



Silver Users Association

Washington Report

Volume 5, Issue 6

June, 2008

Market Watch: Silver Price

2007 Comex Spot Settlement

| Month | High | Low | Avg. |
|---------------------|-------------|------------|-------------|
| January | 16.95 | 15.17 | 16.05 |
| February | 19.81 | 16.30 | 17.66 |
| March | 20.69 | 16.81 | 19.16 |
| April | 18.31 | 16.50 | 17.48 |
| May | 18.24 | 16.121 | 17.01 |
| June | 17.62 | 16.46 | 17.01 |
| July | 19.18 | 17.25 | 18.07 |
| August | | | |
| September | | | |
| October | | | |
| November | | | |
| December | | | |
| 2007 Summary | 15.50 | 11.47 | 13.38 |

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This Month's Newsletter Sponsored by:



Association News:

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November 18-19, The Silver Users Association Fall Meeting

Army-Navy Club
Washington, DC

- Press Releases: Please send us your press releases and/or company announcements, so that we can include them in SUA's monthly newsletter.
- Web Site: Visit our web site at: <http://www.silverusersassociation.org>
- **SUA Board Votes to Cut Dues by \$1,700.** Contact Paul Miller for news on the new 2008 dues structure and how you can get involved. Paul can be reached at (703) 930-7790 or at pmiller@mwcapitol.com

Note:

- Please send us any updates to your company profile so that we can update our records and web site.
- If you are interested in sponsoring the newsletter, please e-mail Paul Miller today at pmiller@mwcapitol.com

Silver Users Association Announce Fall Meeting Agenda

Tuesday, November 18

- 12:30 p.m. SUA Executive Committee Meeting – John Paul Jones Room
- 1:00 p.m. SUA Board of Directors Meeting - John Paul Jones Room
-- Review of 2007-2008 Activities
-- Election of Officers (Slate TBA)
- 1:45 p.m. Kick-Off of SUA Fall Conference – John Paul Jones Room
Welcome: Jon Potts, SUA President
- 2:00 p.m. Invited Speaker: Brian Wolf, Executive Director, Democratic Congressional Campaign Committee
Topic: 2008 election results and what they mean
- 3:00 p.m. Invited Speaker: Pete Kirkham, Executive Director, National Republican Campaign Committee
Topic: 2008 election results and what they mean
- 4:00 p.m. Speaker: Jeff Christian, CPM Group
Topic: Conspiracy Theories
- 6:00 p.m. Cocktail Reception - Daiquiri Lounge
Sponsored by: QML, Inc.
- 7:00 p.m. Dinner – Main Dining Room (Famous Army-Navy Club Buffet)

Wednesday, November 19

- 9:00 a.m. Breakfast – Washington Room
Speaker: Miguel Perez-Santalla, Heraeus Precious Metals Management
Topic: The New Commodities Exchanges: How the new liberties in the investment market are hurting both industry and consumers
**Sponsored by: Handy & Harman of Canada
Ohio Precious Metals**
- 10:00 a.m. Speaker: Mike Riess, Materials Management
Topic: Update on Anti-Money Laundering Regulations
- 10:45 a.m. Invited Speaker: Payson Peabody, Tax Counsel to Sen. Jim Bunning (R-KY)
Topic: Chinese Currency Issues
- 11:15 a.m. Invited Speaker: John Castellani, President, Business Roundtable
Topic: American Competitiveness Outlook
- 11:30 a.m. Invited Speaker: Walter Lukken, Commodity Futures Trading Commission
Topic: Energy Market Speculation
- 12:00 p.m. Adjourn

Clinton Supporters Optimistic About Her Future

While today is definitely not Hillary Rodham Clinton's day, her supporters and former delegates still believe it's only a matter of time. For now, Clinton will serve as a top surrogate for Obama's presidential campaign and the campaigns of other Democrats looking to win or hold their seats in the 2008 election. But after that Clinton will have the opportunity to define her role in the Democratic Party nationally. And according to several of her top supporters — the delegates she released Wednesday — Clinton should continue pushing the issues central to her presidential campaign.

