

CHILD WELFARE ACTIVIST CALLS FOR RETURN TO GOLD STANDARD!

Presented September 2010 by Charles Savoie

“THE WAY TO RETURN TO SOUND GOLD STANDARD MONEY IS, FIRST OF ALL, TO ENCOURAGE FREE TRADING IN GOLD. LET THE GOVERNMENT ANNOUNCE THAT IT WILL NOT, AT ANY POINT, HAMPER SUCH TRADING IN ANY WAY AND THAT IT WILL NOT, AT SOME FUTURE DATE, REQUIRE THE OWNERS OF GOLD TO TURN IT IN TO THE TREASURY AT A FIXED PRICE. THE PEOPLE WILL THEN HAVE CONFIDENCE IN THE PRECIOUS METAL AND WILL TRADE IN IT FREELY.”

---Howard Kershner, speech at Northwood Institute, Dallas, Texas, September 6, 1975

“WHEN GOVERNMENT HAS TO REDEEM ITS CURRENCY IN GOLD, IT HESITATES TO KEEP ON INCREASING THE SUPPLY.”

---Howard Kershner

“TWO ZEROS ARE WORTH NO MORE THAN ONE. I SAW THEM COUNTING THE MONEY LIKE CORDWOOD. IT HAD THE RIGHT COLOR---IT LOOKED LIKE MONEY”

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“ISSUING WORTHLESS PAPER MONEY DESTROYS JOBS, INCREASES UNEMPLOYMENT AND MAKES INFLATION PERMANENT.”

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“WE HAVE FORMED AN ALMOST INNUMERABLE NUMBER OF PRESSURE GROUPS, EACH USING POLITICAL POWER TO SEE HOW MUCH OF THE WEALTH OF OTHERS IT CAN GET FOR ITS MEMBERS. WHEN GOVERNMENT FORGETS ITS RESPONSIBILITY AND BEGINS TO SEIZE THE WEALTH OF SOME OF ITS CITIZENS FOR DISTRIBUTION TO OTHERS, THIS PROCESS WILL GO ON UNTIL THE LAST BONE OF THE LAST TAXPAYER IS PICKED BARE.” ---Howard E. Kershner, 1892-

1990, economist, businessman, child welfare activist. See “Legalized Coveting,”
Bulletin of the Christian Freedom Foundation, June 28, 1965

<http://www.thefreemanonline.org/featured/legalized-coveting/>

“CONGRESS SHOULD SELL THE HUNDREDS OF GOVERNMENT OWNED BUSINESS OPERATIONS BACK TO PRIVATE OWNERS”

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“CONGRESS SHOULD DISCONTINUE MANY, IF NOT MOST, OF THE REGULATORY AGENCIES THAT HAVE BEEN ESTABLISHED DURING THE LAST 88 YEARS BEGINNING WITH THE INTERSTATE COMMERCE COMMISSION IN 1887. Other agencies to be disbanded are the Federal Trade Commission, the Office of Economic Opportunities, the Tennessee Valley Authority, the Peace Corps, Occupational Safety and Health Administration AND HUNDREDS OF OTHERS.”

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“IT IS HIGH TIME FOR A GENERAL DEMOBILIZATION OF GOVERNMENT ACTIVITY. BIG GOVERNMENT, WITH ITS INEVITABLE INTERVENTION IN THE ECONOMIC AFFAIRS OF THE PUBLIC, AND ITS EVER PRESENT INSISTENCE ON MORE AND MORE SPENDING, FAR BEYOND ITS MEANS AND *INTO THE WILD BLUE YONDER OF ASTRONOMICAL QUANTITIES OF FIAT MONEY*, IS THE MAIN REASON FOR BOTH THE INFLATION AND THE DEPRESSION FROM WHICH WE ARE SUFFERING.”

---Howard Kershner

“LET IT BE REMEMBERED THAT NO NATION ON THE GOLD STANDARD HAS EVER SUFFERED A SERIOUS INFLATION, AND NO NATION HAVING LEFT THE GOLD STANDARD HAS EVER AVOIDED IT.” ---Howard Kershner

“Stop Inflation and Depression Now---Return To The Gold Standard” was a speech by Howard E. Kershner, Visiting Professor of Current Economic Problems at the Northwood Institute, delivered before the National Coordinating Committee for Constructive Action in Dallas on September 6, 1975. I wonder if the NCCCA may have had links to the Hunts. A Google search yielded no results. The speech was covered by Vital Speeches of the Day in its edition of October 15, 1975, pages 11-15. Yes, another review! These are extraordinarily useful informational tools to see what important personalities on both sides of the fiat money issue have said across the years. We’re about to see more confirmation that far from only gold and silver miners, many sensible people have understood what the Founding Fathers understood; what many rational thinkers long before our original patriots realized---that the precious metals are so superior in the role of money to all other forms of currency, that anyone who advocates their exclusion must immediately be suspect as an uninformed dreamer or a greedy beneficiary of so-called created money! Herewith a review of Professor Kershner’s remarks---

“Inflation will not “run its course.” It will not “burn itself out.” THESE ARE SILLY EXPRESSIONS OFTEN MADE BY MEN IN HIGH PLACES WHO DO NOT WANT TO FACE THE FACTS AND WHO FEEL THAT THEY MUST SAY SOMETHING.

Depressions do not go through a cycle and vanish. Both inflations and depressions are evidences of a malfunctioning of the economic fabric of our country. **THEY MARK A STRUGGLE BETWEEN THE MARKET AND GOVERNMENT.** If the market gets the upper hand, they are soon cured and go away. But if the government increases---or even maintains its control---they last on indefinitely. In the latter case, **GOVERNMENT PROGRESSIVELY TIGHTENS ITS CONTROLS AND EVENTUALLY ENDS UP AS AN AUTHORITARIAN STATE.** Prosperity and self-government can be maintained only under freedom. **EVERY INTERFERENCE OF GOVERNMENT IN THE ECONOMIC ACTIVITIES OF THE PEOPLE RESULTS IN LESS HUMAN SATISFACTIONS.** Our choice is the free market or socialism---**WITH ALL THE CRUELTY AND SLAVERY THAT MEANS.** There is no permanent intermediate ground. The so-called “middle of the road” wobbles more and more toward the left.”

“Before we can intelligently discuss how to get rid of inflation and depression, we must know what they are and something of their history. Inflation is properly defined as an increase in the quantity of money. The cause of this increase is the desire of the people to have more than they are producing. Whoever invented the practice of paying \$1.00 down and \$1.00 forever brought sadness and woe upon the people. The desire of the people to have more induces politicians to offer them more and more subsidies and handouts from government. Bigger salaries for government employees, now numbering about one out of every five of us, shorter working hours, earlier retirement, larger pensions and fringe benefits now totaling almost 50 percent of salaries are some of the ways by which these handouts keep growing. In an effort to supply these things, governments at the local, state and national levels keep going deeper and deeper into debt. People, taking their cue from government, also keep increasing installment debt and mortgage debt on farms and homes.”

