

NEWS & VIEWS

September, 2000

Forecasts, Commentary & Analysis on the Economy and Precious Metals
Celebrating Our 27th Year in the Gold Business / Centennial Precious Metals / Since 1973

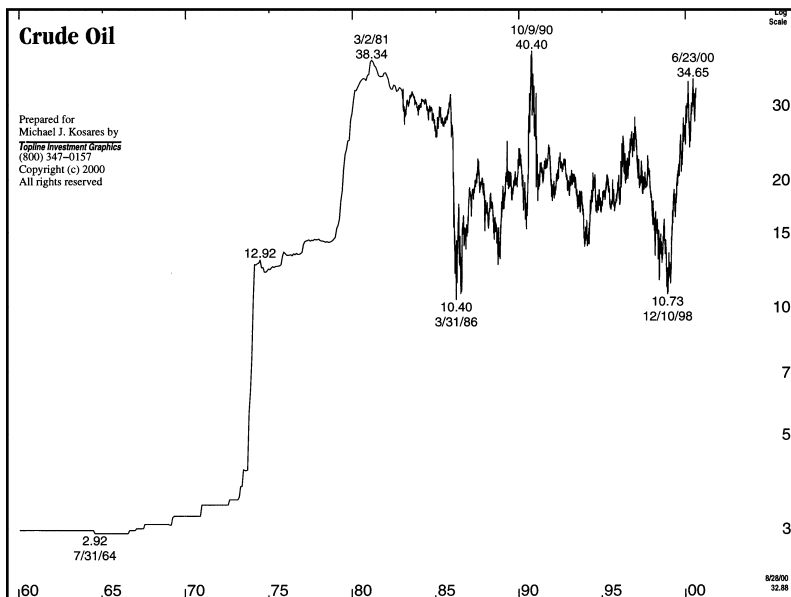
"The only remaining problem was how to obtain that much gold. Because America had just gone off the gold standard, Socal's efforts to dispatch the gold directly from the United States were turned down by Assistant Secretary of the Treasury Dean Acheson. But finally, the Guaranty Trust's London office, acting on behalf of Socal, obtained thirty-five thousand sovereigns from the Royal Mint, and they were transported on a ship belonging to the P&O line. Care had been taken that all the coins bore the likeness of a male English monarch, and not Queen Victoria, which it was feared, would have devalued them in the male-dominated society of Saudi Arabia."

-- Daniel Yergin, "The Prize", on the signing of the first oil exploration concession with Saudi Arabia in 1933

BACKGROUND: It could be quite a September. As you might have guessed from our banner quote, much of this issue is devoted to oil. Make that oil and inflation. Make that oil, inflation, and international politics. Make that oil, inflation, international politics *and* gold. The good King Ibn Saud, back in 1933, demanded 35,000 gold British Sovereigns in payment for oil exploration rights in his country. Had he known that he was sitting on a massive pool of oil that would make Saudi Arabia the most important piece of real estate in the world, he might have asked for more. Ibn Saud did however understand the ultimate value of a paper promise, hence the payment in hard, yellow metal. To this day, the Gulf (as it's come to be known) becomes squeamish whenever it appears the Fed is printing too much paper currency (much of which goes to pay for oil) and the price of oil begins to ascend. The oil producers, it seems, are saying in essence, "You have had a good run. Much of it has been at our expense. Your economies are at full capacity. Now it is our turn." As you will read below, what might make this September particularly crucial is that toward its end the national leaders of the OPEC states will meet for the first time since 1975 -- one quarter century after the first Oil Crisis rocked the world. For a world that runs on oil, what comes out of that meeting will likely set the stage for October -- that potentially cruellest of months for the equities markets. MK

Short & Sweet..... "WHOLESALE PRICES," PIPED *THE BLOOMBERG REPORT*, "ROSE FOR A THIRD STRAIGHT MONTH in July led by oil and some types of food, in the latest evidence of accelerating inflation. . ." The interesting twist to this report was that the article was referring to perennially inflation sensitive Germany, not the United States.

