SILVER TOUR OF CHINA 1931

December 2007 Presented By Charles Savoie

"THE BRITISH GOVERNMENT DETERMINED TO DESTROY SILVER AS MONEY."---Nevada Silver Senator Key Pittman, quoted in China Weekly Review, Shanghai, January 31, 1931, page 318

"***SILVER MINERS THROUGHOUT THE WORLD ARE VERY BADLY HIT***."---CWR, January 17, 1931, page 244

Present skyline of the City of London, at the center of 24 hour international banking time---

"EFFORTS WERE MADE TO INDUCE THE BRITISH GOVERNMENT FOR INDIA TO MODIFY SUCH POLICY, BUT SUCH EFFORTS FAILED."---CWR, January 31, 1931, page 336

"BUT THE WORST IS YET TO COME, BECAUSE THE BRITISH GOVERNMENT FOR INDIA STILL HAS SEVERAL HUNDRED MILLION OUNCES OF SILVER MONEY THAT IT INTENDS TO CAST UPON THE MARKET OF THE WORLD IN THE FORM OF BULLION. THE MARKET CANNOT CONSUME IT. THERE IS NOT A DEMAND FOR IT, AND SUCH A THREAT WILL HOLD DOWN THE PRICE OF SILVER AND IF CARRIED OUT MAY ABSOLUTELY DESTROY ITS VALUE AS A MEASURE OF WEALTH, AS MONEY, AND AS AN INSTRUMENT FOR THE CARRYING ON OF TRADE AND COMMERCE."---CWR, January 31, 1931, page 336

"THE PROGRAM OF THE BRITISH GOVERNMENT FOR INDIA HAS BEEN DESTRUCTIVE OF THE WEALTH, PURCHASING POWER AND PROSPERITY NOT ONLY OF THE PEOPLE OF INDIA

BUT OF EVERY COUNTRY THAT USES SILVER FOR MONEY AND INJURIOUS TO THE PROSPERITY OF THE WORLD."---Nevada Silver Senator Key Pittman, China Weekly Review, April 4, 1931, page 164

"A LARGE NUMBER OF CHINESE ARE FORCED TO LOOT TO LIVE."---Senator Key Pittman, CWR, April 5, 1931, page 164

"THE COMMISSION GAVE ITS IMPRIMATUR TO THE PROPOSED ABOLITION OF THE LEGAL RIGHT TO CONVERT NEW NOTES INTO SILVER RUPEES."---Foreign Affairs, New York, April 1931, page 445

"GREAT BRITAIN WAS EXPECTED TO TAKE THE INITIATIVE BUT THE BRITISH ATTITUDE IS RATHER TO DISCOURAGE THE HOLDING OF SUCH A CONFERENCE."---CWR, June 13, 1931, p. 53

"***CHINA IS HAVING THE HARDEST TIME THAT ANY COUNTRY HAS EVER EXPERIENCED.***"---CWR, June 13, 1931, page 54

"PRESIDENT HOOVER, DUE TO BRITISH OPPOSITION, HAS REFUSED TO TAKE ANY STEPS TOWARD CALLING A SILVER CONFERENCE."---CWR, June 20, 1931, page 85

China Weekly Review, January 10, 1931, page 204, "Silver Improvement Hopeless For Seven Years?"---

"A recent article dealing with the world silver situation which appeared in the London Financial News held out little hope for an improvement in the world silver situation for at least seven years, this being the extent of the period in which the Indian government is authorized to dispose of its silver stocks. The writer of the article claimed that since March 1927 the Indian government had disposed of approximately 90,000,000 fine ounces of silver in accordance with its policy of adopting the gold standard, but instead of reducing the Indian stocks, the amount under the control of the government had actually increased, the Indian government's present stock being estimated at 1,227,000,000 rupees (1 rupee equals 26 cents in American currency) which represents an increase from 850,000 rupees in 1927 when the government began to dispose of its stocks of silver."

"The reason for the increase in the Indian government's silver stocks was stated as being due to the disposal of private stocks of silver to the government for conversion into gold or government notes. The Indian policy of disposing of its stocks of silver resulted from the so-called Hilton Young Commission which recommended in 1926 the inauguration of a gold standard currency in India. In March 1927 legislation was enacted putting the plan into effect, it being recommended that the Indian government's stock of silver amounting to 850,000,000 rupees be reduced to 250,000,000 rupees within a period of ten years."

"In accordance with this policy some 90,000,000 fine ounces have been dumped on the market in the past three years, but as stated, the amount of silver in the possession of the government has actually been increased due to the desire of the people to dispose of their silver and convert it into gold or government securities."

(Some Indians wanted to jettison their silver before prices skidded lower.)

"In view of this situation ***THERE IS LITTLE PROSPECT FOR IMPROVEMENT IN THE WORLD SILVER SITUATION FOR AT LEAST SEVEN YEARS, PROVIDED OF COURSE THE BRITISH AUTHORITIES IN INDIA CANNOT BE INDUCED TO REVERSE THEIR POLICY OF DISPOSING OF SILVER STOCKS IN THE CONTROL OF THE INDIAN GOVERNMENT***."

"***CHINESE WHO HAVE MADE A STUDY OF THE SITUATION CLAIM THAT THE DECISION OF THE BRITISH AUTHORITIES TO INTRODUCE THE GOLD STANDARD INTO INDIA AND DISPOSE OF SILVER STOCKS WAS A CLEVER POLITICAL MOVE TO PREVENT INDIA FROM CUTTING LOOSE FROM THE BRITISH EMPIRE***, the gold standard plan being based on gold loans in London against which are issued gold notes for circulation in India."

(Yes of course sending India off its silver standard was a means for Britain to maintain covert control over India when they officially vacated in 1947, leaving the Reserve Bank of India to dominate India for Britain. That fit nicely into Britain's strategy to wreck monetary silver worldwide.)

"Regardless of the motives involved, ***THERE IS LITTLE PROSPECT OF AN IMPROVEMENT IN THE PRICE OF SILVER SO LONG AS THE***

INDIAN GOVERNMENT DUMPS LARGE STOCKS ON THE FAR EASTERN MARKET. THIS MAKES ANY PLAN WHICH AMERICAN FINANCIAL INTERESTS, OR EVEN THE AMERICAN GOVERNMENT MIGHT DESIRE TO ADOPT IN ORDER TO IMPROVE CHINA SILVER EXCHANGE, LARGELY ABORTIVE BECAUSE THE CONTINUOUS SALE OF LARGE QUANTITIES OF SILVER BY INDIA WOULD KEEP THE PRICE DOWN DESPITE ANY ATTEMPT AT STABILIZATION WHICH MIGHT BE ADOPTED BY AMERICAN AND MEXICAN SILVER PRODUCERS."

(We've seen for all our lives that as long as any governments hold significant stocks of silver, the Money Power can use its influence to cause dumping to suppress prices. Only by having silver out of the hands of government can values rise. The exception to this problem would take place if enough decent people were politically active as to force government to do what's right.)

"The article on the world silver situation which appeared in the London Financial News was accompanied by a chart showing the continuous decline in the price of silver since January 1929, to the low point which was reached last June, ***BUT RECENTLY SILVER REACHED A STILL LOWER POINT, THE LOWEST IN THE HISTORY OF THE USE OF THE METAL AS CURRENCY***."

"The slight improvement during September, October and November last year apparently was due to stabilization of the China political and economic situation, ***BUT EVEN THIS WAS UNABLE TO OFFSET THE UNCERTAINTY CAUSED BY THE INDIAN GOVERNMENT'S POLICY OF DUMPING SILVER ON THE WORLD MARKET. SO LONG AS IT IS KNOWN THAT INDIA WILL CONTINUE TO SELL, SECRETLY AS TO SPECIFIED DATES, LARGE QUANTITIES OF SILVER, THE EFFECT WILL BE TO KEEP THE MARKET UNSETTLED WITH CONSEQUENT PARALYSIS OF SINO-FOREIGN TRADE."***

(Always bear in mind that it was British governance over India---not India herself---that was seeking to wreck silver values.)

The China Weekly Review, January 17, 1931, page 244, "No Benefit To China From A Silver Loan" commented---

"The Mexican dollar in Shanghai today is worth between 22 and 23 American cents, ***SILVER HAVING ONCE MORE SAGGED TO UNHEARD OF LOW DEPTHS***. The result has been that silver miners throughout the world, and that means mostly in Mexico and in about half a dozen of the Western states of the United States, are very badly hit. Senator Pittman of Nevada, one of the silver producing states, has been active during past months in trying to get some sort of action which will help the silver miners. There has also been in session at Salt Lake City, Utah, during the week, and International Silver Commission, which endorsed Senator Pittman's scheme of a huge loan of silver to China. The sum proposed to be loaned was 200,000,000 ounces."

"The commission declared itself in favor of opening negotiations between the United States and Great Britain looking toward cessation of India's dumping silver on the world markets. The commissioners reiterated that depressed silver values must be recognized as a vital factor in the prevailing worldwide economic depression. They urged that all forms of organized industry support Senator Pittman's recommendations which, they said, they are confident will relieve industrial depression, allay social unrest and increase the markets among peoples whose buying power is now seriously impaired. The commissioners urged that an international silver conference be convened at once and for all with the white metal problem."

"All of this sounds very nice. But the question naturally arises---what is the use of lending China silver when she already suffers from having too much of it now? If the object of making such a loan to China is to bring up the price of silver, what benefit would it be, in any event, to saddle China with a debt in silver to be paid in the future when, if the object of making the loan is attained, the price of silver will be that much higher?"

(Actually, some interesting and provocative points. I conclude that Pittman's priority was to take care of the silver miners. We could use a few dozen like him today in Congress!)

"This aspect of the proposal to lend China cheap silver evidently impressed itself on T.V. Soong, the Minister of Finance, at present in North China, who is quoted as having said that he disapproved of a large silver loan to China, which proposal was "obviously detrimental" to this country. Mr. Soong is also quoted as having said that America was anxious to lend a large quantity of raw silver as the silver mines in that country were hard hit by the slump; but other means, he declared, must be found to restore a better exchange rate between gold and silver." (Discussion of the proposed silver loan to China took place in "Britain Against Silver" parts II and III.)

