FIAT MONEY NEEDS GOLD AND GOLD NEEDS SILVER!

Presented October 2010 by Charles Savoie

"IT WOULD SEEM FOR THE BEST INTEREST OF THE ENTIRE WORLD TO RESTORE THE VALUE OF SILVER TO THE EXTENT IT ENJOYED BEFORE THE WORLD WAR, THUS AFFORDING A CURRENCY IN WHICH PEOPLE CAN HAVE CONFIDENCE BECAUSE IT WOULD HAVE INTRINSIC VALUE IN ITSELF AND RELIEVE THE GROWING BURDEN ON GOLD." --- Nevada Senator Tasker Oddie quoting Francis H. Brownell, Chairman, American Smelting & Refining Company (ASARCO).

Senator Oddie----



The November elections marking mid-term of the benighted, blighted Obama administration are soon to arrive! I first intended to title this presentation, "Good Senator, Good Money; Bad Senator, Bad Money," for in addition for discussing why a monetary system with gold only as a metallic base is inherently flawed (though less so certainly than pure fiat), I want to contrast two Nevada Senators---the present demagogue Harry Reid (Democrat, Senator since 1986,

Majority Leader since 2007) and Senator Tasker Oddie (terms 1921-1933, Republican). Reid is a Mormon and perhaps curiously, as this group historically supported silver as money, has zero place for silver in his U.S. fiscal policy. Reid was born in 1939 in Searchlight, Nevada, of a mining family! There is a lack of evidence to support any view that his beginnings shaped his political outlook on what money is! Harry Reid is a legislative champion of the wildly unpopular Obama health care "reform" agenda which, it appears, is destined to soon be rescinded! Congress is the ideal crucible for dismantling it, more so than lawsuits filed against it by a coalition of State Attorneys General.

http://en.wikipedia.org/wiki/James_Graham_Phelps_Stokes the Phelps Stokes fortune was largely based on Phelps Dodge Corporation, copper mining and smelting, but they had extensive holdings elsewhere. The 1947 Who's Who, page 2277, shows his son, James, as a Pilgrims Society member, and Wikipedia entry shows James' wife was a member of the Communist Party U.S.A. It's common for elitists to fund totalitarian movements! Cleveland Dodge, of the other family group in the Phelps Dodge fortune, surfaced in the 1969 leaked list of the Pilgrims Society.

Tasker Oddie's patriotism and his support for gold and silver as money were in no way impaired by association with the subversive Stokes family. He was a competent mining manager and there's no evidence I've found suggesting the Stokes philosophy contaminated him. Herewith a review of his article, "The Restoration of Silver" from The Mining Congress Journal, December 1931, pages 654-655 & 659). Take note that the preponderance of the Senator's content consisted of him citing statements made by a top mining executive, Francis H.

Brownell of American Smelting & Refining Company (ASARCO) and afterwards,

The Mining Journal of London---

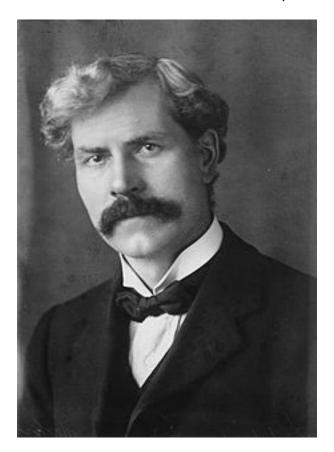
"Because of the importance of silver in the world's monetary system for over 2,000 years and the difficulty which is now being experienced in attempting to impose on gold practically the entire monetary and credit burdens of the world, silver is now being more widely discussed than ever before. When Great Britain, the ruling creditor nation for 100 years following the Napoleonic Wars, after a most courageous fight found it impossible to maintain the gold standard, there is no question but that the monetary and credit burdens on gold have become greatly increased in recent years."

(The Senator was not wishing to damn the British at that point; however, he had to have known better! See the 324,000 word series "Britain Against Silver," Archives, proving over and over again with profuse documentation, that Britain's attacks on silver were a necessary prelude to attacks on gold! To achieve fiat systems, silver first had to be attacked, then gold! But while silver was attacked, the attackers insisted gold alone was necessary! Then, having shoved silver aside, they started doing the same to gold! It was all planned from day one, and countless lies were intentionally dispensed at every step of the way!)