“When two politicians are running for office and one promises more “goodies” and the other advocates austerity, the reduction of debt and living within the budget, the spender is most likely to be elected. Because the people want and demand these things, he thinks of ways to supply them. These always involve the increase of debt. Unbalanced budgets make it necessary for the Federal Reserve

Bank, in cooperation with the Treasury Department of the United States, to increase the quantity of money and credit. That's what causes the inflation. The people want more. The politicians give it to them. In the process of doing so, they increase the quantity of money and that brings inflation upon us. We must reverse the whole process---be willing to live within our incomes---both as individuals and governmental units---begin a campaign of debt reduction at all levels and elect to public office men who advocate economy and less debt. This will stop the increase in the quantity of money and so, very definitely, put an end to inflation."

"To show you how far we have gone in increasing the quantity of money, let me point out that at the close of World War II, the amount of currency in our banks, in our pockets, in our cash registers, was \$36 billion. Today it is almost \$300 billion. If I had a blackboard before me, I could draw you a series of curves showing how prices, wages, and debts have gone up roughly at a somewhat similar rate as the increase in the quantity of money. Strong labor groups are able to force their wages higher and higher. It must be remembered that at least 90 percent of the cost of goods and services is payroll. There is no such thing, therefore, as keeping prices down if wages continue to go up. If wages keep rising, prices must keep rising in proportion. If government does not increase the quantity of money, higher and higher wages and prices result in unemployment and unsold goods. Nobody wants that, so people demand of their politicians that the quantity of money be increased and the boom extended. It is only because government keeps increasing the quantity of money that higher and higher wages are possible. **WITNESS THE OUTCRY IN OUR COUNTRY RIGHT NOW FOR BIG SPENDING OF ALL KINDS TO CREATE MORE JOBS.** That's what causes the increase in the quantity of money."

(Let's see where Kershner is going with his speech. So far it appears he may be blaming labor and slothful segments of the public for more than they are to blame for. Remember, inflation could scarcely be possible without a central bank and its ability to issue fiat money!)

“More spending means more debt, higher interest charges and higher expense for more bureaucrats to collect the money from the people and supervise its expenditure through thousands of government organizations set up for that purpose. **THIS MEANS THAT OVERHEAD COSTS KEEP MOUNTING AND ABSORB AN EVER INCREASING PORTION OF THE EARNINGS OF THE PEOPLE.** Borrowing money to create jobs leads to more and more difficulty, more and more debt, a greater quantity of money, and a steady decline in the value of the dollar. **AS LONG AS THE INFLATIONARY BOOM CAN BE KEPT GOING BY INCREASING THE QUANTITY OF MONEY, WE CAN HAVE A KIND OF FALSE PROSPERITY.** But when we continue this process until the value of the dollar approaches zero---and I have seen that happen in country after country---increasing the quantity of money no longer has any effects. **TWO ZEROS ARE WORTH NO MORE THAN ONE.** At that point we either return to freedom, sadder and wiser, with most of the wealth of our country gone, **OR WE HEAD ON INTO THE TOTALITARIAN STATE.** Indications are that the latter course is likely to prevail unless we take remedial action in the near future.”

“I have seen many inflations in many countries. I remember when 1,000 Brazilian cruzeiros became one cruzeiro. This is about to happen now in Argentina. It has already happened in Uruguay. I was in Peru some years ago when it was happening there. I remember when 100 French francs became one franc. It was even worse than that in Italy. And it is soon going to be that way in Portugal. In fact, **IT HAS HAPPENED OVER AND OVER IN MOST OF THE COUNTRIES OF THE WORLD.** There is no reason at all why it will not happen here. We are going down that road at an ever increasing speed.”

(Kershner was speaking of the numerical inflation of the purchasing power ratio changing from 1 to 1,000; the price, for instance, of a pack of chewing gum, that was 1 cruzeiro, went up 1,000 times. This is inflation, not wealth creation. He mentioned half a dozen specific nations, but threw the net over most nations. Montagu Norman, Governor of the Bank of England and member of The Pilgrims Society---the World Money Power---refused to visit any nation not having a central bank of issue! Below, modern Australian polymer currency note

developed by Du Pont, Silver Users Association members and printed by American Bank Note Company, another Pilgrims Society interest) ---



(I just looked at one of my sheets of .9999 Canadian Maple Leafs 1999 series. It's dismal that they stamped these coins "5 dollars." Government chicanery doesn't fool the physical market.)

"Ancient Egypt was once a prosperous country. Business, art, medicine, literature---all flourished and prospered for many centuries **UNTIL THE PHARAOHS BECAME EXTRAVAGANT AND BEGAN TO SPEND MORE THAN THEIR INCOMES, TO PUT THEIR FRIENDS ON THE PAYROLL, AND TO INCREASE THE QUANTITY OF DEBT. LOOKING AROUND FOR SOME WAY TO GET MORE MONEY WITH WHICH TO PAY THEIR BILLS, THEY HIT UPON THE SCHEME OF MELTING DOWN THE COINS OF GOLD AND SILVER AND RECASTING THEM WITH A LARGE PORTION OF BASE METAL. THEY THEN DECREED THAT A COIN THAT WAS 90 PERCENT LEAD AND 10 PERCENT GOLD OR SILVER WAS WORTH AS MUCH AS A COIN THAT WAS ALL GOLD OR SILVER.** This, of course, is a lie. And it violates the

Commandment, “Thou shalt not bear false witness.” No one and no nation has ever been able to violate the moral law of God without paying the penalty.”

(Kershner gives what may be the first instance of currency debasement---in old Egypt. European princes and states experimented with it for centuries, always with the same severe market backlash from cheapening the metal in coins to outright fictitiously valuable paper.)

“Here we have the first well known example of Gresham’s Law, which says that bad money always drives out good money. The gold and silver left ancient Egypt, driven out by the debased coinage, and Egyptian civilization declined, never to recover its grandeur. The same thing happened in Greece and again in Rome. The Caesars said, “We know what has happened in other countries and we’re not going to let it happen here. We’re going to fix wages and prices so there can be no inflation.” **THEY MADE THE MOST SAVAGE ATTEMPT OUTSIDE OF MODERN RUSSIA TO CONTROL THE ECONOMIC LIFE OF ANCIENT ROME. THEY EVEN RIVETED IRON COLLARS AROUND THE NECKS OF WORKMEN DEFINING THEIR JOBS AND THEIR RATES OF PAY.** But this did not work. You cannot compel people to produce at a loss.”

