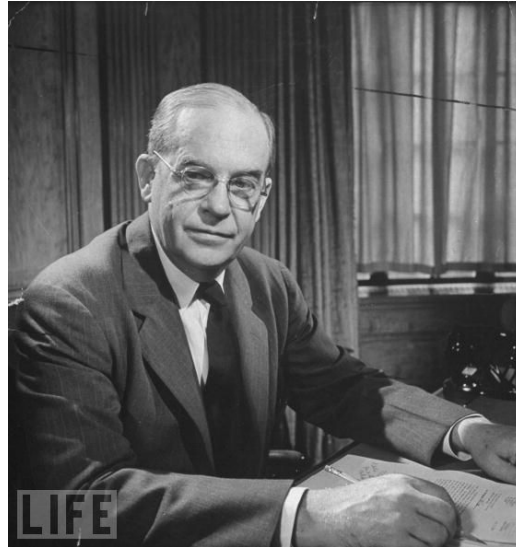


1949 & 2009 Same Con Men

Presented December 2009 by Charles Savoie



“AS CENTRAL BANKERS CHARGED WITH RESPONSIBILITY FOR OUR MONETARY AND CREDIT POLICIES, WE HAVE THE QUESTION OF GOLD UNDER CONSTANT SURVEILLANCE. WE HAVE BEEN UNDER ATTACK BECAUSE OF OUR ATTITUDE TOWARD GOLD. A FREE GOLD MARKET IS HERESY. THERE IS NO SENSE IN A MAKE BELIEVE FREE GOLD MARKET. GOLD HAS NO USEFUL PURPOSE TO SERVE IN THE POCKETS OF THE PEOPLE. THERE IS NO HIDDEN PURPOSE. ALMOST ANYTHING WILL SERVE AS MONEY.”

Generations pass, and the same network of monetary bloodsuckers remains empowered and looting the public. We like numbers like 999; they like to invert those numbers and act accordingly! “The Gold Question” subtitled “The Place of the Federal Reserve System in the Monetary and Economic Life of the Country” was a speech by Pilgrims Society member Allan Sproul (1896-1978) then president of the Federal Reserve Bank of New York (term 1941-1956), delivered before the 75th annual convention of the American Bankers Association meeting at San Francisco on November 2, 1949. After leaving that post the Money Power placed him on various boards including Wells Fargo Bank, American Trust Company of San Francisco and Kaiser Aluminum & Chemical Corporation. Herewith a review of portions of the speech by the paper money mobster (chronicled in Vital Speeches of the Day, December 1, 1949, pages 108-114) ---

“As a native Californian---and a native San Franciscan---I thought first of something I might discuss which would be of special interest to our hosts at this convention. The fact that this is 1949, and that the whole State of California has been engaged in a two year round of celebrations of the 100th anniversary of the discovery of gold in California, and of its immediate consequences, gave me an obvious lead. ***GOLD IS SOMETHING IN WHICH WE ARE ALL INTERESTED.*** Nor is this an untimely topic on other grounds. The recent wave of currency devaluations which swept around the world, following upon the devaluation of the British pound sterling six weeks ago, has fanned into flame the always smouldering

fires of the gold controversy. I was eager to review the gold question because it is a good starting point for an understanding of the place of the Federal Reserve System in the monetary and economic life of the country. When I finish with gold, I shall want to say something more specific about the System, and about your relations with it."

(The "smouldering fires of the gold controversy" were due to understandable agitation on the part of some members of the public who could not be fooled by fiat currency chicanery! Although foreigners could still convert dollars into gold, Americans had as of then been forbidden to own monetary, not jewelry, gold, for over 16 and a half years; there was no reason why that should be forgotten!)

"AS CENTRAL BANKERS CHARGED WITH RESPONSIBILITY FOR OUR MONETARY AND CREDIT POLICIES, WE HAVE THE QUESTION OF GOLD UNDER CONSTANT SURVEILLANCE. Most of the time we have been under attack from two sides because of our attitude towards gold. Those interested primarily in the price of gold, **AND IN WHAT THEY CALL A FREE GOLD MARKET**, have fired from one side. Those interested primarily and eternally in gold coin convertibility---in a full and automatic gold standard domestically and internationally---have fired from the other. More recently, we have had a brief respite from attack while these two groups fired at each other, **EACH GROUP ARROGATING TO ITSELF RESPONSIBILITY FOR THE ONLY TRUE GOSPEL ACCORDING TO ST. MIDAS.** What I have to say will probably bring that brief respite to an end. The fire will again be concentrated on the monetary authorities, for whom I cannot presume to speak except as one individual engaged in the practice of central banking, but who will, no doubt, be blamed for my views."

(At times Federal Reserve and Treasury officials have publicly denied interest in gold and silver prices, but in plenty of other instances such as this, their worry over rising prices was apparent. Notice his contempt for the free market; of course, since the central bank is all about money monopoly. He tried to fracture the hard money movement by dividing them into mining interests---price---and those desiring convertibility---all common sense citizens. These camps were not nearly so divided as the false picture this crook purposefully painted. As for mocking St. Midas, that's infinitely less called for than mocking St. Paper, pretending to sit on the monetary throne. Lastly, he claimed that central bankers weren't monolithic or cohesive in their views against gold; that was as of 1949, certainly false, with a few notable exceptions such as France.)

"Let me take account of each of these two groups separately; those who concentrate, at least initially, on a free gold market, **AND THOSE WHO WILL HAVE NONE OF THIS HERESY**, but who want a fixed and immutable gold price and convertibility of currency---**AND THEREFORE OF BANK DEPOSITS**---into gold coin. The first group, which includes the gold miners, makes its argument on several grounds, **TRYING TO COMBINE ECONOMICS AND PSYCHOLOGY WITH SELF INTEREST.** Let me paraphrase their principal arguments as presented at hearings on bills to permit free trading in gold in the United States and its territories. In this way I may avoid the fact as well as the appearance of building straw opponents. The arguments most frequently presented in favor of these bills were---

1) "In the face of rising production costs and fixed selling prices, the gold mining industry has been forced to curtail its operations, and to the extent that it has operated, its profits have been reduced.

The higher gold prices which would presumably prevail in a free market would correct this situation. **THIS IS THE "DO SOMETHING FOR THE GOLD MINERS" ARGUMENT AT ITS BALDEST.** When this argument is **EMBROIDERED** a little, it is claimed that since the prices of all goods and services have increased so substantially during the past fifteen years, it is necessary to open the way for an increase in the price of gold so as to be sure there will be enough gold to carry on the country's business; to bring the price of gold into adjustment with the prices of everything else."

(http://en.wikipedia.org/wiki/Allan_Sproul says he was "widely regarded as one of the world's foremost central bankers" and he certainly babbled villainously in that role, reminiscent of Vincent Price playing the part of England's 17th century Witch Finder General, Matthew Hopkins! He also reminds me of lyrics by Gary Wright from 1976, "my soul's like a wheel that's turning!" And oh such an abominable, botulized wheel it was! Lee Marvin spoke of "embroidery" in his 1967 film "The Dirty Dozen," and I am certain that he as the battle hardened fighter would have punched Sproul's lights out for misusing the term! We'll review his other 3 points before commenting) ---

2) "A second group of arguments expresses concern over the unsettling effects of the "premium" prices which are paid for gold abroad, and claims that a free gold market in the United States, with no gold export restrictions, would cause these premium markets to disappear, with beneficial effects on world trade and international relations."

3) "Third, there is an argument in equity---that gold miners should be allowed to sell their product at the best price they can obtain, as do producers of other products; and that American citizens, like the citizens of most other countries, should be free to hold or to buy and sell gold."