"Gold Overburdened---As silver coinage was debased by most of the principal gold standard countries following the World War and as India was compelled to sell silver from her extensive reserves in order to acquire the gold to maintain the high 18d parity of the rupee, THE PRICE OF SILVER DECLINED TO THE LOWEST LEVELS IN HISTORY AND ITS MONETARY STATUS HAS BECOME SERIOUSLY IMPAIRED. With the diminishing monetary demand for silver came the ever increasing demand for gold to carry the entire monetary and credit burdens of the world, and this constitutes an important factor in the present economic depression."

(Again the Senator seemed to not blame Britain for silver's troubles; however, he was certainly in a catbird seat position to know full well the fault of the British government for the plight of silver! Silver's all time low was 24.5 cents U.S. per ounce in February 1931! By September 1931, Britain struck against the gold

standard, which was their plan for many years! India was not "compelled to sell silver," it was the British government that forced India to dump silver on world markets, killing its purchasing power and causing the Great Depression. Again the reader is advised to reference "Britain Against Silver" for superabundance of documentation from multiple sources. Ramsey MacDonald, British Prime Minister 1929-1935, Pilgrims Society, refused to take any lead in calling an international conference on silver) ---



"The current policy of India since 1926, when the gold bullion standard was adopted, has operated greatly to reduce the price of silver, thereby lessening its monetary value and use. It should be emphasized that **GOLD GOING INTO INDIA RAPIDLY BECOMES HOARDED AND WITHDRAWN FROM MONETARY USE**, which complicates the distribution of gold. Furthermore, the withdrawal of gold from the limited available monetary reserves of the world has automatically increased the burden for them to carry. Because of this fact extensive withdrawals of gold by India since 1926 have seriously lessened the available monetary gold reserves

of the world and thereby limited the amount of credit which could have been issued for the purpose of maintaining the world's normal industry and trade."

("Britain Against Silver" documents how British India---not "India"---was the force back of these happenings! It was never the Indian people abandoning silver, nor the Indian people toying with gold; but rather, it was the international financiers of the City of London, in association with The Crown, via the secret organization known as The Pilgrims Society---who was the cause of these subversive and deleterious events! It could not have been the common people or the middle class of India who was hoarding gold pouring into India in exchange for the British order to dump silver on world markets! Indians could not convert any paper rupees into hard gold unless they had a minimum of \$8,064 rupee equivalent of U.S. dollars! It was London based financiers who absorbed the gold!)

"Oriental Demand Undiminished---Notwithstanding the imposition of the gold bullion standard on India, the appetite of the people for silver has not abated, as is evidenced by the large amount of silver imported since 1926 into that country."

(Actually it was a "paper gold bullion standard" as we know, since few Indians could attain the threshold for rupee note conversion into gold. Britain was melting silver rupees and dumping bullion on world markets with the intentional goal of wrecking silver prices, which they magnificently accomplished. So much for those who believe the Rockefellers "run the world alone." While Britain was flooding foreign markets with Indian silver, silver was still imported, most likely in much lesser quantity, for distribution in traditional Indian festivals and household uses. It was also sent into India by overseas silver fabricators, including United States East Coast Silver Users Association forerunners who could take advantage of labor rates then equivalent to a bowl of rice being a day's pay!)



"Political chaos and the subnormal state of China's industry and trade and internal warfare have seriously weakened her position in the silver market. This summer I visited China in order to study her economic and currency problems first hand. I FOUND IN THAT COUNTRY THAT THE FUTURE OF SILVER WAS ONE OF THE MOST DISCUSSED SUBJECTS. She is still on a silver basis, AND HER PROSPERITY DEPENDS MORE ON THE REHABILITATION AND STABILIZATION OF SILVER OF SILVER AT A MUCH HIGHER PRICE THAN THAT NOW EXISTING THAN UPON ANYTHING ELSE. A restoration of political order and the cessation of internal strife would greatly assist in improving her industrial conditions, and the return of silver to its more normal monetary status preceding the World War would be reflected in a large increase in her foreign trade. A peaceful China with a well ordered government would in itself be of most effective assistance in improving the position of silver, upon which the return to normal world economic conditions so greatly depends."

