

OPEN LETTER TO U.S. GOVERNORS

January 1, 2005

This message has been sent to the National Governors Association at the Hall of States, 444 North Capitol Street, Washington, District of Columbia 20001. It has also been sent to the Western Governors Association at their District of Columbia office, 400 North Capitol Street North West, Suite 388, Washington 20001. It has been sent separately to all 50 offices of the State Governors. This letter concerns the monetary movement to restore silver to its historic function as a stable basis for the financial system. While we focus on silver, we also give due acknowledgement to gold.

Esteemed Governors, we wish to bring to your attention a matter that to date, has apparently received no media coverage whatsoever in these United States. The refusal of television networks to give coverage to this situation is a stark proof that they are not sentinels for the public interest. What Gustavus Myers said in 1936 ("History of the Great American Fortunes," page 323) still applies---

"Depending upon the newspapers for its sources of information, the public was constantly deceived and blinded, either by the suppression of certain news, or by its being tampered with and grossly colored."

Something phenomenal took place in our neighbor to the South on November 30, 2004. All of the Governors of the Mexican States or Provinces---unanimously, and with no dissenters or abstainers---sent a signed resolution to the Mexican Congress urging the return by Mexico to a silver based monetary system. Take note that fewer than nine of these provinces produce the majority of Mexican silver. There is no talk of "greedy silver miners" holding the rest of the nation hostage. The central Bank of Mexico sent a delegation of "economists" (trained liars) to give testimony against the proposal. As long as central bankers in Mexico City can slap ink on paper and call it "wealth," they have an inflatable currency monopoly to correspond with the one with which we are afflicted. I refer you to this link for a narrative of this situation by the Mexican business and political leader, Hugo Salinas-Price

www.plata.com.mx/plata/plata/comHSP51a.htm

This open letter has also been forwarded to Mr. Salinas-Price who we are requesting to in turn transmit to the Governors of Mexico. We respectfully suggest to these Governors, if they have not already done so, to send messages to their United States counterparts urging them to press for the remonetization of silver in America. We often hear it said that the United States is the best country in which to live; that we are the shining light of example to the world as to what a nation should be. Yet fiscally, in the case of Mexico, we behold all its Governors united, calling for a return to sound money; and so far, without any such high-level leadership here doing the same thing. We have been using unbacked paper currency for so long that we have become accustomed to thinking of this as natural. To the contrary, it is highly unnatural. Shockingly, many people today are unaware that paper currency started as warehouse receipts for actual money---silver and gold. Does the United States actually have any gold reserves remaining? Will you Governors, being fewer in number and therefore more elite than Senators, call for an audit?

The fact that we have no silver reserves for defense industrial purposes is out in the open and shoulders are shrugged about it as if to say “so what” but the problem will eventually convince the doubters. “No State shall make any thing but gold or silver coin a tender in payment of debts” is a phrase which rings out across the generations from the time we secured our liberty from the tyrannical King of England. When we allowed the charter of the Bank of the United States to lapse in 1811, the War of 1812 resulted as part of which the British burned the White House. Thomas Jefferson (President, 1801-1809) wrote on January 1, 1815 to James Monroe (President, 1817-1825)---

“Although all the nations of Europe have tried and trodden every path of force and folly in a fruitless quest of the same object, yet WE still expect to find in juggling tricks and banking dreams, that money can be made out of nothing, and in sufficient quantity to meet the expenses of a heavy war.”

Another Jeffersonian statement on the nature of money was---

“Commerce and industry cannot be secure when suspended on the Daedalian wings of paper money, as on the solid ground of gold and silver, and in time of war, the insecurity is greatly increased.”

Daedalus was the Greek mythological figure who fashioned wings of wax for Icarus. As Icarus flew too close to the sun, the wax wings melted and he fell to earth. The lesson is, only the real thing gets us by in the long run, and if we employ pretense money, we too will crash down. President Jefferson seems to be watching you from atop Mount Rushmore, hoping you will do the right thing for the citizens of your States---



I call your notice to descriptive language from a recent bill sought by legislators in New Hampshire---

“1 Purpose. The United States Congress has relinquished its responsibilities that were delegated to it by New Hampshire and the other sovereign states. These delegated responsibilities are recorded in Article 1, Section 8, Clause 5 of the United States Constitution. The responsibilities the Federal government has relinquished are those of minting money and setting the value thereof. Currently the United States Congress has relinquished its minting responsibility by having delegated this responsibility to a foreign controlled power. Therefore, in this legislation New Hampshire is taking back its sovereign right to mint and set the value of our money to ensure that money is lawful and is compliant with our Constitutions.”

