

THE SILVER RAIDERS

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The article title is a clear give-away to the content. We can only be referring to the members of the Silver Users Association. Founded in 1947 to get at what was the world's largest silver stockpile held by the U.S. government, and to do so at taxpayer subsidized rates, this organization has had fantastic success at its mission. As it became apparent that for the U.S. to continue with circulating 90% silver coins would mean silver shortages for the users and also higher prices, they successfully lobbied Congress, the Treasury and the Oval Office to have this country taken off silver coins so that they could access this metal. In order to maintain a flow of cheap silver to themselves, our last real money was phased out. This organization has been getting silver at rates below the cost of production, at least for most of its unfortunate existence. I don't know what you could compare them to in any other commodity, because this is the only users group in any commodity. If anyone can show why they are not an illegal shortside price fixing cartel in violation of antitrust law, regular readers of this website would like to see it. That would be like proving the great white shark isn't a marine predator. As you read this report you will recognize that any reasonable person would disagree with all their views, except for their support for recycling. There are two types of thieves, one who steals by charging too much, the other by paying too little. Observe the hypocrisy of the Silver Raiders (April 20, 1976, page 38) ---

“Walter Frankland Jr., executive vice president of the Silver Users Association, notes that “the price of silver over the past few years hasn't been determined by the pressures of supply and demand.” Rather, prices have fluctuated under the “domination of speculative movements,” he thinks.

Isn't that funny! As silver was rising in response to increasing scarcity matched with rising demand, he said the price increases were the fault of speculators! Whereas, with the price of silver being held so low by a huge

COMEX naked short position for decades, in defiance of supply-demand situation, that wouldn't be "domination of speculative movements." Those who decline to sell silver at throw-away prices, they defame with the term "hoarders;" and more so, concerning those who won't sell at any price. I propose to the contrary of this rhetoric, that we call ourselves, "silver savers." We reject and disavow their term "hoarders," because it implies we have no right to buy and retain silver. It suggests that only they, the Silver Raiders, the users, have any rights to silver. As silver savers, we "use" silver as savings, the same way as do the people of India. Let's conduct a review of the history of the Silver Raiders beginning with their battle to end silver coin use. As U.S. silver reserves were drained away, a period of rising prices began around 1970, then silver leasing from foreign central banks began around 1982 or so, according to Butler. However, in a forthcoming study I will release information documenting the roots of silver leasing extends back at least 70 years! Astronomers tell us the so-called "black holes" in space are the collapsed remnants of stars, where gravity is so powerful that not even light can escape; you could say, the Silver Users Association is silver's "black hole," except for India and the rest of us who refuse to commit silver suicide for their benefit. I thought about calling them the Silver Vampires or the Silver Kleptomaniacs, but Silver Raiders will do. Butler called them the Silver Managers. Someone said, "silver prices stay low till nearly everyone has given up on them, then they rise rapidly," as if this were an impersonal phenomenon; no---the Silver Managers or Silver Raiders have held the price low. A good way to get insight into the activity of the Silver Raiders is to evaluate some articles on the subject from the Wall Street Journal; especially in the period leading up to the end of the Constitutionally based silver coinage, and the silver raids that took place afterwards. We'll begin with the year 1961. (Some excerpts from the New York Times will be identified by the symbol NYT)---

SILVER RAIDERS 1961

"Senator Says U.S. is Selling Too Much at Low Price---Senator Alan Bible asked the Treasury Department today to re-examine what he termed a policy of selling too much silver at prices below the world market. The

Nevada Democrat said in a letter to Treasury Secretary Douglas Dillon that domestic silver production had been lagging behind consumption and that the Treasury's silver sales were controlling the market with an unrealistic ceiling. A world shortage of silver can only be eased by new production sources in North and South America, he said, "but not until the Treasury loosens restrictions upon producers here and in neighboring nations---a process far more effective than foreign aid programs." He said the Treasury had been selling silver in large quantities to domestic fabricators." March 19, 1961, page 78 (NYT)

"The Treasury for many years has been selling silver to industry from its free stocks at 91 cents an ounce at the San Francisco Mint to big Eastern consuming markets." July 17, 1961, page 6

"A group of thirteen western Democratic Senators, mainly from the silver states, where much of the metal is mined, sent to President Kennedy a joint letter asking that the Treasury stop selling silver. Sales by the Treasury are depressing both world and domestic silver prices, they said. Such protests by the silver bloc come periodically." August 19, 1961, page 22 (NYT)

"Sell off the remaining stock, as demanded by silver consumers." October 16, 1961, page 1

"Silver consumers argue the Treasury should keep selling from its "free" supply until it runs out. This, says Donald J. Ramsey, treasurer and Washington lobbyist for the Silver Users Association, would avoid the kind of sudden price rise that could result from an immediate halt in sales." October 16, 1961, page 1

"The Silver Users Association urges a different tack---one that would lessen the metal's role as a backing for paper currency." October 16, 1961, page 22

"Sales from the hoard by the Treasury have kept a tight lid on silver market prices. Industrial users know they can get Treasury silver at between 91 and 92 cents an ounce, and they thus refuse to pay more to producers of newly mined silver." October 16, 1961, page 22

“The silver interests---producers on the one hand and users on the other---have different ideas of what the Treasury should do about it. Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, presided at today’s meeting. He questioned some of the speakers. User interests like the price as it is.” October 17, 1961, page 60 (NYT)

“Government sales of silver not needed for currency backing have held a lid on market prices, holding quotations to just over 91 cents an ounce.” November 29, 1961, page 3

“Kodak says it has as much silver on hand as it is possible to normally stockpile.” November 29, 1961, page 3

“Silver producers received the news yesterday that President Kennedy had halted sales of nonmonetary silver to industry with undisguised glee. Silver users received it with shocked surprise.” November 29, 1961, page 61 (NYT)

“Spot silver prices soared to their highest level in 41 years in New York following Tuesday’s announcement by President Kennedy of sweeping changes in U.S. government silver policy, designed to put the metal on a free market basis. The first step was an immediate halt in Treasury sales from its “free” stocks unneeded to back paper currency.” November 30, 1961, page 3

“A spokesman at Handy & Harman said---“We are trying to get silver for our daily needs but producers have not yet offered enough at a price we are willing to pay.” November 30, 1961, page 3

“In recent years the industrial demand for silver (for photographic film, silverware, electronics, missiles, etc.) has increased enormously and silver users have been draining the government’s supply of silver.” November 30, 1961, page 36 (NYT)

COMMENTS

The quotations tell the story. Even before we were taken off silver coins, the Raiders were accessing Treasury (taxpayer) silver, at subsidized rates often below miners' cost of production. Mining and exploration was being suppressed all over the Western hemisphere by the shortside cartel, which formalized its existence in 1947. As of October 16, 1961, the Treasury had about 1.9 billion silver ounces, with most of that allocated to backing silver certificates---about 1.7 billion ounces, and that figure was to eventually be scaled down to zero. The "free" silver was the metal that wasn't allocated for silver certificate redemptions. The Treasury also held 107 million ounces in old silver dollars. We see here how dumping of silver by the Federal Government helped the users, and we know they extended this strategy later to as many foreign governments as they could induce to go along---in silver "leasing" (see for example August 14, 1995, page C-1 on lease rates.) Kodak said it had stockpiled some silver. Forty-two years later to today, none of the users can be so lucky. We should soon hear their outraged screams! Kennedy's moves to place silver into a free market would soon be overturned, led by Treasury Secretary Douglas Dillon, a second generation Wall Street financier whose firm, Dillon, Read & Company, participated in many securities underwritings for the likes of Du Pont, Kodak, and Union Carbide---members of the users association.

Dillon's associate Robert Roosa was a Rhodes scholar (British Empire activist) from Wall Street who came down on the side of the Silver Raiders. Silver producing states were derogatorily described as a "bloc," like the old Communist Eastern European Bloc of that time, when in fact, the Silver Raiders were the de facto "bloc" in the situation. Notice the bald-faced greed of Handy & Harman, they wanted silver from miners, but wanted it at a price that would cause them a loss. They "demanded" the Treasury dump our silver cheaply for their exclusive gain. It's typical of the Silver Raiders. Still, Frankland would make a comment to the effect that "silver miners have been lavishly compensated for their product" if he takes the occasion to do so. The former shareholders of Sunshine Mining Company, killed by too many years of low price silver rigging on the COMEX and allowed by the contaminated CFTC, should be first in line

to bring legal action! As the bumper sticker put out by the Nevada Mining Association says---“If it isn’t grown, it has to be mined!”

SILVER RAIDERS 1962

“Neither is it known what Red China’s future policy will be on silver sales, Handy & Harman said, adding that Red China sold an estimated 50,000,000 to 55,000,000 ounces to Western Europe in 1961. Red China withdrew from the world market at the time the Treasury stopped its sales and has not participated since.” January 16, 1962, page 43 (NYT)

“Handy & Harman, Englehard Accused of Holding Secret Meeting to Change Prices” (story headline) June 25, 1962, page 10

“A Federal Grand Jury in New York charged two companies with fixing prices of silver mill products. The indictment alleges the two companies have engaged since at least 1948 in a conspiracy marked by secret discussions prior to each major price change. As a result of these activities, the grand jury charged competition was suppressed and the price of silver mill products was driven to an artificially high level.” June 25, 1962, p. 10

“Many Users of Silver Fear New Price Rise Despite Prospects of Further Mexican Sales” (story headline) August 20, 1962, page 20

COMMENTS

It would be so interesting to have tapes of everything the Silver Raiders have discussed in secret over the years. Notice these two Silver Users Association companies were charged with price fixing dating back to just one year after the organization’s founding. They want to get it for next to nothing, then add steep markups. The Silver Users wasn’t formed as a mere social club. It was formed to drain away the world’s silver at theft rates. Apparently India is the only nation to have refused to cooperate with their plan of generosity to themselves at the dire expense of

everyone else, especially taxpayers and silver miners. Notice they were already active in a subversion to prod Mexican government silver dumping, 41 years ago! Red China has evidently long been involved in trading cheap silver for trading and other concessions---see any “made in China” labels at Wal-Mart? Apparently China is the last foreign government as of 2003 to dump silver for benefit of the Silver Raiders. As for the users fearing price rises, they do indeed. We shall soon ascertain whether they fear more a higher price, or no availability at all. As the Journal (March 3, 1980, page 28) said---

“Industrial users of the metal are distraught because its price continues to hover at near-record levels and doesn’t show signs of falling.”