(The main deficiency of this content is that of three sources—the Senator, the mining executive, and the overseas publication---none of them made sufficiently clear the point that Great Britain was solely responsible for the slump in silver's purchasing power, which it intentionally and with full malice aforethought caused by dumping huge quantities of Indian silver into Far Eastern and then later other

markets, precipitating the conspiratorially planned price collapse that was easily the major factor in causing the Great Depression. It was another British orchestrated step towards a world of all fiat currencies. These facts could not have been unknown to the Senator.)

"Mexico Returns To Silver---The recent return of Mexico to the silver basis should strengthen the position of silver, especially if Mexico would remint her silver coinage on the high fineness of the old "Peso Fuerte." UNLESS THIS IS DONE THE INFLATION IN WAGES AND IN THE PRICES OF SUPPLIES IN MEXICO WHICH WILL PROBABLY OCCUR ON THE PRESENT DEBASED MINTING FINENESS OF CURRENT COINAGE WILL MINIMIZE IF NOT ALTOGETHER DESTROY THE BENEFITS WHICH OTHERWISE MIGHT BE EXPECTED FROM THE ADOPTION OF THE SILVER STANDARD."

("Peso Fuerte" meant "Strong Peso." The 1901 through 1919 series was .903 fine; in 1920 it was cheapened to .720; in 1947 to 50%; and in 1950 to 30%. Meantime the 5 peso coin, 1947-1948 was 90%; in 1950 it was diluted to 72%; you get the picture. Fiat money mobsters worked worldwide to shove silver out of circulation. An interesting link

http://www.silverrecyclers.com/Calculators/Calc_Main/mxcoin_main.html In the U.S., no Mercury dimes were issued in 1922, 1932 or 1933, probably to test the waters so to speak, preparatory to eventually closing our mints to silver coinage.

Mexicans haven't gotten any prosperity bonanza from being awash in nonconvertible central bank notes) ---



"Restoration of Pre-War Status---The desirability of reestablishing the pre-war status of silver and the ways and means for its accomplishment in the most expeditious manner were pointed out by Mr. Francis H. Brownell, chairman of the board of the American Smelting & Refining Company, in an address delivered before the American Bar Association on September 16, 1931, from which I quote the following---

"There seems to be no way yet discovered of curing the growing maldistribution of gold among the nations, possibly because THERE IS NOT EVEN TODAY A SUFFICIENT AMOUNT OF GOLD TO DO THE MONEY WORK REQUIRED OF IT. With nearly all the nations of South and Central America in a state of political instability because of monetary troubles, and with the increasing difficulty in maintaining an adequate gold reserve in Germany and in Central Europe, Austria, Hungary, Poland and many other nations---even Australia and, most striking of all, Great Britain herself---it would seem wise and for the best interest of the entire world not only to stop the further destruction of the value of the only other metal which mankind has yet used as money---silver---but to go a step further and restore the value of silver to the extent, at least, that it enjoyed in the days before the World War, thus affording a currency in which people can have confidence because IT WOULD HAVE INTRINSIC VALUE IN ITSELF AND RELIEVING THE GROWING BURDEN ON GOLD."

(We must mention copper at this point! It wasn't because Brownell had any degree of ignorance over the long ages of successful use of copper as subsidiary currency to silver that he didn't mention it, but more likely because his mission at that time was to cast the spotlight on silver; that was his most appropriate action at that time. These men were advocating a bimetallic money system. They were fully aware the world functioned for ages on a trimetallic system with copper at the bottom. Will we see demand start for 1 ounce copper "bullion" coins? I believe so, as silver climbs, copper will come out of the shadows! Brownell's remarks cited by Senator Oddie resumed) ---

"It requires no great study of ways and means to preserve and restore the value of silver to its pre-war status. All that is necessary is that the nations of the world retrace the steps taken since the war; THAT THEY STOP ANY FURTHER DEMONETIZATION OF SILVER NOW IN USE; THAT THEY INDIVIDUALLY OR COLLECTIVELY, OR BOTH, MAKE IT KNOWN THAT THE FURTHER SALE OF SILVER BY GOVERNMENTS WILL CEASE; THAT THE GOVERNMENTS, WHILE NOT ESTABLISHING ANY FIXED RATIO BETWEEN GOLD AND SILVER, MAKE CLEAR THEIR INTENTION TO RESUME THE USE OF SILVER TO THE SAME EXTENT AS BEFORE THE WORLD WAR. This automatically would restore silver to pre-war values. It automatically would preserve it for present and future monetary needs of the world. It would lessen the present burden on gold. The step is easily taken, if the will to take it exists."