"R.J. Cromie, editor of the Vancouver Sun, has been writing some trenchant editorials recently on the question of the importance of stabilizing silver, the necessity of developing trade with China, and the advisability of America canceling war debts. An editorial printed December 12, 1930, is one that will make the average American wince a bit when he reads it. The following are extracts---

"The United States has not yet learned the value of taking a loss---England has. To a Yankee, as to every new or primitive people, it's a disgrace to take a loss, or to take a (start page 245) licking; whether in sport or finance or morals, the American demands the impossible 100 percent perfection; he simply must win. Americans should understand that today, as ten years ago, in 1920, the world stands on the brink of either financial chaos, or another era of economic prosperity. In the resuscitation of Asia's one billion population lies a path of financial progression that will easily equal, if not excel, the prosperous era of the last ten years. That prosperity will make the postponement, the writing down or writing off of a few million of war debts seem trivial."

"Let us excuse the Sun's little digs and note the point that it makes, namely that the writing down of the war debts would be a good business proposition for America. It so happens that no less an authority than Albert Wiggin, chairman of the Chase National Bank, took the same point of view at the meeting of the shareholders in New York. As reported by Reuter he said that the question of cancellation has an importance far beyond the magnitude of the debts involved."

(Wiggin was a Pilgrims Society member discussed in "The Conspiracy Against Gold" in Archives of Silver Investor.)

The CWR, January 24, 1931, pages 276-277, "Too Much Silver And Too Much Wheat" reported---

"With an over-supply of wheat in Canada and an over-supply of both wheat and silver in the United States, China has suddenly become important as a possible outlet for these two important products, one a food and the other a metal used chiefly for currency purposes. China has also become tremendously important to Great Britain as an outlet for the machinery and other industrial products of that country. Since the Chinese have always been credited with better than average commercial sense, it is most natural that they should be interested in all of these multitudinous offers to help China, but while interested they are not overlooking the fact that these Western businessmen and politicians are really more interested in helping themselves than they are in helping China."

(Probably true; point taken. However if any proposal would help China also, why should they have declined?)

"Behind all the talk pertaining to advances of vast quantities of wheat, silver, cotton goods, machinery etc. to China is the primary motive of self preservation on the part of various Western governments, the officials of which are now looking to the Orient for some panacea that might provide a short cut back to prosperity. Times of political and economic stress such as the present are always fruitful of quack remedies, hence our daily newspapers are now filled with schemes propounded by so-called exports, most of them self-styled, who tell us how to solve the wheat, silver, cotton goods, and other problems. And most of these solutions have a China angle; or to put it another way, "Why not get China to take our surplus stocks? Get China back on a producing and large-scale buying basis and that will start the wheels of prosperity moving again."

"The Chinese would be fools if they were not interested in these reports coming out of the West and double-fools if they did not understand the motives behind them. If Canada has too much wheat and wants to give large quantities to China, why shouldn't China accept the gift? If the U.S. has too much silver and wants to give some of it away, or at least lend it at low rates of interest, why not accept it? That, we imagine, is the way most Chinese feel on the subject, but we doubt seriously whether the thing will work out so easily and simply in the long run. In other words we imagine that when the smoke has all cleared away and when the problem of feeding China's starving millions and providing them with more silver currency is finally solved it will have to be worked out on sound business lines."

"The reactions, however, of Chinese officialdom at Nanking are perfectly understandable in view of the exaggerated reports which have been cabled to the Far East from the United States and Canada. To repeat, the Chinese would be most foolish not to take advantage of the situation which the economic depression has created in the so-called capitalistic nations of the West. Of one thing we may be quite certain, the world economic depression has been partly caused by political and the ensuing economic complications in Oriental countries. Western industrialists and their governments never took the revolutionary situations in the Orient---China, the Philippines, Indo-China, India---seriously and went on producing and even stimulated buying by installment selling. The result has been a grand smash that has caused political sentiment all over the world to swing to the left."

"The road back to prosperity is bound to be a long one beset with many obstacles, but of one thing we may be sure, there can be no return to prosperity in the West until the peoples of Oriental countries are again set on their feet, economically, financially and politically. This means a complete change in the relations of East and West and the sooner Western nations realize the situation the sooner they will be able to recover a measure of the prosperity they lost. Of one thing the Chinese may be certain, Western governments have enough domestic problems on their hands to keep them occupied; hence China need not worry much about outside interference."

"Europe is worried about the industrial depression and the possibility of proletarian revolutions. The League of Nations is worried about its own existence, hence has no time or energy for China's affairs. The present administration in the United States is afraid to face the next national election unless something can be done in the meantime to restore prosperity."

(Yet President Hoover refused to call an international silver conference!)

"As stated, any interest which these various Western governments may now take in China's welfare, is based entirely on the motive of self-preservation---self-preservation for the West. Their sole reason for various offers to China which now fill the newspapers are motivated by self-interest, simply because China happens to offer a way out. The situation is favorable to China because it should enable the Chinese government and the Chinese people to obtain better terms than they could have obtained had the West been in a prosperous condition. China's fate is therefore, practically in the hands of the Chinese people themselves."

(Things weren't so optimistic. China could do nothing to stop the British from pouring tidal waves of silver out of India. China knew nothing about a plan to denude her of most of her circulating and bank stored silver that was to commence in 1934.)

"They need have no fear of the old bug-bear of military intervention, at least from the standpoint of European nations or America, and as for the unequal treaties they will fall of their own weight because no Western nation has a sufficiently important interest in (start page 277) them to force their continuance. In special reference to various recent suggestions regarding silver loans, we are not so sure that something tangible may not shortly emerge from the present talk on the subject. For several years China has been on the black list of Western bankers. First there was the International Consortium formed by President Wilson at the Paris Peace Conference, President Wilson's motive being largely altruistic from the standpoint that he wanted to put an end to international financial rivalries in China, but here again one might say that the motive was self-interest because Western and Japanese bankers were ruining themselves by lending money to rival factions in China that had the effect of prolonging internal discord in the country."

(Bankers have a black list? I imagine that silver owners are at the top of it.)

"But after formation the consortium was gradually converted into a sort of loan monopoly which blocked further advances to China unless everybody was willing and of course, international agreement could not be obtained unless China could be forced to swallow all of the old loans on the lender's own terms. Japan would not support the consortium unless the other powers would include the Nishihara loans, and agree to Japan's monopoly in Manchuria. In view of changed circumstances in China, one wonders how much longer the consortium will be supported by the governments concerned. One wonders whether American bankers and the American government will continue to support the consortium, when it is discovered that an independent American financial policy might be better for American interests."

"If Senator Pittman and the representatives of American silver interests keep up their agitation for a direct silver advance to China on the part of the American government it is almost certain to force the hands of American bankers and bring them into the field because they would not like to see the government doing something they should do themselves for a profit. Shortly following the close of the World War, the American government and American financial interests dumped vast sums into Europe in order to save Europe from complete chaos. A similar situation is likely to develop shortly in respect to China, but as stated in the foregoing, the primary motive will not be to save China, but to save the Westerners themselves."

China Weekly Review, January 31, 1931, page 313-313 and 336, "Nanking's Views on the Silver and Financial Situation" reported---

"Recently there has been a tendency on the part of the foreign newspapers to place emphasis on certain alleged differences which have developed in the ranks of Chinese officialdom at Nanking in regard to foreign financing, the tendency being to split Nanking into two camps, one favorable to a silver loan and the other opposed. In other words it has been made to appear that Nanking is divided into two separate camps on this question, one being headed by Hu Han-Ming, head of the Legislative Yuan who favors a direct silver loan to China from the United States Treasury and the other group headed by T.V. Soong, Minister of Finance, who allegedly is opposed to a direct silver loan, but who nevertheless is favorable to a gold loan advanced to China through regular banking channels."

"While there are obviously different views held in Nanking on this question, it should be apparent to thinking persons that China is not responsible for this situation, China being more or less the victim of propaganda spread by proponents of various and conflicting theories pertaining to currency systems which are held in the West. Elsewhere in this issue of The Review appears an exhaustive article by Senator Key Pittman which is reproduced from the U.S. Congressional Record, our object not being to boost Senator Pittman and the silver theorists, but to assist in making clear the Chinese predicament on this question. Several months ago certain interests connected with the American silver mining industry approached certain Chinese officials and asked them whether a silver loan would be acceptable."

(The silver theorists! That is what someone in the media is waiting to call Salinas Price, Franklin Sanders and other silver money advocates!)

"They replied in the affirmative, of course, but while this was going on the National Finance Minister, T.V. Soong was working along different lines.

Mr. Soong's object has been first, to reach an understanding with the creditors who hold China's defaulted or imperfectly secured loan obligations and after that is accomplished, to discuss the question of new financing. Surely it cannot be so quickly forgotten that the National Government last year went to heavy expense in bringing out to this country the so-called Kemmerer Commission of Financial Experts. Dr. Kemmerer and his assistants spent a year in China making a study of financial conditions, following which the National Government was presented with a number of reports, some bearing on taxation matters, others dealing with domestic and foreign loans, others on the customs tariff and still others with currency reform."

(We already had a look at this Kemmerer and saw his Wall Street connections with the Dillon family of Pilgrims Society members.)

"Some of these reports have been published and others are still in the possession of the Ministry of Finance, but briefly Dr. Kemmerer recommended the inauguration of a gold standard currency and in addition is reported to have worked out a fiscal system which, if it could be put into effect might be expected to enable China to balance her budget, pay off her defaulted or imperfectly secured loans and generally modernize her national and provincial finances. Several of the Kemmerer recommendations have already been put into effect, notably the so-called (start page 314) "gold unit" system in the Maritime Customs and the recent inauguration of a new and modernized form of taxation to replace the antiquated likin or transit tax which constituted a serious handicap to domestic trade."

"While no recent statement has been made on the subject, Mr. Soong is supposed to be still favorable to the gradual introduction of a gold standard currency system into China somewhat along the lines recommended by Dr. Kemmerer, although such has become increasingly difficult due to the extraordinary slump in silver. But the slump in silver, while making it extremely difficult for China to go on a gold basis, or even pay her foreign debts, has, on the other hand also made it glaringly apparent that China must do something to bring her currency situation into accord with the systems of other trading nations which are on a gold basis. Mr. Soong, being a banker trained in the school of modern finance, naturally looks at these problems in a practical business like manner. He thinks in terms of loans and bond issues and balanced budgets and can envisage no other method of placing his country on a sound financial basis."

