

# FLORIDA GOVERNOR LAUGHS AT PAPER GOLD!

Presented May 2010 by Charles Savoie

Claude R. Kirk Jr., 36<sup>th</sup> Governor of Florida, January 3, 1967 to January 5, 1971, who said of himself ***“I’M A TREE SHAKING SON OF A BITCH”*** (Time Magazine, December 15, 1967), delivered two speeches in 1968 advocating higher gold prices---



**“I DON’T KNOW WHAT THE RIGHT PRICE OF GOLD IS---NOBODY DOES---BUT I DO KNOW THAT IT IS WORTH MUCH MORE THAN \$35 AN OUNCE. LET US STOP CLINGING TO AN IMPOSSIBLE FICTION THAT CANNOT LONG BE MAINTAINED. THE ANSWER TO THIS PROBLEM OF LIQUIDITY IS NOT THE CREATION OF “SPECIAL DRAWING RIGHTS” OR WHAT IS LAUGHINGLY CALLED PAPER GOLD.”**

---Claude R. Kirk Jr., January 25, 1968.

Vital Speeches Of The Day covered those two speeches. Let's review them and see how interesting he was! The first of his speeches on gold took place in Chicago on January 25, 1968 at the Union League Club; he called his speech "The Dollarmongers" subtitled "Better To Revalue." His follow up speech, "The International Gold Crisis" subtitled "Seventy Dollars An Ounce" was delivered to the Overseas Press Club, New York, on June 13, 1968. Herewith his first remarks and some additional information gleaned elsewhere---

"Gentlemen, now that we have had the introduction, I will introduce myself---I am not a member of the President's Council of Economic Advisors, and I have no intention of becoming the Ambassador to Italy, which apparently is the reward for error in this Administration. Exporting the present Council of Economic Advisors, which I am in favor of, unfortunately will not cure the United States balance of payments deficit."

(Already we notice, in his own words, his fiery, sizzling character. He was not one to pull punches. H. Gardner Ackley, Nixon's Ambassador to Italy, was chairman of the voodoo economics department of the University of Michigan and served as the 1982 president of the anti-silver American Economic Association!)

"The title of this speech is "The Dollarmongers"---the subtitle is "Better Revalue Now Than Devalue Later." Let's do it before it happens. I am talking about the gold problem, and some of the confusion on this subject can be dispelled if we realize that the "problem" encompasses a number of separate problems---there is the problem of world liquidity, there is the problem of the U.S. budget deficit and, not least, the problem of Mr. DeGaulle. There is nothing wrong with the United States dollar that cannot be righted by an intelligent and forceful policy in Washington, but there is no policy in Washington, except a piecemeal patching up of holes in the crumbling dike of the United States financial position."

(President Charles DeGaulle of France pursued a policy of redeeming dollars for gold at the Treasury window, and was in a war of words with American officials who wished he'd stop asking for redemption! See, he didn't give a rat's rump about U.S. legal tender laws, he wanted **REAL** money---**GOLD!!**)

“If we go along on the administration’s present course, our 12 billion dollar remaining gold supply will soon disappear before the onslaught of the realistic Dollar mongers around the world, **WHO KNOW THE PRESENT DOLLAR IS NOT WORTH 35 TO THE OUNCE**, and we will be forced to embargo gold shipments, which will amount to devaluation of the dollar. I say that before we reach this chaotic position, let’s have a multilateral revaluation of gold at \$70 to the ounce, in agreement with all the major trading nations of the Free World, and under the auspices of the International Monetary Fund.”

(Governor Kirk knew the fiction of \$35 gold was a drag on the world monetary system. He couldn’t be accused of partisanship in the sense that he didn’t represent a gold mining State! Kirk, as we shall see more and more, had some Establishment connections. But Ted Butler once worked for an Establishment firm! Because we have FRN’s in our billfolds doesn’t signify we are FED supporters! But in Kirk’s case, he seemed to have a foot in both worlds, to an extent. You can have “connections” and still end up doing what’s right, like Catherine Austin Fitts, who was once with Dillon, Read & Company! Why should the IMF be in charge of any positive proposal, when it’s so destructive? It was probably the best course he thought, to suggest it.)

“If we do this, there will be no devaluation but only revaluation. There will be no competitive advantage to any of the currencies involved, and there will be no effect on comparative prices around the world. On the contrary, there will be a new birth of freedom in international monetary transactions, there will be an immediate answer to the problem of international liquidity, **THERE WILL BE A TREMENDOUS INCREASE IN GOLD PRODUCTION** and there will be a massive return flow of gold to the world banking system, where it belongs, out of the hoarded stocks that now provide a store of value to the French peasant and to the cynical merchants in all the primitive trading capitols of the world. At \$70 to the ounce, who would want gold? It would take another twenty five years of price inflation such as we have had over the past twenty five years before reality called for another adjustment, and let us hope that we will have more intelligent money management over the next generation than we have had in the past.”

(Miners had groaned for almost 35 years under the lousy \$35 price cap imposed by Franklin Roosevelt! At this stage we see the aspect of Kirk having a foot in the other world, as just described. Does gold really belong in the world banking system, or in the pockets of the public? Actually the answer is both. But let us not allow those in control of the banking system massage gold to their own exclusive benefit.)

“I use the word reality because **FACING THE FACTS OF LIFE IS WHAT MAKES SOME PEOPLE RICH** and other people poor, and no one is more realistic than the merchant in unstable societies, where the currency is continually debated **AND WHERE REAL PROPERTY IS AN OPEN INVITATION TO TAXATION, CONFISCATION, RIOT AND REVOLUTION. FOR 5,000 YEARS, GOLD HAS BEEN THE ULTIMATE ANSWER AS A STORE OF VALUE, AND IT WILL CONTINUE SO---SO LONG AS WE HAVE SO-CALLED WELFARE GOVERNMENTS AND SO-CALLED ECONOMISTS WHO THINK THAT GOLD CAN BE DEMONETIZED AND USED ONLY AS A DECORATIVE METAL. GOLD WILL OUTLIVE THEM ALL, BECAUSE CYNICALLY, IT IS THE FAITH OF THE FAITHLESS---OF WHOM THERE ARE MANY.**”

(Kirk sounded really good here, and restated what many honest persons said long before his time, and what others have frequently restated since his twin 1968 speeches.)

