

It Is Much Bigger Than You Think

There are two mistakes one can make along the road to truth - not going all the way, and not starting." ... Buddha

The gold price manipulation scheme will go down as the biggest financial market scandal in US history for numerous reasons. They include the destruction of the free market system in the United States. The manipulation of the gold and silver prices eventually led to the manipulation of US interest rates via the Fed, the stock market via the Plunge Protection Team, and to the currency markets. GATA has been on this case for more than a decade, pounding the table about what was going on. Because there is no free financial market press, our views, backed up by as much evidence as any prosecutor would have in a slam dunk murder case, are not allowed to see the light of day. CNBC, on which I was interviewed by Ron Insana in February of 1999, has boycotted us. So has BNN in Canada. Veteran Bloomberg gold reporter Claudia Carpenter, whom I met in the spring of 1999 in New York, told John Embry, Chris Powell and I in London in 2010 that she cannot mention GATA. And she and Bloomberg never have. It is the rarest of times when Reuters will mention GATA, even though we have been in contact with them for 15 years. I could go on and on.

Actually, GATA has been on this case for 15 ½ years. And guess what has surfaced the past few years? One financial market scandal after another about market manipulation. Can you say Libor? Can you say the trillion dollar scandal about "rigging" in the forex market? And then we have the mounting lawsuits and charges over the London gold and silver Fixes.

And yet with all the evidence GATA has collected about the manipulation of the gold and silver markets, we are still persona non grata with the press, and even the mainstream gold community.

So, what's the deal?

One of my favorite quotes emanates from CP: "The United States would rather reveal its nuclear secrets than what it is doing in the gold market."

It is THAT big a deal!

My old colleague Frank Veneroso, who wrote the brilliant Gold Book in 1998, told Spratt's John Embry and I many years ago that the gold price suppression scheme was "much bigger than you think." Frank found out the US Government was taping his phone calls and ever since has shut up about what GATA has to say. Frank was the one who exposed the gold leasing scheme, which is how The Gold Cartel did their thing so many years ago. It is how GATA knows the central banks have well less than half the gold they say they have in their vaults. Frank got his information from a Bank of England source who has since died.

While Frank (known as a Wall Street Whiz Kid in the early 1980's) made a deliberate decision years ago to quietly disappear from the gold price suppression scheme issue,

other widely recognized investment mavericks go ballistic when the subject is brought up...

*Not long after GATA was formed, I saw the very visible Bill Fleckenstein on TV and thought this *against the grain* maverick would be perfect to enlist into the GATA camp. But he went bonkers about the issue when I spoke to him on the phone. A bit bewildered by the tone of his voice, I searched the internet to get a clue why. The answer came right away. The one sponsor of his new internet site: JP Morgan.

*Which brings us to the widely seen Jim "Mr. Bowtie" Grant. A relative of a Café member here in Dallas did an interview with T. Boone Pickens for his newsletter years ago, which turned out to be the most popular one ever. The interviewer, whom I had met, suggested me (GATA) to be his next one. Grant blew up at the idea. End of story.

*And that takes us to the veteran Doug Casey, who called the gold price suppression scheme people "ridiculous" in a Kitco interview. Not content to leave that alone, he went out of his way recently to blast the GATA camp at a Sprott Global conference ... indirectly calling those who see the gold world our way "idiots." Now, this is truly bizarre as Eric Sprott and John Embry of Sprott Asset Management are two of our biggest supporters. What can that guy be thinking of and why does he go out of his way to be so insulting?

Fleckenstein, Grant, and Casey are known for their individualistic thinking outside the box. Yet when it comes to what GATA has to say, they erupt. While they are all individuals, as a group it is about taking on "all the money and power in the word." They like to be known as "edgy" in the establishment world, but not to be known as taking them on. Think of them as wearing the flashy pants at a conservative country club. Yet what they don't want is to get thrown out of the club for being unacceptable.

Is what GATA has uncovered bigger than what these four iconic people of sorts want to deal with? I think so. Because each year it is becoming more apparent that we don't have free markets anymore in the U.S.; nor a free financial market press, and the control has escalated to even manipulating the financial market data.

