

Honest Money Gold & Silver Report

War Is Hell *Be It Against Gold or Silver*



All warfare is based on deception

Military tactics are like unto water; for water in its natural course runs away from high places and hastens downwards.

So in war, the way is to avoid what is strong and to strike at what is weak. ^[1]

Introduction

On my website [Honest Money Gold & Silver Report](#) this morning I made the following statement:

“There is a gold war going on and the rules of engagement are different then usual.

To beat them at their game you need the power of knowledge, self-control, patience, and the awareness of when to strike back and when to sit back.

Good luck and good trading - and be careful out there - War Is Hell.” ^[2]

Those readers familiar with my work know that I believe a Gold War is taking place. It is a war fought within the marketplace, either for the side that seeks dominance of Gold and Silver, or for the side protecting their freedom.

The theatre of war encompasses the entire planet and all peoples. It is a war of stealth – like the robber who comes under the cover of night.

One side wants to dominate and destroy Gold; the other side wants Gold and Silver to be free as the Sovereign of Sovereigns they are. To win at war – one must first know he is in a war – and who his opponent is.

“Hence the saying: If you know the enemy and know yourself, you need not fear the result of a hundred battles.

If you know yourself but not the enemy, for every victory gained you will also suffer a defeat.

If you know neither the enemy nor yourself, you will succumb in every battle." [3]

So notice is hereby given – The Gold Wars are presently occurring in a theatre near you. The fight to have free markets, unhampered by paper fiat debt-money, and the intervention of the State within what are supposed to be free markets is upon us.

What's At Stake

So make no mistake – a battle is waging, but it is a financial battle fought in the open markets of commerce, and on the floors of trade and exchange, especially in the gold and silver futures pits where the elite gladiators of today ply their craft.

Why is Gold and Silver perceived to be the enemy of those who rule over paper fiat debt-money? It is because Gold and Silver stand in the rulers' way of controlling all markets and all players in the markets. As one of their best generals Sir Alan has said:

"Deficit spending is simply a scheme for the 'hidden' confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights." [4]

How can it be more clearly stated, and by one who knows from whence he speaks. Paper fiat debt-money is the insidious process of wealth confiscation – and only GOLD and SILVER stands in its way.

Wealth & Private Property

Therefore, we are involved in a war to stop WEALTH CONFISCATION and to PROTECT OUR PROPERTY RIGHTS. It all sounds very familiar, if one has read and abides by the Constitution and the Declaration of Independence.

It would seem others have other things on their mind – things that all good collectivists like to collect: wealth, especially the wealth of others – the spoils of the conquest of war.

Last night after yesterday's market action, I posted the following message on my website: [Honest Money Gold & Silver Report](#):

"I have often mentioned interventional analysis - the FACT that the Fed, BIS, and other monetary & financial institutions intervene within the markets.

They all have publicly admitted so, including the existence of the plunge protection team (PPT) by Presidential Executive Order, which is on public record.

The BIS reputedly has a 1.5 TRILLION DOLLAR DERIVATIVE POSITION.

The Fed does open market operations daily.

Now we have a new Treasury Secretary.

I have mentioned before that IMO the whole Iran thing was saber rattling, to put false support or bid under oil and gold.

This is how the elite always work. They give support - often times to both sides of any given market or issue - then at the critical time they remove support from one side and add it to the other for a coup d'etat.

So what were the news headlines today:

Crude Oil and Gold Decline as U.S. Offers to Join Nuclear Talks With Iran

May 31 (Bloomberg) --

Crude oil fell for the first time in a week and gold declined after the U.S. offered to join European talks with Iran if the country halts uranium enrichment.

The U.S. is working to win the backing of China and Russia for a United Nations Security Council resolution compelling Iran to curtail its nuclear efforts. Oil touched a record last month on concern that the dispute over Iran's nuclear program may lead to sanctions against the Islamic republic.

<http://www.bloomberg.com/news/markets/commodities.html> (full story)

How coincidental. Any other eye catching news items:

US prepared to negotiate with Iran

Mark Tran and agencies
Wednesday May 31, 2006

The US today deviated from its hard line on Iran by declaring its readiness to take part in talks if Tehran stopped enriching uranium.

Although the offer of negotiations came with preconditions that are unlikely to be accepted by Iran, it was the first sign of give from Washington. Tehran yesterday said it was ready for talks with the US, but without preconditions.

The US has had no formal contact with the Iranian government since students in Tehran took 52 Americans hostage in 1979.

<http://www.guardian.co.uk/iran/story/0,1786990,00.html> (full story)

So from a few weeks ago, we have gone from commodity prices rocketing to new highs with bonds getting hit because of rising interest rates, to suddenly the support/bid under oil is slowly being removed via the media and commodity prices have fallen: oil, gold and silver, other metals, and the stock market as well.

The price of oil is hinting at further weakness in the other commodities. The stock market is hinting that further declines are coming in the near future, IMO by autumn.

Stock markets around the world have been taking it on the chin.

In a couple of weeks time most markets have pivoted from one extreme to the other, as we thought they might - as it looked like they were getting set up by the powers that be.

Has anything fundamentally changed to warrant such market behavior? In my opinion NO.

