

# SENATE SILVER SPEECH

## 55 YEARS AGO

Presented March 2020

By Charles Savoie

[www.silverstealers.net](http://www.silverstealers.net)

[www.nosilvernationalization.org](http://www.nosilvernationalization.org)

<https://www.facebook.com/charles.savoie.96387>

<https://www.silvermarketnews.com/archives.htm>

Material very relevant to this presentation---“Severe Oversupply of Liars” released in August 2003, 29 pages, documenting the silver shortage, 1961 to 1980 <http://nosilvernationalization.org/23.pdf>

“The Silver Raiders” September 2003, 58 pages, Treasury silver giveaways to the Silver Users Association; “auctions” ran by the General Services Administration--  
<http://nosilvernationalization.org/24.pdf>

And “1965 Coinage Act and The Pilgrims Society” 226 pages, released in October 2018 <http://nosilvernationalization.org/198-1017.pdf>

CONGRESSIONAL RECORD — SENATE

*January 26, 1965*

The following come from pages 1295, 1296 and 1297 of the Congressional Record for January 26, 1965, in a session building up to the infamous Coinage Act of 1965---several identities first---Senator Milward Simpson was from Wyoming (1962-1967) and graduated from

Harvard University Law School. Irresponsibly, Simpson failed to vote on the matter of the Coinage Act of 1965 <https://www.govtrack.us/congress/votes/89-1965/s130>

| Wyoming |    |          |                  |
|---------|----|----------|------------------|
| Yea     | WY | <b>D</b> | McGee, Gale      |
| No Vote | WY | <b>R</b> | Simpson, Milward |

Gale McGee was on staff with the CFR, Council on Foreign Relations in 1952-1953 (“Who’s Who in America” 1970-1971) page 1513 on Carnegie Endowment [funds](#) and was a director of the “Institute for International Affairs” so naturally this globalism on his part accounted for his “yea” vote to remove silver from our coinage! McGee was Ambassador (1977-1981) to the Organization of American States (OAS), which is a British Empire attempt at a regional world government in the Western Hemisphere. McGee was a flunky at Bilderberg [1960](#) conference.

“Who’s Who in America” 1966-1967 page 1959 shows---

**SIMPSON, Milward Lee**, U.S. senator; b. Jackson, Wyo., Nov. 12, 1897; s. William and Margaret (Burnett) S.; B.S., U. Wyo., 1921; grad. Harvard Law Sch., 1925; m. Lorna Kooi, 1929; children—Peter, Alan K. Admitted to Wyo. bar, practiced law, 1925-55; gov. Wyo., 1955-59; U.S. senator from Wyo., 1963—. Dir. Husky Oil Co. Mem.-at-large, nat. council Boy Scouts Am., finance chmn. Wyo. affiliated councils; state chmn. Am. Cancer Soc. State legislator, 1926-27; candidate U.S. Senate, 1940. Trustee U. Wyo., 1939—, pres. bd. trustees, 1943-55. Served as 2d lt. inf., U.S. Army, World War I. Mem. Am. Legion (past post cōmdr., judge adv., state adj.), Nat. Assn. Governing Bds. State Univs. and Allied Instns. (past pres.), Nat. C. of C. (nat. edn. com.), Am. Acad. Polit. and Social Sci. Clubs: Rotary (Cody, Jackson); Cody (pres.). Home: 901 Simpson Av., Cody, Wyo. Office: New Senate Office Bldg., Washington 25.



Husky Oil was founded in Wyoming in [1938](#) and is since owned by a conglomerate with around \$6 billion income in 2016. IMO this conglomerate has some spooky characters behind it and Pilgrims Society linkage? It's too big to not have it. The American Academy of Political and Social Science is not an organization you'd feel right about donating funds to---assorted Pilgrims Society members have held membership in this group as you'll notice with huge documentation if you scope out

“Mysterious Monetary Metals Manipulators” series of four to six parts (to be determined) starting a week out at Silver Market News Online---

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Edmund J. James was president of AAPSS, [1890](#)-1901, and he was a professor at the Rockefeller founded, and the Rockefeller funded, University of Chicago (1896-1901---“Who’s Who in America” 1914-1915 page 1232). The AAPSS is another front for the Money Power as seen at <https://www.aapss.org/about-us/board-of-directors/>

Simpson's son Alan also became a Republican Senator from Wyoming during 1979-1997 and was pals with Bonesman President George H.W. [Bush](#).