SILVER RAIDERS 1963

“Repeal the stiff 50% special tax on profits made in buying and selling silver. The tax was imposed in 1934 to curb speculation, but the Treasury now won’t mind speculation as long as the metal’s ties with the currency system are cut.” January 31, 1963, page 6

“Until November 1961, the Treasury had been selling silver to private industrial users at about 91 cents an ounce. It halted such sales when its supply of silver not needed for currency backing was nearly exhausted. This removed the effective ceiling on silver market prices, and quotations quickly rose.” January 31, 1963, page 6

“This group hopes the final divorce of silver from Government protected monetary functions will have a psychological effect on silver markets around the world, pushing prices down.” January 31, 1963, page 6

“The \$1.29 price level would become an effective ceiling for silver (Dillon) said. He added this “should assure the silver users that the price will not rise much beyond its present market for a long time to come.” March 12, 1963, page 4

“Silversmiths and other users complained that the metal’s soaring price is swelling their costs. So long as there is the prospect of new Government silver purchases for silver certificates or coinage, they fear prices will continue their rise of the past 15 months. Government officials have said they will be forced to go into the market to buy silver unless the switch is made to Federal Reserve notes. If, however, silver was divorced from basic monetary functions, price stability would follow. Donald Ramsey, treasurer of the Silver Users Association, said what is needed now is the operation of a free commodity market for silver.” March 14, 1963, page

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“Bill Ending Silver Link to Paper Money” (headline) May 24, 1963, page 2

“The bill won massive support from New England lawmakers representing industrial users of silver because it is designed to put an upper ceiling on silver prices at \$1.29 an ounce. Until late 1961 the price of silver for years remained at 91 cents an ounce because of the Treasury’s willingness to sell industrial users its “free” silver not needed for currency backing. When the Treasury’s supply of “free” silver reached near-exhaustion in November 1961, the Treasury stopped selling the metal on the open market and prices began a steady climb toward their present level of \$1.29 an ounce.” May 24, 1963, page 2

“This price lid is welcome to industrial consumers.” June 6, 1963, page 26 (reference to the “monetary” price of silver, then \$1.29 per ounce.)

COMMENTS

Examining statements from 1963, we notice the Silver Raiders driving to disconnect silver from backing any U.S. currency, and to have us use Federal Reserve notes exclusively. But human nature cannot be changed. Silver is soon to be recognized as the most urgently demanded metal of all time---real and true money, in and of itself, regardless of which government or private mint coined it; regardless of any and all idiot economists who insist it isn’t money; and an industrial commodity exploding in price due to an acute mismatch of demand with availability.

Notice Treasury Secretary Dillon's chief concern was for the users, not for the taxpayers, nor did he have a concern for a solid monetary foundation based on precious metal. This Wall Streeter was from the same old-line Anglo-American aristocracy as many others. His daughter became Princess of Luxembourg, site of much financial intrigue, he was ambassador to Switzerland, 1953-1957, and owned large vineyards in France. The Silver Raiders have a passion for getting silver as cheaply as possible; however, their mark-up to the buying public tells a different tale. Their history indicates blindness to the fact that long-term price capping results in shortages. When their production lines are disrupted they should blame themselves, but being conniving hypocrites, they'll blame India, silver investors, and unhedged miners for prices they'll scream are the result of an "excess in speculation" when in fact, the rising prices are the end result of shortages caused by their lunatic price capping. Derivatives cannot make more silver available! In the entire world, the only force capable of increasing supply is a rising price---unless we want to violate centuries of legal tradition by overturning secure property rights, and even then the silver would have to be mined with slave labor, as used by Spanish Conquistadors! (Maybe the Silver Raiders have a secret plan called "Project Conquistador!") You don't hear jewelers raving angrily how they have to pay more for diamonds than in 1974, but in that year silver prices averaged about \$4.71 per ounce (January 30, 1978, page 22), adjusted for inflation over twice the price silver averaged in 2002! However, the users association was referred to by the Journal (October 26, 1979, page 48) as---

"Industrialists who see their companies profits endangered as silver's price rises."

Can we say it again; that the low price endangers silver miners, and with a rising price, all the users need do is pass the cost to the consumer.

SILVER RAIDERS 1964

"The 1,000 ounce bars of silver bullion the Treasury sells to industrial users..." March 25, 1964, page 11

“Dillon Halts Treasury’s Silver Dollar Sales; Kennedy Half Dollars Are Grabbed Quickly” (headline) March 26, 1964, page 6

“Treasury officials tried to calm the excitement by reemphasizing that the coins will be turned out for the next quarter of a century as the standard half dollar piece.” March 26, 1964, page 6

“Commercial concerns are big buyers of silver, but they always make their purchases in bar form, generally through Federal Reserve Banks.” March 27, 1964, page 10

“Silver consuming interests plug for an entirely new kind of coin that would keep the metal’s price where it is.” April 2, 1964, page 1

Summary---Donald J. Ramsey, retired rear admiral, chief Washington lobbyist for the Silver Users Association. April 2, 1964, page 16

“Handy & Harman proposes new coins with no silver.” August 17, 1964, page 4

**“The only big stock of silver maintained in the U.S. is the Treasury’s heap, and it’s being tapped increasingly for industrial needs as well as coinage. Since the entire world output of silver isn’t nearly enough to match rapidly rising industrial use, especially in photographic film and electronic components, American businesses are being allowed to buy up the Treasury’s bullion at an annual rate of 60 million ounces, with no end in sight; this program, which started about a year ago, keeps the market price of silver from rising much above its \$1.29 monetary value.”
September 10, 1964, page 1**

Summary---aluminum was under consideration as replacement for U.S. 90% silver coins! September 10, 1964, page 10

“It would take a miracle such as discovery of a rich new lode to replenish it (the Treasury) with newly mined metal, officials say.” September 10, 1964, page 1

**“Most officials aren’t of a mind to try to coax specialized silver mining firms into greater activity by pegging the price at some new height.”
September 10, 1964, page 10 (price was still \$1.29 per ounce)**

“New Uses for silver in solid fuel rockets, supersonic jets and special purpose batteries when added to conventional strategic uses make any shortage of silver a potential threat to national security.” September 16, 1964, page 9

“The American Mining Congress was told today that the silver dilemma which faces the United States Treasury stems from the fact that the price ceiling established by the Treasury was greater than the supply being produced at that price, Senator Wallace Bennett, Republican of Utah, said the only way demand can be met under these circumstances is to use up already existing stockpiles.” September 17, 1964, page 59 (NYT)

“Silver Stock Is Still Dwindling” (headline) October 13, 1964, page 8

“With world use having outstripped global production of silver for years, the Treasury’s stock of 1,330,000 ounces has become the major source for industry to fill the gap.” October 13, 1964, page 8

“That the stockpile is dwindling rapidly isn’t in dispute.” October 13, 1964, page 8

“Things aren’t going to be any better next year as demands on Treasury silver increase.” October 13, 1964, p. 8

“The stock could fall another 340 million ounces in 1965.” October 13, 1964, page 8

“The stockpile would be depleted in about four years if this rate of outflow were maintained.” October 13, 1964, page 8

“These industrial users would rather have more silver left for them--- preferably at a price lower than the fixed monetary value of \$1.29 an ounce, for which the Treasury sells it.” December 28, 1964, page 9

“Switching to transparent but tough glass discs, imprinted with President Kennedy’s photograph, or to lightweight aluminum coins.” December 28, 1964, page 9

COMMENTS

Considering news from 1964, we see the users were getting taxpayer-subsidized silver from the Treasury even before we were taken off silver coins. Small wonder the Silver Raiders were using the 12 Federal Reserve branch banks as dispensing locations for silver. We see what happens when silver coins are no longer produced---a run took place. We notice that even then, when a shortage was acknowledged, there were forceful attempts to cap the price, obstructing new supplies from mining. The idea of allowing the natural free market incentive of a price that could attempt to match supply with demand, was reprehensible to the government and the users. What did they think; eventually they could summon forth silver with a magician’s trick? Even in the midst of a recognized shortfall of silver, with added recognition that supply shortages could threaten national security, these brazen fools still opposed a price rise. They suggested we use glass or aluminum coins. In that sense, we were lucky to have gotten the nickel-plated copper fakes. As pressure on silver prices increased and industry wanted to get at all America’s silver, the vending machine industry feared they would get a death sentence. It was feared that Americans would snap up all silver coins, then later it was feared that the different physical characteristics of the proposed cupronickel coins would cause them to be rejected by their machines; these fears intensified in 1965. The low specific gravity of aluminum was the main reason we didn’t get aluminum coins. We saw a battle over silver in 1964. It will be seen as a sleepy affair compared to what’s almost upon us! 39 years ago it was admitted that it would take the miracle of a huge new silver find (like Cerro Rico at Potosi, Bolivia) to replenish Treasury silver supply. Far from being able to restore that now nonexistent silver, we won’t even be able to supply demand. The chance to buy silver and the right silver equities in this Twilight Zone environment of low \$5 silver prices, is similar to having a big bucket and

being turned loose on the “diamond beach” on the southwest African coast around 1890!

