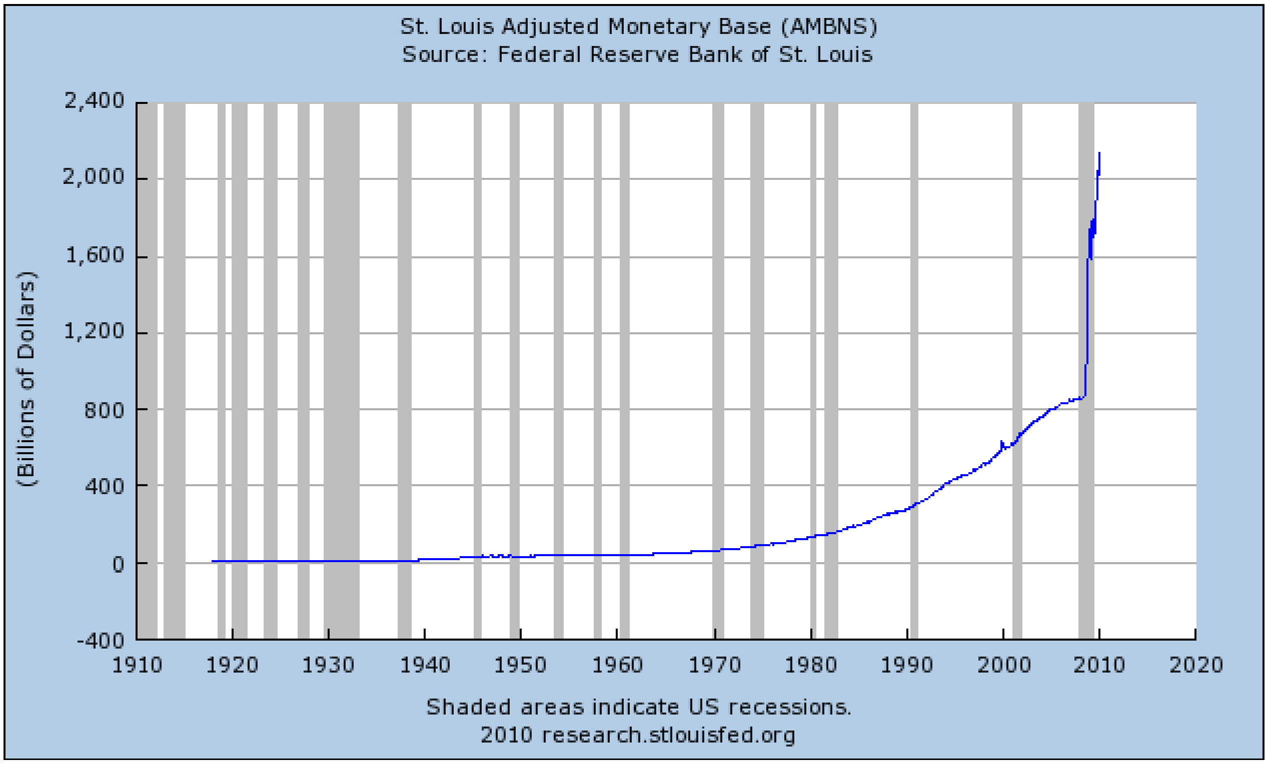
According to Wapedia:

> The **London Gold Pool** was the pooling of gold reserves by a group of eight central banks in the United States and seven European countries that agreed on 1 November 1961 to cooperate in maintaining the Bretton Woods System of fixed-rate convertible currencies and defending a gold price of US$35 per troy ounce by interventions in the London gold market.
>
> The central banks coordinated concerted methods of gold sales to balance spikes in the market price of gold as determined by the London morning gold fixing while buying gold on price weaknesses. The United States provided 50% of the required gold supply for sale. The price controls were successful for six years when the system became no longer workable because the world's supply of gold was insufficient, runs on gold, the British pound, and the US dollar occurred, and France decided to withdraw from the pool. The pool collapsed in March 1968.
>
> The London Gold Pool controls were followed with an effort to suppress the gold price with a two-tier system of official exchange and open market transactions, but this *gold window* closed in 1971 with the Nixon Shock, and resulted in the onset of the gold bull market which saw the price of gold appreciate rapidly to US$850 in 1980

So the London Gold Pool was an amalgamation of 8 countries "pooling" their gold reserves so that coordinated sales could be undertaken to defend a global gold price of US$35 per ounce. The problem with selling ANY physical asset to maintain an artificial price is preserving an adequate physical supply of the asset to continue the price fixing. The London Gold Pool failed because the U.S. Federal Reserve was printing too much fiat money – which informed individuals were redeeming for increasing amounts of sovereign U.S. gold bullion. In August 1971, President Nixon finally told the rest of the world, NO MORE GOLD BULLION FOR DOLLARS. The point to take away from this is that price-capping creates a constant drain or stress on supply of the commodity being suppressed in price.

Observable or Believable Physical Supply Must Back Paper Promises

That issues are emerging regarding the sanctity of the global gold bullion supply should not surprise anyone and, in fact, make intuitive sense. As the chart below supplied by the St. Louis Federal Reserve attests – a MASSIVE amount of fiat money has been printed in recent years. Using history of the London Gold Pool as our guide, we know from experience that physical supply of gold is MATERIALLY impacted when money is printed in excess. In this light, it makes a ton of sense that ANY deficiency or abnormality in the underlying physical stock of gold would be more susceptible or likely of being discovered during such time of monetary stress.



While it is true that derivatives commonly referred to as "futures" or "paper-gold" have been heavily used to suppress the gold price – let it be known that physical gold bullion [or something that can pass as physical gold bullion] is still required in the settlement process to make the highly leveraged paper sales appear credible. In short, using futures to suppress prices only work so long as the belief exists – on the part of the prospective buyer – that their paper holdings are convertible into the underlying physical asset. As such, observable physical inventory [like Sovereign Central Bank vaulted gold or COMEX Warehouse Stocks], or something that "can pass" for being as much is vitally required at ALL TIMES.