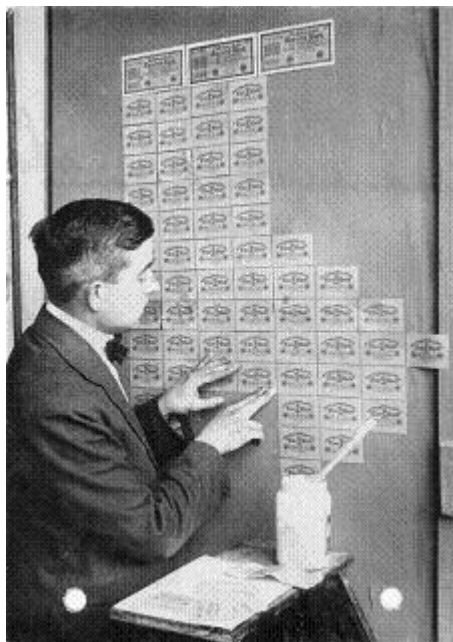
(In the Nixon administration, the silver price was federally capped by the Fascist Cost of Living Council, which of course added to the domestic shortage and finally caused mining managements to **SAY SOMETHING** rather than act like lipostomotic freaks--- people lacking a mouth! The price cap was grudgingly lifted after months of onerous marketplace intrusion. Then came the Council on Wage and Price Stability, which like its monster predecessor, blamed inflation on everyone other than the government. And for government, read “Federal Reserve System.”)

“IF YOU TOLD THE FARMERS AROUND HOUSTON TO BRING THEIR PRODUCE TO TOWN AND SELL IT FOR LESS THAN IT COST THEM, THEY WOULD NOT DO IT. THEY WOULD RAISE ENOUGH FOR THEIR FAMILIES AND WHAT THEY COULD BLACKMARKET, BUT YOU IN THE CITIES WOULD SOON BE HUNGRY. INFLATION AND UNSOUND MONEY DESTROYED ANCIENT ROME. PEOPLE FLED INTO THE SURROUNDING COUNTRYSIDE TO TRY TO STAY ALIVE ON LITTLE SUBSISTENCE

HOMESTEADS, AND WHEN THE BARBARIANS CAME DOWN FROM THE NORTH, THEY FOUND THE CITIES RELATIVELY UNDEFENDED.”

“Something similar has happened in most of our modern countries. **I REMEMBER WHEN THE WIVES OF WORKMEN IN GERMANY WENT TO THE FACTORIES WHERE THEIR HUSBANDS WERE WORKING AND DREW THEIR PAY TWICE A DAY AND SOMETIMES OFTENER IN ORDER TO RUSH AWAY AND SPEND IT BEFORE ITS PURCHASING POWER DECLINED AGAIN. IN GREECE I ONCE EXCHANGED \$30 FOR A MILLION DRACHMAS. I SAW THEM COUNTING THE MONEY LIKE CORDWOOD. IT HAD THE RIGHT COLOR---IT LOOKED LIKE MONEY.** I saw a beautiful 10,000 drachma note. I finally gathered it all together in a large suitcase, saying to myself, “I never thought I’d make it, but here I am---a millionaire at last!” I thought I was rich---until I had to pay 70,000 drachmas for a modest meal for my wife and myself.”

(With hyperinflation a prospect on the near horizon, will increases in the minimum wage enable the virtually impoverished to become “millionaires” who barely scrape by? German notes from 1923 often ended up as wallpaper) ---



“This has happened over and over. It is happening right now in our country. The dollar has lost three-quarters of its value. And unless we stop it, it will lose the remaining quarter far more rapidly than it lost the first three-quarters.”

(I read that the purchasing power decline since 1913 is now about 97% this would not have happened had Congress not repudiated the work done four generations earlier by Andrew Jackson.)

“We have looked at the essential nature of inflation. Now let us do the same for depression. And after that, we’ll go on to see how to cure both of these phenomena. Depression, reduced to its lowest terms, is imbalance between differing groups or producers. If I make shoes and you make hats, and we exchange one pair of shoes for one hat, both of us can work all the time and dispose of our output as rapidly as we make it. But if you suddenly decide that one hat is worth two pairs of shoes, we stop trading. The exchange is blocked because of imbalance. What I make will not exchange for what you make. You have priced yourself out of the market.”

(I think he could have selected better examples, but let’s see how he develops his idea.)

“Freedom in the marketplace, with flexibility of prices and wages, keeps the exchanges in operation for all time. If one class of goods is too high and people will not buy it, its price comes down to where it enters the market again. All this is stopped, however, when strongly organized groups of workers demand rates of pay that make the cost of the goods and services they offer so high that the exchanges are blocked. A man earning \$115 a day cannot exchange much of his product with a man earning \$30 a day. This is the cause of depression. Some groups have priced themselves out of the market. Houses are not selling in adequate number because they are built by people who demand wages two and three times as high as the people are getting to whom they hope to sell the houses. Exchange has stopped due to imbalance.”

(There is a great deal of passion for and against labor unions. Labor wants more; management wants more, both work to influence members of Congress to help

them. It will never be possible to balance wages between all occupations due to differences in skills. Dental assistants and paralegals will continue to earn more than French fry cooks; doctors and attorneys will far outpace those groups. On the other hand, we use the services of French fry cooks more frequently than those of attorneys, if we are average! The main interest in reviewing his speech is to evaluate what he said when he started discussing the metallic gold standard.)

“The more wages are determined by pressure groups and by government intervention, the greater the blockage in the exchanges and the more severe the depression. Now that we have seen what causes inflation and depression, let us inquire as to how we can get rid of them. I propose the following steps which would undoubtedly---and without fear or failure---do the job---1. Let the President reduce his salary 25 percent (it was increased 100 percent in 1969) and call on top officials in Washington to do the same. Second, third, and fourth echelons should cut back 20, 15, and 10 percent respectively. The President and the Congress should then unite in calling on the states and the cities to take similar actions.”

“This would entail some sacrifice and some hardship, but it would be mild in comparison with the suffering which is ahead if we continue the present trend of inflation until we completely destroy the dollar. That is most certainly coming in the near future, and we cannot avoid it without making some sacrifice. The sooner we do it, the lower the penalty will be. The longer we put it off, the greater the suffering. **IT WILL PROBABLY MEAN THE LOSS OF OUR FREEDOM, OUR FREE MARKET SYSTEM OF ECONOMICS, AND OUR FREE GOVERNMENT.**”

(Career politicians and bureaucrats have no inclination to trim the income they absorb from taxpayers. This applies to all of them from Congress down to county and municipal officials. IMO this is addressing effects more so than causes and his gold standard comments are more pertinent to the problem.)

“Moreover, the suffering entailed by this move will not be severe nor long continued. As we shall see when the rest of the program is explained, it will be obvious that the cost of living will decline roughly in proportion to the decrease in employment costs. It should never be forgotten that wages comprise at least 90

percent of prices. There is no hope that prices can be reduced as long as wages continue to rise, and there is no doubt that when the latter is stopped, prices will decline in proportion.”

“Prior to the big spending carried on by Mr. Nixon and Mr. Ford, the move I have outlined above would be sufficient to balance the federal, state and local budgets. Now it will require at least a considerable part of the remainder of the program to be outlined to accomplish that goal. We have been trying to consume more than we have been producing. The result is astronomical public and private debt. We have been trying to have more while working less. **TOO MUCH MONEY IS BEING PAID OUT TO TOO MANY PEOPLE FOR DOING TOO LITTLE WORK** If we would cut out foot dragging and featherbedding and everyone of us do a full day’s work every day, production would mount, jobs would multiply, and we would soon work our way out of our difficulties.”