SILVER RAIDERS 1965

“If the present rate of decline in Treasury stocks isn’t slowed, total withdrawals in 1965 could amount to 400 million ounces, most of which would be for coinage and speculation rather than industrial use.” January 21, 1965, page 5 (statement by Handy & Harman)

“The Treasury will be most interested in preventing an increase in the price, in order to discourage hoarding.” January 21, 1965, page 5

“The Silver Users Association, at a financial press conference in the Park Lane Hotel, stressed that the Administration and Congress must act “without delay.” It warned that silver consumption in the non-communist world far exceeds production, which it was asserted, is “insufficient to cover either industrial or coinage requirements.” The silver users views were presented in a speech written by former Secretary of Commerce Sinclair Weeks. In his speech, Mr. Weeks was critical of the producing interests desire to retain silver in coins. In a later discussion, Adm. Donald J. Ramsey, U.S.N., retired, who is the Silver Users Association’s legislative counsel and treasurer, said that the silver deficit should “run to about 400 million ounces a year, based on available statistics, unless some change is made.” January 30, 1965, page 31 (NYT)

“U.S. mining industry members differ with the view of the Silver Users Association that silver should be eliminated from new coinage. The mine officials argue that keeping some silver in U.S. coins will foster respect for the Government at home and abroad, keep coin counterfeiting costly, and avoid massive revamping of vending machines attuned to the electrical qualities of silver.” February 1, 1965, page 7

“Sinclair Weeks, president of the Silver Users Association, said in a speech prepared for the press conference that the U.S. should eliminate the use of silver in coins as soon as possible. The Silver Users contend that nearly all of a year’s world silver production has been going for coinage, leaving little of the metal for constantly expanding industrial needs.” February 1, 1965, page 7

**“Silverless Sandwich Grows in Conjecture As Nation’s Next Coin”
(headline) March 25, 1965, page 23**

“Washington---The Treasury, hungry for a solution to its tightening silver pinch, is becoming strongly tempted by “sandwich” coins. A recipe under increasingly keen consideration is one calling for a disc of copper, sandwiched between layers of a cupro-nickel compound.” March 25, 1965, page 23

“The toughest problems probably will be political, strategists fear. The American Mining Congress already is fighting hard for legislation to prevent the silver content from dropping below 30%. This would keep the Treasury as a big user and support silver’s price, mine men say, but their chief public argument is that silver should be kept in coins to preserve the nation’s prestige abroad and to avert domestic fears that “debasement” of the coinage is a prelude to rampant inflation.” March 25, 1965, page 23

“Industrial users, nervously watching silver consumption outrun world production year after year, argue that silver shouldn’t be used at all in coins anymore. Their needs are increasing as more silver is used in photography, electronics and jewelry.” March 25, 1965, page 23

“An attempt will be made by some Eastern silver consuming industries to take all the silver out of half dollars as well.” June 7, 1965, page 3

(President Johnson speaking)---“I want to make it absolutely clear that these changes in our coinage will have no effect on the purchasing power of our coins. The new ones will be exchanged at full face value for the paper currency of the United States.” June 7, 1965, page 14

(Wall Street Journal reporter commenting)---“True enough; but the purchasing power of that famous paper currency has been steadily eroded by the selfsame Government in its pursuit of inflationary policies for more than 30 years. Given that bias, it is not surprising that our money is being more and more completely divorced from both gold and silver. The wholesale expunging of silver stands as one more symbol of the Federal progression toward fiat money, no matter how many silver linings the Government professes to see.” June 7, 1965, p. 14

“Elaborate price-fixing and control arrangements are requested from Congress in order to prevent hoarding or melting down of the existing silver coins.” June 7, 1965, page 14

**“Eastern industrial consumers of silver want it removed from coins, making more available for photographic film, electronics and jewelry.”
June 11, 1965, page 5**

**“Eastern Senators, representing silver consuming industries, sought to make more of the metal available for industrial use by ending the Government’s silver coinage consumption entirely.” June 25, 1965, page
22**

“Italy’s trade association of nonferrous metal industries will determine the annual quantity for which trading will be permitted on the basis of manufacturing requirements of applicant companies and their silver reserves.” July 6, 1965, page 10

COMMENTS

The Silver Raiders were and remain, the enemies of silver used as money. President Johnson functioned well as their saboteur, along with Douglas Dillon. Just wait until the real explosion of demand for silver in its rightful and historic role as money, takes place---all over the U.S., Canada, Mexico, Asia, the Arab states and South America, and, we would also think, places such as Spain, France and the rest of Europe and maybe China with its historic silver standard, happens---coupled with chronic

industrial shortages and depleted mining reserves---an explosion in silver price the likes of which we can hardly picture yet! The battle to keep some silver in coinage, namely, the 40% silver Kennedy halves, beginning with the 1965 date, was to finally fail, because the House Banking Committee was dominated by members from more populous silver consuming states, such as New York, New Jersey, Pennsylvania and Ohio, rather than the sparsely populated mining states of Nevada, Idaho and Montana. The silverless coins won out because the Silver Users Association commanded more lobby influence than groups like the American Mining Congress. Johnson's appalling statement that the new cupronickel slugs would be exchanged dollar for dollar at full face value for Federal Reserve notes shows that the extreme corruption of the Silver Raiders entered the nation's highest office. The recognized innate value of silver will always easily exceed that of any printed piece of paper. Note that even the perennially bearish Silver Users Association admitted that there was the prospect of a 400 million ounce silver deficit as of THIRTY-EIGHT YEARS AGO, except that they had us taken off silver coins, making the deficit smaller but still dangerous long-term. We also note that Italy had something similar to the Silver Users Association, but undoubtedly a far less powerful entity.

SILVER RAIDERS 1966

"The silver tagged for defense actually isn't a problem, the silver price managers say. The Office of Emergency Planning agreed last summer to let the Treasury dip into the defense reserve until mid-June 1968, if necessary. To meet critical national needs the pact says, the Treasury could use all of it either to exchange for silver certificates or to sell outright during transition to the new coinage. The Government could act to free the silver held as backing for silver certificates. President Johnson with a stroke of the pen can decide than an emergency exists and order all silver certificates called in, as was done with gold certificates in 1934. But Treasury authorities contend it is more likely that Congress would void their claim on silver, allowing holders to exchange them for Federal Reserve notes." June 27, 1966, page 24

“Some silver traders are less sanguine about the Treasury’s ability to hold prices down. Silver is a world commodity, so influences outside the U.S. play an important role in what happens to the metal here.” June 27, 1966, page 24

“Treasury officials assert that the return to a free market in silver won’t mean a high price for very long.” June 27, 1966, page 24

“The switch to silverless quarters and dimes and to half dollars with a lower silver content has drastically trimmed Government silver use.” June 27, 1966, page 24

“A decision to use pure nickel rather than silver for the production of Canadian dimes, quarters and 50-cent pieces, beginning sometime in 1968, was announced by Finance Minister Mitchell Sharp. He said silver is becoming too scarce and valuable to be used for coin production. Mr. Sharp said Canada is one of the few countries in the world still using coins made of silver. Most others, including Britain and the U.S., have already started using cheaper metals.” December 27, 1966, page 10

COMMENTS

The Silver Raiders were preparing to end the silver certificate program so that they could access the remaining Treasury silver. First they talk about silver for defense, then they mention critical national needs, meaning the needs of the Silver Raiders. Apparently their needs outweigh defense needs. Their machinations were also underway north of the border. Their intentions attained fuller scope and effect in 1967.

SILVER RAIDERS 1967

“Treasury Secretary Fowler, in sending Congress the Treasury’s plan to stretch its silver stockpile, said about \$150 million in silver certificates probably could be written off immediately if the legislation is enacted. The Treasury issues silver from its stockpile at the fixed price of \$1.29 an

ounce to keep the market price from going high enough to make melting profitable. But because of the legal need to hold silver as backing for the \$558,352,779 of silver certificates currently outstanding, the Treasury had as of last Friday only \$139,388,740 of “free silver” immediately available for sale out of its stockpile of bullion and silver dollars.” March 23, 1967, page 5

**“Johnson Names Eight To Study Commission On Coinage and Silver”
(headline) May 2, 1967, page 7**

“The Mexican government asked the U.S. to end its price supports for silver. Mexico, the world’s largest silver producer, said such an action would enable it to get higher prices for the metal and encourage new discoveries and production.” May 18, 1967, page 4

“Treasury Takes Steps to Protect Silver Stockpile” (headline) May 19, 1967, page 2

“Sales Limited to ‘Legitimate’ Domestic Users; Export and Melting of Coins Banned” (subtitle) May 19, 1967, page 2

“The U.S. Treasury halted sales of its silver for export and limited sales of the metal to legitimate domestic concerns which use silver in their businesses. The Treasury also banned the melting, treatment and export of silver coins, effective immediately. The department said its actions were due to “a rapid increase in the amount of purchases” from its silver stockpile. Such purchases have risen at an unprecedented rate in the past week and, if unchecked, could lead to exhaustion of silver supplies the Treasury is authorized to sell. This, in turn, could lead to “excessive hoarding of silver coins needed in our national economy” and to disorderly speculative dealings in silver,” the Treasury said.” May 19, 1967, page 2

“While a Presidential commission has yet to start preparing plans for an eventual end to the Treasury’s policy of silver sales to hold down the price, the department said it expects by year end to have enough new silverless coins to meet the country’s needs. Planners have figured they

**could end the price-controlling operation when this point was reached.”
May 19, 1967, page 2**

“As of Wednesday, the Treasury said its supply of “free silver” available for sale was down to 54.5 million ounces, assuming that all pending orders on hand would be filled. The latest regular Treasury statement showed about 81.5 million ounces of free silver, but this total didn’t allow for pending orders.” May 19, 1967, page 2

“The rest of the Treasury’s stock of some 507 million ounces is legally earmarked for redemption of outstanding silver certificates, although the Administration has asked Congress for the power to write off enough of these to free an additional 116 million ounces. The bill would end the redemptions altogether one year after enactment.” May 19, 1967, page 2

“The trading in New York was for a record 1,281 contracts each of 10,000 ounces with about 38 additional contracts unfilled because of a lack of sellers. The previous record was 444 contracts traded. The rise in silver prices has been under way since the beginning of this month. After the Treasury’s announcement, which came late in the afternoon, prices of mining issues on the Pacific Coast Stock Exchange closed higher than their close on New York exchanges.” May 19, 1967, page 2

“The Treasury said that even pending orders for its silver will be filled only upon completion of “end use certificates” attesting that the metal will be used for “normal business operations.” May 19, 1967, page 2

“Under the new policy, exports of Treasury silver are banned and domestic sales are limited to legitimate consumers. Also, the melting, treating and export of silver coins are prohibited.” May 22, 1967, page 4

“Federal Reserve Banks accepted payment in U.S. currency or a cashier check for purchases of silver bullion or bars weighing 1,000 ounces or more. Now, purchasers are required to either present an end-user certificate proving they qualify as a legitimate consumer or else make payment in silver certificates.” May 22, 1967, page 4

Summary---article mentioned government “efforts to control the price of silver” and the “price-controlling operation.” May 24, 1967, page 8

“Unequal market pressures were set to work around the world. U.S. makers of photographic film, tableware, electronic equipment and other legitimate domestic businesses, as well as metals processors serving as middlemen between the Treasury stock of raw silver and industry, are the only consumers retaining access to the fixed price government metal. Speculators in the U.S., along with all foreign customers, were left to fend in the market, where for years demand has outstripped supply by a good margin. The imbalance yielded predictable results; silver futures traded at speculative commodity markets here and abroad have skyrocketed on the assumption the metal will grow more valuable, while the price to non-U.S. businesses has also risen spectacularly. Such price disparities may draw available supplies to the higher rates. Heretofore, suppliers usually didn’t worry about destination of their shipments because the Treasury was setting an effective price ceiling throughout the world.” May 29, 1967, page 14