The Spoils of the Cold War

Because so much of our mainstream press has been "captured" and is functionally derelict – some "indy" background research giving color to one of America's most 'misunderstood' political icons is in order:

> **Hammering the USSR's Economy**
>
> In 1989 President George H. W. Bush began the multi-billion dollar Project Hammer program using an investment strategy to bring about the economic destruction of the Soviet Union including **the theft of the Soviet treasury, the destabilization of the ruble, funding a KGB coup against Gorbachev in August 1991 and the seizure of major energy and munitions industries in the Soviet Union. Those resources would subsequently be turned over to international bankers and corporations.** On November 1, 2001, the second operative in the Bush regime, President George W. Bush, issued Executive Order 13233 on the basis of "national security" and concealed the records of past presidents, especially his father's spurious activities during 1990 and 1991. Consequently, those records are no longer accessible to the public. The Russian coup plot was discussed in June 1991 when Yeltsin visited with Bush in conjunction with

his visit to the United States. On that same visit, Yeltsin met discreetly with Gerald Corrigan, the chairman of the New York Federal Reserve.

Because of numerous Presidential Executive Orders, the ethically questionable Project Hammer was deemed legal. Of course, even Hitler's acts were "lawful," as he had manipulated the laws to accommodate his actions. Many of Reagan's executive orders were actually authored by Vice President Bush or his legal associates, and it is possible that Project Hammer was created by Reagan's CIA Director, William Casey, who had directed OSS operations through Alan Dulles in Europe during World War II. Prior to his OSS affiliation, Casey worked for the Board of Economic Warfare which allegedly targeted "Hitler's economic jugular."[3] Allen Dulles, brother of John Foster Dulles, was the Director of the CIA from 1953 to 1961. He was a senior partner at the Wall Street firm of Sullivan and Cromwell, which represented the Rockefeller Empire and other mammoth trusts, corporations and cartels.

Project Hammer was staffed with CIA operatives and others associated with the National Security apparatus. Covert channels were already in place as a result of other illegal Bush activities. Thus, it was a given (1) that the project would use secret, illegal funds for unapproved covert operations, and (2) that the American public and Congress would not be informed about the illegal actions perpetrated in foreign countries. The first objective was allegedly to crush Communism, a growing political philosophy and social movement that was initially funded by the usual group of international bankers who now supported their demise. To this end, the "Vulcans," under George H. W. Bush, waged war against the Soviet Union.[4] ………………….

The tungsten slugs came from Eastern Europe - most likely a former strategic stockpile, a remnant of the failed Soviet Empire – which was "acquired" as spoils of Cold War victory during the reign of Bush I circa 1991-92. Between 1.3 and 1.5 million 400 oz tungsten blanks were actually produced in an Eastern European country [not the U.S. as I originally reported]. These tungsten blanks were shipped to Latin America [Panama] and then air-lifted on to Mena, Arkansas. From Mena, Arkansas, the tungsten blanks were shipped via truck [Brinks and Purolator] – 2 trucks at a time to a refinery in Southern California where they received their gold plating and stamping.

That illicit goods would be trans-shipped through Mena, Arkansas should come as no surprise to a seasoned researcher. Understand, Ambrose Evans Pritchard stalked Clinton [Bush] and their drug dealing through Mena, Arkansas.

This is the title of the article which had been scheduled to appear in the Washington Post back in January, 1995:

The Crimes of Mena

After having cleared the legal department for all possible questions of inaccurate statements, the article was scheduled for publication when just as the presses were set to roll, Washington Post Managing Editor Bob Kaiser (Like George Bush, a member of the infamous "Skull & Bones Fraternity), killed the article without explanation. According to the sidebar which appeared with the Penthouse Magazine version of this story, Bob Kaiser refused to even meet with [reporters] Sally Denton and Roger Morris, hiding in his office while his secretary made excuses:

The Crimes of Mena was an appropriate title for the suppressed piece which primarily detailed late 1980s illegal narcotics trafficking. All of this clandestine activity is all corroborated by the late CIA operative, Chip Tatum [murdered 2007]. The ability of Clinton / Bush to utilize Mena, Arkansas as a conduit for illegal arms and narcotics trade with impunity during the 1980s no doubt emboldened the perpetrators to utilize the same facility for the later importation of tungsten and exportation of false gold. The article admits as much when it ends with,

> **"The crimes of Mena were real. That much is now documented beyond doubt. The only remaining issues are how far they extended, and who was responsible."**

Had this story been printed, the gold fraud would have undoubtedly surfaced. This is what happens when the "free press" sells-us-out and turns into a sewer.

A much better known and more widely read reporter, the Telegraph's Ambrose Evans Pritchard had this to say about the Crimes of Mena story being pulled:

> **Ambrose Evens-Pritchard On The Above**
>
> THE LONDON SUNDAY TELEGRAPH
> 29 JANUARY 1995
> ARKANSAS DRUG EXPOSE MISSES THE POST
> BY AMBROSE EVANS-PRITCHARD IN WASHINGTON
>
> IT MIGHT almost be called The Greatest Story Never Told. The article was typeset and scheduled to run in today's edition of The Washington Post. It had the enthusiastic backing of the editors and staff of the Sunday Outlook section, where it was to appear after eleven weeks of soul-searching and debate. Lawyers had gone through the text line by line. Supporting documents had been examined with meticulous care. The artwork and illustrations had been completed. The contract with the authors had been signed. Leonard Downie, the executive editor of the newspaper, had given his final assent. But on Thursday morning the piece was cancelled. It had been delayed before - so often, in fact, that its non-appearance was becoming the talk of Washington - but this time the authors were convinced that the story was doomed and would never make it into the pages of what is arguably the world's most powerful political newspaper. They have withdrawn it in disgust, accusing the Post of a cover-up of the biggest scandal in American history…………….

Bio On Ambrose Evans Pritchard:
http://findarticles.com/p/articles/mi_m1571/is_n46_v13/ai_20083166/

Ambrose Evans-Pritchard may be back in England, but his recently published book **The Secret Life of Bill Clinton**, currently No. 10 on the UPI/Ingram Books hardcover best-seller list, is causing controversy on this side of the Atlantic. As Washington bureau chief of the London Sunday Telegraph from 1992 to 1997, Evans-Pritchard doggedly pursued allegations about the Clinton administration and federal law enforcement that most American journalists wouldn't touch. His book raises many questions about the investigations of the death of former deputy White House counsel Vincent Foster and possible prior knowledge by government officials concerning in Oklahoma City.

In the Weekly Standard, a journal of conservative opinion, Newsweek reporter Michael Iskoff calls Evans-Pritchard's stories "little more than wild flights of conspiratorial fancy coupled with outrageous and wholly uncorroborated allegations" from dubious sources. But syndicated columnist and veteran newsman Robert Novak recently wrote that "Evans-Pritchard is no conspiracy-theory lunatic.... [H]e was known in Washington for accuracy, industry and courage."