“**THERE IS A PREVALENT NOTION AMONG SOME ECONOMISTS AND BANKERS THAT GOLD IS OUTDATED AS A MEDIUM OF INTERNATIONAL SETTLEMENT AND THAT WE CAN BEST SOLVE THE PROBLEM OF FREE WORLD LIQUIDITY BY GETTING RID OF WHAT WILLIAM MCCHESNEY MARTIN CALLS THE “BARBAROUS METAL” AS MONEY.** One current proposal by some instant experts is that we should continue to sell gold at \$35 to the ounce but stop buying it altogether. The theory is that we will thus remove the price floor. Discouraging the one way speculators, and force a drop in the price to the \$10 to \$15 level that it might be worth as a purely decorative metal. This is “pretty thinking,” characteristic of those who think that an Arab slave trader or his equivalent in a thousand primitive trading centers in the East, in the Near East and in Africa, can be turned

into social minded citizens of the world by appealing to the innate goodness of man. What nonsense!"

(Pilgrims Society member William McChesney Martin Jr., FED chief, was profiled in "The Conspiracy Against Gold," Archives, in which he publicly stated his intent to maintain the \$35 gold price "down to the last ingot!" Kirk had a talent for blistering sarcasm but in this case, very constructively applied!)

"Until this "sorry scheme of things entire" has progressed much further toward some eventual high-minded goal, petty venality will be the rule, not the exception, and the instant experts had better try to get at least one foot down on the ground. Greed is a sin, but it is a dependable sin. **THE GOLD HOARDER, IN THIS COUNTRY AND ABROAD, IS NOT GOING TO BE SHAKEN LOOSE FROM HIS INGRAINED HABIT OF PREFERRING GOLD TO A STROKE OF THE PEN OR OF THE PRINTING PRESS. THE DEMONETIZATION ARGUMENT IS A DANGEROUS DREAM; IF IT MATERIALIZES, IT WILL NOT LOWER THE PRICE OF GOLD BUT IT WILL SET THE DOLLAR FLOATING ON A CLOUD.**"

(Kirk acknowledged what many people were silently aware of; namely, that not all Americans meekly complied with FDR's totalitarian order to surrender their gold to the government! This was the same FDR who met personally with Soviet tyrant Joseph Stalin, under whose regime gold holders were murdered! Americans realized that someday the ban on owning gold would be repealed! As of Kirk's first speech, they still had almost 7 more years to wait! In this connection, it sickens to think of the Treasury seizing a 1933 \$20 gold piece from an antique dealer after it was taken there for authentication!)

"Over the past twenty five years, world trade, in dollar terms, has more than quintupled. But central bank gold, which is and must be used to settle the new differences in trade between countries, has not kept pace, and the result is that we are trying to finance a hugely expanded volume of world trade with an inadequate amount of working capital. **THE ANSWER TO THIS PROBLEM OF LIQUIDITY IS NOT THE CREATION OF "SPECIAL DRAWING RIGHTS" OR WHAT IS LAUGHINGLY CALLED "PAPER GOLD."** SDRs have their function---but let me warn you that "all that glitters is not SDRs."

(Here's where our title for this month's presentation comes from. Kirk found the notion of paper gold laughable! Smithsonian Magazine, April 1997, page 134, showed 10 examples of emergency funny money people concocted during FDR's March 1933 national banking freeze; including clamshells, wooden nickels, "Heppner Sheepskin Scrip" and "Buckskin Currency" from Wallowa County, Oregon. The wish for tangible currency will always be reverted to and in its absence, funny money surfaces. Hugo Salinas-Price has poignantly addressed the problem of U.S. dollars being funny money!)

**"Instead, WE MUST RECOGNIZE THE REALITY THAT THE GOLD IN GOVERNMENT HANDS TODAY IS WORTH MUCH MORE THAN THE \$35 AN OUNCE THAT MR. ROOSEVELT AND MR. MORGENTHAU CONCOCTED OUT OF THIN AIR SOME THIRTY-FOUR YEARS AGO. I DON'T KNOW WHAT THE "RIGHT PRICE" FOR GOLD IS---NOBODY DOES---BUT I DO KNOW THAT IT IS WORTH MUCH MORE THAN \$35 AN OUNCE, and I know that if we arbitrarily set a new price of \$70 an ounce, we will solve the liquidity problem at one fell swoop, because every country will then have twice as much gold, in terms of its own currency, as it now has, and there will be no necessity for, and no danger of, individual devaluation with the resultant upsetting effects."**

(His statement on the actual price of gold being unknown was precisely parallel to admissions by other authoritative sources---including the Silver Users Association---that the actual silver price was an unidentified quantity! If you didn't catch "Living In A Blind Man's World" by Butler, look it up.)

"I realize that many people validly object to raising the gold price, because we will thereby be yielding to the French, to South Africa, to the Russians, to certain other countries, and to individual speculators, **ALL OF WHOM WILL MAKE AN UNHOLY PROFIT ON THE GOLD THEY HAVE**, or have withdrawn from the United States---while other cooperating countries and banks and institutions will not realize the profit that they might have if they had withdrawn their dollar balances in gold. I grant the inequity involved in rewarding the unrighteous, but there comes a point at which one must cut one's losses. Let us acknowledge our mistakes of the past twenty years---let us accept the fact that internal inflation

has made the dollar worth less in terms of all goods other than gold---**LET US STOP CLINGING TO AN IMPOSSIBLE FICTION THAT CANNOT LONG BE MAINTAINED.**”

(See-saw, flip-flop, Kirk tilted the other way, and sounded somewhat bad! But was it his inner viewpoint, or just a sop to appease some opposed to a higher gold quote on the grounds that someone sans establishment pedigree was going to benefit? Why should it be thought immoral to double one’s wealth by holding gold, while doubling it by other means---real estate, entertainment business, medical investments, water development, estate diamonds---or any other modality imaginable---is OK? Why just pick on gold, or on silver? Because the paper money mob hates precious metals investors worse than you hate roaches in your cornmeal! Yeah, see “Roaches In The Cornmeal,” Archives.)

