TWO VOICES ON SILVER

July 2007 Presented By Charles Savoie

"THE SILVER INDUSTRY IN THIS COUNTRY IS ABOUT AS IMPORTANT AS THE SUSPENDER INDUSTRY. IT RANKS FAR BELOW THE PEANUT INDUSTRY. AS TO THE NUMBER OF MEN TO WHOM IT GIVES EMPLOYMENT, IT IS OF NO CONSEQUENCE. SILVER IS A PETTY PRODUCT OF AMERICAN INDUSTRY. SILVER CALLS FOR NO CAPITAL INVESTMENT AND HAS NO COST. THERE IS NO NATURAL PRICE FOR SILVER PRODUCED IN THE UNITED STATES. THE GRIM SPECTRE OF AMERICAN BIMETALLISM WILL BE RAISED AGAIN."---Neil Carothers, (member American Economic Association, opposed to monetary silver), North American Review, January 1932, pages 14 & 15. Perhaps Carothers would have us use the noble peanut as a currency (his peanuts were all rancid)---

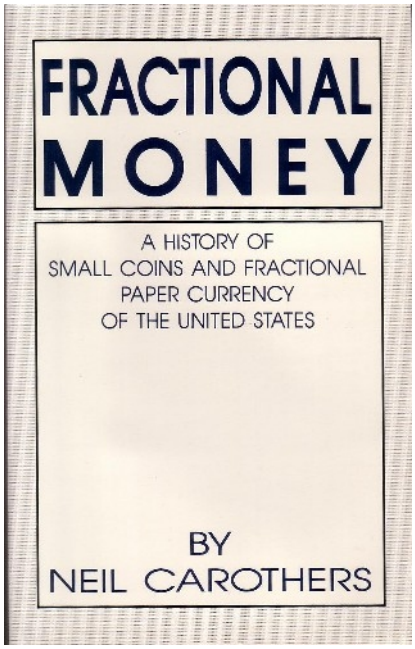
"IS IT NOT BETTER TO TRUST SILVER THAN TO EMBARK ON A SEA OF MANAGED CURRENCIES, WHICH IS BUT A NEW PHRASE FOR PRINTING PRESS MONEY? ULTIMATELY THE WORLD MUST CHOOSE BETWEEN PAPER AND SILVER. MOST DANGEROUS OF ALL IS THE INEVITABLE TREND WHEREVER A MONEY SYSTEM IS NOT RESTRICTED BY SOME FIXED

RELATION TO A PRECIOUS METAL BASIS."---Francis Brownell, chairman, American Smelting & Refining Company (ASARCO), North American Review, March 1932, pages 242 and 237. Banknote below, regardless of the jolly, jovial face it presents, is currently worth less than 1 cent U.S. as it slides towards nullity status---

This month we'll take a look at two articles on silver that appeared in The North American Review (New York) in 1932. This was one of the crucial years in silver, and in the Great Depression. Starting next month, we will consider a four part series with upwards of 110,000 words, "Britain Against Silver." These two articles will give you some partial background on the period 1926-1934 to be covered by that series. The first article, which appeared in the NAR for January 1932, pages 4 through 15, was entitled "Silver---A Senate Racket," by Neil Carothers. According to Who's Who, 1935, page 489, Carothers was a Rhodes Scholar, 1904-1907 at Oxford University, England. Recall that Cecil Rhodes of the South African diamond mines was financed by Lord Rothschild and also by the Crown---two entities prominently behind The Pilgrims Society of world financiers, founded out of Rhodes wills in 1902. It exists to maintain the covert British Empire, and forms the management of other organizations so many people worry about! Carothers was with the State Department, 1919-1920 under Pilgrims Society member Robert Lansing, Secretary of State, himself the son in law of Secretary of State John W. Foster in the Harrison Administration and an associate of Crown loyalist, Pilgrims Society member Andrew Carnegie of the Steel Trust later cartelized by Pilgrims Society member J.P. Morgan, another Crown associate (Lansing)---

According to his listing, Carothers was "engaged in banking, New York City, 1920-1923," probably with one of the well known institutions, with certain characters representing dynastic families administering additional "illumination" to him; then took a professorship at Lehigh University in Bethlehem, Pennsylvania. He authored "Fractional Money," 1930,

suggestive of shady banking practices, and was a member of the anti-silver money American Economic Association. His book is even referenced at the Cleveland Federal Reserve Bank by some dude calling himself Bruce Champ or should we call him "Chump" (funny huh) **http://www.clevelandfed.org/research/Commentary/2007/010107.cfm** He had two other books, "Experimenting With Our Money" (1935) and "Silver In America" (1936). The experimenting book sounds disturbing considering his hatred towards silver! All in all, sufficient background on Mister Carothers to show his tainted ideological orientation. He was an enemy of silver as money because he was on the payroll of much bigger personages than himself who had an agenda into which silver didn't fit!



A later look at Neil Carothers (Who's Who, 1949, page 396) shows that he became vice president of the Economists National Committee on Monetary Policy. This was a seething nest of paper money activists fronting for Wall Street bankers who attacked silver as money. I mean they came at silver with the disposition of a band of Mongol horsemen intent on mayhem. For details, see "Silver Propaganda Machine" in Archives. He also became a member of the Newcomen Society of England. This, with the Newcomen Society of North America, is an important Pilgrims Society front, though less so than the Council on Foreign Relations. A description of the Newcomen Society will appear in "Britain Against Silver Part II," to be released this fall. Carothers was a member of the Pacific Coast Numismatic Society. Apparently the only silver money he hated was that which millions

in everyday transactions would use. Probably lots of Federal Reserve types own rare coins and bullion---they just prefer that we don't! He was also as of that volume a member of the Pennsylvania Rhodes scholarship selection committee. Ever read of some bright young man in your local paper being awarded a Rhodes scholarship? Bright they are, and seriously unprincipled! Afterwards they return to the U.S. and work to undermine our national sovereignty! Bill Clinton is one!

Let's do a review of Carothers hatchet job, "Silver---A Senate Racket"---

"On February 20 last the United States Senate adopted a resolution requesting President Hoover to negotiate with Governments with a view to the cessation of silver bullion sales by those Governments and suggesting that he call a conference of nations to discuss the uses and the status of silver as money. The resolution was presented by the important Foreign Relations Committee, of which Senator Borah of Idaho is Chairman. It had been initiated in a small sub-committee on Chinese relations, which has Senator Pittman of Nevada as its Chairman. It had unanimously passed the subcommittee, the committee proper, and the Senate as a whole."

Idaho Silver Senator (service 1907-1940) William Borah, for whom the state's highest peak, 12,662 feet, is named---

"On the face of it the resolution had a noble purpose. During the year and a half preceding its passage the price of silver had fallen to extraordinarily low levels, eventually reaching twenty-five cents an ounce---a value in terms of gold unprecedented in the history of the world. The nations that use silver as their chief currency, more especially China, had lost one-half their purchasing power in international trade with gold standard countries. Exports from Europe and America to the Orient had been greatly diminished. Concerted action by the great Occidental countries to raise the price of silver would revive the purchasing power of the Orient, stimulate international trade, and greatly benefit the stricken industry of the world. As Senator Borah expressed it, the restoration of purchasing power "to one-half the human family" would be a first step toward ending the world depression."

(Silver's greatest low was 24.5 cents per ounce. Notice that Carothers, British Empire activist Rhodes Scholar, was careful to not mention the cause in the fall of silver, that being the immense dumping on world markets by British India!)

"The resolution was widely acclaimed in the public press. Long before the date of the resolution, the spectacular fall in the price of silver had been front page news, and the involved interrelationships between the value of silver bullion and the economic situation in Latin America and the Far East had been widely discussed. The tenor of newspaper comment, however, had been general to the point of vagueness. The financial questions involved bristle with difficult technicalities that call for acute economic insight. The newspapers, furthermore, had sensed in the repeated hostile references to sales by foreign governments the presence of hidden factors. The peculiarly sectional complexion of the movement for government action (end page 4), the failure of the banks to participate and the silence of the entire group of professional economists had given rise to editorial doubts."

(What a difference one paragraph can make. Carother's nature was being revealed. His slant against silver was starting to show, like a freak's hand that was hidden in a glove. Those favoring action for silver were concentrated in Western mining states, giving rise to his use of the term "sectional." "Repeated hostile references to foreign governments" he said. If someone were ruining you, would you not become hostile about it? Apparently Carothers thought it unnatural for miners to complain. If his ox were being gored, he would have hollered bloody murder. Beware of connivers who try to craft definitions so as to paint your rights out of the picture! That the banking community didn't participate and their sponsored economists were silent was totally by design. They wanted to be rid of monetary silver! The "presence of hidden factors" to Carothers would have been to blame the problem on innocent parties. But to the contrary, those "hidden factors" were his Pilgrims Society sponsors in New York and London banking circles, hell bent on excluding silver first, then gold, from being used as money!)

"President Hoover refused point blank to accede to either of the requests embodied in the resolution, despite personal appeals by various Senators, notably King of Utah and Smoot of Utah. There was much speculation and indecisive comment in the press, none of which made very clear the President's attitude. In May the International Chamber of Commerce met in

Washington. Senator King appeared as an unexpected guest. According to the New York Times he was there as "a representative of Western silver producers." Before the session was over the Senator had become chairman of a "volunteer silver committee" and had dragooned a reluctant body into approving a resolution urging an international conference on the silver situation. But it developed that no group of delegates from any nation represented at the convention was willing to call such a conference or even to ask its home government to sponsor it. Finally the Japanese delegation, "yielding to persuasion," asked the Tokyo government to consider the matter. The Japanese government did consider the idea and emphatically rejected it. The Nationalist government of China likewise abandoned the project after some tentative gestures."

(President Herbert Hoover, whose earlier days were spent as a gold mining engineer in Australia, collaborated with Great Britain in the early 1930's by refusing to call an international conference on the problem of low silver prices, directly caused by massive dumping out of British India)---

(Hoover was on the fiat currency team, which is why he disagreed with the Senate silver resolution. Notice Carothers use of verbs. He says Senator King "dragooned" the Senate into making the resolution. That suggests he used inappropriate force, dragoon being a military term. Japan had banking relationships with London which explains their refusal to sponsor a silver conference. Why do you suppose the Chinese Nationalists abandoned the silver cause, when the lower the value of silver, the more instability in China and the more people would defect to the Communists with their lying promises of a better life? Was it because London and Wall Street connected armaments sources said supplies would be cut off unless they went silent on silver?)

"Obviously we have here a conflict of interest not fully delineated in the public prints. When the President unqualifiedly refuses to obey what amounts to a mandate of the Senate, unanimously passed, there must be weighty reasons behind his action. When the financial interests of America,

the professional economists, and the ministries of every foreign government are hostile to a movement which claims for its sole objectives the relief of suffering millions and the termination of a grievous economic stagnation, even the most casual observer begins to suspect the presence of esoteric elements."

(Conflict of interest? Absolutely! But to suggest that President Hoover possessed more wisdom than everyone in the Senate collectively was a nauseating joke. The financial interests of America, concentrated in New York, were hostile to silver, as they had been since the first British banking subversion there before the start of the 19th century. The professional economists were all dependent on the financiers for their employment, as all significant colleges and universities had the "right" people as trustees and regents. It was truly an international rig job against silver, for that was the only way the full sabotage could be accomplished. While Carothers would ascribe the "esoteric elements," things known or understood by only a few, to other quarters, my contention is that the entire disease process working against silver emanated from The Pilgrims Society---the highest financial echelons of London and New York.)

"What is the real significance of this militant attempt to coerce the United States into official interference with the price of silver bullion? The answer cannot be found in a consideration of the intricate problems arising from recent developments in international finance or the present status of silver, although even here the facts are assuredly revealing. The complete answer is to be found in history. To understand fully the import of the present movement it is necessary first to follow a thin thread of silver through three-quarters of a century of propaganda, political trickery, and brazen subordination of public welfare to private interest."

(Here Carothers disparagingly refers to the efforts of silver people to protect themselves and the nation by battling against the subversion of the paper money forces. You can tell which side he is on. Never trust any Rhodes Scholar! He speaks of a "militant attempt" on the part of silver friends to have America stay on what we know is Constitutional money. Are there any records of friends of silver associated with attempts on the lives of Presidents in order to get their way, as there are concerning paper money activists against Presidents Jackson and Tyler? We might also include Kennedy in that list!)

"The story begins long before the Civil War. This country began its independent existence with a bimetallic coinage standard, erroneously ascribed to Alexander Hamilton, but actually initiated by Thomas Jefferson. This double standard was not a success. In 1853 Congress abolished the free coinage of the silver pieces below the dollar and made them "subsidiary," that is, small change coins to be made from silver bought as a commodity and to be sold by the Government for gold. The provisions of the law were simple and impossible of misinterpretation. But the (end page 5) Director of the Mint of that day, a "lame duck" politician from Pennsylvania, administered the law in high-handed fashion, with two notable results. One was an avalanche of silver coins that flooded the country and burdened trade and finance for many years. The other was an enormous profit for the new silver industry in the territories of the West. The procedure was maintained from 1853 to 1875, under three mint directors and five Secretaries of the Treasury."