Next character---Wallace F. Bennett, Republican Senator from Utah (1951-1974) and a member of the Mormon Church. Utah and the Mormons historically have favored silver as money. At [Wiki](#) we read---



"In the late 1950s, the US Treasury became a begrudging supplier of silver at \$0.905 an ounce. Bennett warned that the lack of supply versus the high demand would cause the deficit to fall on the Treasury Stocks. By 1961, the Treasury Stocks had unnecessarily been depleted. In 1963, the government had only 30 million ounces of free silver, against the annual coinage requirement for the United States of more than 75 million ounces. The price of silver per ounce was now \$1.2929, but if the United States bought extra silver, the price would go above \$ 1.29. The Silver Purchase Act of 1963 was supported by Bennett and repealed "existing silver purchase requirements and the transfer of tax of silver bullion." It also allowed the Federal Reserve to issue \$1 and \$2 notes to replace "silver certificates or the denominations thus making 1.6 billion ounces of silver available to the United States Treasury."

"Bennett Spoke at a Convention of the American Mining Congress in 1963 declaring the coin and silver problem had reached a catastrophic

level. His views were face with much criticism. Two years later to function properly, the Treasury proposed a new set of coins. Bennett joined forces with the administration and worked on a solution, the [Coinage Act of 1965](#), which he got through Congress to be enacted into law.”

Wallace Bennet was a compromiser and he did vote in favor of the 1965 Coinage Act, withdrawing most silver from USA coinage, except the token amount of 40% in Kennedy half dollars, 1965 to 1970---even a Democrat from Utah voted against this Act---

| Utah |    |   |                  |
|------|----|---|------------------|
| Yea  | UT | R | Bennett, Wallace |
| Nay  | UT | D | Moss, Frank      |

Frank Moss was also a Mormon; “Who’s Who in America” 1970-1971 page 1624---

**MOSS, Frank Edward**, U.S. senator; b. Salt Lake City, Sept. 23, 1911; s. James Edward and Maud (Nixon) M.; B.A. with high honors, U. Utah, 1933; J.D., George Washington U., 1937; m. Phyllis Hart, June 20, 1934; children—Marilyn, Edward, Brian, Gordon. Admitted to Utah bar, 1938; practiced in Salt Lake City, 1939-42; atty., SEC, 1938-39; judge City Ct. of Salt Lake City, 1940-50; county atty., Salt Lake County, 1951-58; partner Moss & Hyde, Salt Lake City, 1951-55, Moss & Cowley, 1955-59; mem. U.S. Senate from Utah, 1959—. Dir. Cancer Soc. for Utah, 1951-52. Served from 2d Lt. to maj., USAAF, World War II. Mem. Am., Utah, Salt Lake County bar assns., Judge Advocates Assn. U.S., Nat. Assn. County and Pros. Attys. (pres. 1956-57, 57-58), Utah Assn. County Ofcls. (pres. 1955-56), Am. Legion, Vets. Fgn. Wars, Res. Officers Assn. (v.p. Utah), Air Res. Assn. (nat. v.p.), Air Force Assn., Utah Assn. UN, Phi Kappa Phi, Phi Delta Phi, Pi Kappa Alpha (past pres. alumni chpt., Washington). Democrat. Mem. Ch. of Jesus Christ of Latter Day Saints. Clubs: Lions (pres. 1956-57), U-Men's, Bonneville Knife and Fork (Salt Lake City); Beehive (U. Utah). Editor George Washington Law Rev., 1936-37. Office: New Senate Office Bldg., Washington.

