

WAR AND SILVER

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Let's take a look at the need for silver as a vital resource material necessary to warfare. We won't be able to examine any detailed weapons breakdown of specific items by exact silver content from one defense contractor to another on a current basis, because that information isn't readily available. I can tell you that as of January 2, 1980---nearly a quarter century past---some 84,000 military parts (aircraft, submarines, etc.) contained precious metal, mostly silver (Wall Street Journal, January 2, 1980, page 10). American Superconductor and Intermagnetics General won't openly discuss how much silver they will need for superconducting cables. That's probably an understanding with the COMEX shorts---anything to suppress projected silver demand statistics! As you probably know, America has been without a silver stockpile for strategic defense applications for several years. We aren't swimming in silver as we were going into World War II. One of the implications could be a limitation on our ability to wage war overseas; and also spell inadequacy as to our ability to defend our shores. Silver is the most versatile metal there is, and a strategic shortage will hurt us more so than shortages of other strategic metals such as tantalum, platinum, chromium, vanadium and cobalt. America cannot produce enough silver to meet our internal needs, that hasn't happened in most of a century; therefore, silver imports are vital. Over 153 years ago, Merchants Magazine & Commercial Review (March 1851), page 280 spoke of---

“...the numerous uses to which we apply silver, beyond the uses to which we apply gold.”

As the reader has probably also noticed, our unrestrained paper money machine, the Federal Reserve, has been the means of financing the overseas adventure in Iraq with our senior partners, the British. If monetary expansion had to be tied to fixed backing and ratios of gold and silver, fiat inflation could not take place; therefore, limitations on British sponsored wars would obstruct the elite. There must be a limit on inflationary fiat expansion, deterioration of dollar purchasing power, and Treasury securities, just as there was in the wake of the second Bank of the U.S. in 1837-1839, when confidence in paper currency was so shaken that people demanded gold and silver coin for transactions. (That's something economics professors shy away from mentioning, because their jobs would be at risk!)

Rumors abound that no matter who wins the November 2004 Presidential election, America will invade Iran. The excuse will be the Iranian nuclear power development is really for nuclear bomb manufacture. The main reason for the invasion, the British going in with us, will be access to oil.

Will the United States have sufficient silver for use in the many high-technology applications of modern warfare? It seems highly probable that we will soon see an era of silver rationing here, with defense contractors getting priority delivery. As for the price---the government will again install a Fascist federal price cap on the metal. COMEX is losing its ability to cap the price; so the Feds will openly do so. As we note in the Commercial & Financial Chronicle, May 9, 1946, page 2517, statement by Republican Congressman Frederick C. Smith of Ohio---

“Present statutes empower the Government to control the silver market.”

Attempts may be made to force silver holders to sell metal to Uncle Sam. Media will depict those holding for better prices as unpatriotic profiteers. They would not do so at all, if we were members of approved organizations such as the Council on Foreign Relations; Newcomen Society; English Speaking Union; British North American Committee; Bilderberg; Knights of Malta; Trilateral Commission; Bohemian Club; Mont Pelerin Society; Foreign Policy Association; U.N. Association; Rhodes scholars; Yale superfraternities such as Skull & Bones; Wolf’s Head Society; Berzelius Society; Scroll & Key; and Book & Snake---all interlocked with The Society. The Plan is for the “right people” to increase in wealth, and everyone else to decline! However, since these groups, with all their fantastic power, still face limitations, any Federal silver price cap will eventually fail because it will cause shortages. Miners in other nations will sell wherever they can get the best price. We cannot justify invading Mexico, Peru, Chile, Bolivia and Argentina to get at their silver. However, there is a 300 to 500 million ounce silver resource in Iran at just one location, and there are at least 11 other copper sites, which should have meaningful silver credits. You have to suspect that control of that resource, along with petroleum, is a prime motive for invasion! As the Commercial & Financial Chronicle, a publication usually on the wrong side of issues, said (November 29, 1945, page 2620)---

“It is important to emphasize the question of price because there is no shortage of silver---merely a shortage at the current price level.”

At the time that statement was made, the Federal price cap on silver was 71.11 cents per ounce, and the price offered for foreign produced silver had just been raised to that level, because exports to the U.S. were sagging at the stupid low price of 45 cents. The case that price capping causes shortages is overwhelming. Anyone who calls for price capping is un-American, because price ceilings contradict notions of free markets. Democrat Senator Alan Bible of Nevada, quoted in the Wall Street Journal, March 19, 1961, page 78, commented in reference to price ceilings---

“A world shortage of silver can only be eased by new production sources in North and South America, but not until the Treasury loosens restrictions on producers here and in neighboring nations.”

Warfare, invasion and occupation are key means of wealth increase for these “right people” I speak of. Leaving the topic of influential persons with bad motives aside for a while, let’s just look at the need for silver in wartime. Wartime is a time in which millions are hurt and killed. A quote from Clint Eastwood in “Unforgiven” (1992) is descriptive---

“His head was all broke open and you could see inside of it.”

The best way of informing ourselves on the topic of war use of silver is to look at details presented by information sources of events that were current at the time. All this information is available to the reader for free by going to larger university and city libraries and looking it up in microfilm, microfiche and bound periodicals. What has been done for you here is to save you the formidable time and trouble of doing so. Let’s examine some quotations now as to silver use, starting with World War II. Be advised that this article is lengthy. I’ve had some feedback that some of my research is “too long.” There is no way to get an education in the time it takes your spit to hit the ground. Information cannot be transmitted to you in a few moments by Mr. Spock’s Vulcan Mind-Meld from Star Trek. Keep in mind that it took me far longer to collect this information, than it will take for you to read it. It is highly likely you will find something here of special interest, so it will be time well spent. You can read it in the time it takes to watch a movie, or less.

Before we plunge into the mass of details, take note that in relation to war and other crisis, the silver price is subject to jump. Examples are the Middle East Crisis (Wall Street Journal, May 22, 1967, page 4, “Silver Price Spiral

Is Seen Affecting Gold As Crisis, New U.S. Rules Shake Markets;” Wall Street Journal, May 24, 1967, page 8, “Gold And Silver Buying Rush Sparked in London By Middle East Crisis; Wall Street Journal, May 10, 1968, page 28, “Prices Climb Sharply On Reports Of Shifts In Soviet Troop Sites,”) and of course, the Russian invasion of Afghanistan added to tensions fueling escalating precious metals quotations.

SOME REFERENCES ON WAR USE OF SILVER

From the Commercial & Financial Chronicle, July 19, 1941, page 320---

“Representative White Warns that Any Move to Cut Off Silver Market Would Cripple Defense Industries. Representative Compton R. White of Idaho, a member of the House Committee on Coinage, Weights and Measures, in a statement issued in New York on July 14, warned that any move to cut off the national market for silver at this time would force many copper, zinc and lead mines in this country to close and further cripple our defense industries. Mr. White declared the controlling factors in our national defense program were the cost of production in mining strategic war metals and the Government’s profit in the silver purchase program. He said there were virtually no exclusive producing silver mines, and that in this country or anywhere else silver was a by-product of copper, zinc and lead mines and the profit received for the by-product went a long way in meeting the cost of production of strategic metals, copper, lead and zinc. He said that at a time when the Government was arbitrarily holding the price of the strategic metals down and combing the Western Hemisphere for lead and zinc, to cut off the silver market now would surely cripple defense.”

Summary---no silver, no defense industries. Of course the silver situation was radically different in 1941. The battle over retaining silver as a monetary base was raging in the midst of wartime debates over silver needs in manufacturing. Today we have no silver monetary base---and no silver for industrial use---not in the Treasury Department, nor in any government stockpile. The C & FC, July 19, 1941, page 330 said---

“The American Silver Producers Research Project, sponsored by several of the leading silver producing companies in the United States, has completed a year of activity at the Bridgeport (Conn.) plant of Handy & Harman. The project, formerly located at the National Bureau of Standards, Washington

D.C., was reorganized June 1, 1940, and the research program and activities were transferred to the laboratories of Handy & Harman. The report, issued July 11, follows in part---

“The field of electroplated coatings continues to show promise as an outlet for silver and the project’s pilot plating plant has been kept busy recently plating drums, pails and cans. At the present time one of the large can manufacturers is cooperating with the project and a chemical supply house in the development of a silver lined can for packaging chemicals. Containers with a silver plated coating also have been packed with different commodities and some experimental units have been put into service. In some instances silver lined containers are being seriously considered and tested for packaging corrosive materials because the corrosion resistance of other metals and lacquers is not adequate.”

“In recent months the scarcity of many base metals has focused attention on the use of silver as a substitute for aluminum, nickel and tin. In places where sheet or foil aluminum has been used, for its corrosion resistance or high reflectivity, it is apparent that silver plating on available metals can be substituted since it possesses these qualities to an even better degree than aluminum. Silver electro-deposits are being investigated as a substitute for nickel, as an undercoating for chrome plating. A series of experiments are under way to determine what advantages may be derived from the use of a corrosion resistant electroplate of silver followed by a hard, wear-resistant chromium deposit. It is hoped that aluminum and nickel, badly needed for national defense, can be replaced at least in part by silver.”

“The project has also conducted experiments to determine the strength of extruded tubing made from a 3.5% silver 96.5% tin alloy. A bursting strength of 2,500 pounds per square inch, or almost double that of pure tin, was obtained, and this is apparently far in excess of any working pressure encountered in distilled water lines where this material is finding commercial use. Tests on threaded joints showed that the alloy had a tensile strength 25% greater than joints made with pure tin tubing. For certain installations it would seem feasible to use threaded connections in distilled water lines if the tubing were made of the silver-tin alloy. Both the 3.5% silver and 5% silver-tin alloys are finding applications in solders.”

“Interest continues in the possibility of using lead-silver solders in place of the standard lead-tin alloys in automatic can making machines. There are

many reasons for this, and important among them is the fact that a large saving in the use of the strategic metal tin would result by this substitution. The 2.5% silver-lead alloy is cheaper than the standard 50-50 solder and joints equally as satisfactory can be obtained. Many of the larger can manufacturers are actually carrying on experiments with these alloys to obtain data on actual operating conditions and service tests. Announcement is also made that the Silver Project's fellowship at Lehigh University has continued with the corrosion studies of silver. The corrosion tests made, it is stated, include not only a study of different chemicals but also a study of a large number of different commercial products which may be manufactured in silver equipment or packaged in silver containers."

Among silver's many amazing properties is the fact that when a small amount is added to tin, the strength of the primary component of the alloy is doubled. Silver has remarkable resistance to corrosion, an important aspect of war technologies. Note that during World War II silver was being substituted for other metals such as nickel, such as in the so-called "war nickels" which were coined from 1942 through 1945 and were 35% silver. Today the silver shortage is so intense that the concept of substituting silver for other metals will be a severely restricted one, applicable only to metals scarcer in nature, like tantalum and platinum. The New York Times, January 26, 1942, page 23, ran a story titled, "Industries Double Silver Use In Year," subtitled, "Metal Valuable In War" and commented---

"The use of silver in industries last year in the United States and Canada is placed at a new peak of 80,000,000 ounces by Handy & Harman, bullion dealers, in their review of the silver market for 1941. This represents an increase of almost 95 percent over 1940, when the previous high of 41,000,000 ounces for the two countries was established. Canada's proportion of the two countries' yearly total is estimated at less than 5 percent. G.H. Niemeyer, president of Handy & Harman, stated that recent research work has discovered many industrial uses for silver which are revolutionary in character. He also said that silver is proving indispensable in increasing the efficiency and durability of war materials, and is speeding up production."

"Silver and its alloys" he continued, are helping to build battleships, bombs, guns, shells, tanks, torpedoes, trucks and airplanes. The use of silver bearings in airplanes, for example, makes possible increased speed and the ability to withstand shock and vibration. The use of silver adds greatly to

the life of machinery and, in case of breakdown, repairs may be made in a few hours which otherwise would need months for replacement. The chief industrial use of silver today is for silver solder. Silver will join metal so firmly that the joint is actually stronger than the original metal. The manufacture of a great variety of machines and parts required in our war-material program is thereby greatly facilitated and uncounted millions of hours of labor are saved.”

“Silver is also doing valuable service as a substitute for copper, nickel, zinc and other metals, releasing them for use in war. America is fortunate in having an ample supply of silver to draw upon in carrying out its war program. In Europe and Japan the silver supply is limited and it is therefore impossible for the countries affected to avail themselves of the new and vital uses of silver in this present crisis.”

Notice that in a wartime period, silver use increases dramatically. In the nearly 63 years since that review was issued, no substitute has been found in nature for silver and its fantastic characteristics. Many revolutionary uses for silver were discovered as a consequence of war industry research, and what was true in 1942 is truer still today. A modern war machine MUST have silver to function at peak efficiency. Aerospace and jet aircraft technology could not exist without silver, nor could missiles and satellites. Countries which don't have adequate silver supplies are at serious strategic disadvantage in wartime, most likely to the point of being on the losing side.

Commercial & Financial Chronicle, February 5, 1942, page 570, made reference to the same report and said---

“The substitution of silver for other metals has occurred both in industry and the arts, the purpose being to conserve scarce war materials such as copper, nickel, aluminum and tin. War requirements are also demanding millions of ounces of silver. This metal is playing an important part in the construction of ships, airplanes, tanks, trucks, guns, shells, bombs, torpedoes and a wide variety of miscellaneous equipment.”

The war in Iraq, apparently soon to widen in scope to include assaults against Iran, is still a limited type war compared to the far ranging World War II. Still, we are in a silver deficit extending back over 50 years, and continued demands on war material production will aggravate the shortage (caused by rigged low prices!) New York Times, February 14, 1942, page 28, “Silver For Corrosion Resistance” we find---

“Silver has not ordinarily been considered as a construction material because of its high cost and relative scarcity, but it is well worth consideration for thin linings for tanks, autoclaves, tubing, etc., in the chemical and food industries to replace stainless steel or nickel. Against citric acid, lactic acid and other food acids it gives the highest corrosion resistance.”

The NYT, March 29, 1942, section 3, page 1, featured an article with the following title and subtitles---“50% Increase Seen In Use Of Silver. Consumption In Industry This Year Is Put At Record 120,000,000 oz. Needed In War Effort.” Reading on we find---

“Reflecting increased industrial activity and the shortage of other metals because of their need for the war effort, the consumption of silver in industry in the United States is running at the record rate of 120,000,000 to 130,000,000 ounces yearly. This represents an increase of about 50 per cent over the 81,000,000 ounces consumed last year and is three times the 40,000,000 ounces used in 1940. Until the Japanese invasion the moderate output of Burma was finding an outlet. The change in the silver picture is the result of the use of silver for war purposes. In addition to some new uses, it is in demand as a substitute for other metals. The film industry is continuing to consume a large amount.”

As World War II went on in Europe and the Pacific, silver demand climbed on an increasing curve. NYT, April 9, 1942, page 13, “Silver Senators Urge More Mining,” we find this statement from Senator Elmer Thomas of Oklahoma (an ally of the Senate “silverites”)---

“With the war program constantly demanding more silver, and with electrical manufacturers needing vast quantities of silver to replace depleted copper supplies, we simply must operate these mines which can produce vital material.”

The Senator wanted to expand silver output in the West, rather than have America lose its silver monetary basis. Eastern bankers were behind the drive to cancel out silver certificates and silver coins, saying we had plenty of gold for currency backing. After they got rid of silver coins and silver certificates, by the late 1960’s, they also turned against gold. That was their full intent from the start. See “The New York Boys” (Archives, September 2004). The Silver Senators in no way opposed silver use in the war effort.

Their solution was to ramp up output, thereby balancing war needs with continued monetary silver basis for America, but silver mining companies reported “difficulty in getting equipment” (NYT, June 27, 1942, page 20). Blame the miners for the problem, then frustrate their offer of additional output by continued price ceilings and denials of machinery! NYT, April 27, 1942, page 14 said---

“Silver has many of the properties of copper and tin. It is a good conductor of electricity and it unites with lead, as does tin, to form solder, a valuable property in view of the fact that Japan has now cut us off from our major sources of tin. Industry needs silver for use in making ships, airplanes, tanks, trucks, guns, shells, bombs, torpedoes and a variety of other war materials.”

The New York Times favored drawing down the monetary reserves of silver, as opposed to expanding silver mine production. Not surprisingly this great newspaper is allied with the money powers, since they own it. The August 4, 1942 NYT, page 18 had this to say---

“Silver has suddenly come into great demand. It is needed as a substitute for copper, zinc and nickel. It is also needed for a wide variety of new war purposes. The use of silver bearings in airplanes, for example, makes possible increased speed and greater ability to withstand shock and vibration. Silver and its alloys go into the manufacture of shells, bombs, tanks, torpedoes, trucks and ships. So great is the present demand for the metal that the War Production Board has just issued orders severely rationing the amount of silver available for industrial purposes. Now the unneeded metal suddenly has become immensely useful---not as a “backing” for our currencies but for purposes of war. And the obviously sensible thing to do would be to release from the Treasury the vast stocks of metal which are being held for “monetary” purposes which are a sham. But the Silver Senators say no.”

Here you see the editorial bias---silver has no monetary function and to believe otherwise is to promote a sham. They don't mine silver in New York City, they have the Federal Reserve Bank of New York there, which should someday be converted into a museum about financial criminals and their diseased paper currency! The position of the Silver Senators (and their agricultural allies) was to retain silver money, and supply the war effort with expanded production. But their opponents were always saying that

industrial type equipment was needed in the war effort, and couldn't be shifted into mining purposes; in fact, Treasury Secretary Morgenthau said that very thing (NYT, March 31, 1942, page 33). In essence, the Silver Senators supported both silver money, and silver use in the war effort; while their opponents were attempting to use war needs of silver as a ruse to usher silver out of our monetary system! In "The Silver Scandal" (NYT, August 29, 1942, page 14), more editorializing took place about how silver backing of money should be scrapped. Then they reminded their readership as to the importance of silver in the war effort---

"There is a critical shortage of silver for defense and there will soon be no silver at all for non-defense uses. War industries need silver today as a substitute for tin in solder, as a substitute for copper in electrical connections, and for a variety of uses in the making of ships, airplanes, tanks, trucks, guns, shells, bombs and torpedoes. That our war industries should be short of silver and other industries should be forced to go out of business merely in order to maintain silver as a kept metal, subsidized into useless idleness by an unwilling Government, is a condition that calls for indignant protest. The American National Retail Jewelers Association at their annual convention called for a Presidential order making the Treasury's stocks of unallocated silver available for industry."

Ships, airplanes, trucks, tanks, bombs, shells and guns---over and over, references show that silver was necessary to all these essential war items. But now we have no stockpile, thanks to the Silver Users Association, of which retail jewelers have always been a part. Silver is needed more for monetary basis than for jewelry. And jewelry is certainly less essential than defense use of silver. However, all applications of silver can be fulfilled by means of appropriate prices allowing mining to supply the necessary quantity of silver. Compromises were hammered out over silver use on Capitol Hill. NYT, August 31, 1942, page 25, article titled, "Free Silver Stock Diverted To War" we note---

"The Treasury is making every effort to put all available silver into urgent war work, Secretary Morgenthau said today. Substantial amounts of the Treasury's "free silver," he said, are being delivered to war plants producing aluminum and magnesium. The Treasury has stocks of 2,900,000,000 ounces of silver, of which 1,550,000,000 ounces have been monetized and are a reserve against silver certificates. The remainder, 1,350,000,000 ounces, constitutes "free silver," all of which is being "lend-leased" for use

in war plants, where it will release 40,000 tons of copper for war uses. In the last year there has been an enormous increase in the use of silver in industries. The metal is used extensively in the production of aircraft, ordnance, naval vessels, and for other war purposes.”

The August 29, 1942 NYT, page 14 (already referred to) said---

“The United States Treasury holds 3,331,000,000 ounces of silver, of which 806,000,000 ounces are in the form of coins, 1,164,000,000 ounces are pledged against silver certificates, and the remaining 1,361,000,000 ounces are free.”

Sometimes highly regarded sources supply variable figures! NYT, September 19, 1942, page 14, gave details as to initial use of Treasury silver for the war effort---

“However much they may complain about the shortage of silver, users of that metal cannot complain about any shortage of Government announcements lately on the “release” of the Treasury’s holdings of silver to industrial users. The War Production Board has just announced that all “free” silver held by the Treasury has been assigned for use in war industry, repeating the substance of a Treasury announcement of August 31, which itself repeated what had been first announced last April. The Treasury has disclosed that it will sell 5,000,000 ounces of silver to industrial users with high priority ratings.”

“The first of these announcements wasn’t news. It relates to the “lease-lend” plan arranged five months ago under which the Treasury’s holdings of silver not pledged against silver certificates or minted into coins may be lent to the Defense Plant Corporation for certain limited uses. Under this plan the silver may not, according to the Treasury’s original language, be “used up;” it may “not become part of the product of the war production plants.” It may be used only in such form as permits its return to the Treasury after the war, chiefly as a substitute for copper in electrical bus bars.”

“So limited is the use to which this silver may be put that between last April when the program was announced and Sept. 11 there had been turned over to the Defense Plant Corporation and other users only 162,000,000 ounces, or 12 per cent of the 1,350,000,000 ounces of “free” silver that we are now so frequently reminded have been assigned for use in industry. The

second announcement was more interesting. It revealed that the Treasury had 5,000,000 ounces of “silver ordinary” acquired in various ways, which was not covered by the restrictions of the Silver Purchase Act and which could, accordingly, be sold outright to industrial users at 45 cents an ounce. Under the Silver Purchase Act the Treasury is forbidden to sell the silver it has been buying at less than \$1.29 an ounce.”

Reading between the lines we see the struggle between the Silver Senators who were resolute about maintaining a silver monetary base for America, and the fiat paper money gang who wanted to empty all Treasury silver under the guise of supporting the war effort---a war in which they themselves played a large role in causing! We’ll look at silver used in “bus-bars” later. It was a non-consumptive use relating to power transmission, freeing copper to be used elsewhere. We notice that certain industrial users of silver had “high priority ratings.” We also note (NYT, September 18, 1942, page 35) these users were getting silver at 45 cents an ounce (in contravention to the Silver Purchase Act of 1934 that said it couldn’t be sold for under \$1.29). We can expect to see this again at some point, except with greater emphasis than before, in the sense that other uses of silver than Federally mandated ones may be drastically penalized. Let me throw in my 2 cents worth here. It is AGAINST the spirit of the Founding Fathers to intervene militarily in overseas situations. All such interventionism is clandestinely directed by the British Empire. Arrangements have been made whereby THEY use our military force to suit their ends! I intend to supply the necessary proof in a future report. NYT, September 19, 1942, page 17 reported---

“Alex Henderson, deputy director general of industry operations of the War Production Board predicted that silver would become a strategic metal by next spring because of its increasing use in war industries in solders, brazing and bearings. He said that 6,000 tons of the Treasury’s stock of free silver, uncoined metal not backing up paper money, has been delivered to war industries for non-consumptive uses. These non-consumptive uses are absorbing the Treasury’s free silver at the rate of 166 tons a day, Mr. Henderson told the group.”

For military contractors to get 166 tons of silver a day from the Treasury today is impossible, since as we know Treasury has no silver, at least no significantly measurable amount, neither is there any other meaningful government stockpile. In order for fiat money paper fraud to last longer,

silver's meaning as money has to be concealed by low prices, till the shortage becomes hopelessly unmanageable. Again, NYT, September 27, 1942, section 4, page 10 had comments on silver and war use---

“Silver is a critical metal in the defense program; it is needed as a substitute for tin; it is the best of all metals for certain important parts in the construction of ships, airplanes, tanks, trucks, guns, shells, bombs and torpedoes. Manufacturers complain of a serious shortage of the metal.”

Computer systems today which the World War II military would have found totally fantastic are dependent on silver. The same is true for orbiting satellites. Many other applications of silver have come about through scientific research. The tug-of-war between saving America's silver monetary base, or rather returning to it, and the need for silver in war applications, will be different in the future---it will be more intense. As people realize the worthlessness of Federal Reserve notes, pressure to return to real money will be overwhelming. The only thing I can think of that can prevent return to real money, is if we continue to give up freedoms in the name of Fatherland Security. Americans must continue to own guns, and guns should be purchased by anyone legally able to do so. Guns are necessary to defeat an enemy in warfare. They also appear to be indispensable in preventing one's own government from becoming truly tyrannical. We must fight any Federal attempt to require “domestic passports” restricting movement of citizens within our borders, or on travel abroad. We must resist any new attempts to curtail our liberties in the name of wartime security. We must act through channels to restore our rights.

Not to hammer over the same territory too many times, but take another look at the wartime needs for silver (NYT, October 31, 1942, page 14)---

“This metal is needed in the manufacture of ships, airplanes, tanks, trucks, guns, shells, bombs, torpedoes and other war equipment. It is used to make airplane bearings, photographic film, surgical materials and pharmaceutical products.”

Submarines aren't directly mentioned, however, the references to torpedoes cover that also! The Saturday Evening Post featured an article, “Silver Scandal” on October 31, 1942, by banker prostitute Walter Spahr of New York University and the Economists National Committee on Monetary Policy said on page 19---

“War industry badly needs as much of our hoarded Treasury silver as it can get. Silver is needed as an ingredient in high-grade solder, in durable electrical contacts, connections, coils and antennae, and engine bearings, particularly in heavy-duty and radial-type air-cooled engines. It is needed in airplane controls, gun mechanisms and in a multitude of electrical devices vital in war. It is needed as a silver-brazing alloy. It is needed to provide corrosion-resistant surfaces on other metals and for surgical and medical instruments. It is needed in photography, container linings, mirrors, medicine, dentistry and chemical industries. In April 1942, the Treasury’s free silver totaled about 47,000 short tons, and effective May 6, Morgenthau made an agreement with Nelson to lend 40,000 tons to the Defense Supplies Corporation for use as bus bars in electrolytic and other defense plants. The silver was to be returned intact after the war. Meanwhile it would substitute for a somewhat larger amount of copper thereby released for other important war work.”