(The Coinage Act of 1853 was a shady step in the direction of a gold monometallic standard, which would accelerate in the Coinage Act of 1873. James Snowden was Director of the Mint from June 1853 through May 1861. As the Comstock Lode discovery wasn't even public knowledge until 1859, Carothers could hardly back up his case that silver coinage was excessive (and it was not so after Comstock either, which added much gold to circulation---a fact the silver suppressors dance around.) In fact, there was by proportion more new gold coming onto the market and to the mints in the early to late 1850's than silver, due to gold discoveries in Australia and California. Since silver appreciated some in contrast to gold, coin melting was common and actually a shortage of silver specie took hold, way different than the "flood" of silver coins Carothers alleged! That too is well known history but such as Carothers would have the world be ignorant of it. Silver coins assuredly were not a burden to trade, and in the Civil War were hoarded. Had they been of dubious value hoarding would not have taken place. Bluntly, Neil Carothers was a liar!)

"In 1873 the coinage laws were revised. The improper administration of the silver coinage was peremptorily prohibited in the bill. But at the last moment a committee interpolated a clause permitting the procedure for two years more. Even at this early date the silver interests, inchoate and unorganized as they were, had learned the art of using Treasury officials and Congressional committees as aids to the mining industry."

(Carothers exuded the attitude that it's acceptable for paper money forces to lobby Congress, but that if silver interests do the same thing, it's wrong! What a way to harm your opponent---by conniving others into acceptance of your manufacturing all the rules! He wasn't timid as to use of ad hominem arguments!)

"The law of 1873 contained a provision creating a new and special kind of silver dollar. This "trade dollar" was solely for use in Oriental trade, and its circulation in the United States was unthinkable. But in the law there was a peculiarly worded clause that made this piece legal tender in the payment of domestic debts. The provision assured domestic circulation for the trade dollar and consequently a new market for silver. Millions of trade dollars were coined and forced upon ignorant and helpless classes of the population, such as the mine workers in Pennsylvania. It required two years of bitter battling in Congress to have the coinage stopped and eleven more years to have the debased coins redeemed. The only objection to redemption, which was imperative as a matter of common decency, was that redemption would slightly reduce the volume of purchases of silver bullion for subsidiary coinage by the Government."

(This was at a time when inconvertible paper issues, usually called "shinplasters," were well known for generations to be the cause of inflation, suffering and poverty, especially the generation before the Civil War being paid in "coupons." Money creation and use of silver as money---a store of value substance---are in opposition as principles.)

"In 1875 Congress enacted, in connection with its efforts to withdraw the Civil War "shinplaster" fractional notes, a law which called for the purchase of large amounts of silver bullion, the coinage of the silver into fractional pieces, and the exchange of these coins for the shinplasters. The measure was an egregious blunder, financially and administratively unworkable. Its immediate repeal was the only solution. But the friends of silver had passed it, and the Treasury found another procedure. Secretary Bristow bought vast quantities of silver bullion, had it coined into dimes, quarters, and half dollars, and stored the coins in the vaults, thus entirely nullifying the only purpose of the law, but carrying out that part which aided silver. On the floor of the House it was charged, without contradiction, that the Secretary's purchases were timed to suit the plans of silver bullion brokers, and it was broadly hinted that Treasury officials were personally interested in the flood

of silver stocks then on the market. The purchases of silver subjected the Government to a loss of considerably more than $1,000,000."

(Carothers said Bristow, Treasury Secretary from June 1874 to June 1876, was a friend to silver, yet he didn't allow the coins to enter circulation! As for owning shares in mining concerns, absolutely Wall Street will squeeze every way to profit that exists. But the end object has never deviated from money creation. Store of wealth money is the enemy of money creation. As for taking losses, the government never takes any---only the taxpayers---and fiat creation has cost them immeasurably more than silver. At least with silver as payment, they would have more than a promise of payment.)

"To this time governmental action in connection with silver coinage, ***THOUGH TAINTED WITH BAD FAITH AND SINISTER MOTIVES***, had resulted only in business inconvenience, mistreatment of the unsophisticated elements in the population, and a loss to the (end page 6) Treasury and the people of a half dozen millions of dollars. We come now into an era in which the silver interests, shrewd in tactics ***AND RELENTLESS IN RAPACITY***, were to have their way at the cost of national injury. The silver dollar had, legally, been a standard bimetallic coin since 1792. It had never been in circulation, and after 1834 its metallic value was such that it could not be coined or circulated. For years the mint had sold specimens of the coin to collectors as a curiosity. In the revision of 1873 this unknown and futile piece was dropped."

(Well, what did Carothers propose to have the United States use as money? Just gold coins, or the suspenders and peanuts he raved about? No, his bias was for fiat paper currency only! Sinister motives for silver but not for paper bills? He says the silver dollars since 1792 to 1833 weren't used. How many of you have seen one of these at any coin show or dealer display case in uncirculated condition, versus the number of these you've seen in less than mint state?)

"No legislative act in our history has created so much rancor and public disturbance. The Republican Party maintained through three Presidential campaigns that the dropping of the dollar was a deliberate, reasoned act of Congress that believed in the gold standard and intended to abolish bimetallism. The Democrats declared with ***FANTASTIC HATE*** that this "crime of '73" was a surreptitious trick perpetrated by a committee under the influence of Eastern bankers. It is a question of which of these two famous party doctrines is the more absurdly incorrect. The omission of the dollar was a routine matter of coinage legislation, confirming a condition that had existed for forty years without public interest or comment. Not one person connected with the measure had recognized the significance of this alteration of the coinage standard. The Treasury official who drafted the measure, the committees that worked on it for three years, the Congress that passed it, and the President who approved it were alike innocent of any real understanding of what they had done."

(Does it seem possible that none of the legislators would have known what was going on? It may have been true of many of them, but Carothers arrogance was showing. If someone pulled strings on Capitol Hill and

wiped out most of the value of your savings, bankrupted you, and caused you to be foreclosed on and go homeless on the streets or in the woods, you might be tempted to harbor "fantastic hate" towards the perpetrators!)

"If the silver representatives in Congress, who had been able to write into the bill the trade dollar provisions they desired, had even remotely grasped the meaning of the elimination of the silver dollar, the law of 1873 would never have been passed. These interests knew every word in the measure."

(Carothers said the silver interests knew every word in the intentionally lengthy bill, yet did not understand the meaning. That is patent malarkey. The way the Federal Reserve Act was snaked through Congress had similarities to the 1873 act.)

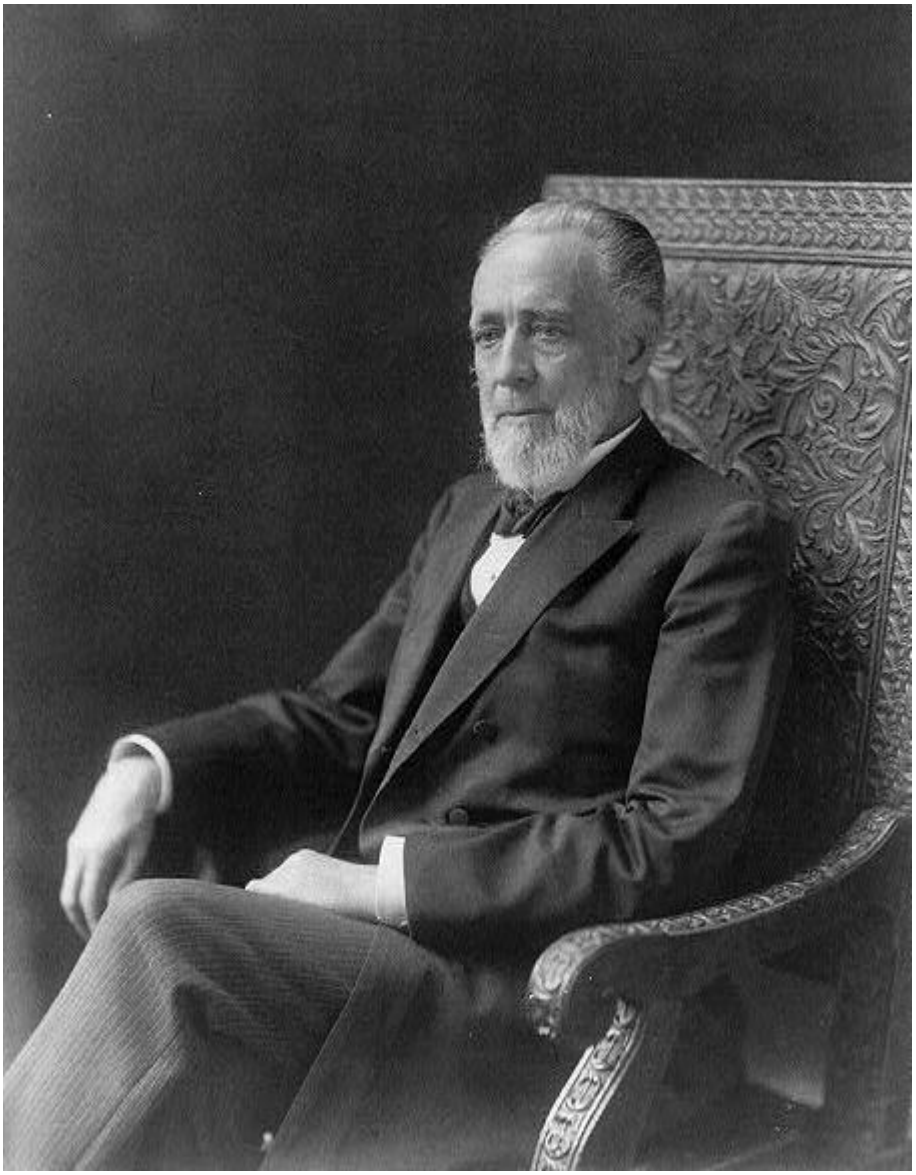
"In the fall of 1873 the value of silver began a precipitate decline, almost as rapid as that of the present day. The price soon reached a point where bullion owners could have made a large profit from coining dollars at the old ratio of sixteen to one. But the law had abolished bimetallism. This development arrived simultaneously with the long and painful depression which began in 1873. There was a world wide decline in general prices. The situation worked sad injury to the Middle West, with its over-expanded agriculture, and to the South, torn by war and reconstruction."

(Carothers intentionally neglected to state that what caused the depression was the British attack on the use of silver as money! People such as Carothers have no moral sense of being in danger of Divine judgment for habitually lying!)

"The stage was set for the most colorful political drama in American history. The silver interests seized upon the depression as their opportunity. American bimetallism, which had never worked in practice, would end a world depression. The dropping of the silver dollar, which had been unanimously accepted by Congress, was a fraud perpetrated on a distressed people. The "dollar of our fathers," which the fathers had never known, had been stolen from the common people by the interests. The masses of the people, economically illiterate and sorely stricken by depression, eagerly clutched at this economic straw. Led by Senators Jones, Teller, Bland and others, the (end page 7) free silver members of Congress kept the country in turmoil for two decades."

(Again Carothers alleged that silver dollars never saw general circulation for the first two generations of their issue. Outrageously false! As for the Silver Senators, it's good that Americans had them fighting for store of value money. They weren't the cause of the turmoil, but rather, the actions of the gold only forces, whose leaders traced back to the paper money mob and their intent to get rid of both metals.)

Colorado Silver Senator Henry Moore Teller (1830-1914) was first a Republican, then a Democrat Senator, (switching parties because the Democrats at that time were more favorable by far to silver) 1876-1882 and 1885-1909---



"The revival of free silver at sixteen to one would have involved the country in a financial disaster without parellel in our history, and yet the passage of such a measure was imminent for a generation. The political history of the times is an open chapter, but only the close student of Congressional history knows what legislative tricks and partisan stratagems were employed to obtain an increased coinage of silver and how narrowly national financial suicide was averted. Bill after bill dealing with routine matters of finance carried open provisions or disguised "jokers" of bimetallic purpose. Senator Sherman himself introduced one of these jokers. The House actually passed such a measure."

(Legislative tricks and partisan stratagems? Consider the history of the second United States Bank for dirty dealing! The account appears in "The Silver President," "The Greatest Right" and "Andy By God Jackson," Archives. As for John Sherman of Ohio, Senator and Treasury Secretary, he was no true friend of silver, but a "mercenary for the bankers," as Myers stated in "History of the Great American Fortunes," page 559. Financial disaster without parellel in our history? We have had no silver in our system for 39 years, and if the dollar goes valueless, how will such as Neil Carothers blame silver?)

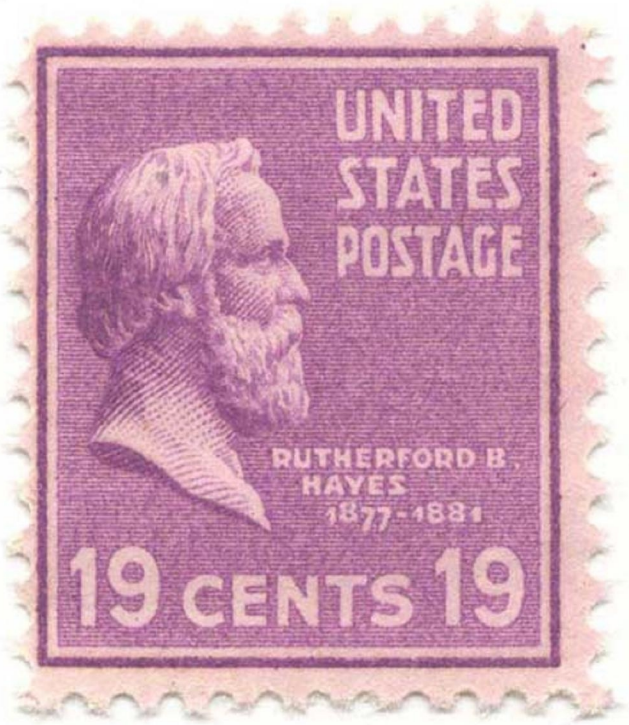
"In the end the silver forces were too powerful to be further resisted. In desperation the sound money members accepted the Bland-Allison Act. The measure may justly be acclaimed the most inexcusable financial blunder in a century long series of financial mistakes by Congress. In effect it merely ordered the United States to buy and coin into silver dollars not less than $24,000,000 worth of silver bullion a year. It did not restore bimetallism. It did not stimulate business by increasing the volume of money in circulation. It merely forced the people of this country to buy the annual output of our silver mines. Inasmuch as this was the sole objective of the silver Senators they ceased their clamor. The people were deceived by the apparent restoration of silver coinage, and the gold monometalists were made to accept this hybrid measure in lieu of the almost certain establishment of bimetallism. The annual gift to the silver miners became a routine part of Treasury operations. It was maintained for twelve years."