The Congressional Record, Senate version, had a reprint of Senator Bennett's speech to the Northwest Mining Association--- the following comes from pages 1295, 1296 and 1297 of the Congressional Record for January 26, 1965---



As a preface to the speech, this was in U.S. News & World Report---



# WHY THERE'S OFFICIAL TALK OF ENDING SILVER MONEY

A run on silver is developing in the U. S. Treasury. Trouble shows up in two kinds of money:

## SILVER COINS

*Amount in circulation: \$2.5 billion.*

**PROBLEM:** Coins scarce, being rationed by banks. Millions of silver coins disappearing into hoarding. Demand way up. Minting being stepped up sharply as Treasury struggles to supply country's needs.



## SILVER CERTIFICATES

*Amount outstanding: \$1.7 billion.*

**PROBLEM:** Growing drain on Treasury silver reserve as people and businesses turn in these bills and demand silver in exchange. Most \$1 bills outstanding are silver certificates, payable in silver on demand.



**RESULT:** An official plan, now under study by the Treasury, to put an end to the use of silver for money. This would require approval by Congress.

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## COINAGE SYSTEM AND SILVER SHORTAGES

Mr. SIMPSON. Mr. President, on December 4, 1964, my good friend and colleague, Senator WALLACE F. BENNETT, delivered to the Northwest Mining Association a most important and significant speech which deserves the attention of the Congress and the administration.

This outstanding speech, which sets forth a constructive and positive program for dealing with our silver crisis, takes on special significance when we consider the fact that Senator BENNETT, who is the ranking Republican on the Senate Banking and Currency Committee and third ranking member of the Senate Finance Committee, 2 years ago accurately warned the Treasury Department of the crisis that we are now experiencing. Unfortunately, few people in Government realized the scholarly insight that Senator BENNETT had in regard to our coinage system and silver shortages.



After his extensive study of the **silver** problem, the senior Senator from Utah has come to the conclusion that—

First. We should mint no more **silver** dollars.

Second. We must have a change in our coinage system.

Third. The sooner the change begins the better.

Fourth. The change should disrupt our present system as little as possible.

Fifth. The transition will be a difficult period.

Sixth. The Treasury must hold the price of **silver** below \$1.38 until the transition is completed.

Seventh. The new coinage system must be one that will not need to be changed in the foreseeable future.

Eighth. Reduction rather than elimination of silver in our coins is most desirable, measured by the foregoing criteria.

Ninth. The price of silver, regardless of what is done must be released from the artificially low ceiling if we ever expect supply to equal demand.

Tenth. Congress must act on this matter early in the next session.

I recommend this excellent and thought-provoking speech to Members of Congress and to all the readers of the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the speech delivered by the senior Senator from Utah, WALLACE F. BENNETT, entitled, "Silver—1964 and 1965."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

### SILVER—1964 AND 1965

(By Senator WALLACE F. BENNETT before the Northwest Mining Association, Spokane, Wash., December 4, 1964)

During the past year, the U.S. Treasury stock of silver has been depleted by about 250 million ounces. The depletion during the last few months has been at a much higher rate. In fact, if today were an average day, our stockpile of silver would have dropped between 1 and 2 million ounces. This is literally a raid, legal though it may be, on Treasury silver. Yet the Treasury is unable under present conditions to stop it. It is a raid, because the price being paid for silver is significantly below what it would be if the free market forces of supply and demand were allowed to determine prices. The Treasury is unable to put a stop to the raid because to do so in the absence of prior action to protect our coinage would leave us stranded without coins with which to transact business.

The retail industry and vending machine business in particular were nearly sleepless with worry over prospective coin shortages during those times.

It is this dilemma that I have been asked to discuss with you today. Undoubtedly, our silver and coinage problems are going to be among the most urgent to face the next session of Congress which will convene just a month from now. Because of the tie between silver and our coinage system, this problem is not one concerning only the silver producers and users, but every citizen of this country as well.