In interviews with Insight in Washington and in subsequent telephone conversations from his home in London, Evans-Pritchard talked about his adventurous life, interests and opinions of

American politics and culture. He tells Insight that like the hero of the 19th-century novels Rene and Atala by his favorite author, Francois-Rene de Chateaubriand, he sees himself as "an aristocrat who goes off to America and explores the hinterland... I don't consider myself really a journalist. I'm kind of an amateur. I like traveling and experiencing life and I have to make a living somehow."

Ambrose Evans-Pritchard: I think the American press is very deferential to power -- more so than people think. The Watergate story was an aberration. It was very special circumstances, and American journalists normally are not like that....

The big problem with the Whitewater and Clinton stories is that few reporters have gone out and talked to ordinary people, many of whose stories I tell in this book.... The reporters are prisoners of their sources in Washington. They're very apt to regard official sources -- people with titles in government positions -- as being credible, and ordinary citizens as having no credibilities whatsoever. I think that is getting everything completely the wrong way around. Ordinary people have less incentive to lie, and furthermore they're less adept at spinning the media. Government officials do it the whole damn time. So I think they've got it upside down....

What radicalized me was my experiences in Central America, particularly in Nicaragua, because I could see that what the press was writing was not true about the Sandinistas.

Insight: What were they writing that wasn't true?

AEP: Well, they had a love affair with the revolution. They were all sitting around Managua and going to parties with Sandinista officials. There was a very romantic side to it all. But out there in the countryside, the Sandinistas were doing horrible things to the campesinos. They were rounding them up in collectives. Anybody who resisted was very harshly punished, and people were being killed in quite large numbers.

I wandered around. I spent ages up in the mountains just talking to people. It was clear very bad things were going on, and it wasn't being reported. For the first time in my life I realized that what you read in the papers is not true, and this quite shocked me. I started writing from a different point of view, and I found myself very quickly in a big dispute with my colleagues, and it never ended.

Insight: Is this similar to how they're covering the Clinton administration?

AEP: Right. The way they cover Arkansas is exactly the way they covered Nicaragua, which is they didn't go out into the hills and talk to the ordinary people. They wouldn't find out what was going on. They would just talk to a limited circle.

Insight: You have said that if the kind of things going on now with the Clinton administration were going on in Britain, France or Italy, where they have an adversary press, the general public would know more about it because the press would be more vigilant.

AEP: I think so, because you've got a much more diversified press. In Britain, you've got very dynamic papers across the spectrum. You don't have this completely lopsided press that you have in America, where you've got one sort of smothering consensus.

[In America,] you do have a few people sort of valiantly fighting--the Washington Times, the Wall Street Journal and some of the magazines--to maintain an alternative position, but they really can't get traction. While they're very good at writing opinion from a conservative perspective and commenting on liberal news, they find it very difficult to generate conservative news, which is to simply say, "To hell with your agenda. This is what we're going to write about." That's what the Telegraph does in Britain. We're not looking over our shoulder at what the [left-wing] Guardian's doing. If they do something big, we're aware of it, but we do our story. We're not running around doing the same damn thing.

That illegal activity occurred at Mena, Arkansas with the complicity of the highest echelons of the U.S. political establishment has been documented in numerous places.

One can deduce that as Deputy White House counsel – Foster, who handled the Clintons' personal financial affairs and, at the time of his death, was involved in setting up trusts - would almost certainly have been aware of any of President Clinton's activities as they pertained to Mena, Arkansas. Foster was found dead on July 20, 1993 in a park in sub-urban Washington under extremely dubious circumstances. His death was ruled a suicide.

Interestingly, it was former CIA operative Chip Tatum, who meticulously documented orders given to him by then Vice President, George H. W. Bush to neutralize individual[s] deemed 'enemies of the state'.

THE WHITE HOUSE

WASHINGTON

D.G. Chip Tatum
Codename: Pegasus

You are hereby ordered into service of the United States Government.

It has been determined that [redacted], has illegally obtained documents which are of vital concern to the security of the United States and selected allies of the United States. It has therefore been determined by Finding of the National Security Council, That these documents must be recovered.

Due to this determination, you are authorized to use whatever means necessary to recover said documents and insure that this criminal is brought to justice. You are authorized to exceed existing regulations and FTM's to accomplish this mission.

If loss of life occurs as a result of the performance of your duties, you shall be exempt and protected from prosecution.

Geo Bush

Tungsten / gold bars destined for Ft. Knox were allegedly trucked direct to Kentucky for exchange with "what ever was left" in the depository which was stolen outright – but bringing the outstanding in Ft. Knox up to 640 thousand - 400 oz tungsten bars which are there now.

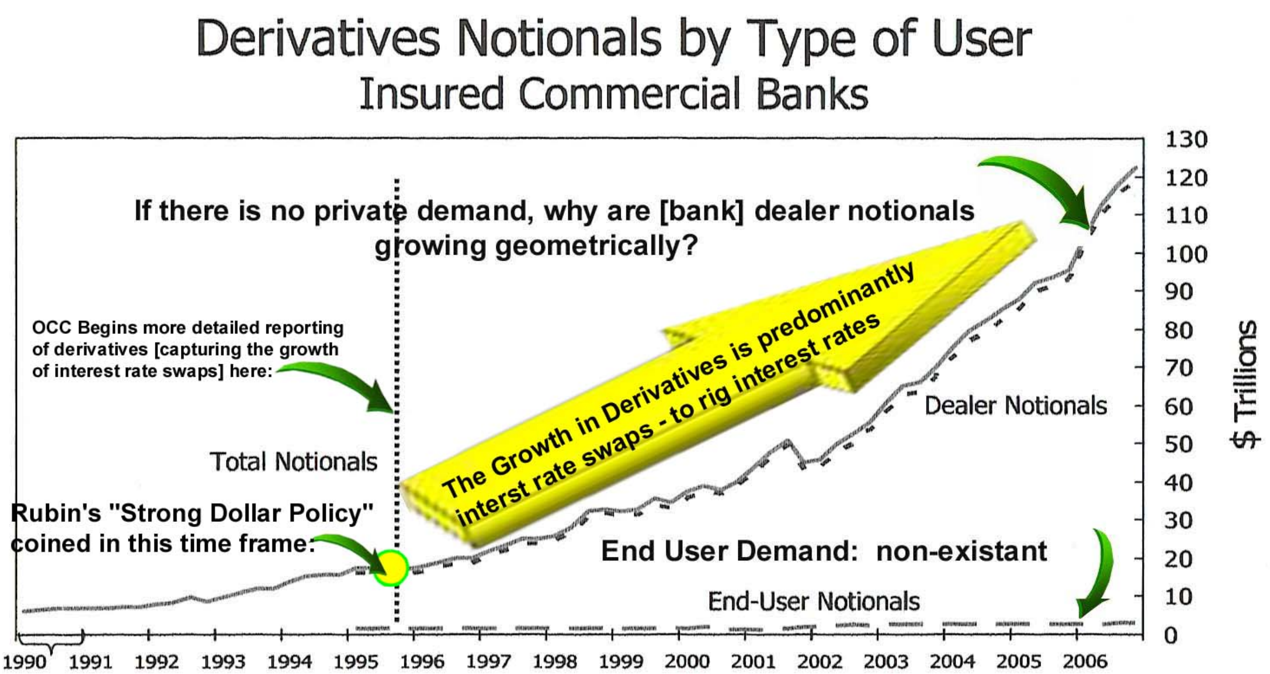
10,000 metric tonnes of fake gold bars earmarked for the intl. markets were supposedly hallmarked and "papered" as going through a holding facility of Engelhard [Vancouver] and trucked back to Mena, Arkansas and then on to Panama – **TO SIT** - awaiting distribution into the intl. market.