"Hillary Clinton will never fade away," said Clinton delegate Rhonda Hennessy of Northville, Mich. "I think she'll always champion children's issues and health care because they've been her issues," she said. Kevin Malecek, a Clinton delegate from Willoughby Hills, Ohio, said that Clinton could be a strong ally in the Senate for a Democratic president. "Assuming Sen. Obama gets elected, she could be somebody to carry water for him in the Senate and be a strong voice for health care reform. That's really her issue . . . I think that's a great role for her," Malecek said. He cast forward further to speculate Clinton could one day become Democratic leader in the Senate.

Sally Rosser, a children's advocate from Atlanta, Ga., said she wanted to see Clinton become far more visible in the Senate and continue the fight for children's issues. "I think she's got a long career. She's a young woman . . . She's clearly brilliant, she's clearly articulate, she's in touch with the issues, she has a passion for children and families. Anyone would want to have her involved," Rosser said. Susan Burgess, mayor pro-tem of Charlotte, N.C., said Clinton's voice "is stronger now" on the key issues she championed. "She's just a strong woman and will play even a greater role in the life of our country," Burgess said.

"I expect her to be on the vanguard for those issues that were important for us — universal health care, social and economic fairness, those were all issues that brought me into her camp and I know she'll continue to promote those," said Moses Ross, a delegate from Portland, Ore. Ross said that he expected Clinton to take a more prominent role in the party than Sen. John Kerry did after losing the 2004 presidential election against George W. Bush.

"Kerry had a national race and he was just slimed. It would have been very difficult for anybody to have immediately bounced back after that. This was an intraparty family fight, pure and simple. She'll be back. She'll be back stronger than ever, carrying our values," he said. "I think it's very clear that her role in the Senate is going to be as one of the strongest women leaders," said Anne Gannon, a Clinton delegate and tax collector for Palm Beach County, Fla.

"I don't think her issues are any different now than they were previously — that the fight for reproductive rights for women is not lost in this country and that we don't end up with Supreme Court appointments that totally denigrate women because some of those decisions coming out of there right now are just awful," Gannon said.

Obama Accepts Nomination Pledging Change and Proclaiming His Patriotism

Barack Obama accepted his party's presidential nomination Thursday night, standing on an elaborate stage ringed by an estimated 84,000 ecstatic Democrats who shook Denver's Invesco Field at Mile High stadium with their foot-stomping approval. The Illinois senator's speech, delivered in the compelling oratorical style that has driven his meteoric political rise, came at the conclusion of a spectacular day-long festival that was part political rally, part musical extravaganza and part civil rights tribute.

Obama, the first African-American ever nominated for the presidency by a major political party, spoke on the 45th anniversary of civil rights leader Martin Luther King Jr.'s famous "I Have a Dream" speech. He swore to defend the nation, deliver populist economic change and end the Iraq war "responsibly" if elected in November. Obama portrayed Arizona Sen. John McCain, who will be nominated next week in St. Paul, Minn., as his Republican opponent for the presidency, as a status-quo figure intent on continuing economic and foreign policies pursued by the unpopular administration of President Bush and Vice President Dick Cheney.

“This moment — this election — is our chance to keep, in the 21st century, the American promise alive. Because next week, in Minnesota, the same party that brought you two terms of George Bush and Dick Cheney will ask this country for a third,” Obama said from a circular platform that extended toward a semi-circle of delegates on the field level of the stadium. “And we are here because we love this country too much to let the next four years look just like the last eight. On November 4th, we must stand up and say: ‘Eight is enough.’”

The blue-carpeted stage from which Obama spoke featured a white stone backdrop with neoclassical columns reminiscent of prominent Washington monuments, the White House and the Los Angeles Coliseum where Democrat John F. Kennedy delivered his 1960 acceptance speech. He invoked Kennedy and President Franklin D. Roosevelt in a vow to defend America, as he aimed at undermining Republican critics who have questioned his capacity to do so. Polls that show McCain with a significant advantage on national security issues suggest that Obama’s ability to satisfy voters that he can protect the country will be critical to his hopes of winning the White House.