“I call your attention to the fact that the day after Mr. Johnson’s State of the Union Message on January 17, in which he repeated his hold the line pledge, **GOLD STOCKS WENT UP SHARPLY.** Not because of the so-called credibility gap, which is widening, **BUT BECAUSE SOPHISTICATED SPECULATORS AND INFORMED INVESTORS AROUND THE WORLD KNOW THAT MR. JOHNSON IS TALKING INTO THE WIND. HE CANNOT HOLD THE PRICE---AND WHEN THE INTERNATIONAL GOLD RUSH SHOWS UP IN ANOTHER ONE BILLION DOLLARS OR SO LOSS IN THE UNITED STATES POSITION, WE WILL BE FORCED INTO AN EMBARGO,** which is devaluation, if only because our military defense makes a further loss of gold too dangerous.”

(The way U.S. leadership has fought recognition of heightening precious metals values over the years makes for a study in the unholy!)

“I don’t propose revaluation of gold as a cure for the United States deficit, internal or external---much more discipline is required for these basic ills than mere sleight of hand---but I do propose revaluation as a long term breather, for the international liquidity problem and for the United States dollar. Given revaluation at \$70, the United States will have 24 billion dollars worth of gold instead of 12 billion, and we will be able to continue down the primrose path of budget deficits and payment deficits for a long while to come. Contrary to the

pious hopes expressed in Washington and Wall Street, there is just no probability that internal and external disciplines will be forthcoming in time to save the dollar at its present gold price. Mr. Johnson's budget deficits will continue so long as Mr. Johnson is President, **BECAUSE SPENDING OTHER PEOPLE'S MONEY IS INHERENT IN THE MAN AND HIS PHILOSOPHY.**"

(Your free for hire historical researcher took a look at LBJ and his contaminated monetary policies in "LBJ/GWB Silver," Archives. Below, monetary rogue and fiscal bad boy Lyndon Baines Johnson, just after---may I be so bold---his hidden handlers effected the blasting off of the back of JFK's head in Dallas) ---





**“THE PAYMENTS DEFICIT WILL CONTINUE SO LONG AS WE ARE COMMITTED TO SAVE THE WORLD, AND NO AMOUNT OF RHETORIC WILL ALTER THE FACT THAT FOREIGN AID, MILITARY EXPENDITURES,** and investment abroad are bound to continue on a massive scale for years to come, under this or any other administration.”

(I suggest that Governor Kirk was making veiled reference to control over U.S. foreign and monetary policy by the internationalist apparatus, the most visible part of which is the Council on Foreign Relations, the management of which has always been Pilgrims Society members! Interventionism and adventurism overseas are key in placing us in the poorhouse!)

“Mr. Johnson’s recent measures to “save the dollar” are puerile, and his small finger in the dike is more likely to invite a flight from the dollar over a period than to save it. Restricting United States investment abroad, **AND TO A LARGE EXTENT PROHIBITING IT,** is simply a matter of killing the goose that lays the golden eggs--- because income from foreign investments, over six billion dollars a year, is the finest item in our balance of payments picture, and it has consistently exceeded the level of our new investments abroad. **MR. JOHNSON HAS MADE INEVITABLE AN EVENTUAL DECLINE IN OUR FUTURE INCOME, AND AT THE SAME TIME HE HAS CONTRIBUTED TO A DECLINE IN PROSPERITY ABROAD, WHICH WILL CREATE MORE POLITICAL TROUBLE, EVEN IN THOSE COUNTRIES THAT DON’T ALREADY HATE US.”**

(I have corresponded with someone north of the border who pointed out how obnoxious and intrusive American foreign policy is. Sadly, he is all too correct.)

“Apparently, Mr. Johnson has adopted an “après nous le deluge” attitude, a policy which has marked the long history of French kings and emperors and presidents and premiers and would-be dictators. Let us hope that the deluge after Mr. Johnson will not be as severe as he figures to make it. It is not necessary at this time to cite the other instances of this administration’s fiscal irresponsibility in both foreign and domestic affairs---they are well known to you; what is essential is to provide an answer that will tide us over the coming years of foreign and domestic deficits, **AND THE ONLY WAY TO DO IT IS TO GIVE UP THE SHIBBOLETH**

**OF THE \$35 GOLD PRICE. GIVE IT UP---DOUBLE THE PRICE---AND THEN ANCHOR IT FIRMLY BY RESUMPTION OF SPECIE PAYMENTS, MEANING NOW JUST AS IT MEANT IN 1879, THE RIGHT TO OWN GOLD, THE RIGHT TO CONVERT CURRENCY INTO GOLD, THE RIGHT OF EVERY INDIVIDUAL TO EVIDENCE HIS DISTRUST OF THE CURRENCY BY TURNING IT INTO GOLD.** If we do this, and do it now, we will avoid being forced into unilateral devaluation, we will assure the gold backing of the dollar for years to come, we will provide a new basis for monetary growth and economic development, **AND WE WILL DO ALL THIS WITHOUT ANYONE BEING HURT,** because prices will not be affected.”

(The Governor had an excellent vocabulary “after us the deluge” and shibboleth, an identifying characteristic or slogan of a particular group, understood to be erroneous---the \$35 gold price was fallacious! He went public in favor of Americans right to own gold; that would have warmed Andrew Jackson’s heart, who was military governor of Florida almost a century and a half earlier. When gold coinage was resumed under Jackson’s Presidential directive, the coins were often called “Jackson’s yellow boys,” see “Andy By God Jackson,” Archives.)