What is evolving here is a massive breakdown of our financial market system and eventual chaos in our economy because of this orchestrated control. The United States has become the avant-garde communists of the day. How ironic that we fought them and their "system" for so long only to end up doing so much of what they did. The tragedy is that it will all blow up down the road and the average American, who is clueless of what is going on, will be devastated.

When it comes to the extent of all this manipulation, GATA is not alone...

[Is All of Our Financial Data Manipulated?](#)

Author : David Schectman

Miles Franklin

Published: August 1st, 2014

Sprotts Thoughts published a recap of their recent conference held in Vancouver. I want to comment on a portion of what Henry Bonner wrote:

Andy Schectman, who started the precious metals coin dealer Miles Franklin alongside his father, struck a chord: Is gold being knocked down on

purpose? "Who in their right mind sells that much gold all at once?" he asked, referring to the massive dumps of gold futures into the market last year.

Doug Casey would kick up controversy by taking on this issue later on.

Doug categorically denied the notion that precious metals were being controlled in his Friday talk. The powers that be "don't care" about gold, he said, "they don't consider it money." And besides, prices are manipulated anyway by market participants, as that is how markets work, but not suppressed by governments and bank cartels.

[-Sprott Global.com](http://SprottGlobal.com), July 30, 2014

Within our industry there are a few people who strongly disagree with the premise that the price of gold and silver are manipulated or that there is some kind of government or Fed-led conspiracy to hold prices down. As mentioned above, Doug Casey is in this camp, and so is my friend Trader David R. I have taken heat in the past for presenting David R's views. My response was that we like to consider both sides of the issue.

We have a strong relationship with the folks at Casey Research and respect what Doug has accomplished along the way. I have no problem with his view that gold and silver are not manipulated – I just don't happen to agree with him. Our friends Chris Powell and Bill Murphy at LeMetropole Café tend to agree with our view. They are at the forefront of the "manipulation is real" issue. One thing I can say about both Casey and the LeMetropole Café boys – they are all sincere with no hidden agenda. They are still pro-gold, but they build their case without lending credence to manipulation.

Frankly, I am surprised that Doug Casey takes the position that he does. He has been heavily involved in the gold newsletter and investment industry since the 1980s. I spoke at a seminar in Hong Kong with Casey in the mid-80s and he was one of the "gold bugs." But just because people like Casey and Trader David R are convinced that gold is not manipulated (or no more than any other commodity) they are still both very gold-bullish. They just believe that gold and silver are assets worth owning without relying on the "manipulation." So I am not bothered by their views

Andy Hoffman and Bill Holter get hot under the collar when people like Casey and Trader David R express their views. How can they possibly believe that gold and silver are NOT manipulated when there is so much evidence to the contrary? A good point, and I feel the same way – but I don't let my blood pressure rise when people who understand the importance of owning gold and silver happen to believe that the bull market in both metals will reach extraordinary heights, without using conspiracy or manipulation to build the case upon.

Our readers know all the arguments by now. I present the conspiracy/manipulation view every time I write. I find it hard to believe that any intelligent and logical person can look at the FACTS and come to another conclusion, but since when is there 100% agreement on anything? The real question is "What do YOU think?" We feel that we give you all the information you need to not only own gold and silver, but to feel comfortable that you have made the correct decision, and we are certain that you will reap the rewards of being right, while most Americans will be wrong. Just remember,

Casey and Trader David R are on our side and they are bullish too. They are not the bad guys.

Speaking about manipulation – how about yesterday's media blitz praising the strong economic numbers for the second quarter. Read what Zero Hedge has to say about this in the Featured Articles section. In the past year, over half of U.S. growth is from INVENTORY ACCUMULATION. All of our financial data is manipulated by our "no longer free and objective" press. It's not just gold and silver, but the government's data and the news put forth by the media. Even my wife, who is well read and very savvy said to me, "What do you think about the strong economic growth?" after reading about it in the newspaper. I had to explain it to her – and if she was unaware, I assure you, 99.9% of all Americans are unaware of what is happening.