“We are the party of Roosevelt. We are the party of Kennedy,” he said Thursday night. “So don’t tell me that Democrats won’t defend this country. Don’t tell me that Democrats won’t keep us safe.” Echoing allegations he and many other Democrats have leveled that Bush’s policies have sapped the nation’s military strength and weakened its standing in the world, Obama proclaimed. “The Bush-McCain foreign policy has squandered the legacy that generations of Americans — Democrats and Republicans — have built, and we are to restore that legacy.” And he directly addressed McCain’s slogan of “Country First,” a not-so-subtle implication that Obama does not put America first. “I’ve got news for you, John McCain,” he said. “We all put our country first.”

With the economy’s ongoing struggles topping the priorities of most voters this year, Obama mixed specifics of his economic plans, particularly those directed toward the middle class, in with his trademark aspirational rhetoric. He promised to wipe out taxes on capital gains for small businesses and start-up companies, rescind preferential tax treatment for companies that move operations overseas and give breaks to companies that create “good” jobs in the U.S., cut taxes for 95 percent of “working families,” end the nation’s “dependence on oil from the Middle East” in 10 years, and spend \$150 billion over 10 years on renewable energy. Fairly or not, he often has been accused of ignoring policy details in favor of soaring oratory. On Thursday, he argued that the nation is more decent, more generous and more compassionate than it has appeared to be in recent years. “America we are better than these last eight years,” he said. “We are a better country than this.”

The Democratic officials who spoke on Thursday framed the choice before voters in November as one between a continuation of Bush policies under McCain and a new course offered by Obama. “So why is this election so close?” asked Gore, loser of the close and controversial 2000 presidential election won by Bush, who has emerged in recent years as a champion of the environmental movement. “I believe this election is so close today mainly because the forces of the status quo are desperately afraid of the change Barack Obama represents.”

The Obama surrogates cited his opposition to the Iraq war and McCain’s support of it as proof that Obama is better prepared to keep the country safe. “Barack Obama had the good judgment to know that we should not risk the lives of our brave soldiers in the wrong war,” fellow Illinois Sen. [Richard J. Durbin](#) said. Susan Eisenhower, granddaughter of Republican President Dwight D. Eisenhower, offered praise for Obama’s call for hope. “I believe that Barack Obama has the energy and the temperament to lead this country. He knows that we can either advance on the distant hills of hope or retreat to the garrisons of fear. As our standard bearer, he can mobilize a demoralized America and inspire all of us to show up for duty,” she said.

Before Thursday night, Obama appeared to be benefiting from the Democratic convention and possibly from the endorsement he received from vanquished primary rival [Hillary Rodham Clinton](#) on Tuesday night. He led by 6 percentage points in a Gallup tracking poll averaging numbers from Monday, Tuesday and Wednesday, after trailing McCain by 2 points in the poll released just two days earlier.

GOP Surrogates in Denver Hammer On the 'Not Ready' Theme

Amid press reports that John McCain had selected his running mate, one man on the short list was in Denver evading VP questions and slamming the Democratic nominee. Minnesota Gov. Tim Pawlenty headlined the Republican's rapid response team's full court press from a studio two miles west of the Democratic convention site.

Reporters attempted no fewer than eight times to find out if he had heard from McCain. The governor deflected, delayed but did not deny that he had been chosen. When asked about his whereabouts for Friday, Pawlenty responded that he was "scheduled to be at the Minnesota state fair . . . planned to be there," but would not comment on his schedule for Friday afternoon — the time appointed by McCain to announce his running mate in Dayton, Ohio.