(The Sherman Silver Purchase Act of 1890 is the legislation that Carothers referred to after the 12 year period covered by the Bland-Allison act. The Bland Act resulted in the Morgan dollar series, which was disfavored by the Treasury Department and boycotted by the New York banks. The BA Act

was sometimes called "limping bimetallism," because the drift against silver emanated from the same wellspring of paper money---merry old England, boosted by their associates in New York---named after all, for York, England and the Duke of York. Carothers was a British hit man by way of lies he penned against silver. He certainly was not the only Rhodes Scholar active against silver. Two others that come to mind without investigation were Alfred Hayes of the New York Federal Reserve Bank---see "Paper Money Mobster Speaks," Archives; and Robert V. Roosa, Treasury Undersecretary under Douglas Dillon, who took America off silver coinage in the LBJ administration---Lousy Bum Job!)

"For a time the measure did no harm. A steady flow of dollars poured from the mints. But the coin was clumsy, unfamiliar, and of very dubious value. The general public rejected it. The negligible population of the West, for partisan purposes, accepted the coin, as did the Southern Negroes, whose inability to read led them to reject printed bills. The great bulk of the dollars poured back into the Treasury in tax payments. Eventually their ownership was transferred from the Treasury, ***WHERE THEY WERE A DANG***ER ***AND AN EMBARRASSMENT***, to the general public through the device of the silver certificate. The legal ownership of the coins was vested in the holders of the certificates, while the coins lay in a huge inert mass in the Treasury."

(Speaking of a "danger and an embarrassment," it could ably be argued that the fact that the United States no longer possesses a military strategic silver stockpile is a danger and an embarrassment. Yet, you have to suspect that Carothers would have approved of the dissolution of that reserve, as it was one of many hoards used to hold silver prices down so as to make fiat money shine less dimly. "Huge inert mass in the Treasury," that was close to identical to references made later by the Silver Users Association when it was trembling like a starving mosquito to access the metal at taxpayer expense. The general public certainly did not reject the new Morgan silver dollars issued under the Bland-Allison Act of 1878. In fact, the veto of the bill by President Rutherford Hayes, 1877-1881, was overridden in Congress due to popular outcry from the national middle class!)---



(President Hayes was the first to have a typewriter in the White House. In the listing for Henry Harper Benedict, Who's Who, 1928, page 272, this Pilgrims Society member identified himself as "one of founders of the typewriter industry." Page 995 of that volume shows Webb Cook Hayes, President Hayes son, as a founder of Union Carbide, which later became a Silver Users Association member. Webb Hayes served in the command of General Chaffee, who went to China in 1900 in the China Relief Expedition to help Britain put down the Boxer rebellion. Chaffee was a charter Pilgrims Society member in 1903 and became Army Chief of Staff in 1904. Key Generals and Admirals, as well as the President, are always members!)

"For a time the silver interests were content with the subsidy they had extracted, but the American output was increasing. In the Sherman Act of 1890 there was incorporated, as part of a "log-rolling" combination of measures in that famous law, a silver purchase clause. It was virtually a provision requiring the Government to double its purchases of silver bullion. The amount to be purchased was exactly the annual volume produced in the United States mines. So open was the intent to take care of the silver market that the framers of the law did not trouble themselves with provision for the coinage or other disposition of all the metal to be purchased. By 1893 the (end page 8) two silver buying laws had forced into the currency more than $400,000,000 in new money. The gold standard could not stand the strain.

In the fall of that year a series of adverse economic events brought on a severe financial panic and ushered in the most tragic period of unemployment, destitution, and general industrial misery the American people have ever experienced."

(The Panic of 1893 was organized by the J.P. Morgan interests with support from similar groups such as the Seligmans, all with London connections. Silver was not the cause of the problem, but the banker propagandists blamed silver. As far as silver coinage volume increasing, along with gold coins, this is an immeasurably better choice than mere paper.)

"The Treasury found itself unable to meet the demands for redemption in gold of the Treasury notes which had been used to pay for the silver bullion. The Sherman Act was hastily repealed, but its fell influence had already brought economic disaster to the people."

(Gold was sucked out of the Treasury in order to help cause the panic. "Fell" refers to clear-cutting a forest. Over and over again the silver suppressors, who in the end turn out to be gold suppressors also, cause financial crises, then blame silver for problems it could not have caused.)

"These two ill-fated silver subsidies left us as a final heritage more than 550,000,000 silver dollars, piled in the recesses of the Treasury. They are owned by the millions of us who daily use the familiar one and two dollar silver certificates. The dollars lie in the vaults, ***A SODDEN, UNDIGESTED MASS OF COINS, OF DEBASED CHARACTER AND SINISTER LINEAGE."***

("Undigested" in reference to coins? Did Carothers think silver coins should be eaten like frosted doughnuts, or like the peanuts he touted as more important than silver? "Sodden" means soaking wet! Was he having trouble thinking straight, strangled by his own suspenders? Again, what was he thinking, other than grasping for outlandish and bizarre ways to insult silver as money? "Sinister lineage?" What about the sinister lineage of banknotes that can't be converted into store of wealth and reach a time when they won't buy anything?)

"Long since they should have been eliminated as a menace to the financial integrity of our Government, by the simple process of converting them into dimes, quarters, and half dollars as such coins are needed. No Treasury

official, no member of Congress, no President, dares face the savage opposition a proposal for such action would arouse among the entrenched silver forces in Washington."

(Many nations today are protesting dollarization by switching to other reserve currencies. We have lost our silver reserve. It was not necessary for industry to be deprived of silver, in order that we continue to use silver coinage. The solution lay in the possibility that we could have let silver values rise---its purchasing power---to stimulate more production. In fact, it was proposed in issues of the Commercial & Financial Chronicle, circa 1962-1965, that we could officially double the purchasing power of silver coins. But the fiat forces would have none of that. Today, as increasing scarcity of silver meets ascending demand, we shall see which substance---silver or paper notes---holds value better. COMEX, wear yourselves out!)

"The World War was a godsend to the silver miners. For many years the price of silver had played around sixty cents an ounce. War conditions drove the price to more than $1. In 1918 the British Government found itself unable to obtain enough silver to maintain the gold-exchange standard in India. In desperate straits, England appealed to her ally, the United States, to part with some of the dust-covered millions of silver dollars in the Treasury. ***HERE WAS A PROVIDENTIAL OPPORTUNITY TO RID THE COUNTRY OF A USELESS AND DANGEROUS ELEMENT IN THE CURRENCY***. It was necessary only to call in the silver certificates, break up the dollars, and sell the metal to England. No imaginative economist could ever have visioned so ideal a juxtaposition of events as this. It would never come again."

(The account of the Pittman Act of 1918 lending some 200 million silver ounces to British India can be found in "The Greatest Right," Archives. Don't you think it odd that according to Carothers, silver was so dangerous if accorded monetary status, yet the British had to have some additional silver in 1918 in order to maintain control over their Indian subjects? Were the Indians like a person who enters a restaurant demanding to be fed contaminated food? Hardly so! Here is an item for research---see if any of you can locate accounts contributing to an explanation as to how the British needed a big infusion of silver in India at the close of World War I, yet barely ten years later they were dumping silver to the extent of possibly more than twice that amount on world markets! Perhaps the explanation partly lay in the fact that British armed troops in major Indian cities was

greatly augmented, no longer needed on European fronts, ready to put down protests over the loss of their silver! Carothers called the silver transfer to British India a "Providential" opportunity to rid the U.S. of a dangerous monetary element---suggesting that the Almighty opposes silver money!)

"But it was not to be. The same forces that drove the country to financial collapse in 1893 mustered their strength and obtained passage of the Pittman Act. The law provided for the sale of not more than 350,000,000 of the dollars at not less than $1 per ounce of metal, and it directed the Treasury to repurchase exactly the same amount of bullion at the same price from American silver mines and to recoin it into dollars."

(Totally a lying statement! The banking community caused the Panic of 1893 in order to discredit silver, and more importantly, as propaganda fodder with which to lobby for a new central bank, which we had been free from for 57 years at that time. The Silver Senators and Representatives, with cooperation from the "Farm Bloc" States, had enough votes to insist upon the replacement of the Treasury silver that was to be sent to British India. The "useless and dangerous element in the currency" as Carothers libeled silver, wasn't quite yet being done away with. But we should ask, today, what are the members of Congress from silver states doing, other than occasionally taking funds from the NYMEX Political Action Committee or the American Bankers Association or similar entities?)

"If the Bland-Allison Act takes first rank among the blunders of American finance, the Pittman Act may justly claim precedence among all the anti-social measures ever passed in the interests of private profits. The War had already brought an extraordinary price for silver, and now England was in dire need. The silver interests had expected to deliver silver to England on their own terms. England's appeal to our Treasury had menaced this golden prospect. Efforts to prevent the (end page 9) delivery of the coins could not succeed, but Congress could be induced to rescue a part of the anticipated profits by forcing the American people to re-buy all that had been sold at the swollen prices engendered by the War. Otherwise this assistance to our ally, without which British War finance would have collapsed, would never have passed the Senate filibuster that would have greeted it."

(A question for Carothers, were he present to contend with it---how much real estate have members of the paper money mob rendered into their ownership through money "creation?" That, as contrasted to the quantity of

wealth that has accrued to silver interests under constant attack from the money barons who sponsor such as Carothers? Yet another item for him to address would be a query on the subject of people in various times and places who, finding themselves swimming in buckets of paper notes devoid of any purchasing power---would they wish instead for a pocket full of silver coins, had they the chance?)

"Some 260,000,000 American silver dollars were broken up and sold to England at a price slightly in excess of $1 an ounce. In the years after the War an equivalent amount was bought back, from United States producers, at virtually the same price of $1 per ounce. The average price of silver at the time of the purchases was about sixty-five cents an ounce. The United States presented the unique and edifying spectacle of a Government buying many ounces of silver for the useful end of subsidiary coinage at sixty-five cents an ounce and buying millions of ounces more for no purpose whatever at $1 an ounce, the resultant coins to go back to their endless sleep in the vaults. The actual cash loss on the purchases was some $70,000,000. The total costs of the measure far exceed this sum. The sales to England had relieved the country of an obligation of $260,000,000. The repurchases restored this obligation. The metallic value of the dollars at the time of sale was more than $200,000,000. Their present value is $60,000,000. The difference represents the additional loss. That the Congress of the United States should pass such a measure as the Pittman Act is a tragic commentary on government in a democracy."

(Andrew Mellon, Pilgrims member and Treasury Secretary, rebuffed pleas from American silver producers that the Treasury comply with the full terms of the Pittman Act of 1918 by repudiating the purchase of the remaining 14 million ounces called for---NYT, March 9, 1926, page 36. Therefore, an equivalent amount was not bought back. Carothers must have known about Mellon's stance, but slanted his presentation by ignoring the record! Falsifying as to 14moz troubled Carothers not at all. He was a dutiful Rhodes Scholar! He said the sale to England freed the U.S. from an obligation, meaning, that of honoring silver certificates in circulation should they be presented for redemption. That's what the paper money forces always wanted, to be relieved of all convertibility into precious metal, and that is phenomenally dishonest. As far as the prices paid for silver, the majority of silver mined in U.S. history has come at capped prices. The 186,000,000 ounces repurchased was a small amount compared to the entire

haul of silver looted from miners over the decades, and did little to counterbalance the whole history of suppressed prices!)

"And now at long last we arrive at the present day, for this disinterment of the dry bones of monetary history exposes the forces back of the present disturbance over silver. The Pittman Act was, eventually, a boomerang. The artificial market stimulated production all over the world, and the completion of the repurchases destroyed the unnatural market. Silver prices began a decline that became a headlong rout into 1930. Early this year the price fell to twenty five cents, and it has not been far above that level since."

(Silver people are responsible for the sad shape of today's dollar, Carothers would probably have us believe! His statements above were also lies. As long as the Treasury was acting out the Pittman statute, federal purchases of imported silver were way down. There was no heightened market here for imported metal. The $1 price was locked in for U.S. producers only, out of U.S. mines only. Carothers would have the reader believe that the higher price caused a torrent of production globally. Absolutely untrue, as we will see in the upcoming exhaustively documented series, "Britain Against Silver." So far Carothers has said nothing as to the British silver dumping out of India that started after the notorious Royal Commission on Indian Currency issued its infamous report in 1926 recommending silver demonetization.)