“If certain countries and certain individuals gain by revaluation, let them gain---our overall economic well being is much more important, to us and to the whole world, than any small minded resentment about someone else’s unearned increment. The whole is bigger than its parts. I come to you today, gentlemen, with a positive plan which some of you may consider rather earth shaking, but let me assure you that my double the price proposal is not new nor is it radical nor is it dangerous **SO LONG AS IT IS TIED TO THE FULL RESUMPTION OF SPECIE PAYMENTS.**”

(When you were enrolled in college, did the economics textbooks indexes feature the term “specie payments?” None of mine did! I’ve seen many texts on the 19<sup>th</sup> century banking system in which the term should have by all rights appeared, but was intentionally ignored. Can you imagine how blissfully happy a car dealer would be if he could sell car titles with no vehicles to correspond to them?)

“My own background is that of investment banker, and foreign investment has been my special area of interest. They tell me I am the only one of the 50

Governors who is a card-carrying member of the Federation of Security Analysts. As a good analyst should, I discussed this idea with or studied the opinions of a variety of other analysts, economists and bankers, including Louis Stone of Hayden, Stone and John Harriman, professor of finance at New York University. Jacques Rueff, the distinguished French academician, has long advocated this plan, although he goes further than I do in asking for a return to a full gold standard and giving up reserve currencies entirely; professor Milton Friedman of the University of Chicago agrees that the \$35 gold price has to go up and that the present administration's foolishness will accomplish no good."

(Hayden Stone & Company was an Establishment firm like Kidder, Peabody & Company or Hornblower & Weeks, Hemphill Noyes; Harriman was probably an offshoot of the Harriman railroad and banking family; and the University of Chicago has always been a Rockefeller operation. It's almost as if someone wants to keep a foot in all camps. Seeming contradictions aren't as important to be explained as is the importance of the net effect---some voices were denouncing the fraudulently low \$35 gold price!)

"And let me quote from this interview last week with George Moore, Chairman of the First National City Bank, **"AS MUCH AS I WOULD DEPLORE A RISE IN THE PRICE OF GOLD,** I would rather see it handled in an orderly way than a world financial crisis growing out of failure to deal with problems realistically. A gold price increase would give us a windfall---our gold reserves would be written up in value, and our back wouldn't be against the wall the way it is now. We would gain time to deal with our payments problem. Interest rates would come down, providing a lift for housing and stimulating economic growth."

(Moore, representative of the Onassis family in the U.S., director of the Harriman-Rockefeller Union Pacific Railroad and Credit Suisse White Weld, was a confirmed Pilgrims Society member who Fortune Magazine, January 1976, page 123 said had "the fastest financial mind in existence.")

"I ask you to open your minds to this proposal, to weigh the obvious advantages against whatever disadvantage may be involved, and to join me in pressing for what seems to be a simple solution. Gentlemen---let us do it, in good order,

before it happens in humiliating disorder. Before I close this talk on what I consider a hopeful note, I would like to add a further constructive thought. We have all seen the emergence of the so-called Eurodollar in Europe. I leave you with the question---if the United States dollar is properly valued, and backed by an unchallengeable reserve of 24 billion dollars in gold, plus what accretion develops, will not the Eurodollar gradually become the international currency the world so badly needs?"

"The dollar is not weak, basically; the dollar is a sound currency, and it will be so long as we maintain our vigor as a free people---producing more per capita than any other people in the world, thinking more, innovating more, developing more, competing more, shifting more from one class to another in a fluid society. I repeat---the dollar is sound. **IT IS IN TROUBLE ONLY BECAUSE IT IS BOUND ALONG WITH ALL OTHER CURRENCIES IN THE STRAIGHT JACKET OF AN UNREALISTIC GOLD PRICE.** What is not sound is the hidebound monetary system. Change it we will---willy-nilly---but let's not be forced into a retreat before the fact."

"What world finance needs today is stability, because capital flees from uncertainty, and that stability can be achieved if only we move to the anchor of a new gold price. We can support this new anchor---at \$70 per ounce or any comparable price---and a fixed price is necessary to the confidence of international trade. At the same time, I would suggest to you that a new fixed price---a price we can maintain---will establish the priority of the dollar in world commerce for years to come. We will defeat the Dollar mongers, and turn them into dollar seekers. And if we do it, we will witness something new---a United States dollar that will become a symbol of stability for a generation to come for all the world."

(That concludes his first speech. I have an issue with governments attempting to "fix" a set price for gold; it's wiser to let the open market do that! At least he recognized the \$35 quote was wrong, and that Americans deserved full convertibility. The 1970-1971 Who's Who, page 1245, showed Kirk as a trustee of American University of Monaco. He was vice chairman of American Heritage Life

Insurance Company, 1954-1960; a partner in Hayden, Stone, 1960-1964; and founded Kirk Investment Company in 1964. Herewith his second discourse on gold, "The International Gold Crisis" subtitled "Seventy Dollars An Ounce" delivered before the Overseas Press Club of New York (<http://opcofamerica.org/> on June 13, 1968) ---

"As the representative of the Republican Governors Association, I have had the opportunity recently to discuss international financial affairs with many of the men who are the decision makers overseas on money and credit. Tomorrow at the Governors Conference in Tulsa, I will make my full report to the assembled state leaders. Today, I want to give you my preliminary impressions, based on some remarkably frank high-level discussions, on where we stand in the eyes of the financial world and what we must do to avert another crisis."

"First, let me say that I stepped into a kind of vacuum. The leading private and public financial figures in Europe were more than willing to share their thoughts and worries about the American dollar with a representative of the majority of American Governors. The fact that I am a former investment banker and security analyst made my visit especially welcome; they knew I spoke their language, and some of them had read a January paper of mine predicting the gold crisis that later developed."