4) Finally, there were those who viewed and favored a free gold market as a first step in the direction of a full gold coin standard, and who held that a free market would act as a "fever chart" of the economy and lead to reform of extravagant Government fiscal policies, remove inflationary tendencies fostered by a managed currency, and lead to sounder conditions."

(George C. Warner, 1943 Who's Who, page 2273, Pilgrims Society member who coordinated a syndicate that acquired the International Banking Corporation and three other New York banks, was known as the "father of branch banking" in Manhattan and founded the "Save A Coin A Day Movement," might be unhappy if he knew people are still withdrawing copper cents and nickels from change---I do! My first impulse to hoard coins was as a boy late in his 10th year at a washateria, when I first saw the new bastardized coins commingled with the loftier value silver coins! I find it odd to see any dealer throwing a tirade against our former Constitutional coinage!)

"To take these arguments up in order, it should be pointed out right away that **A FREE MARKET FOR GOLD IN THE UNITED STATES WOULD NOT RESULT IN A RISE IN THE PRICE OF GOLD**, if for no other reason than that the Secretary of the Treasury is required by law, to maintain all forms of United States money at parity with the gold dollar which contains one thirty-fifth of an ounce of fine gold. This means that the Treasury should maintain the price of gold at \$35 a fine ounce in legal gold markets in the United States. To do this, if there were a legal free market for fine gold, **THE TREASURY SHOULD SELL GOLD TO THE EXTENT NECESSARY TO MAINTAIN THE MARKET PRICE AT \$35 A FINE OUNCE.** We might,

therefore, get what would be in effect gold convertibility by way of a free market, but not a rise in the price of gold.”

“Aside from this possible outcome of the establishment of a free market for gold, what is it we are being asked to do? In effect we are being asked to do something to benefit the gold mining industry, to encourage a shift of productive resources, in this and other countries, into gold production, **IN ORDER TO PROVIDE GOLD FOR HOARDING**. This, I submit, would be **A WITLESS PROCEEDING**, in terms of the welfare of the whole economy, **MATCHED ONLY BY OUR BONANZA PROVISIONS FOR THE SPECIAL BENEFIT OF THE MINERS OF SILVER.**”

(This one central banker, by himself, was responsible for many, many times more theft than every convict in all United States penitentiaries, State and Federal, combined! Can you believe the virulence of his blather? This is what Pilgrims Society members have been dumping on our afflicted country all along. According to his listing in the 1961 Who's Who, page 2739, he was a trustee of the Committee for Economic Development member of the Century Association, N.Y. City, the Bohemian Club of San Francisco, and the St. Andrew's Society! Odd that a thief of stellar magnitude would be in a “saintly” organization, and of course he made no mention of his Pilgrims Society membership; that above all had to be kept in the dark!)

(As for what he said about the statutory price of gold, that was accurate, however, it was also extremely evil. The \$35 price, a holdover from the virulent FDR administration, was reviewed as to its damage to gold miners in “The Conspiracy Against Gold” in Archives of Silver Investor. A companion article and similar to this one is “Paper Money Mobster Speaks,” concerning Pilgrims Society member Alfred Hayes, who took over after Sproul left the N.Y. Fed Bank. While Sproul's emphasis was on gold, he never overlooked silver, and puked out his botulized reprobation against it! “The Greatest Right” expressed suffering of silver miners under the regime of federally fixed ceiling prices. Still across the years various Pilgrims members have appeared on boards like Golden Cycle---Douglas Fairbanks; Lewis W. Douglas and Albert H. Wiggin—Newmont Mining; and Clarence Woolley of Gold Dust Corporation and founder of American Radiator Company.)

“As for the economic embroidery of this request for aid to the gold mining industry, there is no lack of monetary means of carrying on the business of the country, nor is there likely to be. It is the economics of perpetual inflation to argue that a rise in the commodity price level should be followed by an arbitrary increase in the price of gold and hence in the reserve base, thus permitting and, perhaps promoting additional deposit expansion and a further upward movement of prices. Even on the basis of statistics, which are not always reliable or comparable, it is interesting to note that the increase in the price of gold in the United States, in 1934, raised the price of gold by 69 percent, whereas prices in the United States are now only 60 percent above the 1927-1929 level. **WE HAVE BEEN PLAGUED WITH AN OVERSUPPLY OF MONEY IN RECENT YEARS**, and the United States gold stock, at the present price, is large enough to support whatever further growth in the money supply may be needed for years ahead.”

(Sproul, a monetary Jack the Ripper, mocked as “embroidery” the suffocation gasps emitted by the domestic gold mining community. “The Conspiracy Against Gold” details the vicious New York banker

assault, colluding with the Fed and the Treasury, against the gold miners. The 60 and 69% figures could easily have been lies! A sampling of display ads in the Sunday New York Times over that period would probably show to the contrary of his claim. Fed officials lobbied for years to have the gold reserve requirement lowered; in March 1933 Americans could no longer redeem gold notes for hard gold; and they finally got what they wanted---a total severing of the “dollar” from gold. “Plagued with an oversupply of money” hell yeah we’re gonna see that like confetti in a tickertape parade!)

“The second group of arguments has to do with **THE DESIRABILITY OF KNOCKING OUT OF BUSINESS THE PREMIUM MARKETS IN GOLD WHICH HAVE EXISTED AND STILL EXIST IN VARIOUS FOREIGN COUNTRIES. I SHARE THE GENERAL DISLIKE OF THESE MARKETS BECAUSE THEY ARE PARASITES ON THE WORLD’S MONETARY SYSTEM** and help to siphon into gold hoards the resources of people who need food and clothing and equipment---and who wouldn’t need so much help from us if they didn’t use scarce foreign exchange to buy gold for private hoards. **BUT I DON’T THINK THE SOUNDNESS NOR THE STABILITY OF THE DOLLAR IS ACTUALLY BROUGHT INTO QUESTION BY THESE PREMIUM MARKETS.**”

(That says it all! The Pilgrims Society, the apex of the American and British establishment, is bitterly opposed to a free market in gold! It’s always eerily fascinating to read a master pirate faulting the free market as a “parasite on the world’s monetary system!” The NY Fed Bank has been infested by Pilgrims Society members from day one, Vanderbilt agent, railroad magnate Frederick Ely Williamson in the 1940’s and David Rockefeller in more recent times just came to mind. The dollar’s soundness and stability was wrecked by irredeemability and nothing else. Inflation is only possible by divorcing dollars from metallic convertibility. Nattering drivell slickly and tirelessly pumped out by an unholy cadre of university economists, all having received the proper “illuminated” foundation fellowships as students, to the effect that gold and silver are irrelevant to monetary matters, has less appeal than the gurgling noises emanating from a drunk sliding across the floor in his own puke!)

“At our official purchase price for gold---\$35 a fine ounce---the United States has been offered and has acquired more gold than the total world production (excepting the U.S.S.R. for which reliable data on gold production, as on everything else, are not available), since 1934, the year of our devaluation. During those years---1934 to 1948 inclusive---estimated world gold production. Valued at United States prices, was about \$13.5 billion and United States gold stocks increased \$16 billion. Most of the producers and holders of gold have been quite willing to sell us gold for \$35 a fine ounce despite the quotations of \$45 and \$55 and so on up in the premium markets. The fact is that these premium markets represent insignificant speculative adventures around the fringe of the world supply and demand for gold. **THEY REFLECT MAINLY THE ILLEGAL DEMANDS OF A SMALL GROUP OF HOARDERS, together with some private demand for gold TO BE USED IN BACKWARD AREAS, or areas where forms of civilized government have broken down, and where the metal serves the needs of exchange---OR HOARDING---BETTER THAN A PAPER NOTE.** I do not think there would be any appreciable stimulus to United States gold production, if we opened the doors of **THIS LARGELY CLANDESTINE TRADE** to our domestic gold miners. But by legalizing it, we might well create what we are trying to destroy---uncertainty about the stability of the dollar and our own intentions with respect to its gold content.”