**“Silver Price Rise May Enlarge Prospects of a Renewed Hoarding Binge”
(headline) June 1, 1967, page 1**

“The Canadian government moved to speed the conversion of dimes and quarters to an all-nickel content from the mainly silver composition. Mitchell Sharp, finance minister, said the government has authorized the Canadian mint to begin preparing for such a move immediately. The changeover has been scheduled to begin sometime next year. It’s expected now that nickel 10 cent and 25 cent pieces can be issued as early as this fall.” June 6, 1967, page 12

**“Senate Approves Bill To Permit Write-Off of Silver Certificates”
(headline) June 6, 1967, page 12**

“The Senate approved a bill that would allow the Treasury to free an estimated 116 million ounces of silver in its stock by writing off a portion of outstanding silver certificates.” June 6, 1967, page 12

“The U.S. Senate passed the bill that would permit the Treasury to remove the silver that backs \$550 million of U.S. silver certificates next year.” June 8, 1967, page 11

“The Treasury quit selling silver at \$1.29 an ounce to industry, and manufacturers must buy supplies at the going rate from the General Services Administration or other sources.” July 18, 1967, page 2

“Treasury Silver Will Be Offered To Bidders Aug. 4” (headline) July 24, 1967, page 4

“GSA’s Initial Sale Is Slated At 4 Million Ounces; Some Firms Seem Dissatisfied” (subtitle) July 24, 1967, p. 4

“The General Services Administration will begin selling surplus U.S. Treasury silver to domestic consumers through sealed bids August 4. A total of 4 million troy ounces will be offered at the initial Aug. 4 sale, then the offerings will drop to 2 million troy ounces each Friday. The category embracing both large and small businesses will bid for a total of 3,400,000 troy ounces at the initial sale, while the remaining 600,000 troy ounces will be reserved for small users only. Later sales will offer 1,700,000 troy ounces to the large and small consumers and 300,000 to small users only. The GSA offerings are expected to draw bids at the current open-market price level, which is substantially higher than the Treasury’s former \$1.29 rate. Bullion dealers, futures traders and leading metals fabricators are all charging just under \$1.90 a troy ounce, about 45% above the old fixed price. These skyrocketing silver quotes have led to a number of retail price boosts by manufacturers of a wide range of silver dependent consumer products. Latest to join the growing list was Eastman Kodak Co., Rochester, N.Y., generally considered the world’s largest consumer of silver.” July 24, 1967, page 4

“The Treasury’s first step was to ban exports of U.S. owned silver and restrict domestic sales to qualified industrial users.” July 24, 1967, page 4

“Coin Hoarding Is Expanded As The Treasury Joins In” (headline) July 24, 1967, page 4

“The Treasury’s out to out-ward the coin hoarders, Government silver sleuths are quietly plucking out old dimes and quarters when, in their normal flow, the coins reach Federal Reserve Banks. The old coins, which are 90% silver, are being set aside and replaced by newer ones made of copper and nickel.” July 24, 1967, page 4

“GSA sells 3,038,000 Troy ounces of Silver to Seven Big Concerns” (headline) August 7, 1967, page 6 (Englehard got 1,575,000 oz.)

“Facing an impending silver shortage, the Federal Reserve banks are holding back all circulated coins as they come in, including the “silver clad” types first minted in 1965. The coins are filling up storage space so fast the New York bank has shipped some to the Philadelphia mint and the Manhattan assay office. It wants them should it become necessary to melt them down.” August 14, 1967, page 18

“The continued sale of silver to industrial users.” October 13, 1967, page 22

“The Treasury Department expects to begin melting silver coins after Christmas to help accumulate enough silver for domestic use into the 1970’s. Robert A. Wallace, Assistant Secretary of the Treasury, said the department expects to have between 350 million and 425 million ounces of silver in bars and coins by next June 24, enough to supply industry for three to four years. June 24 is the deadline for Americans to turn in their silver certificates---one type of paper money issued between 1929 and the early 1960’s---for silver.” October 25, 1967, page 23

“Copper Strike Cuts Silver Supply; U.S. Helps Users” (headline) October 26, 1967, page 1

“Mining people aren’t too optimistic about new production from mines digging exclusively for silver. They think the big lodes of the 1800’s aren’t around any more.” November 20, 1967, page 28

“Dozen or so weekly buyers of Government silver” December 24, 1967, page 24

COMMENTS

The chronology of quotations is revealing. By 1967 we had a different Treasury Secretary, but not one with different intentions. Fowler moved to “protect” the silver stockpile---but from whom? Not from the users, but from those who would claim silver by presenting silver certificates for redemption! Notice that the only entities to be allowed to submit bids for Treasury silver through the General Services Administration were “qualified industrial users,” “legitimate domestic concerns,” or “legitimate domestic users,” meaning, they had to be members of the Silver Users Association, right? To present an additional barrier to those outside this charmed circle, they also had to present “end use certificates,” presumably these could only be obtained through Silver Users Association headquarters. Notice the reference to “large and small consumers.” The two-tier system appears to reference the fact that some of the Silver Raider companies are larger silver users than others; for instance, Kodak is a bigger user than Tiffany, who called a price of \$2.59 an ounce for silver “crazy” (NYT, June 19, 1973, page 49.) Understand, these people never had to ride a burro across a blazing desert and swing a pickax to dig silver out of the ground! They want miners to high-grade their best ore and give-away the shareholders future so more silver can be had dirt-cheap.

The Silver Raiders are like a gang---some members naturally are larger than others, yet they share a common intention. “Category A” offerings were designated for the biggest Silver Raiders (June 25, 1968, page 14.) They were referred to as “big bidders” (September 11, 1968, page 4.) To increase supply to the Silver Raiders, silver export was banned, as was coin melting, and the pickpockets at the 12 Federal Reserve branch banks were mobilized to sift out silver coins from the new slugs that they foisted on the public. They also induced Canada to go off silver coins, presumably so the Canadian subsidiaries of Du Pont, Kodak and Union Carbide could raid the silver. The May 29 article spoke of the Treasury having set an effective price ceiling throughout the world---like leasing has been doing for many years! Mexico complained to the co-conspirators in the District of Columbia about the artificial price ceiling, and got no action. The

Mexicans knew the recipe for increased silver output---“higher prices,” something even a low-grade moron would understand, but the Silver Raiders were addicted to give-away prices. It calls to mind the scene from “The Rifleman,” TV western of the early 1960’s, in which the outlaw walked away from the stable with a young man’s horse, the boy protested the horse was his, but flipping a coin to the youth, the bad man said---

“I just bought him!”

Next, the Silver Raiders clamped down with a tighter grip and prevented those outside their circle from accessing the cheap subsidized metal. The last article noted, “U.S. Helps Users,” yeah, the irresponsible Fed’s have been helping the users for many years, to the detriment of everyone else.

The Commission on Coinage and Silver was a tentacle sent out by the Silver Raiders. Its members included Harry Harrington, chairman of Boatmen’s National Bank, and a director of the Federal Reserve Bank of Saint Louis and ironically, a member of the St. Louis Crime Commission. Recall that the Federal Reserve branch banks were sifting out the silver coins so the Silver Raiders could have that metal. Harrington was also a Knight of Malta, an organization of wealthy men once headed by chemical magnate J. Peter Grace of Citibank. Another coinage commission member was Samuel Fleming of Third National Bank, Nashville, and a trustee of Vanderbilt University. The Vanderbilts have been shoulder to shoulder with the silver using Du Ponts for many years, as the daughter of a former head of Chemical Bank (a reference to the Du Ponts), New York, married Alfred Vanderbilt. Fleming was president of the American Bankers Association in 1961 (bankers don’t like silver as money) and was a member of the Newcomen Society of England, a British Empire organization named after the inventor of the steam engine.

Other coinage commission members included William Decker of Corning Glass (Houghton family, Citigroup); Edward Foley, undersecretary of the Treasury, 1948-1953, who was a trustee of the Franklin D. Roosevelt Foundation for over 22 years (remember what FDR did with gold and silver) and a trustee of the John F. Kennedy Library; Joseph Barr, undersecretary of the Treasury who later headed American Security & Trust and the Washington Redskins; Henry Fowler, secretary of the

Treasury who was with a Vanderbilt family project, the Tennessee Valley Authority, in 1934-1938---after leaving Treasury, he became a Goldman Sachs partner in 1969 and board member of Corning Glass (Houghton family, Citigroup), Norfolk & Western Railway (of our present Treasury chief, John Snow), U.S. Industries, and U.S. & Foreign Securities Corporation (another director was Douglas Dillon, previous anti-silver Treasury secretary); and such newspaper magnates as Amon Carter Jr. of the Fort Worth, Texas Star Telegram and Eugene Pulliam of the Indianapolis Star who was a director of the American Newspaper Publishers Association and the American Press Institute. If you're going to grab the silver, you need media to propagandize for you!

Interestingly, Decker, Fleming and Fowler were members of the Links Club, New York, and Foley was a member of the Recess Club, New York, while Dillon was a member of both high-powered clubs---like some of our COMEX personalities today! Probably some Kodak, Du Pont and Dow directors are Links members. Mining sources observed that the great silver deposits of the past were tapped out; but the metal extracted from them was still part of stockpiles. In 2003, now that we're reaching the end of that supply, the great geological reserves of yesteryear don't exist. Let's repeat that---the immense silver ore bodies of centuries past don't exist! Neither Pascua-Llama nor San Cristobal nor Cannington is of the magnitude of a Cerro Rico or a Comstock Lode! What silver remains, therefore, will command staggering prices! Having arrived in our progression at the year 1967, the initial year of silver sales conducted by the GSA for the Silver Raiders and their closed parasitical system, we will list the sales below to the "dozen or so weekly buyers" not quite identified by the Journal. Before we begin, observe that although "sealed bids" were to be submitted for the silver, we find such article headline titles in the Journal as---

"Silver Bid Awards Lower" August 14, 1967, page 18

"Silver Prices Ease In GSA's Third Weekly Sale" August 21, 1967, page 3

"GSA's Weekly Silver Price Falls in Fifth Sale to Users" September 5, 1967, page 6

“Silver Prices Subside” December 4, 1967, page 28

**“Treasury Silver Draws Lower Prices Than Paid At the Previous Auction”
December 26, 1967, page 2**

Is it strange that at a regularly scheduled, sealed-bid auction, where various interests are allegedly competing with each other for a limited supply, that prices should often fall? No, not when considering the Silver Raiders! The NYT of November 29, 1970, section II, page 44, called them “competitive sealed bids!” What a joke!