"Obviously, international economic affairs deeply affect the United States economy. Not so obviously, the state of the United States economy is of critical importance to the State of Florida. Since we are the nation's vacationland, we are the first to feel the slightest downturn in disposable income---in a pinch, people simply postpone or cancel their vacations. Thus, the state of international economics has a clear, immediate effect on the State of Florida, which is one more reason why the Governor of Florida should be so concerned with gold flow and balance of trade."

**"THE FACT THAT I WAS NOT A MEMBER OF THE PRESENT ADMINISTRATION MADE THE CONVERSATIONS FAR LESS INHIBITED THAN NORMAL.** The fact that I was a fellow banker meant that the discussions could proceed at a sophisticated

and penetrating level---in Zurich and Rome, in Bonn, Prague and London. Here, in summary, is what the men who set financial policy in Europe told me” ---

“1.) While they want peace, they are not optimistic about the Paris peace talks. A great majority of them are basing their financial decisions on the anticipation of the war in Vietnam continuing for at least another year. 2.) They are surprised and disturbed

At the delay here in the United States of firm decisions on the budget cut and tax increases. They know that we know that these actions must be taken---**AND THEY WONDER WHY WE ARE DRAGGING OUR FEET**. Before confidence in the dollar can be restored at all, they feel we must show the world we mean to put our fiscal house in order immediately. That means to them, speedy decisions on a substantial budget cut---of at least the \$6 billion promised by the President---and a tax increase large enough to slow down our runaway inflation.”

(This was almost 42 years ago! Look at our debt and deficit now! Tax increases squelch inflation? Not the best answer when you consider the real definition of inflation is increase in what’s termed the “money supply,” and that the taxpayers have no say at all in that matter!)

“3.) **THEY FEEL THAT THE JOHNSON ADMINISTRATION IS GUILTY OF FINANCIAL COWARDICE AND IMMATURITY** ---by refusing to do what may be politically unpopular, this administration has boxed itself in. **WE ARE NOW ONLY REACTING TO CRISIS WHEN WE SHOULD HAVE BEEN ANTICIPATING AND AVOIDING CRISIS.**”

(I took a tour of the LBJ ranch at Johnson City, Texas. I think the only thing LBJ knew how to do right was eat barbecue. We had a national silver stockpile of 165.5MOZ---all gone due to Silver Users Association lobbying. How are we avoiding a crisis by failing to act to restore the silver reserve?)

“4.) They feel also that the United States has fallen into a kind of economic isolationism. Our credibility---our financial word of honor---has been compromised time and again in the past five years. They point, for example, to **OUR STRANGE ACTIONS A YEAR AGO IN THE SILVER MARKET, LONG BEFORE THE**

**PRICE OF GOLD BECAME A CRISIS. FIRST WE SAID WE HAVE PLENTY OF SILVER, AND THEN IT TURNED OUT THAT WE DID NOT.** Though they have great respect for our Federal Reserve officials, they have less than great respect for our Treasury officials---indeed, they feel that our Treasury Secretary is the lackey of a President who has no grasp of the need for international monetary leadership or cooperation. In this regard, they are especially annoyed at assistant Treasury Secretary Deming's less than truthful statements regarding dual pricing and the actions of the central banks."

(Recall this speech took place within at most a matter of days of the end of convertibility of silver certificates into hard silver; and that some redemptions were being foisted in what was apparently jeweler's silver casting shot or granules. Respect for Fed officials was either misplaced, or someone overseas pretended that they should be absolved and the entire blame placed on LBJ and the Treasury---note Governor Kirk's words "the actions of the central banks." His son in law, Republican Representative Ander Crenshaw of Florida <http://crenshaw.house.gov/> is a cosponsor of HR1207, Ron Paul's audit the Fed bill.)

"5.) The dual price of gold has already begun to spring leaks. These monetary experts know that national greed and human greed are closely related, and that Treasury officials of some countries are already winking an eye at the sale of gold on the free market in violation of international understandings. This stopgap double standard system of pricing gold is doomed to failure, and most money managers feel it will fail sooner than later."

("The Conspiracy Against Gold," Archives, documents the dual pricing for gold, as does the more recent "1949 & 2009 Same Con Men.")

"6.) Special drawing rights---so-called "paper gold"---offer absolutely no immediate panacea, according to most of these financial men. They all know these drawing rights are now at least two years away; moreover, 85 percent of the IMF countries must vote America any rights, which is doubtful since 17 percent of the IMF is made up of Common Market countries who will not move unless we take affirmative corrective action. And even so, the United States can

look forward to only 500 million dollars worth of these rights if they finally do come about, hardly enough to provide a stable solution to all our needs.”

“7.) On a more optimistic note, the lack of confidence in the dollar is not by any means a lack of confidence in the United States economy. The bankers feel the United States economy is the strongest in the world; they are willing to speculate on it, not finance it.”

(There’s no way to know which echelon of bankers the Governor held discussions with while overseas. In any case, after exporting so much heavy industry and wrecking our currency can we still say the U.S. economy is the world’s strongest? What about the “Bric” countries---Brazil, Russia, India and China?)

“8.) Another excellent and new note I believe I uncovered is the apparent willingness of European economists and bankers to discuss a sharing of the world’s financial burdens with the United States. There is a receptivity, for example, to a suggestion that we internationalize the Peace Corps, and approach aid to underdeveloped nations on a pooled basis. The nations of Europe may be unwilling to commit troops to policing the world, but they may be more ready than we think to help us finance worthy efforts in have-not nations, thereby relieving us of some of our burden. In addition, they are ready to point out the unworthy efforts that we should eliminate.”

(Somewhat off topic here, and it shows some weaknesses in Kirk’s thinking! Why should the world be “policed?” That’s just a ruse for warmongering! The Peace Corps has had its critics. I haven’t had time to investigate those claims, but would never contribute to any cause without first doing so!)

“9.) Paradoxically, the bankers feel the German mark needs to be revalued but will not be; and the French franc does not need to be devalued but may be. The United States obviously is not the only one that puts politics ahead of economic necessity. On the whole, they expect France to be a net seller of gold in the next few months despite the likelihood of the French government’s stabilizing. And because of a bad crop year, they expect Russia will be selling gold to buy agricultural commodities.”