(The will to take those steps existed; unfortunately, the fanatical Keynesian fiat currency forces were in full possession of the playing field) ---



"It needs only cooperative action by the more important industrial nations of the world. Formal action in the shape of treaties is not required. If the British Empire, France, Germany, Italy, the United States and Japan should substantially simultaneously recommend the adoption of such a policy and should individually announce their intention so to act, the smaller nations of the world, seeing that silver is not doomed to abandonment as money, but is to be continued in use, would rapidly adopt a similar policy. An international conference, formal or informal in nature, recommending such action, would be of the greatest help. The rapid restoration of the value of silver that would necessarily follow would effect immediate improvement of the present financial condition of so many nations in Europe, Asia, South and Central America, including Mexico, that **THE WHOLE WORLD WOULD RAPIDLY RESPOND TO THE BENEFICIAL EFFECT.**"

(Notice especially the last ten words---"the whole world would rapidly respond to the beneficial effect" and think of silver's future role as exchange medium---"super money" as Butler called it, remarking in earlier article that "the coming demands on the silver supply stagger the imagination." If indeed there is less silver above ground than gold; and as cannot be argued against, silver is needed by industry, else modern life is impossible; that the below ground silver to gold ratio has declined to perhaps 7 to 1, and industry must have most of it else we revert to primitive conditions; **WE COULD FACE THE SEEMINGLY**

INCONCEIVABLE SITUATION OF SILVER REPLACING GOLD AS THE BASIS OF MONETARY SYSTEMS, WITH GOLD BECOMING SUBORDINATE TO SILVER; and if so, copper would urgently be needed as a monetary unit of account to round out a new trimetallic system. Until such eventuality occurs, be advised that people holding silver dimes have far more sovereign financial mobility than those holding only 1 ounce gold coins; and they have great divisibility on their side! Do you want to limit your minimum purchase to a \$7,000 gold coin? How will the seller of groceries or appliances give you change except other than in rickety, trembling fiat notes?)

"No one could reasonably maintain the actions above described would alone terminate the present world depression, the greatest and most far-reaching in history. There are many other important problems, such as the steady and rapid increase of high tariffs among nations, with consequent reduction of international trade, not to mention others under general discussion. None the less, sound and stable monetary systems are of paramount and fundamental importance in all nations."

"Not until the staggering, weakening, almost failing monetary systems of a great majority of the nations of the world today are again restored to a proper basis may we expect a full return of the prosperity formerly enjoyed. Is there any quicker or more efficacious way of establishing confidence in the various moneys of the nations than by restoring the monetary use of silver, as before the war, thus affording to the common people of all those countries a medium of saving in which they may have confidence, and a medium of exchange which will have sufficient intrinsic value in itself to supplement and support an overworked and overburdened gold reserve? Such action does not weaken nor tend to destroy any gold standard system; rather it gives aid and support where it is now so sorely needed."

(That concludes Senator Oddie's citation of Francis Brownell's address to the American Bar Association. Brownell, as mentioned in earlier feature here some years ago, was a director of the Chase National Bank; his views were not shared

by the majority who were members of questionable organizations. The Senator then progressed to reference from another source) ---

"International Conference Necessary---The Mining Journal of London on September 26, 1931 published an editorial entitled "The Abandonment of the Gold Standard," from which the following references in connection with silver are quoted---

"Another and very interesting reaction of our abandonment of the gold standard suggests itself in connection with silver. At an important meeting convened by the China Association this week in the city, the resolution was taken to establish a Silver Association to impress upon governments the desirability of restoring the position of silver as a monetary and exchange factor. We have on many occasions urged the importance of a sympathetic study of the question, believing that as regards Eastern trade, appreciable advance might be made to assist the buying power of our lost markets in these areas, besides easing the strain on the world's greatly diminished supplies of free gold."

"As we are no longer on a gold standard financial orthodoxy can no longer be advanced as a reason for refusing to discuss the question, and it is at any rate arguable that some RELIANCE ON SILVER MIGHT OFFER GREATER SECURITY AGAINST CURRENCY FLUCTUATIONS THAN ONE BASED ENTIRELY UPON THE PAPER POUND."