Pawlenty is the third potential Republican running mate to lead the GOP "Truth Squad." which provides press conferences and media availabilities to pound home their message that Barack Obama is not ready to be commander in chief. The others were Mitt Romney and Virginia Rep. Eric Cantor. Others hammered at the same point Thursday. Senate Minority Whip Jon Kyl, R-Ariz., Michael Williams, a member of the Texas Railroad Commission, and former U.S. Treasurer Rosario Marin unveiled a TV spot that includes a montage of various clips showing Sen. Hillary Rodham Clinton, President Bill Clinton, Democratic Vice Presidential nominee Joseph R. Biden Jr. and Barack Obama himself saying the Democratic presidential nominee was not ready to be President; the clip of Obama was taken from a press conference during his Senate campaign in 2004.

Pawlenty provided the talking point of the day, when asked about Republicans criticism that Thursday night's speech is a tad too theatrical for the serious business of electing a president. "Does this just feed into the growing perception that what we have here is one big glitzy production that is focused on oratories and teleprompters without the underlying substance, experience, wisdom, judgment, accomplished track record and vision on issues for the future? . . . Many Americans' answer to that is: that's what's going on," he told reporters. Democratic Senate Campaign Committee Chairman Charles E. Schumer of New York said Republicans such as John McCain and former Bush adviser Karl Rove have run races only in good times, so don't know how to reach out and connect with the American people when times are rough.

"The average person is not going to fall for those games . . . they go 'glitzopolis, they say 'ooh isn't that fun', when you're worried about paying for health care bills, it's not enough," Schumer said in an interview before stepping into a black Chevy Suburban that whisked him away from the Pepsi Center.

Business Group Handicaps End-of-Session Issues

Democrats will have a hard time passing another economic stimulus package in the remaining weeks of the congressional session, even though the nation's economic outlook remains bleak, a top official at the U.S. Chamber of Commerce said recently. "We're in for a rough road over the next couple of quarters," Martin Regalia, the chamber's chief economist, said at the group's annual Labor Day briefing. "I don't think at this point there is a whole lot we can do about it."

Democratic leaders are pushing for a follow up to the economic stimulus plan (PL 110-185) Congress approved and President Bush signed in February. "The House will soon act on additional broad-based economic recovery and energy plans that will create new American jobs, make energy more affordable, independent and green, and mark an essential shift from the failed Bush policies Republicans in Congress have rubber-stamped for far too long," Speaker Nancy Pelosi, D-Calif., said in a statement last week.

Republicans have argued that it would premature to approve another stimulus package. Although the first package put cash in the hands of consumers and kept the economy growing in the second quarter, Regalia said he expects the economy to slip into recession by the end of the year. He argued that a second stimulus would do little to improve the nation's long-term economic problems, and could hurt by contributing to inflation and the budget deficit.

Regalia also said passage of legislation extending popular tax breaks for businesses and individuals ([HR 6049](#), [S 3335](#)) wouldn't have a short-term benefit. Democrats have struggled to get the legislation through the Senate in the face of staunch Republican opposition to offsetting the cost of extending existing tax breaks. Business groups support the "extenders," but have been reluctant to choose sides in the battle over offsets, which Democrats insist on to comply with pay-as-you-go budget rules. The offsets essentially mean taxes are shifted to other businesses, which pits some members of the chamber against others, Regalia said.

Wage and Workplace Issues

Randel Johnson, vice president of labor, immigration and employee benefits for the chamber, said the group was committed to fighting legislation affecting union organizing, paid leave and equal pay as Congress heads toward adjournment. All are top priorities for Democrats and their union allies, who argue that the issues are popular with voters.

"I think they are making our job easier for us," said AFL-CIO Legislative Director Bill Samuel, reached at the Democratic convention in Denver. "It's clear to the American people what the distinctions are: a pro-working family agenda offered by the Democrats, or the status quo." Johnson reiterated the chamber's opposition to legislation to make union organizing as simple as circulating a petition. The bill ([HR 800](#)), which passed the House more than a year ago but stalled in the Senate, would allow union organizers to bypass elections when a majority of employees sign cards certifying a union, known as a "card check."