..... **THOUGH THE DOLLAR CONTINUED TO RISE AGAINST MOST INTERNATIONAL CURRENCIES** during the past month, most currencies (including the dollar) were depreciating against real goods. In Europe, financial page headlines bemoaned the return of inflation and the prospect of higher euro interest rates. Ireland had the worst inflation in the European Union at 5.9% -- but all members were running price increases above the targeted 2% level. **AND IT IS THE TREND, AS MUCH AS THE CURRENT NUMBER, THAT HAS ECONOMISTS CONCERNED.** Crude oil, which must be purchased with dollars, is being blamed as the chief culprit. When the dollar price of oil rises, it fans the inflationary fires of nearly every nation in the world. *All of this could at some point inspire a dollar rebellion among the nations of the world, with both oil producers and oil consumers capable of finding fault with the dollar simultaneously . . .* In such a case gold, of course, would become one of the primary beneficiaries and the dollar could go into a tailspin. As for the United States and the American people, it has become rather obvious that the government's inflation numbers are unreliable and politically inspired. . . . Few consumers believe inflation to be "under control" as claimed by the politicians and the mainstream press on nearly a daily basis. Rising oil (see graph right),



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SHORT & SWEET, CONTINUED. it seems, lifts the price of all ships -- including American ships. . . .

TO SOME EXTENT THE REBELLION ALLUDED TO ABOVE MIGHT ALREADY BE IN MOTION. The prestigious World Gold Council reported in early August that “[g]old demand continues to hold steady during 2000. Total demand for the second quarter [of 2000 in the countries monitored] was 789 tonnes, down 2% from the second quarter of 1999,” according to the World Gold Council’s quarterly survey *Gold Demand Trends* published today. “That brought the total for the first half of 2000 to 1,584.2 tonnes, just 0.6% below the figure for the opening six months of 1999, when demand went on to set a record for the full year.”

. **GOLD’S STRONG SHOWING WAS LED BY ASIA** where the 1997 currency meltdowns have caused a migration to gold as those economies have recovered. We believe that Asian buying will be with us for a long time to come and will act as a solid foundation for the gold market of the future. **Saudi Arabia and other Gulf States, probably the result of a new influx of petro-dollars, also showed strong demand increases.** Saudi Arabian demand for the yellow metal was up 9% over the same quarter last year. U.S. and European Union demand fell from the extraordinarily high Y2K levels of a year earlier. .

. **WHAT MIGHT ALL THE TALK OF INFLATION AND RISING OIL MEAN FOR THE UPCOMING PRESIDENTIAL SWEEPSTAKES?** Commodities analyst, Don Wellenreiter, writing for *Futures* magazine sums it up nicely: “So what does OPEC have to do with any of this? Plenty and here is why. If gas prices remain where they currently are, the prospects for our current Vice President to be sending out his resume come next January are very high. When the price at the pump begins to dip into the pocketbook of the average worker they feel someone is to blame and they usually take it out on the people in office at that

time. The White House knows this so expect for them to begin strong-arm tactics on the oil producing countries to increase production in the coming weeks and months ahead (actually this may be going on right now). Add to this problem a stock market that is either stuck in neutral or, worse yet, heading down and this country will have another Bush as their president. It is very possible that OPEC along with Wall Street will determine who our next president will be. If the market gains strength in the coming months and/or gas prices actually come down Mr. Gore stands a fair chance of winning come November. If not the Republicans will be back in the White House once again.” **WE WOULD LIKE TO ALERT OUR EUROPEAN FRIENDS** that we are putting the finishing touches on our **European Delivery Gold Coin Program.** We will be offering both bullion coins and pre-1933 gold coins for



delivery to your residence -- the first American firm to our knowledge to have conquered the nuances of the European market. As alluded to earlier, inflation is becoming a problem in Europe and, as you can see by the graph above, gold has done well over the past year in euro terms. Now the same quality of service and pricing that has made us one of America’s top gold firms will be available on the European continent. Please stay tuned to our USAGOLD website (www.usagold.com) for further developments.

THIS FROM AUSTRALIA’S THE PRIVATEER WEBSITE (www.the-privateer.com). This article supports the theory that gold might see some action long before the election takes place. “[A]s far as Gold is concerned, the only thing that could shake it out of its present slumber is a sudden and unexpected dive in the international value of the Dollar. There are any number of reasons why that could happen, but nearly all of them depend on an action by one of the nations which holds vast quantities of U.S. Treasury paper. All these nations have held this paper for a long time, and they are well aware of the ironclad rule of the U.S. establishment. But big events almost always happen when no one expects them to happen. That is why we are going to be watching the lead up to this U.S. election with more than our usual interest. Stay tuned, it could be a very interesting three months coming up.”.