(Britain exited the gold standard in September 1931, a move profiled in the series "Britain Against Silver." The Keynesians were in charge, and in association with the fabled Rothschilds, this was Britain's attempt to shove the entire world towards fiat currencies they'd control or influence by means of central banks patterned after the infamous Bank of England.)

"Considering the forum in which the question was discussed on Wednesday night, the survey of the subject was largely confined to India and China, which are naturally silver using countries. The suggestions put forward at the meeting followed lines very familiar to our readers from contributions which have appeared in the columns of The Mining Journal. We do not suppose that there is

any section of financial or industrial thought which would not welcome an improvement in the price of silver provided this were not brought about by artificial means which would involve disproportionate sacrifices in other directions."

(They supposed wrong! There were "sections of financial thought" that vehemently opposed remonetization of silver, including the largest banks on Lombard and Wall Streets!)

"The anomalies of the Indian Government policy have often been referred to in these pages, and it is clear that there is a growing volume of opinion in India which is highly dissatisfied with the recent course of events. THIS WEEK THE VICEROY THOUGHT IT NECESSARY TO VETO DISCUSSION OF THE RECENT FINANCIAL STATEMENT OF GOVERNMENT, INCLUDING THE ANNOUNCEMENT THAT THE RUPEE WOULD IN FUTURE BE LINKED WITH STERLING."

(I'm not sure who was British Viceroy of India at that moment, as 1931 saw the end of Lord Irwin's tenure and the start of Lord Willington's administration. Therefore, one of them was Viceroy at the time he acted to suppress silver and news on silver! Both were members of The Pilgrims Society of Great Britain which, with its United States counterpart, comprises the Anglo-American global fiat money network, as I have repeatedly stressed. Lord Irwin later became The Earl of Halifax and was the conspirator who personally triggered the Great Depression, having presided over the Royal Commission on Indian Currency in 1926 that issued the recommendation to demonetize silver in India, and dump it on world markets, causing a collapse of world trade that crippled the Far East and sent millions of workers in the Western World into unemployment as the silver price spiraled downward to 24.5 cents per ounce by February 1931) ---



"While any premature discussion of such an intricate question is to be deprecated, it is obvious, particularly with the round table conference now assembled in London, that it will be impossible not to defer ultimately to Indian opinion in a matter of this kind should there be widespread demand for a consideration of the position in relation to silver. As Mr. Brownell has pointed out it is the policy of the Indian Government, THREATENING AT ANY TIME TO THROW, WITHOUT NOTICE, LARGE QUANTITIES OF SILVER ON A DEPRECIATED MARKET, WHICH HAS DONE MUCH TO DESTROY CONFIDENCE IN THE VALUE OF THE WHITE METAL, and there would seem to be quite an important field in which constructive cooperation could be effected to improve silver prices without committing us to the more ambitious projects commonly associated with what is known as bimetallism."

(This concludes Senator Oddie's excerpt from the Mining Journal of London. It would have been better stated had they been more specific in saying "the British Government of India," to make it emphatic that it was the British, and not Indians who wanted so much of their precious silver, accumulated literally for centuries, to be cruelly dumped onto world markets, harming silver's status as money by lessening its scarcity, and depleting its volume in India, harming its people for centuries to come! The Journal realized that to let the price of silver climb back to

prewar levels was indeed move towards bimetallism, even if unofficially so. To resume remarks made by Senator Oddie himself) ---

"This editorial presents a very sympathetic understanding of the subject and having its origin in Great Britain, is a most hopeful sign that something might now be done in an international conference to improve the silver situation, which is fundamental to the restoration of prosperity."

(In the "Britain Against Silver" series I documented that in this same year of 1931, Neville Chamberlain, Chancellor of the British Exchequer, publicly announced that he could see "no useful purpose in calling an international conference on silver;" Chamberlain was another Pilgrims Society member. I hope the hard money community can someday realize who their actual enemies are and it isn't Bilderberg or Trilateral---they serve other purposes and have Pilgrims members as their founders and leaders.)

"Improvement in the general economic condition of the world has already resulted from President Hoover's constructive action in declaring a foreign debt moratorium for one year. While this action was principally beneficial in alleviating international financial strain, the second step taken by him in creating a supercredit bank for the purpose of lessening the credit strain within the United States has already been and will continue to be a most helpful factor in overcoming the difficulties of the present depression."