(The school of modern finance---monopoly on “money creation!”)

“But the silver advocates have other ideas. In the first place they do not want to see China, the last remaining silver using country, go on a gold basis. As Senator Pittman says in his article, the silver producers have seen one country after another outlaw their metal with consequent losses to the silver producers. With vast quantities of the metal on their hands, they hit upon the method of saving their own skins by proposing that the United States Government advance to China a large loan in the form of silver bullion. China would be expected to place this silver in her treasury as security against note issues and also for use in the coinage of fractional currency which would be used to pay soldiers, labor battalions and so on, the result being expected to increase the use of the metal and thus enhance its value.”

“The American silver producers would win their point if this scheme was adopted because the United States Treasury would be forced to replenish its stocks by new purchases of American mined silver. Bankers, exchange dealers and speculators almost unanimously profess violent opposition to this scheme, the consensus of opinion among them being that a large silver loan would tend to further depress silver prices. But these same exchange dealers also profess violent opposition to China’s going on a gold basis, hence one wonders regarding their real motive. Of one thing China may be sure, the professional exchange dealers in the treaty ports are not worrying over China’s welfare---they are considering the question purely in the light of their own livelihood---hence China should not permit herself to be unduly swayed either by local views or by the views of private interests elsewhere that may have a direct or indirect interest in silver production or speculative trade.”

“Whether a large silver loan would tend to further depress prices, cannot be determined in advance, but since present silver prices are a direct result of the working of the law of supply and demand based upon known world supplies, one cannot see how it could further depress silver prices if some of this silver was transferred from the United States to China where it might be put to work. At least so argue those who favor a silver loan. One certain effect it would have---it would place the Chinese government in possession of a large reserve of silver which it does not now possess. There are at present, large stocks of silver in Shanghai, but they are held by private interests, and due to the present exterritorial system the Chinese government has little or no control over them. Last year the Chinese government was practically powerless in preventing private foreign banks from exporting gold bars."

"With a large stock of silver in its possession, the Chinese government would be in a position to control the situation and by judicious buying and selling could control the market, just as the Japanese government does today in respect to the gold in its treasury. Although it cannot be determined in advance whether an American silver loan would depress or enhance silver prices, it obviously would be of benefit to the Chinese government to have a large stock of silver in its vaults, over which it possessed undisputed authority. The whole matter, of course, is still in the field of speculation, because the report of the Pittman Committee has not yet been made public and after it has been made public it will have to be passed through both houses of Congress before becoming law. There is a possibility that in the meantime the American bankers who, in their own interests should be concerning themselves with this question, will have become sufficiently courageous to give serious consideration to a direct commercial loan that would enable the Chinese government to refund its defaulted or imperfectly secured obligations and reestablish its finances on a sound basis."

"A consideration of the situation now prevailing at Nanking indicates that while there are conflicting views held on this question, the final object of both groups is the same---to obtain foreign financing for reconstruction purposes. What is likely to come of the present agitation no one can say because there is another report in circulation that the League of Nations is also in the field with a gold loan proposal. There was a report from Geneva that Sir Arthur Salter the League's financial expert and Robert Haas, expert on communications are on their way to China to consult with Nanking officialdom regarding financial and transportation projects. And in addition to these speculative reports, there is one very definite proposal---the British Parliament last week passed the measure providing for the return of the British share of the Boxer Indemnity to China, the major portion of which is to be used for railway construction. The amount available is said to be approximately 3,500,000 pounds sterling."

(We took a look at Sir Arthur Salter in "Britain Against Silver III.")

"Since the Parliamentary Act provides that this money must be expended for materials in England, it is obvious that American manufacturers and financiers must stir themselves, otherwise they will be left out in the cold in this important phase of development in China. With the largest available stocks of both gold and silver in their possession, it is not likely that American financiers will stand by and permit China's major construction projects to go to competitors." (end page 314)

"To refer again to the various loan proposals, the best suggestion probably has been made by Dr. H.H. Kung, Minister of Industries, who suggested that the two schemes be combined, or in other words that China arrange for two foreign loans, one in gold and the other in silver. The gold loan could be in the form of gold credits abroad which could be used in financing the government's purchases for reconstruction purposes, while the silver loan could be used for purely domestic purposes in China." (end page 336)

The China Weekly Review, January 31, 1931, pages 315-318 and 337, "Some Facts About Silver and the World Financial Situation" by Nevada Silver Senator Key Pittman, was reproduced from the Congressional Record. The CWR observed, "the article is of special interest in China due to recent discussions at Nanking regarding a possible American silver loan to China.") The Senator's remarks follow---

"What are the causes of the sudden and disastrous financial and commercial depression throughout the world today, and what are the remedies that may be invoked to restore normal prosperity? These are difficult questions to answer. They must be answered, and correctly answered, before any substantial or permanent relief can be expected. There is no doubt that in the stress of the moment, confounded by many political questions and distracted through the necessity of thought and action to meet temporary relief, these questions have not had the study that is required. Again, there are many contributing causes, some fundamental, while others are only of a temporary nature and affecting only particular localities."

"An attempted consideration of anything except fundamental causes affecting the world would be futile in any brief discussion of the subject. The fundamental causes, however, must be determined and a remedy for existing world distress must be found. Prosperity is dead, commerce is stagnant, products are dazedly and vainly striving for a market, while ***MILLIONS OF MEN AND WOMEN ARE SEEKING TO WORK THAT***

***THEY MAY LIVE AND THE MAJORITY OF THE PEOPLE OF THE WORLD ARE SUFFERING FOR WANT OF THE VERY PRODUCTS WHICH CANNOT BE PURCHASED*.”**

“Only a little over a year ago industry and commerce thrived, idleness was practically unknown, and prosperity prevailed throughout the world. The sudden change could be understood if there had been some great natural catastrophe. If floods or earthquakes or other great natural causes had destroyed great producing and consuming populations and centers of wealth and finance, the present situation would be comprehensible. The needs of humanity are as great today as they were a year and a half ago. The desire to purchase is unabated. And we are told by the highest authority that we are possessed today of all the potential wealth that we possessed at the beginning of 1929. A shifting of wealth from the masses of consumers to the investing capitalists, through the medium of stock market excitements and the subsequent crash, has undoubtedly had its effect.”

(Periodic cataclysms, engineered by the Money Power, strip the middle class of their accumulated savings.)

“Economists and financiers tell us that we are suffering from a reaction from overproduction. A year and a half ago there did not seem to be an overproduction because such production was being consumed. Isn’t the condition better expressed in the assertion that there is an underconsumption? If this be true, then what is the cause of the sudden and stupendous reduction in consumption? Our production in the beginning of 1929, in many commodities, had enlarged far beyond the demand or the power of consumption in the United States. Such surplus production was sold in the markets of the world. The markets of the world have ceased to consume a large portion of our surplus production, and such portion of the surplus production as is marketed is marketed ***WITH LITTLE PROFIT, IF NOT AT A LOSS.”***

“Take for instance, our production of cotton, wheat, copper and automobiles. The lack of foreign demand for these products has not only reduced the power to dispose of the normal surplus production but has so reduced the price of such products that there is little, if any, profit in such surplus production. This condition has cut off a supply of hundreds of millions of dollars that annually flowed into this country. There are probably several causes that contributed to the reduction of such consumption of our export products, but the main cause is undoubtedly the reduced power of our former consumers to purchase such products. What has affected the power of foreigners to purchase our exports?"

"President Hoover stated in his address before the American Bankers Association at Cleveland on October 2 that "the buying power of India and China, dependent on the price of silver, has been affected."

(Even though Hoover admitted that the fall in silver was what minimized the Far East's buying power, he nevertheless refused to call an international silver conference because his British pals opposed it!)

"Thomas W. Lamont, of J.P. Morgan & Company, recently stated one of the chief causes of world depression to be "the scarcity of gold and the depressed price of silver."

(Lamont was chairman of the executive committee of The Pilgrims Society of the United States. But because he admitted the cause of the depression, doesn't signify that he favored gold and silver as money. This bank, at all times infested with multiple Pilgrims Society members on its board and in senior management, has a lengthy history of opposition to rising precious metals prices!)

"Julius H. Barnes, chairman of President Hoover's National Business Survey Conference, said in an article that "a price of silver which fluctuated from $1.45 some few years ago to 35 cents today and yet symbolizes the credit and resources of great people could not but harm the business structure of the world." Similar declarations have been made recently by statesmen, economists, and financiers throughout the world. These unqualified statements by men of such character, standing and position lend dignity to the problem and eliminate the suspicion that any such consideration involves attack on the gold standard."

(Julius Howland Barnes, born in Little Rock on February 2, 1873, was a wheat exporter whose Barnes-Ames Company and Klearflax Linen Looms were both harmed by the British attack against silver. Barnes was a member of the India House Club in Manhattan---Who's Who, 1928, page 233.)

"The use of silver as money is not inconsistent with the gold standard. In fact, a majority of the people of the world and nineteen-twentieths of the leading governments have substantially no gold, ***AND USE SILVER ALONE AS THE MEASURE OF WEALTH, OF VALUES, AND THE INSTRUMENT OF TRADE AND COMMERCE.*** These governments can, by legislative act, declare that they shall be on a gold standard and that only gold shall be legal tender money for domestic and foreign debts, but such legislation will not obtain gold for them upon which to base the gold standard. In fact, several governments that have in the last few years adopted the gold standard have substantially no gold ***AND ARE COMPELLED TO USE SILVER AS THE MONEY WITH WHICH THEY MUST PURCHASE PRODUCTS AND PAY DEBTS."***

"Where are the 19 out of 20 governments to get the gold upon which to base the gold standard? Today there is only approximately $8,000,000,000 of money gold in the world. The United States has $4,500,000,000 of this gold, France approximately $2,000,000,000, England $850,000,000, while the remaining $650,000,000 must supply the needs of all of the rest of the world. Of course, if all governments scramble for their proper share of this little gold supply, then the price of gold must continue to go up. When I say the price of gold must continue to go up I mean that it will take more ounces of silver to buy a dollar's worth of gold. It will take more cotton, more wheat, more copper, more automobiles to buy gold. It is a known law of economics that when money becomes scarcer products become cheaper."