Note that New Hampshire is not a silver mining state, so they can hardly be accused of “greed.” To the contrary, it is when intrinsically worthless money is forced upon us by legal tender statutes that greed is involved on the part of the issuers, the cost of which “money” is nearly zero. Other states are considering this same course of action as New Hampshire.

Here is the link to this bill www.gencourt.state.nh.us/legislation/2004/HB1342.html

Reference is made above to the Federal Reserve System being controlled by Great Britain. There is plenty of evidence to support this beyond Greenspan being knighted by the Queen; however our own intermarried domestic moneylenders are also in the picture. We have a dollar which has constantly depreciated since the Federal Reserve came about in 1913. Federal Reserve officials militated to get rid of silver certificates, because citizens preferred these to unbacked notes, and because they cannot “create” silver. Silver based money was attacked as “inflationary;” yet today we have no silver coinage in circulation, but we’ve seen great inflation, or loss of purchasing power. The candy bars I bought as a boy for ten cents now cost at least 65 cents, and they are “vend bars” (smaller). The gold reserve requirement for the dollar was also done away with, leaving us, in effect, with paper notes similar to the old term “shinplasters” of the 1830’s. While the central bankers were attacking silver, they assured us all we needed was gold, but they got rid of gold also by 1971. That was the intent from day one. Unbacked paper money has a predictable habit of attaining zero value. Americans deserve better than this. Gold and silver make a reliable financial system; the Federal Reserve is the sole and exclusive cause of inflation. The same trend in New Hampshire is also active in Nevada. For details here is the link---

www.leg.state.nv.us/72nd/bills/ab/ab532.html

The movement in Mexico towards restoration of silver money points the way for us here. Manuel Hernandez, editor of El Economista (not related to the Economist, London) said in the Commercial & Financial Chronicle, New York, July 20, 1944, page 299---

“THE SUPERIORITY OF METALLIC CURRENCY OVER INCONVERTIBLE FIDUCIARY CURRENCY HAS BEEN DEMONSTRATED THROUGHOUT ALL THE PERIODS OF HISTORY.”

The miserable experience of Argentina under the International Monetary Fund and “dollarization” was their prompt to increase their national gold reserves to 55.1 tons, as of September 28, 2004. As Argentina prepares for increased gold and silver mining, they will wish to add much of the production of these monetary metals to their reserves. Our own famous

statesman Daniel Webster, in his address entitled "A Redeemable Paper Currency," said in the United States Senate, February 22, 1834---

"All bank notes, to be safe, must be convertible into gold and silver at the will of the holder. **Irredeemable paper money is miserable, abominable, and fraudulent**---a fraudulent policy which attempts to give value to any paper, of any bank, one single moment longer than such paper is redeemable on demand in gold and silver."

This was during the time the Jackson Administration was battling to undo the second Bank of the United States, because of its links to the British, which he succeeded in doing by 1836. The Bank and its allies circulated posters of Jackson depicting him as a royal tyrant, when in fact he had the support of the common man, and the real tyrant was in London.

We were without a central bank for the next 77 years, but the financiers engineered several panics by which the public could be propagandized to look the other way concerning a central bank---which phrase was intentionally avoided. What they told us the Federal Reserve was created to do away with, worsened. We got a Crash and Depression, and have had manipulated cycles of boom and bust ever since. By this means the financiers recover their payrolls. We are beset by many monetary ills---monstrous trade deficits; national debt of nightmare dimensions; whole regiments of jobs lost monthly, some replaced by subsistence wage positions; high home foreclosure and bankruptcy rates; impending pension fund defaults; uninsured medical crisis and prescription drug calamities; probable bond market catastrophe; equities meltdown; all relentlessly lowering living standards for most of your constituents---whom you are supposed to be looking out for! Added to all these active threats is the prospect of a currency in danger of becoming near worthless, as Federal Reserve Notes have no actual basis of value and can be inflated to infinity. We saw such a crisis in the wake of the second Bank of the United States as Americans were awash in a sea of worthless paper notes. Merchants Magazine, New York, September 1842, page 267 commented---

"The paper system has received so severe a blow, that in all probability the future necessary increase in the circulating medium must consist of coined money."