(This crook was spouting fables! What other inducements were foreign governments and producers given besides the paltry \$35 per ounce? Foreign aid, bribery, diplomatic pressure and so forth, had to be components of the coercive mix! Private individuals wary of banker corrupted government regimes he derided as “fringe” and “hoarders” and “backward” and “clandestine.” Gee, what a greedy bastard fronting for a still greedier bunch of bastards back of him in the shadows! As long as the statutory \$35 ounce gold price was in effect, U.S. gold miners were forced to sell to the Treasury, and were usually refused export licenses for their production, under which conditions, more similar to a morally correct free market, they would have realized better rates! Sproul, a pit viper in a suit, had intentions for the gold “content” of the dollar---to lower it to zero! Indeed it was already zero except with respect to foreign treasuries, who could still redeem dollars for gold into mid August 1971. No wonder “Tricky Dick” Nixon---the “X” in his name often satirically replaced by a Swastika---accepted their invitation as of March 24, 1969, to be their honorary president---page 141 “The Pilgrims of the United States,” 2003).

“The third argument---that the miners of gold should be free to sell their product at the best price they can get---is probably the give away. It is the argument that gold should be treated as a commodity when you think you can get a higher price for it, and as a monetary metal and an international medium of exchange when you want a floor placed under its price. I say that you can’t have it both ways. If you want the protection of an assured market at a fixed price, because gold is the monetary metal of the country, you should not ask permission to endanger the stability of the monetary standard by selling gold at fluctuating prices (the gold producers hope for higher prices) in **A FRINGE FREE MARKET**. Under present conditions, the only real price for gold is the price the United States Treasury is prepared to pay for it. So long as that is the case, **THERE IS NO SENSE IN A “MAKE BELIEVE” FREE GOLD MARKET**, in which possible temporary short run deviations from the fixed price of the Treasury **MIGHT HAVE DISTURBING CONSEQUENCES.**”

(“An assured market at a fixed price,” like a hedge, is a vise, not a protection, when the price is set unnaturally low in an environment in which producer costs necessitated either shutdown or high grading, the high grading process itself yielding only the thinnest of margins! As for disturbing consequences, just thinking that central banking and funny money exists is a “frightmare” any rational man would appreciate waking up from! To allow a higher gold price concurrent with a nonredeemable fiat currency only embarrasses the issuers more!)

“Nor is the argument that citizens of the United States should have the same privileges as the citizens of other countries, **WHEN IT COMES TO HOLDING OR TRADING IN GOLD, AT ALL CONVINCING TO ME**. It is true that in a number of foreign countries the holding of gold by private citizens is legal, and in some foreign countries strictly internal free trading in gold is permitted. In many cases, however, this merely represents the shifting around of a certain amount of gold which is already being hoarded in the country, since **IN PRACTICALLY ALL OF THESE COUNTRIES THE EXPORT AND IMPORT OF GOLD ON PRIVATE ACCOUNT IS EITHER PROHIBITED OR SUBJECT TO LICENSE**. In many countries where gold is produced, some percentage, **IF NOT ALL, OF THE NEWLY MINED GOLD MUST BE SOLD TO THE MONETARY AUTHORITIES, A REQUIREMENT WHICH FURTHER LIMITS THE AMOUNTS AVAILABLE FOR TRADING AND HOARDING**. These restricted and circumscribed privileges in other countries are no reflection of a loss of inalienable rights by our people. They are attempts by these foreign countries to

adjust their rules with respect to gold to their own self interest and, so far as possible, to the habits of their people, ***ALL UNDER THE SHELTERING UMBRELLA OF A WORLD GOLD MARKET AND A WORLD GOLD PRICE MAINTAINED BY THE TREASURY OF THE UNITED STATES.*** We have deemed it wise to maintain such a fixed point of reference in a disordered world.”

(No free market argumentation would convince Sproul, who was only another Nicholas Biddle in a more recent time, out to gouge the public and cheat them of their monetary birthright to convert their wages and incomes into and storage in gold---or silver. His discussion of foreign countries where gold was somewhat less restricted than here in the U.S., thanks to his Pilgrims Society pals, reflected the baneful influence British-American central banking elements in other jurisdictions. He really had a burr under his saddle about people being free to accumulate---“hoard”---gold. The “sheltering umbrella” he mentioned was more like a “sweltering sweat box” in the yard of a penitentiary! To have a \$35 gold price as a fixed point of reference did not make for a decrease on world disorder; it contributed to strangulation of the mining community and denial of fair valuation of gold owned by honest peoples who he derided as “hoarders.”)

“We have decided by democratic processes and by Congressional action, that this policy requires, among other things, ***THAT GOLD SHOULD NOT BE AVAILABLE FOR PRIVATE USE IN THIS COUNTRY,*** other than for legitimate industrial or artistic purposes. We have decided that the place for gold is in the monetary reserves of the country, as a backing for our money supply---currency and demand deposits of banks, and as a means of adjusting international balances, ***NOT IN THE POCKETS OR THE HOARDS OF THE PEOPLE.*** Providing a dependent free gold market, in which gold miners and a little group of speculative traders or ***FRIGHTENED GOLD HOARDERS***---such as those who now take advantage of a provision in the regulations to buy and sell “gold in the natural state” could carry on their business is not the way to meet the problem.”

(Contradictory nonsense! How do you represent a money supply to have backing in gold, when convertibility is denied? Buying gold as mineral crystal specimens in host rock, or as free form nuggets found as placer in streams, has the same type value added characteristic as jewelry gold; con man Sproul missed no chance to scam the public! He ran down “hoarders” like an exterminator derides rats, yet his unseen bosses were the greatest hoarders of all time! Central banking absent a greed motive is impossible! Federal Reserve Bank of New York Building) ---



“I do not propose to get in the cross fire of those who claim that a free gold market would be a step toward convertibility, and those who claim that a free gold market, without free coinage at a fixed price, would cause us to lose whatever modicum of a gold standard we now have and lead to monetary chaos. That is one of those doctrinal arguments in which the subject abounds. I will merely say here that I think authorization of a free gold market in this country, with no change in the present responsibility of the Secretary of the Treasury to maintain all forms of money coined or issued by the United States at parity with the gold dollar, would probably lead indirectly to convertibility. The desirability of doing this is another matter, which I shall now try to discuss briefly and dispassionately. **THIS IS A HAZARDOUS ATTEMPT BECAUSE THERE IS NO SUBJECT IN THE FIELD OF MONEY AND BANKING WHICH SO AROUSES THE PASSIONS,** and which so readily defies brief analysis.”

(What he was saying was no “hazardous attempt” as he selected a sympathetic audience. We are not supposed to be passionate over gold and silver when a gang of fiends corrupts the money system, forbids us to own gold, calls in gold and silver, and screws down prices every way they can, very perversely making miners poor who by natural law should have been robustly profitable, considering the nature of their product! The pattern is absolutely consistent---members of The Pilgrims Society have always been about enriching themselves by impoverishing the middle class and the nonaligned rich, all the while their victims know nothing of the existence of this super-network!)

“Two groups of arguments for the reestablishment of a gold coin standard may be distinguished in the writings and speeches of those who propose it, one group relating primarily to the domestic economy and one to the probable effects on international trade and finance. In the first group the arguments run as follows---1) Replacement of our “dishonest,” inconvertible currency with an “honest” money having intrinsic value would promote confidence in the currency, and encourage savings, investment, long-time commitments and production. 2) Irredeemable paper money leads to inflation, whereas the upper limits imposed upon currency and credit expansion by a thorough gold standard serve as a restraining influence on irresponsible politicians and over-optimistic businessmen. 3) Present governmental taxing and spending policies are wrong and dangerous. The gold standard would put a brake on spending. 4) As a corollary of the preceding argument, since the gold standard would hinder further extension of Government control and planning, it is a necessary implement of human liberty.”