"If by any legislation or policy silver can be destroyed as a money, then there will remain only gold, and the demand for it will be proportionately increased. ***DURING THE LAST 54 YEARS LEGISLATION HAS BEEN ENACTED IN VARIOUS COUNTRIES AND POLICIES HAVE BEEN ADOPTED LOOKING TO THE CESSATION OF THE USE OF SILVER AS MONEY. THESE LAWS AND POLICIES REDUCED THE PURCHASING POWER OF SILVER BY COMPARISON WITH GOLD OVER ONE-HALF BY 1900***."

(54 years dated to 1876; so the Senator should have said "the last 57 years" to trace back to 1873!)

"From that time on until 1925 little new legislation was enacted or policies adopted changing the condition of silver, and therefore silver sought and remained at what was regarded as a normal value as compared with gold, or exchangeable for gold, around 64 cents an ounce. This remarkably uniform normal price existed by reason of the fact that the annual production of silver was remarkably uniform and the consumption measured up exactly to the production. The annual production has averaged about 250,000 ounces throughout the world."

"In 1926 the British Government for India adopted the gold standard for India and commenced to melt up and sell as bullion on the world market the silver money of India***. IMMEDIATELY THE PRICE OF SILVER COMMENCED TO DROP UNTIL, DURING 1930, IT HAS AVERAGED AROUND 34 CENTS AN OUNCE, OR ABOUT ONE-HALF OF ITS NORMAL PRICE***."

"The market for silver in the world could not consume this additional supply. ***THE FACT THAT THE BRITISH GOVERNMENT FOR INDIA HAS SEVERAL HUNDRED MILLION OUNCES THAT IT MIGHT DUMP ON THE MARKETS OF THE WORLD NOT ONLY REDUCED THE PRICE OF SILVER ONE-HALF, BUT, BY ITS THREAT TO FURTHER INDEFINITELY REDUCE SUCH PRICE, DESTROYED ITS VALUE FOR CREDIT***. The result was inevitable. Panic exists among more than half of the people of the world, whose buying power is measured solely in silver. It has cut in two the purchasing power of China, Mexico, South America, Asia, and several European countries. It has made credit transactions with such silver using (start page 316) countries practically impossible. The reaction has not only been felt in the United States but throughout the world."

(The chance that Britain didn't realize what the consequences of its actions would be, or that they did not intend such results, are less likely than that of any executioner who ever gassed the condemned.)

"The immediate remedy for this cause of world depression is simple. Let the powers of the world, led by the United States, persuade the British Government for India to desist from such destructive policy, and silver will undoubtedly be restored to its normal price of around 64 cents an ounce. Let it be remembered that 64 cents an ounce is not an exchange ratio of 16 to 1, but represents a value of about one thirty-second that of gold, or 32 to 1. It is not even the exchange price for silver coins in the United States or in any other country using silver coins."

(The United States, led by President Hoover, sat on its hands and let the British assassinate silver.)

"In the United States 50 dimes are exchangeable for $5 in gold. When 50 dimes are sold for a $5 gold piece it means that such silver is sold at the rate of $1.38 an ounce. The Government today, when it manufactures 50 dimes and sells such dimes to banks and trade for $5 in gold, receives for such silver $1.38 an ounce. It is not therefore suggested at this time that silver be restored to its parity price, but that it be restored to its normal price of 64 cents an ounce ***BY PERSUADING THE BRITISH GOVERNMENT FOR INDIA TO DISCONTINUE ITS ABNORMAL AND DESTRUCTIVE POLICY WITH REGARD TO MONEY SILVER."***

"I am of the opinion that our own government should not make a profit of $1.04 an ounce on the silver it buys from our mines through the sale to banks and the trade. Nor do I think that any other country should attempt to make such a profit on industry. I am firmly convinced that trade and commerce would be facilitated and economic conditions throughout the world greatly relieved if there could be an agreement between governments as to the price at which silver should be exchanged for gold. This would not injure the gold standard nor deprive it of its character as the base for money."

(None of the Founding Fathers believed that the use of silver coins would undermine the use of gold coins.)

"The stabilization of the price of silver through the agreement of nations as to its exchange value with gold would not be difficult of accomplishment. If governments should agree not to melt or debase their money silver, then the quantity of silver that would have to be considered in the stabilization plan would be quite small. Only annual mine production would be a factor to be considered. Silver mines, like gold mines, are quite limited. Even during the period when silver was selling at over a dollar an ounce, and large profits could be made from mining, ***IT WAS IMPOSSIBLE THROUGH THE EFFORTS OF LARGE EXPLORATION COMPANIES, WITH EVERY FACILITY FOR PROSPECTING FOR AND DISCOVERING MINES, TO INCREASE THE PRODUCTION OVER 25 PERCENT***."

(That foretells what is about to happen during 2008 and beyond. Silver supply will never catch up with demand.)

"Nearly two-thirds of the silver mined is recovered as a byproduct in the mining of copper, lead or zinc. When there is a great demand for such metals then we are in a prosperous era and then there is also a great demand for silver. When the demand for such metals in business and commerce decreases then the production of silver automatically falls. Consequently the average production of silver throughout the world has always been quite uniform and for the eight years preceding 1930 the world production averaged only 250,000,000 ounces annually. Let us see how and where that silver has been consumed."

"During that period the average annual consumption of India and China alone was 165,000,000 ounces. There were used in the arts and sciences in England, the United States, and Canada alone annually 40,000,000 ounces. This leaves only 45,000,000 ounces to be accounted for. Other countries besides England, the United States and Canada used silver in the arts and sciences and also for coins. In the United States we use an average of 8,000,000 ounces of silver annually for our coins, consisting of dimes, quarters and half dollars."

"From time immemorial India and China have consumed two-thirds of the silver production of the world and they will continue to consume ***IF THE PURCHASING POWER OF SILVER IS NOT DESTROYED***. So there is no danger of a dumping of silver on any country by reason of the fixing of a reasonable exchange value of silver for gold. There is no doubt that all of the countries which would enter into an agreement as to the exchange value of silver and, of course, if the three leading gold standard countries of the world, namely, the United States, the British Empire, and France, would enter into such an agreement there would be no abnormal movement of silver from one country to another on account of such established exchange value."

"Statesmen, economists and financiers agree that an emergency exists that requires emergency treatment. Some foreign statesmen and economists go to the extent of asserting that ***UNLESS THE PURCHASING POWER OF SILVER IS RESTORED THE WORLD IS THREATENED WITH INDUSTRIAL REVOLUTION AND THE REPUDIATION OF DEBTS***. Therefore, I suggest that the first and the immediate steps to be taken should be an agreement of governments to cease to melt and throw on the market of the world their money silver as a bullion commodity. I believe that this could be readily accomplished if the movement were to be led by the United

States through a conference of the fiscal agents of interested governments. The consummation of a program for the stabilization of the exchange ratio of silver with gold would undoubtedly require more consideration and might involve study and recommendation by a commission consisting of representatives of the various governments."

(We will see what took place in summer 1933 in a few more installments.)

"The President is now authorized by law to appoint such representatives for such purposes, and therefore no further legislation is required. The only act that will be attempted will be the passage of a resolution by the Senate submitting facts obtained by the subcommittee of the Foreign Relations Committee to the President with such advice as the Senate may deem proper in the premises."

"President Hoover, in his address before the American Bankers Association at Cleveland, on the 2nd day of October this year, in discussing the business depression in the United States and throughout the world, asserted that one of the causes of such depression was the overexpansion in production of certain commodities. The President said---"These major overexpansions have taken place largely outside the United States. Their collapse has reduced the buying power of many countries. The prosperity of Brazil and Colombia has been affected from the situation in coffee; Chile, Peru, Mexico, and Australia from the fall in silver, zinc and copper. The buying power of India and China, dependent upon the price of silver, has been affected."

(Brazil and Colombia had unsalable coffee inventories because of the loss of purchasing power by the Far East---and because of unemployment occasioned to North America and Europe by the silver collapse!)

"This is undoubtedly an accurate and profound statement. The President could have properly added that Mexico, South America, and other countries, constituting at least nine-tenths of the principal governments of the world, including India and China, and containing over one-half the population of the world, ***HAVE SUBSTANTIALLY NO MONEY EXCEPT SILVER***, and that their purchasing power is affected by the reduced price of silver. These silver using countries must exchange their silver for gold to purchase foreign products, and the reduction of the price of their silver one-half has reduced their purchasing power one-half. ***FOR THIS REASON CHINA IS ONLY***

PURCHASING HALF AS MUCH FROM US NOW AS SHE WAS PURCHASING IN 1929. The reduction in purchases from us by the other silver using countries is due to the same cause that has affected the purchases by China."

"In illustration of the accuracy of the President's statement as to the effect of the fall in the price of silver upon the purchasing power of countries that use silver as money, I call attention to the fact that statistics disclose that our exports to China, which is one of our great markets, have decreased over one-half since 1929. Similar decreases, yet not to the same extent, have occurred in our exports to South America and other countries where silver is used as money."

"The President's declaration that there has been an over-expansion of production is true in the sense that for several months the people of the world have not had the money to purchase and consume such production. The consumption of most commodities was greater in 1929 than it is at the present or has been at any time during 1930. It will be remembered that we heard little complaint with regard to overproduction in 1928 or 1929 OR ***UNTIL AFTER THE PURCHASING POWER OF THE AMERICAN PEOPLE AND THE PEOPLE OF MOST OF THE WORLD HAD BEEN GREATLY REDUCED***. Production is being reduced, while it may be necessary by reason of lack of consumptive markets (start page 317), has not brought about prosperity but has resulted in lessened profits, increased unemployment and a world problem,"

"The world is not suffering from overproduction but from under-consumption. The problem confronting the world today is not one looking to the reduction of production but to the restoration of power for consumption. Business genius and government statesmanship should be earnestly and intensely directed to the encouragement of a return to normal consumption by the removal of all obstacles which have brought about depressed consumption in the United States and throughout the world."