(There is worthwhile truth in what he said. For instance, the Postal Service is known to be a beleaguered agency. Its costs are rising while its revenue base is eroding because no matter how enhanced technology is applied to delivery of traditional letter mail, it’s still merely that; conventional letter mail. Science has eclipsed and transcended traditional letter mail such that the former way of doing things is assured obsolescence. In spite of all that, the Postmaster General makes over double what the U.S. President makes; waste is rampant in the agency; lazy, worthless workers are protected; the agency maintains a staff of drones called “In Plant Support” who don’t support anything. They tote clipboards and bar code devices and place “test mail” in places---including on the floor, addressed to deceased movie stars--- to see if experienced employees will follow the correct procedure, which they’ve done countless thousands of times before; mail carriers intercept missent mail; these indolent drones are entirely worthless persons who absolutely revel in their officially sanctioned laziness; appeals to members of Congress to halt this waste have been denied, strictly on the basis of say-so by management---they may be relatives or cronies. Shoveling huge sums into such rat holes gets priority, while solar power for elimination of utility costs for hundreds of large installations dies on the vine. While the “in plant support” drones frolic in la-la land, productive employees receive murderous stares from

upper management. The organization spent an unknown number of millions for ceiling mounted, supersize Samsung monitors that remain disconnected or feature the valueless message “no signal.” I have these matters on reliable information. People with bypass surgery are observed working hard while healthy drones spend most of a shift in conversation about professional sports or female interest topics with assorted neer-do-wells, chuckling in their mobile comedy club environment while the agency faces more public relations woes via stamp price increases. This is the same mismanaged organization that proposed a five cent levy on every E-mail sent in the United States, proceeds it would unjustifiably collect! Continuing with Kershner) ---

“The first two years of the Ford administration are expected to add something like \$150 billion to the national debt. This will increase interest charges by \$7 billion a year. **IT WILL MEAN A VAST NEW FLOOD OF FIAT MONEY**, further swift decline of the dollar, a rise in the cost of living, and will dig our common grave all the deeper. Now consider the second step---2. Having put the government house in order, let the President call upon the private sector of our economy to take similar action. Cutting salaries and wages is hard, but if we do not do it, inflation and depression will cut them to the bone. As prices fall under this program, demand will be stimulated, men and women will return to work, and depression will be no more. Now consider the third step---3. Let the President and labor leaders call on those unions that have pushed wage scales so high as to be out of all reasonable proportion to what other workers are earning, to reduce such scales to a reciprocal relationship. Construction workers, for instance, making two or three times as much as other groups, cannot sell houses in adequate quantities to provide steady work. Reciprocal relationships must be maintained in order to facilitate free and rapid exchange of goods and services. This would restore industrial activity and greatly increase available jobs.”

“Turn now to the fourth step---4. **CONGRESS SHOULD SELL THE HUNDREDS OF GOVERNMENT OWNED BUSINESS OPERATIONS BACK TO PRIVATE OWNERS.** In testimony before the Senate Finance Committee on October 7, 1969, Willis Stone estimated the savings resulting from selling government operated business at about \$60 billion a year. If these businesses were sold to private owners at 50

cents on the dollar of their estimated value, a capital sum of \$90 billion would be realized. Even if these figures are high, the savings would certainly run into tens of billions of dollars annually in addition to a very substantial capital sum. The elimination of these operating losses would greatly reduce the federal budget.”

(While these operations need not be run efficiently because bureaucrats need only draw more tax dollars, private enterprise must run efficiently or cease operations.)

“Now note the fifth step---5. **CONGRESS SHOULD DISCONTINUE MANY, IF NOT MOST, OF THE REGULATORY AGENCIES THAT HAVE BEEN ESTABLISHED DURING THE LAST 88 YEARS BEGINNING WITH THE INTERSTATE COMMERCE COMMISSION IN 1887.** Other agencies to be disbanded are the Federal Trade Commission, the Office of Economic Opportunities, the Tennessee Valley Authority, the Peace Corps, Occupational Safety and Health Administration **AND HUNDREDS OF OTHERS.**”

(He’s becoming more interesting as he progresses!)

“The Interstate Commerce Commission might be said to have destroyed the railroads, and is in the process of destroying our buslines and trucking industry. **INSTEAD OF KEEPING TRUCKS LOADED BOTH WAYS, IT OFTEN SENDS THEM LOADED IN ONE DIRECTION TO RETURN EMPTY. IT OFTEN SENDS THEM IN CIRCUITOUS, ROUNDABOUT WAYS INSTEAD OF THE SHORTEST DISTANCE BETWEEN THE PLACE OF ORIGIN AND THE DESTINATION OF THE CARGO. THIS IS TYPICAL OF WHAT REGULATORY AGENCIES ARE DOING.**”

(In 1995 the ICC was abolished, sort of---its activities were merged into the Department of Transportation. As a metals investor, I am excruciatingly conscious of the SEC, CFTC, Federal Reserve and Treasury colluding to help short sellers in physical precious metals and their associated mining equities. Then there’s the torrent of complaints as to Homeland Security administration refusing to secure the Southern border; naturally, as securing the border runs contrary to North American Union intentions, run by the Crown in London!)

“Bureaucracies employed in carrying on the work of these agencies cost tens of millions of dollars while the reporting, accounting, study of regulations and the application thereof, is estimated to cost the American people over \$100 billion a year. **IT IS HIGH TIME FOR A GENERAL DEMOBILIZATION OF GOVERNMENT ACTIVITY. BIG GOVERNMENT, WITH ITS INEVITABLE INTERVENTION IN THE ECONOMIC AFFAIRS OF THE PUBLIC, AND ITS EVER PRESENT INSISTENCE ON MORE AND MORE SPENDING, FAR BEYOND ITS MEANS AND INTO THE WILD BLUE YONDER OF ASTRONOMICAL QUANTITIES OF FIAT MONEY, IS THE MAIN REASON FOR BOTH THE INFLATION AND THE DEPRESSION FROM WHICH WE ARE SUFFERING.**”

(Without fiat money, foreign wars as in Vietnam, Iraq and Afghanistan could not be prosecuted. Well informed persons have long recognized the distressing link between fiat money and war!)

“Now look at the final step in this program for the ending of inflation and depression---6. The final move in returning our economy to a sound basis leading to moral and economic well being is a return to the gold standard for our monetary system. **LET IT BE REMEMBERED THAT NO NATION ON THE GOLD STANDARD HAS EVER SUFFERED A SERIOUS INFLATION, AND NO NATION HAVING LEFT THE GOLD STANDARD HAS EVER AVOIDED IT. THE WAY TO RETURN TO SOUND GOLD STANDARD MONEY IS, FIRST OF ALL, TO ENCOURAGE FREE TRADING IN GOLD. LET THE GOVERNMENT ANNOUNCE THAT IT WILL NOT, AT ANY POINT, HAMPER SUCH TRADING IN ANY WAY AND THAT IT WILL NOT, AT SOME FUTURE DATE, REQUIRE THE OWNERS OF GOLD TO TURN IT IN TO THE TREASURY AT A FIXED PRICE. THE PEOPLE WILL THEN HAVE CONFIDENCE IN THE PRECIOUS METAL AND WILL TRADE IN IT FREELY.**”



“This would soon determine its real value in terms of our depreciated currency. At that point we can return to the gold standard on that basis without fear of either inflation or deflation. People would not take their currency to the bank and demand gold, for the reason that the gold would buy no more than the currency they would have to give in exchange for it. You see, we would already have established the value of gold in terms of our present depreciated paper.”