#### PRESENT COINAGE SYSTEM BEGAN IN 1792

The coinage system which we now have dates back to the beginning of our country, and the first coinage act of the new Government in 1792. It has served well with minor changes since that time except during relatively short periods when inflation caused the silver value of the coins to surpass their monetary value and they were withdrawn from circulation.

We reached that same point again in 1963 when the first large-scale redemption of silver certificates took place at a price of \$1.293 an ounce.

You are well aware of what has happened to the silver dollar that we used to see circulating as a medium of exchange in the Western States. At the \$1.293 an ounce ceiling price held by the Treasury, they each contain \$1 worth of silver and have therefore all been withdrawn from circulation. If the Treasury had not continued to redeem silver certificates (which in effect amounts simply to selling silver to all who desire it whether they present silver certificates or not) the price would have continued to rise and our coins would have been withdrawn also as they became worth more as silver than they are as money. Thus the Treasury has had no alternative to selling silver to all who request it.

## 1296

### ARTIFICIAL LOW PRICE INCREASES CONSUMPTION AND DISCOURAGES PRODUCTION

Holding the price at an artificially low level has been costly in terms of outflow of silver from the Treasury because it has made it necessary for the Treasury to supply the large difference in the supply and demand of silver throughout the world.

Holding the price low has also aggravated the problem by increasing consumption and discouraging production.

A few figures on production and consumption will show what has happened. We must go back to 1940 to reach the last year when production and consumption of silver in the United States were approximately equal. In that year, industry, art, and coinage needs in the country were about 68 million ounces and our domestic mining industry was able to produce an equal amount. Last year, domestic production was 37 million ounces while domestic demand or consumption totaled 221 million. This left a deficit of 184 million ounces, as the United States produced only about one-sixth of its needs.

The same problem, though not to the same extreme, carried over into the world scene. Free world production last year was 210 million ounces while consumption was almost twice that amount at a figure of 419 million. Most of the difference was made up by the U.S. Treasury as 185 million ounces were withdrawn from the stockpile. It is estimated that the outflow this year will be about 265 million ounces and that it will be somewhere in the neighborhood of 350 million ounces in 1965.



WARNING ISSUED MORE THAN 1 YEAR AGO

Quite obviously, at this rate of withdrawal, the Treasury stock, of 1.3 billion ounces of silver will not last very long.

More than a year ago, I warned that the Treasury and Congress must take action within a year or two based on my estimates of demand on Treasury silver. At that time, others were estimating that we had between 10 and 20 years in which to take action. Most of those concerned with the problem have now changed their time schedule to coincide more nearly with mine, but I am disturbed by the statement of one Treasury official as late as the end of June that we still have an 8-year supply on hand.

Looking at the Treasury's own estimates for use of silver, we discover that by July of 1966, there would be a balance of only 774 million ounces of the present 1.3 billion unless we make a change in our coinage system. At that rate of usage, the balance would last less than an additional 2 years and that would leave us with no stockpile of silver, no way to hold the price, and thus no ability to protect our coinage system from withdrawal and collapse.



#### COINAGE CHANGE IS URGENT

Before our approximately 4-year supply of silver is used, we must have completed the changeover to a new coinage system or we will lose all of our coins, for their silver content. During the changeover, to prevent hoarding of present coins, the price of silver must be held below \$1.38 an ounce and with the present demands on the mint, the changeover which will include a replacement of all present dimes, quarters, and half dollars cannot be effected "overnight."

It is difficult to estimate just how long it will take to replace these silver-bearing coins because the mint is working at capacity, around the clock, right now just to meet present demands.

It is possible that by flooding the market with 8 to 9 billion coins during the next year, the present shortage will be alleviated and the demand for additional coinage may go back to normal.

Normal, according to an Arthur D. Little study made for the Treasury, would be something like 4 to 4½ billion pieces a year. Actually, the needs may run more in the area

of 6 billion pieces a year, but even at the lower figure, it would require 2 to 3 years at least to replace the present stock of 12 billion outstanding dimes, quarters, and half dollars while keeping up with the additional demand for all coins.