“But Donald Nelson needs more than the 40,000 tons, and more than the remaining 7000 tons of Treasury free silver. He needs part of the additional 66,500 tons which the Treasury owns, but which is not legally free. For one thing, synthetic rubber production would be hastened if silver could be used in new plants. There are a great many other uses of similar importance for silver, but they all would consume the metal and it could not be returned to the Treasury. Since the secretary cannot sell any of his accumulated silver except under conditions not likely to be realized, the obvious and simple way of getting silver into productive service is to repeal the various silver purchase laws which tie his hands. Morgenthau has recommended that very thing. In a press conference on March 30, 1942, he said, “I have recommended twice now on the Hill this year that all silver legislation be struck off the books.” His recommendation was supported by Marriner Eccles, chairman of the Board of Governors of the Federal Reserve System, and by a large group of experienced monetary economists. But the Silver Bloc said no.”

Here we see that need for silver as a war material was being used as an excuse for ushering silver out of the monetary system, for we could not be on a full-blown fiat paper system as long as silver was part of the country’s monetary basis. The “large group of experienced monetary economists” were the paid propaganda shills for the big New York bankers back of the Federal Reserve System. These same people made noises about how gold

backing was all we needed for the dollar. After silver was gotten rid of, they turned full fury against gold also, though there were moves before our silver coin program was halted, to lower the gold reserve requirements back of Federal Reserve notes. And now today look at the miserable situation in which we find the nation's currency! The Silver Senators were holding firm against loss of our silver monetary base. They offered to increase silver output, but that was rebuffed by denial of necessary equipment. At the same time, imported silver had a 35-cent price ceiling, whereas domestic silver was 71.11 cents, effectively limiting silver imports. Read more about that situation in "The New York Boys" (Archives, September 2004).

Another attack on the silver monetary reserve was published in Reader's Digest, November 1942, called, "Twelve Men Against the Nation" by columnist Sylvia Porter, a typical media hack. The twelve men were the Silver Senators. Her attack on silver money was detailed in "The New York Boys." Let's just look at her remarks as to the wartime uses of silver (pages 1, 2 and 4)---

"War industries, frantic because of the scarcity of the metals they need, are begging for silver to use in making airplane engines, torpedoes, anti-aircraft guns and other vital weapons. Never before has there been such a terrific clamor for silver. In some war uses, nothing else will do. Silver is indispensable for brazing joints which must be proof against vibration, corrosion and gas leaks---as in submarines, airplanes, tanks, torpedoes and bombs. Nothing but silver will do in airplane engine bearings because it permits pressures---that is, speeds---impossible with tin-bronze bearings. There are pounds, not ounces, of silver in the recoil mechanisms of every field artillery piece and anti-aircraft gun. In other cases, silver is economical, though it costs more per ounce than most metals cost per pound. The War Production Board cites an instance in which 2.5 pounds of silver costing \$13.50 does the work of 40 pounds of tin costing \$20.80."

"Silver is indispensable in the manufacture of photographic film, surgical materials, and drugs---all war essentials. As a plating material it is needed to produce corrosion-resistant surfaces on other metals. Silver wire is better than copper in electrical appliances and motors. Silver has a multitude of practical uses as a war metal. Germany is confiscating, for industrial purposes, all it can find in Europe and, until we finally embargoed exports to Switzerland, Portugal and Sweden, was surreptitiously getting some from us. Nothing illustrates the obduracy of the silver group than their lend-lease deal

with their own government. Secretary Morgenthau and Donald Nelson personally pleaded for release of silver. The Senators said they would agree to lend some---but it cannot be used in making guns, planes or anything that might wear out---it must be returned intact to the vaults after the war. So desperate was industry's need that even under these restrictions, silver is being substituted for 40,000 tons of copper in bus bars of new war plants. Bus bars are giant bars of bare metal which carry high loads of electricity.”

“Recently Secretary Morgenthau notified domestic mines that they could delay delivery of their output to the Treasury. The OPA then announced that if these mines delivered their silver to anyone except the Treasury, they were entitled to an extra “freight charge” of one cent an ounce. The freight charge pays the silver producers a premium to induce them to sell to industry instead of the Treasury. The net effect is that, for the present, war industry is getting the domestic production---by paying through the nose for it.”

By this method, instead of getting 71.11 cents per ounce---a price that miners and their Congressional friends insisted was too low for profitable operations--- miners were getting 72.11 cents per ounce, an increase of less than 1.4%, and Sylvia Porter tried to make the miners look like they were price-gouging the whole country! No industry I ever heard of ships anything for free, but the miners should be different. Silver bars weigh more than cotton balls, Sylvia! Her article blamed silver certificates and the real silver back of them for inflation! It was another case of the paper money mob attacking silver money.

Porter mentioned Germany was confiscating silver. Senate Document number 173 from the 73rd Congress, second session, dated April 26, 1934, was entitled, “HOARDERS OF SILVER,” and was a 13 page letter from Treasury Secretary Morgenthau to the Committee on Banking and Currency, listing some known “silver hoarders.” On page 38, for example, we find listed a Thomas M. Pierce Jr. with 851,108.95 ounces, located at Boatmens Bank Building, St. Louis, Missouri. There were many others listed, including with home addresses, inviting invasion thefts! We'll look at that document another time. It suggests that our dear leaders have a bit of a Nazi slant in that they feel Americans don't have a right to hold silver. Especially if some trumped-up wartime national emergency is declared. The C & FC, November 19, 1942, page 1807, featured a story in which the New York Chamber of Commerce threw its support behind the Green Bill, introduced

by Rhode Island Senator Theodore Green. This bill was another stab at removing our silver monetary base. The article said---

“There was no sound economic reason why an ounce of silver should be held as monetary backing. The silver bloc, however, is opposed to any legislation which directly or indirectly might lessen the monetary sacredness of silver.”

The article spoke called for passage of the Green Bill so that silver could play in---

“...its all-important part in the manufacture of airplanes, ships, tanks, guns, torpedoes and other munitions.”

Senator Green was more interested in freeing silver for the jewelry and sterling silverware trade in his state, than some other motive. The NYT, December 18, 1942, page 26, reported that Silver Senator McCarran performed a one-man filibuster to kill the Green Bill. We read---

“The mild proposal of Senator Green of Rhode Island, which would have permitted the Treasury to sell to war industry at 50 cents an ounce a part of its 3,000,000,000 ounce holdings, was kept from consideration on the Senate floor by the one-man filibuster of Senator McCarran. Silver has become a strategic metal. It is urgently needed in the making of guns, tanks, airplanes, torpedoes and a large number of other war materials. It is needed as a substitute for scarce copper and tin. Secretary of the Treasury Morgenthau has reiterated his opinion that the United States should be entitled to use its store of silver for any purpose whatever, including war and industrial purposes. The silver bloc has won another round; but it squeezed through by a narrow margin. The fight should be renewed promptly in the coming session of Congress.”

Western silver miners were having a tough time making a steady living with the silver price Federally capped at 71 cents an ounce, then the New York Times said Senator Green’s proposal to sell Treasury silver at 50 cents an ounce was a “mild proposal.” We’ve seen exactly how the silver users proposals over the years consist of “mild” ideas (“wild” ideas is more descriptive.) The War Production Board and the Treasury supported the looting proposal (NYT, November 23, 1942, page 22). Notice how Green didn’t propose that his silver user friends head West and start mining their

own silver. You can be certain that a fifty-cent per ounce price would have required lots of slave labor. The NYT, January 11, 1943, page 23 ran a story titled, "Silver's Transition to War Use Is Termed Outstanding in 1942" and subtitled, "Handy & Harman Review Puts Consumption in North America at 119,000,000 Ounces, Increase of 50%" Some highlights---

"The outstanding feature in silver in the last year so far as the United States is concerned, according to Handy & Harman, bullion dealers, in their annual review of that metal, is the transition of silver from civilian life to active service in America's war effort. The firm emphasized that this change involved at times sharp conflict between the natural law of supply and demand, politics and control administered by government agencies. All war and other essential needs for silver in the United States were satisfied during 1942 but there were insufficient supplies of current production, domestic as well as foreign, to fill more than a small part of the heavy civilian demand for silverware and jewelry. These lines were sharply restricted and consumed less silver in the past year than in 1941."

In the likely situation in which America continues its overseas military adventures with the British Empire, we will see silver rationing imposed by the Feds. Any silver owned by jewelers going into the new wartime situation, could well be the last silver they'll get for up to 5 years or longer. The article mentioned that during 1942, 2,744,000 ounces of silver were used in the new "war nickels," consisting of 56% copper, 9% manganese and 35% silver. The total silver used in making war nickels ran to almost 49 million ounces (C & FC, December 10, 1959, page 2423). Wartime influences in India were discussed---

"In India the market showed wide and rapid fluctuations at times. Prices there bore no relationship to levels prevailing elsewhere and this lack of parity was caused by restrictions against the free export of silver. War news was the dominant factor influencing prices. Although the threatened Japanese invasion of India completely disorganized the market and caused a near price collapse due to fear that the seaport bazaars might have to retire to the interior, enemy successes created a demand for silver. However, a completely opposite psychology was evidenced when the market skyrocketed following British achievements in Egypt. During the year the Reserve Bank was only an intermittent seller, and each time it withheld supplies a higher price level resulted. India's 1942 silver consumption was definitely on the increase and probably exceeded 50,000,000 ounces."

Here was an example opposite the silver dumping of the U.S. Treasury and other governments---withholding silver to sustain the price. Seems like the silver miners would have figured that out long ago. They probably did, but other influences, probably directed from New York banks, kept the silver coming at depressed prices. NYT, February 21, 1943, section 4, page 9---

“Silver Bearings----In the production of silver-plated bearings for airplane motors the rate of plating is more than trebled by use of potassium cyanide, made in this country by the electrochemicals department of E.I. Du Pont de Nemours & Co. Literally tons of silver are used each week in the fabrication of bearings to withstand the high loads and speeds demanded in modern wartime operations. Air speeds would be reduced as much as seventy-five miles an hour, and loads would be cut substantially if silver plated bearings were not available.”

Du Pont is an interesting example of the war on silver as money, and the war fought for low silver prices. A Du Pont was a director of the second Bank of the U.S. (abolished by Jackson in 1836), forerunner to the Federal Reserve System. Then in 1979-1980 a former member of the board of governors of the Fed, Andrew Brimmer, who became a Du Pont director, headed a COMEX silver committee “investigating” the silver situation. As a COMEX governor, Brimmer voted for the rule change ordering liquidation only trading in silver, crushing the Dallas Hunt brothers, who weren’t members of the paper money mob’s Secret Society (as are the Du Ponts). NYT, May 18, 1943, page 34 reported record silver use of 193,933,000 ounces in the U.S. in 1942, according to the American Bureau of Metal Statistics. The figure was up from 135,064,000 ounces in 1941 and 62,239,000 ounces in 1940. We read---

“Of the 115,000,000 ounces used for industrial purposes, it is estimated that 60 per cent was for direct and indirect military purposes. This figure does not include the silver for the manufacture of bus bars, transformer windings and other uses, under provisions for the return of the metal to the United States Treasury after the war.”

The Silver Senators were probably at their peak of influence during World War II. This is a group that needs to be reinvigorated. NYT, June 4, 1943, page 42 had an article titled, “Secret Explosive Is Demonstrated,” subtitled “Du Pont Plant Experts Reveal New Silver-Plate Method” we find---

“How molecules of synthetic wood alcohol are mixed with molecules of ammonia to form the basic ingredient for a secret new explosive used in the “blockbusters” that are daily blasting Axis industrial plants was demonstrated here today at the Du Pont electrochemical plant. It was the first time that the nature of some of the ingredients going into the blockbusters was revealed under authority of the Army and Navy. Also demonstrated for the first time was an improved process for mixing molecules of silver with cyanide to form a substance for silverplating bearings on airplane motors. This new combination of molecules, it was said, makes possible airplane speeds of seventy-five miles an hour greater than would otherwise be possible, and materially increases the load of blockbusters that such planes can carry.”

Du Pont has had a lot of involvement in wars and has supplied the wherewithal to kill megamillions of “enemies,” many of who were created by Du Pont’s British friends. Foment wars, then profit from them. Du Pont is one of the three largest members of the Silver Users Association. This is the single most responsible group for why America has no strategic silver stockpile. This being the case, don’t anyone read about Du Pont’s efforts in World War I and II and ascribe any patriotism to them, especially since they’re part of the paper money mob, and always have representatives in the secret society of the World Money Power. NYT, August 28, 1943, page 17 had this to say about silver’s metallurgical versatility---

“A new process in metallurgy with probable far-reaching results is suggested by a new silver containing die steel developed by Howard Russell and Lloyd Jackson, and assigned to Heppenstall Company of Pittsburgh. The patent number 2,327,561 includes a total of 18 claims and provides for the production of a die steel containing about two per cent silver. The addition of the silver would make the steel considerably more machinable and would provide a satisfactory metal for the making of extremely accurate machined dies as might be needed for plastic moldings. It would be likely to cool quickly.”

The Commercial & Financial Chronicle, January 27, 1944, page 428, discussed Handy & Harman’s Silver Market Review for 1943. We read---

“A new high record was established for the use of silver in the arts and industries in the United States in 1943, according to the annual review of the

silver market by Handy & Harman, in which it is estimated that 125,000,000 ounces of silver were used, an increase of 10,000,000 ounces or about 9% over the previous high of 115,000,000 ounces used in 1942. The review, made available January 17, indicates that the consumption of silver for all purposes in the United States in 1943 was more than four times the average amount for the five years prior to 1941, which was the first year in which there was an appreciable use of silver for the war effort. Of all the silver used in the United States in 1943, some 65% went into war production or the purposes classified as essential by the War Production Board.”

Notice the difference in silver use for 1942 reported by the NYT, May 18, 1943, of 193,933,000 ounces, compared to the 1943 figure of 125,000,000 ounces. The figure we just looked at didn't figure in silver used for coinage, which in 1942 was 78,933,000 ounces. Continuing with the C & FC article we just started looking at---

“The review observes that war conditions necessitated the continuance of Government control, both at home and abroad, over the price of the white metal, and over its allocation for industrial and monetary purposes, and it states that, “the only significant development during the year was the action taken by the United States Congress which made Government owned silver available for sale or lease, subject to certain restrictions.” It also noted that when Congress convened in January 1943, numerous bills on the subject were introduced. After much discussion the bill sponsored by Senator Green of Rhode Island was finally passed and signed by the President. The selling price of silver was fixed at 71.11 cents an ounce. It thus became possible to release silver from Treasury stock for consumption in industry”

The termites were starting to get their way. Probably Wall Street was able to pay off some members of the so-called “farm bloc,” who usually sided with the silver producing states, over the change in legislation. It was the stock of “free silver,” that not yet committed to backing of silver certificates, which was then being accessed. Whenever moves were made to issue more silver certificates by factoring in portions of the “free” silver, such moves were denounced as “inflationary.” The denouncers always insisted we had plenty of gold with which to back our dollars. Of course, after they finally got rid of silver certs in the late 1960's, their attack on gold heated up. Their intent from day one was to have us on pure fiat paper money! They just didn't want to start out saying that! Encroachment, to be successful, must be by degrees! Reading more---

“The making available of Treasury silver came at a most opportune time, since there had been a shortage of newly mined metal for several months and the situation threatened to become progressively more acute. The passage of the act was particularly fortunate because of the shortage of both foreign and domestic silver, the foreign silver shortage being due to Mexico withholding their supplies for coinage purposes, while the domestic shortage was due to scarcity of mine supplies and labor.”

In wartime excuses will be made for Government control over silver, its price, and also who is to get how much of whatever is available. They said the U.S. was also controlling the overseas price. Well, only to some extent. By offering rates lower than those already low rates paid in the U.S., most of the control referred to, was sending silver elsewhere. Had the U.S. allowed its citizens to pay competitive rates for foreign produced silver, and if the Silver Senators proposal to increase mine output in the West were accepted, the shortage would have been profoundly eased. No wonder Mexico declined to send more silver here, when all they could get was 35 cents an ounce, they were better off putting more silver into coin circulation. The Government restricted access to industrial equipment necessary for mining, at primary gold and silver mines. The plan must have been to get rid of the “free” silver first, maintain a mining shortage by holding prices down, and present a post-war crisis picture of industry failing due to lack of silver, so that the silver back of the silver certs could be raided. Looking back to the early and late 1960’s, that’s exactly what happened. We looked at that in “The New York Boys” in the September 21, 1942, NYT story, “Westerners in Congress Say Eastern Bankers Use War as Cloak for Revision.” The NYT, September 2, 1942, page 22 editorialized---

“There should be released to meet the needs of industry not merely the Treasury’s free silver but also the silver now pledged against outstanding silver certificates, a reserve which we have ample gold to replace.”

As we know, the paper currency conspirators got rid of silver first, then attacked gold, and you don’t see the NYT calling for a return to gold backed currency. Their pretended support for gold backing in the WWII years was a smokescreen. Reading more from the C & FC, January 27, 1944, page

“On July 29th the War Production Board, acting under the terms of the Green Act, published the necessary regulations to release Treasury silver for consumption in industry. Three lists were created as follows---List A (foreign silver) for medicine, photography, electrical contacts and certain priority rated orders; List B (domestic silver) for various uses considered non-essential to the war effort; List C (Treasury silver) for engine bearings, brazing alloys, solders and official military insignia.”

“There is no gainsaying the fact that the imposition of regulations as to the use and price of silver was indispensable to orderly marketing and manufacturing under war conditions. Because no Treasury silver was allotted for non-essential use, it might erroneously be assumed that the Green Act had proved of no benefit to the silverware and jewelry industries. Such is not the case, since every ounce of Treasury silver distributed for List C purposes released an ounce of domestic silver for non-essential use. The vital importance to non-essential industry of the supplies thus made available may be measured by the fact that some 20,000,000 ounces of Treasury silver were actually withdrawn during the second half of 1943. For the first year since the inauguration of the silver purchase program in 1934, United States Government holdings of silver showed a decline.”

By robbing Peter to pay Paul, Senator Green got 20,000,000 ounces of silver for his sponsors in the East coast silverware and jewelry industry.

“According to the Treasury’s Daily Statement, dated December 31, 1943, there were 1,175,000,000 ounces of Government owned silver bullion which remain unpledged as backing for silver certificates. It is indicated that of this silver the Defense Plant Corporation held 829,000,000 ounces or 242,000,000 more than was held in 1942. In 1943 the United States used more silver for domestic coinage than in any prior year. Official figures for the first eleven months show that 95,818,000 ounces were so consumed, or 17,000,000 ounces more than the full year record.”

“There was a considerable increase during the past year in the production of silver-lead solders to conserve tin in the lead-tin soft solders ordinarily employed in the canning industry. Larger quantities of silver were also used for brazing alloys, which continue to have most diversified use in war production. They are being utilized to make joints between metal parts of such war materiel as ships, planes, tanks, guns, bombs, shells, rockets and

torpedoes, as well as for many items of general equipment and various types of instruments.”

“The price at which manufacturers could obtain silver has increased during the past year to 71.11 cents per ounce. This higher price has retarded the use of silver to some extent, but less than might be expected because of the wartime emphasis on performance rather than cost. However, under competitive conditions after the war, a 71.11 cents price will undoubtedly be a serious deterrent to the use of silver in the arts and industries.”

Will platinum be used in any high-tech military applications in the future if its price is over \$5,000 an ounce? Most likely. Such a bunch of chiseling, conspiratorial complainers! What competitive conditions after the war were they referring to? Not free market forces to determine the silver price, but government sponsored price capping legislated by Congress. Go into any jewelry store. Are there any gold items to be found? 14 karat, or the purer (75%) 18 karat items? How much is gold per ounce (over \$400 as this is written) and don't forget the steep fabrication mark-ups slapped on gold jewelry. Has a price of over \$400 an ounce proved a “serious deterrent” to the use of gold? These virulent silver users talk about any increase in the silver price as if all the world's ills can be traced to it. Never mind the miners who went broke trying to produce silver at price-capped levels, competing with Treasury dumping. To the silver users we say---GO MINE YOUR OWN METAL before you do ANY MORE GRIPING about the price of silver! NYT, December 8, 1944, page 14 reported---

“Secretary Morgenthau said today that 1,226,300,000 fine ounces of idle silver had been directed into war jobs since Pearl Harbor. Most of it has been leased to war plants. Some has been lend-leased to foreign countries. Some has been sold. Most of the “free silver” leased to war plants, 903,000,000 ounces, has been fabricated into electrical conductors for aluminum and magnesium plants and other war factories. The Treasury still owns it and it will be returned.”

Later we'll look deeper into the lend-lease silver that went overseas and also at the silver used in war factories which was to be returned to the Treasury. C & FC, January 25, 1945, page 427 glanced over the Handy & Harman silver market review for 1944---

“Pointing out that “for the second successive year since the inauguration of the silver purchase program in 1934, United States Government silver holdings showed a decrease, bringing the amount on hand at November 30, 1944, down to just below three billion ounces,” Handy & Harman in their Review of the Silver Market in 1944 add---“The reduction in 1943 amounted to 85,300,000 ounces, but for the first eleven months of 1944 it was three times as large---namely, 254,700,000 ounces. This amount was a figure consisting of 255,000,000 ounces released and less than 300,000 ounces acquired. The acquisitions represented 119,528 ounces of newly-mined domestic silver and 151,669 ounces of miscellaneous deposits received at the mints and assay offices. No foreign silver was purchased. Treasury disposals during the eleven month period were comprised as follows--- the minting of silver nickels accounted for 8,489,000 ounces; sales under the Green Act absorbed 43,672,000 ounces; lend-lease procedure made 202,807,000 ounces available to foreign governments.”

When I was a young boy of maybe 8 years of age, I noticed a nickel in supermarket change that had an unusual color and a large “P” over Jefferson’s Monticello dome. That was a war nickel. There were few left in change by the early 1960’s. Notice the figure of over 200 million ounces of silver leased overseas. Could it be that in the years following the 1980 silver crash, favors were called in by the U.S. government concerning the wartime lend-lease silver, and they leased some silver to us, so the price could be smothered for years to come? Reading on we find---

“The Review finds that “the silver output of North America decreased substantially during 1944. Our estimate divided according to the three countries,” says Handy & Harman, is as follows---United States, 34,500,000 ounces; Mexico, 63,000,000 ounces; Canada, 14,600,000 ounces. Compared with 1943, these figures indicate declines in production of 11% for Mexico, 17% for the United States and nearly 20% for Canada. We believe that Peru’s output remained unchanged at about 15,000,000 ounces.”

“From the Review we also quote---“England’s industrial consumption of silver, restricted entirely to war purposes, is estimated at 14,000,000 to 18,000,000 ounces. In Mexico there was no war manufacturing, but the arts used about 6,500,000 ounces, part of which went into native handicraft articles. Canadian arts and industries absorbed an estimated 5,000,000 ounces. This was a 25% increase over the previous year’s figure. In the case of the United States, our estimate for the arts and industries in 1944 is

125,000,000 ounces, an increase of about 4% over 1943. Of this 125,000,000 ounces, war and other essential purposes accounted for approximately 65%.”

Let’s comment on two items. First, during wartime, less silver tends to be mined, due to manpower and machinery being diverted elsewhere. Since we in the United States are without a silver stockpile for war purposes, or for defense, this leaves us in an even deeper hole. And all thanks to the Silver Users Association’s raids on our national silver, which Ted Butler aptly described as “grossly self serving and unpatriotic.” When the shortage and emergency is openly acknowledged, watch for media outlets---especially those getting advertising patronage over the years from Kodak, Du Pont and Dow Chemical---to sponsor articles blaming “silver hoarders” for the shortage. As we realize, the problem is exclusively the unavoidable outcome of too many years of price capping and shorting of silver by the users and the paper money mob. The other thing I wish to stress on the above is that during World War II, Mexico dedicated no silver to war manufacturing. As today with Mexico declining to endorse the Bush/Tony Blair invasion of Iraq, Mexico does not approve. Speaking of the Iraq invasion and occupation and the coming attack on Iran, let’s also consider that this is taking place for purposes beyond seizing petroleum resources underground and around the huge Caspian Sea fields, plus the known copper, silver and gold resources of Iran. I submit that these invasions are also aimed at thwarting the Arab world’s moves to conduct business denominated in gold Dinars and silver Dirhams! Concluding the C & FC review of the Handy & Harman report for 1944---

“Among war uses in the United States, solders and brazing alloys moved into first place, followed in order of quantity by photographic products and processes, electrical parts, airplane engine bearings and military insignia. Silver was also employed in making such things as silver-plated eating utensils for the Army and Navy, desalination equipment, medicines and dental materials. According to the Treasury’s Daily Statement dated Dec. 30, 1944, the Defense Plant Corporation held 880,000,000 ounces, an amount which was 51,000,000 ounces more than at the end of 1943, but 22,000,000 ounces less than the peak recorded in 1944.”