"We have grown out of the period of national isolation. Today the world moves as a world. The telephone wire, the cable, the airplane, vast ships, and the radio, together with all the genius that business has been able to develop in the field of world commerce, have all combined to unite the races of the world into what we know as the world market. Nations may no longer live unto themselves. The interchange of world commodities is the biggest business there is today. And both statesmen and businessmen should remember that there are more people in the world today than there were before the stock market crash in 1929. They have the same requirements now as they had in 1929. They have the same ambitions and the same longings for the luxuries of life. There are more people wanting shoes today than there were a year ago, and more wanting chemicals and oils and machinery and automobiles and wheat flour and rice, and everything that is produced. There are more human beings to clothe and countless thousands more to feed. If people were enabled to purchase what they need the production of 1929 would be an underproduction in the enlarged market."

"The return of wealth and prosperity to the people of the United States depends primarily upon the ability of producers to dispose of their surplus production at a profit. Such surplus production is disposed of through our exports to foreign countries. ***THESE EXPORTS HAVE DECREASED AT A SERIOUS RATE SINCE THE LATTER PART OF 1929, AND ARE STILL STEADILY DECREASING***. Not only have our exports decreased, but the necessity for disposal of such surplus production has so reduced the price that profit upon sales in many cases has ceased to exist."

(The silver suppressors once again exerted themselves against real money, with shattering effect on the world!)

"***SO GRAVE HAS BECOME THIS SITUATION*** that even in the early part of 1930 that the Senate of the United States passed a resolution introduced by me authorizing and directing the Foreign Relations Committee of the United States Senate, or a subcommittee thereof, to investigate the conditions of our commerce with China, the cause of the decrease in our exports to that country, and to suggest such remedies as might appear advisable. The subcommittee is composed of Senators Hiram W. Johnson, Claude A. Swanson, Arthur H. Vandenberg, Henrik Shipstead, and myself as chairman."

(Hiram Johnson, 1866-1945, as Governor of California, 1911-1917, butted heads with the Harriman family (Pilgrims Society) controlled Southern Pacific Railroad, and was a "hard money" Senator, 1917-1945)---

“The committee since its appointment has been taking testimony of bankers, exporters, importers, shippers, and other experts, and giving careful study to the question. The evidence discloses that our exports to China so far in 1930 are on the average one-half what they were during the same period in 1929. Exporters testified that any business now done with China must be done on a cash basis, ***AS THE UNCERTAINTY OF SILVER EXCHANGE MAKES CREDIT TRANSACTIONS PRACTICALLY IMPOSSIBLE***. Exporters of flour testified that although people in China were starving for food, their exports of foodstuffs had practically ceased. All of the witnesses agreed with the President that, “the buying power of India and China, dependent upon the price of silver, has been affected.” ***THESE WITNESSES DESCRIBED THE GRAVITY OF THE SITUATION MORE STRONGLY THAN DID THE PRESIDENT.”***

(Naturally U.S. exporters to the Far East, suffering badly from the extreme drop in trade volume, would display more intense feelings than Hoover, who refused even to call a world silver conference, in league as he was with the British based global silver suppressors!)

“The Assistant Secretary of Commerce, Dr. Julius Klein, who for many years directed the Department of Foreign and Domestic Commerce and who is an authority on world commerce, says that one of the reasons for the loss in our export trade with China is the low price of silver. He adds---“China cannot buy as much goods from abroad for 36 cents as it could for 64 cents.”

The normal price of silver for the past eight years has been around 64 cents an ounce and it is now only 36 cents an ounce."

"Mr. Julius H. Barnes, chairman of directors of the United States Chamber of Commerce and chairman of the National Business Survey Conference, selected by President Hoover, in an article in the New York Times of November 2, 1930, emphasized the seriousness of the depressed price of silver---"***THE FATAL MISTAKE WAS MADE OF TREATING SILVER AS A COMMODITY, ALTHOUGH IT STILL REPRESENTED RESOURCES AND CAPITAL AND CREDIT TO MORE THAN HALF THE POPULATION OF THE WORLD. SILVER, WHICH HAD BEEN A STANDARD MONEY OF THE WORLD FOR 20 CENTURIES, WAS IN A FEW MONTHS TO BE TREATED IN THE MARKET AS A COMMODITY, WITHOUT MATURE CONSIDERATION AS TO THE EFFECT ON THE INITIATIVE AND CONFIDENCE OF A THOUSAND MILLIONS OF PEOPLE***. A price of silver, which fluctuated from $1.45 some few years ago to 35 cents today and yet symbolizes the credit and resources of great peoples, ***COULD NOT BUT HARM THE BUSINESS STRUCTURE OF THE WORLD***."

(The greatest transfers of wealth always take place when millions are losing their net worth due to government engineered catastrophes.)

"The President, in his statement, was discussing overexpansion of production, but the depressed price of silver cannot be explained in any discussion of "overproduction." There has been no overproduction of silver. Government statistics show that world production of silver in recent years is as follows---

1921	171,580,712 ounces
1922	209,828,662 ounces
1923	246,275,858 ounces
1924	239,680,209 ounces
1925	245,280,193 ounces
1926	253,806,386 ounces
1927	251,396,555 ounces
1928	254,000,000 ounces
1929	261,000,000 ounces
1930 (approximately)	225,000,000 ounces

"The figures speak for themselves. There has been but a slight normal annual increase in silver production and this small normal percentage of increase is noted at a time when the demands for trade and commerce were the highest throughout the world. It will also be noted that there has been a material reduction in the production of silver during each month of 1930 without resulting in any increase in the market price."

'THE AMAZING UNIFORMITY OF THE ANNUAL PRODUCTION OF SILVER THROUGHOUT THE WORLD MILITATES AGAINST ANY THEORY THAT AN OVERPRODUCTION OF SILVER COULD POSSIBLY HAVE BROUGHT ABOUT THE DEPRESSION. There was a time when certain financiers and economists imagined that there was an unlimited amount of silver somewhere that might be mined and dumped upon the world, but the world's annual production for 30 years proves the fallacy of any such presumption."

"I have referred to the statement of Julius Klein, Assistant Secretary of Commerce, who, among other causes, attributes the loss in our export trade to China to "the low price of silver." Let me explain the Assistant Secretary's statement---during the years 1920 to 1929, the average price of silver was approximately 64 cents an ounce. Let us understand that the price of silver is fixed daily by certain brokers in London, and that such price is universal throughout the world. For several months now silver has varied between 34 and 35 cents an ounce. In other words, it has dropped in 1930 to nearly half its average normal price during the preceding eight years. If silver had been too high during such preceding eight years, then such condition might have accounted for its sudden drop."

"But the prewar price of silver was 60 cents an ounce. So there was no substantial rise in the price of silver during the years referred to. If the price of silver had advanced during the eight years prior to 1929 as other commodities rose, then the average price of silver during such period of time would have been between 80 and 90 cents an ounce. So the fall in the price of silver cannot be attributed to the high price of silver. Was it due to overproduction of silver? It was not, because the world production of silver, as has been shown, has increased at but a slow and normal rate, and production of 1930, based upon monthly production to date, will be at least 15 percent below that of 1929. What, then, was the cause of the sudden, disastrous, and unnatural fall in the price of silver commencing in 1928 and reaching the low level in 1930?"

"Gold has been considered the rare and unchangeable metal, yet according to the statistics of the Department (start page 318) of Commerce in its bulletin called Economic Paper 8, it is stated---"In conclusion it is of interest to note that, although the value of gold to silver now stands at a ratio of about 40 to 1 and was formerly fixed in the bimetallic monetary standard at 16 to 1, the ratio of production of silver to gold in the whole period since the discovery of America has been about 14 to 1." The world became accustomed to the amount of the annual production of silver, and it adjusted its needs to such production. The entire annual production of silver was always consumed and absorbed, and yet there was no excess demand for silver. Whilst there has never been an overproduction of silver, ***THERE WAS AN OVERSUPPLY OF SILVER COMMENCING IN 1928 AND EXTENDING THROUGH 1929 INTO 1930. WHERE DID THIS OVERSUPPLY OF SILVER COME FROM?"***

"It came from the debasement of silver coins and from the melting of the money silver coins of India, then the circulating medium of that country and the dumping of such silver on the markets of the world in the form of silver bullion. The British Government for India decided to place India on a gold standard basis. There was substantially no gold in India, and Great Britain did not have sufficient gold for her own needs. India, since the dawn of history, has been consuming and absorbing about one-third of the silver production of the world. There are billions of ounces of silver hoarded in India by its 350,000,000 people in the form of jewelry and secreted in the ground. ***SILVER IS THE ONLY MONEY THAT THE PEOPLE OF INDIA KNOW; IT IS THE REPRESENTATIVE OF THEIR SAVINGS FOR AGES; IT IS THE MEASURE OF THEIR WEALTH; IT IS SUBSTANTIALLY THEIR ONLY INSTRUMENTALITY OF TRADE AND COMMERCE***."

"***AND YET THE BRITISH GOVERNMENT FOR INDIA DETERMINED TO DESTROY THIS SILVER AS MONEY AND TO SUBSTITUTE FOR IT A PAPER MONEY SUPPLY BASED ON A MISERABLY INADEQUATE RESERVE OF GOLD.*** Great Britain did not have the gold. As I said before, she has been unable to obtain sufficient gold for her own monetary system and for her own credit. It became necessary, therefore, for the British Government for India to buy gold as the basis of its gold standard in India. It apparently had nothing with which to buy this gold except the silver money of India. It had several hundred million ounces of silver in the form of silver rupee coins, or silver for redemption of silver paper rupee notes. It adopted the policy of melting up this money silver and selling it upon the markets of the world as bullion for the purpose of buying gold, estimated at something like $300,000,000, as a basis for its gold standard money in India."

(But the actual British intention was to abandon both precious metals---to pressure other nations to do so. The peak of British failure along these lines was during the De Gaulle years in France when that government leaned heavily towards favoring gold over dollars. But France has officials who attend Bilderberg, the closed door sessions for the "benefit" of transitory officials---people who have great power for a few years only---while the guiding lights remain elsewhere in the Society.)