The chamber also opposes another House-passed measure ([HR 2831](#)) that would make it easier for women to sue employers when they believe they are victims of wage discrimination. But Johnson said there was room for compromise on the bill's statute of limitations provisions. Johnson said it was possible the Senate would take up legislation to expand the Family and Medical Leave Act ([HR 5873](#), [S 1681](#)) or to require paid sick leave ([HR 1542](#), [S 910](#)), in honor of ailing sponsor Sen. [Edward M. Kennedy](#), D-Mass., who is sponsoring the Senate sick leave bill. Johnson promised a "dogfight" over those issues. Democrats are counting on a bigger congressional majority next year to move some of their stalled legislation.

Samuel expects the card-check and equal pay bills to be taken up in the Senate and passed next year. He also expects expanded medical leave to come up and pass in the next session.

Biden Jumps In: 'We Cannot Win Without Pennsylvania'

Less than 12 hours after he accepted the Democratic vice presidential nomination, Delaware Sen. [Joseph R. Biden Jr.](#) promoted the newly minted Democratic ticket at a Thursday breakfast meeting with Democratic activists in Pennsylvania, the state of Biden's birth and a key battleground in the race between [Barack Obama](#) and [John McCain](#).

"We cannot win without winning Pennsylvania. It is that crucial," Biden said at the event, which was held at a Denver hotel and was attended by Pennsylvania Democratic luminaries such as Gov. Edward G. Rendell, Sen. [Bob Casey](#) and Philadelphia mayor Michael Nutter. Pennsylvania has 21 electoral votes and is much more competitive than nearly all of the five states that have as many or more electoral votes (California, Texas, New York, Florida and Illinois). In the 2004 election, Democratic nominee [John Kerry](#) defeated President Bush by 2.5 percentage points in Pennsylvania.

Biden, who was born in Scranton, a northeastern Pennsylvania city, said that his late father would be proud that "the state he loved, a place that he was so deeply rooted, was literally going to be the place that determined whether or not my grandchildren and my great-grandchildren had the kind of country that he had." "We are devoting an inordinate amount of resources, hundreds of permanent staff, significant office openings — you're going to have all the resources this campaign has available to us," Biden said. "That's the good news."

Employing a bit of self-deprecating humor, Biden added, “And the bad news, you’re going to have a whole hell of a lot of me, because I’m coming home.” Pennsylvania Democrats interviewed by CQ Politics praised Obama’s selection of Biden as his running mate and his vice-presidential acceptance speech last night.

“I couldn’t be more proud of my party, and I couldn’t be more proud of our next president in having the wisdom to choose somebody like Joe Biden as his running mate,” said Roger Lund, an alternate delegate who heads the Democratic organization in Adams County, which includes Gettysburg. Rendell said that Pennsylvania Democrats were united behind Obama even though most of them — the governor included — backed [Hillary Rodham Clinton](#) over Obama in the April primary election that Clinton won by 9 percentage points. Obama struggled to win votes of lower- and middle-income white voters, though he did well in Philadelphia and Pittsburgh, Pennsylvania’s dominant population centers, and is a slight favorite over McCain at the moment to carry the state in the general election.

“This was a strong Hillary Clinton state in the primary, but every single one of us — whether we were for Clinton or Sen. Obama — we’re ready to go and we’re united,” Rendell said.

House Protest Yields a Big Prediction

House Republicans still occupying the floor took their protest about high gas prices to a new — and in one way lower — level Thursday, predicting they would fall “overnight” if Congress passed their energy plan. “I believe [they] would come down overnight,” said Rep. [Paul Broun](#), R-Ga., part of the group of lawmakers engaging in Day 27 of the protest. “Just as we’ve seen the gas price come down since President Bush has rescinded the executive order to prohibit offshore drilling.”

Such hyperbole may be understood in the context of the day — when Democrats in Denver will nominate [Barack Obama](#) for president. A number of House Republicans have participated in the protest over the August recess to promote their energy plan, which includes offshore drilling.

“Mr. Broun was correct,” said [George Radanovich](#), R-Calif. “A simple signal to the world oil markets that the United States is going to increase domestic oil production will dramatically affect both the short-term and long-term price of gas.” Radanovich, responding to a question about how much attention was being paid to the protest during the Democratic convention, said he has spoken to constituents aware of the GOP’s ongoing energy push.