According to the NYT, December 8, 1944, page 14 (already visited) the figure was 903,000,000 ounces, whereas the Handy & Harman showed 880MOZ plus 22MOZ which gives 902MOZ, one million ounces less than

this other statistic. Maybe Senator Green's Rhode Island silversmiths were spiriting off some silver. The silver plated utensil item is meaningful as a method of reducing illness caused by food, as silver kills bacteria, and the desalination equipment notation is highly consequential, since in areas near coasts without fresh water discharge into the ocean, salt water must be converted to fresh water. Even drinking water depends on silver. The C & FC, November 29, 1945, page 2611 ran an article, "Vinson OK's Green's Silver Bill" subtitled "Treasury Secretary Writes Sponsor of Measure to Extend Period of Silver Sales to Satisfy Industrial Needs" we find---

"Senator Theodore F. Green, Democrat Rhode Island, has made public a letter written to him by Treasury Secretary Fred M. Vinson endorsing the Green Bill (S. 1508) which would extend the period of Treasury selling of silver to industry beyond the period limited under the present law, known as the Green Act, which expires at the end of the year. The text of Secretary Vinson's letter to Senator Green follows---

"My dear Mr. Chairman---Further reference is made to your letter of October 26, 1945 requesting a report of S. 1508 a Bill to authorize the use by industry of silver held or owned by the United States. Enactment of the Bill will enable the Treasury to continue selling silver to American industry for manufacturing uses. It is unlikely that domestic production of silver and imports of silver will be sufficient to satisfy the demands of industry for a considerable period of time. A shortage of silver for industrial use would interfere with reconversion and the maintenance of high levels of production and, accordingly, authority for the Treasury to sell silver to industry would greatly assist in the adjustment from a wartime to a peacetime economy."

"With respect to leases the Bill would permit the extension, if necessary, of two leases which are now outstanding and which will terminate six months after the cessation of hostilities. As proclaimed by the President the War Department holds nearly 475,000,000 ounces under lease and the Reconstruction Finance Corporation holds slightly more than 400,000,000 ounces. The silver is used in bus bars located in aluminum plants throughout the country and in the War Department's atomic bomb plant in Tennessee."

These figures give a total of 875,000,000 ounces, very close to the 880,000,000 ounces previously referred to as under the aegis of the Defense Plant Corporation, so there may have been an overlap of agencies involved

or different terminological designations. When the lend-lease silver was added in, well over one billion ounces was used in World War II. The reason that Treasury Secretaries and other monetary officials such as Federal Reserve types have always sided with silver users is due to the monetary conspiracy against silver. They want no role for silver in the money system because they cannot create silver; the same holds for gold. Notice also the gradual encroachment on the silver monetary reserves we once had. The first Green bill was intended to get at silver only during wartime. The follow-up bill was designed to continue the process. Get rid of all the “free” silver not dedicated to backing silver certificates. Instead of adding to the base of sound money, thwart efforts to add to silver certificates by alleging that it would cause “inflation.” Denounce moves to issue more silver certs against some of the “free” silver (thereby competing with industry, which should have solved its own problems) by ranting about excess reserves in banks. No fractional reserve problems were ever caused by real precious metals. Anti-silver economist Herbert Bratter, writing in the C & FC, December 10, 1959, page 2423 complained that---

“More than \$2 billion of currency in the form of silver certificates are in circulation, forced on the public by the strategic power of the western silver bloc in Congress, particularly in the Senate. Earmarked as special security for these silver certificates are 1,741,000,000 ounces of silver. Of this, about 515 million ounces of silver represents silver certificates of \$5 and \$10 denominations. If all these 5s and 10s were replaced by Federal Reserve notes, the 515 million ounces of silver would be released for transfer into the free silver account. Unfortunately, the Federal Reserve System may not issue Federal Reserve notes in \$1 and \$2 denominations. It would take only a simple act of Congress to similarly release for use the other 1,227 million ounces of certificate reserve silver which today lies idle in government vaults because no one wants it.”

Something that was forced on the public is the irredeemable Federal Reserve note, championed by prostitute economists. Used to be you could redeem silver certs. There was no rush to redeem silver certificates as long as no deadline was set for redemption. However, as soon as a deadline was set in the late 1960’s, the rush was on, showing Bratter a liar. Redeemable currency will always be superior as money for everyone except the paper money mob in London and New York. Other items from Bratter’s article are worth scrutinizing (page 2422)---

“Naturally, the silver users object to any steps which would increase the price of silver. Any increase in the price received by U.S. mine producers of silver would cause the world price of the metal to rise as well. At a time when the Administration is exerting itself to restore balance in our international payments, an unnecessary increase in the price paid for foreign silver makes no sense. With silver bullion increased 10 cents an ounce, consumers of silverware and other products using silver would find themselves paying still more, allowing for markups. Thus, a proposal which would curtail market supplies and add to the money supply---as the American Mining Congress wants to do---would be doubly inflationary. Normally, when the price of a commodity is increased, there is a tendency for production of that commodity to increase.”

We the silver miners and investors should picket the Silver Users Association's headquarters and tell these unwashed clods and sweaty boors that if they feel silver prices are too high, they are free to go mine their own metal. That would be fairplay, rather than holding hostage the world's silver miners to supply them with metal at slave labor rates. This, after many silver deposits have been worked out and the richest zones of others have been depleted due to the epithermal deposition principle of geology which places most of the best grades near-surface. Additionally, since this nation no longer has a military silver reserve for war purposes---thanks to the silver users---it is to them and them alone that the bill for replacing such a reserve should go. We must not be maneuvered into confiscation of silver lawfully acquired by citizens to be used for military silver purposes; only voluntary sales at supply-demand driven rates. If it is unpatriotic for a silver investor to make a profit by holding silver because silver users object to higher prices, how can it be patriotic for any other investors in other industries to profit by the sale of aircraft, night vision equipment, bazookas, tanks, submarines, missiles, satellites and other war ordinance?

The 14th Amendment to the United States Constitution is there to guarantee equal protection under the law for all. That Amendment must not be contravened by Presidential Executive Orders, Supreme Court rulings or illegal Congressional legislation. We have no more Comstock Lodes from which massive quantities of silver may be extracted for pennies the ounce! The famous “blue mud” is gone! It is up to every one of us to get the facts before the public as to where the blame lies for the silver shortage. Again the economist blames silver for inflation, while the reality is only unbacked paper money can cause inflation. Just another hellbound liar! It was highly

asinine of him to blame a small silver price increase for adding to a balance of international payments problem. That's a problem of nightmare proportions in 2004. Bratter admitted how important silver is for war purposes (page 2422)---

“Today not a missile goes aloft from Cape Canaveral, not a jet plane from Idlewild that does not contain some silver. A good 25,000,000 or more ounces of silver are used each year in the U.S. in the form of solders and brazing alloys in refrigerators and air conditioners, electric appliances, aircraft and rockets. About 19,000,000 ounces are estimated to go into electric contacts in appliances and electronic equipment. More than 1,000,000 ounces are consumed in ceramic colors and pigments. About 1,500,000 ounces are used in making silver-zinc batteries for jet aircraft, missiles and portable TVs and silver-cadmium batteries for portable equipment. Silver goes into such miscellaneous products as mirrors, pharmaceuticals, dental alloys, plating of fine copper wires, medical and scientific instruments. In certain high temperature applications, as in space vehicles, silver is ideal. Research is finding new uses every year. During World War II new brazing alloys of silver were developed by Handy & Harman. The automobile, the airplane and the telephone all call for the use of silver in their structure. The demand for silver in high temperature applications in guided missiles, jet and rocket aircraft has soared.”

“Silver is a noble and versatile metal. It resists corrosion and so is ideal for chemical vessels and the lining of metal cans. Silver nitrate is used in hair dyeing and making indelible inks. Extremely ductile, a gram of silver may be drawn out into a wire 180 meters long. Malleable, silver may be beaten into a leaf 0.00025 millimeters thin. In making phonograph records a thin deposit of silver is employed in making the matrix.”

First the economist tells us how little the silver users want to pay for silver, then he advises us how critically important silver is in numerous industrial processes, without which we cannot defend ourselves, nor can we enjoy a modern lifestyle without it. Price capping causes shortages. You will never hear any dishonest economist admitting to this basic fact. As silver prices attain to screaming high levels never before seen, the users and the paper money mobsters will denounce India for having so much silver, and for failing to suicidally dump it onto world markets at rates far below replacement costs. India should not retain its precious silver, gained over many long generations of suffering under obnoxious British rule, and huge

insults such as the Bhopal poison gas disaster in 1984, caused by Silver Users Association member Union Carbide, but they should eagerly forfeit it so they can enjoy “benefits” such as deprivation of modern appliances, and increased vulnerability to Chinese invasion and Pakistani incursions!

American Metal Market, November 9, 1998 ran an article, “India Silver Hoarding Worries Users Group” in which the users said Indians could enjoy “benefits” from releasing their silver! Sounds like the fish that benefits by not having gills! We should all immolate or sacrifice our lives and our futures, in order that silver prices may be held lower for an extended time, for the silver users and the shadowy conspirators back of Federal Reserve notes! As an aside to his broadside against silver miners and silver money, Bratter noted that total silver use in coinage (page 2423) for 1950 through 1959 was 382.6moz, broken down into the following---1950, 10.8 million ounces; 1951, 30.9 million ounces; 1952, 56.3moz; 1953, 56.1moz; 1954, 60.4moz; 1955, 16.8moz; 1956, 17.2moz; 1957, 48moz; 1958, 49.4moz; 1959, 36.5moz. Francis Wemple of Handy & Harman, Silver Users Association members, had comments in the C & FC, November 16, 1961, page 2187---

“Silver and silver alloys have many uses in electrical industries because silver is the best conductor of electricity among all metals, and it is highly resistant to corrosion. It is used in computers, motors and plant control mechanisms. It plays a critical part in our defense program in radar systems, missile guidance systems and many other complex and delicate devices. Silver batteries are a critical part of our submarine and rocket programs. Technological advances are creating more and more applications for silver, both for military and civilian consumption. Many military applications will be transferred to civilian uses in the future. Handy & Harman endorses the position of the Silver Users Association.”

Wemple went on to explain how silver coins are unnecessary because all we really need are base metal coins! The NYT, November 30, 1961, page 36, attacked silver money while explaining the importance of silver to industry and war purposes---

“Silver is back in the news again---shades of William Jennings Bryan and 16-to1! It has been brought back into the news as the result of President Kennedy’s order to the Treasury to stop selling its “free” silver. There was much pretentious talk in Congress in the Great Depression of the necessity of “broadening the base” of the country’s monetary system. In recent years,

however, 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 "free" silver---that is, silver accumulated by the Treasury in excess of the amount required as a backing for silver certificates now in circulation. A point has been reached, in fact, at which the Treasury's supply of "free" silver has all but vanished. That is why the President has stopped the sale of it."

Instead of broadening the currency base with more real precious metal, today we merely broaden the currency base by printing more paper with nothing of actual value behind it, authorized by corrupt legislation. It reminds you of a stupid line from the 1950 film, "An American Guerrilla In The Philippines"---

"Some of our money was printed on wrapping paper!"

It was Kennedy's tilting the wrong way on matters relating to silver, gold, and the Federal Reserve, undoubtedly, that got the back of his head blasted off in Dallas in November 1963. It shows the willingness of the Society to bump off one of its own should anyone become misguided. Details on Kennedy, a second-generation member, to follow in my presentation on the Society which I have in progress. Every last one of our financial ills has its source within this organization and the more familiar organizations are fronts for it and extensions of it. The NYT the day before (November 29, 1961, page 61) said---

"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. Francis Wemple, treasurer of Handy & Harman, a major fabricator and supplier of silver to user industries, declined to comment on the President's action."

Business Week, September 29, 1962, page 122 said---

"The amount going to industry is sizable. Defense contractors must buy 600,000 ounces of silver within the next few weeks just for 10 new batteries being built for the Navy. Unless the Treasury supplies this directly, this demand will tend to push up prices. Silver also is extensively used by companies making electrical contacts."

The article also commented on a practice with which silver using firms were engaged in. It is a practice that any silver using company should immediately, as of November 2004, put into effect, else management should be held responsible by shareholders and penalized accordingly because 42 years after that article was written, very little silver remains above ground---

“Silver using companies have been caught in a dilemma. They must either stock up on silver now, though it’s selling at a 42-year high, or risk still higher prices. According to trade sources, most have chosen to build up their inventories. One silver dealer says---“A lot of industry buying is in anticipation of future increase. Industry has been stockpiling and silver sales are soaring. It was obvious that the Treasury’s cupboard would soon be bare, and it would be forced to curtail sales.”

Wall Street Journal, January 2, 1980, page 10 commented that the Air Force was contemplating purchase of 163 million silver ounces for use in its \$33 billion MX ballistic missile program.

SILVER SUBSTITUTION IN WARTIME

Silver was used extensively during World War II as a substitute for other metals. Imagine that happening again---it won’t, except possibly in the case of platinum and the quantity substituted will be far less. The NYT, May 9, 1942, page 23, “Silver Replacing Tin” noted---

“Silver is taking the place of tin in metallic alloys used for soldering, Fletcher W. Rockwell, president of National Lead Company, said today. Large quantities of the solder with a silver content are being used in aircraft and other war industries, he added in an interview.”

An Associated Press release, May 8, 1942, stated---

“The substitution of silver for copper, nickel, tin, aluminum and other war-needed non-rusting metals by civilian industry also has skyrocketed demand from non-war manufacturers.”

The C & FC, July 2, 1942, article titled, “Senate Bloc Opposes Export of Silver” we read---

“The Senate silver bloc is reported as opposed to Secretary of the Treasury Morgenthau’s request for authority to send part of the country’s silver stocks to other United Nations. According to an Associated Press Washington dispatch of June 20, Senator Pat McCarran (Dem., Nev.), designated as spokesman for Senators from states producing or interested in the metal, said the group decided at a closed session that the Treasury “should retain its silver to back up our own currency.” These advices further stated---

“We are perfectly willing that silver be used in this country for non-consumptive purposes,” the Senator said. Mr. Morgenthau, Commerce Secretary Jones and Chairman Donald Nelson of the War Production Board have urged legislation to permit use of Treasury silver to replace copper as a conductor of electricity in war plants, or its use in other operations where the metal might be reclaimed later. Mr. McCarran said the silver Senators opposed sending any Treasury silver stocks outside this country on the grounds it might be used later to debase the value of United States money.”

“The nation with most of the world’s gold and silver will be a powerful nation at the peace table that follows this war,” he said.

Morgenthau, as an agent of the World Money Power, wanted to get rid of as much Treasury silver as possible, in order to weaken our status as an independent nation. The plan is to recapture our country for the worldwide British Empire. That’s why gold was attacked after the attacks on silver coins and certificates. NYT, July 25, 1942, page 13---

“An order has been prepared by the War Production Board and submitted for the approval of other government agencies, which would permit the use of non-monetary silver only for war industrial purposes. It will not affect silver used as currency backing, which WPB would like to have but could obtain only through new legislation. Silver is being used to replace copper, which is among the most scarce of the war metals.”

With China and India modernizing and so much manufacturing moving there due to low labor costs, copper also is being soaked up. A copper crisis is likely to follow on the heels of a crisis in silver and gold. In “China’s Menace To The World,” The Forum Magazine, New York, October 1890, page 203 we read---

“China is not yet a large manufacturer, but the signs in that direction are so promising that Prince Kung was lately reported to have said that fifty years hence China would manufacture for the world.”

There’s your Wal-Mart connection! So many members of the WPB and other wartime Federal agencies were members of the Society, or became members or members of its satellite organizations after the war, it’s clear that the War was directed by the Society. It was a planned war---a staged conflict. Just as after WWI the League of Nations was offered to the world, so too was the United Nations offered after WWII. The ultimate objective of these wars is to pressure people into renouncing their national sovereignties, as in John Lennon’s corrupt song “Imagine” where he said, “imagine there’s no countries, it’s easy if you try.” That’s the same thing the big bankers believe in and are willing to send a billion or more people to their violent wartime deaths if necessary, to get the outcome they want. The C & FC, August 27, 1942 mentioned the war nickels were originally going to be 50% silver, but ended up reducing the content to 35% to discourage hoarding and melting. The NYT, November 27, 1942, page 25 commented on the steel and zinc war pennies, another move to free up copper for war use. NYT, October 3, 1942, page 21 said---

“Twenty-four million pounds of copper have been saved in the last few months by substituting silver for copper in electrical conductors, it was announced by WPB. This would make 95,000,000 aircraft machine-gun bullets, 600,000 anti-tank shells and 1,500,000 anti-aircraft shells.”

The NYT, October 12, 1942, page 24 reported that silver was also badly needed as a substitute (in addition to copper and tin) for antimony and tungsten, somewhat surprising to those of us without degrees in metallurgy. The idea of silver being used in any large-scale way as a substitute for other strategic metals, except maybe for platinum if such be the case, is impossible due to the deficit and the demands on silver consumption. In fact, the silver price could resemble the platinum price due to the supply-demand mismatch.

SILVER “BUS BARS” IN WORLD WAR II

The New York Times, March 29, section 3, page 1 had this to say---

“The high electrical conductivity and the high resistance to corrosion make silver an important material for electrical contacts. To conserve copper, government officials are considering making “bus-bars” for the aluminum industry out of silver. These bars or rods, which are the main conductors of electricity to the manufacture of aluminum, are in demand because of the rapid expansion of that industry. Washington is considering the allocation of 440,000,000 ounces of silver for that purpose. If this amount of the metal could not be acquired in the open market it will have to be supplied from stocks the Treasury has accumulated.”

NYT, March 31, 1942, page 33 reported---

“The War Production Board has suggested that silver be freed for industrial uses. It has pointed out that for such purposes as electrical conductors in the processing of aluminum it might be “lent” even under existing legislation, since it would be recoverable. Morgenthau pointed out at his press conference that the industrial use of silver had so increased in the United States that it is absorbing all the newly mined silver imported from other countries. Last year the Treasury bought 78,600,000 ounces of foreign silver.”

Events moved rapidly towards use of silver as bus bars. NYT, April 8, 1942, page 8, commented---

“At least part of the Treasury’s hoard of silver is going to be used in defense production, it was disclosed today by Donald M. Nelson, chief of the War Production Board. Nelson said at a press conference that arrangements had been made to make some of the Treasury’s vast stores of the metal available for industrial purposes. A “loan” 40,000 tons of silver has been made by the Treasury for manufacture into busbars for use in electrolytic process plants. Use of this amount of silver would release a corresponding amount of copper for other war purposes. As “busbars,” the main conductors of electric generating plants, the silver would be 100 percent recoverable and could be replaced by copper when the emergency is over. The Treasury now holds more than 3,000,000,000 ounces of silver.”

The NYT editorialized on the subject, April 20, 1942, page 20---

“Customarily we think of silver in terms of currency. In this period of war production it is more important to think of silver in terms of current---

electrical current. Silver, in addition to its other qualities, happens to have a very low resistance to electric current. It might have been used long since as a substitute for copper were it not for the fact that silver was considered more valuable, and prohibitively so because of the high price that the Government's peacetime silver program artificially maintained for it."

As pointed out in "The New York Boys" (Archives), the silver subsidy turned into a price ceiling as richer grades were mostly mined out.

Continuing, we are informed---

"With the flow of electric current constituting one of the crucial factors in the production of aluminum, and therefore of airplanes, the Government has turned to a more realistic policy in the handling of its hoarded silver. Forty thousand tons of the metal are to be removed from the Treasury's physical reserves and placed on active duty. The silver will be formed into busbars, those thick conductors through which heavy currents of electricity are carried from generators to refine aluminum and magnesium for the wings of bombing planes. One virtue of the plan is that the silver, if adequately guarded, will still be there, intact, when the war is over."

NYT, April 24, 1942, page 1 and 12 reported---

"Mr. Morgenthau made his statement in reply to questions whether he had yet turned over to industrial users the billion ounces of surplus silver the loan of which for war use as a substitute for copper in electrical conductors known as "bus bars" was recently sanctioned. He replied that the matter had been delayed by the insistence of the Defense Plant Corporation that before it acted as a medium for disposing of the silver it be assured of indemnification if the metal should be lost. If imported silver could be used its price would in time be forced up above the present 35 cents, although Canada and Mexico have been "playing ball" and prevented such a rise. The Secretary said that every ounce of silver released to industry would release an ounce of copper for use in cartridge and thus the enemy would be shot, in a sense, with silver bullets."

It sounded like another attempt by silver users to spirit silver out of the public treasury was under way, if any silver is lost or unaccounted for at the close of the war, we have no responsibility and don't even bother to ask questions. Note also that while over the years, and especially in recent times with all the gold and silver leasing, sales and dumping by central banks

around the world, monetary officials of various nations have consistently maintained that there is no coordinated effort to hold precious metals prices down, here we have in plain language an admission by two important trading nations that they were collaborating to do just exactly that! NYT, April 26, 1942, section 4, page 10, "Silver Enters War Effort" we are told---

"Silver, that rival of gold both as adornment and monetary base, is to be put to work in a big way. It will be war work. Almost a billion ounces of free silver has already been lent by Treasury through the Defense Plant Corporation to American industry to replace copper in those electrical conductors known as "bus bars." Treasury lawyers "found a way" through existing laws."

The article added that "economists, industrialists and financial experts" regarded as beneficial the release of Treasury silver to industry, but this was only a lead-up to Senator Green's successful 1943 bill in which Treasury silver could be raided for consumption. The C & FC, May 7, 1942, page 1785 reported---

"The Treasury Department on April 27 was reported to have completed arrangements with the Defense Plant Corporation to lend about 1,000,000,000 ounces of silver for use in war industries as a substitute for copper in "bus bars" in electrolytic plants. The Treasury announced the plan on April 7, as indicated in our issue of April 16, page 1560, but the question of possible loss or theft of the silver is said to have held up delivery because of the Defense Plant Corporation's insistence on prior settlement of liability for the metal. It is now reported that these difficulties have been overcome."

Since details as to how the "difficulties" for indemnification in case of loss or theft were not specified, suspicion is raised concerning the likelihood of funny business. For example, this specific silver was to be used in making bus bars. Assuming that these large bars were usually standardized as to length or height, and as to thickness, perhaps return of these to the Treasury at the close of the war was not to be measured in terms of ounces. Rather than a weigh-in upon return, perhaps they were to be accounted for on a different basis---that of a simple piece count of the bus bars. If such were the case, it would allow silver users to hollow out portions of the bars, visible only at either end, or concealed by a thin layer of silver covering up the theft. Admittedly, this is speculation. However, in the absence of

specifics, we are certainly allowed to entertain misgivings as to the honesty of the program. NYT, May 29, 1942, page 38 states---

“Thomas D. Jolly, chief engineer and director of purchases for the Aluminum Company of America, declared that aluminum production will hit 2,100,000,000 pounds, six and one-half times the 1939 rate, by the end of next year. Mr. Jolly said that although each of several of the new plants being built will produce more aluminum than the entire nation turned out at its peak in World War I, there will still be not a pound left for civilian use. He reported that silver was being substituted in large quantities for copper, which is sorely needed elsewhere. He said that about 13,000,000 tons of silver borrowed from the United States Treasury will be used in the manufacture of a heavy busbar.”

That 13,000,000-ton figure was the amount used by a single company--- Aluminum Company of America, controlled by the Mellon family of World Money Power members. Then there was Douglas Aircraft Company, run by the family of the same name, also members of the Society, whose factories made heavy use of Alcoa aluminum in building over 45,000 aircraft for World War II combat and transport! NYT, May 29, 1942, page 15 said---

“The Congressional silver group agreed today to a “friendly truce” with Secretary Morgenthau whereby an additional 53,000 tons of government owned silver bars, which cost nearly a billion dollars, will be loaned to industry to take the place of copper. The agreement was based on maintaining the existing silver purchase program for the duration of the war. Principal use of the silver will be to take the place of bus bars in electrical transformers.”

“The silver will not be consumed or damaged by these uses, which is fortunate since copper costs 11 cents a pound at the smelter compared with 71.11 cents per ounce which the Treasury has paid for newly mined domestic silver. Computations showed that at 12 troy ounces to the pound, the silver, if domestically produced, would cost the government \$904,392,000. Secretary Morgenthau was accompanied to the meeting by Donald Nelson, chairman of the War Production Board, who explained that the silver would release that much copper for shell and cartridge casings.”

C & FC, June 4, 1942, page 2119 ran a story, “More Silver To Replace Copper In War Industries” in which we find---

“The Congressional silver group and Secretary of the Treasury Morgenthau reportedly agreed on May 28 a plan to use silver bullion in the Treasury to replace copper in vital war industries, upon the assurance that the present silver purchase program will be maintained for the duration of the war.

Secretary Morgenthau, Secretary of Commerce Jesse Jones and War Production chief Donald Nelson met with the Congressional group to consider the plan. Associated Press Washington advices stated---

“Their plan would permit the Treasury to make available to the Defense Plant Corp., which Jones heads, for transmission to the WPB for allocation to industry, 53,000 tons of silver held in the Treasury as backing for silver certificates. Mr. Nelson has said that about 39,000 tons of silver now in the Treasury could be used to replace copper needed in making butadiene from alcohol, a step in the production of synthetic rubber. Title to the metal would remain in the Treasury, under the plan. Of 100,000 tons of silver held by that agency, 42,000 tons of “free” silver---not backing currency---already has been made available to industry for bus-bars in aluminum plants, saving approximately 47,000 tons of copper and leaving about 5,000 tons of free silver in the Treasury.”