"This announcement was looked upon in amazement not only by every silver producing and every silver using country in the world but even by the economists of gold standard countries, who realized that the gold of the world has a greater burden of credit based upon it than is actually safe. ***WHAT INDUCED THIS ACT IS INCOMPREHENSIBLE IN VIEW OF THE FACT THAT THERE ARE APPROXIMATELY ONLY $8,000,000,000 OF GOLD AVAILABLE IN THE WORLD'S MONEY***. Of this amount the United States has $4,500,000,000, France has $2,000,000,000, and Great Britain $750,000,000 which leaves only $750,000,000 worth of gold to supply the needs of all the other nations of the earth."

(Incomprehensible? Not at all considering that the British were driving towards a world money system without precious metallic foundation!)

"Efforts were made to induce the British Government for India to modify such policy, but such efforts failed. Since the adoption of such policy the British Government for India, from the melting of such coins and silver, has thrown on the market of the world silver as follows---

1927………….9,200,000 ounces
1928………..32,500,000 ounces
1929………...35,000,000 ounces

"I am unofficially informed that silver sales in India have continued in 1930. In addition to the sale of these money coins that were in use the following governmental silver was sold, derived from the debasement of silver coins---

(Demonetized British coins)---

1927……..…1,200,000 ounces
1928………..5,500,000 ounces
1929……....10,000,000 ounces

French coins---

1927……..…8,000,000 ounces
1928……....19,000,000 ounces
1929…..…...10,000,000 ounces

Belgian coins---

1928……….13,000,000 ounces

"So to the annual average mine production there was added in 1927, 1928 and 1929 from such unnatural sources a total of 133,400,000 ounces, or an average of 44,400,000 ounces annually. Thus, through the dumping of India and the debasing of coins elsewhere, it was as though a great new inexhaustible silver mine had been opened overnight, throwing out on the world market an unexpected and unnatural supply of silver, amounting to more than one-sixth of the entire world production in 1928. The natural law of supply and demand, reasonably constant over a period of a century, ***WAS THROWN INTO CHAOS BY THE SILVER DELUGE, AND FALLING PRICES ROBBED WITHIN A YEAR ONE HALF OF THE HUMAN RACE OF ONE HALF OF THEIR WEALTH AND THEIR PURCHASING POWER."***

(England is our "great ally?" The leadership of that country are the largest scale thieves to ever exist! And the most extreme warmongers!)

"In view of the fact that there was no excess demand for silver, is there any wonder that the price of silver was cut half in two? ***BUT THE WORST IS YET TO COME, BECAUSE THE BRITISH GOVERNMENT FOR INDIA STILL HAS SEVERAL HUNDRED MILLION OUNCES OF***

SILVER MONEY THAT IT INTENDS TO CAST UPON THE MARKET OF THE WORLD IN THE FORM OF BULLION. THE MARKET CANNOT CONSUME IT. THERE IS NOT A DEMAND FOR IT, AND SUCH A THREAT WILL HOLD DOWN THE PRICE OF SILVER AND IF CARRIED OUT MAY ABSOLUTELY DESTROY ITS VALUE AS A MEASURE OF WEALTH, AS MONEY, AND AS AN INSTRUMENT FOR THE CARRYING ON OF TRADE AND COMMERCE."

"THE BRITISH GOVERNMENT FOR INDIA BY ITS POLICY HAS STRUCK DOWN THE WEALTH OF INDIA AND DESTROYED THE PURCHASING POWER OF ITS SUBJECTS. It has not only injured its own subjects but it has equally and in the same manner destroyed the purchasing power of China, South America, Mexico, and every silver using country in the world. This has disastrously reduced the export trade of the United States and every other country. The producers of silver, although a small group by comparison with all of the other groups affected, have suffered even more deeply than the producers of other commodities. ***MINES THROUGHOUT THE WORLD HAVE BEEN COMPELLED TO CLOSE, ADDING HUNDREDS OF THOUSANDS OF IDLE MEN TO THE HORDE OF UNEMPLOYED***."

"Canada, a member of the British Empire, one of the largest producers of silver in the world and possibly destined to be the largest, has suffered severely in this particular. The disastrous effects of the economic policy forced upon India are understood in England. They are admitted by Premier MacDonald, of Great Britain. The question is, what is the remedy?"

(It was Prime Minister MacDonald that Pittman was referring to. That Pilgrims Society member may have admitted what the problem was, but he too opposed an international silver conference and successfully stalled it.)

"In the first place, the British Government for India should immediately announce its intention to abandon such policy, to be followed immediately thereafter by actual abandonment."

(That statement must have drawn laughs over in London. The biggest gang of crooks in world history was well on their way towards imposing full fiat on the world, and they were going to voluntarily abandon their plan?)

“In the second place, there should be an agreement that governments will abandon the policy and practice of selling government silver, whether obtained from the debasement of coins or held for money purposes. In the third place, an attempt should be made to arrive at an agreement between the governments of the world as to the stabilization and use of silver for monetary purposes. The abandonment of the policy of the British Government in India will immediately permit silver to go back to its normal price of around 60 cents an ounce. The ultimate stabilization of silver will undoubtedly be above the price of 60 cents an ounce.”

“When the dumping of silver has ceased, the United States, Great Britain, France, Japan, and other countries enjoying great commercial benefits in China may lend to the National Government of China financial and expert aid for the pacification of China and the revivification of that great country. All China needs is friendly cooperation and financial aid.”

“If a silver fund could be provided by interested governments for use in China, to be advanced as and when needed for purposes to be approved by a commission of the powers participating in such advance, then, according to all of the evidence, war in China would cease and the soldiers who are working in armies for food would engage in peaceful occupations for the National Government. If such result were consummated, we are advised by witnesses who should know that the commerce of China would increase tenfold in a few years. This is not surprising when we realize that China has about one fourth the population of the world and a rich territory approximately as large as the United States and Mexico combined. It is possessed of a peaceful, industrious, and friendly people. It is the next door neighbor of the (start page 337) United States across the Pacific, and today we are connected in our commerce by a great Pacific fleet.”

“The United States Government has in its Treasury between 400,000,000 and 500,000,000 standard silver dollars that constitute a dead, frozen asset, earning no interest whatever. This silver has in the past been used to meet world emergencies, and it can, under proper conditions and inducements, probably be used again as part of a fund for the revivification of China. Such a concerted act, through increasing the purchasing power of China, would not only benefit our own commerce, but would benefit the commerce of Great Britain, France, Japan, and other countries.”

(I was taken aback to see Senator Pittman speak of silver in tones identical to that of silver suppressors! However, it was probably strategy on his part. How can a "dead, frozen asset" contribute to "revivification" of a country? The contradiction in terms is obnoxiously apparent. I suspect his main motive for a 500MOZ silver loan to China was to conduct an operation similar to the Pittman Act of 1918, under which silver loaned to India, had to be replaced by silver mined in Western states at $1 an ounce.)

"It is unreasonable to expect the United States to take on this great burden unless Great Britain, France, Belgium, Japan, and other interested countries are willing to cooperate, at least to the extent of ***DESISTING FROM THOSE ACTS THAT HAVE ALMOST ANNIHILATED THE PURCHASING POWER OF SILVER, AND WHICH, IF PERSISTED IN, MAY ABSOLUTELY DESTROY IT AS A BASIS OF CREDIT AND AN INSTRUMENT OF TRADE***. The major problem, however, is the elimination of the causes that are unnaturally depressing the price of silver, the stabilization of the money of the world, and the restoration of the normal purchasing power of every country."

"The Pittman-Snowden Silver Stabilization Controversy" appeared in the China Weekly Review, February 21, 1931, pages 413-414---

"The question of an American silver loan to China and plans for the stabilization of the price of silver advanced last week to the point of a definite report by the so-called Pittman Commission---which, in turn immediately aroused opposition on the part of Philip Snowden, Britain's Chancellor of the Exchequer. The Pittman Commission, which conducted an extensive inquiry last summer into the causes for the decline of China-American trade, reported to the Senate Finance Committee on February 10 that (1) Negotiations be instituted with Great Britain to suspend the policy of dumping Indian silver on the world's markets; (2) that an international conference be called for the purpose of reaching an understanding in respect to the use of silver currency; and (3) that an international silver loan be made to China."

(Yeah the British were hostile to the notion that they should suspend their silver dumping and they were opposed to a silver conference.)

"When these matters were brought to the attention of Mr. Snowden in the British House of Commons on February 12 he declared, "***I SEE NO***

JUSTIFICATION FOR EXPECTING GOVERNMENTS TO MAINTAIN USELESS STOCKS OF SILVER IN THE INTEREST OF NEW PRODUCTION." He admitted that the sale of demonetized silver had contributed to the fall in the price of silver, but expressed the opinion that the fall in price had been mainly due to the general fall in the prices of commodities measured in terms of gold. Other contributory causes, he added, were the unsettled political conditions in China and the absence of any diminution in silver production from the mines. In conclusion he declared that any restriction of sales would only be a temporary palliative and that no permanent improvement would be likely without much wider measures being taken."

(Useless stocks of silver? We had a military silver reserve but it had to be carted off mostly by the SUA so that silver could be used in the campaign to suppress prices. I submit that if the United States government needs no silver stockpile, then neither does any Silver Users Association member---or ex-member---need silver. Let the SUA replace the stockpile, and the Treasury "auction" silver they carted off from 1967-1970---and earlier.)

"This would seem to indicate that there is little or no possibility of America and Britain getting together on this matter, hence Shanghai bankers with their vaults filled with silver bullion which is rapidly decreasing in value are in a serious predicament. Also, the Chinese Government is placed in an increasingly difficult position from the standpoint of meeting its foreign debt obligations. And last but not least is the predicament of the merchant who bought his goods for gold and now must sell them in silver that fluctuates almost as often as the clock ticks off the passing minutes and hours. While Nanking has persistently denied rumors of plans for adopting a "gold unit" currency, the reports persist that some such scheme is under consideration."

"In regard to the Pittman scheme, the United Press report which was published in the Shanghai newspapers on February 12 was to the following effect---"To the Senate Foreign Relations Committee, which is headed by Senator William E. Borah, Republican of Idaho, Senator Pittman offered a resolution declaring that, according to unanimous testimony, the present government of China is a good one, stable and cognizant of its international obligations."

(Senator Borah was a great American Constitutionalist and champion of silver. He also gave gold its rightful recognition. It must have really flustered the Money Power that he headed the Senate Foreign Relations Committee.)