"Inasmuch as there has been a persistent, organized propaganda to advance the theory that the decline in silver is a salient factor in the world depression, it is worth while to look at the causes of silver's decline. The nations of Europe went on an inflated paper basis during the War, with consequent dislocation of their monetary standards. Their silver subsidiary coins could not be retained. A number of them, more especially England, Belgium, France, and the French dependency, Indo-China, called in their silver coins and melted them, replacing them with paper, base metal coins, or silver pieces of much smaller silver content. Naturally they have thrown the bullion on the market. Other nations have, for reasons growing out of currency difficulties during the War, greatly reduced their post-War coinage of subsidiary silver pieces. China, the only important country on the silver standard, has had grave internal disorders that diminished her commerce and industry, thus reducing the power of the country to absorb new silver. In the midst of the troubles the Kemmerer commission (end page 10) went to China and after a survey of the situation recommended the abolition of the

single silver standard. In the light of the present world situation and China's disturbed state, it is not likely that the recommendations will have immediate results. But they exerted an adverse influence on the world silver market."

(It is revolting to see such as Carothers insist that the fall in silver prices, caused by the British, was not the prime cause of the Great Depression. We will see many proofs of this matter in "Britain Against Silver." The Kemmerer commission was directly linked to the Dillon family, first and second-generation Pilgrims Society members, the son took America off silver coinage as LBJ's Treasury Secretary. He later chaired the Rockefeller Foundation and was on The Pilgrims executive committee! He was president of the anti-silver Brookings Institution in D.C. His daughter became Princess Joan of Luxembourg, a well known financial hideaway.)

"These were minor factors in the decline of silver. There were two others, much more weighty. The post-War recession in international trade and the decline in silver prices completely reversed the conditions that had forced England to bolster up India's gold exchange standard with silver bullion. The British authorities found themselves with vast quantities of surplus silver. In 1926 they decided upon technical changes in the currency, including the establishment of a gold bullion standard, whose net result was a further accumulation of silver rupees that had to be sold in part to preserve the gold foundation of the system. The silver is sold to the Indian people, to become dowries for brides, as anklets and bracelets for the women, and as stored up property, a part of the unnumbered millions of ounces that have poured into India for centuries."

("Technical changes in the currency," meaning, movement towards a zero store of value money system. How much of the Indian silver dumped was dispensed to the domestic market I am uncertain, except to say that it was ample to kill import demand totally. As for the balance of the silver, which I am certain was most of it, dumping evidently started on the Shanghai market, then quickly followed in London. The silver dumping external to India was what ruined prices.)

"The actual sales by the British authorities have not been very large, but psychologically they have terrorized holders of silver stocks the world over, for the reason that the Indian Treasury holds more than 300,000,000 ounces in its portfolio still unsold. The primary aim of the movement for international negotiations is to bring pressure on England to extract a

guarantee that this enormous reserve, more than the world's annual production, will not be sold in whole or in part to the Indian population."

(Carothers lying faucet, now a fire hydrant in size, was still running, and apparently linked to an inexhaustible propaganda mill into which poison was being injected by a battery of fellow travelers! Seemingly it would expand to the size of some colossal spigot at the base of Hoover Dam! The British silver sales were enough to cut the silver price around the world by over half by early 1931. We will see details as to amounts in "Britain Against Silver." It is not strange in the least that any Rhodes Scholar would seek to deny any guilt on the part of Britain, inasmuch as their indoctrination is to spread British influence till the last breath they take! As far as an agreement to not sell any of the silver to the Indian population, I have already pored over in excess of 160 news stories from 1926-1934, and Carothers is the only one to mention this slant! All others have to do with seeking an international agreement that Britain would limit its silver dumping to just enough annually so that prices could move up to a higher range, enabling miners to "eke out a living." But the British would have none of that and ruined miners all over the Western hemisphere, causing bankruptcies, homelessness, starvation and suicide!)

"And finally, the world's depression demoralized international trade, restricted the industrial consumption of silver, diminished subsidiary coinage, and above all reduced the power of both China and India to absorb further supplies."

(The depression need not have diminished the use of silver coinage. The depression was an excuse by which various nations could start paring back on use of silver for currency. Economists such as Carothers made it fashionable to knock silver!)

"The world's silver market, facing increased production on one side and these adverse conditions on the other, broke badly. This break accounts for the disturbance over silver in America. Once more Congress is to come to the aid of the industry. Even before the resolution of last February, ***PUBLICITY IN THE INTEREST OF SILVER WAS BEING SYSTEMATICALLY DISSEMINATED***."

(As we will see in "Britain Against Silver," world silver production in an average of years, did not increase as Carothers alleged, but rather declined as

mine after mine was forced into a mothball situation. As for campaigns for silver, Carothers thought such matters wrong, whereas it was OK for him and others like him to campaign in a reverse manner. There is the unspoken drift from silver suppressors that freedom of speech does not apply when the friends of silver would avail themselves of it!)

"As far back as last October Senator Oddie of Nevada presented a proposal for a reduction of the size of our silver dollar and half dollar. Senators Pittman and Borah have made eloquent pleas for silver over the radio. Economists have been bombarded with copies of the Congressional reports and speeches in support of governmental restoration of the price of silver."

(Choice of verbs used in an argument is illustrative of the author's orientation. Had Carothers said "economists have been supplied with" copies of reports, that could have indicated neutrality. However, "bombarded" is a strong suggestion of negativity.)

"The developments have not been entirely devoid of humor. During the winter Senator Pittman vigorously urged a project to have the United States buy 200,000,000 ounces of silver bullion and lend it to the Chinese government. This grotesque proposal was too much even for the Senator's own committee and it failed of passage. But it was under consideration long enough for the astonished Chinese financial interests to report that they had not asked for such a loan, had no desire for it, and would reject it if it were tendered. The many editorial writers who (end page 11) ponderously discussed the proposal failed to note the touch of irony in this solicitude for the plight of the Chinese on the part of Western Senators who have been lifelong haters of the Chinese and who had just approved a tariff measure that works grave injury to Chinese prosperity."

(The 200moz silver loan to China, proposed by Pittman, was an attempt to counterbalance the silver dumping out of British India. It will be looked at in detail in the upcoming 4 part series. As for tariffs today, more people are realizing that unless we erect these, what industry remains here will vanish.)

"Just at the time when the outcry for governmental interference was at its loudest the Academy of Political Science asked Sir James Arthur Salter to address them on this question, only to have that eminent British expert reluctantly but pitilessly expose the economic fallacies behind the whole stabilization movement."

(We will read this speech in the upcoming series. The stabilization movement was the people asking for stable silver prices at a higher level. The British must have their way and rule the world's money system! Governmental interference was acceptable to Carothers provided it was the type of interference that would send silver prices low. In fact, he would have described that as free market forces, had he been cornered!)

"President Hoover, hard pressed by the persistent clamor, was driven to announce that he would not oppose American participation in an unofficial conference sponsored by some other nation. Beyond this our government would not go. Thus the resolution failed signally of its purposes, which were to force Great Britain into an agreement to refrain from sales of silver and to coerce the United States into some form of action to raise the price of silver. The attempt to bring about an unofficial conference has likewise failed. When it became obvious that all the tumult had accomplished nothing, Senator Borah came out openly with an angry threat of revival of the free silver issue, while Senator Pittman departed for China. Senator Oddie had already gone to that country to gather ammunition for the silver cause."

(Hoover wouldn't call a world silver conference because his British pals refused to call one, and he was truly their representative in the White House! We will see details of this over the next several months. Carothers had no beef against Britain selling silver at giveaway rates in order to send prices down.)

"The proponents of silver recognize no hampering facts or principles in their espousal of the cause."

(To my knowledge, no actions ever taken by any Senator or Congressman or other political representative of silver, such as a Governor or President---some of which we actually had long ago---resulted in widespread poverty, mass starvation, unemployment, suicide and death. These outcomes have taken place over the decades and centuries as a result of attacks against the use of silver as money! For details, refer to "The Greatest Right" and "The Sun Catches On Fire" in Archives, as well as the upcoming multi-month series, "Britain Against Silver." For Carothers to assert that silver people are unprincipled, whereas his anti-silver crowd is allegedly a more moral

group, is like the leader of a cell block gang accusing a search and rescue team of criminal wrongdoing!)

"The elaborate report of the Senate subcommittee presented with the resolution abounds in economic fallacy and misleading implication. In June Senator Smoot took to the President four Western silver producers to urge the preposterous proposal that the Allies War debts be paid in silver bullion. Repeatedly they have declared that the fall of silver is a major cause of the world depression. Time after time they have stated that the decline has cut in half the purchasing power of one-half the human race. Even President Hoover has told the American Bankers Association that "the buying power of India and China, dependent upon the price of silver, has been affected." ***A FALL IN THE PRICE OF SILVER HAS NO MORE EFFECT ON THE BUYING POWER OF INDIA THAN IT HAS ON THE BUYING POWER OF INDIANA***."

(We will see overabundant documentation of the fact that the disastrous tumble in silver prices, engineered by Carothers British pals who he admired so well, was virtually the sole basis cause of the Great Depression. Carothers had skill as a rhetorician, but his attempt at deception could not faze anyone acquainted with reality. Making the comparison of India to Indiana is near conclusive evidence that he was a raving lunatic. His declaration as to silver and India would not have been well received there, as the British action against silver did more to lessen the size of the Indian middle class than anything else!)

"China alone among all the important countries of the world has the single silver standard. The population of China, added to the population of all the minor countries still tied up with silver currency values, makes up much less than one-fourth of the world's population, and it is a proportion that plays but a minor part in world trade and industry. All the remaining countries, including India and the Latin American republics, have the gold standard, the gold-exchange standard, or an irredeemable paper money."

(Carothers bellyached that there were "countries still tied up with silver currency," as if the use of silver coins constituted some sort of slippery slope extending downwards into a seething quagmire reeking with poisonous fumes! When Carothers wrote this fallacy-riddled broadside against silver early in 1932, England was still trying to get a gold monometallic standard to function in India. The British wrecked the purchasing power of their

Indian subjects that was denominated in silver. However, concerning Carothers claim that a gold standard was then functional over India, as we shall see in coming monthly installments, they wanted Indians to save in gold certificates, a step removed from real physical gold, and discouraged attempts at redemption by setting high minimum levels of paper notes, before conversion would be honored!)

"In China only, among nations of any economic consequence, is there a connection between prosperity and the price of silver. In most of the world silver is a commodity, like corn or zinc or leather, far less valuable than platinum or gold and somewhat more expensive than nickel or mercury. In declining volume it is still used, ***BY HABIT AND TRADITION ONLY***, as a raw material of subsidiary coinage, (end page 12) and it enjoys a wide use industrially and for ornament. The silver industry in America has about the same claims to political favors as any other producer of a somewhat luxurious commodity, such as the silk industry or the celery industry, save only the fact that silver has already enjoyed governmental largesse for a half century."

(Nations of any economic consequence? How would you have liked to have been a Mexican silver miner with a family to feed in early 1932, with prices still way under average, and Carothers suggests that your nation isn't "of any economic consequence?" The people of India, whose savings were largely in silver, suffered terribly, yet Carothers suggested only China was affected. The use of silver as money he said, was "by habit and tradition only," apparently insufficient reasons to continue using silver. He would go the route of gold monometallism, certainly with insufficient precious metal to circulate among all the people, and no larger gold coin would ever be owned by the poor; possibly not tiny ones either. But the type gold basis he was thinking about would have been the one in which the metal stays locked up in a central bank vault, with fractional coverage, of course. And that type gold only system would lead to pure fiat---and did so, by August 1971! He mentioned the celery industry as a comparison to silver, demonstrating the wildness of his thinking; kind of like an old mountain man in the 1840's bitten by a rabid wolf.)

"As for China, it is a question whether the fall in the value of silver has affected that country materially. Undoubtedly imports from gold-standard countries have been made more expensive. But the foreign trade of China is at most but a trivial consideration in Chinese economic life, and the great

Chinese masses, using chiefly brass and copper money, are but remotely affected by the price of silver."

(Again Carothers opted to trivialize those squeezed in the British strangle hold of their ages-old war on silver money. If you were an exporter doing most of your business in China, and the value of their funds took a steep plunge such that they couldn't continue buying your goods, to Carothers you just didn't matter much. What mattered only was the British plan for world fiat regime. Notice nowhere in his article does he mention his Rhodes Scholarship nor the indoctrination he received during its duration. I submit, with trainloads of weighty evidence to substantiate if necessary, that upon return to the U.S., all Rhodes Scholars are carrying a mental set of marching orders, the goal of which is to return America to British Colonial status. Since this notion is far too outrageous to ever take place if so packaged, it is being pushed under a disguised wrapper---an expanded U.N. role in our affairs---and the North American Union!)

"The intense suffering of the Chinese as a result of falling silver values, so feelingly depicted by the Senators from the Chinese-loving states of Nevada and Idaho, is confined mainly to that small section of the American and European population of the coastal cities whose incomes are in Chinese silver. If the decline in silver has prevented Chinese importation of foreign commodities, by the same token the purchases of Chinese products by gold-standard countries should have multiplied. Look at the figures---

U.S. imports from China 1929….$166,000,000…..1930…..$101,000,000…..39% decline

U.S. exports to China….1929…. $124,000,000…..1930…...$89,000,000….28% decline

U.S. exports to all countries 1929--$5,240,000,000—1930--3,843,000,000--27% decline

"We have here the astonishing fact that China, in the face of a doubled cost for foreign goods, actually maintained its purchasing power far better than the United States, which should have, with Chinese prices cut in half, greatly increased its purchases. Quite as significant is the fact that in 1930 our exports to gold standard countries declined in almost precisely the same degree as our sales to the Chinese people. But it is not necessary to labor this point. China's import trade has been somewhat reduced by the fall in silver, while her export trade has been vitally injured by the world depression. The Harvard Business Review for April 1931, has shown in a careful statistical study, that the decline in silver is a negligible factor among

the causes of the world depression and that the revival of silver prices would not hasten the return of prosperity."