Jesse Jones chaired the Export-Import Bank in D.C. from 1936 through 1943, an exploitative tool of the financial elite. He also owned the Houston Chronicle which therefore could be counted on to support whatever views he wished to promote. He was a member of the Newcomen Society, a public front group for the World Money Power, named after James Newcomen, British inventor of the steam engine. C & FC, June 11, 1942, page 2218 referred to Thomas Jolly of Aluminum Company of America and its silver use as bus bars---

“Government owned metal producing plants require about 36,000 tons of copper busbar. If we add the requirements for light and power wiring, motors and other uses, this becomes entirely too much copper for these days of heavy military demand. The United States Treasury will loan DPC silver from the vaults of West Point. It will be fabricated by the copper companies and shipped to us ready to install.”

NYT, September 16, 1942, page 37, gave the figure 1,350,000,000 ounces of silver then in use as bus bars. A company known as Basic Magnesium Inc., with the assistance of Nevada Senator McCarran, got 1,600,000 pounds of

new Nevada silver for bus bar manufacture, with the cooperation of the Army (NYT, September 25, 1942, page 7). The C & FC, August 1, 1946, page 617 reported---

“Treasury Secretary Snyder stated that approximately 475,000,000 ounces of silver used in war plants is now commencing to return to the Treasury. The principal users of the silver were aluminum plants. The small amounts of impurities such as oil and sulphur picked up by the silver while in war use in industry will not affect its utility for coinage, the Secretary said. Whether any loss has been sustained, as through oxidation, the Treasury has not yet determined.”

If up to 53,000 tons of silver was used in the bus-bar program, a lot more silver than 475,000,000 ounces needed to be returned, as it's approaching 1.8boz! (Let's see if harmonized figures are reported as we go along). The difference would allow plenty of room for some thieving silver users to make off with a truckload of metal. NYT, May 7, 1942, page 29 said---

“Recently, the Treasury agreed to release 40,000 tons of silver for the construction of bus bars. However, it was pointed out, it will require several months to fabricate these parts and some of the plants in which they are to be used have not yet been built. To satisfy the demand now, it is pointed out that the Treasury might divert some of this silver for uses other than bus bars.”

Notice that in two out of three sentences just quoted, someone was “pointing out” things about silver. Who was doing this, the silver users? It appears that some of the silver agreed for use in the bus bar program was diverted to other uses not agreed to by Congress---just another Treasury Department scandal. C & FC, November 14, 1946, page 2530 said---

“The silver was borrowed by the Defense Plant Corporation (now the Office of Defense Plants, RFC) for installation in war plants in the form of electrical conductors, heavy duty conductors known as bus bars. The installations were made in 13 plants located in 11 states. The plants were engaged in the production of scarce metals such as aluminum and magnesium. In its bus bar role the silver replaced copper, and its use released an equivalent amount of copper for other vital war purposes.”

“Since the closing down of war plants the silver has been in storage, under the protection of RFC guards. The storage points are scattered from coast to coast. The RFC will deliver the silver to the United States Mints at Denver and Philadelphia and the Assay Office in New York City. As presently stored, the silver is mostly in the form of slabs cut from bus bar sections, the slabs being eight to 12 inches wide, approximately half an inch thick and two to six feet long. The two Mints and the Assay Office will recast it into either coinage ingots or commercial bars. About 138 tons of the silver will be recovered from large electric transformers, in which it was used in place of copper as winding material.”

“In most of the war plants, silver loss or damage apparently was negligible. In some instances there was loss from such causes as oxidation, melting, or the effects of acid. Preliminary estimates are that the total loss will be but a small percentage of the total weight of 474,194,634 fine troy ounces originally delivered to the plants. The war plant silver is carried on the Treasury’s books at a total value of about \$551,000,000. Most of it is “monetized” silver, valued at \$1.29 per ounce.”

RFC stood for Reconstruction Finance Corporation, a Federal entity assisting in reconversion of plants to peacetime manufacture. There could be no bus bar program in war manufacture today since the Treasury doesn’t own even a fraction of the silver it once did. Superconductivity is here, however, and while it won’t use but a trace as much silver as bus bars did, it will do so over far greater distances. Significant amounts will be needed, straining an already hopeless supply situation. I suggest that the limitations on the silver supply could force the United States to SUSPEND its overseas military interventionism for several years at least, while it works to build up a reserve of silver and other tactical elements such as platinum, tantalum, chromium, plutonium and cobalt.

WARTIME LEND-LEASE SILVER

Silver was “lend-leased” to other nations in WWII, and the stated purpose was for use as coinage, primarily for use by troops. That was very funny since so many economists were saying how we had no more need for silver as money, and how silver is to blame for inflation. Shake a log, and the termites come scurrying out, resembling the frenzied economists and their rants against silver money. Nevada Senator Pittman, in a memo to the

Senate Committee on Banking and Currency said (C & FC, March 23, 1940, page 1859)---

“Silver is a war metal. During every great war, the demand for silver, chiefly for the purpose of paying soldiers, has increased and the price has risen. Take as an example the effect of the last great World War upon the demand for silver and its great increase in price. In 1913 the world price of silver was 61.2 cents per ounce. In 1915, one year after the war commenced, the price was 67.1 cents per ounce. In 1917 it was 84 cents per ounce. In 1918, it was 98.4 cents per ounce. After the war was over, in 1919, it was \$1.12 per ounce. Then the United States Government made available to exporters of silver 50,000,000 of standard silver dollars for the purpose of beating down the price of silver, under the excuse that the silver bullion price had gone above the monetary price in the United States. The Government intended and did accomplish the beating down of silver from \$1.38 an ounce to 60 cents an ounce. If the present war lasts for two years, I predict that the price of silver will go above \$1 an ounce, unless our Government conspires with other governments to beat down the market price of silver. We constantly hear the argument that no country is today on the silver basis. What difference does that make to countries like India and China, who have nothing but silver with which to buy foreign imports?”

Here was an admission by a United States Senator that the U.S. federal government has been involved in attacks on the silver price since at least 1920 (actually since at least 1873). Pittman mentioned the economists attacks on silver money. The C & FC, June 22, 1935, page 4144, in the article, “Decree Issued by Italy Calling in All Silver Money” we find---

“A decree was issued by the Italian Government on June 17 calling in all silver money. Official and financial circles said the reason for the drastic monetary step was the ever-greater necessity for supplies of silver in connection with Italy’s preparations for hostilities with Ethiopia. Silver coins are the sole medium of exchange in both of Italy’s African colonies, Eritrea and Italian Somaliland and in Ethiopia. A contributing factor, it was stated, was the United States silver purchasing policy which has greatly increased the value of the metal here and in East Africa. No estimate as to the amount of silver that will flow into the national treasury in consequence of today’s decree was available. War in Africa is regarded as inevitable in many quarters. Italy will have 225,000 men, including soldiers and workmen, in her colonies by fall. Hence large amounts of silver coins will

be necessary for increased activity there. The official decree said the silver would be called into the national treasury and would be used in East Africa.”

Since paper Federal Reserve notes are so great, why didn't we simply offer to send some boatloads to our allies, instead of what Treasury Secretary Morgenthau asked for (NYT, June 19, 1942, page 11)---

“Secretary Morgenthau told a meeting of the Senate special silver committee today that he urged permission to make this country's silver available to friendly foreign nations for coinage. Requests are coming from other countries, including Great Britain, and Australia, the Secretary said, Britain asking about 2,500,000 ounces a month. Morgenthau said the Treasury had about 5,000,000 ounces that could be made available under the lend-lease law, but desired an expression from Congress before acting. Chairman McCarran said after the meeting that he proposed to offer to dispose of 500,000,000 ounces of silver to other countries for \$1 an ounce, then buy the same amount of American-mined silver at that price. Senator Johnson of Colorado suggested the silver might be sold at \$1.29 an ounce, its Treasury book value, but Morgenthau said that would not be possible.”

Morgenthau resisted any moves that would increase the silver price. C & FC, June 4, 1942, page 2119 reported “U.S. And China Sign Lend-Lease Pact,” but there was no mention of silver. We already took away most of their silver between 1934 and 1939, there was no need to send it back! They had to be kept financially weak so Chairman Mao could assume power later. NYT, June 27, 1942, page 20 tells us---

“It is estimated that orders for coins recently placed here will consume between 1,000,000 and 1,500,000 ounces of silver, and those placed in Mexico about 2,250,000 ounces.”

The silver Senators may have reconsidered their views on sending a half billion silver ounces elsewhere, because the C & FC, July 2, 1942 in “Senate Bloc Opposes Export Of Silver” reported---

“McCarran said the silver Senators opposed sending any Treasury stocks outside this country on the grounds it might be used later to debase the value of United States money. “The nation with most of the world's gold and silver will be a powerful nation at the peace table that follows this war,” he added. McCarran said that England asked for 2,500,000 ounces of silver

monthly for an indefinite period and that Australia and some South American and Middle East nations, including Iran and Turkey, also asked for silver.”

Nature Magazine, London, March 18, 1920, page 73, in “The World’s Production of Silver” commented---

“The report of the Currency Committee points out that the coinage of the British Empire absorbed nearly 108 million ounces of fine silver in the years 1915-18, as against 30.5 million ounces in the years 1910-13, and there is evidence that there have been similar increases in the coinage of other countries. Moreover, whereas China from 1914-17 was a seller of silver, and her net exports amounted to 77 million ounces, she has since become a persistent buyer, and the remarkable rise in the price of the metal is due to her purchases. India has for many years been a heavy buyer of the metal, and in times of normal trade was the largest importer of this commodity.

War conditions have accentuated this, and in the three fiscal years April 1916 to March 1919, purchases for the purpose of liquidating trade balances amounted to more than 500 million ounces, which was probably very nearly the entire world’s production for the period. These have been the chief (but not the only) factors in raising the price of silver to its extraordinary level.”

Places controlled by the British Empire, such as India and Burma, were hotbeds of the belief that silver is money, but a piece of paper can’t necessarily be trusted. That view persists today. While England was seeking U.S. silver, and soon to get some, it was also getting some from one of its “Commonwealth” nations, Canada. NYT, September 19, 1942, page 17 informs us by way of the Nevada Senator---

“Mr. McCarran said recently a large quantity of Mexican and Canadian silver was diverted from industrial uses in this country to other markets. Some of the Canadian silver, estimated at 3,000,000 ounces, was allocated to England and Australia for coinage purposes, he said.”

NYT, December 15, 1942, page 9, in an article entitled, “Treasury to Lease-Lend Silver for Coinage To Britain and Australia Until End of War” we encounter this---

“Washington, Dec. 14---Secretary Morgenthau said today that Britain and Australia asked the United States to lease-lend silver until after the war for

coinage purposes and revealed that Canada had sold the United States her supply of gold dollars to pay North African natives for their services. The Arabs receive \$5 in gold for bringing lost United States airmen and another \$5 for rescuing the parachute. American gold currency was melted down when the United States went off the gold standard and the only samples existing are in the possession of the Central Banks of other countries. Canada still had a supply of gold dollars which she made available for United States use.”

“The reason why England and Australia need more silver for coinage is the presence of so many soldiers, including Americans, in these countries. The arrangement is that the borrowing country will return an equal amount of silver after the war. The Treasury said the Secretary has obtained legal opinion that it may accede to the request. As regards silver in general, Morgenthau said that he had not altered the opinion he already expressed to Congress, that all silver legislation should be struck off the books and the United States be entitled to use its store of silver for any purpose whatever. The Treasury may not now sell any silver stock for consumption although it has lent some for use as electrical conductors in aluminum plants. But it is backing the Green bill which would authorize the Treasury to sell some silver to jewelers and silversmiths”

So we see that to be motivated, soldiers and those civilians working with them wanted payment in real money---silver coins, and in some cases, gold coins. What was the matter with them, couldn't they get motivated by paper money printed on wrapping paper? Couldn't they be delighted with all the fancy engraved designs and bright ink colors? On something that can burn! At this point we suggest a better use for paper than unbacked currency, is to employ paper in one's restroom. Morgenthau wanted all silver laws expunged so that we could move another step closer to total fiat currency. He certainly did his part. We are certainly on toilet-paper currency. C & FC, December 24, 1942, page 2243 had a follow-up---

“Although England and Australia are the only nations which so far have indicated a desire to lend-lease silver, the Secretary said, it would be available on the same basis to China or any other United Nation which desired it. It is unlikely that the London silver market, which is very closely controlled, will be affected, but the news seems to have come as a shock to the Bombay market. If Britain is to receive silver from the United States

instead of drawing on Indian supplies, it can be understood that the bullish sentiment in the Indian silver market has received something of a shock.”

Imagine being China in 1942---you just had most of your silver sucked away by the Silver Purchase Act of 1934, then they offer to lease some back to you and you must return it later! But there is no indication that silver was leased to China in WWII. They said the London silver market was “very closely controlled,” HELL, the whole silver market has been very closely controlled for generations, hopefully the end is imminent. Notice how they crushed bullish sentiment in Indian silver. This is what they’ve engaged in for so long---dumping silver somewhere to crush price expectations elsewhere. What will those criminals do when there isn’t any more to dump (like now)? NYT, January 15, 1945, page 22 reported, “Holdings Of Silver By U.S. Drop Again” we find---

“Reduced by lend-lease. Metal went to Australia, India, Britain, Ethiopia, Netherlands and Saudi Arabia in 1944. For the second successive year since inauguration of the program for silver purchases by the United States Government in 1934, holdings of that metal by the Treasury Department declined sharply last year and on November 30 were below 3,000,000,000 ounces, Handy & Harman, bullion dealers, report in their twenty-ninth annual review of the silver market.”

“In the first eleven months of last year, the firm said, there was a reduction of 254,700,000 ounce, in holdings of silver by the Treasury, or almost three times the drop of 85,300,000 ounces for all of 1943. The firm estimated that in those eleven months only 300,000 ounces were acquired and some 255,000,000 ounces were disposed of, including 202,807,000 under lend-lease to foreign governments. Domestic coinage in the United States declined below the record of 98,485,000 ounces in 1943. For the first eleven months of the year official figures showed 64,496,000 ounces absorbed in that form, a decrease of nearly 35 percent. Foreign coinage by United States mints during the first eleven months amounted to 79,102,000 ounces, of which 12,048,000 were furnished by other governments. The balance was made available under lend-lease.”

Recall we saw where Axis Italian forces in Ethiopia were furnished with silver coin, so naturally the United States had to also have silver coins to spread around. Had we offered base metal coins, or inky paper notes, we

would have demoralized our troops and the cooperating locals, who would have switched to the Italians in favor of some real money. We also note---

“Mexico’s extensive coinage program was continued and in 1944 consumed an estimated 26,000,000 ounces out of that country’s production of around 63,000,000. Handy & Harman reported that rigid stabilization of silver at a fixed level was not attempted in India, but the authorities exercised considerable price control in a market that was extremely sensitive and subject to wide fluctuations. The measures adopted in India and various countries of the Near East consisted mainly of government sales of gold and silver and restrictions against speculation in the metals. In the case of India, where silver in April reached a peak equivalent to \$1.15 an ounce, the firm reported that the metal to control prices was acquired in part from demonetization and the purchase of some 16,000,000 ounces from Iran, but chiefly from the 100,000,000 ounces of lend-lease supplies obtained from the United States Treasury Department.”

Once again we encounter an out in the open example of governments attempting to hold down silver prices. It’s about time for admissions of this to come into the open concerning the collusive efforts of the United States Treasury, Federal Reserve and the Commodity Exchange to hold silver and gold prices low. The American silver bashers lent lots of silver to the then British run Indian government so the price could be held at stagnant levels.

C & FC, April 19, 1945, page 1748 reveals this from Samuel Montagu & Company, London---

“Sales of gold by the Reserve Bank of India continued through 1944 with the object, according to an official statement, of providing the United States Government and His Majesty’s Government with rupees for use on their war expenditure in the country and as an anti-inflationary measure. According to daily announcements made in Bombay, the peak period of sales was in March, when a strong hoarding demand arose in consequence of developments on the Burma front. On March 24 sales by the Reserve Bank in Bombay amounted to 750,000 tolas, equal to 281,250 ounces, and this was the largest daily sale so far recorded---the amount sold during the whole of March was 2,546,000 tolas, which are approximately equal to 955,000 ounces.”

Though our main focus at this website is silver, take care to never lose sight of gold. It too has been the focus of monetary attacks, but not for so lengthy

a time as silver. The reason is that silver has been the main money-metal of the masses, targets of elitist attacks. Continuing---

“On June 15 it was learned that the Secretary of the United States Treasury had announced that the U.S. Government arranged to supply the Government of India had arranged to supply the Government of India with 100,000,000 ounces under a special lend-lease agreement. The silver was required to maintain an adequate supply of coinage for the large number of United Nations forces in the country and for India’s expanded war production, while a further object was to provide a means for keeping prices stable. The Government of India has agreed to return the silver to the United States Government after the war on an ounce for ounce basis.”

Again we see that soldiers wanted real and true money---silver. And again we see governments conspiring to hold silver prices low (“keeping prices stable”) by flooding the market with metal. 1945 was a long time ago, and the deficit has fixed things so that no government can dump silver to make prices crash. The only exception could be India, but it has shown no sign of doing so, probably because it remembers the end of British rule in 1947 and knows it needs all its silver for its own development. On a per capita basis, they probably have less than 3 ounces, and they cannot continue to modernize and build infrastructure without silver. India has no domestic ore resources capable of meeting its own needs. Those needs must be met from silver within its borders and at some point more will be needed. The C & FC, December 10, 1959, page 2423 had a passage about the wartime lend-lease silver---

“As authorized by the Congress, the U.S. lend-leased nearly 411 million ounces of silver to eight foreign governments for coinage purposes during the fiscal years 1943-1946. Having in mind the experience with the Pittman Act of 1918, under which monetary silver was sold to India with the proviso that the U.S. would replace every ounce of the metal after the war by purchases on the open market, the silver Senators of World War II days insisted that the silver lend-leased be replaced by the recipient countries. Apparently the Senators believed that those countries would have to buy substantial amounts of silver on the market, thus boosting the postwar price of silver.”

“But it did not work out that way. Rather than buy silver in the market, lend-lease debtor countries decided to call in coins from domestic circulation

and thereby accumulate the silver they were obliged to return to the U.S. In place of the silver coins withdrawn those countries issued either silver coins of lower fineness or other types of coins. The return of the lend-lease silver moreover rescued the Treasury from a corner into which the silver mining interests saw the Treasury being driven.”

This article, titled, “Copper Strikes Bring Silver Issues to the Fore Again,” was penned by anti-silver economist, banker prostitute Herbert Bratter. He exulted in the victory of the silver users and the paper money forces in that very little new silver was taken off the global market with which to replace the lend-lease silver. He was happy that the evil silver mining interests failed to have their way!

As of October 21, 2004, I had opportunity to speak with an informed mining spokesman who told me that the Pirquitas silver deposit in Jujuy province, Argentina, was previously under ownership of five (5) different silver mining companies, making them number 6. I was informed that all five of the previous owners went into bankruptcy. The last one was the former Sunshine Mining, long time great name in the business. Because of people like Bratter’s sponsors in New York, London and Washington, the silver price has been killed many times by dumping and other trickery. But how do you dump something when there’s no more remaining? So are we the silver mining interests driving the U.S. Treasury into a corner now? Our government as it stands, has no intention to return to silver money. Notice also Bratter’s figure of 411 million ounces in silver lend-lease---previously, we saw the figure of 202,807,000 ounces.

While Bratter was dishonest as to the monetary benefits of silver, you can be sure that his lease statistic was right, meaning that more silver was leased during the war than the New York Times and the Commercial & Financial Chronicle told us about at the time---just over twice as much. Leasing, you see, has to be carried out under some secrecy! The lend-lease silver in WWII was the first silver leasing experiment. Silver leased since 1980 cannot be returned, since it wasn’t fashioned into coins, but consumed by industry. Any demands to return leased silver will therefore be impossible to meet without going into new production to obtain it, making the price skyrocket. The United States Federal Government will NOT lease any silver to other nations during wartime periods going forward---because the silver vaults are empty! Bratter supplied more details---

“Of the 411 million ounces lend-leased, 375 million had been returned by September 30, 1959. Still due are only about 14 million ounces from Pakistan, which, created after the war, assumed part of India’s silver debt, and Saudi Arabia, which owes some 21 million ounces. The 35 million ounces still due to be returned by these two countries will be enough to keep us in dimes, quarters and half dollars for about one year. Lend-lease silver shipments, by countries (in millions of ounces)---

Australia-----	11.8
Belgium-----	.3
Ethiopia-----	5.4
Fiji-----	.2
India-----	226
Netherlands-----	56.7
Saudi Arabia-----	22.3
United Kingdom-----	88.1
Total-----	410.8

Bratter notes that of the Indian lend-lease silver, 172.5 million ounces went to India, while Pakistan got 53.5 million ounces. Then he said, referring to the Saudi-Arabian lend-lease metal, “Slightly over 1 million ounces of this was lost in shipment and hence are not due for return.” It must have been a good deal for some East coast silver user. Maybe a Treasury official got a bribe from a Rhode Island silversmithing firm. WSJ, February 21, 1956, page 1 had this to say---

“Silver smugglers from Saudi Arabia cash in on the high price of the money metal here. In January alone, 2 million ounces of riyals, Saudi Arabia’s silver coins, came to the U.S. Reason---the silver content of the coins at today’s price is worth more than the coin value. Heavy demand from industrial users and silverware makers has lifted silver to 91.62 cents an ounce at New York, up from 85.25 cents a year ago.”

The Economist (London), March 14, 1959, page 998 mentioned a Samuel Montagu & Company survey---

“The review’s comments on silver are notable for the silver saga of Saudi Arabia. This is the only country that has so far failed to make any arrangement with the United States for the repayment of Lend-Lease silver obtained during the war. Far from repaying silver Saudi Arabia has in recent years been absorbing it on a substantial scale as a result of a programme of minting and circulating silver ryal. These coins have been made .91666 fine and for some time past their silver content has exceeded the exchange value of the paper ryal. Gresham’s law has duly come into play and almost as fast as the new coins have come in the silver has gone out again, some of it melted in Lebanon, but more recently shipped in the form of coin through Aden to the world’s markets, including London. It is estimated that at least 12 million ounces of silver have been extracted in this manner, to the considerable profit of the dealers concerned but with diminishing prospect of the United States ever recouping the Lend-Lease silver still owing by Saudi Arabia.”

World War II lend-lease silver went for coinage purposes, putting the lie to economists who say all we need is paper money and base metal coins. No such silver lease experiment will be possible in the future. Leasing since the Hunt days has sent metal to industrial use in which it cannot be returned.

Treasury officials had to know about the Arab silver smuggling and probably did nothing about it since their main concern has always been to help the silver users, who were probably the ones buying the coins. Notice the WSJ called silver the “money metal.” What an admission---OOPS! They did it again in their February 27, 1980 issue, page 22, speaking of the General Services Administration offering of Carson City mint Morgan dollars, for which they were “just buried under the 350,000 pieces of mail that arrived,” and said---

“Someone in the GSA should take a few lessons in pricing but when we think about how rapidly paper money is depreciating we realize that it is hard indeed to keep up.”

RATIONING, REGULATIONS & SHORTAGES

In wartime the government's temptation is irresistible to impose all manner of regulations and restrictions on silver use and sales. World War II gave the prime example. NYT, "Shortage Causes Silver Rationing," May 7, 1942, page 29---

"Silver is being rationed in New York City. Handy & Harman, bullion dealers, said yesterday that supplies had been so depleted by the demand in industry that they now are pro-rating sales to their customers on the basis of previous business done with them. Plants needing the metal for essential war purposes were being taken care of first. It is estimated that the demand for silver in manufacture is running at the rate of 140,000,000 ounces yearly. No more than 100,000,000 ounces of newly mined foreign silver is available for sale in New York. The demand for silver for war purposes is said to be increasing constantly."

Because the government imposed price cap on foreign silver coming into the United States was 35 cents an ounce, whereas domestic producers were selling to silver Treasury at 71.11 cents per ounce, meant that a shortage of imported metal was developing. It wasn't enough that labor rates were lower outside the U.S., mine owners will still seek out the best offers for their production. If the price-chiseling economists owned the mines, they'd by God have done the same thing! It seems that government and university economists, who create proposals for such regulations, cannot understand basic human nature---when others are being considered---is to sell wherever the seller gets the best price. That's called a free market, something they appear to not understand. Because of the price ceiling on imported silver, over 28.5% of the demand for metal went unfulfilled. Government meddling in the marketplace causes dislocations. The article continued---

"In addition to the limited supply in the Western Hemisphere outside the United States, silver also is suffering from a transportation bottleneck. At present silver from South America is being brought to New Orleans and thence by rail to New York, while that from Mexico is coming entirely by rail. The question of price also is coming to the front. Under the price-freezing order issued recently silver is included and the dealers here have been notified that the price at which they must sell the metal, starting next Monday, will be that prevailing in March. For months, the price, as quoted by Handy & Harman, has been 35.25 cents an ounce, plus an additional .25 cent as commission, or 35.75 cents to the purchaser. The Treasury Department several weeks ago announced it has stopped buying foreign

silver. The bulletin of the Treasury Department for April showed that the Treasury acquired 2,800,000 ounces of foreign silver in March at a total cost of \$1,200,000, while purchases from domestic sources that month were 5,100,000 ounces at a cost of \$3,600,000. The Treasury's March acquisitions from foreign sources probably represented bullion in transit."