If it is going to require 2 or 3 years to make the transition to a new coinage system and the Treasury has only enough silver on hand (if every ounce of it were to be used leaving none for a defense stockpile) to last for 4 years, and the only way to hold the price and thus avoid hoarding of present coins is to sell this silver as demanded; the urgency of beginning the changeover in our coinage system as soon as possible should be clear.

At the close of the year 1970 when Treasury silver "auctions" ("giveaways") to members of the Silver Users Association ended, Congress established a 165MOZ silver reserve for strategic (military) needs for the future. Wall Street Journal---

*P 14 WSS*                      *NOV 13*  
**Price of Silver Declines** *1969*  
**At Government's Auction**

WASHINGTON—Prices slipped a bit at the Government's regular weekly silver auction with buyers paying between \$1.9071 and \$1.9311 an ounce.

At last week's sale, accepted bids ranged from \$1.915 to \$1.97 an ounce for the 89.7% to 90% fineness metal.

The Government sold some 1.3 million of the 1.5 million ounces offered at the latest sale, for a total payment of more than \$2.5 million.

The Treasury got much of that silver bullion from silver coin melts (bear in mind this was AFTER vast numbers of clad coins were issued) ---



As of 2001, that strategic stockpile was fully depleted due to Silver Users Association lobbying to bleed it off, and with full assistance from Pilgrims Society financiers and their kept members of both houses of Congress facilitating that theft and consequent potential imperilment of USA military service personnel.

**URGENCY DOES NOT WARRANT STAMPEDE INTO  
UNWISE ACTION**

Despite the urgency, this is no time to be stampeded into unwise action and unfounded proposals. I have been appalled at the many unsatisfactory legislative proposals which have received support from various groups. Unfortunately, none of the proposals made to date, nor for that matter, all of them combined, would provide a satisfactory solution or even assist in arriving at a satisfactory solution to this serious problem which we must meet and solve.

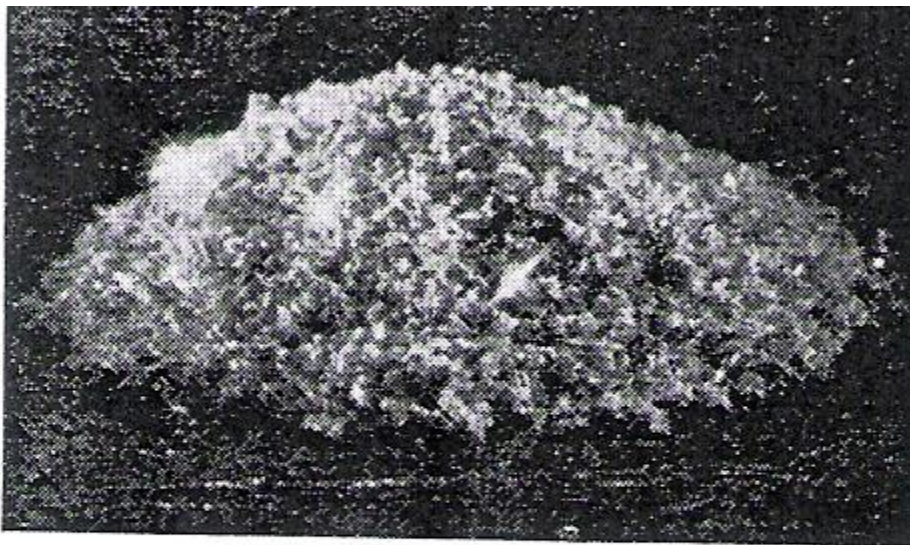
Several bills were drafted which would immediately double the price of **silver**. This may seem desirable from a producer's standpoint; but in the absence of prior action to protect our coinage, this would immediately drive all of our **silver**-bearing money into hoarding or the melting pot. It would also create chaos in the **silver** market and user industries.