"According to unanimous testimony China has a good government which is satisfactory to our citizens engaged in trade in China," the report submitted by Senator Pittman declares. But, the report asserts, the government of China cannot execute its plans for pacification and development of the country "without the moral, intellectual and financial support of those nations who prosper by virtue of their trade with China." The report of the Pittman Committee maintains that if the United States will aid China in her development and give her people employment they will, for many years, furnish America with a market for her goods in China."

(The exact contrary has occurred---for this reason, Wal-Mart is often called "China Mart." However, with dollar destruction, watch Chinese imports soar in cost at Wal-Mart during 2008!)

"China has ample resources with which to meet her obligations, the report states. It expresses belief that funds advanced to China from abroad would be used wisely. The report of the Pittman subcommittee recommends that a loan of 200,000,000 or 300,000,000 ounces of silver be made to China. And it undertakes to answer objections to the proposed loan which are based on the grounds that another and less capable government than that now installed at Nanking might be instituted."

(That was a reference to Communists taking power. I have to say that it wasn't unexpected, inasmuch as China had leaders such as H.H. Kung and T.V. Soong, Western banker trained agents, defrauding their own people.)

"To meet this objection the report of Pittman subcommittee suggested that those nationals interested in the development of China establish a silver pool would be created," the report says. "It recommends that funds be advanced to China only at such periods as the position of the Chinese government would assure its ability to make repayment in accordance with the obligations imposed upon it by agreement."

"The report suggests that silver be loaned to China as a commodity and not as coin. By such a method there would be removed China's reluctance to borrow funds at a low rate and repay them at a high rate. Also, the report contends, if silver is loaned to China as a commodity instead of as coin (start page 414) there would be removed the reluctance of other nations to make current loans at low rates. In its report the subcommittee headed by Senator Pittman suggests that the United States utilize as its portion of the proposed silver loan to China a part of the 495,000,000 silver dollars now on deposit in the United States Treasury."

(What do you want to bet that the SUA wishes it had those nearly half a billion coins just now?)

"While the ridiculing of Senator Pittman's scheme has been a favorite indoor sport in Shanghai circles for many months, one wonders what the reaction will be now in the face of the British finance minister's apparent refusal to enter into any scheme for stabilization. From the standpoint of hard economics Mr. Snowden is probably right, but that will not gain him any popularity in foreign circles on the China coast, where livelihood depends largely upon China's import trade. But despite this the facts seem to be on Mr. Snowden's side, that there is no justification for expecting governments to maintain useless stocks of silver in the interest of new production. As stated, this will gain him little popularity in China or among American silver producers."

(Snowden was right? Yes, if the march towards fiat money was to be continued! As for "useless stocks of silver," nothing of any real substance was ever needed for the creation of fake money systems. "Useless stocks of silver!" That's what the Silver Users Association always said about Treasury silver held for silver cert coverage! Only if the SUA has silver is it of any use!)

"THE FACTS ABOUT SILVER SEEM TO BE THAT IT CAN NO LONGER BE DEPENDED UPON AS A PRECIOUS METAL, providing no artificial stabilization plan can be agreed upon through international action. It has been argued that the silver mines might be closed down so as to decrease new supplies, but this argument does not take into consideration the fact that silver is a byproduct of copper and this is a copper age!"

(This was another writer who blamed silver for what a group of governments did to it---as if the fault were innately on the part of silver! The silver mines spoken of as being closed down were largely in Mexico, Nevada and Idaho, which were in fact sites whose primary output value was in silver. Those mines might have accounted for at least 20% of annual world extraction!)

"It has been argued that a revival of industry and trade in silver using countries would quickly use up surplus stocks, but the promised trade revival seems a long way off in the Orient as well as in the West. As stated in a discussion of this subject in last week's issue of The Review the only silver lining visible in this cloud is the stimulus which the low exchange value of China's currency is bound to give to Chinese industries and exports, possibly enabling China to achieve an export balance in her foreign trade."

The China Weekly Review, February 28, 1931, page 460, "U.S. Senate Asks President Hoover To Take Action On Silver"---

"In the United States progress is being made towards adopting a plan to come to the relief of the silver market. On February 20 the United States Senate passed the resolutions suggested by the Pittman committee which call upon President Hoover to take action to find a solution of the problems created by the low prices for silver prevailing in the world markets, to enter into negotiations with other governments for a plan designed to prevent abnormal fluctuations in silver values, and to convene an international conference to seek an agreement as to the uses and status of silver as money."

(We saw in the first three installments of "Britain Against Silver" how President Hoover refused to do anything for silver. He was intent on pleasing his associates in London and on Wall Street.)

"The resolutions passed by the Senate did not make reference to the recommendations of Senator Key Pittman of Nevada that a huge silver loan be made to China as a means of stimulating world trade and as a method of increasing and stabilizing silver values. The resolutions which were adopted by the Senate are the result of an investigation conducted by the Senate Commerce Committee's subcommittee for several months into the causes of declining Sino-American trade and the relation thereto of depressed silver values."

(Don't let the word "Sino" throw you when referring to China. "Cathay" is an archaic term also referring to China.)

"Regarding the matter of the flotation of a huge silver loan to China, it is well known that Paul M. Linebarger has been conducting an active campaign in the United States, in which he has the support of Hu Han-Min, head of the Legislative Yuan. At the beginning of this week it was unofficially stated that President Chiang Kai-Shek and T.V. Soong, Minister of Finance, had given their tentative approval to the loan proposal. Although the matter of the loan to China was not mentioned in the Senate's resolution it is believed in Washington that action on the question will be left to the international conference which President Hoover has been urged to convene."

Chiang Kai-Shek fled the Communist takeover of mainland China on December 10, 1949 to Taiwan, never to return---

"The Japanese Rengo service stated that if the proposed loan goes through the Nanking Government will utilize a portion of the loan for the subjugation of Communist bandits."

(Could it also be that those in banking circles opposed to the silver loan, were also covertly in favor of Communist activities?)

"The Executive Committee of the International Chamber of Commerce is session at Paris has also urged immediate international consideration of the silver problem. Chang Kia-Ngau, the General Manager of the Bank of China, in a cable to the International Chamber of Commerce calling attention to the serious handicap imposed on Chinese external trade by the continued depreciation of silver, stated that plans for the consolidation of Chinese foreign debts had been considerably disturbed by this depreciation and he asked that an international conference might consider the question at an early date."

“Sidney Mayers, chairman of the British & Chinese Corporation, speaking on behalf of the China Association, strongly supported the appeal. Mr. Mayers stated that in the opinion of the managers of the London banks chiefly concerned in Chinese trade, a speedy consideration of remedial measures was not only highly desirable but they were convinced of their practicability.”

(We had a look at the duplicity of the London financiers in the first three “Britain Against Silver” chapters.)

“Chang Kia-Ngau, in the course of a long exposition of the silver situation, wrote to the Shanghai press recently as follows---“There would seem to be no limit to the number of theoretical schemes that might be constructed for the stabilization of silver, the principal difference between individual schemes being the degree of self-sacrifice asked of the various parties to the agreement. However, little is to be gained by working out schemes in great detail without first ascertaining that the necessary measure of international cooperation is likely to be forthcoming. Agreement in principle must naturally precede any general acceptance of a detailed stabilization plan, which can only be successfully worked out by a body of experts in touch with official opinion in the various countries concerned.”

“Whether the world is ripe for such an agreement can only be determined by the issue of an invitation to an international conference on the subject. There undoubtedly exists throughout the world a general desire to see an improvement in the silver situation, but no single country is willing to take the initiative in calling a conference on silver, partly perhaps for fear that its motive may be misunderstood. In such circumstances, it is clear that the first steps must be taken by some international organization whose objects are above suspicion.”

(International organizations whose “objects are above suspicion? There can’t be many in that category!)

“Such a body is the International Chamber of Commerce and, since arrangements have already been made for the holding of its annual conference next May at New York, it is suggested that a preliminary survey of the silver problem might very well be undertaken by the various committees of the International Chamber, and the results be considered at the Conference next May. The League of Nations, which already has a committee considering the gold situation, would almost certainly be prepared to cooperate in this matter, though probably the first steps in the convening of an international conference would come better from the International Chamber of Commerce, which has the advantage over the League of Nations of including in its representation American opinion."

"In any case, the initial difficulties with regard to the calling of a conference will surely be overcome if there is any general desire to take action at all, and the mere announcement that a representative conference was to be held would doubtless provide a very welcome stimulus to the silver market at the present time."

The CWR, February 28, 1931, pages 460-461, "Gold And Silver Equilibrium," by Sih Shou-Heng, attaché of the Chinese Legation at The Hague, Netherlands, commented---

"The slump of silver has been caused by the demonetization of silver coins in some countries. If gold is the sole medium of exchange, its scarcity may bring about a general fall in commodity prices as all of them are measured in terms of gold. When such is the case, the world experiences a period of depression that is gradual but not violent---this can be very easily avoided by proper extension of the credit system. The actual fact is that silver, being itself a commodity in relation to gold in most countries, is still a monetary unit in some others. Moreover, gold using countries are manufacturers whereas silver using countries of whom China is the most important, are buyers."

"Through long years of usage, there has existed a healthy rate of equilibrium between gold and silver, and any considerable deviation from that rate means violent convulsion in the economic world. Prices of all commodities in relation to gold are falling, but in relation to silver, they are rising, for the simple fact that silver is falling more rapidly than other commodities. The slump of silver goes side by side with the slump of the Chinese currency, and consequently China's purchasing power is decreased. As economic life in one country is closely related with that in another, the silver slump may be counted as one of the most important factors which disturb trade equilibrium between nations."

"China might have some responsibility for the fall of silver because of her internal unrest, but the fact remains obvious that she cannot absorb all the silver that is thrown out of other countries. Silver, a metal no less noble than gold, is now chased from the West and from the East. The Shanghai market looks upon London for selling and buying silver while London likewise looks upon Shanghai; there seems to be a sort of nervous feeling prevailing over either market; speculators have done a great deal to precipitate the slump; the reason for this catastrophic fall is therefore partly real and partly psychological."

(Some sources would lay blame for the silver tumble on any source as long as it wasn't on the actual guilty party---the British Empire.)