These figures show that foreign silver was priced at half that of domestic. Reading elsewhere we know that the domestic price ceiling, in this case, wrongly termed a "subsidy," was causing shortages of output in the mining districts. Federal price ceilings on silver, justified by appeals to wartime emergency and, in our case, the "war on terror" (war on the Bill of Rights), price caps may prevent silver investors of today from making any worthwhile profit after COMEX loses control of the price. If this takes place, hold your silver. Pressures from outside the United States will crush the new price capping, as silver will be prevented from coming here by seeking better prices elsewhere. The free market is a bidding auction in which those most able to pay for raw materials get some. Government rigged markets cause catastrophe. The C & FC, May 14, 1942, page 1860 admitted this---

"With regard to the crisis in silver supplies, an Associated Press account of May 8 stated---American factories, a large bullion dealer estimated, could use 140,000,000 ounces this year at current prices---if they could get it. The total supply for the year was figured at 100,000,000 ounces. This shortage of supply compared with demand has made necessary, trade reports said, an informal rationing of silver to users because it would be impossible to supply the metal they want at prevailing prices."

Someone in Washington thinks the country is better off with Fascist style price controls, than to allow a free market to determine prices. Mostly this is carried on under the fallacious pretense of "fighting inflation," something whose sole cause is unbacked paper currency, a fact that university economists usually refuse to acknowledge. It shows the widespread influence of the paper money mob. NYT, June 27, 1942, page 20, "Supply Of Silver For Trade Dries Up" we find---

"Handy & Harman, bullion dealers, announced yesterday that they would not be able to allocate any foreign produced silver to industrial and art users for delivery in July. Because of the supply situation and the increased demand for the metal the concern has had to allocate supplies to purchasers

for several months. The chief factors in the silver situation are the large coinage orders by nations allied with the United States and the increased war priority demands. It is estimated that there now is an available supply of between 6,000,000 and 8,000,000 ounces monthly of foreign produced silver. Until a few months ago this was sufficient to meet the demand. The only silver available to the manufacturer with non-essential ratings is from domestic sources. However, to obtain this he must pay above the 71.11 cents an ounce. This would not be practical unless the Office of Price Administration permitted a rise in the price of manufactured items sufficient to absorb the higher silver costs.”

Price controls were on both ends of the silver situation---bullion and manufactured items. The government was causing shortages of consumer items because of the price capping. It could be that some of the larger manufacturers actually wanted the price ceilings, in order that smaller companies be bankrupted. NYT, July 30, 1942, page 31, “Use Of Silver Curtailed For Civilian Items,” reported regulations imposed by the War Production Board---

“The uses to which foreign silver cannot be put except to fill orders of A-3 or higher after October 1 are the manufacture of silverware, watch cases and jewelry, badges and insignia, slide fasteners, hooks and eyes, buttons and snaps, closures for containers, pens and pencils, toilet sets and picture frames, musical instruments, unnecessary electroplating, silver-clad metal, insulated wire for electrical conductors and church goods. Until October 1 manufacturers making such articles are restricted to either one-twelfth of the aggregate weight used in 1941, or one-sixth of the weight used in the first six months of 1942.”

The government was keenly interested in controlling all possible applications of silver. Shortages were caused solely and exclusively by the price ceilings and no other true causes were present, though economist hitmen for the paper money mob frequently blamed U.S. silver coinage and silver certificates for the shortage, because they wanted us off sound (non-inflatable) money. NYT, July 31, 1942, page 23---

“The Treasury cannot help out commercial silver users by releasing any of its stocks of non-monetary silver, Secretary Henry Morgenthau Jr. said this morning. The Treasury still has about 5,000,000 ounces of silver but considers the amount too small to be of material assistance to silversmiths

and other users of the metal. Morgenthau admitted that it was almost impossible for such users to get any silver under present circumstances, since they are caught between the price ceiling on silver goods, the War Production Board's ban on the commercial use of imported silver, and the high price and restrictions on newly mined domestic silver."

Here's another instance of proof that government price controls cause shortages. There will always be those who cannot afford something; however, to disadvantage some of those who can, in the name of "fighting inflation," is criminal interference in the marketplace. Continuing---

"The Treasury has made one concession. That is to grant a five to seven month extension to refiners of the time within which they must deliver newly mined domestic metal. This would make such silver available to the open market at 71.1 cents for some six months and, if the extension is renewed throughout the emergency, silver will be available indefinitely. The Treasury said that some 6,000,000 ounces are covered by outstanding instruments of transfer. Some silver manufacturers who use only a small amount of the metal in their goods may be able to pay 71.1 cents for it and still come under the OPA price ceiling, it is believed."

Such a generous bunch of morons, huh? Continuing---

"Commenting on WPB orders limiting the use of imported silver to industries with a high priority rating, the Economists National Committee has issued a statement asserting that WPB, in its effort to keep war costs down, has been maneuvered by the Congressional silver bloc into forcing on industry the burden of the government's policy of paying tribute to the silver interests. "This action by WPB is taken," the statement continued, "apparently to prevent the bidding up of the foreign price and thus increasing the cost of the war. In other words, WPB is eliminating competition with war industries by civilian industry, although the government itself, with its mandatory price of 71.1 cents an ounce fixed by the Silver Purchase Act of 1939, remains as the domestic competitor."

Were war costs really being held down by a price ceiling on imported silver, when that ceiling was causing a shortage because "greedy" mine owners understandably wanted and could often get more elsewhere, when as a consequence of that shortage many consumer goods were in limited supply? Would you rather a photograph of your most memorable moment cost a

penny more in the absence of a price ceiling, or to have the price ceiling, and the photo thereby be made unavailable? War costs would truly be high if due to a Federal price cap on silver, we couldn't get enough imported metal for use in night vision equipment, navigation instruments, missile guidance systems, satellites and so forth, and because of the shortage, lose a war! The Economists National Committee on Monetary Policy was another Wall Street front for the paper currency creators, and opposed silver in the monetary system. Continuing---

“Handy & Harman, bullion dealers, announced to the trade they will not be able to supply any foreign silver for use in the arts and industries in August, except to fill orders carrying priority ratings. This action followed the order of the War Production Board banning the use of foreign silver for certain non-essential purposes. The firm also stated that there has not been enough foreign-mined silver to meet all demands since that time. In July the firm said that no foreign silver was available for these purposes through regular trade channels. Non-essential users of silver listed in the recent order of the WPB soon will have to close their plants, it is stated in the trade, unless they can be supplied with domestic silver and permitted by the Office of Price Administration to make the necessary adjustments in price ceilings. At present all domestic silver is being purchased by the Treasury Department at 71.11 cents an ounce, while the ceiling price for foreign metal is 35.75 cents, including commissions.”

Will we again see the government dictate silver use ratings, such as A-3 in WWII? Will firms not owned by members of the World Money Power be deemed unfit for high priority silver ratings, and therefore bankrupted? We have a lot of mining areas owned by Canadian based companies today, and a trade war could erupt if the U.S. caps the price at which their silver and other metals may be sold. Speaking of Handy & Harman, the NYT said (August 4, 1942, page 25)---

“The firm says that the amount of domestic silver that could be used by industry and the arts will depend upon what action is taken by the Office of Price Administration with respect to the readjustment of price ceilings on silver products, which now are based on the cost of foreign silver. Under the act of July 6, 1939, the Treasury Department has been buying all silver produced in the United States and possessions at 71.11 cents an ounce, or more than double that of foreign-produced metal. “It is obvious,” the firm continues, “that because of scarcity and restrictive regulations no foreign

silver will be available for consumption and use for other than war or so-called essential civilian purposes. It is also clear that the immediate supply of domestic silver will not be nearly enough to meet all nonessential demands. In addition, it is only a question of time before the growing war demands will encroach upon and eventually absorb the domestic production as well as foreign silver. The use of foreign silver for direct war purposes has increased tremendously. The total demand for silver became so great that suppliers were forced to ration silver for nonessential purposes in May and June. No foreign silver whatsoever was available for these purposes in July nor will there be any in August.”

Handy & Harman, Silver Users Association members, are on record in many references as opposing higher silver prices, and as opposing use of silver in circulating coinage. But if you squeeze these silver users hard enough with nagging shortages of silver, they start to point out that a price ceiling on imported silver is a large part of the shortage problem. At that point they were starting to break ranks with the paper money mob, with whom the silver using interests are interlocked, because their survival was at stake. No silver, no survival for users. The paper money mob was the ultimate force behind the price-capping of silver. They remain in that role today, but hopefully not for much longer. C & FC, August 6, 1942, page 453---

“Therefore after no more domestic silver is available the only possible way that silver can be obtained to keep silversmiths, platers, jewelry manufacturers, photo engravers and other fabricators from going out of business will be to arrange for the release of silver from stocks now held by the United States Government by whatever means are possible to accomplish this purpose.”

When the deficit becomes unserviceable, the users won't be able to get silver from the Treasury or other government holding, because those no longer exist. Their only hope will be to appeal to human nature and free market forces by offering higher prices. But in the wartime scenario of WWII, things were different. NYT, August 27, 1942, page 27, article subtitled, “Users to Ask Presidential Order, Niemeyer Tells Retail Jewelers” we discover---

“A Presidential order to provide unallocated Treasury silver for use by industry and business will be sought soon, G.H. Niemeyer, president of Handy & Harman, bullion dealers, indicated yesterday at the annual

convention of the American National Retail Jewelers Association in the Hotel Waldorf-Astoria. Repeal of the Silver Purchase Act would not solve the present shortage of metal resulting from that law, he said. F.A. Ballou of B.A. Ballou & Company said the industry's effort to obtain domestic silver was predicated upon the belief that not all of this metal was needed in the war effort. He warned that if it was made available it would probably be in limited amounts and would cost more than has been paid in the past for foreign silver. While he declined to disclose just what approach was being made to the problem, Niemeyer said plans would be announced in a few days and called upon both industrial users and consumers to be ready to offer their support."

There are probably some far seeing jewelers in the country who know the silver smash-up is coming. They understand the supply problem has one cause and one cause only---price ceilings imposed by government, followed by price capping by excessive paper derivatives. These jewelers have laid in a stockpile of silver for their own use, or have already cast it into sterling jewelry. They know that when the crisis hits, their only source for silver may be disposals from the public, and due to the prospect of more Federal meddling, that source will be in question. They also know they will be able to get more for their silver as fabricated jewelry rather than in bullion form, unless the government imposes price ceilings---which it is highly likely to do, until the shortage again forces removal of those limits. Reading more---

"Declaring that war production would certainly take all of the foreign silver and most of the newly mined domestic metal, Niemeyer said the only hope for manufacturers was to obtain access to idle stocks of unallocated silver held by the Treasury. "The Treasury has 3,331,000,000 ounces of this metal at present, or five times as much as in December 1933," he pointed out. "Of this amount 806,000,000 ounces is in the shape of coins, 1,164,000,000 ounces are allocated against silver certificates, leaving 1,358,000,000 ounces unallocated. Some of the silver in the Treasury is pledged to war production, to be loaned for bus bars in electrical plants operated by the government. This does not provide for consumption, since it must be put back into the Treasury after the war. In order to get any action, we must see that such war silver is taken out of the allocated portion, otherwise the Treasury can say that there is none available for consumption. Repeal of the Silver Purchase Act will not get us any silver. We want metal, not just claims. We will either have to have a Presidential war emergency order or legislation, and the latter is not so easy to get."

As soon as the unallocated Treasury silver was gone, the silver users knew they'd have to press for access to silver backing silver certs. Their greed makes them enemies of real money. They knew that one man was easier to influence than hundreds of members of Congress. They wanted metal, not just claims---sounds like people who are long silver on COMEX and will be cheated out of delivery! Don't worry, the Feds will rescue Spitzer (or back him up!) Reading more---

“Niemeyer said that existing limitations on the use of foreign silver were purely academic, since none was available. Outside of a few million ounces bought in black markets, no silver has gone to any save war manufacturers since July 1, he said. Harley H. Noyes, director of sales of Oneida Community, Ltd., said that, while the immediate future was dark, there would be a tremendous open to buy for jewelry and silverware after the war. Meanwhile, he assured retailers, manufacturers plan to continue to advertise to protect their trade names and dealers' interests. Jerome Roberts of Cohn & Rosenberger reported that the simplification of dresses as ordered by the War Production Board was resulting in increased demand for costume jewelry. Although metals are no longer available, the costume jewelry industry plans to keep up its production by using non-priority materials such as wood, ceramics, shells, nuts and glass, he said.”

War rationing was extended also to fabrics, a matter not of direct interest here. Ceramics, shells and glass are poor substitutes for jewelry, but wood and nuts are a joke. There is no substitute for holding real metal. The next best thing is mining shares, which are a claim on metal. If we have a currency collapse as seems likely, the shares won't be much use until order is restored in the wake of a return to a gold-based currency, followed by addition of silver. NYT, September 2, 1942, page 22, reported that the ceiling on imported silver was just raised to 45 cents an ounce. The very idea of a ceiling is disruptive. NYT, September 8, 1942, page 32, “Silver Users Unite In Fight For Metal,” we read---

“Providence, Sept. 7---Formation of the Silver Users Emergency Committee, which will enlist public opinion throughout the country in a campaign to force Congress “to bring silver out of government hoarding vaults and into productive use,” was announced here today by William G. Thurber of Tilden & Thurber, chairman of the committee. “This committee is designed to turn the torch of public opinion on the silver situation and to demand of Congress

that the question of hoarding silver be faced, as it affects the entire nation and not just a small minority of producers,” Thurber said. In addition to seeking the support of local newspapers and chambers of commerce, the group is calling upon all employees and business men who are interested in silver processing to write to Congress. A brochure outlining the “silver situation” has been prepared for nation-wide distribution.”

The first thing they complained about was “silver hoarding,” which in this case was an attack on silver backed currency, for how do you back currency with silver, without holding a stash of it somewhere? Again, the true problem was too low prices causing shortages. He complained about a “small minority of producers” and said the entire nation was affected. So, here we are today, an entire nation affected by the deficiency of honest money and a strategic silver stockpile, due to the lobbying efforts of a small minority of silver users! Reading more---

“Mr. Thurber explained that the formation of the committee, which embraces users of silver in several industries, was brought to a head by the recent action of the War Production Board in limiting the use of available silver to industries with a high priority rating. “Since July 1, users of silver have been dependent entirely for current manufacture upon the silver stocks then in their possession, plus such additional silver as could be obtained from scrap and refining,” he continued. “After Oct. 1, the use of foreign silver except under priorities has been prohibited. This means that hundreds of silver-using industries, already one-third converted to war work, may have to go out of business because they cannot make ends meet on war contracts alone.”

“Thurber announced that organizations already represented on the Silver Users Emergency Committee included the following---American National Retail Jewelers Association, American Photo-Engravers Association, Associate Jewelers, Inc.; Chicago Jewelers Association; Educational Jewelry Manufacturers Association; Fountain Pen and Mechanical Pencil Industry; Gemological Institute of America; Jewelers Vigilance Committee; Jewelry Crafts Association; Masters Electro-Plating Association; Mirror Association of Manufacturers; National Association of Credit Jewelers; National Retail Dry Goods Association; National Wholesale Jewelers Association; New England Manufacturing Jewelers and Silversmiths Association; New York Silver Jewelry Manufacturers Association; Photo-Engravers Board of Trade

of New York; Sterling Silversmiths Guild of America; Watch Case Manufacturers Board of Trade.”

This is the group that became the Silver Users Association in 1947, then got the huge chemical industry to join. NYT, September 20, 1942, page 16, “McCarran Urges \$1.29 Silver Price,” subtitled, “He Says Rise From 71.1 Cents an Ounce Would Provide Metals Vital to Army,” we find---

“Senator Patrick McCarran of Nevada, leader of the Senate silver group, disclosed today plans to introduce legislation increasing the legal silver purchase price from 71.1 cents to \$1.29 a fine ounce to step up production. He said in an interview that Treasury payment of “the full cash value” would encourage the output of copper, lead and zinc, three strategic metals often a byproduct in silver mining. “Metals, rather than money, will win the war,” he added. “All four are vital to the war effort.” He conferred yesterday with silver Senators and War Production Board officials, and said the Senators agreed unanimously to oppose a bill by Senator Green of Rhode Island to make some “free silver” held by the Treasury available to jewelry and plate industries.”

“Senator Green contends that the two industries face a shutdown because the WPB has closed the door to their foreign supply and because of the silver purchase program. “Of the silver produced in America,” said Senator McCarran, “75 per cent now is going into war industries and 25 per cent is acquired by the Treasury under the Silver Purchase Act. It is my judgment that 100 per cent will go into essential war industries by the last of January. Talk that industry can’t get silver is not true, because industry can purchase silver at the legal purchase price.” However, non-essential industries soon will be curtailed by the WPB, Senator McCarran went on, and, in addition, he said, the Treasury’s 47,000 tons of “free silver” already had been earmarked for “non-consumptive uses in war plants.”

Senator McCarran’s plan to increase the silver price by 81.4% met with expected opposition and failed. Silver users continued to demand that Uncle Sam, at taxpayer expense, and at the cost of losing our silver money base, provide them with the commodity, and below replacement cost! NYT, September 30, 1942, page 35 tells the reader---

“WPB relaxed somewhat its previous order covering processing of foreign silver by permitting producers to go ahead with the manufacture of goods

from foreign silver provided the silver has been put in process before Thursday. The original order required that processing of such silver cease by Oct. 1, except for orders bearing preference ratings of A-3 or higher. The new action was taken so that manufacturers of silverware can avoid the substantial losses which would be suffered if they had to abandon work on nearly finished products in unsalable condition. Other changes in the order made through the amendment included a redefinition of "manufacture" to include laboratory, plating or repair operations; a rule that manufacturers may not sell foreign silver, semi-processed materials or scrap except to suppliers or to the Metals Reserve Company, and an expansion of the restrictions on manufacture to include "church goods" in the general prohibition against production of jewelry."

The Metals Reserve Company, a subset of the War Production Board, was another Federal entity set up to meddle with the free market. NYT, October 12, 1942, page 24---

"To use the rest of the Treasury's large silver stocks for this purpose would require legislation, since under law it must be kept as currency backing. The silver members oppose any change in the law. Secretary Morgenthau has made known his desire to free all the Treasury's silver for industry but has not pressed it, since if he did the silver group would line up against the Treasury's tax proposals."

"All imported silver is now being used in war industry as solder, as an alloy for bearings in airplane engines, as "points" in tank engines, etc., under priorities. The only silver available for silversmiths and jewelers now is the newly mined domestic product, and they must buy that in competition with the Treasury which is obliged by law to pay 71.1 cents for it. The price of imported silver is now under a 45-cent ceiling. Silver is so badly needed in war industry as a substitute for copper that under an amended War Production Board order it may not be put into process for commercial purposes after Nov. 15. Even if the Treasury's stock of monetary silver could be freed there might not be enough to satisfy war industry and leave some to spare for commerce."

Morgenthau was on the side of the silver users and those wanting pure fiat currency, so the silver needed to eventually be gotten rid of. Silver was needed for electrical contact points in tanks, the same as we need it today in passenger vehicles. Imagine what Colonel Hessler the German tank

commander in “Battle of the Bulge” (1966) would say about that! Deplete the American silver stockpile, then launch the armored spearhead! NYT, October 19, 1942, page 27, “Eastman Kodak Rations Film Supplies for Public,” we read---

“Rochester, N.Y., Oct.18---Rationing by Eastman Kodak Company of some photographic film supplies for civilian use was announced today. The company’s trade circular ascribed the program to “actual and anticipated” requirements of the armed forces and essential war industries and said the allocations would vary from month to month.”

I have laid in my camera and film supplies and you should also, because new war or not, we are probably heading towards silver rationing, at least for some span of time. NYT, June 5, 1944, page 23---

“Investigation---A survey to determine the degree of compliance with wartime regulations on the use of silver is being conducted by about fifty examiners from the Federal Trade Commission on behalf of the WPB compliance division. They will examine the use of the metal by about 217 companies. The division stresses the need for strict enforcement of silver conservation order M-199 because of increasing substitution of silver in war production.”

Any return to silver rationing will be accompanied by investigations and attempts at enforcement. NYT, July 30, 1943, page 32, “WPB Controls Use Of Federal Silver,”---

“Rigid control over the distribution and use of silver was established by the War Production Board today in light of the new situation created by the unfreezing of a billion ounces of Treasury “free silver” by the Green bill to offset the curtailment of silver imports. The new regulations will permit the use of Treasury silver only in the manufacture of engine bearings, official military insignia, brazing alloys and solders. Authorization to purchase silver from the Treasury for these purposes must be obtained from WPB.”

“The use of foreign silver, on the other hand, will be permitted only in the manufacture of medicines and health supplies, in the photographic industry, in the manufacture of electrical contacts and other products or parts used for electric current carrying purposes, in the manufacture of miscellaneous products and on orders carrying a preference rating of AA-5 or higher, with

some exceptions. Regardless of preference ratings, foreign silver may no longer be used for certain restricted purposes such as the manufacture of silverware, watch cases and jewelry; badges and insignia other than official military insignia, church goods, slide fasteners, hooks and eyes, snaps, buttons, clips, buckles and fasteners, closures for containers, pens and pencils except the nibs, interior tubes, filling mechanisms, clips and rings, toilet articles and picture frames, musical instruments except strings, electroplating unnecessary for operational purposes except in dental, surgical, veterinary and optical appliances and equipment.”

“Newly added to this list were cigarette cases, compacts, mesh-bags, vanity cases and other articles worn on or about the person. It was explained that the problem of distributing silver for essential uses at two price levels--- 71.11 cents for Treasury silver and 45 cents for the limited supply of foreign silver---had been found difficult. The Treasury assisted in the selection of groups designated to use 71.11 cent silver by agreeing to permit manufacturers purchasing Treasury silver to sell back to the Treasury any metal remaining in their inventories. The Office of Price Administration agreed to let the designated groups of manufacturers who must use the more expensive silver pass along the difference in price.”

“Scrap generated by manufacturers while processing Treasury silver becomes foreign silver at the 45 cent price if it does not remain in the ownership of the manufacturer who produced it. Domestically mined silver will be channeled to nonessential industry for restricted uses, as in the original order, on the basis of 50 per cent of 1941 or 1942 consumption, whichever is larger.”

Senator Green finally got his bill passed. It wasn't aimed directly at silver held for backing silver certificates, but at the “free silver,” that not in reserve for such currency backing. But Green knew when that was gone, his silver user buddies would go after the monetary silver, which they did! While the Federal Reserve wanted to offer unbacked notes, the silver Senators wanted to continue offering silver backed paper. It's obvious to anyone other than dishonest economists which currency represented intrinsic value. The silver Senators wanted to issue more silver certificates against Treasury free metal, but were denounced at every turn as “inflationists.” Those who wanted to issue a truly unbacked fiat currency weren't being attacked as “inflationists,” because those in control of major media outlets belonged to the same organizations as Federal Reserve types, as they do today. We see how

tightly the use of silver was controlled in WWII. When silver rationing hits next time, applications to buy and use silver could again be required to be made through a new Federal agency. Does anyone hear the term “silver czar?” Sadly, the free market, if not interfered with, can properly determine price and fair allocation of any and all commodities, and assure the greatest supply. The only valid role for government is to prevent fraud, theft and violence in the marketplace. NYT, January 18, 1944, page 21---

“An order temporarily restraining Irving and Myron P. Rabinowitz from violations of the Emergency Price Control Act in the sale of scrap silver was issued yesterday by Federal Judge Simon H. Rifkind. The brothers, operating as Rabb Jewelers, were defendants in a suit by the Office of Price Administration, in which permanent injunction as well as triple damages of \$9,078 were asked. The complaint in this action charged that bills had been rendered for fictitious sales of silver, and that such payments without delivery had affected a rise in the actual sales price of other silver. The result was violation of price ceilings by about 8 cents an ounce, it was alleged.”

The government always has a wish to go after someone to make an example of, to intimidate others into compliance. In addition to causing shortages, price controls also create black markets. Price controls are unbelievably immoral. Around 1961 judge Rifkind became a partner in the Wall Street law firm of Paul, Weiss, Rifkind, Wharton & Garrison and a director of Revlon, Sterling National Bank & Trust and others. NYT, January 21, 1944, page 10, “Price Curb Pledged On Feminine Finery” subtitled, “OPA Chief Declares War on Costume Jewelry” we find---

“A promise to keep the cost of feminine adornment within reason even though such items do not affect the cost of living was given yesterday by Daniel P. Woolley, regional administrator of the Office of Price Administration, as his legal staff prepared to argue a case in Federal Court today against nine concerns accused of black market dealings in materials essential to the manufacture of vanity cases and costume jewelry. The complaint charges that these concerns, against whom treble damages of \$9,078 are sought, dealt in 100,000 ounces of silver at above-ceiling prices through the device of fictitious invoices covering silver scrap, colored stones and diamonds.”