(You know he’s going to crow about how all this is false, and with the sympathetic audience of bankers simpering towards him, he’ll be smug in his “educated” denials of patent facts!)

“The second group of arguments, relating to the international advantages of a gold coin standard, generally make no distinction between the effects of a unilateral adoption of such a standard by the United States, and the multilateral establishment of an unrestricted gold standard by many countries, and of exchange rates fixed by such a standard. The arguments run somewhat as follows---1) The existence of premium markets in gold abroad and the lack of gold convertibility at home creates---and is representative of---lack of confidence in the gold value of the dollar. In the absence of a thorough gold coin standard we cannot convince anyone that we may not devalue the dollar. 2) Restoration of normal patterns of international trade is being retarded by the inconvertibility of currencies in terms of gold and, therefore, one with another. This inconvertibility has led to tariffs, quotas, exchange controls, and

to general bilateralism. 3) Under a managed paper currency system there is always the temptation to solve national problems by devices which lead to international disequilibrium. This in turn has led to domestic devices restrictive of foreign trade. The international gold standard, by eliminating the need for restrictive commercial policy, would increase the physical volume of international trade, resulting in an improved division of labor **AND HIGHER STANDARDS OF LIVING FOR EVERYONE.**"

(Again, an excellent recap of the views of the opposing side---the views of his victims, the world at large. Now get a load of his sidwinding response to it! Are you ready to lance the boil and watch the pus spurt out?)

"First, let me say that **I PERCEIVE NO MORAL PROBLEM INVOLVED IN THIS QUESTION OF GOLD CONVERTIBILITY.** Money is a convenience devised by man to facilitate his economic life. It is a standard of value and a medium of exchange. **ALMOST ANYTHING WILL SERVE AS MONEY SO LONG AS IT IS GENERALLY ACCEPTABLE.** Many things have served as money over the centuries, gold perhaps longest of all because of its relative scarcity and its intrinsic beauty. **IN THIS COUNTRY WE STILL RETAIN SOME ATTACHMENT TO GOLD DOMESTICALLY,** and more internationally, **BUT TO CARRY ON OUR INTERNAL BUSINESS WE USE A PAPER MONEY AND BANK DEPOSIT ACCOUNTS WHICH HAS THE SUPREME ATTRIBUTE OF GENERAL ACCEPTABILITY.** There is no widespread fear of the soundness of the dollar in this country, **NO WIDESPREAD FLIGHT FROM MONEY INTO THINGS. THE CONSTANT CRY OF WOLF BY A FEW HAS AROUSED NO GREAT PUBLIC RESPONSE.** Savings, investment, long term commitments, and the production and exchange of goods have gone forward at record levels."

(Sproul passed away in 1978 and most likely, busted Hell wide open! Notice he evaded mention of the asinine legal tender laws, necessary to make Federal Ripoff Notes "money." The supreme attribute of those notes is that they stand alone and as such, have less dignity than dog poop! Savings, sure, on the part of the unaware, who were and are being pitilessly swindled by FRN inflation. I had one such tell me sternly, "I'm not going to put my money into silver coins, I'll go with the U.S. dollar!")

"Much of the nostalgia for gold convertibility is based on fragrant memories of a state of affairs which was a special historical case; a state of affairs which no longer exists. The great period of gold convertibility in the world was from 1819 to 1914. It drew its support from the position which Great Britain occupied, during most of the 19th century and early part of the 20th century, in the field of international production, trade, and finance. The gold coin standard flourished because the organization of world trade under British leadership provided the conditions in which it could, with a few notable aberrations, work reasonably well."

"The ability of the British to sustain, to provide a focal point for this system has been declining for many years, and the decline was hastened by two world wars which sapped the resources of the British people. The heir apparent of Great Britain was the United States, but up to now we have not been able to assume the throne and play the role. And until some way has been found to eliminate the lack of balance between our economy and that of the rest of the world, other than by gifts and grants in aid, we won't be able to do so. This is a problem of unraveling and correcting the influences, in international trade and finance, which have compelled worldwide suspension of gold convertibility, not vice versa.

The job before us now is to attack the problems of trade and finance directly. ***WE SHOULD NOT DECEIVE OURSELVES THAT GOLD CONVERTIBILITY, IN SOME INDEFINABLE BUT INEXORABLE WAY, COULD SOLVE THOSE UNDERLYING PROBLEMS FOR US.***

(We don't have space here for overview of the British Empire and how, at the close of the Napoleonic Wars, it started insisting that only gold was money. Suffice it to say they did so to gain dominance over vast territories. The gold standard, without the use of silver, is morally wrong! Britain went off the gold standard in September 1931 and has intensified its campaign against gold. Nationally, the French appear to be the strongest pro-gold people, and as the great Senator Patrick McCarran observed, the people of France, especially at the start of the postwar period and into the 1950's, were "clamoring for silver," fearing yet another paper money conflagration. As for global trade, exporters have to be paid in something of value, and mere paper receipts corresponding to nothing tangible, are about to see their well deserved death!)



"Nor is it true that gold convertibility prevented wide swings in the purchasing power of the dollar, even when we had convertibility. Within my own experience and yours, while we still had a gold coin standard, we had tremendous movements in commodity prices, up and down, which were the other side of changes in the purchasing power of the dollar. What happened to us in 1920-1921 and 1931-1933 under a gold coin standard should prevent a too easy acceptance of that standard as the answer to the problem of a money with stable purchasing power."

(Sproul was a flaming fiend's fiend! He knew that his predecessors in The Pilgrims Society intentionally wrecked the world economy starting in 1926 with the anti-silver stance of the Royal Commission on Indian Currency, demonetizing India's silver and replacing it with a fake gold convertibility system under which only Indians with the U.S. equivalent of \$8,064 in rupees could convert any of them to hard gold! It was not circulating gold that hurt the world economy in 1931-1933, but rather the insidious effects against world trade, causing the Great Depression, that resulted from Britain's attack on monetary silver. Next they derailed China from its internal silver standard, which had worked so very well for centuries, via the Silver Purchase Act of 1934. Britain, mainly by way of Hong Kong & Shanghai Bank, had already sucked nearly numberless tons of silver out of China through the harrowingly wicked opium trade! That's HSBC Bank Group today, the same bank often named as standing squarely in the way of silver price advances; the same bank whose U.S. subsidiary in recent years was on the roster of the

iniquitous Silver Users Association! The “tremendous movements” in commodity prices he spoke of were of course caused intentionally by the same coterie of monetary kingpins, to whipsaw others on both ends of trades, and to be able to paint a misleading picture suggesting that volatility was the fault of gold; not true!)

“When you boil it all down however, **AND TRY TO ELIMINATE MYTHOLOGY FROM THE DISCUSSION**, the principal argument for restoring the circulation of gold coin in this country seems to be distrust of the money managers and of the fiscal policies of government. The impelling desire is for something automatic and impersonal which will curb government spending and throw the money managers out of the temple, as were the money changers before them. To overcome the inherent weakness of human beings confronted with the necessity of making hard decisions, the gold coin standard is offered as an impersonal and automatic solution. Through this mechanism the public is to regain control over Government spending and bank credit expansion. **IT IS CLAIMED THAT WHENEVER THE PUBLIC SENSED DANGEROUS DEVELOPMENTS, THE REACTION OF MANY INDIVIDUALS WOULD BE TO DEMAND GOLD IN EXCHANGE FOR THEIR CURRENCY OR THEIR BANK DEPOSITS.** With the monetary reserve being depleted in this way, the Government would be restrained from deficit financing through drawing up new bank credit; banks would become reluctant to expand credit to their customers because of the drain on their reserves; and the Federal Reserve System would be given a signal to exert a restraining influence upon the money supply. In this way, Congress, the Treasury, and the Federal Reserve System would be forced by indirection to accept policies which they would not otherwise accept.”