(Is it possible that silver suppressors would rig statistics to distort the facts? Considering their sickening record, what do you think? Harvard University has been a fountainhead of anti-silver economists for generations. See "Silver Wars And Silver Surprises" in Archives for details. Honest voices were admitting that the collapse of silver values, intentionally caused by Carothers British pals, was by far the largest cause of the Great Depression. As for reviving silver prices, any of them would rather die a thousand deaths than see that happen!)

"The general effect of cheaper silver is to increase the quantity of money in circulation in China and in a way to stimulate prices and industry. If the Chinese importer must pay twice as much for foreign goods, the Chinese exporter will in the end receive twice as much for his Chinese products, although this result is not achieved at once. Since the middle of 1929 the fall in the price of silver has been paralleled by a drastic reduction in world prices for gold standard goods. Where the decline in the price of gold standard commodities has equaled the drop in silver, as in some cases, the Chinese buyer is paying no more for his imports than in the past."

(Whenever the price of anything falls, some benefit while others suffer. But what was Carothers ultimate motive in enjoying the valuation slump in silver? I submit it was a milestone on the way towards world fiat currencies. That was to lead towards regional currencies such as the Euro and the threatened Amero. The "Rex" was proposed as a world currency in 1931, named after the King of England, patron of The Pilgrims Society, the paper money mob. Unbacked paper money is the ideal way to loot the world for those who issue it. Carothers must have been thinking of his pals.)

"It seems highly probable that the new tariff law that bears the name of Senator Smoot has worked as much havoc with Chinese trade as the fall in silver, although neither has done the damage that has accrued from the paralysis of industry in gold standard countries. A sudden and (end page 13) artificial restoration of the value of silver to sixty cents an ounce would double the cost of Chinese goods in all gold standard markets. Under present conditions it would all but destroy what little export business the depression has left the Chinese people."

(I am not familiar with which tariff Carothers mentions, but the silver suppressors are always attempting to claim that harm caused by erosion of silver values is actually attributable to other causes, so it's OK for silver to be hurt. Let's not be in any hurry to see silver prices recover, because that would damage those who don't want to see it happen---reading between the lines---and there is plenty of reading between the lines to do with Carothers. I can only wonder at what outrageousness is in his books!)

"Governmental resuscitation of silver would possibly be of some benefit to Mexico. Here and there it would give some comfort to insignificant countries such as Uruguay, that have bungled their attempts to maintain the gold standard. But its one material result would be its aid to silver producers."

(Possibly be of benefit to Mexico? With tens of thousands of jobless miners thanks to Carothers British associates, he says possibly! Any country that was using or needed silver he said, was "insignificant." Gee, what an attitude! The best reason to hold silver down, according to Neil Carothers, was that watching silver producers prosper would be a worse spectacle probably than seeing thousands decapitated by Madame Guillotine during the Reign of Terror!)

"Just what is the economic stake of the United States in this industry that is able to harass a President, dominate Congress and stir up international discord?"

(Silver was mandated as currency by the Constitution. As President Hoover took an oath to uphold and defend the Constitution, he should have been gravely concerned as to the British attack on silver worldwide out of British India. He was not concerned, as we shall see in "Britain Against Silver." Anyone who fights for silver as money, who battles for a fair value for silver only as a commodity, is a "harasser," according to Carothers. We should just take whatever the silver suppressors do and sit on our hands, inert. Because if we try to undo a manipulation, we are "manipulators!" As for stirring up international discord, as of the time of this hatchet job by Carothers, many voices had already been clamoring for an international conference on silver for long months on end, with continual stalling and rebuffs by the British and U.S. governments! The "international discord" was caused by the huge fall in silver values. It was not caused by those

attempting to right that wrong! From start to stop, Carothers was a reeking demagogue!)

"In recent years the annual world production of silver has been about 250,000,000 ounces. Of this total United States mines produce 55,000,000 to 60,000,000 ounces. The total United States product at current prices is worth about $18,000,000. The silver industry in this country is thus about as important as the suspender industry. It ranks far below the peanut industry. As to the number of men to whom it gives employment, it is of no consequence. For silver in the United States is overwhelmingly a by-product of the mining and smelting of copper, lead and zinc. Silver is chiefly a residue from the production of other metals, and in this sense the bulk of its production employs no labor, calls for no capital investment, ***AND HAS NO COST***."

(Until now I was stupidly unaware how dependant I am on suspenders---especially since I never owned any suspenders---for mirrors, refrigeration, automobiles, computers, batteries, high tech bandages, plastics for which suspenders are a catalyst, microwave, television, dishwasher---why, I couldn't even type this on my keyboard without the fabric elastic suspenders that Carothers touts so highly! As for investments, we must all be idiots to hold silver or mining shares---we should chuck these immediately and move into suspenders---or peanuts! Because, according to Carothers, silver really has no cost! How can something that has no cost have any value? Out of work miners don't matter either---let them hitch rides to the peanut farms! As far as silver having "no cost," Carothers has me on display as a real idiot, since every time I acquired silver I paid for it. Apparently the sellers also were unaware silver has "no cost.")

"THERE IS NO NATURAL PRICE FOR SILVER PRODUCED IN THE UNITED STATES. The relentless political maneuvering to better the price of silver is not prompted by a need to support an industry or promote prosperity. It is solely a drive to increase the monetary return from a fortuitous and adventitious product of another industry."

(Since according to Carothers silver "has no cost" and "no natural price," what can we conclude but that silver should have been dispensed free of charge by the miners to government and industry? Also, how could Carothers see silver as money as he believed it to have no cost and no natural price? The Commercial & Financial Chronicle, six years later, on

January 29, 1938, page 686, stated that silver would average only 18 to 20 cents per ounce if it "were left to find its own price level." The C & FC devoted space to the views of the Economists National Committee on Monetary Policy, a viciously anti-silver money group which as we saw Carothers was a member. Tow other members were William W. Cumberland and Leland Rex Robinson, who as of the 1948 Who's Who were Pilgrims Society members---pages 563 and 2098. Both were members of the anti-silver American Economic Association. Cumberland was a governor of the Reserve Bank of Peru in 1923-1924 and was a Wall Street investment banker, 1928-1945 and a director of American Zinc, Lead & Smelting Company. Robinson was president of U.S. & British International Limited and was a member of the Enemy Alien Hearing Board in New York, the Federal Grand Jury Association and the Royal Economic Society of England.)

"This peculiar economic and industrial status of silver explains the extraordinary political strength of the silver movement. ***SILVER IS IN ITSELF A PETTY PRODUCT OF AMERICAN INDUSTRY***, but it has behind it not only the direct influence of the silver miners but also the solid support of the copper, lead, zinc and gold mining interests. These latter refine each year, from domestic and foreign ores, much more than twice the total amount of silver coming from United States mines."

(Silver mining in America is of tiny consequence and silver itself is a mere bagatelle, according to Carothers. As far as polymetallic mining concerns go, of those whose revenues come mainly from metals other than silver, for perhaps over 25 years their managements seem to care little for the silver byproduct, selling it cheaply rather than taking other action, such as building a long-term stockpile in anticipation of better prices. This must be attributed to Wall Street influences! Silver is petty he said! Since he equated its importance with that of suspenders, I challenge today's members of the American Economic Association to consider whether their modern technological conveniences are more reliant on suspenders than on silver!)

"The political constitution of our upper legislative house lends itself to the promotion of sectional interests of this type. The States that produce material amounts of silver are in the mainly thinly populated Western States, but they are strongly represented in the Senate. The five States that lead in silver production, Utah, Montana, Idaho, Arizona and Nevada, have a

combined population less than that of Philadelphia, but their representation in the Senate is more than ten percent of the strength of that body."

(Carothers could forget any detail of political science whenever he so chose. The Senate exists to safeguard the rights of the separate States. He could have pointed out that Rhode Island, a very tiny Eastern State, and a long time hotbed of industrial silver users as in silverware and jewelry, also has two Senators. Does it make sense that Rhode Island, whose current population is far smaller than that of Phoenix, Arizona, should also have the same number of Senators as Arizona? Carothers was a talent for selectively presenting facts. The House of Representatives is the other Congressional body that is concerned with representation by population.)

"Nevada, with a total population less than that of Little Rock, Arkansas, or Yonkers, New York, has as much weight in Senate proceedings as Illinois or Pennsylvania. Consider further that the silver interests, now as in free silver days, know no partisan lines. They are single minded in their devotion to the cause in a Senate in which a small bloc can control the balance of power in vital issues such as the tariff (end page 14) or agricultural relief. Consider finally that ***THE INTRICATE AND SUBTLE PROBLEMS OF CURRENCY AND INTERNATIONAL FINANCE ARE BEYOND THE UNDERSTANDING OF THE RANK AND FILE OF HOUSE AND SENATE***."

(But how fortunate for Congress in early 1932 that such as Carothers were on hand to explain reality to them! Especially with his Rhodes Scholar education, intent on supporting British Empire objectives such as getting rid of monetary silver!)

"The majority will now, as for more than a hundred years in the past, approve any monetary measure presented by the powerful committees in charge of finance bills. At the current session of Congress the silver interests, balked of their designs, will try again. They are in angry mood. ***THE GRIM SPECTRE OF AMERICAN BIMETALLISM WILL BE RAISED AGAIN***. Economic vicissitudes have always been turned to the advantage of the silver interests. The inherent tendency of the American people to embrace inflation, through paper money, bond issues, or bimetallism, when the heavy burdens of unemployment and low prices press upon them, makes depression periods especially favorable to their projects. William Jennings Bryan, in a dramatic and history making speech, said that

mankind should not be crucified upon a cross of gold. The Savior of mankind was betrayed for thirty pieces of silver."

(Silver backers aren't the only ones to have been "balked of their designs." Think how the paper money mob felt after Andy Jackson turned their asses inside out! But they deserve such treatment. "Grim spectre" of bimetallism? Try telling that to Germans in 1923! Where Carothers spoke of inflation and paper money, be assured, he was speaking of silver certificates, not of Federal Reserve currency! To say that silver is in any way a bad thing because Christ was sold out for some silver pieces is as cheap a shot as anyone ever hurled at monetary silver! Other propagandists had already launched broadsides against silver, such as the appalling article, "Unimportance Of Silver," in World's Work, August 1931, by Joseph S. Lawrence, a member of the anti-silver American Economic Association. Ironically, he was a contributing financial columnist to the Hearst newspapers, inasmuch as part of the Hearst fortune traced to the Ophir and the Gould and Curry gold and silver mines in the Comstock Lode of Nevada, the Little Emma silver mine in Utah and the Homestake Gold mine in South Dakota! Lawrence also authored "Wall Street And Washington" in 1929; "Banking Concentration In The United States," 1930; and "Understanding Money," 1932. Now we will review the rebuttal to Carothers obscene attack against silver.)

Francis H. Brownell was chairman of American Smelting & Refining Company (ASARCO) which at the time was dominated by the Guggenheim mining family, originally from Switzerland. After Brownell's remarks we will evaluate some other details on him and the Guggenheims. His article, "Silver---Its Future As Money" appeared in the North American Review, March 1932, pages 234-242. The Review commented---

"In January we published Professor Carothers' attack on silver advocates. We now offer our readers a reply and argument in support of bimetallism at no fixed ratio."

Now to start with Brownell's remarks, who also contributed several gold and silver articles over the years to the Mining Congress Journal---

"The general thesis of the article in The North American Review of January last by Professor Carothers, entitled "Silver---A Senate Racket," is disclosed in the title. Its tone of bitter bias reaches a climax in the concluding

sentence---"The Savoir of mankind was betrayed for thirty pieces of silver." It is astonishing that a brain capable of composing forceful English prose of an exceptionally high order of excellence can also seriously propound the fantastic theory that the silver industry, "about as important as the suspender industry," ranking "far below the peanut industry," located in States having "a combined population less than that of Philadelphia,"---"because of representation in the Senate more than ten percent of the strength of that body,"---"is able to harass a President, dominate Congress and stir up international discord," and has practically controlled and dictated all acts of Congress in regard to the monetary use of silver during the last sixty years."

(Not a bad one paragraph recap of the tirade from Carothers.)

"Some of those States were not admitted to the Union when some of the laws condemned by Professor Carothers were passed, and at all times the representation of the same States in the House of Representatives was and is so small as to be negligible in itself. Nonetheless, Professor Carothers states in an exaggerated and prejudiced form the opinion as to silver more or less vaguely held by many people. This school of thought seems wholly oblivious of the fact that during the Nineteenth Century the use of silver as money was undergoing profound changes of worldwide extent and importance as, one by one, the nations restricted or lessened the use of silver as money, a process that continued after the World War. What took place in the United States was but a part of the total movement. It was largely influenced, if not caused, by the reflections and repercussions in our country of events taking place elsewhere."