“Silver has a War production Board priority rating as a material essential to the war,” Mr. Woolley said. “I cannot tolerate a black market in any war material and mean to do everything I can to end such practices. While costume jewelry and vanity cases may not be cost-of-living items, most women buy them, and they should have the fullest protection against black marketers. Arguments will be heard by Judge Simon H. Rifkind, who signed temporary restraining orders last Monday against the following concerns---Myron P. and Irving Rabinowitz, brothers, doing business as Rabb Jewelers, 1204 Sixth Avenue; Louis Ronay, 2 West Forty-Seventh Street; Volupte, Inc., 347 Fifth Avenue; Israel Polowitz and Salvatore Paglauce, doing business as Artcraft Casting Company, 7 West Thirty-Sixth Street; Louis Danenberg and Alex Danenberg, doing business as Novel Products Company, 97 East Houston Street; Joseph J. Mazer, doing business as Mazer Brothers, 20 West Thirty-Third Street; Joseph Silberman, doing business as Clix Slide Fastener Company, 20 West Thirty-Third Street, and Walter Lampl of 608 Fifth Avenue.”

Woolley is an interesting name. In this case it was probably a relation to Knight Woolley (born 1895) of Skull & Bones Society, and Brown Brothers, Harriman & Company, 59 Wall Street, international investment firm and private bank; and Samuel H. Woolley (born 1909) who headed the Bank of New York beginning in 1961, and was a member of the more elite World Money Power. See what happened in this case? The government encouraged the formation of a black market by installing insane price ceilings, then prosecuted individuals for following free market motivations. I submit that a black market is merely another name for the free market, when government steps in and perverts the picture with asinine regulations. Perhaps the following silver reported stolen went into the black market the government created (NYT, February 1, 1944, page 21)---

“Government Table Silver Gone. Washington, Jan. 31 (AP)---Some Federal employees apparently have figured out how to keep up their household supplies of table silver regardless of how hard it is to buy. An average of 20,000 knives, forks and spoons have disappeared monthly from the Government’s cafeterias here since the shortage developed, it was disclosed today.”

NYT, February 8, 1945, page 26 reported---

“Silver---WPB informed the industry committee removal of distinction between the use of Treasury “free” silver and domestic silver offers manufacturers better opportunity to obtain silver to the extent of their quotas.”

As we know, quotas are just another word for rationing. If silver rationing returns, all those harmed and limited by it should form class action lawsuits against those responsible for the shortage. Those individuals are the policy makers in the Federal Reserve System; the Treasury; the New York banks who've maintained a huge naked short position for years, depressing prices; the Silver Users Association, for removing our strategic military stockpile while lobbying for flat prices; the Justice Department, for doing nothing over the years; the Commodity Futures Trading Commission, for acting as a front for short interests; members of Congress who took money from shorting interests and anyone else who was asked to intervene, and took no action. Waiting until the crisis appears in public view, then acting, is an insufficient display of concern. Those parties to the suits should include any and all former or current military personnel whose lives are endangered by silver shortages; employees of Silver Users Association companies; consumer groups harmed by shortages of end user goods; and outraged taxpayers. C & FC, July 18, 1946, page 348 commented in “Senate and House Clash on Silver---

“During the week, the House refused to accept the rider attached to the Post Office and Treasury Department Appropriation bill by the Senate which fixed the price at which the Secretary of the Treasury is permitted to sell surplus silver to industries at 90.3 cents per ounce. Although a conference committee has been set up, there is no immediate break in the deadlock, though to expedite the passage of the appropriation bill, the Senate removed the section fixing the silver price and reenacted it as a separate measure. In the meantime, industrial users of silver are short of supplies, and it is reported that some are melting down silver dollars and other coins to obtain the necessary raw material. As passed by the Senate, the price of silver is to be raised after two years to its monetary value of \$1.29 per ounce, which in effect permits again the free coinage of silver, a situation which has not existed since 1873. It is this provision of the Senate's version that is objectionable not only to the industrial users of silver but to “sound money” advocates. As noted elsewhere in the Chronicle, the Economists Committee on Monetary Policy has protested the passage of the Senate measure, as a favor to a special interest at the expense of public welfare. With the

adjournment of Congress set for the latter part of July, there seems little indication as yet that a compromise bill on the price of silver will be passed at this Congressional session.”

Support for silver money was stronger in the Senate than the House, since each state has 2 Senators regardless of population, to represent the interests of the separate states; whereas the House is apportioned by population, and Eastern silver consuming states such as New York, New Jersey and Pennsylvania have correspondingly more Congressmen than sparsely populated silver mining states such as Nevada.

It was pathetic that debates on the silver price should have taken place at all. The marketplace is most fit to determine the value of a commodity, however, Congress at that time still had not surrendered all notions of its monetary powers to outside agencies like the Federal Reserve. This is why states, in any new moves towards circulating silver coins, should refrain from stating a price or face value on the coins---just the weight and fineness will do. Then let the marketplace determine the purchasing power.

Complaints were made by economists once again about silver in the financial system being a “favor to special interests,” meaning, the miners. Who the economists wanted to give favors to was the fiat money mob, in which something worthless is used to purchase goods and services having some actual worth. It takes far less effort to slap ink on paper and call it money, than it takes to mine silver and gold. We have never seen any moment in history in which silver and gold became worthless, yet we have seen that repeatedly with paper currency. Someday, such dishonest economists as fault gold and silver money will be too ashamed to appear in public (and they really don’t belong among the free population). The attempt in the Senate to raise the silver price to \$1.29 failed due to House opposition, also a Presidential veto was waiting at the end of the line. The C & FC, same page as above, quoted a question sent by the banker shill group known as the Economists National Committee on Monetary Policy to members of Congress supporting silver money---

“Does it not disturb you to be a party to the continuation of what every disinterested student of silver knows is our disgraceful national silver scandal?”

Hypocrites among us, demagogues called economists! To allege they were “disinterested” in silver, or that the masses agreed with their venomous

views, was like saying burglars are “disinterested” in taking one’s possessions. Concluding this section on wartime rationing, regulations and shortages, we note that in the wake of the end of World War II, after shortages had been endured, and the Senate silver men were able to preserve silver certificates and silver coins---up to that point---in our monetary system, after a titanic struggle, they succeeded in getting the silver price raised by about 27.27%. It was well known that the 71.11 cents per ounce price was suffocation to many mines. Reading in the C & FC, August 8, 1946, page 793, we observe---

“Secretary Snyder announced on July 31 that he is prepared to make sales of silver at 91 cents per fine troy ounce for manufacturing uses as authorized by the Act of July 31, 1946. The announcement added---“The United States Mints at Philadelphia, Denver and San Francisco and the U.S. Assay Offices at New York and Seattle have been instructed as to the procedure to be followed in making sales of Treasury silver. All prospective purchasers of silver are requested to communicate directly with the nearest mint or assay office with respect to applications for the purchase of Treasury silver.”

“Under legislation completed by Congress on July 19 and signed by President Truman on July 31, the sale is permitted of government owned silver to industry at 90.5 cents an ounce. Associated Press accounts from Washington said---The legislation is designed to relieve a shortage which has caused at least one concern to melt dollars to obtain silver. Its sponsors expect it to stimulate production of silver and other metals in short supply.”

“The final agreement was on a price of 90.5 cents an ounce for both government purchase and sale. No silver may be purchased by the Treasury at this price unless it has been mined within a year before the time it is offered. The present purchase price of silver is 71.11 cents an ounce and the amendment is aimed at any who might have hoarded it. Agreement to handle the silver price issue in separate legislation released the Treasury-Post Office appropriation bill, which stalled in conference on the same controversy. When the House was unable to get Senate approval for its bill to sell silver at 71.11 cents an ounce, it wrote a “rider” into the Treasury appropriation bill. The Senate amended that provision to authorize both purchase and sale at 90.3 cents for two years and then at \$1.29.”

“The House refused to go along. The Senate then offered to compromise. After three days of conferences the agreement was reached. Both the Senate

and House approved the action. Associated Press advices from Washington stated---“The Treasury will charge 91 cents per fine troy ounce for the silver it sells. Officials said the half-cent an ounce margin over the figure set in the Act is to cover transportation costs and also to encourage buying direct from the mines rather than the Treasury. Treasury purchases will be at the 90.5 cent figure set in the Act for all U.S. mined silver offered it.”

“The wartime Act under which Treasury sold silver for 71.11 cents expired Dec. 31. Since then no sales have been made and industries requiring silver have been in difficult straits. Some manufacturers resorted to using silver dollars. Secretary of the Treasury Snyder announced that 475,000,000 ounces which Treasury lent to war plants for use as electricity conductors will be returned in the near future. Much of it serves as backing for currency and may be sold. Mr. Snyder said that the unpledged portion of it, plus other salable silver Treasury has on hand, will make 125,000,000 ounces available for sale to industry over the next two years. But this, he estimated, is only about one-half the amount industry will need.”

Treasury Secretary John Wesley Snyder was a member of the American Legion and the Military Order of the World War (WWI) and must have realized the need for silver in war use, especially since the experience of WWII was still so close at hand. So, rather than being so cooperative with the silver users, he should have called for a military silver reserve to be set aside for future needs. In the months to come we may expect new government intrusions into the silver market. Market forces in other nations will eventually lessen things such as price ceilings, and probably make such limitations impossible. Rationing and silver quotas may become commonplace. We should resist all such efforts. Silver should go to the highest bidders, not just because silver investors stand to benefit, but because that's the way it is in other commodities. There's no reason for silver to be singled out. But we are aware of the greed of the users and still more aware of the disturbing motives of those back of the Federal Reserve for wanting low precious metals prices. A free market can take care of legitimate needs better than any disastrous government meddling.

SILVER MAGIC---1955 ARTICLE

One of the best articles on silver appeared in Coronet Magazine, April 1955, pages 102-110, by Reed Millard. Much of his article had to do with silver use in WWII, then postwar use. Let's look at portions of the article---

“The nation's silversmiths have reported an astounding fact---sales of sterling silver tableware are up 640 per cent above pre-World War II levels. In fact, in a single decade, the industry has sold more sterling pieces than Americans bought in all the previous span of U.S. history. This success story is only part of an amazing modern boom in silver products so great that mines cannot keep up with the demand. For this miracle mineral which has raised and shattered empires, motivated wars and played a special part in building America, is now being cast by science in a series of new roles.”

“Put to work in such varied products as automobiles, planes, atomic reactors and 3-D films, silver makes possible many of the marvels of today's world. It is a prime weapon in man's battle to control the weather. It may be the key to victory in an even greater fight, the war against germs, for magic powers locked in this precious metal may stop infectious diseases by turning the furniture, the curtains, the dishes and hundreds of other household items into germ killers more potent than the most powerful wonder drugs.”

“You may seldom see a silver dollar, unless you are a Westerner or have toured Western states and left with your pockets sagging. However, the dollar bills you handle theoretically entitle you to a share of this treasure trove, for they are “silver certificates,” indicating that Uncle Sam holds a suitable quantity of silver. Wherever you look today, there is a boom in its use. Take the bonanza in sterling silver flatware. Up to a few years ago, possession of solid silver table settings was something generally reserved for the well to do. Then a revolution took place. Old firms like Oneida and International, which sell a big percentage of silver plate, were astonished to discover that sterling sales had risen so fast that they now rivaled those of mass-production plate. Makers of silverware attributed this jump in popularity to the rising national standard of living and the wistful dream of millions that some day they could own solid silver flatware.”

“In a dozen industries, engineers have been surprised to discover that silver does overalls to do jobs that baffle other metals---and amazingly, does them more cheaply. Aircraft engineers in a Los Angeles factory found that out during World War II, when they could not get the tin they needed for electrical connections. In the emergency, a metallurgist suggested, try

silver. Since we had to have planes, and expense was not a factor, the engineers rushed to do so. To their astonishment they found that 2.5 pounds of silver, which cost \$13.50, did the work of 40 pounds of tin costing more than \$20.”

“Next they were faced with the puzzling problem of bearings for fast moving engine parts. At the souped up speeds of wartime planes, ordinary bronze and tin bearings burned out. Silver ones stood up. Then there was the great stainless steel headache. Joining pieces of stainless steel together proved to be a problem that almost had the engineers in a dozen fields licked---until they tried silver. Magically, when they melted a little blob of silver alloy at the spot where the steel pieces met, they found that the strength at the joints was more than adequate for the job.”

“These and scores of other uses made it apparent that silver was a real wartime asset. Vast amounts of it went to work in shells, torpedoes, guns and other implements of war. Silver’s service did not end with an honorable discharge at the close of the war. Industry has found all sorts of uses for it. It goes into electronic apparatus, mechanical brains, jet planes, high flying rockets and radiator connections in your car. Silver is the secret of photography, the magic that captures the picture on film, in your camera or in the latest 3-D movie or image that comes over TV. They are all based on a silver miracle that still fascinates scientists, for what you really see when you look at a negative is an intricate network of microscopic silver crystals which faithfully mirror the image that flashed before them for a brief instant when light was let in as the shutter of the camera opened and closed.”

“There are still untapped powers hidden in those microscopic crystals. One of their potentialities is bringing reality to man’s dream of controlling the weather. Eight years ago, when Vincent Schaefer of General Electric started his historic experiments in rainmaking, he used dry ice to provide the nuclei around which water droplets in super-cooled clouds could gather, condense and form raindrops heavy enough to fall. In G.E.’s labs, Bernard Vonnegut, a fellow scientist, pondered the problem of those drops. Perhaps, he thought, there was a crystal that would be better than dry ice, one more like natural crystals. Consulting a reference book on crystals, he was astonished to find one that was indeed like a water crystal. The atoms of silver iodide were within one per cent of having exactly the same spacing.”

“Silver for rainmaking? It seemed crazy, but Vonnegut tried it. The results went beyond his dreams. Inside the test cold box, he found a single gram of silver iodide would produce no less than 10,000,000,000,000,000 snowflake-like crystals. Moreover, the crystals would not disappear at once, but survived for as long as two weeks if no moisture happened to attach to them. Even more startling, \$2 worth of it would seed 30,000 cubic miles of atmosphere.”

“Under actual weather making conditions, the new crystals have produced stunning results. Witness a test conducted by Dr. Irving Langmuir, Nobel prizewinner. In a valley in New Mexico, using a single ground generator, a device that releases crystals from silver iodide impregnated charcoal, he released invisible clouds of silver-charged smoke three days each week over a period of time. Scientists were startled when they checked the results. There were marked changes in the weather from the Midwest into the eastern states, following a definite pattern based on the time that solitary generator was working.”

“When painstaking checks of weather-bureau records showed nothing like this curious weather pattern before, Langmuir and his associates concluded that the silver crystals were producing “a large effect on the weather over about a third of the U.S.” Using similar generators, Dr. Irving Krick, Denver weather wizard, is seeding clouds over a vast weather empire in the Western states, producing enough rainfall to make farmers cheerfully pay him for the service.”

“Yet the most exciting of silver’s remarkable powers is one that scientists feel may give it its most important role in our daily lives. Years ago, scientists noticed an astonishing phenomenon. A glass container which had held a minute amount of a silver compound acquired a magic property--- even months afterwards, germs put into that container would die. This discovery became more than a laboratory curiosity during a bizarre incident of World War II, in which a couple of pocket-sized chunks of silver and some flashlight batteries played a dramatic part in building the Burma Road.”

“As 30,000 laborers were rushed into remote Assam to start building this back door to China, the engineers faced a desperate situation. The drinking water was found to be heavily contaminated with the germs of bacillary dysentery, cholera and typhoid. Yet there was no time to send in elaborate

water purification systems. At this point an English scientist named S.F. Benton stepped into the picture. Commandeering all the flashlight batteries he could find, he attached them, four at a time, to two silver plates, each four inches square. When he thrust these plates into the water, the miracle took place. All the germs in it died. Thus Benton purified 100,000 gallons of water a day, the effect of the electric current being to release minute quantities of silver into the water. It worked because only one part silver to one hundred million parts of water can destroy all bacteria.”

“Unfortunately, these silver traces did not always kill bacteria, but once Dr. Charles E. Renn and William E. Chesney, of Johns Hopkins University, painstakingly established just what types of bacteria silver reacted to, the way was opened for large-scale industrial use of the metal as a disinfectant. Silver has major advantages over existing disinfectants like chlorine. For one thing, it is virtually a permanent germ killer, and remains potent as long as it stays in water. Being odorless and tasteless, it may ultimately replace chlorine as a purifier, even though it is more expensive. In air conditioning units, silver traces can continually run through the system to prevent pipe-clogging slime. Standing water supplies, such as those in tanks, can be kept pure for long periods with just a dash of silver. What will they do next with silver? Scientists cannot predict the answer. But even without a single new discovery, this most useful of precious metals has already proved an amazingly versatile servant of man---the stuff that puts a silver lining in modern living.”

Without silver and its germicidal effects, 30,000 workers would have been at risk from death from microbial illnesses, and the Burma Road could not have been built during World War II. He said that silver for water purification costs more than chlorine. That may not actually be true, considering that chlorine is a suspect in degenerative diseases including arthritis!

SILVER USE IN ATOMIC WEAPONS

Let's review some items on this subject, as we entered the atomic age with the bombing of Hiroshima and Nagasaki in 1945 as WWII drew to a close. There will be no detailed technical discussion. We'll see what the media was saying on the subject. NYT, August 26, 1945, section 4, page 49---

“Silver For Bombs---The War Department borrowed more than a million pounds of silver from the Treasury for use in thousands of electromagnets required to make material for the atomic bomb at the Oak Ridge plant in Tennessee. Copper would have served just as well. It was scarce, and silver is an even better conductor of electricity. The electromagnets, wound with silver wire, are required to concentrate either U-235 or plutonium, both of which explode when bombarded by neutrons. The electromagnetic process was suggested by Professor E.O. Lawrence of the University of California.”

They say copper would have done as well in making fissionable material. However, in the actual transportable bomb or in a warhead, weight of the device is a factor, and silver necessary for conductivity can do the job of copper while weighing less, and there may also be heat transfer considerations. Ernest Lawrence, a member of the Wall Street controlled American Academy of Arts and Sciences and (Yale 1925) could have been a member of one of the five super-fraternities there---Skull & Bones; Wolf’s Head; Scroll & Key; Book & Snake; or Berzelius Society. I don’t have specific details. In 1943 he became an honorary member of the U.S.S.R. Academy of Sciences and received an award from the Royal Society of England in 1937. Royal, as in working to further Crown interests. In 1944 he became a trustee of the Carnegie Institution of Washington, named after the infamous British collaborator Andrew Carnegie, a charter member of the Society upon its founding in 1902. The Carnegie Endowment for International Peace concerns itself with, among other matters, atomic weapons and is interlocked with the International Pugwash Committee, atomic scientists from various nations who conduct meetings out of public view, and may have been a point of treasonous technology transfer! It was founded by Rockefeller family associate Cyrus Eaton and named after his hometown in Nova Scotia. Lawrence was also a member of the Bohemian Club (San Francisco) of which many of our leading “globalists” are members. C & FC, November 29, 1945, page 2611 says---

“With respect to leases the Bill would permit the extension, if necessary, of two leases which are now outstanding and which will terminate six months after the cessation of hostilities. As proclaimed by the President the War Department holds nearly 475,000,000 under lease and the Reconstruction Finance Corporation holds slightly more than 400,000,000 ounces. The silver is used in bus bars located in aluminum and magnesium plants throughout the country and in the War Department’s atomic bomb plant in Tennessee.”

The above statement was part of remarks made by Treasury Secretary Fred Vinson, concerning the new bill by Senator Green concerning use of Treasury silver. C & FC, November 14, 1946, page 2530---

“Approximately 14,000 tons of Treasury silver remains on loan to the War Department. It was borrowed for electrical conductor use in the atomic bomb plant at Oak Ridge, Tennessee.”

The Coronet magazine article we just looked at pointed out that silver is needed in atomic reactors. Uranium will be needed on a priority basis before 2010 for more nuclear power. Power generation and transmission, including the most high tech transmission, superconductivity, needs silver. Silver is an essential element in control rods governing the nuclear fission process in reactors. For a brief explanation, go to www.nucleartourist.com/basics/construct.htm

The Coronet article of April 1955, pages 106 and 108 mentions---

“Without silver, the atomic bomb might have been held up for months, because the Manhattan Project alone used nearly 400,000,000 ounces---one half the total loaned to industry! One Dow Chemical Magnesium plant was loaned \$18,000,000 worth of silver bars.”

Banking, the publication of the American Bankers Association, July 1963, page 58 said---

“The Government needs silver for missiles and atomic energy production.”

The association’s July 1964 issue, page 135 said---

“If and when a shift is made to base metal coins, a decision must be made as to the disposal of the silver which may still remain in the Treasury plus the silver content of the coins to be withdrawn from circulation. This silver is estimated to weigh about 1.4 billion ounces. In view of the important industrial properties of silver, some part of this should be set aside in the national defense stockpile, where it would be accessible for defense purposes without repeating the prolonged struggle with the Senate silver bloc that proved necessary during World War II to obtain the use of silver in the atom bomb project.”

Funny how the bankers were suggesting a military silver reserve in 1964. The interests working hardest to hold silver prices down over the years are the big New York Banks. It became necessary to empty our silver stockpile in order to assist in preserving the low price. Can't have silver looking like real money, you see, with prices showing its real worth. Nuclear bombs, warheads, missiles, rockets, satellites, submarines, reactors, superconductivity, computers, medicinal, water purification, and MONEY itself--silver is the metal most needed for modern warfare. And we have
NO strategic silver reserve!

NO STRATEGIC SILVER RESERVE!

America has been without a strategic reserve of silver since fall 2000. As part of the 2004 Presidential campaign we hear debate over the strategic petroleum reserve, but no mention of a metal without which we cannot defend ourselves. No one at a high level is willing to discuss this issue. It is as if a huge coordinated conspiracy exists. Let's drop the "as if" part.

Butler wrote articles on the lack of silver as it relates to defense, "Pearl Harbor 2001" and "Silver Steal," in which he transmitted the brief response he received from General Henry H. Shelton, then Chairman of the Joint Chiefs of Staff. If you look at Shelton's reply it's clear all he did was pass the issue to someone else, who in turn did nothing. My understanding is that other officials were also contacted with approximately a 50% response rate, but again, those responses featured no action. I sent e-mails on the situation to everyone I found at the Veterans of Foreign Wars ("We'd Do Anything For This Country!") which was something like over 15 individuals. I received one (1) response, which was a complaint that I "shotgunned" my message to everyone, when the implication was, all I had to do was send it to him. My purpose was to make sure they all saw the message, and were aware everyone else got it. The result? NO action taken. Maybe some of you want to make inquiry to the VFW at www.vfw.org/ or to the American Legion, which bills itself as the world's largest veterans organization, at www.legion.org/

In contacting Congress, veteran's organizations such as the VFW and American Legion, Defense Department, news media and so forth, on this issue, sometimes accusations are hurled back at us that our real motive is to get the Government to buy a lot of silver, because we hope to benefit from a

price increase. This is all some of them can think. So what happens when defense contractors can't produce because they can't obtain enough silver?

Will they ask the President to sign an Executive Order seizing investor owned silver in COMEX warehouses? That would have to be the first step. Large gold and silver dealers could also be at risk of having federal agents appear at their places of business unannounced, to impound any silver they have. Which suggestion, therefore, is more in keeping with the alleged spirit of America, that the Government go into the open market and bid for silver; or that the crisis is allowed to develop, then they step in and seize silver from the unwilling? And at what price would such seizures occur? Voices will be heard saying, it isn't right to allow "hoarders" and "speculators" to profit from the country's military vulnerability! But who caused that vulnerability? Those who lobbied to hold prices low; those who agitated to access the strategic silver stockpile; those who threw massive amounts of paper short sales at the silver price, discouraging production and exploration; and those in government who allowed the malfeasance! Also, do defense contractors, or anyone else who supplies a war effort, make any profits from such activity? Most likely. Then why is it that selling silver at a profit is painted as "wrong?" Because the greedy silver users want to be the only ones to profit from silver---let miners go bankrupt, because others will follow in their tracks, produce some silver, then they'll fail also.

Let's look at some references from the public record about the strategic stockpile issue. Wall Street Journal, June 6, 1967, page 12, "Senate Approves Bill To Permit Write-Off Of Silver Certificates," subtitled, "Measure to Lessen Price Would Allow Treasury to Free Estimated 116 Million Ounces"---

"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. The House Banking Committee has approved a bill similar to the Senate measure, and the full House is expected to act soon. By increasing the Treasury's supply of "free" silver, the legislation is intended to help prevent silver price increases that could lead to coin hoarding."

Here's another case where our great leaders were out in the open that they were interested in holding silver prices low. They didn't want Americans to protect themselves from currency decay by owning coins of intrinsic worth.

Continuing, we find---

“In a related development, Senator Hartke (D. Indiana) said the Treasury has informed him that “it is prepared to embargo shipments of silver bullion from the U.S. should the international run on America’s silver supply become acute.” In mid-May the Treasury banned exports of silver from its own stock after demand increased sharply in response to price rises. According to Senator Hartke, no Congressional action would be required for the Treasury to embargo all silver exports. Generally, though, Treasury officials have been counting on the certificate legislation to spare them the need to impose such an embargo. Such a policy would be difficult to implement, planners say, because much silver that’s exported from the U.S. first was imported here solely for processing.”

Looking at this it’s clear the Silver Users Association had its eyes on the remaining silver, and was opposed to it being exported. Continuing---

“Due to a shortage of the metal, the market price for future delivery recently has climbed above the \$1.29 set by the Treasury. The Treasury is changing over from silver coins to coins made of other metal, but it will be some time before the transition is completed. The write-off of silver certificates that the Senate bill would permit is based on the Treasury’s estimate that outstanding certificates for 116 million ounces have been destroyed or lost over the years. In addition to the silver that would be freed by write-offs, the bill would allow the Treasury to end redemptions for all outstanding silver certificates after one year. Over 400 million ounces of the Treasury’s silver stock currently is earmarked for certificate redemptions.”