(Eliminate mythology? Zeus must have looked down on Sproul and thought, “poor foolish mortal!” This turkey was an excellent hand at making statements paralleling those of honest men, and setting those remarks up for denial in his puked out follow-through. The biggest haul Jesse James ever made looks like a dandruff speck next to Sproul!)

“In effect, under a gold coin standard, therefore, the initiative for overall monetary control would, through the device of free public withdrawal of gold from the monetary reserve, be lodged in the instinctive or speculative reactions of the people. **NO DOUBT SOME PEOPLE WOULD TAKE ADVANTAGE OF THEIR ABILITY TO GET GOLD.** There would be many reasons for their doing so. Conscientious resistance to large Government spending, or fear of inflation, might well be among these reasons. But speculative motives, a desire for hoards however motivated, and such **PANIC REACTIONS** as are generated by unsettled international conditions or temporary fright concerning the business outlook or one’s individual security---all of these, and more---would be among the reasons for gold withdrawals.”

(Sure, he felt that only his fellow elitists should be able to get gold! For anyone outside the approved circles to desire gold must be a “clinical psychomoney compulsion!)

“The gold coin mechanism does not distinguish among motives. Whenever, for any reason, there was a demand for gold, the reserve base of the monetary system would be reduced. Moreover, if only the United States dollar were convertible into gold while practically all other currencies were not, **HOARDING DEMANDS FROM ALL OVER THE WORLD WOULD CONVERGE UPON THIS COUNTRY’S**

MONETARY RESERVES. Circumvention of the exchange controls of other countries would be stimulated, and dollar supplies which those countries badly need for essential supplies or for development purposes **WOULD BE DIVERTED TO THE SELFISH INTERESTS OF HOARDERS."**

(Demand for actual money, rather than for the fictitious paper representative offered by Sproul and his kind, is never a "hoarding" demand; it is merely a demand for the real thing! For people to desire what is by rights theirs is never a selfish interest! Selfish interest was on Sproul's part! A reserve base for a monetary system in his thinking, was a **FRACTIONAL** reserve, and a largely irredeemable one at that! His system constitutes near limitless wealth transfer to those feeding off it; no wonder he tried to place blame for monetary problems on the guiltless!)

"Even if a particular reduction in the reserve base did occur for useful "disciplinary" reasons, the impact of such gold withdrawals on the credit mechanism is likely to be crude and harsh. Since the present ratio between gold reserves and the money supply is about one to five, and since some such ratio will be in effect so long as this country retains a fractional reserve banking system, a withdrawal of gold coins (once any free gold is exhausted) will tend to be multiplied many times in its contractive effect on bank credit and the money supply. In a business recession, the Reserve System might undertake to offset this effect as it does now in the case of gold exports but, if the gold withdrawals attained sufficient volume, the shrinking reserve position of the Federal Reserve Banks would eventually prevent them from coming to the rescue."

(The three best Presidents we ever had, monetarily speaking, were Jackson, Van Buren and Tyler. All three believed that hard physical gold and silver coins should freely circulate among the citizenry. They did hold the view that revenues due the Treasury should be paid only in gold and silver, but they were unanimously opposed to a central bank. They were highly acquainted with the lousy history of the Bank of England, which by the close of the Tyler administration in 1845 had been in operation for over 150 years. These Presidents never held the view that gold and silver should be stuffed into vaults in the Treasury building and that citizens should be forbidden from owning them, receiving payment in them, and trading in them. They would never have supported the idea of credit abuse by a coterie of bankers with largely British connections, and certainly would not have allowed strangulation of miners by means of fixed prices paid for their product in ever depreciating, inconvertible paper currency! The fact is Jackson, Van Buren and Tyler all thoroughly abominated paper "money!" Why worry about foreign attack when the Federal Reserve System is still functioning? The Fed has never rescued anyone but the hooligans who feed off it.)

"It was in part to offset such arbitrary and extreme influences on the volume of credit, and to make up for the inflexibility of a money supply based on gold coins (in responding to the fluctuating seasonal, regional, and growth requirements of the economy), that the Federal Reserve System was initially established. During the first two decades of its existence, the System devoted much of its attention to offsetting the capricious or exaggerated effects of the gold movements associated with continuance of a gold coin standard. We had an embarrassing practical experience with gold coin convertibility as recently as 1933, **WHEN LINES OF PEOPLE FINALLY STORMED THE FEDERAL RESERVE BANKS SEEKING GOLD, AND OUR WHOLE BANKING MECHANISM CAME TO A DEAD STOP.** The gold coin standard was

abandoned, an international gold bullion standard adopted, because repeated experience had shown that internal convertibility of the currency, at best, was no longer exerting a stabilizing influence on the economy and, at worst, **WAS PERVERSE IN ITS EFFECTS.**"

(The Fed wasn't founded because of "fluctuations," but those price movements that were induced by crafty, Manhattan banker orchestrated artifice, were used as appeals for the founding of the Fed. Gold movements might cause capricious effects, but never remotely so much as inconvertible paper notes erupting from whizzing printing presses! Yes, it was embarrassing to the increasingly fiat system that people panicked and called for their gold notes to be redeemed in hard gold. Recall that during the second Bank of the United States, during the Jackson and before that, the Adams administrations, spit out its paper notes with promise of metallic redeemability; the rub was that notes from one branch could not be converted at the same branch, but only at another distant branch! All its branches functioned the same way! Everything was intentionally set up so as to blunt demands for hard money! People never abandoned gold and silver! Bankers insinuated themselves into government, and took subversive steps to distance metals from circulating paper! As we saw, the gold bullion standard in India was largely fraudulent, after the sabotage the British conducted against silver. To suggest that gold coins ceased to render the money system stable, and to further suggest that such coins had a perverse effect, are statements which some would suspect, emanated from a demonized individual!)

"Discipline is necessary in these matters but it should be the discipline of competent and responsible men; not the automatic discipline of a harsh and perverse mechanism. If you are not willing to trust men with the management of money, history has proved that you will not get protection from a mechanical control. **IGNORANT, WEAK OR IRRESPONSIBLE MEN WILL PERVERT THAT WHICH IS ALREADY PERVERSE.**"

(Lying economists, to have a measure of success, must be talented rhetoricians!)

"I EMPHASIZE MY VIEW THAT THE INTEGRITY OF OUR MONEY DOES NOT DEPEND ON DOMESTIC GOLD CONVERTIBILITY. It depends upon the great productive power of the American economy and the competence with which we manage our fiscal and monetary affairs. I suggest that anyone who is worried about the dollar concentrate on the correction of those tendencies in our economic and political life which have brought us a deficit of several billion dollars in our Federal budget, at a time when taxes are high and production, employment, and income are near record levels. I suggest that, going beyond the immediate situation, they address themselves to the difficult problem of the size of the budget, whether in deficit or surplus or balance. At some point the mere size of the budget, in relation to national product, can destroy incentives throughout the whole community, a dilemma which is even now forcing curtailment of Government expenditures by the Labor Government in Great Britain. These are problems gold coin convertibility cannot solve under present economic and social conditions."

(The same type pronouncements were made in defense of the first and second Banks of the United States. Money is ink slapped on paper if bankers so mandate. Deficits and high taxes are consequences of a central bank and its design for wealth transfer and concentration. How could gold convertibility

have a chance to show what it could do, when it had already been made illegal for over sixteen and a half years when bandit Sproul spewed out his disquieting lies?)

“Gold has a useful purpose to serve chiefly as a medium for balancing international accounts among nations and as a guide to necessary disciplines in international trade and finance. ***IT HAS NO USEFUL PURPOSE TO SERVE IN THE POCKETS OR HOARDS OF THE PEOPLE.*** To expose our gold reserves to the drains of speculative and hoarding demands at home and abroad strikes me as both unwise and improvident.”

(Gold, having long since been forced out of international settlements, regardless of pretense by the Bank for International Settlements or the International Monetary fund---both creations of the same gang of which Sproul was a member, is returning to the forefront as the impulse to hold dollars slides due to increasing worthlessness. A true central banker loathes private citizens owning precious metals. Improvident is in reality another way of saying “ungodly,” and Sproul was the bizarre one to use such a reference regarding man’s natural inclination to own real money.)

“Before I let go of this subject I should say a word about merely raising the price of gold, without doing anything about a free gold market or gold coin convertibility of the currency. This is something which has intrigued Europeans and others who are short of dollars, has interested some of our own people, and has become a South African war cry. An increase in the price the United States pays for gold would have two major results. It would provide the gold producing countries and domestic producers, and the countries which have sizable gold reserves or private hoards, with additional windfall dollars with which to purchase American goods. And it would provide the basis for a manifold expansion of credit in this country which might be highly inflationary.”

(Holding the gold price at the cutthroat \$35 rate was a powerful instrument in looting other nations of their wealth! Central bankers, Wall Streeters and their shill economists can’t help themselves; they have to try and blame inflation on gold and silver! Expecting them to stop lying is like hoping flies will cease landing on you-know-what.)

“We have been engaged in an unprecedented program of foreign aid for the past four years. Congress has authorized this aid at such times and in such amounts as were deemed to be in the interest of the United States. This is much to be preferred to the haphazard aid which would be granted by an increase in the price of gold, which must be on the basis of a more or less accidental distribution of existing gold stocks and gold producing capacity. If we raised the price of gold, every country which holds gold would automatically receive an increase in the number of dollars available to it. The largest increases would go to the largest holders which are the Soviet Union, Switzerland and the United Kingdom. Every country which produces gold would automatically receive an annual increase in its dollar supply, and its gold mining industry would be stimulated to greater productive effort. The largest increases would go to the largest producers which are South Africa, Canada, and probably the Soviet Union. That would be an indiscriminate way to extend our aid to foreign countries, both as to direction and as to timing.”

(Sproul sort of told the truth in that round. But what was the whole truth? Foreign aid granted by a Congress subservient to the One Worlders, who are the same as the central bankers, will be directed

towards their ends. It has gone from the Treasury to any particular foreign government to prop up despotic regimes, to be pillaged by U.S. corporations operating there, and all manner of immoral purposes while all the time the people remain poor. Why allow gold producers and gold holders to have more financial clout, when by having it they won't help out The Plan's operations? After the close of World War II and the insane Office of Price Administration, the only commodities with Federally imposed price caps were gold and silver. Bankers really fear gold and silver! Sproul and his kind have left Americans with very large exit wounds, so to speak!

"The domestic results of an increase in the price of gold would be no less haphazard. This country, as I have said, is not now suffering from a shortage of money and it has large gold reserves, which could form the basis of an additional money supply if we needed it. An increase in the dollar price of gold would increase the dollar value of our existing gold reserves in direct proportion to the change in price. There would be an immediate "profit" to the Treasury. The "profit" could be spent by Congressional direction or Treasury discretion. This would provide the basis for a multiple expansion of bank credit which, unless offset by appropriate Federal Reserve action, would expose our economy to the threat of an excessive expansion of the domestic money supply. The arbitrary creation of more dollars in this way would certainly be inappropriate under inflationary conditions and would be an ineffective method of combating a deflationary situation."

(Haphazard was gold miners bumping hopelessly against a price ceiling while every so often, they noticed that many aspects of operating costs were up, up, up! Again the thief was defending both a dishonest fractional reserve system coupled with the abomination of inconvertibility, and **STILL ATTEMPTING TO DEMONIZE HONEST MONEY!**)

"At the moment, also, we should have in mind that there has just been an almost worldwide devaluation of currencies. Using the fixed dollar as a fulcrum, individual foreign countries have taken action designed to improve their competitive position vis-à-vis the United States, and to maintain their competitive position vis-à-vis one another. An increase in the dollar price of gold, **WHICH IS DEVALUATION OF THE DOLLAR BY ANOTHER NAME**, would undo the possible benefits of a venture in improved currency relationships which already has its doubtful aspects."

(The dollar, in the first place, can't possibly have anything but a cipher's value all by itself, totally unconnected to gold and silver! Legal tender laws will lose effect as infinity mathematics dilutes the dollar to the worth of a soap bubble that a child just saw pop!)

"For all of these reasons it is encouraging to know that the Secretary of the Treasury has recently reiterated that the gold policy of the United States is directed primarily toward maintaining a stable relationship between gold and the dollar, and that for all practical purposes only Congress can change that relationship. We have maintained an international gold bullion standard by buying and selling gold freely at a fixed price of \$35 a fine ounce in transactions with foreign governments and central banks for all legitimate monetary purposes. This has been one fixed point in a world of shifting gold and currency relationships. We should keep it that way as another contribution to international recovery and domestic stability."

(John W. Snyder, a Vanderbilt University alumnus and associate of Harry Truman since World War I, was at that time Treasury Secretary. His name didn't appear in the leaked 1969 list of The Pilgrims, New York, when he was 74; he was probably never a member. Yet, during times of greatest monetary subversion, as in the FDR administration with Henry Morgenthau Jr., the Johnson administration with Douglas Dillon and later William Simon, the Secretaries were all Pilgrims Society members! As Treasury Secretary Simon attacked gold, cutting its price in half, then as a COMEX governor in 1979-1980 he hit silver prices hard!)

"This whole discussion of gold has been a long wind up for what may now seem to you like a small pitch. I want to end my remarks with a few words about the Federal Reserve System and the relations of your organization and you, as bankers and citizens, with that System."

(The American Bankers Association Education Foundation has a program called "Teach Children To Save." There is no signpost there pointing them towards precious metals for savings! The ABA runs Bankpac---here are its recent Congressional recipients---

<http://www.campaignmoney.com/political/committees/american-bankers-association-pac-bankpac.asp?cycle=08>)

"In my gold discussion I tried to emphasize what seems to me to be a fundamental proposition in the case of a country with the domestic and international strength of the United States. We can't have, or don't want, both an automatic gold coin standard and discretionary control of the reserve base by a monetary authority. The existence of two independent and frequently incompatible types of control over the reserves of our banking system is undesirable. In the light of that finding we abandoned the gold coin standard as a control over the domestic money supply, and placed our reliance in monetary management by the Federal Reserve System. I think it has become established American policy that a principal means of Government intervention in the economic processes of the country is the administration of broad credit powers by the System. In this way a pervasive influence may be brought to bear on our economy, without intrusion upon specific transactions between individuals, which is likely to be the consequence of more detailed physical controls, and which would spell the end of democratic capitalism as we have known it."

(What's desirable from Sproul's perspective is that his band of criminals continue to operate the spiderweb of the Federal Reserve System so Americans may remain trapped in a matrix of debasement, erosion of savings, deterioration of purchasing power and lowering of living standards. Gold and silver money never impoverished anyone who received it in payment, except due to downward price dislocations engineered by these conspirators. Andrew Jackson is usually identified as the real founder of the Democratic Party, and he burned with flaming hatred against inconvertible paper! Why can't more Dems today follow who was supposed to be their Patron Saint?)