(I find it odd that anyone would seriously have expected France to be a net seller of gold as of that time, as France was more than keenly aware of U.S. actions in demonetizing silver, and the French at that time were the main nation pressing our Treasury for converting dollars into gold. Absent French pressure for exchanging gold for dollars, I seriously doubt Nixon would have acted to close the gold window in August 1971! I hope to review a 1977 speech to the Northwest Mining Association by a Treasury Department official in which he derided gold as money! Threats were made on Governor Kirk's life, New York Times, February 16, 1967, page 33.)

"10.) I have come away with the belief that the most important move now, after the United States faces up to its responsibilities in tax-raising and budget cutting, is this---a carefully prepared "Bretton Woods Conference" for this generation. We need to get together the finance ministers, the defense ministers, and the ministers of some six to ten leading financial nations. We need to plan to project and to pro-forma now for the monetary needs of the next generation, but we must widen the scope of this conference to fiscal needs as well. We need to set down realistic estimates of moneys to be spent on defense and social welfare and international aid, which would give us all some idea of the monetary requirements of the next decade at least. By this generation we mean twenty years but seven year "roll-forward" meetings should be held in the interim. These are some of the highlights of the information I received."

(The 1944 Bretton Woods Conference, at which silver was virtually ignored, wasn't such a good model on which to pattern a follow-up event!)

"The question before us, in the light of these hard realities, is clear---what must we do to avoid another monetary crisis before it happens? We are obviously on a collision course with another crisis on the price of gold and international trade--- what can we do now, beyond the tax increase and budget cut, to avert this crisis?"

(Budget cuts and tax increases are always unpopular. Today most of what we need = "budget cut." We have to turn out many Congressional, and especially Senatorial, incumbents this November. After that, we whittle away at the

cancerous bureaucracies! Someone may suggest the Feds start selling “Federal” land in Nevada, Alaska and elsewhere to private citizens. That’s no good; just cede those lands to the States to which they justly belong!)

“There is always a right thing to do and a wrong thing to do at any particular time in any particular circumstance. No one is wise enough to do the right thing all the time, but hardly anyone can manage to do the wrong thing all the time---**EXCEPT THE PRESENT ADMINISTRATION.**”

(He felt like slamming Johnson, we feel like slamming Obama! Would we have been better off with McCain? Not entirely, but somewhat! Mainly we need to recapture Congress because it’s too easy for the Money Power to control the Presidential nominating apparatus of both major parties.)

“They expanded the money supply in 1965 when they should have tightened it; then in 1966, they tightened it too much, and in 1967 they reversed and loosened it too much. In 1966-1967, when domestic inflation was clearly getting out of hand, they continued highly inflationary fiscal and wage-price policies, and now they are calling for higher taxes to restrain inflation with one hand while they are dealing out inflation on a huge scale with the other hand.”

(America has been spent into ruin. California alone now says it has \$500 billion in pension liabilities scheduled to come due that it cannot fund! Come on Arnold, can’t you work the same magic in real life as you do in movies? “Do it!” you say! No, all you can do is show up at a lavish English estate with Bilderberg Warren Buffett and Pilgrims Society Lord Rothschild!)

“They have continuously underestimated---and understated---the cost of the Vietnam War, to an extent that makes all present estimates virtually meaningless. Now, midway in 1968, they appear close to getting a tax increase, presumably with a significant reduction in spending which they obviously oppose and which no administration is willing to detail. On the external deficit, the Administration’s effort has been clearly restrictive rather than constructive; restrictions on trade, restrictions on capital investments, proposed restrictions on tourist expenditures, **TAXES ON FOREIGN SECURITY PURCHASES**---all of these things are clearly

calculated to bring retaliation from abroad and a shrinkage in world trade, when we obviously need just the opposite. **FOR EACH STATE GOVERNOR, THIS MEANS A RESTRICTION SOMEWHERE OF THE MARKET PLACE FOR HIS STATE'S GOODS."**

(Almost 42 years ago concerns were developing over States rights. Today these concerns are boiling hot, yet we have arrogant national TV news reporters interviewing State Attorney Generals over the Obama "health care" plan, and prattling "Federal law trumps state law." Why have any State laws then? Have the reporters never heard of the 10<sup>th</sup> Amendment? These jerks want all power vested in a central government run by an overbearing tyrant!)

"Over the past twenty years, world trade has expanded tremendously due to lower tariffs, a free flow of capital, and a genuine effort by all cooperating central banks to provide an expanding potential for international enterprise. Now is not the time to start slamming doors in a moment of unnecessary panic. In summary, the administration has consistently zigged when it should have zagged; in hindsight and in common sense, it should now be apparent that no future administration should try to control the short term swings of a trillion dollar economy with a zig-zag policy. What we must have is long range fiscal planning combined with short term flexibility in monetary planning---always leaning against excessive winds in either direction but not committed to sudden giant steps in the direction of either panic or boom."

(Governor Kirk seemed to be a free market advocate as instanced in his intervention to reopen an 11 year old boy's popsicle stand after county officials closed it, New York Times, November 26, 1967, page 34. On the other hand, the newspaper reported on November 29, 1969, page 68 the Governor ordered a young man arrested at a Florida rock concert, saying "he would not let Florida become a playground for hippies." Maybe he was a "straight-laced" type like Ross Perot of Electronic Data Systems, who would not allow women in pants nor men with facial hair!)

"It is easy to criticize, of course, and I grant that the situation is difficult due to the accumulated economic sins of the past, but I feel that criticism is justified when it is accompanied by constructive suggestions. I will urge the Republican Governors

to consider some positive steps for a new administration to take to save the dollar and, in effect, to save the American economy.”

(Kirk got his wish---a Republican President was next to inhabit the Oval Office. But he closed the gold window entirely! Additionally, he left office in disgrace over the Watergate scandal. He should have been impeached over his actions in gold and lack of actions in silver!)

