

official institutions (such as the IMF and BIS) held a combined 33,604 metric tons of gold reserves. Between May 7, when George announced the Bank of England's gold sale, and July 6, when the Bank sold the first installment, the central banks and official institutions lost \$30.3 billion in the value of their official gold reserves, due to the drop in the gold price. By July 20, this loss had reached \$39.3 billion.

Looting gold mining properties

The British oligarchy's strategy in forcing down the price of gold, is to also bankrupt financially weaker gold-mining companies, in order to acquire them at fire-sale prices. It would thus tighten its grip on future gold production.

Who is getting the Bank of England's gold

The London Bullion Market Association (LBMA) has a total of 62 members — 12 Market Making and 50 Ordinary — including banks, commission houses, refiners, brokers, and security transporters.

The Market Makers are: AIG International, Goldman Sachs' J. Aron & Co., Bank of Nova Scotia-Mocatta, Barclays, Chase Manhattan, Crédit Suisse First Boston, Deutsche Bank, HSBC's Midland Bank, Morgan Guaranty Trust (J.P. Morgan), N.M. Rothschild & Sons, Republic National Bank of New York, and UBS AG.

The Ordinary Members are: Amalgamated Metal Trading Ltd., BankBoston, Bankers Trust, Bank of America, Bank of China, Bayerische Vereinsbank, Billiton Metals Ltd., Brambles Security Services, Brink's, Canadian Imperial Bank of Commerce, Commerzbank, Cookson Precious Metals, Crédit Lyonnais Rouse, Degussa, Derel Pobjoy Int'l., Dresdner Bank, Englehard-Clal, Englehard Metals, Fleet Bank, Gerald Ltd., GFI Brokers, GNI Ltd., Guardforce Int'l., Itochu Europe, Johnson Matthey, Jordan International, ED&F Man Int'l., Marubeni Europe, Metallgesellschaft, Mitsubishi Corp., Mitsui & Co., Morgan Stanley, Moscow Narodny Bank, Nissho Iwai, Phibro Bullion, Prudential-Bache, Rabobank, Royal Bank of Canada, Royal Mint, Rudolf Wolff, Société Générale, Sogemin Metals, Standard Bank London, Sucden, Sumitomo, Tomen, Tradition Financial Services, Triland Metals, and Via Mat Int'l.

George's actions have driven the market price of gold to below the average cost of production in many of the major gold-producing nations.

According to a gold specialist at the U.S. Geological Survey, "The average cost of production of mining gold is about \$273 per ounce in South Africa, \$267 per ounce in Canada, \$261 per ounce in Australia, and \$257 per ounce in America." He stressed, "This is the average price, so while some mines are mining gold below this cost, some are mining gold above this cost, and the market gold price is now below this average cost."

This has put several mining operations in severe straits, making them more vulnerable for takeover.

The officer at the Gold and Silver Institute told *EIR* on July 20, "At this price, we're going to see a further consolidation of the industry. There are gold-mining companies that are sound companies, with good properties and relatively inexpensive gold [to mine], but over the last number of months their stock price may have fallen by 30 to 35%, or even 40%. They can't compete with the larger gold-mining companies, which have more financial strength. We're going to see some more firms taken over by companies like Barrick, Anglo American, Newmont, and Rio Tinto." The latter firms are the major gold producers, and all are in the British oligarchical orbit.

He also stated that the major gold producers will shift production to their cheaper mines for the current period.

The takeover strategy is exemplified by the action of Anglo American Corp., the largest precious minerals and raw materials producer in the world. Anglo American is the owner of Anglo Gold, the largest gold producer in the world. Through cross-ownership shares, Anglo American owns DeBeers Centenary and DeBeers Consolidated, which together control the Central Selling Organization that markets 80% of the world's diamonds. Anglo American is also the world's largest producer of platinum, and ranks as one of the top ten producers for many of the world's minerals.

Anglo American is used to pillage gold and other properties. In 1996, during Ugandan President Yoweri Museveni's invasion of the Democratic Republic of the Congo (then Zaire), Anglo American, operating through its subsidiary MDDZ, obtained a substantial chunk of the leading mining concern, the Société Minière et Industrielle de Kivu (Sominki), in mineral-rich Kivu Province. Anglo American obtained this at distress-sale prices. In December 1998, Anglo American effectively stole from the government of Zambia, one of the world's largest copper-mining producers, the Nchanga and Nkana mines of the Zambia Consolidated Copper Mines, for a pitiful \$72 million. The IMF, the World Bank, and the international donors had cut off most funds to this starving nation, until it sold its copper mines to foreign interests. On Nov. 19, 1998, Zambian President Frederick Chiluba denounced the pressure that was applied to make him sell.