“I do believe with more help from these cameras and the position we are taking on this issue, the American public knows exactly what is going on,” he said.

Nader Stops By To Call Democrats Corrupt

Independent presidential candidate Ralph Nader delivered an indictment of the Democratic Party Wednesday night and assailed the press for ignoring third-party candidates. Speaking to reporters before a Denver rally of supporters and onlookers, Nader said the Democratic Party has abandoned “working people” and become “an indentured servant” of corporations.

He went on to blast the party for accepting contributions from business interests to fund this week’s Democratic convention. “The corporate merry-go-round has hitched its wagon to the Democratic Party and the rhetoric of the Democratic Party has responded accordingly,” Nader declared. Nader’s supporters staged Wednesday’s rally to back his position that he and other third-party candidates should be included in this fall’s debates. But Nader launched into a broader attack on the two-party system, corporate influence on government and a press corps Nader accused of acquiescing in a duopoly.

"If we were in the debates, we would have a three-way race," Nader said. "But tens of millions of Americans have never been told we are even in the race." Six percent of respondents to a July CNN poll said they want Nader to be president. A Wall Street Journal poll around the same time had Nader at 5 percent.

A number of minor and major celebrities and musical acts took the stage before Nader, including antiwar activist Cindy Sheehan, who said she first blamed President Bush for her son's death in Iraq but now believes both parties are captive of a "military industrial complex." Actor Sean Penn said he came as a supporter of no candidate, but praised Nader and joined him in attacking the media as "servants of a corporate agenda" and accusing Obama and McCain of "diminishing our Constitution" in their support for Bush administration anti-terror policies at home.

Rally organizers said 4,000 people paid \$10 in advance or \$12 at the door to attend. They listened patiently and occasionally cheered wildly while Nader delivered his views about corporate influence on the two major parties. Most of the attendees interviewed at the rally said they were not certain to vote for Nader in November but wanted to hear the consumer advocate make his case. "I think Nader has less appeal [than he did in 2000 or 2004], but he deserves to be heard," said undecided voter Ali Cochran. The Democrats and Republicans "play to win, not to do what's right," said Cindy Bulinski of Bennett, Colo.

Nader won 2.7 percent of the popular vote for president in 2000, when President Bush narrowly defeated Democrat Al Gore.

Pollsters Say Americans Ready to Back Attack on Iran if Diplomacy Fails

A pro-Israel organization argued Wednesday that a majority of Americans would support military action against Iran under certain circumstances, in a rare concurrence of message between some Democrats and Republicans at the Democratic National Convention. Democratic pollster Stan Greenberg and Republican pollster Frank Luntz joined under the banner of the Israel Project to release data from a poll of voters in the United States, Great Britain, and Germany. They aimed to make the case that a U.S. consensus exists on Iran's regime and the need for tough measures to combat it.

The Israel Project officials say the group is pushing for a diplomatic approach to dealing with Iran. But they prominently presented data portraying that a majority of Americans could eventually get behind an Israeli or U.S. strike on Iranian nuclear facilities. "63 percent of U.S. voters support military action against Iran if diplomacy fails," read the headline of the press release distributed during the event.

The Israel Project used the Wednesday event to kick off a national ad blitz aimed at publicizing the nuclear threat from Iran. The pollsters said European countries are less supportive of Israel and less willing to contemplate military action or even economic sanctions against Iran. "The Germans oppose military action for historical and cultural reasons and the British do not want another Iraq," Greenberg said, "Yet the American are more open to military action, especially if a diplomatic solution fails to become a reality."

Obama's support for Israel and popularity among Jewish voters has been an issue in this election season, and he has made great efforts to reassure that demographic that his support for the Jewish state is solid. Rep. Robert Wexler, D-Fla., focused on that point for the totality of his floor speech early Wednesday evening. "In his heart, in his gut, Barack Obama stands with Israel. Not only his words, but his deeds, bear testament to this fact," said Wexler, adding, "John McCain offers more of the same failed policies that endanger both America and Israel."