The big questions beside “greed” - is “why” and “how” does one feed 10,000 metric tonnes of fake gold into the international market?

The Motive

Take a look at when Rubin / Summers instituted their “**Strong Dollar Policy**”: Understand, weakness [capping] of the price of gold along with stimulative and arbitrarily low interest rates [to give the U.S. economy a false, bolstered illusion of health].

Graph 1



	1995				1996				1997				1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Total Notionals	17.3	17.4	17.6	16.9	17.8	19.0	19.8	20.0	21.9	23.3	25.0	25.0	26.0	28.0	32.5	32.9	32.5	32.8	35.4	34.5	37.3	39.0	37.9	40.1
Dealer Notionals	15.9	15.9	16.2	15.6	16.5	17.5	18.2	18.5	20.3	21.8	23.5	23.5	24.5	26.6	31.0	31.4	31.0	31.3	33.9	33.0	35.7	37.3	36.5	38.9
End-User Notionals	1.4	1.5	1.4	1.3	1.3	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.5	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.5	1.2

	2001				2002				2003				2004				2005				2006			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Total Notionals	43.6	47.4	50.9	45.0	45.9	49.6	52.6	55.4	60.7	65.0	66.2	70.1	75.3	79.4	82.3	85.5	88.0	92.1	93.7	95.6	104.7	112.7	118.3	**122.5**
Dealer Notionals	42.4	46.2	49.6	43.2	43.9	47.5	50.2	53.3	58.3	62.4	63.7	67.7	72.8	76.9	79.7	82.9	85.5	89.6	91.1	93.0	102.1	110.1	115.3	**119.6**
End-User Notionals	1.2	1.2	1.3	1.8	1.9	2.0	2.4	2.1	2.4	2.6	2.5	2.4	2.5	2.5	2.6	2.6	2.5	2.5	2.6	2.6	2.6	2.6	3.0	**2.8**

Note: As of 1Q95, shown by the dotted line, there were changes in reporting such as: breakouts of notional by type of user and eliminating spot fx.
This graph does not include credit derivatives.
Numbers may not add due to rounding.
Data Source: Call Reports.

[Gibson'sParadox Explained](#)

Take note how the Interest Rate Swap Mechanism was created to obscure money printing through the ramping up of outstanding notionals in int. rate swaps creating stealth demand for bonds.

Now, understand that GOLD HEDGING “took off” at EXACTLY the same time:

The academic work linked in the Gibson's Paradox Explained link above highlights GATA consultant Reg Howe's work – revealing the academic research conducted at Harvard by Robert Barsky and Robert Rubin understudy [and future Treasury Secretary] - Lawrence Summers. Their academic work posited the academic thesis – the gist of which was that money could be **PRINTED** without harming the exchange level of the currency [the U.S. Dollar] whilst Interest rates were **LOWERED** - so long as the price of gold did not spike higher.

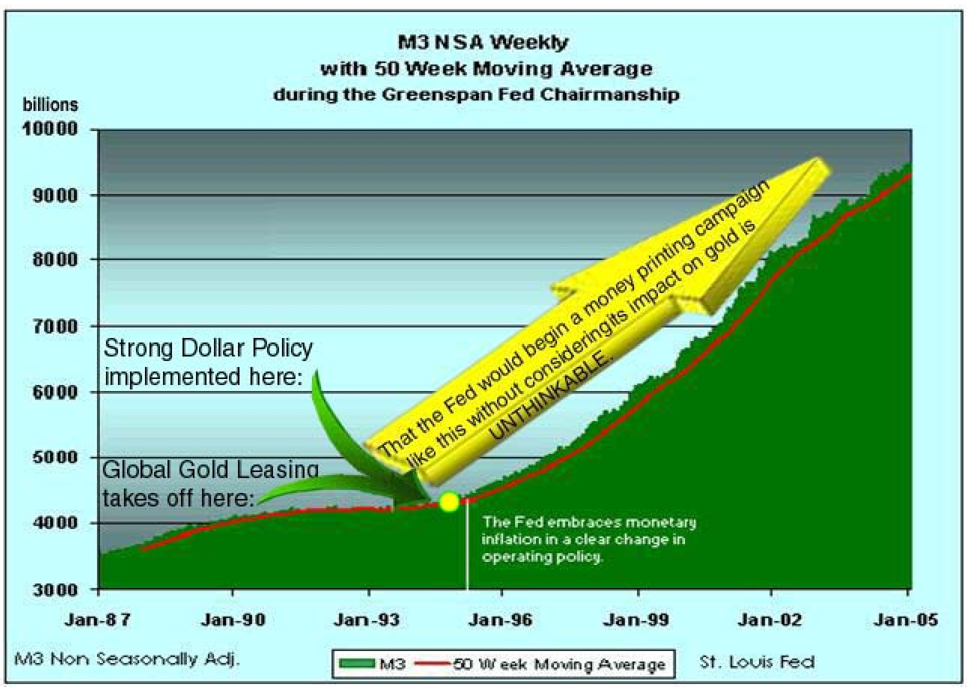
The Groundwork

http://www.goldensextant.com/commentary15.html

> Until 1994, the BIS functioned as the principal organization for cooperation among Europe's major central banks, of which several were and remain friendly toward gold. But with the signing of the Treaty of Maastricht in 1993, and the formation on January 1, 1994, of the European Monetary Institute, a predecessor organization to the European Central Bank, the BIS faced the prospect of playing a rapidly shrinking role in European monetary affairs.

