

# THE GOLD CARTEL STEPS ON ITS OWN LANDMINE

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I have recently read a book titled "The True Story of the Bilderberg Group" by Daniel Estulin. He reveals how the industrialized world is dominated by a handful of very rich and powerful people led by the Rockefeller family through the Bilderberg group and closely allied CFR and Trilateral Commission. The Bilderberg group meets once a year but rarely gets press coverage because its members include the media barons who own and control the Press. The group is motivated to continue to grow and protect their collective wealth. They control the banking world, they buy political influence, they shape and influence foreign and economic policy entirely for their own selfish purposes. One of their major aims has been to have access to raw materials at cheap prices. They have conspired to suppress the price of commodities to achieve this goal which has at the same time maintained the third world countries in poverty which also served their purpose of preventing any country from becoming rich enough to challenge their de facto economic colonization. Two of the instruments of global economic colonization have been the World Bank and the United Nations who have saddled many third world countries with debts that they can not repay, while prominent spokesmen eulogized about their vision to eradicate poverty!!

This week a very serious problem came to light for these elitists, and in particular the Gold cartel who are part of the shadowy world domination cabal. Having kept South Africa in a state of poverty has resulted in a total lack of investment in their electricity generating infrastructure. This has now reached crisis proportions and last week the electricity utility ESKOM had to shed 4000 MW of power demand which resulted in entirely shutting down the mining industry. The unusually wet weather in parts of South Africa making coal stocks unusable is being used as the scapegoat but it was just the straw that broke the camel's back.

The deputy President made a speech where

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She admitted that the government had underestimated the country's economic growth, which had seen electricity demand far outstripping supply in recent years. (It was ironic that) "we have a growing economy that everyone envies, but have to suffer this pain. We have a positive on one hand and a negative on the other. "Maybe we were pessimists who did not believe in our economic growth," she said.

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That clearly is not just a temporary problem of rain soaking some stocks of coal dust!

Despite the lack of investment in power generation South African heavy industry has continued to expand and even such power hungry installations as Aluminum smelters have been constructed.

ESKOM has projected that the crisis will continue for 2-4 weeks but that is very wishful thinking. This problem is NOT going to go away in that time frame. ESKOM plans to spend 43 B\$ in power generating expansion over the next 5 years but this will not bring any relief in the short term. Furthermore the high price of coal on world markets has encouraged coal miners to export their coal rather than to sell it to ESKOM.

This is a MAJOR CATASTROPHE for the gold Cartel. They have stepped on their own land mine. Gold output from South Africa is going to be dramatically reduced. Deep mining can not have ANY power interruption. A power outage of a few hours while men are working below ground would be fatal. If any outage is threatened a shift must be cancelled. This comes at a time when the Western Central Banks have seriously depleted their gold hoards from years of surreptitiously dumping gold on the market and Eastern central Banks are starting to accumulate gold to diversify out of paper money, and investment demand is climbing rapidly as credit and equity markets are rocked by uncertainty.

What wonderful timing for GATA to be making a FOIA request to the US Treasury about the state of the US gold reserves, running a one page ad in the Wall Street Journal and staging a major conference in Washington!

Meanwhile the Open Interest on the COMEX at 550,000 contracts is at historical record levels. How many contracts will stand for delivery? This has to be resolved in the coming weeks and I expect it will be resolved in favor of the bulls as the shorts start to panic.

The Cartel is definitely looking into the abyss. Investors must expect high volatility as the cornered rats become desperate to shake out weak longs but this will not be a time to trade. The cartel has stepped on its own land mine and is severely wounded. Gold price drops will not be reflecting weakness in the gold market fundamentals but weakness in the Cartel's increasingly untenable position.

I expect the outcome will be a quantum leap in the price of the precious metals which will trigger a feeding frenzy in the mining equities that are presently so seriously undervalued.