It was realized that the way to prevent silver coinage from disappearing was to STOP stamping any nominal value on coins and instead to do as Hugo Salinas Price suggests, to stamp a weight on the coins and let the market determine their worth. This would have resulted in a currency that INCREASED in value---something The Pilgrims Society, being fiat money inflation barons, would never allow, as their goal all along has been to lower middle-class living standards.

A bill was introduced to prohibit redemption of silver certificates with bullion. The Treasury, as we have seen, must sell silver to hold the price and if it couldn't do it with bullion, it would have to mint dollars at an additional cost of \$1 million a year just to have them melted down for use by industry and the arts.

A bill was introduced and passed authorizing the minting of 45 million new silver dollars. Even though I am from a silver producing State and like silver dollars as well as any other westerner, I think that this was unwise legislation.

Many people were "gifted" with packets of silver granules, like jewelers silver casting shot, instead of Constitutional silver dollars, when seeking silver cert redemption. Don't do business with bullion sellers who don't know basic history such as this. If they tell you the October 1929 Crash caused the Great Depression, boycott them entirely!



**SILVER GRAINS.** The common dollar bill with its promise to pay in silver metal seems destined gradually to disappear.

I don't expect to ever see any of these circulating as a medium of exchange. I have heard that the offering price for them is above \$2 each even before they are minted. I would like to get a few for the coin collections of my grandchildren. You, too, may get a few as souvenirs of the first dollars minted since 1935 and likely the last containing full **silver** content ever to be minted.

Minting new dollars with 90-percent fine **silver** is indefensible. They will not add to our circulating coin or money supply. They will immediately be hoarded either as rare **coins** or for their **silver** content, and there is no justification for such action depleting our **silver** stocks by millions of ounces.

Minting full 90-percent **silver** dollars is also based on the assumption that the **silver** content in our **coins** will remain what it is now and that puts the Treasury in an indefensible situation of holding the price of **silver** at \$1.29 an ounce until every ounce of it is gone.

Another bill was introduced to reduce the **silver** content in the dollar from 90 percent to 80 percent. This would have made the **silver** value in our present **coins** greater compared to their monetary value than the **silver** content in the new dollars and could have resulted in withdrawal of all of our present subsidiary **coins**.

It has also been suggested (though I haven't seen a bill on this yet) to double the value of our subsidiary **coins**. In other words, the dime would be worth \$0.20, the quarter worth \$0.50, and the half dollar worth \$1. In spite of its seeming simplicity, I have not been able to see how it could reasonably be accomplished. I tried to deter-

*January 26, 1965*

mine how it would affect our monetary system and finally decided that it wasn't practical, or desirable. To be sure that I hadn't overlooked something, I asked the monetary authorities of the Treasury if they were seriously considering such a possibility. I was informed that they had heard of the idea, had considered it, and had rejected it. It is not being considered now.

As you know, the whole problem of silver and coinage is being studied by the Treasury. They have asked for the assistance of producers and consumers of silver as well as Government experts. The study should be completed and legislative suggestions given to the Congress about the first of April.

#### GUIDELINES FOR ACTION ARE CLEAR

I will not try to second-guess what the results of the intensive study will be but I would like to suggest a few points which I feel are very important.

First, we should not mint any more standard silver dollars. In addition to the 45 million already authorized, Treasury estimates of silver demand include 100 million to be minted in fiscal 1966. The estimate suggests that a total of 425,700,000 ounces of silver will be used to mint new silver dollars with a full 90-percent silver content. Using one-third of our present stock of silver to mint dollars which have no value other than a sentimental one is unwise, undesirable, and indefensible.



Second, there must be a change in the silver content of our coinage system. We cannot continue to mint coins with a full silver content for more than a few years. If we don't make the change before our supply is used, then our whole coin system will collapse.

Third, the sooner the change takes place, the better it will be in the long run for all concerned.

Fourth, it is desirable that the change be such that it disrupt our present system as little as possible.

Fifth, the transitional period is going to be the most difficult part of the change.

