

The Precious Metals Market is Manipulated: Gold, GATA and the Turn to Higher Ground

By [Catherine Austin Fitts](#)

Theme: [Global Economy](#)

Global Research, April 22, 2008

solari.com/blog 22 April 2008

The following is Catherine Austin Fitts' presentation at the "GATA Goes to Washington" conference which took place in mid-April 2008 in Washington D.C.

I would like to thank our chairman, Bill Murphy, and our treasurer, Chris Powell, for the opportunity to speak with you and to be a part of the extraordinary journey and network that GATA has become.

Thank you for coming and making "[GATA Goes to Washington](#)" and our efforts to press for full disclosure of the U.S. gold stores a success.

To accomplish our goals in a politically managed economy requires a new integration of political and market skills. From the vantage point of good old-fashioned politics, I want to talk about what we can do.

For some time, we have been experiencing an extraordinary centralization of economic and political power. Economic power. Political power. The two go hand in hand.

We have watched assets shifted out of governments and central banks worldwide and moved into private hands at below-market prices—or simply stolen—while liabilities have been shifted back, often for free. Governments are not so much being privatized as piratized. At the heart of this piratization has been the transfer of gold stores into private hands, as gold is one of the most critical strategic assets that one must control to achieve political power—whether in one place or an entire planet.

After almost a decade, GATA and our allies have proved our point: The precious metals market is manipulated. Time and the steady bankrupting of the federal credit have also proved what we have long known—that the bankers and private interests that manipulate the precious metals markets are manipulating markets and events broadly.

GATA's efforts have helped to protect the personal, family, and business assets of its growing numbers around the world.

Being right and helping a growing network of financial and natural resource leaders around the world are creating a tremendous foundation from which to build.

Yet, no doubt in anticipation of April Fools Day, on March 31, Secretary Hank Paulson, former chairman of Goldman Sachs, announced [the Paulson Plan](#) - an extraordinary proposal to significantly expand the Federal Reserve's power—including consolidation of

control of all U.S. payments systems, enforcement powers with respect to anything that moves in the U.S. financial sector, and full authority with the [Presidents Working Group on Financial Markets](#) to politically and arbitrarily determine the cost of capital of every player in the economy through government-funded means.

This means that the so-called cartel can ensure that our companies cost of capital—presuming we even have access to capital—is many multiples of that of Goldman Sachs and JP Morgan Chase (that is, themselves), without regard to fundamental economic productivity and performance. On top of that, they can stick the bill for this politicized state of affairs back on us, whether through taxation, inflation, or regulation.

Ultimately, no real economy, no real civilization, can survive such a drain. This is the heart of the financial mechanism I refer to as “the Tapeworm.” Increasing the powers of this financial parasite is a direct attack on life itself—not just on us but on future generations as well.

In short, we grow stronger, but so does the cartel we attempt to hold accountable.

So the question before us is, “What can we do?” In a politically managed economy, and in the political fight unfolding before us, how do we shift the course of events in our favor and in the service of freedom and life?

In honor of [Edwin Vieira’s](#) marvelous history of U.S. monetary history discussed yesterday, Pieces of Eight, let me suggest eight areas of opportunity for your consideration in the hope that one or two will inspire you to action appropriate to your unique situation.

FIRST: Let’s buy gold and silver.

Those of us who are here today have enjoyed the protection afforded by the knowledge that gold and silver are money. Our assets have been protected accordingly. Now the time has come to help those around you— family, friends and colleagues—to understand the importance of shifting their assets out of the bubble economy and back to the real economy, first and foremost to precious metals and the companies who responsibly explore, produce, and manage them.

More and more people are concerned about what is happening in the current economic and political environment. At the same time, investing in precious metals is a big step for people who have never done it, are not financially sophisticated, or are not used to managing market volatility. We are the early adapters. We need to reach out to those around us and help them move their assets to higher ground in a manner that diversifies ownership and control of precious metals stores.

SECOND: Let’s shift the media.