“This may be heresy, but I do not favor an immediate balancing of the budget; this could be done now only by a level of taxation that will be too burdensome to endure---or by cutting too heavily into that part of the \$186 billion budget that is geared to meet social and defense needs of our people. We must now put a freeze on further increases in unproductive government welfare programs--- programs that are calculated to expand under present law into hundred billion dollar spending levels, **ON A SCALE THAT WILL INSURE NATIONAL BANKRUPTCY AND A WORTHLESS DOLLAR.**”

(That \$186 billion budget, even inflation adjusted, looks tame compared to today’s Federal budget!)

“Chairman Mills knows this, and underneath all the talk about a \$4 billion or a \$6 billion budget cut for 1968-1969, there is a more serious struggle going on to cut off the hundreds of billions of past authorizations and future appropriations that are inherent and implicit in long-term welfare state goals. If we can cut off the built-in acceleration, we can balance the budget, at \$186 billion or at \$190 billion, or at \$200 billion or even \$225 billion. This will not happen this year or next year, but over a five year period, by letting the private sector catch up to the public sector and by letting the total tax yield, at present rates, catch up to the \$186 billion level. It will do this, at a rate of \$10 billion a year or more if we let it.”

“There is no other way out of the morass that the administration has led us into; we know it and the European money managers know it. They will be quite willing to continue the same forbearance that they have already shown, if a new administration and a new Congress show a clear and express determination to stop the present acceleration of spending. This will give us the time to put our

house in order, and, given confidence, **THE PRIVATE SECTOR CAN AND WILL EXPAND ON A SCALE THAT WILL PUT GOVERNMENT WELFARE PROGRAMS TO SHAME.**”

(Why does the private sector work more efficiently than government? Only because it's succeed or fail, no waste can be afforded; whereas with government, it's always tax more!)

“We need to buy time, and like everything else of value, that time has a price. That brings us to the immediate question of the United States dollar and gold.

There is nothing sacred about gold; it may be that in a perfect world, every country and every individual could produce goods or services in an exact balance with the need for goods and services, with no need to accumulate purchasing power and no need to pay off temporary deficits in an acceptable medium of exchange. Although **THE JOHNSON ADMINISTRATION IS DETERMINED TO DEMONETIZE GOLD**, this will not happen in the near future.”

(At the time of Governor Kirk's speech, we were a mere 38 months away from Presidential gold demonetization, by a member of his party! He must have been stunned!)

“In the meanwhile (and that meanwhile may last 1,000 years or more), **GOLD IS THE ONLY MEDIUM ACCEPTABLE BETWEEN NATIONS**. Because they don't want goods as a store of value and they certainly don't want currencies that depreciate in value by one-half percent a month, month after month. U.S. dollars were acceptable as a store of value over a long period, just as the British pound was acceptable over a longer period, but there are now some facts of economic life we must start facing now.”

(Recall that in the April presentation, Nevada Senator Patrick McCarran advocated the use of silver in addition to gold, in the settlement of international payments.)

“The United States has \$10.5 billion of gold left, and despite the March 17 agreement to stop selling public gold to the private market, the U.S. is assuredly going to lose its remaining gold to other countries and central banks of the free world---unless it reverses its balance of payments deficit. This we cannot do,

except over a long period, and rather than endure the monetary chaos that will result from a U.S. embargo on gold, I have suggested a stopgap measure that will buy us some time---that will give us the breathing space needed to put our house in order.”

(As of April 15, 2010, I hear on national news related to coverage of the Tea Party movement, that Congressman Ron Paul is running dead even with Obama in a straw poll to see who'll be the next Chief Executive! More people see how serious the national condition is, and want the house put in order.)

“I have suggested, with the encouragement of a growing number of leading monetary economists, that gold be internationally revalued at \$70 an ounce, under the auspices of the International Monetary Fund. This will immediately double our gold stocks to \$21 billion and it will double the free world's official gold stocks from \$40 billion to \$80 billion. It will result in a tremendous flow of gold back to the central banks from private hands; **IT WILL RESULT IN A TREMENDOUS INCREASE IN GOLD PRODUCTION ALL AROUND THE WORLD, INCLUDING THE U.S.**, and it will immediately resolve the problem of liquidity among the free world's trading nations for a long time to come.”

(As Butler noted, “the very last thing that will relieve a shortage is lower prices.” That applies to all commodities---and services. We in the long community have been saying that for generations! Walter E. Trent of the Rocky Mountain Metal Foundation presented a feature in The Mining Congress Journal, February 1939, pages 29-31, “Silver Output Declines With Lower Price.” I think Governor Kirk would have been shocked had he been able to see over 40 years into the future to see a precious metals price suppression scheme still ongoing! If he actually trusted the IMF at that time---it was a key player in the London Gold Pool---he surely would have seen the light over the years, as the IMF has consistently fought gold as money, even going so far as to state “Gold and silver are non-monetary assets” that's like saying “steering wheels and transmissions are non-automotive instruments” yeah they'd like to be able to rewrite reality to suit their voracious, power grabbing ends!)

“Revaluation at \$70 will not raise prices internally and it will not encourage inflation so long as there is a return to sound fiscal policies. **AND, AS A MEASURE OF PROTECTION AGAINST OUR GOVERNMENT’S FOOLISHNESS, IT SHOULD BE ACCOMPANIED BY A RETURN OF THE AMERICAN INDIVIDUAL’S RIGHT TO OWN GOLD---THE RIGHT TO TURN CURRENCY INTO GOLD WHENEVER THE GOVERNMENT STARTS TO PRINT TOO MUCH OF THE GREEN STUFF.**”

(Kirk avowed a different philosophy on redemption or conversion compared to that of paper gold, paper silver advocate Jeffrey Christian, who feels unrestrained leverage is not risky, and that cash settlements are as imbued with integrity as delivery of .999 physical metals!)