BLEEDING TREASURY SILVER DRY--- 1967 AUCTIONS

August 8, 1967, page	
10.....	3,342,000 ounces
August 14, 1967, page 18.....	
	2,191,000 ounces
August 21, 1967, page 3.....	
.....	2,037,000 ounces
August 28, 1967, page 15.....	
	1,456,000 ounces
September 5, 1967, page 6.....	
.....	1,610,000 ounces
September 11, 1967, page 3.....	
	2,121,000 ounces
September 18, 1967, page	
7.....	1,645,000 ounces

September 25, 1967, page 28.....	2,289,000 ounces
October 2, 1967, page 4.....	1,995,000 ounces
October 9, 1967, page 12.....	1,519,000 ounces
October 23, 1967, page 15.....	210,000 ounces
October 30, 1967, page 13.....	1,855,000 ounces
November 14, 1967, page 12.....	945,000 ounces
November 20, 1967, page 28.....	1,050,000 ounces
December 4, 1967, page 28.....	1,610,000 ounces
December 11, 1967, page 6.....	1,785,000 ounces
December 26, 1967, page 2.....	2,002,000 ounces
TOTAL FOR 1967.....	29,662,000
	ounces

Prices ranged from \$1.62 to \$2.07 per ounce, with slight fineness variations in silver purity.

SILVER RAIDERS 1968

“Hoarders Accelerate Rush for Silver Coins, Mainly on Hope U.S. Will Drop Melting Ban” (headline) January 19, 1968, page 14

“The Treasury wants to melt coins exclusively so the Government can continue to help supply industrial silver needs, which far exceed domestic production. Federal Reserve bank bins are bulging with coins with a total silver content of about 210 million ounces, another Treasury official estimates.” January 19, 1968, page 14

“The Treasury said it plans to melt part of its silver coin supply to make additional free silver available.” March 4, 1968, page 4

“The ban on melting silver coins by private holders should be continued indefinitely, the commission agreed.” March 4, 1968, page 4 (reference to Joint Commission on Coinage)

Summary---“Planeloads” of Swiss silver coins were shipped out to West Germany and melted for industrial use, just 1 week before the Swiss government banned export or melting of Swiss silver coins. March 26, 1968, page 34

“Some analysts believe the price of silver could fall below \$2 in the not too distant future despite the fact that demand outstrips supply.” April 9, 1968, page 33

“I’m decidedly bearish on silver stocks and I expect to continue that way.” April 9, 1968, page 33

“About 265 million ounces are expected to be recovered from official melting.” April 29, 1968, page 26 (U.S. Mints melting 90% silver coins for bullion to sell to Silver Raiders.)

**“GSA Plans Offering of Silver Bullion From Melting of Coins” (headline)
April 30, 1968, page 9 (1,689,000 ounces offered by Treasury to “large
companies.”)**

**“Three Men Charged With Melting Coins To Reclaim Silver” (headline)
April 30, 1968, page 9**

**“Tucson---3 men with two tons of dimes & quarters & a small smelter at
airport arrested by U.S. Secret Service. The law, which makes it illegal for
anyone but the Treasury Department to melt down a coin, has been in
effect since May 19, 1967.” April 30, 1968, page 9**

**“By law, Treasury to stop exchanging silver for silver certificates on June
24, 1968.” (retroactive quote) October 13, 1968, page 22**

**“Two men were arraigned in Federal court accused of trying to capitalize
on the high price of silver by illegally melting down U.S. coins.” December
5, 1968, page 29**

**Silver Users Association recommended U.S. stop using silver in 40% half
dollars “and to remove the ban on melting silver coins in certain
circumstances.” December 6, 1968, page 16**

COMMENTS

**The Silver Raiders were as active in 1968 as any pillaging Roman legion
ever was. Only they were supposed to get benefits by having silver coins
melted down for them. People were arrested for having the temerity to
think they had the same legal rights as the Silver Raiders, to profit in
silver. The 2 men who were charged with melting coins, were turned in to
the Secret Service division of the Treasury Department by Englehard
officials---members of the Silver Raiders! Then, when these Silver Raiders
proposed that the ban on melting of silver coins be lifted, be assured the
“certain circumstances” they were referring to would be when THEY were
doing the melting, as “qualified industrial users with end use certificates.”
The Silver Users Association induced the Federal Government into being**

their functionary in looting taxpayer owned material. Words were spoken about the alleged profit the sales brought in; however, how can a profit really be figured when replacement cost isn't factored in? The Silver Raiders staged a large-scale raid on Swiss silver coins just before that window slammed shut!

Like a cancer that starts in one place and spreads, so has their Silver Raiding! Of significance to this raid on Swiss silver coins, is the fact that in July 1969, new U.S. Ambassador to West Germany, Kenneth Rush, arrived. He came to that post immediately after leaving the executive committee of Union Carbide Corporation---Silver Users Association member! From 1982 through 1989 Rush was chairman of the Council of American Ambassadors---perhaps he was there to help coordinate silver leasing from foreign central banks! From 1983 through 1989 Rush was also chairman of the Supreme Court Historical Society---maybe they want a favorable ruling someday against silver "hoarders!" The Silver Raiders had operatives in the analyst and stock brokerage community spreading the view that silver prices would fall, and that silver mining shares were bad, even in the midst of the shortage, then extant for at least 19 years! The Silver Raiders want what belongs to other owners---silver. And they don't want to pay anything to get it. Like the renewed shorting of COMEX silver in the face of certain delivery defaults on the near horizon, 2003! Let an echo from the past disturb the sleep of any silver short reading this (May 10, 1968, page 28) ---

"Said one dealer---I certainly don't want to have a short position in the market. He said he was referring to commitments in the silver futures market."

Another item that sounds like tomorrow's news (November 22, 1978, page 38) ---

"One of the players on the other side, a holder of obligations to deliver silver rather than receive it, professes to be bleeding to death."

Also speaking to the unfolding situation as 2003 moves on, we find (October 26, 1979, page 48) ---

“The possibility of a delivery squeeze always brings near-panic to a commodities exchange, and the current silver boom is no exception.”

BLEEDING TREASURY SILVER DRY--- 1968 GIVEAWAYS

“Silver Sale by GSA Marked by Continuation of Declines in Prices” January 22, 1968, page 6

“Silver Prices Fall Again at Government Auction” January 29, 1968, page 5

“Surplus Federal Silver Brings Lower Prices At the Weekly Sale” February 12, 1968, page 3

“Government Silver Prices Declined in Latest Auction” March 25, 1968, page 13

“Silver Prices Plunge At Government Auction” April 8, 1968, page 27

“Fine Silver Price Fell At the Latest Auction” May 27, 1968, page 28

“Silver Prices Decrease At Government Auction” June 3, 1968, page 20

“Silver Prices Decline For Top Quality Metal” June 17, 1968, page 11

“Silver Prices Decline At Weekly GSA Sale” June 24, 1968, page 22

“Silver Prices Decline At the Latest Auction” July 8, 1968, page 19

“Silver Prices Tumble At the Weekly Auction” July 15, 1968, page 26

“Silver Prices Decline At GSA Weekly Auction” July 29, 1968, page 2

“Silver Prices Decline At Government Auction” August 7, 1968, page 20

**“Silver Bullion Prices Fall At Weekly Federal Auction” September 11, 1968,
page 4**

**“Bids for Silver Show Decline At Weekly Government Sale” October 9,
1968, page 30**

**“Silver Prices Decline Again At Government Silver Sale” October 16, 1968,
page 30**

**“Silver Prices Again Decline at Weekly Government Sale” October 23,
1968, page 6**

**“Government Silver Auction Prices Fall From Week Ago” December 4,
1968, page 11**

**Bravo, Silver Raiders! In the environment of “competitive sealed bids,”
silver prices frequently plunged and tumbled! Does anyone sense
collusion at Silver Users HQ before the auctions? Was there intermarriage
between their offspring and that of Treasury and GSA officials, or were
they just members of the same country clubs? Let’s now look at the
actual weekly auctions (not held every week actually) and the amounts of
silver the government threw at the Silver Raiders at taxpayer expense
(prices ranged from \$1.67 to \$2.41 per ounce, grades ranged from 89.7%
to 99.99%)---**

**January 2, 1968, page 5.....
.....840,000 ounces**

**January 8, 1968, page 3.....
....1,225,000 ounces**

**January 15, 1968, page
13.....2,219,000 ounces**

**January 22, 1968, page 6.....
1,673,000 ounces**

January 29, 1968, page
 5.....2,070,000 ounces

February 12, 1968, page 3.....
1,983,000 ounces

February 19, 1968, page
 6.....2,153,000 ounces

February 26, 1968, page 24.....
2,896,000 ounces

March 11, 1968, page
 2.....1,741,000 ounces

March 25, 1968, page 13.....
 1,635,000 ounces

April 1, 1968, page 26.....
1,880,000 ounces

April 8, 1968, page 27.....
2,016,000 ounces

April 15, 1968, page 26.....
1,357,000 ounces

April 22, 1968, page 28,.....
 1,545,000 ounces

April 29, 1968, page 26.....840,000
 ounces

May 6, 1968, page 25.....1,225,000
 ounces

May 13, 1968, page 4.....	1,695,000 ounces
May 20, 1968, page 3.....	1,872,000 ounces
May 27, 1968, page 28.....	1,134,000 ounces
June 3, 1968, page 20.....	1,483,000 ounces
June 10, 1968, page 26.....	1,903,000 ounces
June 17, 1968, page 15.....	1,668,000 ounces
June 24, 1968, page 22.....	1,291,000 ounces
July 1, 1968, page 10.....	AMOUNT NOT STATED
July 8, 1968, page 19.....	731,000 ounces
July 15, 1968, page 26.....	684,000 ounces
July 22, 1968, page 10.....	1,572,000 ounces
July 29, 1968, page 2.....	1,651,000 ounces
August 7, 1968, page 20.....	1,113,000 ounces

November 13, 1968, page 30.....
917,000 ounces

November 20, 1968, page 2.....
1,600,000 ounces

November 27, 1968, page
8.....1,700,000 ounces

December 4, 1968, page 11.....
.....1,100,000 ounces

December 11, 1968, page 3.....
1,400,000 ounces

December 18, 1968, page 27.....
.....1,400,000 ounces

December 26, 1968, page 3.....
.....1,400,000 ounces

TOTAL FOR 1968.....73,984,000
ounces

TOTAL FOR 1968 (using average amount of known sales to serve for July 1
sale)....75,525,000 oz