I don’t mean wasting time with corporately controlled media that is paid to centralize. We can encourage those we know to shift to the many wonderful alternatives that have become available, including the websites and newsletters that are represented and mentioned at this conference.

Can you imagine what the likes of Rob Kirby at Kirby Analytics, Bill Murphy at Le Metropole Café, James Turk with his Freemarket Gold & Money Report, Bill Knight at The Knight Report

and the countless other excellent websites and newsletters represented in the GATA networks could do if they had 10,000 more subscribers, let alone 100,000—let alone 1,000,000? Why not? They have been right and Fox News has been dead wrong.

Let's support the websites, newsletters, and radio shows that are creating access to a growing audience. Let's think big about shifting the readership and cash flows into the right media.

THIRD: Let's shift the brand.

One of the cartel's greatest weapons is its brand. We have seen leading members of the New York Fed and other Federal Reserve banks such as Goldman Sachs, JP Morgan Chase, Citigroup, and Bank of America commit atrocities again and again. The rape of Russia, IMF economic warfare throughout Latin America and Asia, Enron, the pump and dump of the dot.com market, trillions of dollars missing from the U.S. Treasury, the fraudulent inducement of America through the housing and consumer debt bubbles, and the manipulation of the precious metals markets are just some of many financial crimes that have been used to engineer centralization by these same players. We hear the same names over and over again. And yet, if you talk to those around you, everyone is still inviting such executives and employees to parties, welcoming them as sons- and daughters-in-law and doing business with them and their investors.

Why are we banking with these people? Why are we trading with them? Why are we treating them as if they were socially acceptable?

I think the time has come for some serious, good old-fashioned shunning.

FOURTH: Let's shift the money.

With a shift in media and brand, it is then time to shift our associations, our bank deposits, our brokerage business, and our investments as far away from these enterprises as possible.

Now this is when I am always told that we are only a few people, and our assets do not amount to market clout.

I don't believe it. First of all, I have seen what excellent people can do with a small amount of resources when it was shifted into them. Look at what Bill Murphy and Chris Powell and the GATA team have accomplished on a shoestring. Look at what James Turk has accomplished with several hundred million at Gold Money. Several hundred million may sound like a lot, but not when compared to the billions the cartel is draining from our deposits, brokerage accounts and pension funds as we speak.

Then think of what would happen if we left today, and in the butterfly effect of the possible, GATA and the all the responsible, capable business represented here experienced a sizeable inflow of assets as those assets left JP Morgan Chase, Goldman Sachs and their ilk?

I can imagine such a profound financial shift. You can, too. Let's create an intention to see the shift of billions of capital out of the cartel and into the businesses represented and networked in this room.

FIFTH: Let's think and prospect local.

This action item is critical because, ultimately, all politics are local. Local action is how we pull the cash flow rug out from under the cartel.

Wherever you call home, all around you are pools of capital. Perhaps your church, temple, or mosque has an endowment. Perhaps your university and your community foundation have significant investment capital. Your municipal and state entities have pension funds.

All of these entities are doing business and getting drained by the same criminality.

Where we know people, where we are active, let's start to lobby for shifting assets and investments onto solid ground and get the criminals out of the fee flows. If you donate money to an institution, make sure they are not sending that money back into the cartel. Let's use what we have learned to protect the capital pools around us, including the precious retirement savings of our neighbors and fellow citizens.

Shifting capital at a local level is particularly important as the credit crunch unfolds, increasing the cost of capital available to small business, small farms, and municipalities relative to their larger counterparts.

The privatization that has asset-stripped the U.S. federal government is working its way toward state and local governments as the early signs of municipal budget woes and bankruptcies increase.

"The stock-market guys say you have to reach a bottom before you can recover, and that a bottom is often signaled by the collapse of some big entity. Many people thought it was Bear Stearns Cos. In reality, it's Jefferson County."