GOP Platform Writers Reject Drilling In Alaska Refuge

Republican platform writers beat back an insurgent attempt Wednesday to endorse drilling in the Arctic National Wildlife Refuge amid concerns that such a move could undercut John McCain's effort to win the White House in November. The 112-member GOP platform-writing committee is hammering out the party's policy blueprint here in advance of next week's Republican National Convention in neighboring St. Paul.

Unlike President Bush and most of the Republican base, McCain, the senior senator from Arizona, does not support ANWR drilling, although he has left open the possibility of reconsidering that view in the future. In an effort to avoid a rift with the presumptive nominee, the draft proposal unveiled Tuesday called for "accelerated exploration, drilling and development in America, from new oil fields off the nation's coasts to onshore fields such as those in Montana, North Dakota and Alaska" but was silent on the specific issue of ANWR.

Platform committee member David Boyle of Alaska proposed adding language that would explicitly include drilling in ANWR, saying the issue enjoyed broad support, was very important to voters and should be addressed in the platform. Boyle pointed out that he has ties to the McCain campaign — he is listed as the Alaska contact on the campaign's Web site — but said the issue was too important to ignore in the platform.

Backers of Boyle's amendment argued that it would translate into support for Republicans across the country. "I don't believe that there is a stronger way to support our candidate than to support what our people want," said platform member Cathie Adams, of Texas. "This has become the number one issue in this campaign . . . I think this is a very positive move . . . one that would bring people to the party and to our candidate."

Opponents countered that inserting the language would do more harm than good, saying it would undermine McCain, who, they pointed out, recently came around to supporting increased drilling in the outer continental shelf. They also pointed out that the underlying language was carefully drafted to avoid embarrassing McCain, while at the same time not precluding drilling in ANWR, which many said they supported. "The goal is to not have this serve as a lightning rod," said Terry Strine of Delaware, a member of the platform committee's energy and environment subcommittee, which debated for more than four hours Tuesday.

"This will bring difficulties and challenges for John McCain and none of us want to do that," Strine added. Others echoed that concern. "We have a nominee for the party who is entitled to a platform he can run on, and we should not create unnecessary conflicts between the nominee and the platform," said James Bopp of Indiana.

Platform members said they were confident that McCain, if elected, eventually would be convinced to support drilling in a 2,000-acre coastal plain section of ANWR. "We are blessed with a candidate who actually thinks and is capable of changing his position when he receives new data," said Jeff Grossman of Oregon. "We know that president McCain will eventually come around to our position- but he's not there yet."

Some platform members said it was important to call for ANWR drilling in the platform to send a message to McCain. "To let him know how strong the sentiment is on this issue, we do him a service, not a disservice," said Sandra McDade of Louisiana. "This is an accountability tool, and we're accountable to our base and to the people who sent us here," said Kendal Unruh of Colorado.

The platform-committee did accept a proposal, offered by Kim Skipper of Alaska, that would oppose efforts to permanently block access to ANWR, a move that panel members viewed as a viable compromise for now. "President McCain will be in a much better position to get this accomplished than Senator McCain," said Mike Fair of South Carolina. Republicans hailed rejection of the proposal as a sign that members of the party were willing to put aside their own views to avoid crossing McCain.

"That shows the support that Senator McCain has in this room," said Trey Grayson of Kentucky, who co-chaired the environment subcommittee. "That's a real sign of unity. It's not lip service. That's action." With less internal

disagreement, the platform committee also rejected a proposal to discourage the export of oil and gas garnered from any new leases.

Opponents were concerned that the amendment would force McCain to take an anti-free-trade stance prior to the election. Mississippi Gov. Haley Barbour said the proposal ran counter to the open-market, free-trade positions Republicans outlined in the economic portion of their platform. Barbour is chairman of the platform-writing panel's economic subcommittee, which spelled out a policy of lower taxes, decreased regulation and smaller government. The panel approved that portion of the platform Tuesday.