DURING THE WEEKEND THAT THIS NEWSLETTER IS BEING COMPILED, Denver was hit with inflation news on at least three fronts. This morning’s *Rocky Mountain News* headline bleges **HEAT IS ON THIS WINTER, NATURAL GAS COSTS TO JUMP.** And below the fold: **DENVER’S INFLATION JUMPS 3.8%, HIGHEST SINCE 1995.** Yesterday’s front-page headline was **AVERAGE HOME TOPS \$250,000..** . . . Denver Metro Chamber of Commerce economist, Patty Silverstein, offered a sentence to describe what most Denverites were thinking: “It’s shocking.”. . . Energy prices were up 17.4% over the past year led by gasoline up 34.3%. The article contained the standard

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SHORT & SWEET, CONTINUED.reassurance that all would be well if not for rising energy prices. Imagine if a mayor whose small town were leveled by a tornado were to stand amidst the rubble and say "If not for that darn twister, this town would be still be standing." . . . Somehow we are not reassured. **HARRY OPPENHEIMER**, who made a fortune in the gold and diamond business in South Africa, is dead at 91 years of age. His fortune was estimated at \$2.5 billion. As chairman of both DeBeers and Anglo-American, Oppenheimer was arguably the most important personage in both the diamond and gold businesses during the last half of the 20th Century. **THIS INTERESTING SUMMATION FROM GOLD MINING ANALYST, DAVID MCKAY, IS WORTH A CAREFUL READ:** "South African gold producers continued to reduce their forward sales in the June (third) quarter and there are few fears that the recent price weakness of bullion will slow the trend. The gold price has slipped to the lower reaches of most analysts' expectations for the year but a sense of torpor has descended on the gold market rather than panic. AngloGold, for one, is positive gold has support at \$272 per ounce. According to BOE Securities gold analyst, Piet Stoltz, South African golds are unlikely to reverse their decision to unravel their hedge books. 'AngloGold has said it will maintain an open view on their hedge book but Harmony and Gold Fields have rejected hedging altogether,' he says. Nor has Randfontein altered its hedge book lately. This was after closing out obligations for the next two years in January soon after the company was bought by Harmony Gold. Nonetheless, it's worth bearing in mind that Randfontein's hedge book is \$46 million underwater, according to Stoltz." **MANY IN THE GOLD INDUSTRY** believe that gold hedging and forward sale practices have played into the hands of the gold shorts and acted as a strong deterrent to higher prices. Fund managers have been particularly critical behind the scenes because they see these practices as a form of industrial suicide which undermines the value of the very metal upon which the mining companies depend and, in the long run, makes the stocks of these companies a poor bet. The sea change away from hedging that McKay writes about could add to the growing bullish sentiment for the yellow metal's long-term future. **A ROCKY MOUNTAIN NEWS POLL OF COLORADANS** finds that 49% believe that there are advanced forms of life on other planets, 34% believe in flying saucers, and 39% believe in ghosts. 9% believe that aliens from other planets live among us

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-- down from 12% a year earlier. No reason was given for the puzzling drop in that closely watched category. **ONE OF CANADA'S MOST PRESTIGIOUS THINK TANKS**, the Fraser Institute, believes that NAFTA is a stepping stone to a monetary union between the United States, Canada, and Mexico. To wit: "On the day the North American Monetary Union is created--perhaps on January 1, 2010--Canada, the United States, and Mexico will replace their national currencies with the amero. On that day, all American dollar notes and coins will be exchanged at the rate of one US dollar for one amero. Canadian and Mexican currencies will be exchanged at rates that leave unchanged their nations' competitiveness and wealth. In all three countries, the prices of goods and services, wages, assets, and liabilities will be simultaneously converted into ameros at the rates at which currency notes are exchanged. At the same time, the national central banks of the three countries will be replaced by the North American Central Bank." **HERBERT GRUBEL, THE ECONOMIST WHO WROTE THE STUDY** says that Robert Mundell, Nobel Laureate for economics and "Father of the Euro," told him in private conversation that such a union would be "beneficial." Please be advised that the

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SHORT & SWEET, CONTINUED. amero and the North American Economic Union are *proposals* by Dr. Grubel (a Canadian) and not the *policy* of the United States though he appears quite confident the Amero will become an American-sponsored currency. **IF YOU**

Dr. MoneyWise says:

As my colleague, Dr. Weinberg, says: "A cynic is someone who knows the Price of everything and the Value of nothing." So it is Old Wisdom to buy Gold in the proper proportion when all is quiet and the Price is Right. . . History says a Stormy Future gives no Quarter to the Unprepared. And though today's Buyer might revel in Gold's friendly price, he might someday come to fully understand its Real Value.

ARE WONDERING WHERE ALL THE MONEY IS COMING FROM to fuel this economic boom, look no further than the massive debt which Americans continue to amass as if there were no tomorrow. The latest reports show commercial credit up nearly 11% over the last three months and finance company credit up a whopping 20.8% in the same period. **HERE'S SOME DEEP-WATER EXPLORATION OF THE CLINTON ADMINISTRATION'S INTERNATIONAL SCANDALS DELIVERED** in Congressional testimony by Anne Williamson, author

of *Contagion: The Betrayal of Liberty, Russia, and the United States in the 1990s* . We thought you might find this interesting, particularly the final

sentence: "One particularly striking aspect of Bill Clinton's presidency is how aggressively his administration has worked to capture the political support of the financial sector, offering up heretofore unseen gobs of government favor. [A disproportionate number of firms receiving OPIC (Overseas Private Investment Corporation, a government entity) guarantees, Export-Import bank lending, and IFC (International Finance Corporation, the private lending arm of the World Bank) and Russian Enterprise Fund participation were generous contributors to both Clinton campaign coffers and the DNC.]



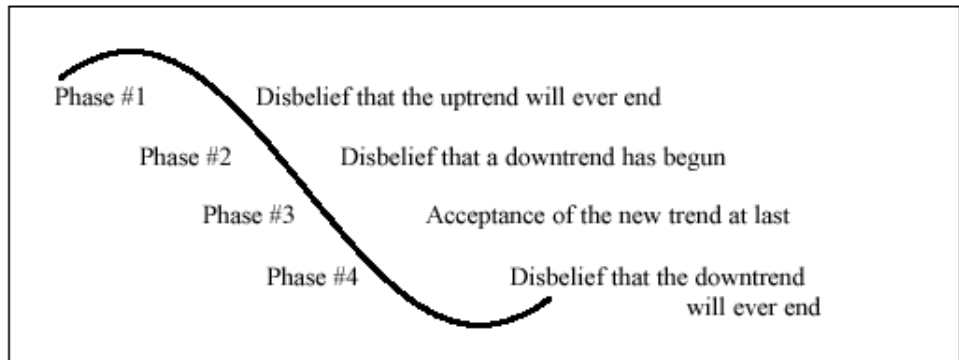
The basic formula was simple, it's not the rocket science Russia's Harvard advisers intimated it was: The bread and butter of all equity markets are bonds. Wall Street wanted a [Russian] debt market. You build it and we'll come, they said . . . The aid program delivered best it could what was in reality a flimsy contrivance, which--in turn--was really only an exotic venue through which to pass public funds to selected Russians of the Clintons' and HIID's choosing and to Wall Street investment banks the Clintons hoped to entice permanently into their orbit of supporters and contributors. In short, the Russian bond market was the Arkansas Development Finance Authority gone international." **CHILE SOLD 33.7 TONNES**

of gold in June for reasons unknown. **HERE'S AN INTERESTING TAKE ON MARKET PSYCHOLOGY FROM THE WORLD GOLD COUNCIL'S DR. ROBERT WEINBERG:**

"Market volatility tells us that there is more to portfolio investment than discounted cash flow analysis. The important point is that price and value are very seldom the same. It reminds me of the saying that 'a cynic is someone who knows the price of everything and the value of nothing'. It is a mist of perceptions and expectations for the future that drives markets, not

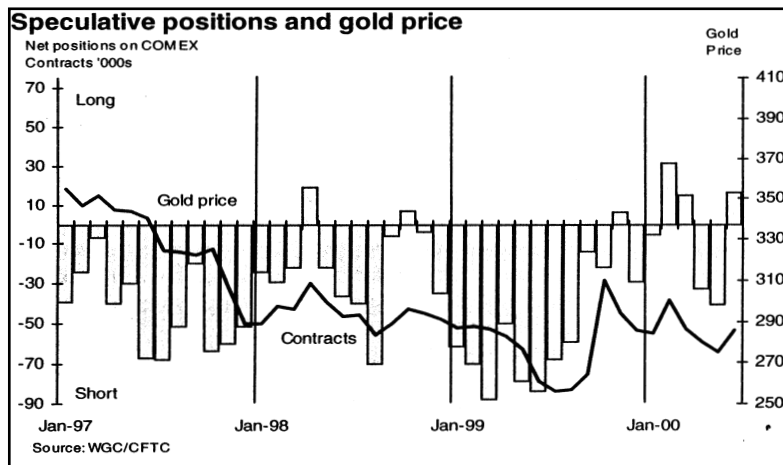
hard reason and reality. Markets are like balloons, driven by wind and hot air. Without continuous encouragement and stimulus they tend to drift, not just sideways but down. A good part of the reason for this lies in the phase nature of markets. (Please see the chart below.) Bear markets come in four stages as you can see here. If you stand on your heads you will see that bull markets also have four phases. Here lies the fascination of markets; most of the time they do not believe where they are going. More sophisticated analysts tell us that 'markets go down until they stop going down; then they go up until they stop going up, then they go down until...' But you get the idea." There is little doubt where gold now stands in the cycle. It's value time, fellow goldmeisters. **SADDAM HUSSEIN REFUSES TO GO AWAY.** *Associated Press* tells us that "Germany's intelligence agency Friday confirmed a report that it had discovered the location of a secret Iraqi missile factory near Baghdad, supporting allegations that Saddam Hussein has continued to build up his arsenal. About 250 technicians are working on short-range missiles at the Al Mamoun Factory, said

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SHORT & SWEET, CONTINUED. a spokeswoman from the German *Bundesnachrichtendienst*.”

. **FORMER JUSTICE AND TREASURY DEPARTMENT ATTORNEY, ETHAN STROUD**, has challenged the Commodity Futures Trading Commission to investigate what he calls “the illegal price manipulation of gold and gold derivatives by numerous bullion banks and brokerage houses.” Says Stroud, “Gold is scarce and easily manipulated. These illegal traders have destroyed the free market in gold. They have caused irreparable harm to mine workers, employees, corporations, investors, and thousands of shareholders and threaten other free markets elsewhere. Prima facie evidence of illegal gold price manipulation is that J.P. Morgan of New York increased its short sales of gold derivatives in 1999 from \$18 billion to \$38 bil-



lion in the last six months of 1999 . . . Gold traders from Morgan and Goldman Sachs as well as Chase Bank, CitiGroup, and Deutsche Bank have all conspired to keep the gold price under \$290 and have intentionally moved the price away from a level reflecting the legitimate forces of supply and demand. This illegal and unlawful price fixing by these traders has caused the present and future price of gold to become artificial and hundreds of dollars below the present, free, fair-market price. *Remedy: The swift and simple proof of these allegations will be determined by this Commission issuing a cease-and-desist order prohibiting all of these traders from selling gold.* (This is a common equitable remedy to prevent further irreparable harm and

damage.) Within a few days, after the entry of this order, the present artificial price of gold will rise to its true fair market value of \$600.”

NEWS & VIEWS COMMENT: If the CFTC’s responsibility is to insure free and fair commodity markets in the United States, then an investigation into the gold market is long overdue. We are not certain on what basis Mr. Stroud claims gold will trade at \$600 once the siege is lifted; however, based on various studies I have seen on the equilibrium price of gold geared to the inflation rate, it is not far-fetched. Some think that it could go much higher if the short sellers were forced to succumb to the imposition of a free and fair market. **WE’LL BRING THE SEPTEMBER ISSUE OF NEWS & VIEWS TO A CONCLUSION** with these comments from the *London Evening Standard*’s top financial writer, Anthony Hilton, on a trap that the Fed Chairman may have laid for himself : “Overall, there is no doubt that the credit quality of America is eroding and if it erodes too far it will bring the whole economy down, and much else besides. No one can tell what Greenspan privately thinks of all this, but ironically (given his new-found love of technology) his critics have been doing computer runs of his public speeches to see how often he mentions credit as opposed to technology. A letter in the *Financial Times* a few weeks ago gave the result. In his last 10 speeches, to a variety of audiences, the Fed chairman used the words ‘credit’, ‘debt’ and ‘leverage’ 30 times, and, within that total, ‘money’ was mentioned just once. In contrast the words ‘technology’, ‘productivity’ and ‘innovation’ were used 281 times. While that does not prove anything, it is indicative. His problem, though, is similar to someone who once told a small lie for the best of intentions but then finds they have to tell bigger and bigger lies to stop the first one being found out. His was to buy into the idea that technology made the old rules irrelevant, which while it may have seemed harmless at the time now means he has to go along with the ever bigger and ever more grandiose claims made for the new economy. What he ought to do is puncture the Wall Street bubble but that is the one thing he cannot afford to do. *The man whose reputation rests on being the guardian of the US economy --and thus of the world’s economic health --has in fact become its prisoner.* But that means there is no one left on guard.” **AND THAT TAKES US FULL CIRCLE.** . . Perhaps the oil producers are way ahead of us in their assessment of the future value of the dollar. One should not dismiss out of hand the reports of growing gold demand not just in the Middle East but in the Far East as well. Something to consider as we move into the Fall and “crunch time” for the markets. Gold sales at CPM/USAGOLD were surprisingly strong in August -- for a summer doldrums month. Perhaps some gold investors are beginning to have the same reservations about the current state of affairs outlined so compellingly by the *Evening Standard*’s Mr. Hilton. . . . Happy Trails, my fellow goldmeisters, until we meet again. MK

NOTE: Please contact us if you have an interest in trading your bullion gold coins for pre-1933 European gold coins. Ask for information on our Fed Ex Pick-Up Program. There are good reasons to do this now and we invite you to call for detailed information. Please view this as a Special Reminder to take advantage of this situation by acting now. 1-800-869-5115. Ask for our 50-Page In-Depth Memorandum: YOU CAN SURVIVE A POTENTIAL GOLD CONFISCATION.

FINAL THOUGHT:

INSIDE THE UPCOMING OPEC SUMMIT IN CARACAS

WEST BRACES FOR FIRST MEETING OF OPEC NATIONAL LEADERS SINCE 1975

by Adrian Van Eck

EDITOR'S NOTE: This month we are going to turn over the monthly **FINAL THOUGHT** to our friend and favorite Fed Watcher, Adrian Van Eck. As you are about to find out, Mr. Van Eck's analytical skills are notable. In this article, which is a summation of much more detailed treatment available to new subscribers, he employs these skills in a telling assessment of the upcoming OPEC summit in Caracas. The result is a "de-briefing" that is likely to greatly advance your knowledge of the forces at work in today's world economy as they relate to that most vital of substances -- crude oil. In the process, you will receive a proper introduction to an interesting, and potentially dangerous fellow -- one Mr. Hugo Chavez of Venezuela. We highly recommend Adrian Van Eck's *Money-Forecast Letter* -- which has been on our monthly reading list for over a decade. By it, you will acquire on a monthly basis a deeper understanding of the issues and motivating events behind the morning headlines. By the way, Mr. Van Eck is bullish on gold. Please see the Special Offer at the end of his analysis.

We don't want you to be shocked later in this letter when you reach our conclusion. So we will give it to you here. Right up front. Then we will spell out piece by piece how we arrived at this conclusion. And later we will tell what in our opinion it will mean to inflation in America . . . to corporate earnings over the next year or so . . . to unemployment and the rate of foreclosures and bankruptcies. . . and then we will tell what we think it will do to the U.S. dollar and to interest rates. . . (again speaking only of the next year or so).

To begin with, we believe events have already started in motion that will drive the price of crude oil in America up to \$40 a barrel. It could happen sooner rather than later. And unlike 1990, when a big oil price-spike was caused by a military invasion of Kuwait that America was able to reverse out, this time the price gains will happen for reasons that we will not be able to do anything about, in the short run. And they will likely stick.

\$40 Oil Is Not An Unrealistic Fantasy. It Happened Before -- 20 Years Ago!

. . . . Today Oil is coming off a tripling once more, time from \$10 to \$30. And in a moment we will discuss with you the evidence. . . now spread across the public record but ignored by an America in Denial. . . that OPEC has the power to more than double the price again. Because of a bold Global trip by the Castro-Clone President of Venezuela, OPEC nations are just now coming into the realization that have this power. What's more, they are gathering the courage to do so. *That could carry Oil up to \$60 if they have the guts.*

So we think we are being moderate, even conservative when we project and predict \$40 per barrel Oil for 2001.

. . . . Two years ago, the poor people of Venezuela -- which is to say 80% of that South American Nation's population - - joined together to elect a radical leftist candidate for President. His name is Hugo Chavez. He is a young former paratrooper who failed in 1992 in a military coup attempt, and spent two years in prison as a result. But in 1998 he stepped forward as the leader of a revolutionary new political Party, promising to take his Nation's Oil wealth away from the 5% who were rich and give it to the 80% who live in poverty. His upset victory shocked that nation's traditional governing class. But what followed was even more alarming. It quickly became obvious that he was not only a close friend but a disciple of Fidel Castro who was openly advising him not to make the mistake he made in Cuba 40 years ago, and admit that he is a communist. So instead Chavez called himself a "Social Revolutionary." He demanded and got a national referendum that he won overwhelmingly, allowing him to fire the Supreme Court and the elected Congress, and rule by decree. . .

At 46, President Chavez of Venezuela Is Now In Complete Control of The Richest Oil Fields In South America.

The U.S. State Department seems unable to grasp this reality, referring to Venezuela as having a democratically-elected government. Too bad they are ignoring the convictions of Thomas Jefferson, appointed as America's first Secretary of State by George Washington in 1789. **Jefferson proclaimed that "An elected despotism is not what we in America fought to achieve."** He used that yardstick to refuse to recognize Nations ruled by despots such as Chavez. And it would be nice if the State Department, led by a Secretary who lost two grand-parents in Hitler's death camps had enough historical gumption to note that Hitler was himself democratically and legally elected as Chancellor in 1933, and promptly turned the German Parliament into an appointed gang of cheerleaders who would lustily applaud his speeches and approve everything he demanded. Venezuela used to be described as a Lake of Oil owned by the Rockefellers. Its importance was recognized by Ronald Reagan when he dispatched American troops to root out a Castro-imposed communist dictatorship on the nearby island of Granada. That island, where Castro's army was busy building a long military runway, would have given Castro control over the sea routes carrying Oil tankers out of nearby Venezuela. Castro is a clever fellow. He has

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FINAL THOUGHT, CONTINUED. apparently forsaken the idea of direct military conquest of his neighbors.

And So Hugo Chavez Set Out to Expand His Radical Populist Aims To Every Nation Now Pumping Oil.

. . . . Within hours of his smashing popular election victory at home, Chavez stunned The United States by announcing he was leaving on a 9-day tour of the 10 other OPEC member-nations. Venezuela was one of the founders of OPEC in Baghdad decades ago. Chavez announced that as the leader of OPEC this year, by virtue of a regular rotation, he was calling for the first meeting of OPEC heads of State since 1975, and would invite all the other heads of OPEC states to come to Venezuela for a summit meeting on September 27-29.

The purpose of the summit, he made clear, was to forge a strong bond between OPEC leaders and enforce a strict policy that will keep the price of Oil high . . . Anointing himself as “Chavez of Arabia” and stating that “We, the small, poor nations, undeveloped of the Third World have not alternative but to unite, whatever our geographic location,” he headed right for Jeddah, Saudi Arabia . . . the Saudis were remarkably hospitable . . . Kuwait’s Emir Sheikh Jaber al-Ahmad al-Sabbah met with Hugo Chavez at Kuwait City, issued support for his determination to keep the price of Oil at “Fair” levels, and promised to attend his OPEC Summit . . . **And then came the boldest stroke of all. Chavez drove across the Iraqi border to meet with Saddam Hussein** . . . [T]he statement was made that Iraq supports what he is doing. . . The next day, Chavez flew to Indonesia. . . [another OPEC country that] has suffered terrible economic reverses in the past few years, as its currency collapsed under the weight of short-selling by American hedge funds, wiping out 40 years of economic progress and most of the Nation’s middle class along with it. Chaos and near anarchy resulted . . . The Indonesian president said he will be in Venezuela late in September of the OPEC Summit

Wall Street and Washington are still either ignorant of what is going on or are in VERY deep denial. In the second part of this Emergency Forecast next month, we will deal with implications for American inflation, corporate profits, U.S. unemployment, Money Supply and interest rates. Do not miss our October Letter.

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