—Joe Mysak, "Largest U.S. Municipal Bankruptcy Looms in Alabama," Bloomberg.com (11 Apr 2008)

Perhaps it would be better if, instead of deploying our local capital to finance large corporations, investment funds, and banks coming in as speculators to buy up our local assets at depressed prices, we buy them ourselves. Indeed, if we had our capital safely stored in gold and silver instead of in the cartel, we would increase our capacity to do so.

As Assistant Secretary of Housing in the first Bush Administration, I was responsible for cleaning up the bust of the last housing bubble. At one point, my staff identified a town in New Mexico in which 70% of the mortgages were in default and owned by the Federal Housing Administration, Fannie Mae, and Freddie Mac. I asked them why the community did not buy them. Taken aback, they explained that the community had no money. I explained that I was from Wall Street, where we regularly bought things without money. We created an entity and used stock. Since the town clearly needed to reinvent its local economy, why not create an entity and swap stock for the FHA mortgages? Securitization of real estate was still a novel idea in 1989. Today, there is no longer a reason for the local community to be outbid by speculators if its financially sophisticated citizens take heed.

Today, the question is still before us: Who will clean up the defaults—Wall Street or Main Street? I would suggest that the answer is that the clean-up will be done by the players that we finance with our capital.

Did you know that at the end of the Great Depression, America had 3,200 community currencies? There are numerous groups throughout America interested in starting

community currencies. As my good friend Franklin Sanders likes to say, using precious metals could be the [“Just do it”](#) shortcut.

SIXTH: Let’s think global.

In every other industry of clear strategic importance—food, water, other natural resources, new technology—the big guys are trying to squeeze the little guys by manipulating their cost of capital and using a variety of dirty tricks. Where can we network with leadership in these other sectors who are struggling to best the same cartel without the benefit of our extraordinary knowledge of money and financial markets? Where is the opportunity for us to ensure that we are circulating our money and know how to each other and not back to the cartel?

SEVENTH: Let’s teach our young people about the importance of gold and silver.

To win the younger generations, we need to undo some of the most powerful brainwashing that the cartel has been selling.

First, we need to teach the younger generations that fiat currency has done more damage to the environment and to human and animal rights than the most irresponsible mining companies dared even dream of doing.

Second, we need to challenge the definitions of socially responsible investment that shun precious metals and natural resources and instead channel retail capital to cartel stocks and bonds. Diversifying the ownership and control of precious metal stores and the exploration, production, and management capacity is arguably the most socially responsible investment on Planet Earth today.

EIGHTH: Let’s support GATA.

All solutions start with truth. To grow our capital and thrive in this environment, it is essential that we continue to illuminate and document the mechanisms a politically managed market uses. We need to switch the cartel’s market force out of the magic of the black box and black budget and into the daylight in a way that returns market power to our team.

Can you recruit more members? Can you promote links to our site and bring us more media attention? If you have not yet, can you donate what is appropriate for you?

I can assure you, [GATA appreciates your support](#) and will go far with what you give.

In summary, there are many opportunities for action. Let’s shift the media, let’s shift the brand, let’s shift the money, let’s act locally, let’s network globally, let’s win the hearts and minds of the next generations —and let’s support GATA as we do so.

As you return to your home, think about which actions are most energizing for you. And remember: Whatever the cartel does to try to persuade you that things are hopeless when they are not, you must not take to heart.

Hold instead in your heart the memory of the stuff of which we are made. I leave you with the words of Winston Churchill:

“We have not journeyed across the centuries, across the oceans, across the mountains, across the prairies, because we are made of sugar candy.”

I also want to remind you that encouragement is available daily. Simply dial in and read Bill Murphy’s latest Midas column at Le Metropole Café and Chris Powell’s acerbic commentary on the GATA wire.

Ladies and Gentlemen, thank you so much for gathering at “GATA Goes to Washington.” My prayers are for your safe journey home and for your efforts to blossom and grow until we meet again.

The original source of this article is solari.com/blog
Copyright © [Catherine Austin Fitts, solari.com/blog](http://solari.com/blog), 2008

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Catherine Austin Fitts](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca