

SENATOR MCCARRAN ON SILVER

Presented April 2010 by Charles Savoie



“THE IMPORTANCE OF SILVER DOES NOT DEPEND SIMPLY ON THE PART IT PLAYS AS MERCHANDISE. SOMETHING MORE POTENT IS INVOLVED AND THIS SOMETHING IS THAT THE METAL IN QUESTION CONSTITUTES THE BASIS OF THE DAILY TRANSACTIONS AFFECTING MORE THAN A THOUSAND MILLIONS OF THE INHABITANTS OF OUR GLOBE. “---Senator McCarran quoting wartime source in Mexico, Mining Congress Journal, February 1944.

“IT IS INTERNATIONAL POLITICAL MANIPULATION WITHIN THE LAST 50 YEARS WHICH CAUSED SILVER TO GRADUALLY LOSE ITS RANKING AS A MONETARY STANDARD. THE NATIONS OF THE EARTH HAVE ALWAYS PREFERRED HARD

MONEY AND SILVER HAS BEEN PREFERRED TO GOLD BY THE MASSES.”

---Senator McCarran recognized banker and government attacks against silver!

“THE USE OF SILVER ALONG WITH GOLD IN THE SETTLEMENT OF INTERNATIONAL BALANCES WILL MINIMIZE MANIPULATIONS AND AFFORD GREATER PROTECTION TO CURRENCY EXCHANGE VALUES OF THE WEAKER NATIONS. IT IS INCONCEIVABLE HOW ANY PERSON WELL INFORMED ON CURRENCY MATTERS COULD HOLD THAT A PAPER NOTE IS SUPERIOR TO A SILVER DOLLAR OR TO AN EQUIVALENT AMOUNT OF SILVER BULLION.”

---Senator McCarran

“ANY COUNTRY DESIRING TO MAINTAIN A STABLE PRICE LEVEL WOULD RESORT QUITE SIMPLY TO THE GOLD OR SILVER STANDARD.” ---Frank Graham, economist.

Senator McCarran quoted Dr. Elgin Groseclose recommending **“A RETURN TO HARD WHITE MONEY FREELY CIRCULATING AT ITS COMMODITY VALUE, ENHANCED BY THE CONFIDENCE IN ITS QUALITY LENT BY THE MINT MARK, AND ABANDONMENT OF ALL FORMS OF PAPER CURRENCY, MANAGED CURRENCY, OR STABILIZED RATIOS, AND ESCHEWMENT OF EFFORTS TO LINK THEIR CURRENCIES TO A WORLD STANDARD.”**

“IF THE VALUE OF BANKNOTES UTTERLY BREAKS DOWN, SILVER WILL COME OUT OF HIDING AND PROVIDE A CURRENCY.” ---silver statistician, archivist and historian Dickson H. Leavens, quoted by Senator McCarran.

“GOLD AND SILVER RESERVES OF THE CONQUERED AS WELL AS THE SATELLITE COUNTRIES HAVE BEEN CONFISCATED, AND IN THEIR STEAD WORTHLESS PAPER MONEY HAS BEEN CIRCULATED. IT IS QUITE PROBABLE THAT 75 PERCENT OF THE SILVER COINS AND BULLION OF THOSE COUNTRIES HAVE GONE INTO MUNITIONS AND IMPLEMENTS OF WAR.” ---Senator McCarran

“THE WAGES OF MORE THAN HALF THE PEOPLE OF THE WORLD ARE SO SMALL AS TO MAKE DIFFICULT AND ILLOGICAL THE UTILIZATION OF GOLD ALONE IN THE PAYMENT OF THEIR COMPENSATION. SILVER OFFERS TO THEM THE ONLY ACCEPTABLE MEANS OF PAYMENT. FURTHERMORE, WHEN WE CONSIDER THAT

A VERY SMALL PERCENTAGE OF THE PEOPLE OF THE WORLD HAVE BANK ACCOUNTS, WE REALIZE THE HARDSHIPS THAT WOULD BE IMPOSED ON THE REMAINING MASSES, WHOSE AVERAGE DAILY WAGE IS ONLY A FEW CENTS IN OUR MONEY, IF REQUIRED TO ACCEPT AND TO STORE AWAY IRREDEEMABLE PAPER NOTES.” ---Senator McCarran

“THE WORLD HAS SUFFERED AND IS STILL SUFFERING FROM THE MISUSE OF PAPER MONEY. VALUES CANNOT BE MAINTAINED FOR ANY APPRECIABLE PERIOD WHERE THEY ARE BASED ON PAPER PROMISES. STABILITY CAN BE ACHIEVED ONLY WHERE THE PRECIOUS METALS---GOLD AND SILVER---ARE USED AS A MEASURE OF VALUES.” ---Senator Patrick McCarran

According to <http://www.1st100.com/part2/mccarran.html> **“He helped keep Nevada silver in every American's pocket money until after his death in 1954.”**

Like all longs who reviewed the March 25 CFTC hearings on metals position limits I found Jeffrey Christian's presence appalling! Remember this is the “friend of silver” who addressed the Silver Users Association see “They Don't Want Us Around,” Archives. That the panels were heavily staffed by short sellers shows the CFTC's bias. Assuming Bart Chilton actually wants to do what's right, he can't do it as the only Commissioner in favor of it. Sorry Ted, I can't trust Gensler as the line from “The Rifleman” TV series had it, “I ain't your citizen Mister loco!” Still, GG is no moron. He'll either make a pretense of reining in unlimited short selling just before market forces will accomplish it by way of shortages, or he'll resign in advance. If there's any way to transfer the shorts to sheep for shearing, they'll try to. Remember the prominent “advisor” a few years ago (initials MW) who put out an “alert” that silver was “dying as a precious metal” because there was “too much of it around?” **DOES HE STILL WANT PEOPLE TO SQUAT WITH THEIR SPURS ON? LET HIM GRAB THE WRONG END OF THIS BRANDING IRON!** The best selections for escaping currency degradation are precious monetary metals. And that's a fact that not even Jeffrey Christian's beard can hide, nor all his phraseology riddled doublespeak. John Lothian, who the hell are you? Or I should ask what Schwarzenegger said to the alien in “Predator” (1986) “What the hell are you?” Any relation to Pilgrims Society member Lord Lothian? Jeremy

Charles of HSBC! Jeremy, what a predictable British name like Ivor, Reginald or Trevor! I think of an important Vancouver based mining giant that needs to drop HSBC as its primary bank! There are many Chinese in Vancouver who need to read "Silver Users And Opium," Archives.

At the close of February's item I stated the April offering would be "The Great Senator McCarran." This is a slight change. We'll go by the title above. The original title can be reserved for a more in depth offering on McCarran, easily one of the four or five best Senators ever on Capitol Hill. Patrick Anthony McCarran, August 8, 1876 to September 24, 1954, was a Democrat Senator from Nevada, 1933 till his death in 1954. The Wikipedia article on him is overly brief considering the mass of material on him in the public record. The main aspect of the Wikipedia article is that McCarran was a strong anti-Communist. Overtones of the article suggest he went overboard or became fanatical in that aspect. I don't agree that was the case; he merely had the correct stance towards an immoral form of government. The article is also notable for its failure to mention him as the greatest champion of gold and silver money in the Senate. In that capacity he succeeded the great Senator Key Pittman, also of Nevada, terms 1913-1940, who was part of the historic Klondike gold rush. Pittman, subject of a presentation here several years ago ("The Silver Senator") and McCarran weren't gold and silver champions only because such stance was useful to Nevada miners; they had genuine and profound concern for Constitutional monetary principles. They saw no morality in enforcing acceptance of inconvertible paper coupons by means of legal tender laws. Let's review a feature Senator McCarran contributed to The Mining Congress Journal, February 1944, pages 74-77 & 102 entitled "The Versatility and Prestige of Silver" subtitled "Its new war and industrial importance results in unprecedented demand reducing U.S. stocks. Position advances in coming stabilization of world currencies" ---

"In the November issue of the Mining Congress Journal there appeared an article entitled, "Silver---A Metal of Growing Importance," in which was portrayed an optimistic picture as to the future of silver. This article pointed out that many of the varied war industrial uses of silver would be extended into the post-war

period and that **SILVER WILL ALWAYS BE A COMMODITY INDISPENSABLE TO A LARGE NUMBER OF VITAL INDUSTRIES."**

(Several years ago I had a phone talk with an area metals dealer. He told me in full seriousness that silver "is being abandoned by industry." I made the decision to not give him any business, regarding other better informed---or more truthful--- dealers as more deserving. What would industry replace silver with as a reflecting material? Rhodium is second best but he forgot it costs a great deal more! Bear with Senator McCarran as he mentions some things about silver that most of us already know; it shows that the second World War really initiated the use of silver as war material more than ever before, and started the Space Age!)

"Silver is as inseparable from our present civilization as are iron, aluminum, copper, lead, zinc, and tin. Gold may be withdrawn from circulation rather completely without seriously handicapping industrial production; however, **IF ALL SILVER WERE PLACED IN STORAGE IT WOULD PROVE TO BE A SERIOUS HANDICAP THROUGHOUT THE WHOLE WORLD."**

"Before Pearl Harbor and especially since we entered the war an unprecedented industrial demand for this precious metal has developed, 69,000,000 ounces being consumed in 1942. That is in addition to the 46,000,000 ounces consumed in 1942 in the manufacture of silverware, jewelry, photographic material and other civilian articles. 81,250,000 ounces were consumed in 1943 for war purposes alone and 43,750,000 ounces in the arts and other civilian lines. It is authoritatively estimated that from 85 to 90 million ounces of silver will be consumed in war industry alone during 1944."

(The Senator was referring only to U.S. based demand! For a semi-exhaustive research on silver in wartime, see "War And Silver" in the Archives, a heavily referenced 42,950 word investigation.)

"Silver and silver alloys are the most desirable and durable high temperature soldering and brazing materials used. Another metallurgical characteristic of silver is its complete lack of a tendency to combine with unalloyed steels. This property together with the high heat conductivity and plasticity of silver has led

to its application as most efficient engine bearing material. The heat created is carried away much faster, thus lowering the temperature of the bearing and adding to its lifetime. **SILVER IS THE BEST CONDUCTING MATERIAL FOR HEAT AND ELECTRICITY THAT HAS BEEN FOUND.** In the electrical industry silver is used for contacts in layers, inserts and buttons, only the contact areas consisting of silver. It is also used in telephone and telegraph systems, railway signaling devices, washing machines, refrigerators and air conditioning units.”

(The use of silver in telegraphs is one of the few examples of an outdated silver use! Its use as coins and in table ware goes back thousands of years and is still up to date today!)

“Another outstanding physical quality of silver is its reflectivity of light from the violet to the far infrared region of the spectrum. Its utilization for the backing of mirrors and thermos bottles is worldwide.”

(The North American Mirror Manufacturers Association, often referred to as the Mirror Manufacturers Association, once appeared on the roster of the Silver Users Association. My father and I used Thermos jugs on camping trips.)

“Silver is a remarkable corrosion protective because of its resistance to alkalis, organic acids, and certain mineral acids. These qualities have led to a wide use of silver in the chemical industry as a lining for equipment, such as stills, condensers, tanks, piping, heating coils, and reactive vessels, even when tin was readily available. The ability of silver to make strong, corrosion resistant joints has led to wide use in marine and navy piping, high pressure boilers, transformers, **BUSBAR ASSEMBLIES**, and oil floats. The addition of silver in small concentrations to the stainless steels has proven to increase the resistivity of the steels against attacks by brine and seawater. The importance of application is considerable in view of the desirability of the use of stainless steels for marine purposes.”

(The reason I highlighted “busbar assemblies” is that many have never heard of them. They were huge silver pillars used for electrical transmission in wartime aircraft facilities in which aluminum fuselages were manufactured. This was originally silver leased from Treasury vaults and was a parallel feature to silver

used in the atom bomb project! Busbars are discussed in detail in “War And Silver.”)

“The photosensitivity of silver salts is the basis upon which the photographic industry has been built. As only silver, in the form of halides can serve for this process, it is no exaggeration to state that this metal is for this purpose truly indispensable!”

(This is no place to rehash the “digital is killing silver” blather. Let it suffice to state that disposable silver based cameras generate extremely efficient photos and cost far less than digital equipment, and are therefore the best way to go for the billions of camera users in underdeveloped nations.)

“A property of silver which appears to bear great promise in the future is its effect upon the living organism. This germicidal power of silver has been realized in the past decade in Europe to a much larger extent than in this country. It has led there to the development of plants for the treatment of water supplies, sanitation of swimming pools, and water sterilization in the wine, beer, vinegar and soft drink industries. It should be expected that similar developments will take place in this country. One application of silver as a germicide requires the introduction of silver ions into the liquid to be treated. This can be accomplished by electrolysis or by the insertion of activated carriers into the liquid which emit silver ions at the rate and for the time required.”

(Chlorinated water in swimming pools is highly inadvisable to swallow, but it inevitably happens!)

“An improvement over this process is one in which an instantaneous germicidal effect is obtained by filtering water through a thin layer of material activated by special silver compounds. The two principal advantages of sterilization by silver are the freedom from off-tastes and odors and the germicidal action which the non-volatile silver ions provide as long as they remain in solution. Swimming pool water so treated inhibits algae growth and is not irritating to the mucous membrane.”

(Chlorine causes headaches, contributes to arthritis and tumor etiology, is bad for the lungs and aggravates heart disease. See this link on chlorinated municipal water supplies in relation to my offering last fall, "Living To Enjoy My Silver" <http://www.nov55.com/hrt.html>)

"Some silver compounds have demonstrated therapeutic value, and recent research developments seem to indicate advantages of certain silver containing materials which may be useful as coatings to be applied to surfaces on which it is important to inhibit bacterial growth. An example of this latter would be coated wrappings for certain phases of the food industry. Another unique property of silver made possible the recent development of a process to render sea water potable."

(Desalination of sea water could supply enormous quantities of H₂O for arid regions. If it happens, silver is certain to play a pivotal role!)

"Laboratory experiments are now in their final stage, out of which will emerge new uses and increased demand for the white metal. The combined consumption of silver in these new uses will probably amount to upwards of 30,000,000 ounces a year. In this connection it is interesting to note that an Indianapolis firm specializing in the production of nonferrous alloys used in engine bearings lays great stress on silver's value in automotive and aviation engine performance (Time, January 3, 1944). **THEY STATE THAT EVERY WARPLANE ENGINE RELIES ON SILVER FOR ALL ENGINE REDUCTION GEAR AND SUPERCHARGER BEARINGS, AND THAT APPROXIMATELY 25 PERCENT OF THE WORLD'S PRODUCTION OF SILVER TODAY IS GOING INTO ENGINE BEARINGS.**"

(Certainly as the years have passed, scientific applications for silver have expanded, attributable to the miraculous versatility of silver!)

"Sensational Demand for War---The Daily Statement of the United States Treasury of February 15, 1944, reveals the fact that 902,622,278.8 ounces of Treasury "free" silver were held by Government agencies for nonconsumptive uses in war industrial plants. This silver has been leased for war uses to serve as a substitute (end page 74) for copper, and will be returned in kind shortly after the cessation

of hostilities. In this connection it is interesting to note that 697,210,972.5 ounces of the silver in that category were transferred to the Defense Plant Corporation for use as bus bars, principally in war plants producing aluminum and magnesium. Within the past few months 205,411,306.3 ounces of Treasury “free” silver have been transferred to another war agency **FOR A NEW SECRET USE IN CONNECTION WITH THE WAR PROGRAM**. Thus we find that the progress of silver as a war metal is nothing less than sensational.”

(The secret use was most likely for the Manhattan Project, the Atom Bomb! You have to love how precise his silver figures were; he could have excelled as an accountant!)

“Silver production of the United States for the calendar year 1943 was 41,372,854 ounces. This is 23.5 percent less than the 1942 output of 54,090,765 ounces. This decline in silver production in the United States has been due partly to shortage of manpower and partly to the closing of the gold mines which produced some silver. Canada’s production was down 16 percent, Peru’s output was unchanged at 16,000,000 ounces, while Mexico’s production was estimated to be 87,000,000 in 1942 (Handy and Harman Annual Review 1943). There was also a very substantial decline in imports in 1943 due in part to lack of transportation and labor difficulties, but principally to increased coinage demand in Mexico and other foreign countries which export silver to the United States, the principal contributors being Mexico, Canada and Peru.”

(See “The Conspiracy Against Gold” in Archives for details on the Federal order to shutter gold mines in the U.S. during wartime!)

“Government Holdings Decline---For the first year since the start of the silver purchase program in 1934, holdings of silver by the United States Government showed a decline. No foreign silver was purchased by the Government in 1943, and acquisitions of newly mined domestic silver amounted to only 5,400,000 ounces. Handy & Harman have estimated that there was a decrease of more than 80,000,000 ounces in the Treasury’s silver holdings. Most of which was lend-leased to Britain and other United Nations.”

“Last year the United States used more silver for domestic coinage than in any prior year. For the first 11 months of 1943 such consumption amounted to 95,818,000 ounces, including that in the new silver nickels. In addition the United States mints in that period received 12,429,000 ounces of silver for the purpose of foreign coinage.”

(In my coin sifting experience, and my fingers have gone “black” many times from sorting coins, relatively few 1943 quarters are encountered in bags, half bags, rolls, tubes, and miscellaneous coin assortments. Most of the 1943 quarters seen are clearly more worn than more recent dates. 1943 Mercs have been easy to come by---a matter that will change once the public understands how they’ve been conned by monetary myth makers---and I was able to pick up a few thousand 1943 date Walking Liberty halves. But of that original 95,818,000 of silver (100% of the 90% silver in the coins, copper stats aren’t cited and matter less) how much do you suppose has survived Treasury and other coin melts? Including coins held by collectors in series sets, certainly not ten percent exists today. McCarran was not one to overlook any relevant point and mentioned the war nickels, 1942-1945---some nickels dated 1942 were of regular composition---while the special series of nickels were 35% silver so as to divert more nickel into the war effort.)

“At the end of 1943, the silver dollars in circulation had increased to \$91,581,217, the subsidiary coinage circulation was \$671,231,889, and the total silver certificate circulation was \$1,564,843,253. These items amount to 11.4 percent of the total money in circulation (\$20,439,025,030) which, other than silver money, consists of Gold Certificates (\$55,218,979), Treasury Notes of 1890 (\$1,154,262), Minor Coin (\$253,548,280), United States Notes (\$318,122,169), Federal Reserve Notes (\$16,730,626,613), Federal Reserve Bank Notes (\$623,711,541), and National Bank Notes (\$128,986,827). On May 31, 1934, the total amount of silver dollars, subsidiary coinage, and silver certificates in circulation amounted to 13.2 percent of the total of all money in circulation at that time, which was just prior to the passage of the Silver Purchase Act of 1934.”

(Here I want to make an important admission; one which everyone who writes on precious metals should state! I don't know all there is to know about any particular facet of silver; I don't have all the answers, only some of them; I try to be correct, and am happy to make corrections if errors are demonstrated; and am passionate about learning more, and making information available.

Documentation and multiple cross-referencing is important! I've said all that to say this---as we know, FDR called in gold and gold certificates in March 1933, and Americans could not own gold till January 1, 1975! In what sense did the Senator mean that any gold certs were in circulation? He was certainly in position to have great command of what was then current facts. A contradiction seems apparent, and I won't try to resolve it here. That can only be done by application of other facts once they are ferreted out. Some of you reading this may immediately know the resolution. I don't think many serious gold and silver investors have placed significant funds into old gold or silver certs, because these, while often of value as collectibles, really can't stand in for hard metal in your hand in a monetary emergency. McCarran also differentiated between Federal Reserve Notes and Federal Reserve Bank Notes. U.S. paper currency history is out of my specialty!

As always, it is coin, not notes, that is the true money!)

“The Act of July 12, 1943, authorized the President, through the Secretary of the Treasury, upon the recommendation of the chairman of the War Production Board, to sell at 71.11 cents an ounce for war uses and civilian needs Treasury stocks of silver not required for redemption of outstanding silver certificates, and to lease to war plants monetized bullion for non-consumptive uses for a period not to exceed five years. This act will expire December 31, 1944. Under this Act the Treasury has received allocations by the War Production Board for the sale of 26,445,900 fine ounces of “free” silver. Under these allocations the Treasury has delivered, to the end of November, 17,218,466 fine ounces of silver. In addition, some 40 million fine ounces of silver have been delivered from the “free” silver in the Treasury to foreign governments under Lend-Lease arrangements. Almost 50 percent of this amount was delivered to India.”

(War related statistics on silver were discussed in far greater depth in “War And Silver,” Archives.)

“On July 29, 1943, the War Production Board revised its regulations covering the distribution of silver and stated the specific uses which might be made of Treasury silver and domestically mined silver. Treasury silver may be used in the manufacture of engine bearings, brazing alloys, solder and official military insignia; foreign silver may be used in the manufacture of medicines and health supplies, electrical contacts and other miscellaneous products; and domestically mined silver may be used upon the basis of 50 percent of 1941 or 1942 consumption in the manufacture of such articles as silverware and jewelry.”

“There is a steadily growing tolerance on the part of economists and bankers toward the rehabilitation of silver as legal tender money throughout the world. In ancient, medieval and modern times, silver has ranked with gold as the measure of monetary value. **IT IS CHIEFLY INTERNATIONAL POLITICAL MANIPULATION WITHIN THE LAST 50 YEARS WHICH CAUSED SILVER TO GRADUALLY LOSE ITS RANKING AS A MONETARY STANDARD THE NATIONS OF THE EARTH HAVE ALWAYS PREFERRED HARD MONEY AND SILVER HAS BEEN PREFERRED TO GOLD BY THE MASSES.**”

“The Mexican Bankers Association recently published their views as to what measures should be taken to secure for silver a definite role in any program of economic recuperation that may be adopted at the close of the war. Mexican official quarters state that statistics reveal that silver now discharges monetary functions in many countries and that it is therefore clear in any organization which is finally established that the function of silver will be recognized, thus guaranteeing its international use. They state that **“THE IMPORTANCE OF SILVER DOES NOT DEPEND SIMPLY ON THE PART IT PLAYS AS MERCHANDISE. SOMETHING MORE POTENT IS INVOLVED AND THIS SOMETHING IS THAT THE METAL IN QUESTION CONSTITUTES THE BASIS OF THE DAILY TRANSACTIONS AFFECTING MORE THAN A THOUSAND MILLIONS OF THE INHABITANTS OF OUR GLOBE.** These daily transactions, although they concern only individuals of limited economic means, add up to an important total in world markets by reason of the vast number of people involved.”

“The specific proposals of the Mexican Bankers Association were 1) To recommend to all the central banks of America the building up of their reserves in gold and silver, with the proportionate values of 75 percent and 25 percent respectively; 2) That to this end they should institute purchases of silver at prices equivalent in their own national currencies to that paid by the American Treasury. 3) That the valuation of those reserve metals shall be made at the equivalent per ounce in national currency of \$35 for gold and \$1.29 for silver.”

(It would have been illuminating to have been able to interview the Senator as to his wishes in that matter. Gold had already had its price fixed at \$35 for a decade, and currency inflation caused by the Fed had its effects. Gold was not allowed to rise to reflect the deteriorating dollar's purchasing power. Same goes for silver. What were the hidden motives of the Mexican Bankers Association? It's fairly difficult to trust any banker's motives because it does usually come down to a “them against us” situation. They'll always incline towards their best interests when those are deleterious to those of the public. Mexico too had a central bank, and those bankers were subject to it. It seems a risky course for any group of bankers to be custodians of precious metals, because they'll always lean towards gradual progression to inconvertibility. They'll always be prone to using supplies to depress prices so as to prop up the “money” and “credit” they create. I don't think McCarran was unaware of any of these aspects. A look at the current monetary position of the Mexican Bankers Association would incorporate well into an overview of present Mexican monetary attitudes. I would anticipate their attitude being one of “more colorful banknotes please!”)

“Economists Discuss Monetary Silver---Most of the recent discussion of monetary stabilization has revolved about the international gold standard on the one hand and exchange clearing through an international fund on the other. Dr. Frank D. Graham, Professor of Economics at Princeton University, offers a third suggestion in his article entitled “Fundamentals of International Monetary Policy” (The Monetary Standards Inquiry, October 1943). This plan, aimed at substantially unchanging price levels in all countries, with fixity of exchange rates, involves the readiness of some international authority, or perhaps merely the central bank of some important country, to buy and, after accumulating a reserve, to sell---freely

at fixed prices and in indefinite quantities---warehouse receipts covering composite units of standard, storeable commodities. The system could be inaugurated without the slightest disturbance to existing or traditional monetary arrangements. All the present types of money and bank credit could be maintained along with the free purchases of gold at the established price.”

(It’s uncertain where this was leading or what McCarran’s views were. We have certainly not seen “unchanging price levels in all countries” because of fiat currency inflations. As far as maintaining the \$35 price per ounce for gold, I have a hard time thinking McCarran was for that as he represented Nevada, a gold producer. McCarran International Airport at Las Vegas bears the Senator’s name. Eva Adams, McCarran’s Senate office secretary who started as a librarian at Las Vegas High School, later went on to be director of the United States Mint, in which capacity she fought a losing battle against Pilgrims Society member Douglas Dillon, Treasury Secretary, in advocating the continuance of 90% silver coinage! Adams, 1908-1991, was born in a mining camp, “Wonder” in Churchill County, Nevada and watched miners make silver dore bars for shipment to the U.S. Mint. She was a member of the Nevada and District of Columbia Bar Associations and was admitted to practice before the U.S. Supreme Court in 1954) ---



Her boss during the silver coinage crisis years of the early to mid 1960’s unfortunately was monetary gangster Douglas Dillon, the Pilgrims Society

executive committee member who, along with Pilgrims Society member Robert Vincent Roosa took America off silver coins. Dillon went on to chair the Rockefeller Foundation of which Roosa (offices at 59 Wall Street) was also a trustee. Dillon's daughter became Princess Joan of Luxembourg; the Rockefellers placed him on AT & T board and Roosa on the Texaco board---Dillon, second generation Pilgrims Society member (below) ---



“Professor Graham states---“There are certain countries in which silver is still favored as the monetary material and it is desirable that such countries have the opportunity to restore or retain a silver standard without thereby injecting a disturbing element into international monetary relationships. The best means to this end would be for the United States Treasury to offer to sell silver, freely at the same price at which it is prepared freely to buy it.” The Treasury has kept stable the dollar price of silver through the purchase of all the silver offered to it at a designated quotation. He further states that “because the Treasury’s stock is enormous, the dollar value of silver could be maintained indefinitely at any

designated level (that is to say its price, in dollars, could be permanently stabilized) through the offer by the Treasury to sell the metal at the same price at which it stands ready to purchase it. The exchange value of the currencies of silver standard countries would thereby be fixed vis-a-vis the dollar as well as against all other currencies linked with the dollar through gold or in any other manner.”

(That’s somewhat the history of what happened, as applicable to Treasury efforts to hold a cap on the commodity value of silver. Geithner wishes he had silver to dump today, but that well is dry.)

“The optional right of redemption in silver, rather than in gold or commodity units could then be given to any holder of dollars; and silver could be used just as gold to make international payments to the United States, or to any country maintaining stable exchange rates against the dollar, at an unchanging rate per ounce of the white metal. Silver would then be interchangeable with gold at a fixed weight ratio.”

“Under this system,” Professor Graham continues, “there could be no appreciable variation in the price level of the goods in the composite, just as under the traditional gold standard, there could be no appreciable variation in the price of gold. A given amount of gold or silver would always be interchangeable with the composite of goods in the commodity unit. **ANY COUNTRY DESIRING TO MAINTAIN A STABLE PRICE LEVEL WOULD RESORT QUITE SIMPLY TO THE GOLD OR SILVER STANDARD.**”

“Professor Graham concludes with the following proposition: “The adoption in any important country of the policy of commodity reserves, along with the restoration of the free purchase and sale of gold and silver at a fixed price, would operate to stabilize price levels and the commodity value of gold and silver both in the country of adoption and in all gold and silver standard countries. It would thus furnish the basis for fixed exchange rates between their currencies.”

(I don’t believe the Senator was stating his full views on gold in this brief article. He represented an important gold producing State, and knew full well the

squeeze faced by gold miners as the dollars they received for their gold routinely purchased smaller quantities of what they needed for operation, due to inflationary policies of the Federal Reserve and Congress. A fixed price for gold and silver has become less possible as the years have worn on, as dollar creation is virtually without limit and correlated to precious commodities of finite supply, their prices must rise else all production cease at primary mines. This applies more so with silver as fabrication consumption has, like a shrew, devoured all the supply in the pantry.)

“Dr. Elgin Groseclose, a noted economist, in his recent article on “Near Eastern Post-War Monetary Standards” (The Monetary Standards Inquiry, 1943) expresses the opinion that **ONLY THE HARDEST OF HARD WHITE MONEY, SILVER IS SUITABLE FOR DAILY USE BY THE PEOPLE OF THE NEAR EAST.** He recommends for the countries of the Near East **“A RETURN TO HARD WHITE MONEY FREELY CIRCULATING AT ITS COMMODITY VALUE, ENHANCED BY THE CONFIDENCE IN ITS QUALITY LENT BY THE MINT MARK, AND ABANDONMENT OF ALL FORMS OF PAPER CURRENCY, MANAGED CURRENCY, OR STABILIZED RATIOS, AND ESCHEWMENT OF EFFORTS TO LINK THEIR CURRENCIES TO A WORLD STANDARD.”**

(Groseclose was a better---that is, a more honest, economist than Frank Graham. During the battle to phase out silver coins in the early 1960's, Groseclose proposed that the U.S.A. simply **DOUBLE** the face value of all silver coins, to maintain these as currency! Naturally the government and the banking lobby killed his proposal! Senator McCarran resumed quoting Groseclose) ---

“While silver coin has practically disappeared from circulation, fair reserves of the metal are to be found locked in the vaults of many of the treasuries and central banks of these countries, and the return to the standard would draw more from existing hoards. Silver is a metal which is familiar to even the poorest; it is sufficiently cheap that a workman can be paid his day's wage in a coin of silver large enough not to be lost in the seams of his clothing, yet sufficiently valuable to be treasured and give him a sense of proprietorship.”

(67 years ago silver coinage was familiar to poor folks. Today it's unfamiliar to most affluent people, because of heightening rarity caused by deficits in **MOST** years since the close of World War 2. Today the main silver deficit is **INVESTMENT DEFICIT**; there's little silver to correspond to dollars and other currencies held by smarter people racing to escape monetary debasement by inflation. Ignorant affluent folks own sterling jewelry made by James Avery Craftsman, Silver Users Association member. Prudent affluent people own silver coins and bullion bought at depressed rates, not wildly overpriced jewelry!)

(McCarran was moving into better territory by progressing from Graham to Groseclose. The nation needs to turn Nevada Senator Harry Reid out; he's no Patrick McCarran! So to Reid we use lines from Seagal's 1997 film "Fire Down Below," ---"Get out, that's easy enough to understand! Get out! Just get out!")

"Mr. Dickson H. Leavens, in his discussion of "Far Eastern Post-War Standards" (The Monetary Standards Inquiry, 1943) concurs in the fact that the Near East and the Far East are historically and traditionally **A HARD MONEY TERRITORY. THE MASSES ARE SUSPICIOUS OF PAPER MONEY---THEY PREFER METALLIC MONEY AND OF A HIGH PURITY OF CONTENT.** The Far East was the last stronghold of the silver standard and even after that metal had been everywhere abandoned as a store of value, it is still in demand in India as a store of value. Mr. Leavens states that "China was the last country to abandon the silver standard and had an experience of 60 years with the fluctuation price of the white metal. She underwent some bad effects from the great rise in the price of silver from 1915 to 1920 and from the great decline from 1927 to 1932. On the whole, however, these changes in the price of silver served to adjust China's price level to world commodity prices **AND SAVED HER FROM THE EXTREMES OF INFLATION SUFFERED BY THE REST OF THE WORLD** in the former period and from the extremes of deflation in the latter."

(Federal Reserve officials have attempted to blame silver certificates for inflation, refer to "Michael Gorham's Paper Money Mob," Archives.)

"China's post-war currency problems are complicated by the present inflation," he continues. "There is still a considerable amount of monetary silver left in

China, perhaps 500,000,000 ounces as compared with a peak of 1,700,000,000 ounces in 1933. This is scattered in large and small hoards among the people, and is clandestinely used in some transactions, **ESPECIALLY IN THE PURCHASE OF LAND.** It is quite possible that, **IF THE VALUE OF BANKNOTES UTTERLY BREAKS DOWN, THIS SILVER WILL COME OUT OF HIDING AND PROVIDE A CURRENCY. SIMILAR THINGS HAVE HAPPENED WHEN LOCAL AND REGIONAL CURRENCIES IN CHINA HAVE DEPRECIATED TO THE VANISHING POINT AT VARIOUS TIMES IN THE LAST THIRTY YEARS. THIS PHENOMENON MIGHT MAKE THE PATH OF LEAST RESISTANCE SEEM TO BE THE REVERSION TO A SILVER BASIS."**

(It's impossible to know how much silver entered China primarily from Mexican and Peruvian mines since the 16th century. In spite of the Red takeover of mainland China in 1949 I believe there are still secret hoards of silver in at least thousands of places, and that government has since softened its position against people owning precious metals. How much silver constitutes a hoard? A small owner might regard 50 ounces as a hoard while a statistician might set a threshold at 1,000 ounces minimum. Notice the universal parallel of using silver to obtain ownership of land! That was just what happened in the Jackson administration, 1829-1837 under the Specie Circular so bitterly resented by bankers, only gold or silver could be used as payment for Federal lands. And while bad money does drive out good money, when bad money goes to zero, good money resurfaces! The following remarks are from McCarran himself, having completed his citations of others) ---

"Silver Spearhead Currency---During 1943 there appeared in circulation in the African and European theatres of war a new special paper currency which attracted considerable attention in financial circles. The first of these appeared during the invasion of North Africa and is what the Government calls "spearhead" currency. One of the principal uses of "spearhead" currency has been the payment of United States troops. It consists of United States silver certificates which differ from those in use at home only in the color of the seal, which on "spearhead" currency is yellow. This distinguishing mark was used on "spearhead" currency partly for security reasons to permit the isolation of the currency if it fell into enemy hands, partly to prevent the influx into the area of

dollar currency already in the hands of the enemy, and partly to facilitate its entry into the United States by freeing it from present restrictions on ordinary United States currency. Yellow seal certificates are part of the United States currency stock and are included in Treasury statistics of silver certificates outstanding. They are redeemable in silver upon presentation in the United States in the same manner as the silver certificates bearing a blue seal.”

(McCarran was introducing an aspect of the wartime use of silver not covered in “War And Silver,” the 42,950 word documentary in Archives. Sorry, I’m one person working without assistance and being really comprehensive with any detailed subject is beyond exhausting. But here it is now!)

“The yellow seal silver certificates consist primarily of new currency issued to replace worn certificates bearing blue seal. When the Army indicates a need for a certain amount of “spearhead” currency, the Treasury replaces that amount of worn blue seal certificates with new ones printed with yellow seals. **INSTEAD OF ISSUING THEM THROUGH THE FEDERAL RESERVE BANKS, THE TREASURER ISSUES THEM DIRECTLY BY DELIVERING THEM TO THE ARMY** in return for checks drawn against appropriations made by Congress. The Army then transports them to areas where they are needed. This currency is withdrawn from circulation as quickly as the military situation will allow. The yellow seal certificates are to be replaced by blue seal certificates for domestic circulation. The yellow seal dollars used during the early stages of the North African operation were withdrawn from circulation as adequate stocks of local currency became available. Nearly all the yellow seal dollars used in that area are in the hands of the United States Army authorities.”

(Paying combat troops at the front in silver certificates was in a real sense like paying them in car titles. The notes could be redeemed for Treasury silver upon return stateside. What kind of titles are Federal Reserve Notes? Right, a title to nothing except debt and purchasing power deterioration! It rankled the Fed that any agency other than itself was issuing currency! Of course the Treasury Secretary was controlled by, or a member of, the same paper money mob! It was Congressional “silver bloc” pressure alone, with the collaboration of the former

“farm bloc” that made possible the continuance of silver certs until June 1968.
We need to see a “silver bloc” renaissance in Congress, to trash the only real
“bloc,” the FED!)

“Occupation” currency is the second kind of invasion currency. This is represented by the occupation lire, first used by our forces during the invasion of Sicily and later introduced into Italy proper. They are intended to supplement, and if absolutely necessary, substitute for the Italian paper currency. They are unlimited legal tender in the invaded areas, but they are not part of United States monetary stock. The “occupation” currency is printed by the Bureau of Engraving and Printing for the Allied Military Government.”

(Occupation currency was simple trash ticker tape parade confetti fiat!)

“In the other theatres of war our troops have used either American currency or some local currency. In the South Pacific, for example, dollars, Australian pounds, and New Caledonian francs are in use, and in the United Kingdom our troops are paid in sterling.”

(“War And Silver,” Archives, does discuss many monetary aspects of WW2, including “money printed on wrapping paper” used by Americans in the Philippines. It’s unclear why “spearhead” currency convertible into silver if the soldier survived to return home was felt necessary in the European theatre, and apparently less so in the Pacific. These are all the details I have to work with, so an objective conclusion is hard to reach. Sterling was used in the U.K., which was originally silver, by a national leadership that attacked monetary silver in the Spanish empire in the 1500’s and attacked its own metallic basis in 1694 and more so later! Sir J.S. Wardlaw-Milne, M.P., of the Imperial Economic Committee, quoted in the New York Times, July 18, 1933, page 4, boasted “Sterling is the master currency of the world today, we don’t require the cooperation of the United States.” This arrogant Britisher claimed that France’s adherence to the gold standard was a “bugbear.”)

“Stabilizing World Currencies---Recently published criticisms of British economists and bankers make it apparent that the chief objections to the United States

Treasury Stabilization Fund Plan are that it is too rigid; on the contrary, American economists and bankers regard the British plan as too flexible. It is, of course, possible to reach a compromise, but doubtful if any acceptable plan can be agreed upon and put into operation, at least, before a partial restoration of world trade has taken place. And it is not likely that the resumption of an orderly world trade can be achieved before the repatriation of large masses of European peoples and their political and civil rehabilitation shall have been accomplished. These readjustments are so fundamentally important and their scope of such magnitude as to require a considerable period of time in which to make world economic recovery possible.”

(What we have today is multicolored garbage notes---in digital form--- of many issuing nations trading in the FOREX market! Imagine that slamming to a dead stop as the money metals resurrect with a vengeance!)

“Because of the fact that the United States has enjoyed and will continue to enjoy a large export balance of trade and England will continue to struggle against an inevitable import trade balance, the task of reconciling these diametrically different trade positions offers one of the most puzzling problems confronting the world today. Therefore, conflicting interest must necessarily enter the picture. England will strive to import raw materials from countries that have low-valued currencies in terms of the pound sterling and to export their processed goods to countries whose currencies are exchanged in higher values. As the advantage is with the exporting country whose currency is maintained at a low exchange value, it will be impossible in the post-war period to adjust currency exchange values in a manner that will be mutually beneficial to the United States and England.”

(I have no idea whether Senator McCarran knew of the existence of the London/New York nexus, The Pilgrims Society. I favor that he knew something of it, as there is occasional mention of it in earlier editions of The Congressional Record, especially by Montana Congressman Thorkelson in 1940. The Trilateral Commission appears to be the entity by which the United States has been largely de-industrialized. It is another Pilgrims Society front, having been founded by

David Rockefeller and George S. Franklin Jr., his Harvard roommate. So much for vacuous views by the uninformed that everything stems from Yale University!)

“During the period of transition from war to peace, currency orderliness must be restored before any substantial step toward stabilization can be effected. In view of the unprecedented dislocation of commercial activity within the various belligerent and occupied countries of the world, together with the unavailability of sufficient gold and silver to support their currencies, much work must be done preliminary to the establishment of currency exchange values on a sound basis. In the premises how could a World Stabilization Fund be expected to function equitably and smoothly immediately following the cessation of hostilities?”

(I am of the view that the Anglo American elite caused both World Wars; that is specifically, The Pilgrims Society; for the purpose of shoving the world towards universal government, first with the League of Nations, today with the U.N.; and to rework the international monetary system with synthetic currency under their control. The diabolical effort, nearly unbelievable in scope and the nearness to success it has so far come, will fail. In the process the world will suffer pulverizing calamities of as yet undreamed of intensity.)

“In restoring the normal functioning of currency systems it must be realized that **GOLD AND SILVER RESERVES OF THE CONQUERED AS WELL AS THE SATELLITE COUNTRIES HAVE BEEN CONFISCATED, AND IN THEIR STEAD WORTHLESS PAPER MONEY HAS BEEN CIRCULATED. IT IS QUITE PROBABLE THAT 75 PERCENT OF THE SILVER COINS AND BULLION OF THOSE COUNTRIES HAVE GONE INTO MUNITIONS AND IMPLEMENTS OF WAR.** This together with the shortage of money metals everywhere makes necessary the redistribution of some of the gold and silver reserves that are now stored in the United States. No doubt our Government will welcome an opportunity to distribute liberally its precious money metals reserves among friendly nations with whom we desire to reestablish trade.”

(That’s the crux of our property rights in silver, going forward. You can’t prosecute a war without silver. The technologies it depends on can’t function without silver. All they have to assert is two points---first, there’s precedent for

the government to dispossess silver from citizens, as FDR did it on August 9, 1934; and second, we are without a strategic technological military reserve. We are virtually defenseless against these twin points, immoral though they are! But if you want defense for your title to hard silver, and silver mining shares, you have to take the only rational course open to us! Work especially to turn out all 70 Senators who voted to reconfirm Ben Bernanke, because in voting for him they show themselves as opposed to our metals ownership rights; and second, target offenders in the House of Representatives. The uproar against the 219 to 212 vote in the House for Obama's health care "plan" is very positive in the direction of getting the bad boys out of Congress. Unless we can elect a Ron Paul as President, a change in the character of Congress is our best hope. I wouldn't count on challenging a metals nationalization in judicial venues, as those largely upheld FDR's criminal actions of March 1933 and August 1934. The U.S. Government acted counter to McCarran's prediction; it called in Lend-Lease silver from WW2, most by the late 1950's; and worked to demonetize silver by 1968 and gold by 1971.)

"There are many economists, particularly in Great Britain, who do not share with American economists and bankers the opinion that gold and silver are essential to a sound currency. Indeed, there are some American economists and bankers who are disposed to discredit the important role of silver as backing for our paper money. **AND YET THESE CURRENCY EXPERTS CAN OFFER NO VALID REASON TO SUBSTANTIATE THEIR CONTENTION. NOR CAN THEY POINT OUT, WITH ANY DEGREE OF CONVICTION, WHEREIN SILVER BACKED CERTIFICATES AND SILVER DOLLARS HAVE IN ANY WAY PROVED DETRIMENTAL TO OUR CURRENCY SYSTEM.**"

(Yes, they were/are experts. They have the formidable degrees to back it up. They have authored innumerable textbooks most of which don't feature the word gold or the word silver in their indexes. They hold professorships at major Wall Street endowed universities. They've mowed down vast stands of timber to stuff library shelves with unmeasured miles of bogus economic journals. They are prostitutes to the synthetic money mob. Their main membership organization is the Vanderbilt/Pilgrims Society sponsored American Economic Association.)

“Some form of international bimetallism in the post-war world must be established if sound currency systems are to be restored on a sound basis in foreign countries. **THE USE OF SILVER ALONG WITH GOLD IN THE SETTLEMENT OF INTERNATIONAL BALANCES WILL MINIMIZE MANIPULATIONS AND AFFORD GREATER PROTECTION TO CURRENCY EXCHANGE VALUES OF THE WEAKER NATIONS.** Why is it not reasonable to assume that a currency system based on both gold and silver, such as the system in the United States, would be the most logical, the most substantial and the most acceptable for any other country? **IT IS INCONCEIVABLE HOW ANY PERSON WELL INFORMED ON CURRENCY MATTERS COULD HOLD THAT A PAPER NOTE IS SUPERIOR TO A SILVER DOLLAR OR TO AN EQUIVALENT AMOUNT OF SILVER BULLION.** Yet, such a contention is occasionally voiced.”

(Don't be too hard on the Senator, he certainly knew that U.S. residents at that time could not own gold, nor redeem dollars for gold. He knew we were limping on a basis of paying only foreigners gold for dollars!)

“THE WAGES OF MORE THAN HALF THE PEOPLE OF THE WORLD ARE SO SMALL AS TO MAKE DIFFICULT AND ILLOGICAL THE UTILIZATION OF GOLD ALONE IN THE PAYMENT OF THEIR COMPENSATION. SILVER OFFERS TO THEM THE ONLY ACCEPTABLE MEANS OF PAYMENT. FURTHERMORE, WHEN WE CONSIDER THAT A VERY SMALL PERCENTAGE OF THE PEOPLE OF THE WORLD HAVE BANK ACCOUNTS, WE REALIZE THE HARDSHIPS THAT WOULD BE IMPOSED ON THE REMAINING MASSES, WHOSE AVERAGE DAILY WAGE IS ONLY A FEW CENTS IN OUR MONEY, IF REQUIRED TO ACCEPT AND TO STORE AWAY IRREDEEMABLE PAPER NOTES. THE DISTRUST OF PAPER MONEY WILL BE REFLECTED IN THE DEMAND FOR GOLD AND SILVER BACKED CURRENCIES; AND THIS DEMAND MUST BE MET.”

(Like everyone's champion in precious metals, Jason Hommel, has stated---a silver dime could be a day's wage!)

“THE WORLD HAS SUFFERED AND IS STILL SUFFERING FROM THE MISUSE OF PAPER MONEY. VALUES CANNOT BE MAINTAINED FOR ANY APPRECIABLE PERIOD WHERE THEY ARE BASED ON PAPER PROMISES. STABILITY CAN BE

**ACHIEVED ONLY WHERE THE PRECIOUS METALS---GOLD AND SILVER---ARE USED
AS A MEASURE OF VALUES."**

That concludes Senator Patrick McCarran's remarks. You can see he was a front line leader of the sound money movement, in the full blown spirit of Presidents Andrew Jackson, Martin Van Buren and John Tyler, whose administrations spanned 1829-1845. I don't think the Senator would object to my quoting ex professional wrestler Stone Cold Steve Austin in saying that Senator McCarran would want us to apply Stone Cold's intimidating boast to the imitation money mob---

"I'LL STOMP A MUD HOLE IN YOU AND WALK IT DRY!"



Of Senator McCarran this site says

<http://www.unr.edu/nwhp/bios/women/adams.htm> ---

“Many found his personality to be intimidating and sometimes frightening.”

Who took him that way? None other than the freakish synthetic money creators and their hit men on Capitol Hill!

The Great Silver Money Senator Patrick McCarran was also Chief Justice of the State Supreme Court of Nevada, 1917-1918. Current Nevada Senator Harry Reid shrinks like a minimized midget under the monumental 20th century monetary shadow cast by Silver Senator Patrick McCarran! I would wager my last silver dime that Ron Paul thinks all the world of Senator McCarran and his great predecessor, Nevada Silver Senator Key Pittman, silver's champion at the World Monetary and Economic Conference of 1933 in London (see “The Silver Senator,” Archives.)