This Golden Sextant passage is significant – it show how Central Banks in Europe - involved with the emerging ECB under the Masterich Treaty, circa 1994, were "gold friendly" and outlines how the coming ECB would diminish the role of the BIS in European affairs.

Gold friendliness and a diminished role for the BIS were philosophically not going to be tolerated by the serial gold-hating Anglo [Bank of England] -American [Fed] Banking establishment. During this time period it was rumored that the Bank of England had actually been involved in liquidating [auctioning] gold 'looted' out of the decaying former Soviet Union. This - more than anything - explains why the consummate insider, George Soros, knocked Britain out of the ERM and also goes a long way to explaining why Britain NEVER warmed to the European Union. Had Britain actually joined the European Union – their sovereign gold bullion would most assuredly never have been available to "pitch" into Brown's Bottom.



To lay the groundwork that the gold price would soon be "suppressed" in the face of PLANNED MONEY PRINTING - The Federal Reserve, reversing almost 65 years of prior official non-involvement, finally decided to occupy the two seats to which it was entitled on the BIS's board in Sept. 1994.

The Cover

By establishing and promoting an active, international gold hedging market – enough traffic / movement, or 'cover' if you will, of a formerly static asset was created where fake gold bricks could be merged into the "flow" without arousing undue suspicion of willing, dupe buyers who DID NOT ASSAY GOLD when they purchased it.

One can imagine that merging 10,000 metric tonnes of fake gold bricks into the global market place would pose logistical challenges. If one were intent on doing so – it could NEVER be done ALL AT ONCE. It would necessarily have to be done over time. With gold bullion being a formerly "static" asset which sat in the vaults of Central Banks – any sudden large scale movements of bullion might draw unwanted attention. So, one would want to create a credible vehicle where large amounts of gold were seen to be "on the move" – in good amounts on a regular basis – like a viable gold lending / leasing / swap market. Also, to give the fake gold bricks a patina of authenticity – one could imagine the desire to have a "market leader" involved – tacitly endorsing the procedure, surrounding the fake bricks and the conduit through which they would travel with highly credible individuals – like former world leaders – whose actions and motives would NEVER be questioned.

It was back in May, 1995 when Barrick Gold's Peter Munk established his International Advisory Board – chaired by none other than George H. W. Bush [and other opportunistic former world leaders] and with representation of Mr. Clinton through his White House legal counsel, Vernon Jordan;

> **Barrick's Barracudas**
>
> In announcing the creation of Barrick Gold Corp.'s international advisory board on May 3, 1995, Barrick Chairman Peter Munk said, "They will be providing strategic advice on geopolitical issues affecting Barrick." In fact, they are components of the geopolitical dirty tricks apparatus centered around former President George Bush. The following is a brief profile of key members of Barrick's international advisory board and its board of directors:
>
> **George Bush**:
> serves as "Honorary Senior Adviser."
>
> **Vernon E. Jordan, Jr.**:
> was president of the Urban League from 1971 to 1981, when former Democratic National Committee chairman Robert S. Strauss recruited him to become a senior partner in his law firm. Jordan is influential in the Democratic Party and in corporate America.

1995 is the year that gold leasing "**TOOK-OFF GLOBALLY**". We know this due to the historical record of communication between Frank Veneroso and Terry Smeeton [from the Bank of England];

> I [Frank Veneroso] started out on this crazy voyage with a statement that was made by a man from the Bank of England---Mr. Terry Smeeton---who was in charge of the gold operations of the Bank of England. On something like November 21st or 22nd of 1995 at the 5th Annual Banking Conference in the city of London, he addressed the issue of gold lending. He gave some statistics. He basically said that gold lending had roughly doubled

> over the last year and a half. Precisely, what he said was that gold loans more than doubled and gold swaps increased by more than 50%.

Edmond Safra: Gold Was His Specialty

> Edmond Safra gradually built his banking empire at a prodigious pace. **Gold was his specialty. He handled all the South African gold, the Russian gold, and several nations' gold reserves.** He single-handedly established the Eurodollar market so that Russian companies can hold their dollar reserves without fear of confiscation. His clientele was his main secret, and in the 1990's he may have controlled one trillion dollars.

Edmond Safra's Republic Bank of New York [no stranger to the clandestine precious metal trade], among others, were likely involved in facilitating the movement of 'fake gold'. Safra, who had some 10 body guards, was found dead under extremely dubious circumstances in his Monaco condo on Dec. 3, 1999. Coincidentally, HSBC [**a serial gold and precious metals futures shorter**] now owns the former Republic Bank gold business. Safra and Martin Armstrong / Princeton Economics were confidants and business associates.

To this end, there is a distinct Safra / Martin Armstrong nexus to this sordid story too:

> Armstrong was arrested Sept. 13 [1999] and charged with massive securities fraud by the U.S. Attorney's Office, the Securities and Exchange Commission and the Commodity Futures Trading Commission. He was jailed for contempt of court on Jan. 14, 2000.

Excerpts of notes from GATA Chairman Bill Murphy's Jan. 2000 phone conversation with Martin Armstrong:

> "My [Bill Murphy's] phone conversation with Armstrong touched on many subjects. I mostly just listened -- my mouth wide open most of the time, as the conversation centered around such subjects as Armstrong's receiving death threats from the Japanese, the billionaire's club that manipulates the metals markets, **incriminating Republic Bank tapes**, bribes paid in Thailand, the Japanese and Republic Bank, the persecution of his family, including his 81-year-old mother, and the efforts of the U.S Attorney's office efforts to deprive him of his First and Fifth Amendment rights.
>
> The scariest part of the conversation was about Edmond Safra, the recently murdered Republic Bank founder. **Marty knew which phone lines that Safra spoke on directly to the Republic traders. According to Armstrong, "All the conversations about every manipulation you ever wanted to hear are there." He said that the problem was that 10 days after he told the feds that he was after sensitive information that would expose the manipulations, Safra died mysteriously in Monaco.".....**
>
> **,,,,,," He [Armstrong] told us that he could provide evidence (tapes and documents) that the metals markets in New York have been manipulated."**