Sixth, during the transition, the Treasury must hold the price of silver below the \$1.38 level at which present coins would be worth as much for their silver content as they would be as money.

Seventh, the new coinage system must be such that it will not need to be changed in the foreseeable future.

#### EVIDENCE POINTS TO SILVER REDUCTION RATHER THAN ELIMINATION

Within this framework of guidelines, I have come to the conclusion after studying the many facets of our problem and considering the alternatives, that the most desirable solution is a reduction of the silver content rather than an elimination of all silver and replacement with a base metal. As would be expected, the decision is not a clear-cut one. There are certain advantages and disadvantages in various proposals for change, but all things considered, I feel that it is desirable to keep some of the silver content in the coins.

Let me briefly mention some factors leading to this conclusion. An adverse psychological reaction to complete abandonment of precious metal in our coinage system is highly possible. We have always had silver in our coinage since the beginning of our monetary system. Even our paper money Federal Reserve notes have 25 percent gold backing. Certainly a reduction in silver would be far less disrupting than complete abandonment. Although the value of our coins has seldom been dependent on their silver content, silver has had a stabilizing effect and whether based on sound monetary theory or not, has given confidence in our money. This has been particularly true since the withdrawal of gold in 1933. The fact that our coins have had intrinsic value and that it has been possible to redeem paper

WHAT?? Bennett knew Americans couldn't exchange FED notes for Treasury gold!

Start page 1297---

*January 26, 1965*

money for silver has allayed justifiable fears of a system which had nothing but printing press money.

Another item which has caused little concern in the recent past is counterfeiting of coins. A base coinage could make such operations profitable, if the spread between costs of producing coins and the monetary value of the coins were greatly increased.

A third factor of great importance is that the new **coins** should have electrical conductivity properties needed to make them acceptable in pay telephones, coin-operated dispensers, laundries, dry cleaning machines, etc. At the present time, some **silver** in the **coins** is necessary to meet this requirement. If the new **coins** do not meet this requirement, they would be rejected by the coin machines. They would then be inferior to present **silver-bearing coins**, a premium would be paid for present **coins** and the elements that cause Gresham's law to function would interact. This would cause the **silver bearing coins** to be withdrawn.

#### **SILVER** REDUCTION NEED NOT RESULT IN WITHDRAWAL

A Treasury official said in a hearing on the coin shortage last June that "if you cut the silver content of the coin, you would have to make a law against hoarding or melting existing **silver coins**. Otherwise everybody would take existing **coins** off the market because of the old economic law that cheap money drives out good money."

The law is Gresham's law to which I just referred. The law is a valid one, but we must remember that our choice is not between leaving the full **silver** content as now exists and reducing it to some lower percentage. The content must be reduced. The choice is between reduction and elimination.

Certainly, if the new **coins** were to have no **silver** content and were unacceptable in coin machines, we could expect existing **coins** to disappear but if the new **coins** do contain **silver** and are completely interchangeable with present ones in all of their uses, holding the price of **silver** below the price at which it would prove advantageous to hoard or melt them should discourage any withdrawal of present **coins**. The present **coins** would not be forth more either in terms of purchasing power or in terms of the new **coins**. Thus, it would not be strictly correct to call one good money and the other bad money.

#### ABANDONMENT OF **SILVER** IS NOT INEVITABLE

It has been claimed that anything less than complete abandonment of **silver** in our coinage is just postponing an inevitable abandonment which would result from a recurrence of a situation similar to that which we now face. I cannot agree with such a claim. While I will admit that such an event is possible decades from now, I think that it is by no means inevitable nor do I consider it to be probable.

I am not a metallurgist, but I understand that the **silver** content could be reduced to about one-third and combined with other metals could result in an attractive coin with electrical conductivity properties similar to our present **coins**.