(While he doesn't mention silver, it's fair to assume he implied an appropriate role for silver in monetary affairs. In July 2010 the University of Texas Investment Management Company, UTIMCO, revealed that it had invested \$500 million in gold <http://www.pionline.com/article/20100716/DAILYREG/100719926> various accounts ID the move as gold futures or ETF. Could it be they were dissuaded from taking delivery of a tenth that amount in hard metal? At any rate it may be positive in the direction of protection for metals ownership rights against the

main enemy---the Federal Government. With the Arizona immigration situation and the Obama health care backlash being flashpoints for States Rights versus a domineering, overbearing central authority, having the States lock horns with the Federal Government is very positive! The fact of Treasury bullion coins being widely dispersed to the public in the Eagles program is counter to metals nationalization and they can't say other bullion coins are unprotected, as the 14th Amendment equal protections apply.)

“If we took the same action France has already taken, that is, revalue our gold on the basis of the current market price, we would have an abundance of the precious metal (about \$40 billion) to effect this transmission. This would restore confidence in the dollar. It would again become sound and trustworthy. People would be encouraged to save rather than to spend. They would not be afraid that the dollar would lose its purchasing power and would again become eager to accumulate dollars in order to make their future brighter than the past, and to be in position to leave something of real worth and value to their children. A return to the gold standard, putting an end to depreciation of the purchasing power of the dollar is the only way to do this.”

“Furthermore, the gold standard would effectively restrain Congress from appropriating vast sums of money that it did not have. **WHEN GOVERNMENT HAS TO REDEEM ITS CURRENCY IN GOLD, IT HESITATES TO KEEP ON INCREASING THE SUPPLY.**”

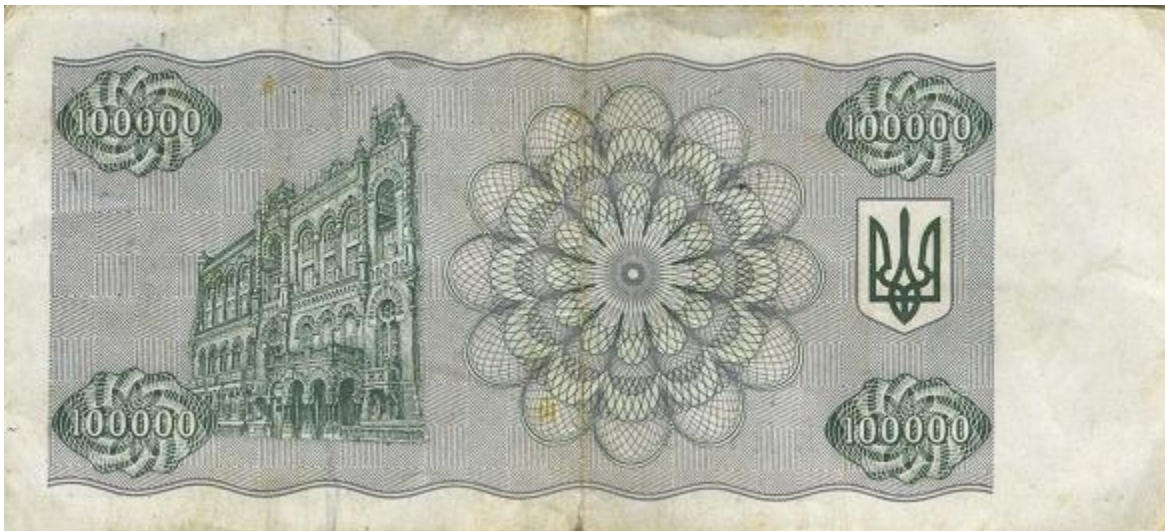
(Those last 17 words are so basic, so powerful, and so indisputable; yet how rarely is that concept offered in university economic textbooks published as they have been, by interests owned by the owners of the Federal Reserve System! Another wretched instance of zombie paper money hyperinflation made possible only by deviance from precious metallic currency base, the 2009 Zimbabwe 100 Trillion note, fictitious paper representative of wealth) ---



“The way to escape the terror of depression and inflation is plain before us. We lack only the honesty and the courage to follow through. Let us stop living beyond our means and learn to live within them. Let us stop trying to have more by going into debt, while working less. If everyone worked a full, honest day, as our fathers did subduing the wilderness, the output of goods and services would increase by a quarter or even a half. That’s the way to better living. For too long we have demanded more holidays, shorter hours, more fringe benefits, bigger pensions, a shorter working span, and in general, seem to believe that we can go on consuming more and more while producing less and less. **THIS IS IMPOSSIBLE AND RAISING WAGE SCALES AND ISSUING WORTHLESS PAPER MONEY ONLY DESTROYS JOBS, INCREASES UNEMPLOYMENT AND MAKES DEPRESSION AND INFLATION PERMANENT.**”

(Kershner would have regarded the Obama stimulus programs as fountainheads of toxic rodent vomit doing more to bid consumer prices higher than a cat’s back while wages lag, benefits are cancelled, savings held by the unaware gets trashed, and fixed income frail elderly are forced to compete with disadvantaged teens for meager wage mall rat positions offered by cold blooded aristocratic owners of professional sports teams who profusely overcompensate ignorant athletes as mass distraction from the multiple vortexes of our perilous national dilemmas. We watch aghast as the virulent national catastrophe of unthrottled spending,

debt, and fiat currency creation is incubating, unleashing a ferocious monster possibly including another war of secession! States are joining the national government in insolvency, forcing more money creation, resulting in price increases racing like tiger beetles, bewildering those who believed Obama's mouthings about change. What happened to the 1994 Ukraine note will happen here, with gut-wrenching consequences for those not protected by precious metals) ---



“When we try to relieve unemployment by giving away money, we increase taxes, cause further inflation, incur heavier interest charges, dry up jobs in the private sector, and constantly move into an ever-worsening situation. This type of program leads us toward the darkness rather than the light. Extravagance that we cannot afford is rampant in private life and in government. We want less work and more luxuries at the same time. The two are incompatible. Without a vote, Congress increased its take by ten to fifteen percent just before adjournment in the fall of 1974, and also a year before that. In August 1975, it took another seven to ten percent, making the third increase, aggregating approximately 30 percent in less than two years. With Congress setting this example, how can we expect restraint on the part of lesser folk? Two of these recent advances taken by Congress were without a vote.”