Armstrong had revealed to federal authorities his knowledge that Safra had made tapes detailing gold market manipulation. 10 Days later Safra was dead. One can only wonder if tapes made by Safra, which Armstrong admitted to the Feds he knew about, led to Safra's demise and Armstrong's otherwise inexplicable incarceration. According to revelations made by GATA's Bill Murphy - Armstrong had claimed he had access to these [Safra's] tapes. In further correspondence from Armstrong [then in jail] to Chris Powell, GATA Secretary and Treasurer, it was revealed exactly how determined [afraid perhaps?] the U.S. Government was by preventing Armstrong from having his day in court [presumably, where taped evidence from Safra / Republic New York might surface]:

> "Still alive so far. I will speak to my lawyer to see if early next week is OK for a meeting. One of our clients has sued Republic and we are unofficially cooperating together to try to get additional discovery.
>
> U.S. government has rushed in to try to stay our discovery. We are about to make a fight next week to try to force Republic [New York] to comply with our subpoenas. The bastards are hiding behind the U.S. government big-time.
>
> I am not sure what is going on. I have been told that the receiver is now going to try a contempt charge for my not handing in my keys despite the fact that the locks and security codes have been changed.
>
> They just don't want me out and about….."

This explains why Armstrong ROTS in jail on trumped up charges to this day. It's a WONDER he's still alive.

Coincidentally [if you believe in coincidences] GATA's Bill Murphy subsequently had his car stolen in late March 2000 and was subsequently 'mugged' in the wee hours of April 2, 2000.

Also allegedly knee deep in the tungsten / gold fiasco was a 'still living' Governor [who shall remain nameless for the time being] and the late Commerce Secretary, Ron Brown. Brown died in a 1996 plane crash in Bosnia under very unusual circumstances.

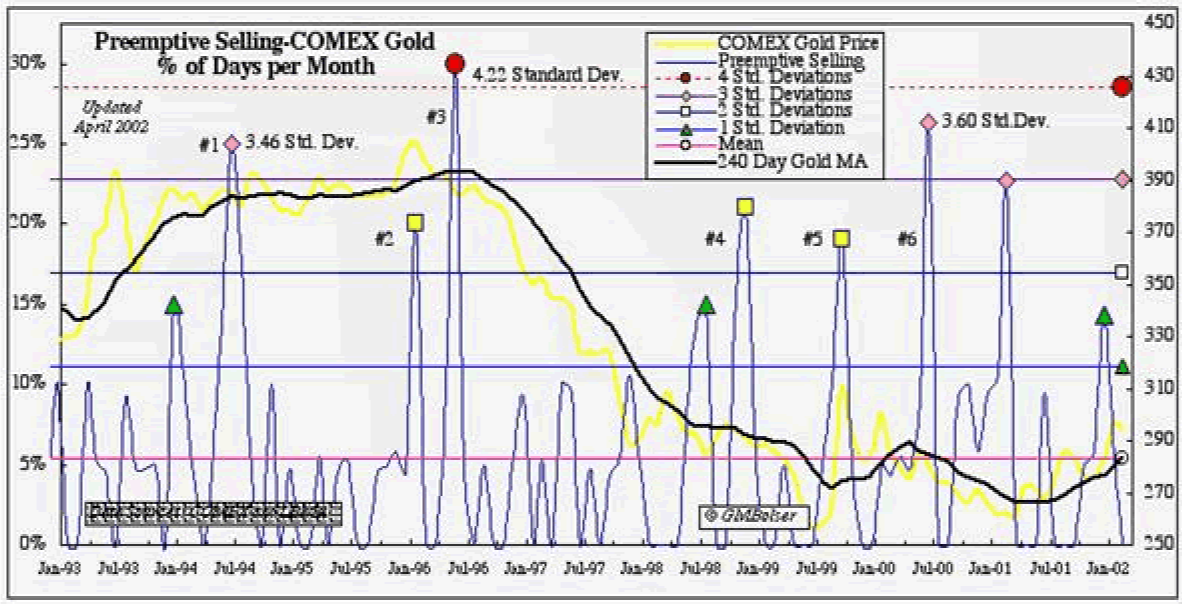
The Evidence

Greenspan said, "Central Banks stand ready to 'lease' increasing amounts of gold should the price rise". Greenspan obviously knew that bullion was going to be hitting the market.

> "a July 24, 1998, statement by then-Federal Reserve Chairman Alan Greenspan, who told Congress "central banks stand ready to lease gold in increasing quantities should the price rise."

Also occuring in the same time-frame – some of the most vicious "COMEX [N.Y]-centric" interventions ever seen – asserting downward pressure on the price of gold.

Now, using Mike Bolser's proprietary measurement system – look at the plus 4 standard deviation in the Pre-emptive selling of COMEX gold:



Compliments G. M. Bolser **http://www.interventionalanalysis.com**

Mike Bolser describing what the Pre-emptive Selling of COMEX gold really is**:**

> "Recall that preemptive selling, which is a **fraud detection algorithm**, measures very aggressive COMEX gold market selling when compared to the London gold market (LBMA). Table 1 displays the percentage of days per month in which the COMEX gold price falls 300% more than the London gold price. The probability of changing macroeconomics being the cause for such extreme New York price drops is highly diminished because the two markets trade the same commodity on the same day. Preemptive selling should not be confused with price volatility or rate of change, which are measures of rapid price fluctuation. In addition, preemptive selling is a measure of relative activity between two markets. Recall also that it does not measure the volume of comparative selling, only its effect as measured by gold market prices."

In other words, Bolser's **FRAUD DETECTION ALGORITHM** neatly and logically describes what one might expect to happen if players stateside [like Republic National Bank New York, J.P. Morgan and Goldman Sachs] had superior knowledge - like surreptitious gold supply being fed into the market over a period of years, from say, mid-1996 through to 2001.

A standard deviation move of 4.22 would be statistically expected to occur in "free markets" once in slightly more than 1,500 years. In the chart above, we see a 4.22 std. dev. spike sandwiched in amongst many other standard deviation spikes well in excess of 3 – always skewed to the sell side – a confirmation that FRAUD is in play.

Bolser pointed out that the spikes on his proprietary chart had significance – but when he did so, he mistakenly assumed the intervention was ALL a derivatives [futures] operation:

> Mike Bolser, describes the relevance of the std. dev. spikes as follows, "The numbered spikes are correlations to other gold-related events as follows: (1) Federal Reserve assumes two board seats at Bank for International Settlements; (2) steadily rising gold price threatens to pierce $400; (3) important change downward in the long-term gold price; (4) failure of Long-Term Capital Management, reportedly involved in the gold carry trade; (5) Washington Agreement provokes sharp rise in gold prices; and (6) Canadian Imperial Bank of Commerce works to resolve Ashanti hedge book failure.