Immigration Debate Stirs Up Republican Platform Meeting in Minnesota

Disagreement among Republicans about the party's stance on immigration — and unease about Sen. John McCain's past positions on the issue — were on display Tuesday as Republicans began writing their 2008 platform. Like much of the platform, the immigration portion is designed to appeal to conservatives.

The draft calls for stricter enforcement of laws governing illegal immigration, including increased border security, requirements for businesses to verify workers' legal status and cracking down on the smuggling of illegal immigrants. "Border security is essential to the national security," the draft reads. "In an age of terrorism, drug cartels and criminal gangs, allowing millions of unidentified persons to enter and remain in this country poses grave risks."

The draft explicitly opposes amnesty for illegal immigrants and recognizes English as the nation's official language. In a spirited debate in a platform subcommittee, several members called for even stronger language while others defended the draft. McCain, the presumed GOP presidential nominee, has emphasized enforcement and border security while on the campaign trail. But the Arizona senator was a primary writer of a doomed 2005 bill, labeled "comprehensive immigration reform," that would have done more to allow illegal immigrants to assimilate. McCain worked on that measure with Democrat Sen. Edward M. Kennedy of Massachusetts.

Self-described "grass-roots conservatives" pressed Tuesday for even stronger anti-amnesty language. And they took shots at McCain, in particular. Kendal Unruh of Colorado wanted to add language specifically opposing "comprehensive immigration reform." "So I guess if he's backed away from that, it's OK to put it in writing," said Unruh, adding that she was not convinced that McCain would continue his current tack if elected.

"With all due respect, the grass roots was involved in this process," countered platform committee member Rich Williamson of Illinois. "They spoke, and they elected the nominee — and the nominee says he's opposed to amnesty." The draft platform is silent on a guest worker program, a policy that President Bush and McCain have both supported. Immigration is just one area where the draft platform sidesteps policies on which McCain has been out of sync with the base of his party.

The document is silent on a cap-and-trade system intended to curb greenhouse gas emission and discourages expanded federal funding for embryonic stem cell research, policies that McCain has supported but that have put him at odds with many members of his party. The draft does include an expanded section on climate change but rejects increased federal regulation.

On social issues, it reiterates calls for a constitutional ban on gay marriage and strong opposition to abortion.



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Market Update - A lot can happen in a month, and silver once again displayed its unfaltering ability to move at breakneck speeds to the downside. Commodity wide bearish sentiment catapulted the silver price back to levels that many in the market believed would be not seen this year. The white metal typically faces similar influencing factors as gold—however as history has thrown up, silver's reaction to such forces can often be significantly more exaggerated. August's trading action is testament to this.

In tandem with the magnitude of the moves lower across the precious board in August, the gold / silver ratio is receiving renewed attention. Over the last 2 weeks, this indicator has risen to a high of 62, which is noticeably in excess of the historical norm of 58. A higher ratio indicates gold strength and silver weakness. However, the rising ratio does not imply that the gold price is accelerating, rather it can mean that both metals are indeed falling in value but silver is declining at a much greater rate. This is precisely what has been happened between these two metals in August.

The recent large disconnect in this ratio and gold's relative strength over the white metal is clear from the graphs below—particularly the short term snapshot. For the bulk of the period between June 2003 until most recently, silver largely outperformed the yellow metal. Should the current trend persist, then it is reasonable for this ratio to extend towards 72 – which marks the resistance over a 20 year period and a level not seen since 2003. To put into context, it would take 72 ounces of silver to buy 1 ounce of gold. With gold trading at \$830, a ratio of 72 implies a silver price at \$11.52. After all, this level is not that dramatic—it is only 12 months ago that silver was hovering around this area.

In a rising market, the historical gold / silver ratio has traditionally trended lower, thus indicating a silver price outperforming gold. Should the health of the precious metals return, then it is quite likely that this relationship will be restored. However, for now—the precious metal's world remains in a period of uncertainty and additional moves to the downside across the complex would likely reveal a much stronger gold / silver ratio and further relative gold strength.

Gold / Silver Ratio 1975—Present



Gold / Silver Ratio January 2008—Present