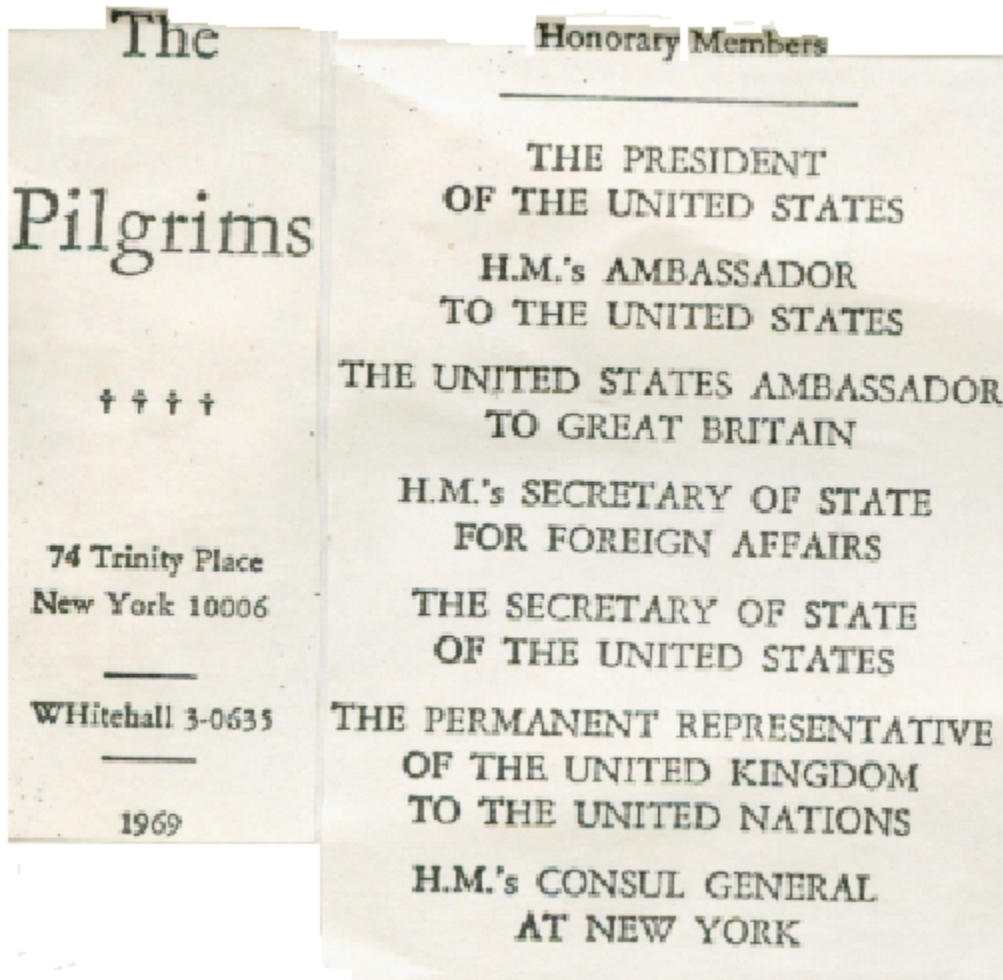
“The committee in charge of fringe benefits simply upped the amounts each senator and congressman could take for a long assortment of prerequisites and

gratuities. Government departments are elaborately furnished with kitchens, dining rooms, expensive furniture, carpets and drapes, running---in the case of Secretary Butz's Agricultural Department dining room---to nearly \$200,000. This could be duplicated a hundred times over."

"The federal deficit for fiscal 1975 was about \$50 billion. For fiscal '76, it is expected to be about twice that. Each of the last six presidents, three Republicans and three Democrats, starting with Harry Truman, followed by Eisenhower, Johnson, Nixon and Ford, has spent more than his predecessor.

President Eisenhower's eight year administration resulted in a deficit of approximately ten times greater than Harry Truman's nearly eight years. Kennedy spent more in two and one-half years than Eisenhower spent in eight. Johnson's deficit for about five and a half years was \$36.1 billion, approximately equal to the combined Eisenhower and Kennedy deficit. Nixon nearly doubled Johnson, and it looks as if Ford, in two and a half years, will far more than double Nixon in five and a half years."

(Look at federal spending, including for foreign wars Britain wants us involved in, and the Obama and Congressional deficit today! It makes the deficits Kershner correctly howled about look like mere foothills as we are being lofted into the Himalayan altitudes of funny money finance at present! All these Presidents were/are pawns of the fiat money issuers---The Pilgrims Society---as all U.S. Presidents are "honorary" members; a fact not mentioned in any known textbook on government!)



(The reader who is new to this detail is advised to refer to the “Meet The World Money Power” series in Archives.)

“We have lost touch with reality. We are squandering the heritage bequeathed to us by our hardworking fathers and mothers. The simple steps outlined above would cause some hardship to be sure, **BUT THEY WOULD STOP OUR DESCENT INTO THE MAELSTROM OF HORRENDOUS INFLATION.** No nation, to my knowledge, having proceeded as far with inflation as our country at the present time, has ever avoided ruining its monetary unit. If we are the first to do so, it will be because we face the facts and take action before it is too late. Of course, it would not be pleasant to do as suggested above, but it’s going to be vastly more unpleasant to take the consequences of neglecting remedial action while there is still time.”

That concludes Kershner's speech. Notice he only mentioned the Federal Reserve once and not in language calculated to lay direct blame for our problems at its doorstep. However, my sense is that he had to have understood that fact. He had to have known about the Fed's hostility towards gold and silver, and how Fed and Treasury officials over the years ceaselessly campaigned to have the gold reserve requirement whittled down to nothing. He authored "God, Gold and Government," published by Northwood University Press in 1985; it was a reprint from 1956. He had gold on his mind for many years as the basis for preventing inflation and job destruction. He authored "The Menace of Roosevelt and His Policies" in 1936. To date FDR was easily the worst President in our history---he seized gold and silver from Americans (see Summer 2009 item, 312 pages); he launched many Socialist, collectivist federal agencies in power grabs trampling on States rights and free markets; he conspired with his "Pilgrim Partners," the British, to drag America into World War II by allowing the Japanese attack on Pearl Harbor, which FDR had advance knowledge of; he collaborated with Britain to spread Communism over vast territories by allowing the Soviets to seize East Germany, Poland, and many central and Eastern European states; and opened the door for a second World government attempt in the U.N.

Kershner, a Quaker pacifist, was a gold standard advocate also because he had in mind the welfare of children. He had seen enough evidence in his far and wide travels that paper systems generate greater proportion of impoverished children. He had seen destitute, starving children because of the failure of funny money currency systems. As a member of the Committee on Food for Small Democracies (pre WW2) he knew about starvation, food shortages, food riots, and farmers burning and plowing under their produce rather than accept valueless payment in bundles of confetti money which they grimly realized had purchasing power racing towards zero. It had the same value as newspapers for kindling. He knew about malnourishment causing disease and stunted growth of young innocents, and he knew it was largely caused by fiat currency failing to energize exchange; he knew about rag-clad children shivering in the bitter blasts of winter because cotton and wool imports were drawn to economies tendering better payment.