They speak of freeing silver by ending the silver certificate program. Freeing silver, for what, and for whom? For the Silver Users Association, of course! But it would take time for them to get rid of all the silver as we find---

“When redemptions are ended, the Senate bill provides that the Treasury must turn over 165 million ounces of silver to the Government’s defense stockpile. A floor amendment by Senator Dominick (R., Colorado) would limit to 200 million the amount of silver certificates the Treasury could write off before redemptions are ended. The legislative action may come just in time, as continuing heavy domestic demand is still swiftly shrinking the Treasury’s “free silver” stock. From 81.5 million ounces May 15, just a few days before the restrictions were imposed, the free stock was down to 55.6

million ounces May 29, and, at last report on May 31, the stock was down further to less than 51.3 million ounces.”

This was the start of the silver defense stockpile. First the users would empty the other Treasury silver, then go after the defense reserve. We see the concern of the Treasury was for the silver users, not for the American public, and the same treachery was evident on the part of Congress. The defense reserve was quickly seen as a source of silver for other purposes. Wall Street Journal, May 14, 1970, page 7, “Coinage Commission Approves “Silver” Dollar With Eisenhower on It,” subtitled, “But Legislation of Senate Faces Opposition by House Members To 40% Use of Precious Metal,”---

“Washington---The Coinage Commission approved a Senate-passed bill authorizing the minting and selling of 150 million one-dollar coins, containing 40% silver, which would bear a likeness to former President Eisenhower. But the legislation still faces considerable opposition in the House, which in the past has refused to approve the use of silver in any commemorative coin. The commission, consisting of the Treasury Secretary, other Administration officials, public representatives and members of Congress, refused to disclose its vote, but Congressional sources said it was 14 to six. Among the opponents were Chairman Patman (D., Texas) of the House Banking and Currency Commission and Rep. Widnall (R., N.J.), ranking minority member of that committee.”

Did you catch the error in the quotation? It should have read, House Banking and Currency Committee. The error was partially corrected at the end of the sentence. I learned over reading references to Wright Patman that he was a friend to the silver using interests. That seemed somewhat odd, since he repeatedly called for an audit of the Federal Reserve System, and of course never accomplished it. Reading more---

“In a statement following the vote, Mr. Patman called the use of silver in the dollar coin a “speculators’ bonanza” that, he said, would “create serious economic problems for the nation.” Last October, the House decisively voted against including any silver in the Eisenhower dollar. The Coinage Commission, with the support of the Treasury, approved the same recommendations passed by the Senate in March. Under this measure, the Eisenhower dollar would contain 40% silver and 60% copper. This measure

also would provide for the minting and general circulation of other Eisenhower dollars comprised of copper and nickel.”

You can see the bias on the part of Congressman Patman in favor of the silver users, complaining about “speculators.” Concluding---

“The Treasury estimated that the part silver Eisenhower coin would be sold at a premium price and could bring in as much as \$750 million in the next three or four years. Officials said they haven’t set any likely price on the coin, but are talking in a \$3 to \$5 range if the House approves the measure. Both the Coinage Commission and the Treasury have reversed positions on the minting and selling of a part silver Eisenhower dollar. Last year, they approved plans only for a silverless dollar commemorating the former President. The Senate refused to accept this version. The Senate bill also calls for the transfer of 25.5 million ounces of silver from the national security stockpile to the Treasury for coinage purposes. The Treasury would continue to sell 1.5 million ounces a week of silver bullion through the General Services Administration through next November 10.”

WSJ, March 5, 1970, page 20 said---

“The Office of Emergency Preparedness would release 25.5 million ounces of surplus silver from its emergency stockpile to be used in the coinage.”

Considering how much silver was used in WWII, and the fact that this stockpile contained just a fraction as much, to call the 25.5 million ounces “surplus” was folly. Let’s take a brief look back at Congressman Patman of Texarkana, Texas, from the WSJ, March 20, 1970, page 16---

“After yesterday’s Senate action, chairman Patman (D., Texas) of the House Banking Committee attacked the idea of a 40% silver coin and said he would fight the proposal when it went before a House-Senate conference committee. Patman said that if Congress decided to put silver in the Eisenhower dollar “the same groups will be back demanding silver in other commemorative coins.” This would “completely deplete our stockpiles and place commercial users of silver in great jeopardy,” he asserted. He noted that Congress for years had been moving away from the use of silver in coins, thus making the minting of coins much cheaper and preserving “an important natural resource for useful purposes. It would be wrong to reverse

this by falling for a scheme to place 40% silver in the Eisenhower dollar, he said.”

It's okay with the sellout elements in Congress if the Silver Users Association keeps coming back to a national silver stockpile demanding metal, but if someone wants real money or semi-real money, they oppose that. They worry about placing commercial users of silver in great jeopardy---what about the peril to the military servicemen who could be deprived of the high-tech benefits of silver use in modern weapons systems, just so arrogant Tiffany & Company can craft some sterling jewelry, and slap some bloated mark-up on it?

The Eisenhower silver content dollars ran from 1971 through 1974 then restarted as clad only in 1976 through 1978. Everyone wanted a piece of the silver defense stockpile! Wall Street Journal, September 10, 1976, page 22, “Possible Silver Stockpile Sale Seen As Bullish for Market in Long Run” we note---

“When the U.S. government makes noises about selling silver from the federal stockpile, futures traders start unloading futures contracts in speculation that such a sale would depress prices. However, some analysts say a stockpile sale could have a bullish effect on the market in the long run. Currently being considered is the sale of 118 million ounces of government held silver from the national stockpile of 139.5 million ounces. (This doesn't include 40 million ounces held by the Treasury Department.) The government has stored silver for defense purposes, although in the past few years attempts have been made to release the supplies.”

We started out with 165 million ounces in the defense stockpile, the Eisenhower coins took us down to 139.5 million ounces, then we read about “attempts have been made to release the supplies,” to whom---none other than the Silver Users Association. It was called “government held” silver, but it was really taxpayer owned, was it not? WHY did our government set out to assist the users at public expense? WHY didn't our government simply tell the silver users, go fend for yourselves? LOBBYING! That was the answer! The 40 million ounces the Treasury retained was to serve as some type of emergency reserve, available for beating down the price. That's why Walter Frankland of the Silver Users Association went begging to Treasury Secretary G. William Miller (another Federal Reserve guy) in

late 1979, asking him to dump it on the market so prices would move south.
Reading on---

“Efforts to authorize a sale from the stockpile are gaining momentum. On Wednesday, the House Armed Services Committee voted to reinstate a silver sale proposal previously turned down by a House subcommittee. And today, a Senate subcommittee is expected to recommend favorably stockpile sale legislation to the Senate Armed Services Committee. All of which has prompted selling of silver futures. Prices in New York and Chicago markets have dropped about 20 cents an ounce in trading since Tuesday. The enhanced likelihood of the sale continued to cause selling of silver futures yesterday even when other factors seemed bullish, said Vincent Conway, head of the metals research department at Merrill Lynch, Pierce, Fenner & Smith Inc. Traders “swatted aside the three influences” of higher gold prices, mostly higher grain and soybean prices and a drop in the value of the British pound, he said.”

Rumblings from government sources, including other governments, that they were going to dump silver, have been used to hold down the price, plus the actual dumping. They make as much noise as possible about dumping. However, they make nearly no sound at all about deficits and vanishing inventories. WSJ, November 9, 1970, page 23 had the audacity to say---

“Nowadays, the Government has little need for the metal.”

The same article admitted that “The Government has been a major factor in the market for more than 35 years.” Try more like 97 years, as of that article. Favoritism shown to short sellers has occurred to a greater extent in silver, than in any other example that can possibly be cited. For instance, WSJ, October 31, 1979, page 38, had this to say during the Hunt silver run-up---

“Margin was raised in several steps to \$50,000 for new positions. It is hoped the higher margins for established positions will have a “severe” effect on traders whose large holdings date back to late summer, a Comex official said.”

We know about the miserable instances of overt federal price capping of silver that have taken place over the years. Some reeking economist need

only pipe up and suggest it again, and those in government say, “that’s a better idea than sliced bread!”

Is anyone in government talking about capping the price consumers pay for gasoline? Why should the silver price have a ceiling imposed on it when gasoline has none, and when a ceiling price on silver would again do what it has done before---divert metal away from the United States? I’ll tell you exactly why! Because rising gasoline prices hurt the middle class, sending many of them into poverty, (helped along by Wal Mart). That’s what the bankers want---to make us all poor. Placing a ceiling on silver prices would hurt only the relative few who are investors in silver and silver mining companies. They want to harm us by capping prices. Our real money is a deadly threat to their created money. Notice how Conway of Merrill Lynch spoke of traders “swatting away” influences that would have tended to send silver higher. The chosen focus was on the lone bearish factor---government dumping. That’s the rule in the financial community on silver---focus only on something bearish, if it exists; if not, invent something. Reading on---

“Although Conway says a silver sale, if approved, temporarily could drive silver prices below \$4 an ounce, he expects that “once the hoard is gone, the sale could have a very bullish” effect on the market. That would happen a few years hence, however, he says. One reason is that the government has much less silver in its stockpile than it held in years past. At one time, the government held more than two billion ounces, Conway says. If some of the smaller stockpile is sold “we’re theoretically left open to an embargo” by foreign suppliers that could send prices skyrocketing, he states. That’s because the U.S. produces only 25% of the silver it consumes and imports the rest.”

Okay, so Conway was the occasional exception from the “always talk bearish” rule, but it is a strong general rule on Wall Street toward precious metals. That’s because they’re part of the paper money mob, and interlocked with the chiseling users. Before we get to the end of this stockpile discussion, in case anyone reading this doesn’t know, the stockpile is all gone. The Silver Users Association gets the primary credit for that. We are left open to a silver embargo by net exporting nations, which could place us in military peril. Their reason for embargo might not be that they want the U.S. to start fading as a military power, but that they want to retain their own silver for return to real money, scrapping the paper trash that spews out of their own central banks. And they might want to embargo to

strike back for the long standing COMEX paper silver fraud, and at the repulsive Silver Users Association. Continuing---

“Charles Stahl, publisher of Green’s Commodity Market Comments, says that the silver stockpile always could have been considered a “Damocles sword hanging over the market when prices moved up.” However, “when people notice that the last large government silver hoard is being disposed of, then many new long-term investors may be willing” to enter the market, he says. This demand could push prices up. Yesterday, gold and platinum futures prices rose on buying prompted by the drop in value of the British pound in foreign exchange. Mostly higher grain and soybean prices also were an influence.”

Yes, whenever prices started to rise, threats were issued that dumping would take place. All to help the paper money mob and the silver users. WSJ, March 6, 1978, page 26, “Congress Asked To Clear Sales From Stockpile” subtitled, “Carter Administration Seeks Authority to Sell Silver, Tin, Other Commodities” we note---

“Washington---The Carter administration asked Congress for authority to sell 11 commodities, including silver and tin, from the nation’s strategic stockpile. Congress must give its permission for any sales of materials from the stockpile, but it hasn’t done so since 1974. In 1976 it killed a bill authorizing the disposal of silver, after mining state lawmakers complained such sales would depress prices. Now the administration wants to sell 62.5 million troy ounces of silver from the stockpile’s total 139.5 million ounce hoard of that metal. Additionally, it wants to dispose of 25,000 long tons of tin from the total stockpile of 202,842 tons. A long ton is 2,240 pounds.”

“Both metals have been declared surplus to the stockpile’s potential defense needs under a new policy devised in 1976 by the Ford administration and reaffirmed by President Carter last year. Under this policy, some of the 93 commodities in the stockpile will be sold to meet reduced targets, while other materials will be bought to bring supplies up to higher goals. Stockpile officials already have authority to sell 12 kinds of commodities under old laws. A bill introduced Thursday at the administration’s request by Senator Gary Hart (D., Colorado) lists the 11 materials the administration wants to sell.”

“The administration wants to buy \$245 million of other commodities through September 30, 1979. It must obtain specific appropriations from Congress for this purpose, and authorities plan to keep this buy list secret until the money has been voted later this year. Besides the silver and tin, other materials listed in Senator Hart’s disposal bill include chrysotile asbestos, 4,000 short tons; antimony, 2,500 short tons; muscovite film mica, 45,000 pounds; crude aluminum oxide, 3,500 short tons; diamond dies, 10,000 pieces; industrial diamond stones, 4.5 million carats; castor oil, 1,250,000 pounds; bismuth, 500 pounds; iodine, 750 pounds.”

Senator Hart was national campaign director of McGovern for President (1972), a well-known so-called liberal. Looks like a lot of commodity users were lining up to feast at the public expense. The sale of silver was defeated, no thanks to the turncoat from the mining state of Colorado. Wall Street Journal, May 25, 1978, page 38, “Increasing Copper In Defense Stockpile Is Backed in Senate,” we read---

“Washington---A Senate Armed Services subcommittee is recommending the acquisition of 225,000 tons of copper for the government’s strategic stockpile. The panel also is proposing that 15 million troy ounces of silver and 35,000 long tons of tin be sold from the stockpile. The subcommittee’s proposals are part of a bill authorizing the first installment of the administration’s plan for revamping the amounts of commodities in the \$8.6 billion stockpile. The bill is pending before the full Senate Armed Services Committee.”

“The Carter administration wants to sell 11 kinds of commodities from the stockpile and acquire other kinds that are, except for copper, unspecified. The Senate subcommittee bill would allow sales of the 11 commodities, but generally in smaller amounts than the administration wants. This is especially true of silver. The General Services Administration, which manages the stockpile, wanted to sell 62.5 million ounces from its total 139.5 million ounce hoard. Senator Strom Thurmond (R., S.C.) and several western mining states are opposing any sale of silver. But an amendment by Senator Thurmond deleting any silver sales authorization failed on a tie vote of five to five and the subcommittee settled on a compromise sales target of 15 million ounces.”

This was the same Carter administration that arranged to sell out and give away our very strategic operation of the Panama Canal. Loss of that canal

could potentially mean naval and commercial ocean freight shipping vessels would have to travel all the way around the southern tip of South America, or South Africa, adding many thousands of nautical miles and losing badly needed transit time. The General Services Administration was the agency that handled the so-called “auctions” of Treasury silver to the grasping silver users from August 1967 through November 1970, at which the price frequently sagged. For the revolting, but documented details, refer to “The Silver Raiders” (Archives). Apparently the Silver Users Association still had some friends in the GSA as of 1978! Continuing---

“This subcommittee decision, as well as others, probably will be challenged in later stages of Senate and House stockpile deliberations. Legislatively, the stockpile situation is getting complicated, thanks to the expanding congressional habit of deciding everything twice. Under existing law, sales of items from the stockpile only require an authorizing bill written by the House and Senate Armed Services Committees. But Congress currently is working on a bill requiring purchases to get an okay from the Armed Services Committees as well as the Appropriations committees.”

“That’s why the copper acquisition approval is on the Senate subcommittee’s bill. The 225,000-ton purchase target was supposed to be a secret, but the figure leaked out and the subcommittee confirmed it. The bill contains some other still secret purchase authorizations, but before any buying can start, all will need a separate appropriation. Besides authorizing the sale of silver and tin, the subcommittee’s bill would allow the disposition of 2,000 tons of asbestos, 1,500 tons of antimony, 25,000 pounds of muscovite film mica, 20,000 tons of aluminum oxide, 5,000 pieces of diamond dies, four million carats of industrial diamonds, 750,000 pound of castor oil, 300,000 pounds of bismuth and 350,000 pounds of iodine.”

First the chisellers tried to deplete the silver stockpile to the extent of 62.5 million ounces, then they suggested 15 million ounces. Anything to get silver cheaper than miners could provide it; even at the cost of placing the nation in military jeopardy! WSJ, March 9, 1979, page 20, “House Panel Approves Sale of Tin in Stockpile” we read---

“Washington---The House Armed Services Committee approved legislation authorizing the sale of 35,000 long tons of tin from the government’s strategic stockpile. A long ton is 2,240 pounds. The stockpile contains 200,659 long tons of tin, well above the amount the Carter administration

says is needed for defense purposes in case of war. Makers of tin-plated steel have been urging the sale as a way of increasing the metal's supply. The House committee also approved a bill requiring the General Services Administration to set up a revolving fund for stockpile transactions. Proceeds from the sale of excess stockpile materials would be earmarked for purchases of other commodities deemed to be in short supply. Both bills were approved by the House, but they died in the Senate.”

It appears that there were other termites and looters at work besides the Silver Users Association, trying to tap the defense stockpile for their private gain. The London Times, April 11, 1978, page 24, claimed Congress wanted to release “45,000 tonnes of tin.” As of September 12, 1979, the WSJ ran the story, “House Committee Rejects Sales of Silver From Government's Strategic Stockpile,” page 35---

“Washington---The 139.5 million ounces of silver in the government's strategic stockpile remain locked up tightly by Congress. The House Armed Services Committee rejected, by a thunderous voice vote, a bill authorizing the sale of 15 million troy ounces of silver from that stockpile. The vote kept intact the congressional track record of hanging on to every ounce of silver in the strategic reserve. The Carter administration, as did the Ford administration before it, believes the U.S. doesn't need any silver as a reserve against the three-year war upon which the strategic stockpile of 93 different commodities is predicated. But the stockpile planners haven't made any headway in persuading Congress to sell the “surplus” metal.”

It makes you want to curse, loudly and for a very long time, to see that we had two Presidential administrations in the mid to late 1970's who were on record with the American public as maintaining that we didn't need any silver reserve for defense purposes! After the experience of war demands in WWII, and with the leaps in technology that had taken place in the 24 years since then, to say we didn't need a silver reserve was nearly as brazen as saying we didn't need fuel. We still had 139.5 million ounces then, and they were asking to bleed off 15 million ounces of it. But their position that we didn't need any silver in reserve, proves that had they gotten the 15 million ounce sale, they would be back for the rest of the silver later. Dumping was necessary to help the paper money mob and the silver users. Reading on---

“A silver sale bill that came to the House floor in 1976 was voted down. Opposition in the past was led by mining state lawmakers from the West

who were traditionally interested in protecting silver's market price. More recently, the most outspoken sales opponents are hawkish conservatives who argue the nation's defense would be weakened without a silver reserve, especially with sharply rising prices pointing to a world-wide shortage of the metal. At yesterday's Armed Services Committee meeting Rep. Larry McDonald (D., Georgia) argued the government should be buying silver rather than selling it. Contended Rep. Sam Stratton (D., N.Y.)---“For us to dispose of silver today in order to get some of those Susan Anthony dollars to pay for some social program is the height of insanity.”

Notice the media bias above, where the WSJ accused the mining state legislators of being exclusively interested in supporting silver prices. You cannot defend a nation without silver. You could surely defend it better without a fiat currency spoiling the economy. In 1976 Larry McDonald wrote the introduction to “The Rockefeller File,” in which it was claimed that the family may control over 2,000 trusts, exercising concealed control over hundreds of billions in corporate assets. This is one of the main family groups which constitute what I have referred to as the Society or the World Money Power (I will present documented specifics relatively soon). We just saw that the Ford administration wanted to dump all the stockpile silver, and do you recall who was Vice President? Nelson Rockefeller of the Society, the leading paper money mob family in America! Congressman McDonald, who got on the wrong side of the silver issue, as did President Kennedy in 1963, was on board flight 007 of Korean Air Lines when it was fired upon and shot down by a Soviet fighter pilot over Sakhalin Island north of Japan on September 1, 1983. Jeffrey St. John wrote a book about the matter called, “The Day Of The Cobra---The True Story of KAL Flight 007.”

Continuing---

“Under a law passed earlier this year, proceeds from the sale of stockpiled commodities are earmarked for the purchase of other materials deemed needed in the stockpile. Rep. Charles Bennett (D., Florida), backing the administration's position, said sale of the silver would allow the government to buy other needed materials for the strategic reserve. While rejecting the silver sale, the Armed Services Committee approved a separate bill to sell 5.5 million carats of industrial diamonds from the stockpile. The government owns more than 26.4 million carats of these diamonds, nearly twice as much as it says it needs. There haven't been any significant additions to the stockpile since 1959, and Congress hasn't authorized any dispositions of materials since 1973. The House earlier this year passed a

bill authorizing the disposal of 35,000 long tons of tin from the stockpile, but the Senate hasn't acted yet. Also pending in the Senate is a silver sales bill, but it's sure to face the same kind of opposition that was evident yesterday in the House committee."

Selling the silver would provide funds with which to buy other commodities for the strategic reserve---what do you say to that? Like, selling your transmission would give you funds to re-upholster your car's interior and get a paint job? Congressman Bennett was either an idiot, or more likely, on the take from someone waiting to benefit from the proposed silver dumping. Bennett was a captain in the U.S. Army in the Philippines and New Guinea in WWII, and received a Bronze Star and a Silver Star. He also was decorated with the Phillipine Legion of Honor and Gold Cross. Seems like such a fellow would realize the necessity of America holding a defense silver reserve! He was a member of the American Legion and the Veterans of Foreign Wars and authored, "Southernmost Battlefields of the Revolution" (1970) and coauthored "Congress and Conscience" (1970). Leaving this country without a military silver reserve takes, to the contrary, a man without a conscience!

The WSJ, September 25, 1979, page 38, reported that the House approved the sale of diamonds from the stockpile, about \$95 million worth of industrials used in the drilling and cutting of metal, 5.5 million carats total, leaving about 14.5 million carats. Remember these attempts to dump silver from the stockpile were at a time of uptrending silver prices, which users and fiat money creators will do anything to suppress. WSJ, December 13, 1979, page 3 ran a story titled, "House Refuses To Sell Any Silver In U.S. Stockpile" subtitled "Compromise That Called for Sale of 5 Million Ounces Loses by Lopsided Margin." We read---

"The House once again has refused to turn loose any of the 139.5 million ounces of silver in the national strategic stockpile. The vote was a lopsided 272 to 122 to delete permission to sell five million troy ounces of silver from a bill disposing of some noncontroversial quantities of tin and industrial diamonds. In October, the Senate voted without debate to dispose of 15 million ounces of silver, the amount suggested by the Carter administration. House-Senate conferees, doing most of their negotiating by telephone, agreed to cut back the silver sale to five million ounces, but even this was too much for the House in yesterday's floor vote."

“A clue to the outcome came in September, when the House Armed Services Committee rejected any silver sale by a loud voice vote. Rep. Robert Mollohan (D., W. Va.), one of the bill’s sponsors, said he didn’t regard that vote, in which there wasn’t any roll call taken, “as a very conclusive or positive position.” Thus he said most of the House conferees felt free to agree with their Senate counterparts in putting a dab of silver in the compromise bill.”

“However, his side was beaten by conservative Rep. Larry McDonald (D., Ga.), who argued that the U.S. might need all of its silver in case of war, and from mining state Rep. Steven Symms (R., Idaho), who accused the administration of “wanting to auction off the family jewels.” The House approved the rest of the compromise stockpile bill, which includes permission for the General Services Administration to dispose of 35,000 long tons of tin and three million carats of industrial diamonds. The silverless bill goes back to the Senate, which must decide whether to settle for the tin and diamond sales or try to work out a new silver compromise with the House.”

“The bill is a modest attempt to carry out a new strategic stockpile policy devised during the Ford administration and later endorsed by President Carter. There are 93 different commodities in the stockpile, ranging from aluminum to zinc. Based on the assumed needs of a three-year war, stockpile managers figure they have too much of 40 kinds of materials and too little of 53 other kinds. In future years, the GSA will be buying some materials and selling others in hopes of meeting the Ford-Carter inventory goals.”

“The pending bill thus authorizes the purchase of \$237 million of a list of commodities that are in short supply, according to the current plan. The list of the different kinds of materials is being kept secret to discourage speculation. According to the new stockpile plan, the government says it won’t need any inventory of silver at all to cope with a three-year war. It has been trying to sell silver for several years, but hasn’t been able to get permission from Congress. The House in 1976 rejected a silver disposal bill. The Silver Users Association, a trade group representing photographic and jewelry consumers of the metal, has been lobbying for years for stockpile silver sales in hopes they would moderate silver’s rising price. After yesterday’s House vote, the group’s executive vice president, Walter Frankland, said the best strategy this late in the congressional session would

be to let the tin-diamond bill die and wait for the administration to submit new silver sales proposals next year.”

Frankland was, and remains, a termite gnawing away at the world’s silver supply, and it is evident that he wishes NO profits to accrue to those who mine it! The London Times, December 3, 1979, page 18 said---

“In an effort to control prices---reminiscent of gold sales---the Treasury has run down reserves, from 2 billion ounces 10 years ago to just 139 million ounces.”

The Treasury had less than 2 billion ounces remaining in 1969, but the rest of the comments were accurate---agencies of our government, including the Treasury, have acted collusively with private industry and bankers to hold silver prices low. This is the cause of the shortage, even more than depletion of ore bodies. It is scandalous that the government has been more concerned with holding prices low, than with insuring existence of a defense stockpile.

WSJ, December 20, 1979, page 38, “Senate Sends President Bill Authorizing Sale of 35,000 Long Tons of Stockpile Tin,” is worth looking at for several reasons, including the fact that it was when silver price charts were looking like a mountain range---

“The Senate passed and sent to the White House a bill authorizing the U.S. to dispose of 35,000 long tons of tin, or 17% from the national strategic stockpile, a measure that tin buyers have been awaiting for three years. After watching tin’s price rise to as much as \$8.38 a pound from \$5.78 in mid 1978, buyers currently expect the price will drop sharply, perhaps as much as 25%. There’s some question about the rate at which Washington would sell the tin, assuming the President signs the bill. But “even if they sell only 10,000 long tons a year, that’s a lot of tin,” says a trader with Minneapolis based C. Tennant, a metals trading unit of Cargill Inc., the large commodities trading concern.”

