

Gold by Montresor

The brotherhood and the gold price

In which the oldest money and its managers expect an excellent price for bullion to revive.

After a certain amount of digging, I have uncovered the truth behind the recent weeks' sharp break in the price of gold. Not to my surprise, the perpetrators are revealed to be a group of men whom I have watched for some time.

At the beginning of July, gold market observers in Frankfurt were surprised to note a clear pattern of rumors emanating from the city of Zürich, where the Union Bank of Switzerland makes its home, to the effect that an imminent gold-price collapse may be expected. As UBS would have it, gold is headed for the \$350 or \$300 per ounce level.

Together with the rumors, these same astute Germans noted a small but strategically well-placed series of bullion sales by both the Union Bank and certain old Italian institutions. At each turn in the gold price, so it seemed, the gentlemen in Zürich and Milan were acting to frighten the market, at a net cost to themselves, of perhaps as few as five tons of metal.

In due course, the gold price did indeed collapse by \$60 during the first weeks of July, breaking the \$400 per ounce barrier to fall to \$397 on July 8 in London.

The mystery deepened when my friends in Frankfurt discovered that the Italian, French, and German central banks, large portions of whose reserves are held in gold, had inexplicably ceased to intervene to support the yellow metal, as had

always been their custom. Although the Banca d'Italia values its huge gold holdings at \$480 an ounce and the Banque de France at \$460, they stood by. This, in spite of the weakness of all their currencies, a severe run against which has only been prevented in recent months by the knowledge of speculators that these three hold over \$112.1 billion in gold at the \$460 valuation.

Why would the central banks of nations stand deliberately by while the credit of those nations is ruined, when those nations, under the European Monetary System, are committed to the remonetization of gold as a pillar of the international monetary system? What can the future for those currencies be, when the American central bank continues to raise world interest rates above 21 percent, threatening to pull more funds out of Europe?

To complete the picture, by mid-July our German colleagues had to report unmistakable signs of gold sales by the Soviet Union, which had been kept from the open markets for many months.

Considering the matter, I reported to my German associates the fact that precisely these three central banks, the Italian, French, and German, had for some months subordinated the interests of their national governments to the tight-credit dictates of the Basel-based Bank for International Settlements.

I further reported to my colleagues the renewed offensive

against the Vatican and the increased capital flight out of Europe now being conducted by the Propaganda 2 lodge of Venetian Freemasons, the exposure of whose illegal money transfers has recently toppled the Italian government. I suggested to them that the Banco Ambrosiano and Banca Commerciale Italiana, whose officials Roberto Calvi and Gaetano Stamatì have been named as P-2 Masons, are under scrutiny for illegal money transfers, bore suspicion in the gold matter.

Upon investigation, my Frankfurt friends were able to report indeed that the "strategic bombing" gold sales were almost certainly coming from the two Masonic banks in Milan.

Meanwhile, colleagues at the Vatican in Rome had discovered that the Union Bank of Switzerland itself was no random Swiss bank, but the Swiss bank of choice for Sr. Calvi himself. Among the papers of Licio Gelli, Grand Master of the P-2 Masonic lodge, have been found at least two receipts on Union Bank in Lugano and Geneva for illegal payments by Roberto Calvi, Sr. Gelli's banker. The first was for a \$7 million bribe to Italian Socialist chief Bettino Craxi, for a loan arranged by Craxi to the Italian state oil concern ENI. The second was an \$800,000 payment by Calvi to Italian Supreme Court Justice Zilletti for the illegal release of Sr. Gelli's impounded passport.

The P-2 financiers were unmasked as the force driving millions of small investors out of the gold market. Meanwhile, I suspect, they are buying gold off the market from Moscow and Johannesburg. Later this year, only they will benefit from a planned gold-price rise.