"I have thought it reasonable to assume that the public in general, and bankers in particular, clearly recognized the special place of the System in our economy. The fact that the development of a national monetary and credit policy is the responsibility of the Federal Reserve System should fix its place beyond question. **THIS IS NOT A FUNCTION WHICH CAN BE SPLIT UP AND PASSED AROUND.** Many of the

activities of other Government agencies engaged in making or guaranteeing loans or conducting bank examinations, or insuring bank deposits, have a bearing on the way monetary policy works, but monetary policy, is one and indivisible. It is only the supervisory and service functions performed by the Federal Reserve System which are comparable to the operations of these other Government agencies.”

(Sproul is seen in this 1962 view flanking President Kennedy, with Pilgrims Society member Roger Blough, chairman of United States Steel Corporation <http://images.google.com/hosted/life/l?imgurl=e72bda39c9cfefb7&q=Allan%20Sproul&prev=/images%3Fq%3DAllan%2BSproul%26gbv%3D2%26hl%3Den%26sa%3DG>)

“The distribution of these incidental duties among such agencies can be largely determined by administrative convenience, historical precedent, and economy of operation, so long as there are arrangements for consultation to avoid unnecessary differences in policy and practice. But overall responsibility for holding the reserves of the banking system, and influencing the creation of credit by varying the cost and availability of those reserves, **CAN ONLY RESIDE IN THE ONE AGENCY DESIGNATED BY CONGRESS AS THE NATIONAL MONETARY AUTHORITY. THE FEDERAL RESERVE SYSTEM IS NOT JUST ONE OF A NUMBER OF FEDERAL AGENCIES HAVING TO DO WITH BANKING. ITS DUTIES AND RESPONSIBILITIES ARE UNIQUE; THEY RANGE OVER THE WHOLE OF OUR ECONOMY AND TOUCH THE LIVES OF ALL OUR PEOPLE.**”

(The monopolist spoke! But to whom is the Fed responsible, other than to the offspring of its creators? Robber barons and trust monopolists from the 19th century, in alliance with overseas, mostly British interests, created and inflicted this money and credit monopoly on the United States! So concerned were they with avoidance of referring to it as a central bank that they must have concluded that to accede to it being one would be to make its Congressional passage very chancy. This “something” that touches the lives of all our people is still resisting audit!)

“I mean no disrespect of the Office of the Comptroller of the Currency, nor of the Federal Deposit Insurance Corporation, when I say there is and can be no equality of responsibility. To represent the Federal Reserve System as just another bank supervisory agency, in the name of maintaining proper checks and balances in Federal bank supervision, seems to miss and to misrepresent the main reason for our being. I mention this item first because it cuts across the whole concept of the Federal Reserve System and therefore, cuts across the whole range of our relationships with you. There are other points of apparent difference where we seem to be at odds, or not pulling together effectively, because of mistrust, or lack of proper consultation, or inadequate study of the broad aspects of the questions with which we are mutually concerned. I shall touch on a few of them.”

(The Fed and the American Bankers Association not on the same page? Yes and no. The ABA was founded in 1875 and still today represents many single bank entities and regional banking organizations, not merely the New York megabank complex which runs the Fed. The Fed was created partly to increase the New York control over other banks across the nation. The ABA has had its share of Pilgrims Society members such as Frederick E. Farnsworth, Who’s Who 1927 page 687, who was general secretary of the ABA and president of Anglo-Latin Funding Company and treasurer of National Bond &

Mortgage Corporation and William K. Payne, Who's Who 1943 who was a member of the ABA executive committee who earlier chaired the New York State Bankers Association.)

“Concentration of power---The picture of a Federal Reserve System trying to arrogate power to itself, which at times you have painted, obscures the real picture. The real picture would show a Federal Reserve System trying hard to keep its powers in working order so that it can discharge its responsibilities as a monetary authority, with a measure of independence from the pressures of partisan political aims and the exigencies of managing a Federal debt which totals \$255 billion and, unfortunately, is growing. To lump the Federal Reserve System with the other bank supervisory agencies at Washington, and to play one against the other, is not an attack on the real concentration of power; it is giving aid and comfort to those who would seize upon the failure of monetary and credit controls as a pretext for fastening more direct controls upon our economy.”

(Some ABA members outside the East coast banking concentration resented the Fed for its favoritism of those insider interests. Just imagine, sixty years ago the national government was only \$255 billion in debt in 1949 dollars. It's unlikely that he actually viewed it as unfortunate, because the Fed preys on national debt creation. He made a noise suggesting he was for free markets, but the proof was otherwise, hence his adamant stance for the \$35 gold cap which, with rising expenses, formed a vise squeezing miners.)

“Organization of the Federal Reserve System---In testimony before Congressional committees and in public statements, I have affirmed my belief that we can have in the Federal Reserve System a wise blend of national authority and regional responsibility, of Government control and private participation. I think we shall do well to retain and to improve the regional characteristics of the System in matters of national credit policy. I should like to see this organization of bankers give more thought to this problem and to offer some constructive suggestions.”

(Regional responsibility must have been a reference to the subservience of other branches to the New York branch! Government control had no link in his mind with accountability to citizens. Andrew Jackson was trained as an attorney. We could get big audience on pay per view if he could grill Sproul on a witness stand.)

“Reserve Requirements---The Federal Reserve System is charged with the responsibility of formulating and administering national credit policy. It does this chiefly through its influence upon the cost and availability of bank reserves. This is a proper exercise of Federal power, and its point of incidence is upon the commercial banks of the country because only they, among all of our financial institutions, have the ability to add to or subtract from the money supply of the nation. I question whether there is good and sufficient reason for exempting any commercial banks from a minimum participation in this national undertaking. It only requires a moderately sharp pencil and a grammar school knowledge of arithmetic to figure out how you can save money by not being a member of the Federal Reserve System, as things now stand.”

(The monopolist was arguing for an increase in its pervasiveness.)

"But I don't think this country likes "free riders." I know the objections to compulsory membership in the Federal Reserve System, **I RECOGNIZE SOME OF ITS DANGERS**, and I think it is probably politically impossible. But it should not be beyond our ingenuity to devise appropriate powers of fixing reserve requirements, to be exercised within statutory limits by an appropriate body within the Federal Reserve System; reserve requirements which would be adequate for our national purpose, and which would apply to member and nonmember banks alike."

(Wow! For Sproul to acknowledge any dangers connected to the Federal Reserve System was quite the alarming peek into his mental processes! At that time the libelously termed "Senate Silver Bloc" existed which, in collaboration with the "Senate Farm Bloc," voted together on matters of mutual concern. There is a strong history of silver coinage and agricultural produce going hand in hand, while the banking interests worked against silver. No reference has been encountered in my information quest which speaks of a "Silver Users Bloc" or a "Manhattan Banking Bloc." That's because the bad boys owned the media or dictated editorial policy through warnings of withholding advertising patronage. So by calling the decent folks a "bloc" the bad boys were likening them to Marshall Tito of Yugoslavia and the "Eastern Bloc!" He spoke of "an appropriate body within the Federal Reserve System," what, to be run by a Rhodes Scholar?)

"Here is another instance where your theory of checks and balances runs the danger of being all check and no balance. And let it be clear that this is no attack on the dual banking system. State member banks have lived within the Federal Reserve System for years, and submitted to its reserve requirements, without loss of identity. We welcome this continued relationship. Nor am I frightened by the existence of a fringe of nonmembers, and the ability of state banks to move from one group to the other. A mass exodus of state member banks from the Federal Reserve System seems to me to be so unlikely as to be outside the range of practical consideration. But I do think that all commercial banks have a common obligation and a common responsibility in this matter of reserve requirements, and that they should assume the obligation and share the responsibility."

(A "fringe of nonmembers" was one of the flies on his banana split.)