“Those are my observations, and those are my concrete suggestions. I leave you with my concrete suggestions on the budget and on the dollar problem. I hope to have an opportunity to present further constructive ideas in the Republican Party’s economic position as we come down to the wire in November. And whatever we do, we must adopt a long view. For 150 years, England led the world in laying the groundwork for all international trade. For the past 30 years, that responsibility was passed to the United States, and we have carried it timidly, almost apologetically.”

“But someone must take the leadership and bear the responsibility. If we do not accept it, the Communist bloc stands all too ready to move in and seize the leadership. We, who have had economic leadership thrust upon us, cannot abdicate; we must accept our role as leaders of the world’s economy with grace and with courage. As we act decisively and wisely, we can build a stronger American economy; as we assert our leadership of the International Monetary System, we can help to build a better world.”

That ends Governor Kirk’s twin speeches on gold. His remarks could have been fine tuned to more closely approach perfection. His best points were that the \$35 gold price was an unrealistic relic; that Americans must be allowed to freely own gold; and that gold remained the best international money. As noted, he was with the Establishment firm Hayden, Stone & Company for some four years. Charles Hayden, founder of the firm in 1892, anticipated the use of copper in

electrical transmission and thereby left a fortune nominally valued at \$50 million in 1937; probably larger amounts had been distributed or moved into foundations. According to James W. Gerard, former Ambassador to Germany, who was on The Pilgrims Society executive committee, Charles Hayden was among those ---

"who are too busy to hold political office, but determine who shall."

Hayden endowed planetariums in New York and Boston and according to page 992 of the 1928 Who's Who, was an officer and director in 58 corporations including Kennecott Copper, International Nickel, Mack Trucks, American Locomotive, New York Trust and Equitable Trust. He was a member of many clubs heavily interlocked with The Pilgrims Society, including Shinnecock Hills, Tuxedo, Links, Bankers and Piping Rock. Most likely he was a Pilgrims Society member. In 1919 the firm hired Joseph Kennedy, father of the future President. Hayden Stone was finally absorbed by American Express in 1981. Certainly, most members of such firms like Claude Kirk are not top elitists; but they often know who the top insiders are and remain silent as to their central organization. According to [http://en.wikipedia.org/wiki/Claude\\_Kirk](http://en.wikipedia.org/wiki/Claude_Kirk) the Governor supported Nelson Rockefeller for President in 1968. Was his support strictly based on party lines as in I'll back you even if you're Stalin's cousin? Didn't he know that Nelson's brother David was a leader in the worldwide gold suppression price scheme? See "The Conspiracy Against Gold," Archives.

The main concern I have just now is that the November elections, in which we could change the character of the Senate especially, but also the House of Representatives, much for the better, are still ominously half a year distant. Events of gargantuan impact are subject to taking place well before then. The primary concern is our drive against Iran. If Iran is attacked, or blamed for an attack, or provoked into an attack, before the elections, Hunt brothers silver assassinator Mr. Paul Volcker of The Pilgrims Society could instruct Obama to declare a state of national emergency, with or without martial law, and the November elections be suspended. To try to justify postponing the elections, some major incident or events with mass casualties on U.S. territory would have



to transpire. It's essential to our metals and mining ownership rights that the November elections not be disrupted. If they are disrupted, we are in serious danger of a Presidential Executive Order terminating our ownership rights just as in the buccaneer days of Franklin Roosevelt. I urge you to contact your Senator and Representative with the request that a message be sent to the Executive warning Obama against taking any actions to suspend the November elections; to shut down Internet access as by Jay Rockefeller's Senate bill 773; to attack Iran before the elections; to impose a national value added tax; to freeze trading in mining shares, or to have the Treasury take our shares by eminent domain; and that to repeat FDR's actions in nationalizing gold and silver will have severe repercussions, not the least of which would be a gold and silver embargo against America by producing nations, who are keen to see improved prices and competition for ownership of the end product. I still maintain that mining companies should hold open auctions for their dore, concentrate, or refined bullion. Producing nations cannot enjoy rising royalties with suppressed prices. We don't need to spend trillions for overseas interventionism then acquire a national precious metals stockpile by forcing delivery at \$10 silver and \$500 gold. Any such move is not about national security but rather, calculated to break investors outside The Network! You should additionally urge your Capitol Hill politicians to resist confirmation of any and all Obama nominations to the Supreme Court. I have ordered bumper stickers that ask **"WILL OBAMA SUSPEND FALL ELECTIONS?"** and **"WILL OBAMA KILL NET ACCESS?"** Obama subserviently listens to his mentor, Pilgrims Society vice president Paul Volcker---



Too bad this wasn't the fictional Mafioso character "Dino Carteli" from Roger Moore's TV series "The Saint." That's the same Federal Reserve official, member of the Group of Thirty and monetary assassin for Pilgrims Society member David Rockefeller, who gutted the Hunts out of over 60 million ounces of silver. Did any of you see "Edge of Darkness," Mel Gibson's recent thriller on corporate subversion and Senatorial corruption enforced by mercenaries who ended up being outclassed? The Mephistophelean characters back of, and higher up than, Obama match the flavor of that film in which Gibson said---

“You had better decide whether you're hanging on the cross or banging in the nails.”

The 2009 horror masterpiece “Drag Me To Hell” also matches the tenor of these operators. Lines from “The Paper Hangers” about Crane & Company, the Network firm that supplies currency paper for the Fed’s nothingness notes bear repeating in connection to the “paper gold” Governor Kirk so rightly found laughable---

**Paper currency from once soiled underwear!**

**FRN’s, fabric from sweaty armpits---a sick affair!**

**Boiled in witches’ cauldron vat---makes you want to swear!**

**Paper money gasps, throwing world into a scare!**

**Crane sez, this is a deal that’s square!**

The precious metals price suppression network reminds me of lines from “Witchy Woman,” a 1972 hit song---

***“CRAZY LAUGHTER IN ANOTHER ROOM, AND SHE DROVE HERSELF TO MADNESS  
WITH A SILVER SPOON!”***