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Sounds familiar, eh?

Yes, it is hard to understand how anyone with an open mind, and has taken the time to review all the evidence about all this manipulation, doesn't agree with the obvious. These days hardly a week/month goes by without a collusion scandal surfacing. It is an epidemic.

GATA is short for The Gold Anti-Trust Action Committee. We were formed to expose how certain bullion banks like Goldman Sachs and JP Morgan were violating anti-trust laws by suppressing the gold price ... hence our name. Eventually we realized the scheme was bigger than WE thought and included the Fed, Treasury, BIS and other central banks.

So, look what surfaces a few days ago:

Democrat & Chronicle
Rochester

Kodak alleges aluminum pricing conspiracy



Matthew Daneman, Staff writer 10:16 p.m. EDT July 29, 2014

Eastman Kodak Co. has joined a long line of companies accusing a collection of financial and commodities giants of colluding to artificially pump up the price of aluminum.

Kodak filed a lawsuit in U.S. District Court for the Western District of New York, complaining that such parties as Goldman Sachs Group Inc., JPMorgan Chase & Co. and the London Metal Exchange Ltd. were part of a conspiracy to violate the federal Sherman Antitrust Act and New York's Donnelly Law.

The defendants are facing dozens of similar such suits that were filed around the country before being consolidated in December 2013 to the Southern District of New York and Judge Katherine B. Forrest.

Rochester-based Kodak said its suit is largely based on news releases and media reports about those suits and about federal regulators and lawmakers increasingly looking into the issue. Assistant Attorney General for the Antitrust Division Bill Baer told the House Judiciary committee last November that "this is a matter we are looking at."

The Kodak suit also cites global aluminum production and consumption data to argue that "there is a substantial oversupply of aluminum, especially considering the vast supplies of aluminum held in warehouses."

Kodak alleges the defendants hoarded aluminum in warehouses and periodically swapped their holdings among one another "in order to add to the artificial scarcity and conceal the conspiracy."

A JPMorgan spokesman said Tuesday the company declined to comment. In a statement Tuesday, Goldman Sachs called the Kodak suit "without merit and we intend to vigorously contest it."

Kodak is a big user of aluminum for its lithographic printing plates. While the company says it has had to pay artificially inflated aluminum prices because of the conspiracy, Kodak in its suit did not have an estimated amount of how much it has been harmed. Its suit asks for unspecified damages.

Among the defendants are Metro International Trade Services LLC, Pacorini Metals USA LLC and Henry Bath LLC, which own and operate various London Metal Exchange-certified warehouses; and Glencore Xstrata PLC, a commodities trading and mining company.

In the face of growing criticism from industrial customers about supposed raw material collusion, as well as the Federal Reserve last year saying it would review a years-old decision that lets banks into the physical commodity business, JPMorgan in March agreed to sell its physical commodities business.

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Well hello!

A decade and one half later after GATA's inception the same names keep surfacing when it comes to conspiring and manipulation.

JP Morgan is something else. First of all, it is the Fed's bank, which directly links them to the gold price suppression scheme. And if there is a financial market scandal, their name almost always pops up. As of August 2013, the Department of Justice had 8 ongoing investigations into JP Morgan. Does Madoff sound familiar? JP Morgan was fined over \$2 billion for its role in the Madoff Ponzi scheme, conspiracy scandal. All of this is not new. Price-fixing cases are conspiracies and the U.S. Justice Department said there was an epidemic of them in the late 1990's when prosecuting Samsung for such doings. Nothing has changed since then.

Now look at this beauty...

CFTC Charges J.P. Morgan Securities LLC with Repeatedly Submitting Inaccurate Large Trader Reports and Imposes a \$650,000 Civil Monetary Penalty

July 29, 2014

Washington, DC - The U.S. Commodity Futures Trading Commission (CFTC) today issued an Order filing and simultaneously settling charges against J.P. Morgan Securities LLC (JPMS), a wholly-owned subsidiary of JPMorgan Chase & Co. and a CFTC-registered Futures Commission Merchant (FCM), for submitting inaccurate reports to the CFTC relating to the required reporting of positions held by certain large traders whose accounts are carried by JPMS. The reporting violations occurred despite the CFTC notifying JPMS of numerous errors in its reports. The CFTC Order requires JPMS to pay a \$650,000 civil monetary penalty to address its unlawful conduct.