Another interesting aside, within 4 weeks of Mike Bolser making his Proprietary Fraud Algorithm Detection system public – derivatives guru Dinsa Mehta at J.P. Morgan promptly quit.

Another Analyst / A Different Angle / A Corroborating Conclusion

Mike Bolser wasn't the only one who smelled a "rat" - Frank Veneroso also knew Something Was Amiss – but what?

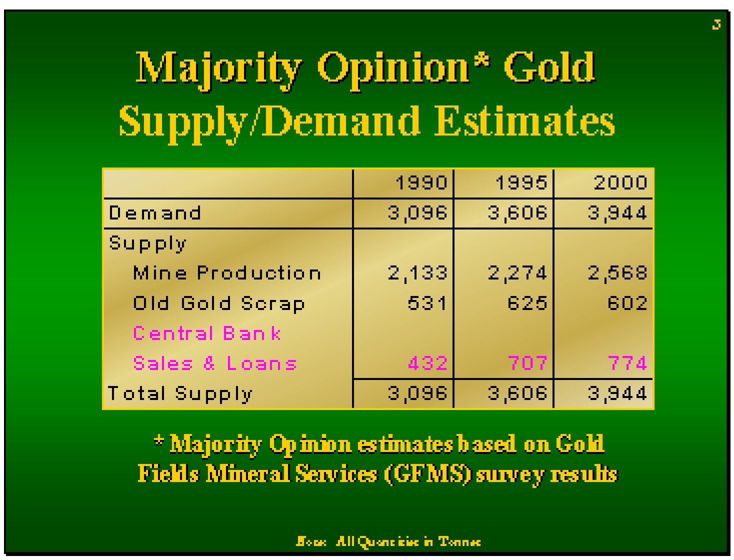
As far back in 1995, as a financial analyst, Frank Veneroso 'grasped on' to a statement by The Bank of England's head of gold operations, Mr. Terry Smeeton;

> "On something like November 21st or 22nd of 1995 at the 5th Annual Banking Conference in the city of London, he addressed the issue of gold lending. He gave some statistics. He basically said that gold lending had roughly doubled over the last year and a half. Precisely, what he said was that gold loans more than doubled and gold swaps increased by more than 50%."

There is little doubt, Gold Hedging was the edifice that was created to HIDE the movement of 10,000 metric tonnes of gold [tungsten laced] into the market through nefarious means.

Veneroso knew that GFMS was not properly addressing / accounting for proper world supply – demand figures as he stated as far back as 1995:

> The conclusion is that when we put all this information together we find out that the consensus estimates of supply and demand that we are all familiar with from Goldfields Mineral Services understate demand and understate supply and it appears that the understated supply is largely gold lending that each year substantially exceeds the consensus estimates of gold lending. Now it's a real simple supply/demand balance we are going to talk about. We are going to talk about it in terms of tonnes of gold.



	1990	1995	2000
Demand	3,096	3,606	3,944
Supply			
Mine Production	2,133	2,274	2,568
Old Gold Scrap	531	625	602
Central Bank Sales & Loans	432	707	774
Total Supply	3,096	3,606	3,944

> Here is the consensus data and what we see in this consensus data is that demand ten years ago was about 3000 tonnes of gold and more recently it has been about 4000 tonnes of gold. Demand must be equal to supply in any given time period so therefore supply is the same. Where does the supply come from? Well, most of it comes from mine production, some of it comes from scrap, and some of it comes from the central banks.

Interestingly, it was Venerso himself who, in the early 2000's, estimated the extent of official sector "gold lending" to have been a cumulative 10 – 16 thousand metric tonnes [which coincidentally happens to mirror roughly the same amount of tungsten allegedly fabricated into fake 400 oz gold bars]:

> "Our range of estimates implies that somewhere between 10,000 and 16,000 tonnes of the official sector gold position has left those vaults by way of the lending process."

Whether you believe that the price of gold is manipulated or not – whether you believe that fake gold bars, with tungsten cores, have been produced or not – the factual component of what has been presented in this document SHOULD serve as MORE THAN ENOUGH – for any ordinary, rational thinking human being to DEMAND that there be a proper, third party audit of Ft. Knox and the ENTIRE sovereign U.S. gold reserve – IMMEDIATELY!

Fast Forward to Today

Last week, on Thursday, March 25, 2010, the Commodities Futures Clearing Commission [CFTC] held hearings regarding the possible imposition of trading limits in precious metals futures. Among those invited to speak were; Jeremy Charles, HSBC Bank USA, Jeffrey Christian, CPM Group and Bill Murphy, Gold Antitrust Action Committee.

Here's a round-up of the essential points these panelists put forward:

Jeffrey Christian. CPM Group – When questioned by regulator, S. O'Malia, whether he was concerned if parties who had sold gold futures "short" would be able to deliver if called upon to do so – Christian replied,

> "*No. I am not at all concerned. For one thing it has been persistently that way for decades. Another thing is* ***that there are any number of mechanisms allowing for cash settlements*** *and problems and a third thing is as many people who are actually knowledgeable about the silver market and the gold market have testified today that almost all of those short positions are in fact hedges, the short futures positions are hedges, offsetting long positions in the OTC market. So I don't really see a concern there."* Christian went on to state, "*…****the previous fellow was talking about hedges of paper on paper and that is exactly right****. Precious metals are financial assets like currencies, T-Bills and T-bonds they trade in the multiples of a hundred times the underlying physical and so people buying them are voting and giving an economic view of the world or a view of the economic world and so when you start saying to a bank I have a number of people…"*

GATA's Adrian Douglas duly noted, "It is interesting that Mr. Christian is not concerned about the ability of the shorts to deliver because they can cash settle! **He clearly has no understanding that when someone wants to buy precious metals giving them cash instead is a failure to deliver. It is a default! But he is not concerned!** Douglas goes on to add, "This is mind blowing. **He openly admits that the LBMA OTC market is not trading in physical gold or silver; it is trading in paper promises. Gold is not intended to be a "financial asset" like T-Bills and currencies. That is the whole point of owning it. Actual physical bullion is a tangible asset with intrinsic value that doesn't have counterparty risk. He believes the purpose of trading paper promises in gold is for investors to "vote" on their view of the economic world!** He confirms that the LBMA trades hundreds of times the real underlying physical.