Armenians, including children, victims of starvation caused by wartime fiat currency failure in WW2---



That was hardly the first time mass starvation was caused by repudiation of precious metal currency and fiat currency foisted on the hapless millions! The New York Times, February 3, 1931, page 24, in “Silver As A World Problem” had a guest commentator discussing the effects of the Crime of '73---the British inspired silver demonetization of February, 1873, which had its epicenter in the Congress of the United States, yet had terrifying repercussions worldwide---

“The effect on India and China will never be known in their fullest horror. The immediate depreciation of their only stock of money, silver, stopped trade and starved whole provinces. **IT CAUSED MILLIONS OF DEATHS.**”

I take no delight in declaring that as the single worst consequence of the fiat money we're on, we will see the ranks of underfed and undernourished Americans increase as unemployment, underemployment, and careening

purchasing power---all attributable to the toxic Federal Reserve System, swell till they become angry mobs. The food production and distribution system is in jeopardy as each annual federal spending deficit calls for creation of more artificial money by the Fed. As central bank caused inflation rages like the flames of Dante's Inferno, Obama may institute price controls on grocery items, which will promptly cause output shortages as producers resent being told to sell at or below cost. Naturally this will hurt family farms and smaller corporations to the benefit of the multinational agribusiness giants. After the controls are rescinded, many small operators will have been bankrupted, and the public will be more than ever at the whims of the giants. This is the type of "change" Obama stands for. See "Empty Store Shelves Coming To America" at the National Inflation Association site (they also predict price controls and resulting shortages)
<http://inflation.us/emptystoreselves.html>

If you haven't seen last month's item I suggest you review it for preparedness suggestions and personal security measures.

Kershner was awarded the Order of Merit by the International Union for the Protection of Children. Although he was involved with such globalist agencies as Save the Children Federation and UNICEF, United Nations International Children's Educational Fund, these operations could not have had any success with globalist concepts had they not actually included any persons truly intent on helping children. There had to be some window dressing. I believe he exited these organizations to form the Christian Freedom Foundation in 1950. In any globalist organization not primarily addressing itself to monetary matters, the individual will be asked to disassociate with them whose views on gold become known that they feel gold should be the basis of money, because the financiers are running almost as many organizations of every description as there are hairs on a hound.

Kershner was once involved with CARE, whose top exec today is W. Bowman Cutter from the Warburg interests, the World Bank, the Roosevelt Institute, a Rhodes Scholar and highly likely member of The Pilgrims Society (World Money Power)! The New York Times posted his obituary on January 3, 1990
<http://www.nytimes.com/1990/01/03/obituaries/h-e-kershner-98-a-longtime-worker-in-children-s-causes.html> One of Kershner's first positions was as editor

and publisher of the Dodge City, Kansas Daily Journal. Yes, it's time to turn Matt Dillon loose on the synthetic currency mob!

It was no perverse thought on my part when I just now wished that Bernanke and his mobsters could suddenly find themselves naked at 19,000 feet on the unclimbed south face of Siula Grande in the Cordillera Huayhuash in the Peruvian Andes.



Northwood Institute in Dallas, since known as Northwood University (Texas branch) has, as do all colleges and universities, a board of trustees. Macauley Whiting, Sr., an emeritus trustee, is a retired board member and executive of Dow

Chemical Corporation, Silver Users Association members

<http://www.northwood.edu/aboutus/governingboards/boardoftrustees/> The www.northwood.edu site is of mild interest, as some statements are seen as to belief in free markets. Many of its trustees are in the auto dealership business.

Dow Chemical is an organization which, for many reasons, I could never trust.

The former link has profiles of the national board of trustees here's the link for the trustees of the Texas facility

<http://www.northwood.edu/aboutus/governingboards/texasboardofgovernors/>

of which Jerome Fullenwider is easily the most eyebrow-raising. Northwood's "Gallery of Distinction" lists its honorary awardees including Leland Ira Doan in 1967, a Dow Chemical Executive, relative of the Dow family, and "underground" in The Pilgrims Society leaked list for 1969. His name appeared in a roster

intended for insiders only yet that detail failed to appear in his Who's Who in America listing. Various members of the Dow and Doan families centered around

Midland, Michigan, and the Dow Chemical fortune (which absorbed Silver Users Association member Union Carbide) are listed in Northwood's Gallery of

Distinction. Northwood's Michigan campus has two trustees associated with management of Dow Chemical and various others who do business with DC

<http://www.northwood.edu/aboutus/governingboards/michiganboardofgovernors/>

Would Northwood care to invite any of the established commentators on silver and the silver market to deliver a fact filled lecture regarding the (illicit) Silver Users Association? No; why risk losing all that fund raising support from Dow Chemical? How does the local Indian business community feel about the company that absorbed Silver Users Association member Union Carbide in 2001; UC, which caused "the Hiroshima of the chemical industry" in December 1984 in Bhopal, India?

Some thoughts on the sneak provision in Obama's health care legislation to require 1099 forms for transactions amounting to \$600 and up over a year's time (aggregates) and all transactions of \$600 and up, to burden small business, metals dealers and investors---legislators are organizing to rescind this poison pen item.

The best thing we can do is vote incumbents out, except for the proven few

who're on our side. This comes in November! Technology makes no change in human nature. Government intervention that created black markets in earlier times will do so today. Citizens correctly see the federal government as refusing to restrain its spending; therefore, taxes paid virtually constitute funds going up in smoke. I have paid all my due taxes to date and if this lousy item is allowed to stand (court challenge, anyone?) it will additionally have the impact of causing many to sit on their holdings until it's quashed. Just sell no silver into the market until things are made right, including exempting all precious metals from federal and state taxes. If we withhold silver from the market, the Silver Users Association will lobby Congress to create comfortable conditions for us to sell! Be ready to starve the silver users out; fight it, but they'll join in. If silver is nationalized, throw your metal away wherever it will be most difficult to recover and that means wide dispersion. These are only my feelings and yours may be different. I read over 40 commentators routinely and obviously some are more important than others but I do so to stay informed.

The July 1946 hyperinflation peak in postwar Hungary is still the worst instance on record, with prices more than tripling every day, until the "pengo" was scrapped totally as junk on August 1, 1946 and the "Forint" was introduced, with one Forint equal to 400,000,000,000,000,000,000,000,000 or 4×10^{29} Pengo! Yes, the Forint was as fictitious as the German Rentenmark that was created after the 1923 German catastrophe---



“HOW CAN IT BE POSSIBLE TO MAKE THAT SUCCEED WHICH HAS NO VALUE AT ALL?”

---John Witherspoon, Presbyterian minister, signer of Declaration of Independence.

The above defunct monopoly play money note issued by a central bank, is a ghost of the time when bank notes were warehouse receipts for gold and silver securely stored in a bank! Most people today, due to intentionally false economic mis-education, believe that mere legal tender laws can confer value on paper dollars! Yet, where is the price stability? The 500 billion Yugoslav dinar note of 1993, more toilet tissue “money”---



How long would realtors and title companies survive if they offered fictitious titles to homes, land, and buildings, if there were no homes, land, and buildings to correspond to those titles? In fact, fictitious land titles have been sold and that's properly recognized as a financial crime; only the Federal Reserve is exempted from being charged with fraud for foisting fictitious notes! This is what the American people, in their abysmal ignorance of economics, have allowed Congress to permit the bastardized Federal Reserve System to do with money!