SILVER RAIDERS 1969

**“Ban on Melting, Export of Silver Coins is Lifted” (headline) May 13, 1969,
page 2**

**“In May 1967, when the Treasury restricted selling silver, it made it illegal
to melt coins. The maximum penalty for violation was \$10,000 in fines, or
five years in jail.” May 13, 1969, page 2**

“The Silver Users Association, which represents large industrial users of the metal, applauded the Treasury moves. Actions by the Government will be in the best interest of the economy and should contribute markedly to more stable conditions in the silver market.” May 13, 1969, page 2

“When these sales began in August 1967, the Treasury required that the silver purchased be used in domestic industry.” May 13, 1969, page 2

“Coin speculators are passing up substantial markups and are holding on to their accumulated hoards of silver dimes, quarters and halves. They evidently think the coins are going to be worth much more than the 15% to 18% premium over face value dealers are offering now. The hesitancy means frustration so far for the Federal Government’s effort to free more silver metal for industrial users by making available the 90% silver content of the coins minted before 1965. The Government moved to open up that supply two weeks ago when it removed its two-year ban on the melting of coins for the silver they contain. According to industry estimates, about 1.7 billion ounces of silver are locked up in U.S. coins.” May 27, 1969, page 8

“Only domestic users were able to submit bids.” May 27, 1969, page 8

“Silver Futures Plunge As Britain Sets Plan To Cut Back Stocks” (headline) December 5, 1969, page 32

“General selling of silver contracts was created by the news that the British treasury had worked out an agreement with British banks and bullion dealers to reduce stocks of silver in a move to recapture some British currency.” December 5, 1969, page 32

COMMENTS

Plans formulated by the Silver Raiders were changed according to calculations as to how they could capture the maximum amount of silver

coins from taxpayers. First the ban on melting---accompanied by stiff penalties---got them more silver; later, removing that ban was necessary. The so-called “hoarders” (those having the temerity to think that they had rights to own and profit from silver, even though outside the charmed circle) held so many coins, the Silver Raiders had to be flexible in attempting to get at those coins. Government remained a cooperative functionary for them. Federal officials acted as if they were heavy holders of stock in Silver Users companies, expressing “frustration” that the public was stubbornly holding on to silver coins. The numismatic, or collectable, premium, was a fact that wasn’t possible to eliminate. Even common date coins were then collectable, since no more of them were ever going to be made, many had already been melted down by the mints and sold by the Treasury to the greedy users, and there was awareness of the increasing scarcity of silver. Today, all the more so, these coins will continue to remain more valuable as authentic real money with a solid history behind them, rather than what they’d be worth for melt. The sole exceptions are heavily worn coins, coins with holes, or bent coins, so-called “cull” coins. However, most of these worn and damaged coins have already been melted. The Silver Raiders continued their agenda of prodding foreign governments to dump silver, usually giving phony reasons for the disposals. It has never been enough for the Silver Raiders to fend for themselves in an open market---they wanted, and got, many governments to provide silver for them at expense to most everyone else.

Silver (and its producers) is THE most abused commodity!

BLEEDING TREASURY SILVER DRY--- 1969 AUCTIONS

“Week’s Silver Prices Drop” January 2, 1969, page 22

“Prices Drop Sharply At Weekly Silver Sale” February 12, 1969, page 13

**“Prices of Silver Weakened At Latest Government Sale” March 19, 1969,
page 18**

**“Silver Bullion Prices Decline At Regular Weekly Auction” May 7, 1969,
page 2**

“Federal Auction Prices Skid” June 18, 1969, page 32

**“At the Government’s weekly silver auction in Washington, bullion prices
took a steep slide.” 6/18/69, p.32**

“Silver Prices Drop at U.S. Sales” August 6, 1969, page 22

“Silver Prices Fall at Auction” October 8, 1969, page 32

**Sounds like stories from the COMEX, huh, perpetually weak silver prices?
The Silver Raiders continued to have their way. Consider the amount of
90% coin silver melted metal they raided in 1969, from unwilling
taxpayers, at rates ranging from \$1.50 to \$1.93 per ounce---**

January 2, 1969, page 22.....

1,900,000 ounces

January 8, 1969, page

11.....1,600,000 ounces

January 15, 1969, page 25.....

.....2,244,000 ounces

January 22, 1969, page 32.....

.....2,100,000 ounces

January 29, 1969, page

28.....613,000 ounces

February 5, 1969, page 34.....

2,800,000 ounces

February 12, 1969, page

13.....1,500,000 ounces

February 26, 1969, page 7.....
1,800,000 ounces

March 5, 1969, page 28.....
.....755,000 ounces

March 12, 1969, page 14.....
2,200,000 ounces

March 19, 1969, page 18.....
1,800,000 ounces

April 2, 1969, page 25.....
1,500,000 ounces

April 9, 1969, page 15.....
1,700,000 ounces

April 23, 1969, page 9.....
1,600,000 ounces

April 30, 1969, page 25.....
.....1,700,000 ounces

May 7, 1969, page 2.....
1,600,000 ounces

May 14, 1969, page 24.....
895,000 ounces

May 22, 1969, page 35.....
1,700,000 ounces

May 28, 1969, page 28.....
.....1,265,000 ounces

June 11, 1969, page

26.....1,265,000 ounces

June 18, 1969, page 32.....
.....1,600,000 ounces

July 2, 1969, page 26.....
.....1,600,000 ounces

July 23, 1969, page

32.....1,571,000 ounces

July 30, 1969, page

26.....1,385,000 ounces

August 6, 1969, page 22.....
.....1,458,000 ounces

September 3, 1969, page 22.....
1,485,000 ounces

September 17, 1969, page 32.....
1,300,000 ounces

October 8, 1969, page 32.....
1,500,000 ounces

October 15, 1969, page 30.....
1,269,000 ounces

October 22, 1969, page 32.....
1,500,000 ounces

November 5, 1969, page 32.....
.....1,700,000 ounces

November 13, 1969, page

14.....1,300,000 ounces

December 3, 1969, page 32.....	1,458,000 ounces
December 17, 1969, page 30.....	764,000 ounces
TOTAL FOR 1969.....	52,427,000 ounces

SILVER RAIDERS 1970

“The Treasury and silver users are opposing putting silver into the coin, arguing that it wouldn’t serve any commercial purpose.” January 19, 1970, page 24

“Nearly every analyst agrees that silver prices will rise, and many of them predict the biggest gains will come when it becomes evident the GSA will stop or reduce the weekly silver sales. From a record high of \$2.57 per ounce in mid 1968, the price of .999 fineness silver slid to \$1.54 last June. Since then it has rebounded to \$1.87 an ounce.” January 19, 1970, page 24

“Simon D. Straus, vice president of American Smelting & Refining Co., sees silver prices climbing to \$2.50 or \$3 an ounce before the end of this year. Charles R. Stahl, president of Economic News Agency, a precious metals analyst, expects the price to reach \$3 an ounce later this year. Walter L. Frankland Jr., executive director of the Silver Users Association, foresees an average 1970 price of \$2 to \$2.10 an ounce.” January 19, 1970, page 24

“The Government has decided it owns too much silver. New stockpile objectives announced by the Office of Emergency Preparedness include a figure of 139.5 million fine troy ounces for silver, a reduction of 25 million from the previous level.” March 5, 1970, page 20

Summary---a Congressional source warned that use of silver in 40% Eisenhower dollar coins would “completely deplete our stockpile and place commercial users in great jeopardy.” March 20, 1970, page 16

Summary---the Treasury was dumping about 78 million ounces of silver per annum. May 5, 1970, page 10

“U.S. coins containing silver have all but disappeared from general circulation, but vaults at many banks across the country are brimming with them. These coins generally don’t belong to the banks. They are owned by investors, who have set up some unusual safekeeping and financing arrangements. Silver users and some banking authorities, however, aren’t taking a friendly attitude toward the arrangements. Big commercial buyers of silver claim the bank arrangements are artificially buoying the price of the precious metal. The banking authorities say privately that some of the more complex investor-bank transactions may be in violation of banking regulations.” June 4, 1970, page 2

“Walter Frankland Jr., executive director of the Silver Users Association, criticized advisory services that have promoted the buying of silver in the last three years.” September 29, 1970, page 67 (NYT)

“U.S. Is Getting Out Of the Silver Market After 194 Year Role” (headline) November 9, 1970, page 23

“Last Weekly Auction Is Slated For Tomorrow; the Impact on World Trading Is Uncertain” (subtitle) November 9, 1970, page 23

“After 194 years as the largest buyer, user and seller of silver, the U.S. Government is pulling out of the market. The end comes tomorrow, when the General Services Administration announces the results of its last weekly silver sale. Judging by past results, about 1.5 million ounces of the precious metal will be auctioned off to domestic users. According to brokers, the prices may be slightly lower than the \$1.65 to \$1.76 an ounce paid last week. The auction will leave the Treasury with 30 million ounces of silver, just about what it had in 1933 when the Government first began to actively accumulate massive amounts of the metal for

coinage purposes. Most of that, however, is unrefined or mixed with gold. Nowadays, the Government has little need for the metal.”

November 9, 1970, page 23

“The Government also has stockpiled 165 million ounces of .999 fine silver, the most refined grade, but this is reserved for defense needs and isn’t available for Treasury use. The removal of the Treasury from the market adds new uncertainty to trading in the commodity in New York, Chicago, Los Angeles and London. The Government has been a major factor in the market for more than 35 years. With the removal of silver from coinage, the Government became an active seller, disposing of more than 650 million ounces, about half through the weekly GSA auctions. Without the Government offerings, silver users will have to contend with uncertain supplies.” November 9, 1970, page 23 (Note—Frankland and the Silver Users Association are mentioned again.)

“Since the end of the Federal silver sales, the market for the metal has declined sharply. Silver for delivery in December 1970 sold at \$1.791 an ounce on the Commodity Exchange of New York on November 10. Yesterday, that trading month was down to \$1.57, a loss of some 22 cents an ounce. Some observers felt this price trend indicated the importance of the Federal silver may have been overplayed.” December 10, 1970, page 26

“U.S. Treasury stopped selling its surplus supplies on November 10.”