TA analysis is a very good tool and should be used, but interventional analysis is going to be playing a very large part in what appears about to be coming home for dinner - unexpectedly.

It looks like we will get a bounce in many of the markets that have taken a hit, including the precious metals and the pm stocks. However, if the interventional

analysis is correct - then after the bounce there will be more intermediate term downside.

The bounce may be playable by those quick on the draw, but for most, it may be best to wait for a stronger confirmation that the lows are in place.

For myself I presently remain on the sidelines, however, that could quickly change if I think a fairly good risk to reward ratio presents itself. But IMO it would only be for a quick trade of a few days at most.

I think lower prices are going to be coming on everything but bonds and perhaps the dollar (although that is for the immediate future – down the road the biggest losers will be bonds and the dollar).

THE FED MUST SAVE THE BOND MARKET & THE REAL ESTATE MARKET

I would not be surprised to see the word "deflation" appear in the news media over the next few months. When they are really crying will be the time for buyin. A few weeks ago when they were yellin was the time to be sellin. I am sure others have different views and I invite them to share. Expect the unexpected and be prepared. Forewarned is forearmed." ^[5]

Today's Skirmish

So, what have we awakened to this fine Thursday morning: you could call it barbarians at the gate. Gold opened down approximately \$18 dollars an ounce, and has seen intraday lows of over -\$22 dollars an ounce.

Silver opened down approximately 0.88 cents per ounce and has seen intraday lows of well over a \$1 per ounce. Of course, what is most important is where they close out the day.

This is being added after the close. Gold was down \$14.80 to \$629.50 and Silver was down 0.76 cents to \$12.01. Both the HUI and the XAU were down intraday very hard, but have since come back very strongly to almost positive. According to TA this is a very significant positive divergence.

The main point being made here is that technical analysis by itself may not be enough weaponry in today's Gold Wars. The awareness of interventional analysis is needed as well.

Such information helps us to know what the opponent will most likely do, according to what he is daily doing regarding intervention within the markets. It is like doing reconnaissance to scope out the opponent's forces, and where they are being deployed.

By tracking open market operations (OPM's), and which markets then move in line with those operations, much useful information of the opponent's strength and position is gathered. By tracking the movements with moving averages, even more information is available.

Mike Bolser is the undisputable expert at interventional analysis. We are simply carrying the message forward, as we believe it to be true. It also goes along with our own very contrarian viewpoints on the markets, based on what we know of the would-be-rulers of the Universe – The New World Order Gang.

"Making no mistakes is what establishes the certainty of victory, for it means conquering an enemy that is already defeated.

Therefore, the clever combatant imposes his will on the enemy, but does not allow the enemy's will to be imposed on him.

Success in warfare is gained by carefully accommodating ourselves to the enemy's purpose. Walk in the path defined by rule, and accommodate yourself to the enemy until you can fight a decisive battle." [6]

Since last fall, (2005) we have penned several articles discussing the gold and silver markets. Some were bullish when most others were bearish, and some were bearish when others were bullish. Our most recent article of May 25, 2006 [The Gold Wars - What The Fed Is Scared Stiff Of](#) was a compendium of all the articles.

Within the other articles: [The Charts Are Talking. Who's Listening?](#) 11/16/2005, [The Charts Are Talking: Is Anyone Listening?](#) 02/02/2006, [The War Against Gold & Silver](#) 03/08/2006, [Gold Wars: Gibson's Paradox & The Gold Standard](#) 03/17/2006, and [Gold Wars: Intervention and Manipulation](#) 03/25/2006, a regime of intervention and manipulation has been laid out in the light of day for all who care to see.

I invite all to disprove the evidence so presented – as I would love to know that such is not the case. It is a sad, sad State – of affairs, if it is in-deed correct. Right now, it appears to be.

Action

What should be done? Sometimes the best action is non-action. At other times action is required – action that is confident and without hesitation, taking the advantage of the situation whereby the opponent has shown a weakness.

“Sun Tzu said: The good fighters of old first put themselves beyond the possibility of defeat, and then waited for an opportunity of defeating the enemy.

To secure ourselves against defeat lies in our own hands, but the opportunity of defeating the enemy is provided by the enemy himself.

He wins his battles by making no mistakes." [7]

The best strategy within the precious metal arena is to buy on weakness and to sell into strength. This is taking advantage of what the opponent offers – of his mistakes if you will.

“Success in warfare is gained by carefully accommodating ourselves to the enemy's purpose." [8]

The opponent is weakest when he appears strongest; and he is strongest when he appears weakest. Today's market action is a perfect example of such.

This is why a contrarian view is needed to win the Gold Wars: to protect one's wealth and private property from the system – which system – the system of paper fiat debt-money, or as Sir Alan said: “the insidious process of deficit spending and wealth confiscation.”

The Future

What will tomorrow bring – I have no idea, I do not even know how the market will close today. It is not possible to predict the future, nor is it needed.

All that is needed is to be patient and wise – let the opponent make the first move to start his downfall. Take what is offered and given. Let the reward come to you – it will. Right always wins – it can be no other way.

“It is only one who is thoroughly acquainted with the evils of war that can thoroughly understand the profitable way of carrying it on.”

“Hence to fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting.”^[9]

The only true power that evil has, is the power to destroy itself.

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