"No one would deny that the silver industry, from selfish motives, has tried to protect itself as much as (end page 234) possible in the legislation affecting the use of silver. Mankind at large is usually active where self interest is involved. But the silver industry was not, and is not, the initiating or controlling factor in the fundamental causes leading to legislation or in the legislation itself. Rather its activity is somewhat akin to the crowing of Chanticleer in Rostand's famous play, in which Chanticleer, noting that his early crowing always preceded the rising sun's, concluded it must be the cause of that event, and utterly failed to realize that it was the approaching daylight which awakened him and caused him to crow. Professor Carothers and his school of thought also fail to distinguish between the noise made by the silver interests and the real underlying causes of the various silver movements."

(While we are all seeking profit, it would be wiser to not use the term "selfish motives." Such description applies in cases which sellers of products or services do more harm than good; patented monopolies such as prescription drugs that are pulled for intolerable side-effects; and simple price gouging).

"Gold and silver at some fixed ratio to each other were used by mankind as its monetary system from the dawn of civilization, and proved reasonably satisfactory until the unprecedented rapidity of industrial change in the Nineteenth Century caused many new strains and stresses on a financial machinery geared to slower movement. Gold and silver mine production not only expanded as never before, but the rate of expansion of each varied from and was not in rhythm with the other. The new discoveries of gold in California and Australia produced in the Fifties an excess of gold as compared with silver. This condition was shortly reversed and silver production greatly expanded as compared with gold because of the finding of silver bonanzas in Nevada and other Rocky Mountain States in the Sixties and Seventies."

(He was of course speaking of the Comstock Lode in and under Mount Davidson in Nevada as the leading silver area.)

"The economic and financial experience and international diplomacy of that day were overwhelmed by the problems presented. It was assumed that similar wide and rapid changes in production of the two metals would always continue. It was not known then, as we know now, that the next sixty years, aided by the railroad, the steamship, the automobile and the airplane would complete the exploration of the earth and practically bring to an end the era of new discoveries of the first magnitude in both metals."

(I don't see the leaders and statesmen of the last half of the nineteenth century as "overwhelmed by the problems presented." Rather, I interpret that events in exploration and production were seized upon as false reasons to start removing silver from monetary use. Over 75 years after Brownell wrote his article, we see that "new discoveries of the first magnitude in both metals" haven't quite ended, with Pitarilla and Penasquito in Mexico, San Luis in Peru and Pascua in Chile-Argentina waiting as major new sources of silver and gold. However, before mining companies can attain peak output, most observers see a price explosion in precious metals---before startup of

these new finds. With the entire world craving to jump on board, there is no way to restrain ascending prices. National Geographic, September 1981, page 313, estimated that some 80% of mineable silver in the world had already been recovered.)

"Hence it was concluded that fixed ratio bimetallism was no longer feasible and must be succeeded by monometallism. Gold was chosen by the nations of Europe because its greater value in less bulk had practically made it the medium of international transactions."

(If a fixed ratio is difficult, needing periodic adjustments by treaties or the open market, how about a floating ratio? No, the British Empire wanted none of that. The catastrophe to China and India was more severe than to Americans, who nevertheless committed suicide by the tens of thousands. No records have been kept other than fragmentary, which was mentioned here last January in "The Sun Catches On Fire." The right people had accumulated gold and ownership in gold mines, and by destroying the value of silver by legislative action their gold became exponentially more valuable. Brownell's connections left much to be desired as we shall see at the close of this month's report.)

"It so happened that the largest expansion in silver production because of new discoveries occurred at approximately the time of the Franco-Prussian War of 1870-1871. Germany made its indemnity payable in gold, and to make that gold the more certain, both in receipt and value, abandoned the free coinage of silver and in 1875 commenced to sell silver formerly used as money. This action forced the Latin Union and all other European nations likewise to abandon free coinage at a fixed ratio within a few years. Even the United States, although then on a paper basis, passed the famous Act of 1873 officially terminating the coinage of silver dollars."

(German internal affairs were intertwined with those of Great Britain by means of Royal interrelationships. Queen Victoria married Prince Albert, son of Duke Ernst I of Saxe-Coburg in 1840. The reign of King George V started in 1910 and the German titles were still in use, but by 1916 public sentiment was strong against Germany. The Crown decided to change its family name to Windsor. Many members of The Pilgrims of Great Britain trace their lineage to old-line European royalty in multiple nations. The British had been fighting silver as money much longer than that. At the close of the Napoleonic Wars, by 1816, Britain was the resolute foe of silver

as money---even though she still used it! She was against others having their own money supply. In 1797 the Bank of England suspended specie payments. The power to create money out of nothing could be the power to control the planet, and the British realized that centuries ago.)

"When the United States resumed specie payments in 1879, it was a debtor nation. The rapid expansion (end page 235) of its railroad system and its ever advancing frontier had caused the borrowing of huge sums of money. Many felt and thought that the failure to use any silver in its monetary system would lead to a great appreciation in gold and correspondingly increase the burden, if not actually cause the bankruptcy, of the large debtor class, which was most powerful in the more newly settled sections of the country---the great West especially. The creditor class, on the other hand, feared lest "cheap money" would result in payment of indebtedness in a depreciated currency; hence, the long controversy over silver ending in 1896."

(Silver depreciated because powerful personages in several nations collaborated to make it happen! Who would most benefit by demonetization of silver? Why, those poised to foreclose on countless properties of every description, when silver could not be used as payment! This is why I have encountered several mentions of the allegation that the Crown owns most of the land in America. So much Western land is owned by the Federal Government, and some day, that control might officially pass into title by Crown associated financiers.)

"The discovery of gold in the Klondike in 1897 and the rapid development of the Rand---greatest gold field ever found---shortly after gave a very large increase in volume of new gold production and ended fears of an appreciation of gold for the time being. Then came the World War, and the United States changed from a debtor to a creditor nation, and its whole economic outlook took on an entirely new phase. After the World War, a further demonetization of silver took place. Many nations, following the lead of Great Britain, lessened the silver content of their subsidiary silver currency. Many others, like France and Belgium, entirely abandoned the use of silver."

("Following the lead of Great Britain," understand that, and you understand where the nerve center of the silver suppression is!)

"Both classes proceeded to sell the silver formerly used as money on the open market. Even India, whose people hold more silver than any other country, went from its former gold exchange basis to a gold bullion basis, and in order to maintain its gold reserves back of an issue of paper rupees, ***ANNOUNCED AN INTENTION TO SELL SILVER FORMERLY USED AS MONEY TO AN EXTENT OF POSSIBLY 500,000,000 OUNCES***, or about two years mine production of the world."

(That announcement by the Royal Commission on Indian Currency, was put out in 1926. The British Empire started another huge worldwide campaign against monetary silver, and against the value of silver as a commodity. The British goal has always been to place the whole world on a fiat basis.)

"Such action caused the price of silver, which had held at over sixty cents per ounce since the War and which had averaged about fifty five cents an ounce from 1900 to 1914, to fall at first gradually, later more rapidly, until it reached a low of twenty five cents an ounce; it is now about thirty cents. ***SUCH A FALL IN PRICE WAS DUE SOLELY TO SALE BY GOVERNMENTS OF SILVER FORMERLY USED AS MONEY.*** this is proved by the fact that the consumption of China, the Indian people (as distinguished from the Indian Government) and the arts, and the demand for subsidiary currency by those nations still using silver for that purpose, were in every year more than the current mine production of silver."

(Here in mid-2007 it may be uncertain how much silver all governments hold that can be dumped to suppress prices for the benefit first, of fiat systems and secondly, for industrial users. What is certain is that the quantity of such silver not in resolute hands is far smaller than ever. The tide cannot be held back to infinity!)

"The fall in silver price not only greatly disturbed the business of India and China (both of which are now seething with unrest and revolutionary tendencies), but also seriously affected the gold using nations, because subsidiary currency was thrown into the class of paper issues and made an additional load on the gold reserves of each nation---entirely so where the use of silver had been abandoned, and proportionately so where silver content was lessened and fell in price."

"This additional burden thrown upon gold may have been the proverbial straw that broke the camel's back. Certainly events following shortly have

been amazing. With the exception of France, Switzerland, Holland and the United (end page 236) States, there is scarcely a country on earth whose monetary system is at theoretical parity today. Great Britain, Australia, India, Norway, Sweden, Denmark and Japan are avowedly off the gold standard. Germany, Canada, Italy and most central Eurpoean countries, while still theoretically on the gold standard, have their moneys at greater or less discount---that of Canada at this writing being twenty percent below its parity as measured in United States dollars. Many countries (for example, Canada, Germany, Italy and others) have embargoes on gold, or a heavy tax, or its equivalent, on exportation, and many are controlling their exchanges so as to preserve their gold holdings as much as possible. The moneys of South and Central America present the same picture, except that Mexico has boldly gone to an avowedly silver basis. China is solely on a silver basis."

(Roosevelt's Silver Purchase Act of 1934 would derail China's silver system, already under long generations of British attack, especially during the Opium Trade.)

"THE RESULT IS A PERFECTLY APPALLING CHAOS IN THE MONETARY SYSTEMS OF THE WORLD. No similar era of entire disorganization, of utter demoralization of exchanges, has ever before existed, even in the days of the War (for example, Norway, Sweden, Denmark, South America, etc.) had their moneys at full parity. Under such monetary conditions it is impossible for international business to be conducted on any normal basis or to any normal extent. Foreign trade (always assuming that tariffs will permit of any at all) can be carried on freely only on a basis of stable moneys of the trading nations. It is no answer to say that in the present crisis the countries with sufficient gold (France and the United States) are suffering as much as countries off the gold basis. Obviously those two countries cannot do business only with each other, and if they seek to do business only with other countries, they immediately run into the question of monetary stability."

(The lack of restoration of silver as money in nations where it was demonetized was a prime factor---some believe the main factor---in the coming of the second World War. But the main factor undoubtedly was that the British and American elites wanted another major war and planned for it to take place. Descendants of these lunatics are planning the next big war. If they had to go to the front lines instead of those deceived by patriot, guess what, there would be peace instead!)

"Without normal trade it seems impossible to liquidate the enormous and unprecedented indebtedness---national, municipal and private---now owing between the nations, not to mention that owing by debtors to creditors in the same nation. One of the necessary steps to be taken on the road back to prosperity is to restore to a basis of stability the moneys now so widely fluctuating from day to day. Can this be done with gold as the sole basis of the world's monetary systems? Heretofore in the world's financial history there has been a precious metal base of some extent to each money system or no base at all other than the solvency, the financial integrity and the continuity and perpetuity of the government issuing the money. Paper money not backed by a sufficient metal base necessarily rises, falls and fluctuates in value with the varying fortunes and conditions of the nation itself, as well as the changing opinions of successive governments in each nation."

"MOST DANGEROUS OF ALL IS THE INEVITABLE TREND OF THE FORCE OF POLITICS WHEREVER A MONEY SYSTEM IS NOT RESTRICTED BY SOME FIXED RELATION TO A PRECIOUS METAL BASIS. Governments, and democracies are no exception to the rule---generally tend to spend more than their receipts. If (end page 237) the monetary system is not tied to a precious metal base, thus being automatically limited in amount, the tendency towards an increase of issue in order to meet the wishes for expenditure becomes irresistible in the long run. ***THE END IS A WILD INFLATION AND INEVITABLE DISASTER***. A metal base in a money system is like a written constitution in government---a steadying influence which protects against hasty, thoughtless or emotional acts."

"MANKIND HAS CLUNG TO GOLD AND SILVER THROUGHOUT ALL THE AGES PAST BECAUSE OF DISTRUST OF THE ABILITY OF ANY GOVERNMENT TO REMAIN LONG UPON A PAPER MONETARY BASIS NOT SUPPORTED BY PRECIOUS METAL AND TO KEEP THE SAME AT PAR. ALL HISTORY FAILS TO SHOW AN EXAMPLE OF A GOVERNMENT SUCCEEDING IN SUCH AN EFFORT. There have been a few instances of a temporary use of paper alone during and immediately following a war (for example, the United States during and after the Civil War), but always associated with a fixed and announced intent to resume a precious metal base as soon as possible. Even in such cases a heavy loss usually occurs because of the inflation."

"Thus, after the recent World War the entire gamut was run, from total loss by those holding the paper issues of Germany, Russia, Austria and others to about eighty percent loss in the case of France and Italy. Great Britain alone, of those driven to paper money issues, attempted to resume at par, and after the most heroic effort was forced to abandon the project, to the great loss of foreign holders of English paper money at the time."

(It may have looked like a heroic effort to Brownell. British leadership and finance cannot be trusted. IMO, it was a sham and a pretense and they intended to burn as many victims as possible.)

"Such recent examples among the most powerful, most highly developed and intelligent nations of the world have but confirmed mankind in its historic and instinctive, if not intuitive, opinion that ***NO PAPER MONEY, UNLESS TIED TO AND RESTRICTED BY A PRECIOUS METAL BASE, CAN LONG DESERVE AND RETAIN THE CONFIDENCE OF THOSE WHO HOLD OR USE IT."***

(Presidents Jackson and Van Buren had the best idea of all---there is no need to use paper money at all. Disregard "guarantees" of redemption of notes! All circulating money should be coined!)