December 17, 1970, page 19

COMMENTS

The Silver Users Association is vehemently opposed to anyone other than its members having access to silver. We couldn’t have 90% coins, or even cheapened 40% ones, all the silver was theirs by some self defined divine right. As Treasury supply was running out, everyone admitted the price would have to rise. Everyone, except the Silver Users Association, whose spear-carrier, Walter Frankland, predicted a silver price of 33% less than other sources. It’s OK for them to get silver, just as long as others sell it to

them at a loss, or below replacement cost. The Silver Raiders wanted to subtract 25 million ounces from the defense stockpile. Their functionaries, operatives, henchmen and agents in Congress were more concerned for them, than that we remain on Constitutional money. Large quantities of silver coins held by investors in bank vaults were a source of distress to silver users, who wanted to access that metal, and complained that the fact that it wasn't being dumped, put upward pressure on prices. Here again we see their self-righteous attitude that all silver everywhere is theirs by divine right in their rampaging feudalistic campaign against those outside their conspiratorial circle. Frankland has always bad-mouthed investment in silver with this selfish motive in mind. Frankland returned from an "investigatory trip to London, Paris and Zurich" (NYT, August 18, 1970, page 45; maybe they could have said "investigative" instead!) Looks like that trip had to do with formulating silver leasing arrangements, as he claimed those 3 nations and the U.S. together held some 1.2 billion silver ounces. This Frankland must have a face that looks like the gates of hell! All over the Latin economies, thousands are out of mining jobs because of the Silver Raiders. Others who could be paid more, receive less instead due to some silver sites being barely profitable. These people are usually Catholic, and they frequently have on display in their home a religious sketch depicting well-known personalities from antiquity. If they had a likeness of Frankland I suppose they'd be throwing darts at it.

Never mind that all they ever needed to do, was pass along price increases to consumers, to settle the issue of rising prices; the same as with all other raw materials! Banking regulators were upset with some of these bank storage programs, because banks wanted to claim the value of the coins that they didn't own, as reserves for making loans. Even bankers outside Wall Street circles act like bankers, wanting to fractional reserve their way with other people's money. Notice, they said the government had little need for the metal. Right, silver doesn't figure into parasitical fiat systems, any more than gold. Notice especially that less than one month after the Treasury ran out of metal for the Silver Raiders, the silver price---in appalling contradiction to the natural law of supply and demand---fell sharply on the COMEX. Evidently the COMEX silver manipulation has been ongoing for more time than many folks were

aware, and it proves the controlling influence of users association companies in the price fixing of COMEX silver! In a story titled, "Peru Backs Mexican Plan To Stabilize Silver Prices" (March 19, 1971, page 7) we read---

"Peru supported recent suggestions that the world's major silver exporting nations unite to stabilize silver prices. "We must adopt joint action which will tend to stabilize the price of silver on the international market," said Mining Minister Fernandez Maldonado, commenting on proposals by Mexican officials that a group of silver producing nations be formed. He said Peru agrees that "the large silver producers must act together in the international market to prevent continuation of the abnormal situation" in which silver prices fell to \$1.60 an ounce in December from \$2.50 an ounce in June 1968."

The skidding silver price was abnormal to everyone except these Silver Raiders, and producing nations have been cheated for many long years of revenue they justly deserved.

The New York Times, June 10, 1971, page 67, in a feature entitled, "Six Silver Nations To Meet in Mexico On Sagging Prices," noted---

"Mexico has called a meeting of the world's principal silver producers to consider joint action to increase and stabilize sagging silver prices. The meeting will bring together representatives from Mexico, Peru, Canada, Australia and India as well as the United States. Mexico's Under Secretary for Nonrenewable Resources, Luis de la Pena Porth, who proposed the forthcoming talks, puts the blame on speculators on the New York Commodity Exchange for the unexpected drop in silver prices since the United States Treasury stopped selling silver. Mexico has complained that its mines have suffered severely from the falling price of silver, which has gone from a high of \$2.48 an ounce in June 1968, to below \$1.60 this June. The Mexican Under Secretary pointed out that, at present, there was no relationship between trade in silver and actual silver supplies, so that the price was fixed by the speculative futures market rather than by consumers and producers." The NYT follow-up story on June 21, 1971, page 42, noted---

“The delegations from the United States, Canada, and Australia had strict instructions not to discuss alternative pricing mechanisms nor ways of influencing demand or supply. During the three days of discussions, Mexico and Peru, which have been worst hit by the fall in silver prices, took the strongest position against speculators on the New York Commodity Exchange whom they blame for the bear market.”

This is what Butler has been telling his audience since the Gold-Eagle series began in 1997---and it was going on at least 27 years before that! The Mexican official was wrong only in that the silver speculators were in reality the big industrial users---the consumers of silver, who as shorts always want it at rates destructive to others. On May 1, 1991, page 12, the Journal ran another article about the low COMEX silver price doing economic damage to Mexico! In a story from the Journal dated May 26, 1971, page 64, Englehard was accused of engineering a drop in the price of silver from a high of \$2.56 an ounce in 1968 to \$1.62 on May 21, 1971, by issuing bearish press releases about the world silver supply. (The Journal’s high figure was correct, not the figure given by the NYT.) The fact that delegations from the U.S., Canada and Australia were hamstrung before they left for the conference, or were outright shortside agents, proves that the orchestration of the flat silver price that has prevailed for generations, comes from the highest levels like the Treasury and Wall Street. It cannot be a product of a few junior executives in trading departments. A State Department official was in charge of the American delegation.

BLEEDING TREASURY SILVER DRY--- 1970 AUCTIONS

**“Silver Prices Show Decline At Weekly Federal Auction” March 11, 1970,
page 30**

“Silver Prices Slip At Government’s Auction” May 20, 1970, page 28

“This week’s Washington auction---conducted for the Treasury by the General Services Administration---the metal sold for \$1.55 an ounce, the

lowest receipts since the auctions were begun in August 1967.” July 10, 1970, page 43 (NYT)

“Price Range Falls In Federal Silver Auction” October 1, 1970, page 29

During 1970 most silver sold was of the 90% type, from coin melting; however, some 40% was also sold, showing user opposition to putting any silver into the Eisenhower dollars---

January 7, 1970, page 12.....
1,437,000 ounces

January 14, 1970, page 26.....
....1,662,000 ounces

January 21, 1970, page 26.....
1,400,000 ounces

February 4, 1970, page
3.....1,458,000 ounces

March 11, 1970, page 30.....
1,337,000 ounces

March 18, 1970, page 39.....
.....1,452,000 ounces

March 25, 1970, page
27.....1,527,000 ounces

April 2, 1970, page
32.....1,474,000 ounces

April 15, 1970, page 32.....
1,707,000 ounces

April 22, 1970, page 36.....
.....1,302,000 ounces

May 13, 1970, page
32.....1,680,000 ounces

May 20, 1970, page 28.....
.....1,533,000 ounces

June 24, 1970, page 24.....
1,491,000 ounces

July 22, 1970, page 22.....
1,537,000 ounces

August 5, 1970, page
22.....742,000 ounces

August 27, 1970, page 18.....
.....294,000 ounces

September 2, 1970, page 18.....
.....1,911,000 ounces

October 1, 1970, page 29.....
.....1,776,390 ounces

October 7, 1970, page 31.....
1,612,981 ounces

October 15, 1970, page 28.....
1,950,846 ounces

November 4, 1970, page 32.....
.....1,969,101 ounces

November 11, 1970, page 16.....
.....1,567,899 ounces

**TOTAL FOR 1970.....32,821,217
ounces**

The Journal (November 11, 1970, page 16) commented on the end of the weekly silver “auctions” ---“Sales since the first auction was held, on August 4, 1967, total 304,886,975 ounces, for which the Treasury received \$561,864,722.” But what about the replacement cost? We’re almost ready to conclude the article due to length---a follow-up of more recent times seems appropriate. We’ve seen that the Silver Raiders of the Silver Users Association have demonstrated a willingness to go to any length to get other people’s silver, in this case, taxpayer owned material, and to do so way below replacement cost. As soon as the auctions ended for lack of more silver to raid, another of their instrumentalities took over from the U.S. Treasury in their bitter “hammer and sickle” campaign to hold silver prices low forever. That instrumentality was, and is, the Commodity Exchange; it got a hideous partner in 1975 in the Commodity Futures Trading Commission. James Stone, once CFTC chairman, said in the Journal of March 10, 1980, page 34---

“There isn’t any excuse for manipulation to occur at all, and exchanges should be looking for mechanisms to provide assurance this doesn’t happen.”

The problem we’re aware of is, their definition of manipulation only has to do with rising prices; naked short selling to swindle producers isn’t “manipulation!” In the February 4, 1980, (page 34) issue of the Journal, page 34, Stone called for limitations placed on delivery rights of longs! The nauseating tunes we hear playing today, have been on the scene for many years. The November 29, 1985 issue, page 4, said that the CFTC’s division of Trading & Markets cleared the COMEX and CBOT of allegations that they acted improperly in bringing down the silver market in January 1980. Neal Wolkoff of COMEX, whose responses to Butler’s letters Butler called “pathetic and absurd,” was with CFTC before going to COMEX! A glance over Wall Street Journal index records especially during the Hunt era shows that without exception, when silver prices rose, margin requirements were increased to help the shorts. As prices were managed

down, margins were eased---a consistent pattern like ocean tides. This is true of the CBOT also. Nymex Holdings, parent company of the New York Mercantile Exchange and owner of the COMEX, is incorporated in Delaware, the state run by the billionaire Du Pont silver users. In the Comex division, a member we still find is Mintz & Company, and Lowell Mintz was chairman of the COMEX governors when they made the sell-only rule change in January 1980 that crushed the silver price and wrecked the Hunts! As we find in the Journal (February 4, 1980, page 34)

“Should trading restrictions be made by individuals with positions in the markets they supervise? These people may make decisions on market rules that favor their positions. A prominent metal trader declares flatly, “Position takers shouldn’t be decision makers.” If the people who made the decision may have stood to benefit the most, there is something wrong with the decision and the process from which it was made,” says Philip M. Bloom, a Chicago lawyer.”

Of course, we find names directly listed as members of the Silver Users Association, among COMEX members---including exchange-clearing members---like HSBC for instance. No wonder the Journal had the story, “Chicago Board of Trade, Comex Officials Question Increases in the Price of Silver” (October 19, 1979, page 38.) On April 14, 1972, the Cost of Living Council---a freakish creation of the Nixon era which imposed a 90 day wage and price freeze in summer 1971---denied a request to exempt silver from price controls; undoubtedly, more string-pulling by the Silver Raiders. According to the Journal of April 14, 1972 (p. 3)--

“American Smelting & Refining Co. requested silver and zinc exceptions, but the council ruled that removal of price controls could lead to price increases with more than a minimum inflationary impact.”

