

Feb. 18, 2010 – The IMF Silver Sale

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Of course, I'm kidding you. But I'm doing it to make a point, in light of yesterday's announced IMF gold sale, or revised sale. Not about whether the announcement was bullish or bearish for the price of gold, but a different point. There was no IMF silver sale announcement, nor will there ever be. And neither will there ever be any significant sale of silver by any world government entity. That's because no significant amount of silver is reported to be owned by any government.

For many years, it was implied silver was disadvantaged because it no longer had official monetary status among the world's central banks. This was due to these banks no longer owning any silver. Gold does enjoy official monetary status and it is owned by almost every central bank. Along with that ownership, however, comes the right and potential of divestiture. No ownership, no potential sale.

I'm reminded of the line from that great Dylan song, "When you ain't got nothin', you got nothin' to lose." Unless the world's central banks are going to join in on the paper silver short selling scam, they will be selling no silver. When the silver shortage hits, there will be no real silver in government fire trucks to put out the blaze. That fire is going to have to burn itself out.

Ted Butler

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