FREE MARKET CAN ADJUST SUPPLY, PRICE, AND  
DEMAND

If the silver content of our coins were reduced to one-third, this would allow the price of silver to reach over \$4 an ounce before we would face a similar situation in which the silver content of our new coins equaled their monetary value. It is an economic law that as the price of a goods or service increases in the absence of offsetting increases in similar competing items, the relative demand for the one which increased in price declines. Long before the price of silver approached the \$4 an ounce mark, substitutes would replace and satisfy some of the market that is now being met by silver.

Not only would the demand decrease, but the increase in price would bring additional supplies of silver to the market, silver deposits which are not sufficiently high grade at today's prices would become profitable, exploration for new deposits would be stimulated, and mines that are now producing could well increase their production.

There is an indication that this is now starting to take place. U.S. production averaged 3 million ounces a month in 1962. In 1963, after the increase in silver price, the average monthly production rose to 3.8 million ounces and thus far this year it has approached an average of nearly 4 million ounces a month. Part of the increase may be as a result of firm lead and zinc prices, but we should not discount the power of increased silver prices to bring additional production. Recent estimates indicate a significant increase in silver production in the next few years.

I have pointed out that market forces will take care of the industrial and art needs for silver through price adjustments. What about our needs for coinage?

#### COINAGE COULD TRIPLE WITHOUT TREASURY SILVER

With a reduction to 30-percent silver, we could almost triple our stock of silver-bearing coins without using any of our present Treasury stockpile of silver.

We don't know exactly how many coins we will need each year in the future. The most reliable projections of needs are that as soon as the present shortage is overcome, demands will drop back to a steady increase as has been the case for decades. If the silver content is reduced so that individuals are not tempted to keep coins for their silver content, I agree with this position. Otherwise, I cannot.

In the Arthur D. Little study previously cited, it was estimated that we would need about 15 to 16 billion additional silver-bearing coins between now and 1980. That would give us a total of about 26 to 27 billion dimes, quarters, and half dollars at that time. Our present circulating coins have sufficient silver content to provide silver for about 36 billion coins at one-third their present silver content. This would give us silver enough to meet our coinage needs until almost 1990 without drawing any from the Treasury stockpile after the changeover begins.

It is very possible, even probable, that in the years between now and 1990, automation of transactions will have reduced substantially the number of coins needed. I envision the day in the not too distant future when business firms will be equipped to automatically transfer the amount of a purchase from the purchaser's bank or savings account to the business firm's account with no exchange of cash.

**SILVER AND COINAGE PROBLEM CONCLUSIONS  
REITERATED**

In conclusion, let me reiterate the conclusions I have come to through my study of our silver problem.

1. We should mint no more silver dollars.
2. We must have a change in our coinage system.
3. The sooner the change begins the better.
4. The change should disrupt our present system as little as possible.
5. The transition will be a difficult period.
6. The Treasury must hold the price of silver below \$1.38 until the transition is completed.
7. The new coinage system must be one that will not need to be changed in the foreseeable future.
8. Reduction rather than elimination of silver in our coins is most desirable, measured by the foregoing criteria.
9. The price of silver, regardless of what is done must be released from the artificially

The Silver Users Association and the highly concealed Pilgrims Society didn't agree with his planks #8 and #9; regardless, to coax some Western mining state votes, they tossed a mere crumb of 40% silver Kennedy half dollars, which were phased out entirely as of 1971. As for #6, establishment economists and university professors have denied in droves that both the Treasury and the Federal Reserve ever had any interest in controlling, capping, limiting, suppressing or managing the silver price---totally contradicted by vast evidence---these men are shameful liars! The speech's conclusion---



low ceiling if we ever expect supply to equal demand.

10. Congress must act on this matter early in the next session.

I leave it to readers to see both the logical, monetary and Constitutional flaws and the aspects of correctness in Senator Bennett's position. Watch for a four to six part series, "Mysterious Monetary Metals Manipulators" to be released here at Silver Market News Online, [www.silvermarketnews.com](http://www.silvermarketnews.com) beginning next week. It has to do with more than 100 members of The Pilgrims Society out of the leaked 1969 roster, because that's the nearest roster I have to the 1965 Coinage Act!

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