Anyone honest about economics will admit that government imposed price controls are Fascist in nature---as in Mussolini’s Italy, and that they result in shortages. On August 11, 1972, page 5, we note---

“Domestically produced silver used for commercial, industrial and manufacturing purposes was exempted from price controls. The action

by the Cost of Living Council was prompted by the recent development of a two-tier price system for the metal, with the uncontrolled international price rising about 20 cents above the domestic ceiling price of \$1.61 an ounce. The council noted that the price disparity encouraged both exporting and hoarding of domestic silver. Noting that well over half of the silver used in the U.S. is imported and free of controls, the council said any increase in the price of domestic silver will have only a minimal inflationary impact.”

Notice how the Cost of Living Council had the uncanny ability to change its tune when forced by events to do so; first, a silver price increase would have a lot of inflationary impact; then later, it wouldn't have that effect after all! Their unconstitutional price controls were accomplishing NOTHING but to add to the shortage! The Cost of Living Council ignored the fact that only the government can cause inflation, by inflating the supply of fiat currency; the unconstitutional counterfeiters of the Federal Reserve System seek to blame others for inflation. Do you remember who ran the Cost of Living Council? Our Secretary of Defense, Donald Rumsfeld (“Rummy”), was director of the CLC from 1969 to 1974, and our Vice President, Richard Cheney, was the number two man! Rumsfeld was on the staff of Michigan congressman Robert Griffin (Dow Chemical---Silver Users Association) in 1959. What, will Rumsfeld and Cheney suggest a punitive “windfall profits tax” on silver miners, once silver goes berserk, and a “hoarders tax” on silver investors? As Defense Secretary, it would seem that Rumsfeld would recognize the importance of once again having a silver stockpile for defense---or does he care more about the Silver Users Association and the jewelry display showcases of Tiffany & Company than about the safety of military personnel? With Rumsfeld and Cheney of the old CLC and its price ceiling on silver; Barbara Franklin of Dow Chemical (Silver Users Association) as national co-chair of Bush for President; and George Walker of silver shorter Goldman Sachs being Mr. Bush's 2nd cousin, it appears the Silver Raiders have a disturbing link to the White House! The New York Times, June 29, 1973, page 49, reported that the CLC had a 60-day price freeze on silver futures prices, and therefore, the COMEX responded by ordering liquidation of existing positions. More revolting, criminal interference in what should be a freely traded market with a price supposedly determined by supply and demand. Is there a plan for a Silver Rationing

Council? We hope not. If a free market is allowed to prevail, it can settle all issues more effectively than Federal meddling.

The CLC had a crew of “economists,” the likes of which you wouldn’t trust to suggest what sound monetary policy would consist of (else they wouldn’t have been there in the first place!) I mean, you wouldn’t trust them with the \$1.45 you took in when you had a lemonade stand in your front yard as a 9 year old! Halloween is never a treat to them---it’s always a trick, like their economic theories. James Field Jr. was a CLC economist during 1971 to 1972, and then in 1972 he was with the campaign of Senator Chaffee of Rhode Island. Guess what---this Chaffee character was very friendly to the Silver Raiders! Another of their questionable economists was David Wheat, of who the late Senator Moynihan (D., N.Y.)---another friend of the users---commended for his “analysis of the Boston heroin market” (see wheatresources.com). Too bad he didn’t get to analyze the Chinese opium market for Silver Users Association member HSBC, when its predecessor bank was Britain’s opium finance house for Asia! The \$1.61 per ounce ceiling on silver, imposed after the Federal silver “auctions” ceased for lack of silver, was well below the average price received at those crooked, so-called “auctions!” Yes, the Silver Raiders never give up seeking ways to get silver for next to nothing prices! According to the Journal, July 24, 1972, page 16---

“Representative James McClure (R., Idaho) has asked the Cost of Living Council to exempt the whole industry. He argues that on May 25, 1970, the base date for figuring the ceiling price, heavy Government sales of Treasury silver stocks dominated the market. “At that time, Government held silver was dumped on the market forcing prices to unrealistically low levels,” he contends. Thus, he says, “the Government penalized producers by flooding the market with silver and lately by forcing them to pay the price for an inflation they were never part of.” Hecla Mining Co., Wallace, Idaho, also complained to the Cost of Living Council about the price ceiling, calling it, “arbitrary and capricious discrimination against a basic industry.”

Here was a voice of honesty and reason, finally! You also have to wonder if the Treasury officials, and later the Cost of Living Council

managers, were on the take from the Silver Raiders! At any rate, the early 1970's saw the beginning of a trend to gradually rising silver prices, culminating in the Hunt/Arab price explosion in January 1980. Just before that famous silver explosion, the Silver Raiders went on record in the Journal (January 30, 1978, page 22, headline) ---

“Silver Users Say Market’s Fundamentals Don’t Portend Sharp Increase in Prices”

Yeah, and when there's 1 ounce of silver left in COMEX, that won't portend a sharp price increase either. What the Silver Raiders did with U.S. held silver, they evidently have done with silver held by many other nations in their silver “leasing” program---and now the well is almost completely dry. The chance that the Silver Raiders will have a future as successful as their past appears as unlikely as the old British East India Company coming back into existence and looting India for another multi-century span. India, unhedged miners, and silver investors refuse to dump silver to the sole benefit of the Silver Raiders! (All those identifiable as “silver hoarders” must be afflicted with a unique “mental illness,” huh? Or is it that we relish driving the greedy users crazy?) As Butler pointed out, the Silver Users Association can't cause a government selloff, because they have none left; there isn't any more silver to raid! The users have undercut the mining supply for so long, they insured a shortage will strike their industries with devastating effect! (These facts are known to insiders, who stand ready to sell affected stocks short at the right moment; and beware---someone in the Administration may have plans to seize silver stored in COMEX warehouses from the “eligible” category---I don't see that warehouse receipts are as secure as having your silver OUT of there in a more incognito location.) We therefore await a price detonation in silver far more powerful than that of the Hunt era, and one that will be sustained as far into the future as anyone can see, as we find SILVER AT THE VANISHING POINT! The Silver Raiders are about to be raided by forces they worked long and hard to unleash---severe shortages caused by a scandalously low rigged price that persisted to the bitter end! A quotation from the Journal, January 22, 1979, page 28 could be reworked---

“I see silver divorcing itself from currencies and interest rates and being propelled by fundamentals, which is a new concept.”

A new concept, indeed. Let’s rework that quotation to read---

“We see silver divorcing itself from leasing and naked short selling and being propelled by fundamentals, which is a free market concept.”

As the Silver Raiders lose control they can all run to the nearest liquor store. To throw a line from “The Rifleman,” black and white TV series from the early 1960’s, at Frankland---

“YOU’RE RUNNING DOWNHILL, MISTER!”

**Silver Raiders say, cheap silver is what we need,
Let hard rock miners suffer and bleed!
Screw everyone else is our creed!
Big time, we’re motivated by greed!**

**Silver Raiders say, all silver is ours alone!
Our crazy greed is full-blown!
Do we talk to the devil on the phone?
Will legal authorities make us atone?**

**The silver deficit grows; users fear shows!
Take punishing blows; scream until comatose!**

**No more silver to raid, your hopes wither and fade!
Shorting derivatives decayed, no more COMEX masquerade!**

**Treasury can’t bail you out; they’ve no more clout!
Gonna have a drinking bout? Behold, the silver drought!**

**CFTC and COMEX on the hot seat; why’d they let you cheat?
They can’t beat a retreat; Butler’s exposure was complete!**

NOTE TO SILVER INVESTOR READERS---Please print this article and send it to your Congressman and Senator, so they can have these 306 documented references from the Wall Street Journal, and the 16 references from the New York Times concerning the Silver Users Association. They need spend no time in research for the period 1961-1972 and to a lesser extent beyond; this has been done for them here. They must be made aware that the blame for the unserved silver deficit that we are about to enter into lies with the Silver Users Association and entities in collusion with it, such as CFTC, NYMEX-COMEX, CBOT and the bullion banks with which users association companies are interlocked. Point out to them that a silver shortage has been ongoing at least since 1949, as extensively documented in "Severe Oversupply of Liars" (Silver Investor, August 2003). Don't be concerned that some of these members of Congress are already on the other side. Let them worry about their identifiable position, they can't dispute the facts in the public record registered by the Wall Street Journal and the New York Times. You will reach some members of Congress who have lingering concerns about Enron, Worldcom, corporate accounting corruption and dishonest stock analysts.

They have constituents who have been badly harmed by these stock swindles, and they need to know about the impending silver scandal before the irresponsible mass media is forced to report the situation---with some truth, and many inevitable lies! Watch for the Silver Users Association, like the schoolyard bully, to elbow its way to the forefront and give their "expert testimony" as to why the silver shortage is someone else's fault; and why silver miners and investors, once again, should be made to suffer for the User's misdeeds. Ask them how we can have a perpetual silver deficit accompanied by perpetually flat prices. Ask them how can the biggest silver sites in history be totally mined out, with demand surging, yet an artificial price ceiling has existed for generations, inhibiting exploration and production. Ask them how we can run a silver deficit indefinitely, without running totally out of inventory! Ask them what happens when silver shortages, caused by generations of price-capping, causes industrial disruptions and adds to an already bad unemployment situation. Ask them what happens when their voting constituents find out why this has been allowed to happen.

Ask them why we have no silver stockpile for military defense. Point out to them that those who are intrepid enough to take the lead in investigating the situation in the House and Senate, before the conflagration erupts on the COMEX, will gain great political stature afterwards, because they can point out to voters, “we raised an alarm before the national media started sounding off!” You can also address the envelope to the Chief of Staff of your Senator and Congressman, placing a brief note on top saying---“Your boss needs to know about this scandal before it’s all over the media like Enron!” And someone please send this to New York State Attorney General Eliot Spitzer who has promised criminal penalties in the analyst/brokerage stock busts! As of late August 2003, news is out that Oklahoma Attorney General Drew Edmondson has filed criminal felony charges against former World Com head Bernard Ebbers and five other executives, and the State of Oregon is going after MCI, the successor to World Com. Ebbers may be subject to up to 10 years in prison. This suggests strong possibilities for criminal charges against all those responsible for the long-term silver shortside manipulation, which looks certain to put thousands of workers out of a job due to the silver shortage caused by illegal collusive price capping.

COMEX FIRESTORM, IGNITE!!