The coined money spoken of was gold and silver coin, and certainly not the cupronickel tokens engineered in 1965 by the Silver Users Association in collusion with the Treasury Department, President Johnson and the Federal Reserve System. Eduardo Suarez, Minister of Finance of Mexico, quoted President Roosevelt in an address to Congress on January 15, 1934 (article in the Commercial & Financial Chronicle, July 27, 1944, page 411, in which Mr. Suarez called for silver reserves to be part of the International Monetary Fund)---

"The other principal precious metal---silver---has also been used from time immemorial as a metallic base for currency as well as for actual currency itself. It is used as such by probably half of the population of the world. It constitutes a very important part of our own monetary structure. It is such a crucial factor in much of the world's international trade that it cannot be neglected."

Merchants Magazine, May 1852, page 600 warned---

“The exportation of our silver coins will flood the country with paper money to which there are *many grave objections.*”

Rather than exporting our silver coins, they were turned over to the Silver Users Association, except for those coins saved by Americans aware of the dangers of printing press currency. These same Americans, in touch with the attitudes of the Founding Fathers, have since been denounced as “hoarders,” as if it was their moral responsibility to deliver their silver to an industrial users cartel, far wealthier than themselves, for some token rate. Yet, it is due to the Silver Users Association that the United States has no strategic silver reserve for defense technology purposes. Our armed forces are imperiled due to the plundering of a shortside cartel; one which the Commodity Futures Trading Commission and the Justice Department, to all appearances, are fully determined to shield. CFTC commissioners deliver fawning speeches to the Silver Users Association. Picture the uproar if instead they addressed silver mining executives assuring them of “price cooperation!” Esteemed Governors, price manipulation is not some one-sided affair. The brief Hunt brothers episode is still being commented on, but the shortside has controlled ever since. The member companies of this association have been in full swing exporting jobs overseas from many of your States, so that when the silver shortage hits, they cannot claim concern for employment losses. The lack of a silver stockpile and the existence of an association that works to lower the price of a commodity---resulting in an unserved shortage--- are separate issues but likewise fully demanding of your concern, as the residents of all 50 States are potentially under threat due to diminished military capabilities stemming directly from this scandalous depletion of tactical raw material.

Noted silver analyst Ted Butler has waged a campaign for most of ten years to bring an end to the naked short selling of silver on the Commodity Exchange. Protests have been made to the Treasury Department, Federal Reserve, Commodity Futures Trading Commission, New York Mercantile Exchange, Justice Department, New York State Attorney General, the Joint Chiefs of Staff and numerous Senators and Congressmen. Apparently due to lobbying pressure from industrial users, these protests were denied or ignored. We shall soon witness the consequences of the folly of irresponsible officialdom. A public record has been created so these officials cannot plead ignorance of the problem. New Securities and Exchange Commission regulations are to take effect early in January 2005 regarding short selling and “affirmative determination” to prevent abuses related to shorting corporation equities. Mr. Butler proposed a similar framework for COMEX silver trading and was ignored. All price capping measures, whether overtly by the Federal Government, or covertly by market makers, end in shortages. We will see to it that the blame is not fixed elsewhere.

Esteemed Governors, please consider the momentous importance of the actions of your 31 counterparts in the sovereign nation of Mexico, and weigh in your conscience the value to society of returning to sound money. Precious metals have functioned as money for more than 5,000 years and have never become worthless, since that is impossible. As the innate lack of value of “created” currency becomes apparent with more inflation and devaluations, your constituents will clamor for help. Mr. Suarez also commented---

“It takes an emergency or a catastrophe such as we are living today to realize the importance of silver as a monetary metal.”

Gold and silver are the only rational answers to the catastrophe of valueless paper notes. Other nations are becoming reluctant to hold dollars due to their increasing decline. As Nevada Senator Pittman said in a memo to Senator Wagner, chairman of the Senate Committee on Banking & Currency (reported in the Commercial & Financial Chronicle, March 23, 1940, page 1859)---

“GOLD AND SILVER HAVE CONSTITUTED THE MONEY METALS OF THE WORLD SINCE THE BEGINNING OF HISTORY. Over half the people of the world today have no money with which to purchase abroad, save silver. There is nowhere in the world today that you can go that you can’t buy food, clothing and shelter with a chunk of silver. THERE ARE MANY PLACES IN THE WORLD WHERE YOU COULD NOT BUY THESE NECESSITIES OF LIFE WITH A FEDERAL RESERVE NOTE. There is NO KNOWN SUBSTITUTE FOR SILVER for use as a subsidiary currency throughout the world.”

On behalf of the sound money movement in these United States, respectfully submitted for your consideration, Charles Savoie.