(It's not clear which "super-credit bank" the Senator was speaking of---the Federal Home Loan Bank or the Reconstruction Finance Corporation. The RFC was very deeply involved in gold manipulations hand in glove with the Federal Reserve, and appears to be a virtually unrevealed story as concerns the vast majority of the hard money community. I have accumulated details on the RFC and hope to present the facts when time allows.)

"The more recent conferences between President Hoover and Mr. Laval, the president of the Council of Ministers of France, should go still further in rectifying the present disturbed monetary and economic conditions. A joint statement signed by both, dated October 31, 1931, contains the following reference to the

maintenance of the gold standard and the stabilization of international exchanges" ---

"Our special emphasis has been upon the more important means through which the efforts of our governments could be exerted toward restoration of economic stability as an essential factor in the restoration of normal economic life in the world in which the maintenance of the gold standard in France and the United States will serve as a major influence. It is our intent to continue to study methods for the maintenance of stability in international exchanges."

(Details on Herbert Hoover's refusal to call an international silver conference appear in the "Britain Against Silver" series. Hoover, a Pilgrims Society member of the U.S. branch, abjectly refused to call a silver conference **UNLESS** the British did so first, or suggested it first; and that they did not do, as already seen! Senator Oddie concluded with his own remarks) ---

"The fourth constructive step in maintaining the gold standard and in aiding those countries which are not on a gold basis to rapidly return to it would be the convening of an international conference for study and investigation. The President has full authority under a resolution passed by the Senate in the Third Session of the Seventy-first Congress to call such a conference. Action along this line should meet with the hearty approval of Great Britain and a number of other nations which have recently gone off the gold standard. No more constructive step could be taken at this time to restore the gold standard as the almost universal monetary system which it was before the World War began and to expedite the return to more normal economic conditions throughout the world."

President Hoover did have Congressional backing to call a world silver summit. What meant most to him, however, was that his "Pilgrim Partners" in London desired no such event to transpire; therefore he took no action. While we're waiting for the short corner on silver to crumble due almost solely to physical shortfall, we ponder the fate of the institution to be renamed JP MORON ERASE. We still see pressure for a true Federal Reserve audit, and that will come before any Congressional probe into The Pilgrims Society, because awareness of that

subject is far too low to be exploitable. However; strip the market riggers of their power, and they can be as secretive as they wish, while becoming politically inert.

The anti-free market forces retain two weapons to employ against our ownership rights---another Presidential nationalization/confiscation and punitive taxation. In the case of nationalization, we would likely witness a concerted media campaign calling for such a tyrannical move first. This is no problem, as The Society controls the media, and its agents in Congress want to end public access to the web, or censor content. Service providers want to make it hard to access content they want censored; the FCC is always suspect, no less than the CFTC and the SEC. Over taxation by all levels of government has become such an aggravated issue that the Tea Party movement started. If we're hit with confiscatory taxation on gold and silver, realize that indeed the British are in Washington, District of Columbia, in the form of their Presidential Pilgrims Society puppet. Is revolutionary action the only remedy for attempted Federal absorption of the entire economy? The November 2010 mid-term Congressional elections may truly be our final hope to squelch Obama, Harry Reid, Nancy Pelosi, Joe Lieberman, Christopher Dodd and the wrong kind of Republicans who think we should invade and occupy the entire Arab world.

With your gold and silver shares consider some more specific exposure to copper. It will be an important part of the new monetary system once the pin striped suits exhaust their devil's bag of tricks attempting to institute an all electronic money system in which they mean to control us like iron filings following a magnet in the proverbial kid's toy.

You may also wish to consider shorting JP MORON ERASE; but the Federal Reserve will doubtless bail them out of any metals losses. Will silver and gold be delisted from COMEX trading, or will the corrupt entity be shuttered entirely? To close I offer another thought---the metals long community would be well advised to initiate consumer boycott against every company listed on the roster of the Silver Users Association. We should be able to "enlist" much support from military personnel and their families. Other companies can fill any vacuum created by drastic shrinkage of SUA company revenues; consumers will not suffer.

Polymetallic miners shareholders should be appealed to that their companies not dispose of their precious silver byproduct at give-away rates by gifting it to the same band of hoodlums that depleted the national strategic silver stockpile. The SUA referred to my offering "Nine Billion Ounces"

http://www.silverusersassociation.org/news/January_2006.pdf do they wish to do so again with this?