"Correspondent Bank Relationships---Somehow there has grown up a feeling in some places that we in the Federal Reserve System are out to undermine the network of correspondent bank relationships which you have built up over the years. Every time we suggest some change in the method of assessing reserve requirements, or make some minor improvement in our check collection system, or in our methods of providing coin and currency, or in some other detail of our operations, the question seems to be raised. I can assure you that these things are suggested or done in an effort to improve the efficiency and economy of our operations in terms of the whole banking system, the business community, **AND THE GENERAL PUBLIC. THERE IS NO HIDDEN PURPOSE.** We recognize that there are some things correspondent banks can do better than we can, and we are glad to have them perform these services. At the same time **WE WOULD CAUTION THEM AGAINST COMPETITION** in providing services which really do not pay their way, and remind them that there are some things which the Federal Reserve System can do better than they. Surely here is an area, **IF OUR MOTIVES BE REASONABLY PURE ON BOTH SIDES**, where there is no need for friction between us."

(Every utterance this Pilgrims Society member made was laced with poison! In the midst of artfully crafted denials, he spelled out in coded language, his expectations for heightened subservience to the Money Power! He claimed concern for the general public, and vouched that there was no hidden purpose! Naturally as a prelude to interstate branch banking expansionism, correspondent banking relationships were to be coercively encouraged with the Manhattan megabanks. He said he was worried smaller bankers would waste time in marginally profitable activities; no, his actual advice was to warn them against competition with the real kingpins! Lastly, he had the brazen gall to ask them to purify their motives! What a crook!)

“Selective Credit Controls---We have differed on the matter of selective credit controls or, more specifically, on the matter of control of consumer installment credit. I have advocated the continuance of the control which the Federal Reserve System exercised over consumer credit. I would be concerned over the dangers of any further significant extension of selective controls, whether over the credit used in commodity markets, in real estate transactions, in inventory financing, or in other forms of business lending. Requests for further powers should meet two tests---is the power really needed and will its use still leave an effectively functioning private economy? I have argued and still believe that control of consumer installment credit meets these tests. Your official position has been opposed to this view. I would ask you, however, whether you are happy about the way things are now going in this field of finance. I am not. I suggest we might sit down together and reexamine the problem to our mutual advantage and to the advantage of the public which we both serve.”

(“Continuance of Federal Reserve control,” why would he not favor that? What would he have said of a Congressional campaign to audit the “Reserve” of “money” and “credit?”)

“These are some of the matters which I think deserve your constructive attention. A negative approach has been and will continue to be effective in stopping the passage of individual pieces of legislation which you happen to dislike, **BUT IT WON’T CHECK THE PROGRESS OF THE IDEA OF GOVERNMENT CONTROLS AND INTERVENTION**, if you have little constructive to offer in the face of difficult economic problems. **OVER THE YEARS YOU WILL WIN A LOT OF BATTLES BUT YOU WILL LOSE THE WAR.**”

(Very clearly, Sproul was telling the bankers well outside the inner and outer circles of the Money Power that it would be best for them to go along, because the big boys will win in the end. Since his 1949 diatribe, tremendous consolidation has predictably taken place in U.S. banks; such was the plan. Government controls and intervention are Fascist, totalitarian, and criminally immoral! Naturally they benefit the small faction of titans whose brain trust of planners crafted them, then their operatives in government implement them! It wasn’t as if the lesser titans of the American Bankers Association were fighting the Money Power; Banking, their national magazine, April 29, 1965, page 117, said “**SILVER HOARDING WOULD HAVE TO BE OUTLAWED.**”)

“**GOVERNMENT INTERVENTION IS NECESSARY TO THE PRESERVATION OF OUR POLITICAL AND ECONOMIC SYSTEM.** The central problem in our country, **AND IN ALL COUNTRIES BUT RUSSIA AND ITS SATELLITES**, is how far Government guidance and control can go without destroying the effective functioning of a private economy. In this country, with our traditions of individual enterprise, we have

preferred to keep such guidance to a practicable minimum, and to have it exercised largely through broad and impersonal controls---controls which affect the general environment. One cornerstone of such a philosophy is a competent **AND ADEQUATELY POWERED MONETARY AUTHORITY** which can administer an effective monetary policy. In making monetary policy work to the limit of its capacity, **WE HAVE ONE OF THE BEST DEFENSES AGAINST CONTROL BY GOVERNMENT INTRUSION IN OUR PERSONAL AND PRIVATE AFFAIRS.** That is why I should like to see the American Bankers Association to adopt an affirmative, constructive attitude toward the Federal Reserve System. If you don't like it, as it stands, put some real time and effort into the study of ways to improve it---its powers, its functioning. In such an undertaking you will have the cooperation of all of us who are devoting our lives and our energies to what we believe to be a worthwhile public service. In the struggle of ideas and ideals which now divides the world this is a minor front. **BUT IT IS A FIGHTING FRONT. IT IS NO PLACE FOR A NEUTRAL."**

(The President's Working Group on Financial Markets is but one of assorted entities created to rig prices across a spectrum of stocks, bonds, commodities, and to assist the elite in wrecking its would be competitors. William Simon was back of the so-called Emergency Loan Guarantee Board, among many other questionable entities. Sproul seemed to admire the totalitarianism of the Soviet system he referenced. He held the contradictory stance that Government intervention and control was itself a defense against government intrusion! He reminds me of the serial arsonist who was a fire department employee! He told the bankers, most of whom were at the fringes of the Money Power, hey, if you don't like the Fed as it is, see what you can come up with to add to its power! Sproul was correct in his last statement---the monetary battle is a fighting front, and neutrality is impossible! What have you done in the last month, friends, to back Ron Paul's campaign to open up the Fed to public view? Sproul's successors, such as Timothy Geithner, are no less corrupt than he was, and they must be overpowered on Capitol Hill!)

Sproul reminded me of a line in Mel Gibson's 1999 film "Payback" in which an evildoer crowed---
"Your piece of the pie just got a little smaller! But don't worry, I'll leave you some crust!"

Succeeding Timothy Geithner as president of the New York Fed Bank is spooky William Dudley, who went there from Goldman Sachs, and Jamie Dimon of JPMorganChase (now being referred to as the next Treasury Secretary) is a director---



Father Charles Coughlin, a Roman Catholic Priest who attained national notoriety in the 1930's with a radio broadcast in which he often spoke ill of Franklin Roosevelt and the Federal Reserve System, and whose church was connected to physical silver holdings (see Summer 2009 item) made this statement which appeared in the New York Times, March 8, 1937, page 40, in an article titled, "Nation Is Near End, Coughlin Asserts" and subtitled, "He Says on Radio That We Are Very Near a National Crisis"---

"I fear greatly that this Constitution of which we speak and on which we have come to rely upon so much has the possibility facing it, of being relegated to museums, incarcerated in libraries **AND REGARDED BY OUR CHILDREN AS HAVING PASSED OUT OF EXISTENCE.**"

At all times in these United States there are voices pleading for reason, and those who fight with the pen for what is right. Giving up and doing nothing is to identify with rats in the gutter! To digress very briefly, I wish to direct the reader to one item by way of follow up on the research I offered last October on the subject of physical health. There are indeed some fabulous marvels in nature if we will give them a chance. Lemons did, in fact, save my life and rejuvenated my vascular system! The link below may be the greatest marvel of all concerning health potential in extending the time cells are able to replicate themselves, and references top level scientific talent---

http://www.naturalnews.com/027312_astragalus_aging_health.html

Such gems of information are the "key of knowledge;" do not fail to use it!

"Can paper become what is promised by removing the promise?" is the pertinent question asked concerning Federal Reserve Notes at http://www.mindcontrolinamerica.com/wake_up2.htm

A question asked by a salacious crime boss on "Hawaii Five-O" set up the reply from a female accountant. The put down stands good for Allan Sproul's role in monetary devastation---

"Why don't you put those numbers away and think of me as a man?"

"I ALREADY DID---AND BECAME VIOLENTLY ILL."