Industrial commodity users have accessed commodities other than silver, at public expense, and at expense to those who produce the commodities. Is it really so important that the government cause commodity prices to collapse in order that industrial users can buy them more cheaply, than it is to hold certain commodities in a military defense reserve? Surely the military preparedness of the country outweighs the desire of private concerns to

enhance their profits. And remember, it was the producers, not the users, who supplied the commodities in the first place. So the users lobby the government and the interests of the public and the miners both get trampled.

Reading on---

“Much of the recent escalation in tin prices has been due to expectations that the measure would pass sooner than it did. Many tin users, such as steel companies that use it for plating tin cans, solder manufacturers and chemical concerns, ran their inventories down because they expected tin from the stockpile would be released and drive prices down. There wasn’t much opposition in Congress to selling the tin, but over the years tin disposal has been tied to other, less popular stockpile measures, analysts say. Thus, as each month passed without stockpile tin going onto the market, consumer companies were forced to buy the metal for immediate delivery. This can be expensive, as nearly all U.S. tin has to be imported, primarily from Malaysia, Thailand, Bolivia and Indonesia.”

So much the more reason why no one should have been allowed to access that tin, since we produce just a small amount here. The government should not be responsible for helping users get commodities more cheaply, that’s their problem. Continuing---

“In the middle of the year everyone expected stockpile tin to be on sale during the fourth quarter,” says one trader. “Consumers have worked their inventories down to the bone.” The tin is expected to go on sale in about two months, according to the General Services Administration, which manages the stockpile. The exact effect the sale would have on prices depends on how rapidly and by what process the GSA disposes of the tin, traders say. That, in turn, depends on delicate political considerations. Washington is sensitive to the fact that Bolivia, which depends on tin for 75% of its foreign exchange revenue, is worried that its economic lifeline will be jeopardized when the GSA tin enters the market. Bolivia’s deep shaft mines have higher production costs than the surface mines in Asia, where opposition to GSA sales is less vehement. Some traders and consuming industry officials see tin dropping to perhaps \$6 a pound.”

“Bolivian officials aren’t convinced that the U.S. sales won’t harm their economy. “That’s what the U.S. said five years ago,” says a Bolivian official in Washington, referring to a GSA sale of 39,906 long tons in 1974. “We had to cut our volume to maintain the equilibrium of the market. We

feel very frustrated over this.” A State Department official insists Washington is doing all it can to protect Bolivia’s economy but that Bolivians “just don’t believe us.” Among other things, the U.S. has indicated that 5,000 long tons from the authorized disposal will be released to the International Tin Council’s buffer stock, a supply of metal designed to moderate price swings.”

Government manipulation has occurred in many markets other than silver. Producing nations who have been cheated for years of decent prices, upon realizing that no more commodity dumping can take place, may retaliate with embargoes. The article concluded---

“As originally passed by the Senate in October, the bill also provided for the sale of 15 million troy ounces of silver from the stockpile. House-Senate conferees cut back this target to five million ounces, but the House decisively rejected selling even that much.”

Another article on the same page reported that the GSA would go ahead with a sealed-bid sale of 209,835 ounces of silver reclaimed by the Veterans Administration from medical programs along with 257 ounces of gold. The C & FC, November 5, 1964, page 1709, article by Harry Magnuson, vice president, Golconda Mining Corporation of Wallace, Idaho entitled, “Silver’s New Stature and Inevitable Rise in Price,” we find---

“This nation cannot afford to have its supplies of silver exhausted, because of the strategic use of silver in rocketry, space and defense industries. Spokesmen for the Idaho silver mining industry recommend that the government maintain at least a 500 million ounce strategic reserve of silver, because they are concerned about the defense aspect of the metal. Our experience in World Wars I and II certainly illustrate the need for having an available reserve of silver. The Department of the Interior shares in that concern. A special study made by the Bureau of Mines says that such defense uses for silver added to conventional strategic uses make any shortage of silver a potential threat to national security. The Department of the Interior is so disturbed by the implications of this shortage of silver that it has increased the percentage of Federal financial assistance from the current maximum of 50% to 75% of the total cost of new private silver exploration ventures. It also is making a study of potential new supplies of silver. It has ordered the Geological Survey to begin a reconnaissance program to study silver deposits in Nevada, and it has directed the Bureau of

Mines to place particular emphasis on silver in mining and metallurgical research, and also in its nationwide resource evaluation investigations. Higher prices will be needed to encourage any increase in silver production.”

This mining executive was probably accused of greed for suggesting a 500 million ounce silver defense reserve. The day could come when most people see greed on the part of silver users agitations over the years for government to keep dumping metal just so prices could be held low for them. WSJ, September 16, 1964, page 9 expanded on Magnuson’s remarks about the Department of the Interior---

“Secretary of the Interior Udall announced several steps designed to expand supplies of silver and to forestall a possible shortage of the metal. Udall said the actions were taken after a special study by the Bureau of Mines made at his direction. It showed that 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 threat to national security. The Secretary said he has---Instructed the Office of Minerals and Solid Fuels to determine potential silver supplies available to meet mobilization needs and to develop information needed to establish an adequate mobilization base. “We intend to make every effort to insure a silver supply adequate to the nation’s needs,” Mr. Udall said. “Developments are being watched closely and the department is giving top priority to all aspects of the silver situation.” The special study determined that domestic mines produced an average of only 34 million troy ounces yearly over the past five years while average domestic consumption was running at 106 million ounces yearly, more than three times mine production.”

The C & FC, November 17, 1966, page 1757, mentioned that there was 65 million ounces of silver on loan to the Atomic Energy Commission, and that the silver was radioactive, apparently having been exposed to active isotopes. What became of that silver? I have not found the answer yet despite persistent searches. Likely it too is gone, along with the 40 million ounces Treasury still had as of December 1979. See also Wall Street Journal, November 20, 1967, page 28. That was when Glenn T. Seaborg was head of the AEC. The same Glenn Seaborg whose name appeared in the 1969 list of the Society---the only known year a list leaked. Not Skull & Bones, but the World Money Power! Seaborg was as high a level operator as could be found within his field. Co-discoverer of some 7 nuclear energy

isotopes; co-discoverer or discoverer of 19 elements, including plutonium; head of the American Academy of Arts and Sciences for two years, 1972-1973, and a director of the globalist World Future Society and the Federal Radiation Council. We have no silver for national coinage. We have no silver, as of the year 2000, for defense purposes. All so the silver users could have cheap metal. But what will it cost to replace? Those who controlled prices for so many years, and held them unnaturally low, must be the sole parties to be penalized for the consequences of the coming unserved deficit. Forty years ago, Senator Wallace Bennett, Utah Republican, addressed the American Mining Congress meeting at Portland, Oregon, and, according to the NYT, September 17, 1964, page 59---

“The American Mining Congress was told today that the silver dilemma which faces the United States Treasury stems from the fact that the demand for silver at the price ceiling established by the Treasury was greater than the supply being produced at that price.”

Senator Bennett’s comments in part were---

“The only way the demand can be met under these circumstances is to use up already existing stockpiles.”

That is exactly what has happened. We have no federal silver stockpile. Government stocks of silver worldwide have been scurrilously accessed under cover of darkness, and “leased” to industrial users and bullion banks to hold prices low. Their plan obviously is to place the blame on silver savers (“hoarders”) and silver investors (“speculators”) when the shortage goes unanswered. Silver recovery and recycling initiatives on the part of the Pentagon are no substitute for increased mining output. WSJ, January 2, 1980, page 10---

“Washington---While investors are scrambling to buy gold and silver at breathtaking prices, the Pentagon is trying to stop throwing those precious metals away. The metals are contained in the billions of dollars of equipment and materials that the Defense Department uses or discards each year. For instance, exposed film and film developing solution contain silver. And there’s gold in those hills of junked electronic gear. Until the past year, the military wasn’t working hard enough to cull gold and silver from its throwaways, according to the House Appropriations Committee. “Many

millions of dollars could be saved through recovery of precious metals,” the committee reported recently.”

“Two years ago, the Pentagon’s own auditors found that the Defense Mapping Agency was flushing away so much silver-laden film developing solution that the silver was creating an environmental problem. “In addition to polluting the waters, the silver from the solution can build up in the drainage system and cause clogged drainpipes,” the auditors warned. Stung by such criticism and inspired by silver prices that have quintupled in the past year and gold prices that have more than doubled, the Pentagon is looking harder for silver linings and nuggets of gold among the castoffs. “We’re going after everything,” says Lt. Colonel Larry Goar, commander of the department’s precious metals recovery office in Colt’s Neck, N.J. In the fiscal year ended last September 30, the Pentagon spent \$3.1 million to recover precious metals with a market value of \$36 million. It hopes to do better this year. The goals are to recover 19,400 ounces of gold, up from 10,368 last year, and 1.9 million ounces of silver, up from 1.7 million.”

“The Pentagon has assigned 11 “precious metal area representatives” to monitor recovery operations at military installations nationwide. They are focusing first on silver recovery. About 2,200 military hospitals, photographic facilities and medical labs have been identified as prime silver sources, and metal recovery machines have been sent to the silver culling front. The military’s penchant for photography produces a lot of the silver. About 13% of the silver recovered in the past fiscal year came from film developing solution and 29% from the ashes of used film.”

“Mining silver from top-secret film isn’t always easy. The Pentagon is about to award a contract to burn 1.8 million pounds of classified film from intelligence satellites and spy planes. The film will be shipped under armed guard, placed in a specially sealed film furnace and incinerated for two days. Then the silver will be extracted from the ash and refined. Used batteries, particularly from submarines and torpedoes are the largest source of recovered silver, more than 50% of the total. The Pentagon is also trying to recover 350,000 ounces of silver from various wing and engine parts of 84 outmoded B58 bombers. The silver was used primarily for soldering certain wing sections. The Defense Logistics Agency, which supervises the disposal of military equipment, is currently experimenting with ways to increase recovery from electronic scrap. The department also is taking steps to reduce the chance that items containing precious metals will be sold at

low scrap prices. So far, it has identified 84,000 parts and coded their precious metals content.”

“The Pentagon doesn’t sell its recovered precious metals on the open market. It distributes the metals to defense contractors for use in film, electronic gear and other goods the military buys. The Pentagon distributes metals at the cost of recovery---82 cents an ounce for silver and \$20.21 an ounce for gold.”

WSJ, August 5, 1969, page 13 reported---

“The GSA said all Federal agencies will seek to recover the metals from materials such as silver bearing scrap, used photographic development fluid, used film, used X-ray film, dental scrap and aircraft spark plugs. Silver is the most abundant metal in these materials. Previously only a few Federal agencies, including the Defense Department and the Veterans Administration had specific programs to recover metals.”

WSJ, August 19, 1976, page 1 reported---

“Medical miners---Veterans Administration employees at 179 hospitals and other medical facilities recovered 457,000 ounces of silver from X-ray developing solution and scarp film in the year ended June 30. That total would have ranked the agency 18th among 80 U.S. silver mines last year, the Silver Institute reported.”

Those 457,000 ounces represented less than one-third of one percent of the defense silver stockpile. Recycling is positive, but cannot take the place of the stockpile. The only means to replenish the stockpile is with higher prices, and let the Silver Users Association be the ones to pay for it, along with the big commercial COMEX silver shorts. Let’s take a glimpse at what happened to the stockpile after 1979. The September 18, 1981 London Times, page 19, “Silver Falls on News of U.S. Sale” said the U.S. started selling 46.5 million ounces from the silver stockpile, one-third of the total and reported---

“Silver prices fell sharply after the sale was announced.”

Just looking at indexes to the Wall Street Journal we note on page 1367 the reference to their article dated June 15, 1981, page 32---

“Budget pressures are pushing Congress toward authorizing a large sale of silver from the government’s national security stockpile; may sell 52 million ounces of silver starting October 1.”

The index shows that the following day---June 16--- the WSJ ran an article that appeared on page 45 and said---

“The House Armed Services Committee voted to let the government sell 105.2 million ounces (more than \$1 billion) of its stockpiled silver during the next three fiscal years.”

That was an amazing and shocking turnaround, because the WSJ index eleven days earlier (June 5, 1981, page 37), said---

“House Armed Services Subcommittee unanimously disapproved the Reagan administration’s request to sell silver from the government’s stockpile of strategic materials.”

How do you take the House of Representatives from denial of stockpile sales to affirmation in 11 days? No doubt money was spread about; dare we use the term “bribery?” For their August 18, 1981 edition, page 42, WSJ index reads---

“U.S. plans to sell silver from its stockpile; depresses metal’s price 11%; gold drops.”

The index for their September 29, 1981 edition, page 46 reads---

“Government will hold first in series pf weekly silver auctions.”

Yes, those alleged auctions were give-aways to the lobbying Silver Users Association, and the WSJ reported on October 6, 1981, page 46, that in response silver prices sagged 45 cents on the COMEX! The October 14, 1981 WSJ, page 46, index says---

“In a last minute attempt to block the Reagan administration’s plans to sell 46.5 million ounces of stockpiled silver over the next 12 months, Idaho officials have written a letter of protest to the head of the GSA in Washington.”

The WSJ index for October 22, 1981, page 46 and October 29, 1981, page 46, said that “private bidders” at those auctions took 224,000 and 488,000 ounces, respectively. Then for its December 17, 1981 issue, page 37, the index said---

“GSA will halt sales from silver stockpile pending Reagan study.”

The WSJ index for 1982, June 30, page 36 reads---

“Silver prices soared after Interior Secretary James Watt announced that sales of the government’s silver stockpile will be indefinitely postponed.”

However, the users had already made successful runs at the defense stockpile, but to make their larceny seem less of a scandal, some silver was permitted to go the U.S. Mint for Silver Eagles (WSJ, November 25, 1986, page 46 reported that the initial offering of 1.4 million one ounce Eagles sold out very fast). On November 27, 2000, the United States Defense National Stockpile Center sent its last silver---some 15 million ounces---to the U.S. Mint, primarily for manufacture of Silver Eagle coins. The U.S. might have to curtail its overseas military adventures with the British for several years because mining can’t supply a lot of new silver just because prices suddenly move higher and stay there. As the WSJ, May 29, 1967, page 14, story titled, “Silver Producers Cool to Idea of Boosting Production Because of Current Price Rise,” we read---

“Soaring silver prices may prompt a few weekend prospectors to sally forth with pick and shovel, but professional mining companies aren’t likely to expand feverishly as yet. This is because most North American producers long ago anticipated a supply pinch and are already operating at peak output, on the basis of current prices. Silver’s complex mineralogy, plus some problems posed by the current supply crisis, tend to rule against any early boost in mine output.”

“Typical of those concerns who claim an immediate production jump isn’t possible is Hecla Mining Company, Wallace, Idaho, one of the nation’s largest silver producers. Says an official---“Our producing properties are already operating at an optimum rate, and silver just doesn’t come out of the ground that fast. Besides, many of the old-time silver districts are just plain bottomed-out and can’t be rejuvenated quickly.”

“One factor weighing against any sudden rise in production is that more than half of all known silver reserves throughout the world are in deposits mined chiefly for copper, zinc, lead or other base metals. Thus, significant amounts of silver are produced by Kennecott Copper Corp., and other giant copper companies, most of which say silver is only an “incidental” consideration to them and that they can’t change exploration plans merely to bring a few million additional ounces of silver to the surface.”

When the crisis hits, let the Silver Users Association be called on to supply silver to the government for military purposes. SUA, may we please hear your response? It was a textbook case of hypocrisy to read the WSJ article dated May 19, 1967, page 2 entitled, “Treasury Takes Steps to Protect Silver Stockpile,” and discover that they weren’t interested in preserving silver for defense reasons, but that they were limiting their sales to “Legitimate Domestic Users,” that meaning the SUA! And to you irresponsible officials in government and Congress who haven’t acted to restore the silver defense stockpile, we quote Lee Marvin as Major Reisman speaking to the American Generals meeting in London in the 1967 film “The Dirty Dozen”---

“Since I’ll have to assume that we’re over here to try to win the war, I don’t think it would pay to advertise the fact that one of the men we’re working for has to be a raving lunatic!”

WAR & SOME SIGNIFICANT ORGANIZATIONS

There are some well-known organizations interested in the subject of warfare, armaments and proliferation. They are all banker fronts for financiers and armaments manufacturers hoping to profit from wars in two ways. First, the obvious way---sell arms or services to profit and second, use wars as an excuse to prod people to accept a world government. That was exactly why the League of Nations, guided by the Carnegie interests, sprang up after WWI, and why the United Nations, guided by the Rockefellers, came about at the close of WWII. It is the reason why various regional attempts at national sovereignty submergence, such as NATO, SEATO (South East Asia Treaty Organization) and others have come about. It is a reason, along with forming a trade bloc, for the European Union. Let’s briefly look at some of these banker sponsored think-tanks. Every one of these is fully aware of the role played by silver. The Hoover Institution

on War, Revolution and Peace at California's Stanford University always has as trustees, people who are members of The Society, or relatives of members, or offspring of members. Included in the current list is Peter Bedford (Standard Oil heirs); Shelby Cullom Davis (son of an Ambassador to Switzerland); William H. Draper III, whose father was a U.S. member of the NATO council from 1952-1953, and was with Dillon, Read & Company, the investment firm of the former Treasury Secretary who helped take us off silver coins in 1965; Herbert Hoover III, descended from the President; Jeremiah Milbank III (family of Wall Street financiers) whose grandfather was a director of Chase National Bank, and another Milbank was a director of the War Industries Board in 1918; Richard Mellon Scaife, of the great Mellon and lesser though significant Scaife dynasties; and Dean Witter III, Wall Street financier. For the full list of trustees see their extensive website www-hoover.stanford.edu/

Then there's the Council on Foreign Relations at www.cfr.org, with over 4,000 members, which has Generals, Admirals and Colonels in its membership. NYT, January 30, 1965, page 31, mentioned (retired) Rear Admiral Donald J. Ramsey was legislative counsel to the Silver Users Association. It's hypocritical for a high-ranking military figure to be a leader of the interests who took our silver stockpile away. Also to be found are directors of Silver Users Association firms such as Kodak, Du Pont and Dow Chemical, plus the usual assortment of Federal Reserve personalities. This is not a patriotic, American sovereignty organization. On its board of directors always sit members of The Society. Sorry to make you keep waiting for exact details. That will come soon. The Council on Foreign Relations is heavily interlocked with Hoover Institution and the others I will mention.

There's the Center for Strategic & International Studies in the District of Columbia, headed by former Georgia Senator Sam Nunn (1972-1996), now also chairman of the Nuclear Threat Initiative. Nunn is a director of Chevron-Texaco, a multinational certainly interested in Iraq/Iran and Caspian Sea oil, and of General Electric, a large war contractor and big silver using concern. Henry Kissinger is a trustee of the CSIS (www.csis.org) and a prominent member of The Society representing Rockefeller interests. Kissinger is also a member of the Defense Policy Board. The CSIS executive Committee is chaired by Anne Armstrong, former Ambassador to Great Britain, and a member of The Society, as are all Ambassadors to England.

The International Institute for Strategic Studies in London (www.iiss.org) is perhaps the foremost international think-tank on war and maintains detailed, up to the minute information on military capabilities of all nations.

Members of the London branch of The Society are always on its governing council, including Sir Robert Wade-Gery, who was vice-chairman of the huge Barclay's Bank International from 1994-1999 (holder of largest interest in longtime silver short American International Group); Sir John Weston, United Kingdom Ambassador to NATO from 1992-1995 and to the United Nations, sitting on the Security Council, from 1995-1998 and a governor of the Ditchley Foundation, one of the important foundations managed by The Society; and General Lord Guthrie of Craigebank, Order of the British Empire, also on the steering committee of the Center for Strategic & International Studies, and director of N.M. Rothschild's. Let's not forget the fact that the Rothschilds became immeasurably wealthy by financing governments to fight each other, all over Europe for centuries, and backed the North through August Belmont and the South through the Erlanger family in our own Civil War.

Next there's the Rand Corporation (www.rand.org) in D.C., which as a subsidiary has the National Defense Research Institute, "a Federally funded research and development center, conducts Rand's research for the Secretary of Defense, the Joint Staff, the Unified Combatant Commands and the U.S. Navy." Michael Rich links the International Institute of Strategic Studies with the Rand Corporation. On May 14, 1948 Project Rand separated from Douglas Aircraft and became the Rand Corporation. Douglas Aircraft, run by Society member Donald Douglas, produced some 45,000 aircraft in WWII and was a big silver user. Sponsors of Rand include Rockefeller Foundation; Rockefeller Brothers Fund; Soros Foundation; Starr Foundation (American International Group); Carnegie Corporation of New York; Howard Heinz Endowment; and the Nuffield Trust, managed by the Society's London branch. Former Treasury Secretary Paul O' Neill (Mellon interests) and former Defense Secretary Harold Brown (Warburg interests) are trustees. Brown is also a member of the Defense Policy Board. Various silver users are there, including Ford, GM and Honda plus seven big pharmaceuticals whose intent seems to be to cause cures for major diseases to be withheld, until they can be positioned to take every last cent owned by Americans.

Also there's the Mitre Corporation, interested in "defense and intelligence," headed by James Schlesinger, first American to advocate weapons sales to Communist China, and Admiral David Jeremiah, who has questionable ties with China (see "Silver Devils," Archives, for details). Schlesinger and Jeremiah are both members of the Defense Policy Board. Also Mitre trustees are General Montgomery Meigs, with NATO from 1998-2002; Admiral James Busey IV, director of Texas Instruments which was involved in deliberations and manufacture of the infamous clad coinage we went on in 1965; Charles S. Robb, son in law of President Johnson, who helped take our nation off Constitutional silver money; and Richard Kerr, ex-of the Central Intelligence Agency.

Another entity that we could consider is the President's Foreign Intelligence Advisory board (www.whitehouse.gov/pfiab), which has been chaired by various members of The Society, which I've been able to identify, including General Maxwell D. Taylor (1968-1970) and Ambassador Anne L. Armstrong (1982-1990). And let's not overlook the Defense Policy Board, some of whose members we've already identified as involved with other related entities. The Defense Policy Board reports directly to Secretary of Defense (currently Donald Rumsfeld, silver short from the Nixon era Cost of Living Council who hurt Idaho miners quite badly). For a list of their links to defense contractors see <http://www.publicintegrity.org/dtaweb/report.asp?ReportID=515&L1>

If the link doesn't work, go to www.publicintegrity.org and use the search function. If you've heard the name Richard Perle, it was in connection with his resignation as chairman of that board. He was a notorious hawk for invading Iraq and had connections from which he was positioned to profit.

In fact the financial elite have always profited by wars, and it's in their interests to instigate wars, fabricating bogus excuses whenever necessary. "History of the Great American Fortunes" (1909) by Gustavus Myers details notorious instances of such interests selling rotten food and shoddy equipment, especially to the North, in the Civil War. Other related entities exist which are interested in the warfare theme, including globalsecurity.org and the extremely evil Carnegie Endowment for International Peace ceip.org with trustees such as World Money Power member Richard Debs of Morgan Stanley, who was with the Federal Reserve Bank of New York from 1960 through 1976.

Defense contractors such as General Electric, Lockheed Martin, Boeing, TRW (aerospace), Northrop Grumman, General Dynamics, Raytheon,

Alliant Techsystems (cluster bombs), General Motors, Ford Motor and many others, will all need silver in major quantities for the wars of the future which are planned from behind the scenes by The Society and its interlocking affiliates and subsidiaries such as Bilderberg, Skull & Bones, Trilateral and Council on Foreign Relations. I strongly suggest to the American public that they lobby Congress to prohibit any member of such organizations from holding Ambassadorial or any other Federal Government positions. The fact that the President, the Secretary of State and the Ambassador to Britain are automatically made members of the controlling organization must become known to the American public, for the facts of the situation appear in no known textbook on government or political science. This is to be the focus of a research I will soon release---all documented. These organizations wish to immerse the world in wars from which they plan to benefit by being personally enriched, and by acquiring more power in the aftermath of conflicts. They undoubtedly view COMEX warehouse silver held by investors as the next military silver reserve, whether the owners are willing or not!

Government by secret organizations is not the American way. We must have a strategic silver stockpile once again, and can do so without victimizing those who had no role in its demise. Those who manipulated it away must pay for it. That is primarily the Silver Users Association. Ironically, the NYT, August 16, 1942, page 29 commented that Handy & Harman, who became members of SUA in 1947, was presented with an "Army-Navy Production Pennant for high achievement" in producing silver and silver alloys for the war. Actually, they produced no silver---the miners did that. Handy & Harman merely fabricated silver. But the NYT forgot to thank the miners. Like the Wall Street Journal index for October 10, 1983, page 31 said---

"Jobless miners in Idaho's Silver Valley face a hard winter as metals prices stay depressed."

We must have no more of mining companies and their employees being cheated out of making a decent living, especially since the world cannot function without their product! And a new stockpile must be used for true defense purposes. It must not be used to support another World War to further the ambitions of the British Empire and its American collaborators! With silver once again in reserve, and our government out of the hands of

these secret and semi-secret organizations, we can say with Sylvester Stallone as John J. Rambo in “First Blood” (1982)---

“I’ll give you a war you won’t believe!”