We should be as alarmed as Howard Kershner was at the prospect of most American children living in poverty due to the baneful influence of fiat currency. The recent film "The A-Team" with Liam Neeson unfortunately glorified American fiat currency as being real money.

People have immediate grasp of the fact that fine jewelry must be of gold, platinum or silver---precious metals. If any jeweler attempted to equate lead, plastic, wood, or worse yet, paper settings for gemstones, as innately equal to the precious metals, not even a low grade moron would be hoodwinked. Yet once again as with the real estate title example, most people still believe, due to false education and mass hypnosis, that irredeemable paper notes are a match for, or even superior to, payment in silver and gold! The void of perspective is stunning and will leave the unprepared, savagely stunned! From a poem I wrote about President Martin Van Buren (1837-1841) ---

**LONG SINCE DEPARTED INTO A HEAVENLY FOREVER;
IN THE PRECIOUS METALS FIRMAMENT, A SHINING STAR!
HAVE WE EVER HAD A BETTER PRESIDENT? NEVER!
INK ON PAPER AS MONEY? TOTALLY BIZARRE!
IS VAN BUREN HOLDING ON TO A SILVER BAR?**

We are due for Congressional elections this November that can become a landmark event for the better in our history, if we defeat everyone who has voted for more deficits, more taxation, more foreign wars, no real regulation of the integrity of our borders, against legalization of gold and silver as alternative currencies, including freeing them of taxation, and everyone who has fought to give more power to the cryptic Federal Reserve and to insulate it from meaningful outside independent probe and audit, to allow the SEC to become more secretive, and who has refused to reign in the Commodity Futures Trading Commission in its refusal to enforce commodity law against short sellers in precious metals. If the CFTC does anything now along better lines, such as connected to position limits, it's coming far too late to redeem the agency and will be only because the

physical supply is so tiny that paper games can't be supported any longer. In other words, pretension of law enforcement on the part of the derelict CFTC.

People who deal in diamonds and jewelry need to start accepting gold and silver as payment for their merchandise, and with hyperinflation around the corner, must regard this as a defensive action. If a merchant obtains a diamond from a cutter for \$6,000, he could find the replacement cost exceeds his \$7,500 selling price after a few weeks---or by the next morning! There will be a rush into all hard assets including stones, especially after most people wanting currency protection can't source gold, silver or platinum. In the asset price explosion of 1979 into January 1980 it wasn't only gold and silver that maximized; the highest grade of colorless diamonds reached over \$60,000 per carat. Caution! Don't invest in stones or collectibles like paintings unless you can sell them to end users! Yes, there was a severe tumble, but resources have declined in the more than 30 years that have elapsed; more uses exist for silver; the money supply is much greater; and we should reach a time when prices go sky high and never retreat. Jewelers, coin dealers and metals brokers need to contact their Congressional representatives to have alternative currencies accepted without interference from the bankers crass legal tender statutes! People will want anything of finite supply for which there is long established demand. The sooner precious metals are exempted from all taxation, the faster the monetary system can be stabilized. Contact your Congressman as to the merits of investing in silver with its scarcity to demand profile, and how the users cartel criminally wants it all for themselves. Once having invested in silver, the politicians will craft legislation strengthening the hard money community. They will disregard the nagging imps, importunate underlings, persistent punks and pestering flunkies sent out by the multi-tentacled banking lobby. Maybe they would just accept the funds but return no favors! **EITHER THE PAPER MONEY MOB RUNS THE COUNTRY OR**

CONTROL PASSES TO US!

“ALL BANK NOTES, TO BE SAFE, MUST BE CONVERTIBLE INTO GOLD OR SILVER AT THE WILL OF THE HOLDER. IRREDEEMABLE PAPER MONEY IS MISERABLE, ABOMINABLE, AND FRAUDULENT---A FRAUDULENT POLICY WHICH ATTEMPTS TO GIVE VALUE TO ANY PAPER, OF ANY BANK, FOR ONE SINGLE MOMENT

LONGER THAN IT IS REDEEMABLE ON DEMAND IN GOLD AND SILVER.” ---Daniel Webster, 1782-1852. Incredibly and very deviously for someone who made such a faultless statement, Webster was a director of the Boston branch of the second United States Bank; its notes were only redeemable at branches other than the issuing branch, an intentional obstacle to convertibility---



BANK OF THE UNITED STATES.

N. H. P. H. el.

BOSTON, *July 24*

1824

Pay to order of *Titus Wells, Cash*

or Bearer

Three thousand & one ———

Dolls. / cts

—————
3001. c. Dolls. / cts.
—————

Saml. Webster





“THE PROPER MATERIAL FOR MONEY IS DETERMINED BY THE NATURE OF THINGS, A LAW HIGHER THAN ANY GOVERNMENT.” ---“The Relations of Debt and Money,” North American Review, May 1877, pages 421-422, 431, article by Elizur Wright (1804-1885) who developed actuarial tables and is known as the “father of life insurance.”

“CITIZENS, AT A GIVEN TIME, MAY PREFER SPECIE TO CURRENCY. THE COURTS CANNOT CONTROL PREFERENCES FOR ONE KIND OF MONEY OVER ANOTHER.”

---The Times, London, May 31, 1933, page 21

In a return to a gold standard---in which citizens enjoy full ownership and free trading rights---silver also will of necessity have to likewise be monetized. I am aware of the view that there isn't enough silver for that purpose, and have a friendly disagreement with the apex commentator on the subject. We will certainly see what the future brings. As prices race without restraints and silver's purchasing power moves from embryo to colossus, uneconomic ore will be mined and seabed polymetallic nodule recovery will commence. No price collapse can occur because monetary demand will far overshadow industrial needs. I hope to offer something next month having to do with the necessity of remonetizing silver in order to serve as supporting monetary sinews for gold; and which also compares a present Nevada Senator whom we desperately need to unseat (Harry

Reid) with an earlier Nevada Governor and Senator who made a great case for silver in the world monetary structure.

We need a new President who will issue lawful orders based on the Constitution and free markets. There are those attempting to amass support for impeaching this present stooge for the Money Power
<http://www.impeachobamacampaign.com/>

The November elections are impending! They can be our date with the executioner, or the start of return to free markets! To the Nero and Caligula types in Congress we ask the question Roger Moore as Simon Templar asked a punk in an episode of "The Saint"---

"HOW WOULD YOU LIKE ME TO HIT YOU JUST AS HARD AS I POSSIBLY CAN?"

PRESIDENT JACKSON IN ETERNITY, LOOKING AT THE SCENE;

KNOWING GOLD AND SILVER MONEY IS OUR ONLY HOPE!

WE MUST CONFRONT AND STOP THE PAPER MONEY MACHINE;

LEST WE TUMBLE FURTHER DOWN THE SLIPPERY SLOPE!

UNBACKED CURRENCY IS POISONOUS MONETARY DOPE!