"The important questions then are---what should be the precious metal base, and in what proportion to the paper issue it supports. Obviously the latter question is important, for whatever paper money is issued is not covered by a precious metal base is, and must be, the mere unsecured promise of the issuing government. Now, the promise of the United States, Great Britain or France is far more valuable than that of Nicaragua, Haiti, Turkey or Russia. Hence, the less dependable the issuing government, the greater should be the precious metal base supporting its paper issue."

(We wouldn't perhaps be so hasty to include Russia in his second list today, as it exhibits more interest in adding gold reserves than Britain or America. Russia also seems interested in holding its Siberian silver from export, as seen in the examples of two top tier silver companies who used to have interests there!)

"The total monetary stock of gold in the world is estimated at about eleven billion dollars. Of this, the United States and France now hold about six billion dollars, something approximating forty dollars per capita of population. France has more per capita than the United States. Neither country believes it has an undue or unnecessary amount of gold. Both would regard any material loss with anxiety and alarm. But if two of the strongest, richest and most dependable nations require forty dollars of gold per capita, the less strong, less rich and less dependable should have at least as much. The World Almanac estimates the present population of the world (end page 238) at two billion persons."

"If, for conservatism, we reduce the estimate fifteen percent, plus an additional two hundred million as an ample estimate for the peoples still in the primitive stages of savagery or barbarism and using little or no money, we have one billion and a half as the really commercial population of the world, including India and China. The same average of gold per capita as in the United States and France would require about sixty billion dollars of gold, or roughly five and one-half times the present total supply in the world."

(Carothers must have been in a contortion reading this! And keep in mind, he who presents his case after the opposition has rested, is in position to undermine the first case while building his own.)

"Using our same estimate of one billion and a half of world population in nations of real commercial importance, we have less than seven dollars and a half of gold per capita, even if some way could be found to distribute the world stock of gold among the nations proportionately to population."

(This was at a time when gold was valued at $20.67 an ounce, and had been fixed by statute at that price, actually since 1879 with the start of the Resumption Act. It was a fiat money inspired price cap. Shortly afterwards as we know Roosevelt boosted the price to $35, but what was the good of that, since he also outlawed citizens from owning gold? As far as distributing wealth equally among everyone, such a goal is totally impossible and in many ways undesirable. Why should an idiot with no sense for managing business affairs have the same funds as a brilliant organizer?)

"Of the total of eleven billion dollars of world monetary gold stock, about five billion is owned outside of France and the United States. If from the one billion and a half of commercial population we subtract that of India and China as silver using countries, and also that of France and the United States, we would have only about eight dollars per capita of gold for the remaining countries of the world, comprising among them Germany, Italy, Japan, and all other countries of Europe and North and South America, except France and the United States. If we include India and China, we would have less than four dollars per capita. (Both these nations must ultimately be included if the world is to be on a gold basis. India has already adopted a gold bullion basis, although at present following the pound

sterling to a paper basis. Professor Kemmerer has recommended the gradual adoption of gold by China. That country inclines to adopt his report, but cannot get the necessary gold---if at all---except by slowly absorbing from gold using countries payments of balances of trade in its favor.)"

"The mathematical argument that the monetary stock of gold in the world is not adequate is further supported and demonstrated by experience. If gold is insufficient in quantity, it enhances in value as expressed in commodities. The same amount of gold purchases an increasing amount of commodities. This is exactly what has been happening for the last five or six years, beginning as far back, at least as 1926---long before the explosive end of the speculative era, which undoubtedly accelerated and increased the rapidity of what was already taking place. Measured in commodity prices, a dollar of gold will now purchase approximately twice what it would seven years ago. ***DISASTROUS CONSEQUENCES HAVE FOLLOWED***."

"The whole industrial, commercial and financial order has been disorganized. The payment of debts and taxes has practically doubled in burden. The farmer who voted for good road or schoolhouse bonds when one bushel of wheat would pay a dollar of tax must now supply two bushels (or more) to pay the same dollar of tax. All debts incurred between about 1917 and 1929, if they are paid now, yield the creditor nearly twice the purchasing power the same amount of money had when originally loaned. The (end page 239) debtor must, in effect, pay twice what he borrowed besides the interest."

(All thanks to the British attack on silver values that started at a new level in 1926!)

"Can he do it? Is it fair that he do it or suffer bankruptcy if he cannot? On the other hand, is it not equally unfair and unjust that the creditor receive less than he gave? Should not our monetary system be at once flexible and stable, so as to permit of considerable change, but always insure to creditor and debtor alike that the one shall receive and the other repay exactly the amount loaned in money of the same purchase power, plus of course, the agreed upon interest? ***IS NOT SUCH A SYSTEM POSSIBLE IF SILVER IS USED TO SUPPLEMENT GOLD***?"

"Looking backward, we can now see that the recent great appreciation in gold or fall in commodity prices was inevitable if the supply of gold remained constant. The War produced a great inflation in prices. When the inflating process ended, how, on a gold basis, could we help returning to the pre-war level of prices? The mine production of gold had not kept pace with increased population, and normal yearly increase of commercial transactions. The highest level of gold production ever reached was in 1915. The normal increasing rate of world business and world population requires an increase in mine production of gold each year, which has been estimated by the Gold Delegation of the League of Nations at a minimum of two percent. This estimate calls for an increase of gold production of approximately thirty-four percent between 1913 and 1930. Instead of any such increase, there has been an actual decrease of approximately ten percent. In the seven year period 1907 to 1913, gold production totaled 153,207.000 ounces, which is 16,569,000 ounces more than the production for the last seven years, 1924 to 1930, of 136,638,000 ounces."

(Obviously another path, and one which we must follow today, is to let purchasing power of precious metals rise---that, in combination with achieving maximum production. As for those who would say, gold alone is money, how small a unit of physical measurement is it practical to have in a gold coin, so that even the poorest of the poor could some day have just one such coin? We must have metals other than gold, and silver is the first clear

choice; after that, copper. It should not be necessary to move lower down the value scale.)

"Looking forward, there is little probability that the gold production of the world can be very materially increased. True, a fall in labor and supplies will make workable ore not previously profitable. But such increase will, on the whole, not more than offset the normal decrease from exhaustion of mines now working."

(Wow, this principle was recognized by a true authority on the subject over 75 years ago. It has become even more forcefully true as of 2007. Gold and silver are such valuable assets and I appreciate having my own little mountain range of it. Like the Texas bumper stickers used to say, "If You Don't Have An Oil Well, Get One!" Just wait until the worth of gold and silver cannot be hidden by such conniving trickery as we've seen so much of!)

"For example, the Rand, which now produces about one half of the total yearly mine production, has reached its apex and will begin to produce less about 1935. There is little probability of discovery of new gold fields of major importance. Gold is more easily found and has been more eagerly sought than any other metal. Alluvial or placer deposits are especially easily discovered and have now been practically exhausted. Vein mines may still be found, but the mining engineer who knows of the intense search of the last thirty years, and especially since the airplane and hydroplane have made hitherto remote places relatively easy of access, as in Canada, Africa and New Guinea, entertains but little hope of discoveries of a magnitude approaching the California, Australia and Klondike finds, not to include the Rand, which ranks by itself. Failing one of these, the production of gold will greatly lessen in the next ten years, unless saved by a further drastic fall in cost of labor and supplies."

"We reach, then, the conclusion that gold has for some years has been, is now, and will continue to be, insufficient in quantity to afford (end page 240) alone an adequate basis for the world's money systems. It must be aided and supplemented in the future by its old ally---silver. The world went too far in so completely discarding the latter. It has found itself unable to have a stable monetary system without it. It must now retrace its steps, learning from the experience of the past and modifying the restoration of silver with that experience in view."

(Now we don't even officially have gold either, for almost 36 years! Computer programs, government intervention and legal tender laws still cannot impart fundamental wealth to paper or computer entries where there is no innate essence!)

"For nearly two generations the economists and financiers have taught that fixed ratio bimetallism is impracticable---that always one metal will be changing in volume, and hence in value, as compared with the other; the cheaper for the time being displacing the dearer and becoming the sole medium of payment of debts, to the injury of the creditor. Fixed ratio bimetallism raises at once the question of ratio, and obviously this raises the great debatable question of amount of inflation desired. Let us take an example---suppose the ratio of 20 to 1 is adopted. The present world production of silver is normally about 250,000,000 ounces, equivalent at 20 to 1 to 12,500,000 ounces of gold. Gold production is now about 20,000,000 ounces per annum. The effect, then, would be the same as if gold production were increased sixty two and a half percent per annum."

"It is estimated that the world has produced 15,000,000,000 ounces of silver since 1492. Much of this is doubtless lost and much is in India and China and would probably remain there. But under free coinage, a large amount would be offered the mints. If eleven billion ounces, this would, at 20 to 1, in effect, at once double the amount of monetary gold in the world. Doubling offhand, and increasing the amount of annual production of gold thereafter by sixty-two and a half percent, would cause a very great inflation of prices---far more than is desirable. Of course, no one could tell in advance, how much of present stock would be offered, but the possibilities are very great."

(I believe that cumulative silver production totals may now be in excess of 45 billion ounces mined since 1492.)

"But fixed ratio bimetallism is not the only way of restoring the necessary silver to the monetary systems of those nations that have abandoned it or lessened its use. In returning to the use of silver without going too far at once, it would seem wise first to retrace the steps of demonetization last taken, and to resume the pre-war use of silver---all nations ceasing the further sale of silver and returning to its use, as from 1900 to the War. This action would relieve gold reserves of the burden of subsidiary coinage and

would tend rapidly to revive the pre-war status with silver using countries, especially China and Mexico, making trade with those countries more stable and increasing the possibilities of business."

"But a still further use of silver seems necessary in order to raise the present low level of commodity prices. Instead of going to a fixed ratio bimetallism, some form of the many suggestions for partial use of silver with gold might be adopted. In general, these provide that a given unit of paper money, say each thousand dollars, should be supported by precious metal, to some specified extent, say, from forty to sixty percent. Of this metal, two-thirds or three-fourths should be (end page 241) gold, always of the same value ($20.67 per ounce). The remaining one-third or one-fourth might optionally be silver---not on a fixed ratio of value to gold, but at its market value averaged over a period of say, the last six months. For example, suppose each $1,000 of paper money is to be backed by fifty percent in metals, of which three-fourths is gold and the other one-fourth optionally silver at market value."

"Each $1,000 of paper would then need a gold backing of three-fourths of fifty percent of $1,000, or $375. The remaining $125 might be in silver. If the price of the latter is twenty five cents per ounce, 500 ounces of silver would be required. But if the price of silver were fifty cents per ounce, only 250 ounces would be necessary."

(The fact that Brownell was suggesting only fifty percent redeemability is disappointing and could have something to do with a bank board he was on. We will consider some details about him not found in any of his articles at the close of this month's report.)

"Some such plan (several variations have been suggested) avoids the principal objections to fixed ratio bimetallism---(1) That of too great and too sudden an inflation because of too great an expansion in the metal base. This is controlled by the proportion of silver fixed in the original limitation. For example, one-fifth silver value in the base of all money systems would be the equivalent of an increase in present gold stocks of twenty-five percent, one-fourth silver value an increase of thirty three and one-third percent, and so on. (2) Variations in price of silver due to mine production would be immaterial since, if the price fell because of increase in mine production, a greater volume of silver would be necessary, and vice versa."

"(3) When and if gold production increased, the use of silver could be lessened. (4) Great flexibility would follow, tending to keep the purchasing power of money more stable, to the great benefit of both creditor and debtor, as against a system where purchasing power now rises and then falls. (5) The plan in no way weakens the gold standard. Debts made specifically payable in gold would still be so payable, and all other benefits of a gold standard still remain unimpaired. The new money, however, should be legal tender for all taxes and payment of all debts not made specifically payable in gold."

"Plans of this nature can be adopted by any one nation. Combined action of the British Empire and the United States would probably be followed shortly by most commercial and industrial nations---quite certainly if also joined by France, Germany, Italy and Japan. ***IF SILVER IS NOT USED, HOW IS THE WORLD TO STABILIZE ITS MONEY SYSTEMS***? How is it to pay its debts and taxes on the present level of commodity prices? How is the present level of commodity prices to increase above the pre-war level (substantially the present level, as a whole) with gold increasing in value? Substantial increase of commodity prices seems necessary to meet debts and taxes. Is it not better to trust to a moderate use of silver (a metal used successfully as money for thousands of years, and still mainly used by nearly one half of the world's commercial peoples) ***THAN TO EMBARK ON A SEA OF "MANAGED CURRENCIES," WHICH IS BUT A NEW PHRASE FOR PRINTING PRESS MONEY? ULTIMATELY THE WORLD MUST CHOOSE BETWEEN PAPER AND SILVER***."
**********END**********

If you have had time to digest Brownells analysis, commentary and suggestions, we will now take a look at some of his personal background. I predict it will surprise---it did me, at first. Brownell was with American Smelting & Refining Company---ASARCO, in which the Guggenheim family was dominant. What he said about precious metals, in this article and others, mainly in the Mining Congress Journal, while less than perfect, were vast improvements over such as Rhodes Scholar Neil Carothers and fiat money activist John Maynard Keynes. ASARCO was sold in 1999 to Grupo Mexico in a deal worth about $2.2 billion. It immediately sold an ASARCO chemical division to Cookson Group for just over $500 million. Cookson is a long-time Silver Users Association member. Interesting details on ASARCO and Grupo Mexico appear at **www.answers.com/topic/grupo-**

mexico-s-a-de-c-v Grupo Mexico has dealings with London megabank HSBC, once on the Silver Users Association roster (until the early 2000's). Brownell worked for the Guggenheim family of Swiss immigrants who in 1901 bought controlling interest in ASARCO for $45.2 million---an enormous sum 106 years ago! Guggenheim Museum in Manhattan---

There is also a magnificent Guggenheim Museum in Bilbao, Spain, which has some definite interest in the Basques. In "Britain Against Silver" Part III, you will find a semi-detailed look at the Guggenheims, one of whom was noted to have said some good things about silver, as did Brownell. That Guggenheim also indicated willingness to go along with British stalling against an international conference on stabilizing silver! Perhaps that's why a Rhodes Scholar appeared on the Guggenheim Foundation board from 1925-1947, Carroll A. Wilson, general counsel to Guggenheim Interests (Who's Who, 1935, page 2554). The negative connections ("illuminated") of the Guggenheims are profiled at **www.gmexico.com/templates/aboutus/en-au01.asp** they state that the ASARCO acquisition was for $2.5 billion, and that it made them the world's fourth largest silver producing company and the third largest in copper.