Christian says that the COMEX short positions are actually hedged by a long position on the LBMA OTC market **but** he then states that the LBMA OTC market is in fact un-backed (or only partially backed) I.O.U. bullion. Mr. Christian demonstrably has no fundamental understanding what gold is or why people buy gold bullion; namely, **it is a tangible asset with intrinsic value that doesn't have counterparty risk.**

Scarier yet, prior to Jeffrey Christian spouting-off with his misguided comments – one of the CFTC commissars "thanked him" for appearing before the CFTC **AGAIN** to offer his expert testimony!!!! Ladies and gentlemen, if the CFTC has been reliant on "professional advice" from 'hacks' of this caliber for as long as it appears they have been doing so – we should all be asking a COMPLETELY DIFFERENT set of questions - not only of regulators, but of leadership.

To sum up, Jeffrey Christian – a former Goldman Sachs employee and purported precious metals expert as head of CPM Group was exposed as a moron, a ruthless and deceptive shill, or perhaps BOTH. Congratulations Mr. Christian!

Jeremy Charles, HSBC Bank USA – In an attempt to downplay the degree of fraudulent "paper selling" of gold and precious metals [which Hong Kong Bank is a ring-leader in] and characterize the global, gold bullion market as having "plenty" of physical supply – Mr. Charles stated,

> "**HSBC could "fill" an order for 1 million ozs. of physical gold in 1 day.**"

Bad move Mr. Charles.

In response to this hubris, I was informed on Thursday afternoon [ET] that HSBC, Hong Kong would receive a firm order on Friday morning, March 26, 2010 [Hong Kong time] for the purchase of 1 million ounces of physical gold bullion for immediate delivery. As of Tuesday, March 30, 2010 – this order has not been filled. Additionally I am told that, as of Tuesday afternoon, this order will not be filled and HSBC may have paid a substantial penalty for non-performance in this regard. Unfortunately, I am not at liberty to disclose any additional detail on this matter at this time.

Bill Murphy, Gold Antitrust Action Committee – During a Q and A session and responding to direct questioning by CFTC Commissioner, Bart Chilton, GATA's Bill Murphy revealed the following:

> On March 23, 2010, GATA Director Adrian Douglas was contacted by a whistleblower by the name of Andrew Maguire. Maguire is a metals trader in London. He has been told first-hand by traders working for JPMorganChase that JPMorganChase manipulates the precious metals markets, and they have bragged to how they make money doing so.
>
> In November 2009 Maguire contacted the CFTC enforcement division to report this criminal activity. He described in detail the way JPMorgan Chase signals to the market its intention to take down the precious metals. Traders recognize these signals and make money shorting the metals alongside JPM. Maguire explained how there are routine market manipulations at the time of option expiry, non-farm payroll data releases, and COMEX contract rollover, as well as ad-hoc events.
>
> On February 3 Maguire gave two days' warning by e-mail to Eliud Ramirez, a senior investigator for the CFTC's Enforcement Division, that the precious metals would be attacked upon the release of the non-farm payroll data on February 5. On February 5, as market events played out exactly as predicted, further e-mails were sent to Ramirez while the manipulation was in progress.
>
> It would not be possible to predict such a market move unless the market was manipulated.
>
> In an e-mail on February 5 Maguire wrote: "It is common knowledge here in London among the metals traders that it is JPM's intent to flush out and cover as many shorts as possible prior to any discussion in March about position limits. I feel sorry for all those not

> in this loop. A serious amount of money was made and lost today and in my opinion as a result of the CFTC's allowing by your own definition an illegal concentrated and manipulative position to continue."
>
> Expiry of the COMEX April call options is tomorrow, March 26. There was large open interest in strikes from $1,100 to $1,150 in gold. As always happens month after month, HSBC and JPM sell short in large quantities to overwhelm all bids and make unsuspecting option holders lose their money. As predicted by GATA, the manipulation started on March 19, when gold was trading at $1,126. Last night it traded at $1,085.
>
> This is how much the gold cartel fears the CFTC's enforcement division. They thumb their noses at you because in more than a decade of complaints and 18 months of a silver market manipulation investigation nothing has been done to stop them. And this is why JPM's cocky and arrogant traders in London are able to brag that they manipulate the market.
>
> This is an outrage and we are making available to the press the e-mails from Maguire wherein he warns of a manipulative event.
>
> Additionally Maguire informed us that he has tape recordings of his telephone communications with the CFTC, which we are taking the appropriate legal steps to acquire.

In Summation:

Last week a spokesman for HSBC and Jeffery Christian gave false testimony to the CFTC. These two "hack-jokers" will, in all likelihood if history is a guide, be invited back to give the CFTC more "expert counsel" in the future.

For revealing the first-hand account of whistleblower Andrew Maguire – Bill Murphy had scheduled interviews with Bloomberg Asia and Fox News CANCELLED [eerily similar to the The Crimes of Mena article being "pulled" at the last minute by Washington Post managing editor, Bob Kaiser, back in 1995. [Note: The article was eventually published in Penthouse Magazine, in case you are not a regular Penthouse reader].

As for Mr. Maguire:

> London metals trader Andrew Maguire, who warned an investigator for the U.S. Commodity Futures Trading Commission in advance about a gold and silver market manipulation to be undertaken by traders for JPMorgan Chase in February and whose whistle blowing was publicized by GATA at Thursday's CFTC hearing on metals futures trading ---- was injured along with his wife the next day [Friday, March 26] when their car was struck by a hit-and-run driver in the London area.
>
> According to GATA's contact with Maguire, board member Adrian Douglas, Maguire and his wife were admitted to a hospital overnight and released today [Sat. March 27] and are expected to recover fully.
>
> Maguire told Douglas by telephone today that his car was struck by a car careening out of a side road. When a pedestrian who witnessed the crash tried to block the other driver's escape, the other driver accelerated at the pedestrian, causing him to jump out of the way to avoid being hit. The other driver's car then struck two other cars in escaping. But the other driver was caught by police after a chase in which police helicopters were summoned.

At the end of the day all of this should come as a surprise to no one in America – whose criminal leadership has desecrated the Constitution to the point where Habeas Corpus has been cast aside and smut magazines have become the real defenders of free speech. Perhaps Mr. Maguire and his wife should be thankful that their last name is not Safra or Armstrong, eh?

If there are any of you still left wondering why more people have not come forward to expose this criminal activity – give your head a shake and start counting the bodies and ruined lives of those who clearly knew “too much for their own good”.