The reports are known as the "large trader" reports and are used by the CFTC in order to evaluate potential market risks and monitor compliance with CFTC requirements.

CFTC Director of Enforcement Aitan Goelman commented: "The large trader reports are vital to the CFTC's role in monitoring market behavior and are important to members of the public, many of whom rely on that information in forming trading strategies. Therefore, submission of accurate and reliable data to the CFTC is essential. The CFTC will be vigilant in enforcing these rules in order to ensure the integrity of the regulatory structure and to maintain transparency in the markets."

The CFTC Order specifically finds that since at least 2012, the CFTC was notifying JPMS about errors in its large trader reports, which increased in frequency throughout the year. CFTC Regulations require FCMs to submit information on a daily basis for certain large traders, such as the number of open futures or options positions; the number of delivery notices issued or stopped; and the number of Exchange For Related Positions (EFRPs). In December 2012, the CFTC notified JPMS that the ongoing problems were unacceptable. JPMS, relying on its third-party vendor that generated the reports for JPMS, assured CFTC staff that the problems would be resolved on or before the end of January 2013. However, JPMS continued to submit large trader reports that contained hundreds of errors throughout the period from February 1, 2013 to February 2014.

Accordingly, the CFTC Order finds that JPMS violated Section 4g(a) of the Commodity Exchange Act (CEA), 7 U.S.C. § 6g(a) (2012), and CFTC Regulation 17.00(a)(1), 17 C.F.R. § 17.00(a)(1) (2013), with respect to its large trader reporting of delivery notices and EFRPs in connection with futures positions.

In addition to imposition of the \$650,000 civil monetary penalty, the CFTC ordered JPMS to submit a certified statement of compliance within 120 days of the entry of the CFTC Order stating that it has completed enhancements to its systems and procedures related to reporting of delivery notices and EFRPs, and has tested such systems and procedures to ensure that they now comply with the requirements of the CEA and CFTC Regulations.

The CFTC Division of Enforcement staff members responsible for this matter are Allison Baker Shealy, George H. Malas, and Paul G. Hayeck, with assistance from CFTC

Office of Data and Technology staff Jorge Herrada, Margaret Sweet, Howard Rosen, Marshall Horn, and Yolonda Herron.

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So how is anyone supposed to know what is what by looking at the published reports on the gold and silver markets. As veteran Café members know, it has long been my opinion that JP Morgan was trading for The Gold Cartel, including the US Government, by using offshore accounts, which could not be traced. Based on this development, that could easily be the case. What is clear is that this discovery, one which received little to no attention, bolsters GATA's contention that the gold and silver markets reek of corruption everywhere you turn.

For those of you who want to become more familiar with some of what GATA has put together over the years about the gold/silver price suppression scheme, I strongly suggest you read Chris Powell's stump speech titled, "Gold price suppression -- why, how, and how long." It was given last fall and early this year in New Orleans, New Zealand, Australia and Suriname. It can be found here:

<http://www.gata.org/node/13644>

Yes, it IS bigger than you think and when it all sees the light of day will lead to the biggest financial market scandal in US history. That will include market collapses, force majeure, a panic re unallocated gold accounts, a scandal over a real audit of US gold supply, one investigation after another of how this could have all happened, etc.

But, more importantly, for those who read this, it is also leading to an extraordinary investment opportunity ... that being an explosion in the gold and silver markets. Because of The Gold Cartel, their prices have been forced down to artificially low levels. If the price of gold had just kept up with inflation, that price would be at least DOUBLE what it is today. The price of silver reached \$50 thirty four years ago, and just about that a little over three years ago. It won't be too long before that level is taken out with \$100 an ounce as the next target.

Fortunes will be made by those onboard.

**Bill Murphy
Chairman
Gold Anti-Trust Action Committee
www.LeMetropoleCafe.com**