Does most of Grupo Mexico's silver production go through the vaults of the Bank of Mexico, to be shipped to Silver Users Association members? It is a meaningful question worthy of investigation. Grupo Mexico has a director who heads Kimberly-Clark Mexico (Kleenex). John Robbins Kimberley, the paper products magnate behind the company, appeared in the leaked 1969 list of The Pilgrims New York.

The Guggenheims were similar in organization to the Rothschilds, according to Myers in "History of the Great American Fortunes" (1907, page 706) though assuredly far from as wealthy. So let's get to it about Brownell---it may surprise you to know that he was a director of Chase National Bank! It surprised me at first. This of course was the bank dominated by the Rockefellers and secondarily by the Astors---both Pilgrims Society dynasties---that is today part of what became JPMorganChase, with a very detailed record of hostility to silver prices. Certainly it has also been adversarial towards gold. As of the 1932 Who's Who, pages 409-410, Brownell was on the Chase board. The 1949 Who's Who, page 323, still shows him on the Chase board. Places such as that are hotbeds for Pilgrims Society members; however, it has never appeared that all such directors can be expected to be members---but the dominant ones, definitely. Petroleum cartelist John D. Rockefeller Senior in mid-1930's, approximately age 95, Pilgrims Society member and largest shareholder in Chase National Bank, grandfather of gold suppressor, third generation Pilgrims Society member David Rockefeller---

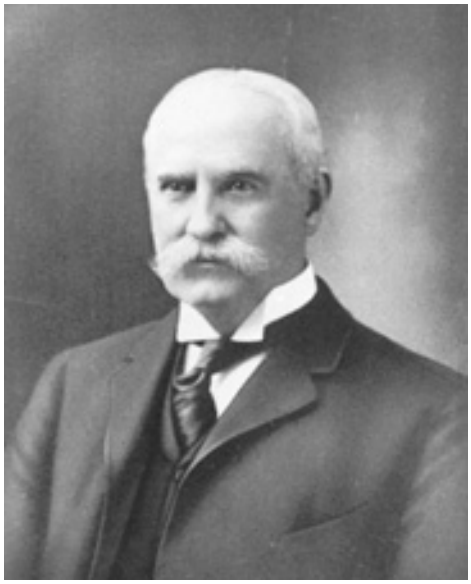
The 1932 volume also shows Brownell as Chairman of Federal Mining & Smelting Company, probably an ASARCO subsidiary. He was executive committee chairman of General Cable Corporation, which must have been obtaining quantities of copper from ASARCO and other Guggenheim firms. Brownell was chairman of the finance committee of Revere Copper & Brass and a director of First Seattle National Bank and Northern Pacific Railway, over whose lines the Guggenheim interests probably shipped huge amounts of concentrate and ingots. Brownell was a member of several Manhattan clubs interlocked with the Pilgrims Society---Bankers Club of America; Metropolitan; University; and Blind Brook. He was president of the Copper Institute for many years---

Brownell's mother was Anne Coggeshall, of a prominent Rhode Island dynasty tracing its roots to John Coggeshall, first president of the Colony of Rhode Island. His lineage traced back across the centuries to a 12th century Englishman, Thomas Coggeshall, who owned vast estates in Essex and Suffolk districts. Were the Coggeshall's Crown loyalists in Revolutionary times? Some records I saw indicated otherwise. I can also point out that the Society of the War of 1812 and other patriotic organizations have certain members who are also Pilgrims members---Crown and City of London financial collaborators. All I can do is present some of Brownell's background, contrast it to his remarks, and speculate. Whatever the actual truth is may be relatively unimportant, except to say---let us be aware of the associations of our leading mining executives. Which banks our mining companies use is also a matter of concern, or should be! Laidlaw, Coggeshall & Company was a significant Wall Street investment bank.

Thomas Coggeshall, born 1891 in Auburn, Rhode Island (page 570, 1960 Who's Who) held positions with Bankers Trust of New York; Bank of America; First National Bank of Boston and was with the Treasury Department in 1942. Francis Brownell Senior was also once president of the Washington State Bar Association. The Coggeshalls, Brownell's maternal heritage, over the centuries held interests in land, international trade and shipping, high seas whaling, Atlantic Mining Company (Arizona gold) and the San Francisco Chronicle, as well as being leaders in Rhode Island politics and government. There is a dialogue of Coggeshall family history at

www.rootsweb.com/~rigenweb/article1.html

Brownell's son, Francis Jr., born in 1898, graduated from Yale in 1919. Yes, he may have been a member of Skull & Bones. But what if instead he was a member of Berzelius; Book & Snake; Scroll & Key; or Wolf's Head? There would be no philosophical difference. They were all founded as British influence fronts. Much is heard of Skull & Bones, to the exclusion of these other four, and they shouldn't be excluded. While the Yale societies are the most important of their type in America, it should be pointed out that they have counterparts in other institutions. The Porcellian, originally called The Argonauts, was founded at Harvard in 1791 (41 years before Skull & Bones.) Its members included FDR's father and Pilgrims member Senator Nelson Aldrich, father of the Federal Reserve Act and grandfather of Nelson and David Rockefeller---



Cornell has the Quill and Dagger and the Sphinx Head Society; the University of Virginia has the Raven Society; Dartmouth has the Dragon Society and the Casque and Gauntlet; Stanford has the Hammer & Coffin; St. John's has the Skull & Circle; University of California at Berkeley has Skull & Keys and Winged Helmet; University of North Carolina has Gorgon's Head; University of Pittsburgh has the Druids; Wesleyan has the Corpse & Coffin; the College of William and Mary has the Order of the Crown and Dagger; and so forth. The classic film with Glenn Ford, "The Brotherhood of the Bell," 1970, is instructive
http://www.imdb.com/title/tt0066864/

None of these, including the important Yale group, constitute the apex of the establishment, for that necessarily transcends any one university.

Brownell's wife, Josephine Noble of Seattle, was a member of the National Society of Magna Charta Dames and Barons. According to **www.magnacharta.org** founded in 1909 it exists ---

"To perpetuate the memory of the Barons of England who in or before the year 1215 rendered actual service toward securing, and who, after many defeats, finally did secure the articles of constitutional liberty, property called Magna Charta, from their sovereign, John, King of England, which he ratified and delivered to them "in the meadow which is called Runnemede between Windsor and Staines," on the Thames, above London, on the 15th day of June, A.D. 1215."

The Magna Charta is a philosophical predecessor to our own Constitution.

In 1921 Brownell Jr. married Phyllis Twombley, of a family related to the Vanderbilts, one of the founding families of The Pilgrims. Brownell Junior was a director of Seattle First National Bank, a big regional operation later called Seafirst Corporation. Granted, the senior Brownell certainly seemed to be on silver's side, but how could he also have been a Chase Bank director? If you study the history of the British Empire and its American associates, it is all about making alliances, winning over wealthy persons to its purposes, or neutralizing or smashing them. It is meaningful to note that Charles F. Barber (born 1917) later headed ASARCO from 1971-1982 and was a Pilgrims Society and CFR member (1994 Who's Who, page 172). He was on the council of Rockefeller University and chaired the Copper Development Association, 1977-1979. He chaired the American Mining Congress in 1980-1983. The AMC merged in 1995 with the National Coal Association to form the National Mining Association. Ironically, Barber was also a Rhodes Scholar---ironic, since as one time head of ASARCO, Brownell butted heads with Professor Carothers, another Rhodes Scholar. After leaving ASARCO, Barber was associated with Salomon Brothers Funds and Shearson Lehman. For an overview of Lehman Brothers and its aggravated corruption, see "Nine Billion Ounces" in Archives.

Brownell Senior was a trustee of the Guggenheim Foundation. Another trustee was Charles Dewey Hilles Sr., Pilgrims Society (1931 Who's Who, page 1094). Hilles was assistant Treasury Secretary, 1909-1911 and secretary to President Taft, 1911-1913. Hilles chaired the Republican

National Committee, 1912-1916. He became a director of ASARCO; Anglo-Chilean Nitrate; General Cable; Fidelity Trust Company; Otis Elevator; New York Life Insurance; American Employers Liability Insurance; Missouri, Kansas, Texas Railroad; Marine-Midland Trust; and Bankers Trust New York. Hilles was a Guggenheim trustee, 1925-1949. His son Charles (Yale Skull & Bones 1924) became a director of International Telephone & Telegraph and New York Trust. His other son Frederick was Yale Skull & Bones 1922 and Order of the British Empire 1947. Hilles and the Guggenheims became early shareholders in J.P. Morgan's Standard Brands, and the Guggenheims had a 204 foot yacht called the Trillora ("America's 60 Families," 1937, pages 237 and 435.)

John N. Irwin II, Pilgrims Society, and brother in law to second-generation Pilgrims Society members Thomas J. Watson Jr. and Arthur K. Watson of IBM, was a Guggenheim Foundation trustee, 1966-1973. Irwin was Ambassador to France, 1973-1974 (Arthur Watson was also an Ambassador to France) and Thomas was Ambassador to USSR, 1979-1981. John M. Schiff treasurer of The Pilgrims Society was a Guggenheim Foundation trustee, 1965-1976 and a director of a big copper miner (Kennecott). Elliott V. Bell publisher of Business Week and The Pilgrims Society was a Guggenheim trustee, 1951-1972. Bell's daughter married Thomas Hoving, son of Pilgrims member Walter Hoving, head of Tiffany & Company, Silver Users Association members. Medley G.B. Whelpley of The Pilgrims was a trustee, 1939-1965. Whelpley was once president of the Bond Club of New York and partner in Guggenheim Brothers. Whelpley was involved in the Angolan diamond mining business, 1938-1944, comfortably away from the war in North Africa. Charles Ryskamp of the Morgan interests (Yale 1951) is an identifiable Pilgrims member today on the Guggenheim board and has served on the far larger Mellon Foundation board. Guggenheim's grandson has an extraordinarily unusual e-mail address findable at (I suggest you not bother him, but do as you please)--- **http://www.gf.org/gugg_fam.html**

I have noticed a few groups represented in The Pilgrims Society over the years who appeared to be in position to profit more from rising precious metals values, than from the issuance of paper money. Such members are not the hard inner core of the Society. They appear to be there because they represent significant wealth. Brownell Senior could even have been a member and still said things fairly positive on silver, but I think not. Lewis Douglas, a Pilgrims vice president as of 1973, once Ambassador to Britain,

was on the Newmont Mining board and argued against letting gold rise over $35 (see "The Conspiracy Against Gold," Archives.) However, don't look today for any mining executive on the board of any major bank to make statements favoring precious metals in the financial system. And don't expect any member of the Bankers Club of America to write an article favoring silver; Brownell was an anomaly, the odd man out. A big operation like ASARCO needed banking services from some organization. He must have held more of his wealth in mining interests than in Chase National. But as our world fiat currencies drift towards valuelessness, you may wonder how such an organization of kingmakers and world event brokers plans to maintain control with attempts to issue new types of synthetic money and force its acceptance. It is my hope that all their plans fail. We don't need either a British or an American empire or an expanded U.N.---just national sovereignty under the Constitution, with a gold and silver based exchange system.

Are any of you concerned as I am, that silver held by the Barclay's ETF is subject to be selectively dumped on the market in order to roll prices back? We who are suspicious of this may then consider whether we have an additional two year wait before seeing Butler's fabled $100 per ounce predictions. However, that would tend to coincide with the launch of an "Amero" currency for USA, Mexico and Canada. Really, the silver suppressors never give up and any possible "back-door" approach conceivable will be attempted in order to slam silver down months from now. If you own metal held for you by some institution or account, are you certain it's secure? Do you know its whereabouts? Owning metal that you don't know where it is too flawed. Would you be able to use it during a banking and currency crisis, for buying necessities of life? What about you big shots, who have no silver in sizes smaller than 100-ounce bars? Isn't that worse than those in gold who have no sizes smaller than one ounce? Have you looked after other items of crisis importance besides metals?

Will we see a repeat of the Great Depression with its tent cities, inflicted on the world by the silver suppressors, or some calamitous turbulence even worse? Does the American Economic Association, the Hitler Youth for the Federal Reserve System, care to comment on behalf of Neil Carothers?

To close, here's a tragically comical quotation from Newsweek, June 25, 2007, page 35---

"Foreigners prize dollars---especially $100 bills---as a store of value."

If you’re holding Ben Franklins in this form I suggest you convert them to Franklin halves instead, or beat the ground crying later.