"China is still the most important silver using country in the world. The fall of price in silver means the diminution of China's purchasing power, ***AND IT IS A RUINOUS FACTOR FOR THE EXPORT TRADE OF WESTERN NATIONS.*** One may conclude that those who have sold silver from their demonetization have reaped results far worse than their gains. China should some time in the future also adopt the gold standard so that there may be one medium of exchange for the whole world. This is, of course, the ultimate aim, but in the meantime it is necessary to raise the value of silver, otherwise China's purchasing power would always be one half of what it might be, because the savings of the people are in the form of silver."

"The problem possesses an international character and its solution requires international cooperation. When silver regains its healthy rate in relation to gold, (start page 461) China can then adopt the gold exchange standard; as soon as silver ceases to be a medium of exchange, its fall or rise will in no way affect international trade relations as it is no more than one of the commodities."

The CWR, February 28, 1931, page 461, "Francis Brownell's Plan to Stabilize Silver" said---

"Swan Culbertson and Fritz, investment brokers in Shanghai, recently made public complete details of the plan of Francis H. Brownell, who is chairman of the board of the American Smelting and Refining Company, with offices in New York City, has discussed his plan previously with many students of finance, and some aspects of his proposal have been given widespread publicity previous to the appearance of its full detail."

"Mr. Brownell's proposal to stabilize the price of silver at no fixed ratio to gold involves three elements---First---an informal understanding between the United States, England including India, France including Indo-China, and as many other governments as possible, that no sale will be made for a stated period, say three years, or until further notice, of any silver now or hereafter owned by each government, at less than some fixed price, say 50 cents gold per ounce. Second---an understanding that those governments will buy the amount of silver they are now authorized by law to purchase for subsidiary coinage, whenever the price of silver in the open market is below the figure to be agreed upon as above. Third---as compensation for agreeing as provided in "First" and to prevent too rapid a rise, an understanding that the governments, and particularly India, may sell government owned silver whenever the price is more than say five cents gold above the figure agreed upon as above."

The China Weekly Review, April 5, 1931, page 164, "The Pittman Plans Regarding China" reported---

"Copies have been received in Shanghai by mail of the resolutions submitted by Senator Pittman of Nevada on February 11 and the interim report and recommendations of the subcommittee of which Senator Pittman was the head, the latter having to do with trade relations with China and causes and remedy for depressed conditions of commerce. The substance of Mr. Pittman's views are contained in the following extracts from the above mentioned documents---"The chief cause for the abnormal and sudden decrease in our commerce with China during the latter part of 1929 and 1930 was the sudden, great and unprecedented fall in the price of silver. ***SILVER IS THE ONLY MONEY IN CHINA***, and it is the sole measure of the wealth and purchasing power of its people. From July 1929, to date the price of silver dropped one-half."

(The stock market crash took place in October 1929---fully four months after silver's drop really accelerated. Though the crash was indeed devastating to all the little folks---and those new rich not privy to Federal Reserve plans---it caused a small catastrophe, relatively speaking, contrasted to the great silver collapse!)

"The people of China must pay for our goods with gold, and they buy gold with silver. They are now compelled to pay twice as much for gold with their silver as they did a year ago which, to them means that they are paying twice as much for our products. The abnormal, sudden and unprecedented fall in the price of silver has cut in half the wealth and the purchasing power of the people of China, restrained them from purchasing other than the necessities of life, destroyed credit and stagnated trade."

"The Indian Government is still maintaining and carrying out its policy of melting up silver rupees and disposing of the silver as bullion. According to reports, the Government of India still has at least 400,000,000 ounces of silver in such rupees that it can throw upon the world market as silver bullion. The program of the British Government for India to date has been not only a failure so far as carrying out the policy is concerned, ***BUT IT HAS BEEN DESTRUCTIVE OF THE WEALTH, PURCHASING POWER AND PROSPERITY NOT ONLY OF THE PEOPLE OF INDIA BUT OF EVERY COUNTRY THAT USES SILVER FOR MONEY AND INJURIOUS TO THE PROSPERITY OF THE WORLD."***

(The British policy wasn't a failure. The intent was to wreck silver on a global basis. They succeeded magnificently.)

"Even in 1930 when silver had reached the then all-time low of 34 cents an ounce, ***INDIA UNDER SUCH POLICY THREW ON AN ALREADY SATURATED MARKET 29,500,000 OUNCES OF SILVER***. ***THE LAST THREAD OF CONFIDENCE AND HOPE IN THE MINDS OF THE PEOPLE OF THE SILVER USING COUNTRIES WAS BROKEN AND SPECULATORS IN ALL COUNTRIES COMMENCED TO DUMP SILVER ON THE MARKET."***

(What I said earlier in this series bears repeating---from a cut to the bone price of 34 cents an ounce, the British continued slashing at silver, until by February 1931, the marrow was on display at 24.5 cents per ounce! That was the absolute lowest silver price in the entire history of silver---including inflation-adjusted prices of more recent years!)

"Although the people of China still hold tenaciously to their silver, the speculators of China are no exception in the bear movement that has developed. They know now the result of the dumping policy in India. They know that with an available 400,000,000 ounces of silver, which India could and apparently intends to continue to dump under the policy referred to above, there is no advantage to be gained in holding silver. Thus, when extensive Indian sales are noted, world silver speculators sell panically. As to the sale of silver in China under such conditions, it may be justly stated that a nation whose purchasing power largely depends on the price of silver ***IS TO BE PITIED RATHER THAN CRITICIZED WHEN ECONOMIC CONDITIONS FORCE IT <u>TO SACRIFICE ITS WEALTH BY SELLING ON AN ALARMINGLY DEPRESSED SILVER MARKET</u>***."

"Furthermore, it is manifest that at least one factor forcing the sale of silver in China is the absolute necessity of the Chinese to sacrifice their silver in an effort to meet their obligations, a fact which additionally adds to their economic burden. China is the natural market of the United States. With the exception of Japan, our country is China's closest powerful neighbor. Her people admire and respect us, as we do them. They prefer our products and purchase them except when compelled to purchase cheaper products through extreme poverty."

(Pittman then explained how China could purchase America's entire wheat surplus were their economy improved.)

"There must be work provided in China or there will be war. Warlords are impatient because of the inability of the national government of China to carry out its program. The people of China, through lack of work, have been compelled to fight in armies for food. Today, China is practically at peace with the exception of bandit bands still seeking food and property through raids. As has been aptly remarked, ***<u>A LARGE NUMBER OF CHINESE ARE FORCED TO LOOT TO LIVE</u>***."

(Silver suppressors have always been prepared to stop at nothing to wreck silver as money. The attack against silver in 1873 caused millions of deaths due to looting and starvation, especially in China, but here also. In the great silver crash of 1980, suicides took place and one victim went blind from stress. Those who hold physical silver today are potentially subject to government seizure for "national security reasons," meaning military technological industrial applications--- and instead of becoming wealthy, could be castaways starving in the streets. The Money Power bitterly hates anyone who wants to use precious metals as money.)

"Senator Pittman has put forward the above facts and arguments in favor of making a huge silver loan to China. The Senate took no action on this proposal in the absence of any intimation from China but, as previously reported, the Senate did pass a resolution calling on President Hoover to call an international conference to study the whole subject of silver."

"Rene Leon, in the course of an article on "Great Britain and the Silver Slump" in the New York Herald Tribune says---"One of the chief sufferers of the silver debacle is Great Britain, the world banker, the free trader, whose ships sail the seven seas; the other is the United States, the mass producer, whose industrial machinery is geared up to world markets and whose price level is so high as to render readjustment almost tragic to its people. Yet England is the great deflationist because lack of foresight caused her to adopt the Indian financial policy of 1926."

(This French descent banker thought the British slipped up! In fact, it was a calculated decision to do what they did against silver; and they knew full well what the results would be. The London financiers knew that the Lancashire textile mill industry would see its export trade crippled. Sacrifices imposed on the unwilling are always part of the fiat money program.)

"With silver below 30 cents, the Chinese can no longer import. If they are to exist they must export, and export they will because they have cheap land and cheap labor, to which the British Indian policy has added cheap exchange. This combination defies competition; it will scale the highest tariff walls and make a reality of the once imaginary yellow peril. For all this we have to thank those short-sighted men whom the hazards of politics have cast in the high places which only men of vision would occupy. These men must answer to Great Britain for her sorry plight."

(The British elite have never answered to the common people of England.)

"A contributor in the Bulletin of International News, London, February 26, 1931, discussing "The Price of Silver and the Trade of the East," after mentioning that the American plan to lend China silver would only accentuate the exchange difficulty and still further reduce the value of China's medium of exchange says---"Sounder and more practical recommendations than this may be expected to be the outcome of the inquiry which Sir Arthur Salter is to conduct into the effect on China's economic life of the general depression of trade, and his report will be awaited with as much interest in this country as in China itself."

"Why Pick on Silver?" appeared in the China Weekly Review, April 18, 1931, page 227 by a George W. Missemer---

"Barrels of ink have been spread over acres of paper to blazon to the world the evil effects of the drop in silver and even more ink has been used to discuss ways and means of bringing up the price. Yet when one examines the prices of the world's chief raw products, and particularly the metals, one finds that there has been nothing exceptional about silver. Leaving out of account daily fluctuations, the price of silver expressed in terms of gold is roughly half of what it was two years ago. It so happens that such is also the case with some of the world's principal raw products. To take so prominent an example as coffee, which is one of the four principal imports into the United States, the price of Brazils (the principal crop), is now considerably less than half of what it was two years ago."

"A table of prices of the major Latin-American export commodities issued recently by the U.S. Department of Commerce shows that in the period from January 1929 to February, 1931 copper dropped to 9.63 cents per pound from 16.75 cents, cattle hides from $24,13 to $12 per hundred pounds, carpet wools from $34 to $11 per 100 pounds, cotton from $19.95 to $10.45 per 100 pounds, rubber from $19.75 to $10.75 per 100 pounds, wheat from $1.07 to $0.46 per bushel and corn from $0.97 to $0.28 per bushel. Tin had fallen in Bolivia from $49.63 per 100 pounds to $25.25. It will thus be seen that the drop in prices has been roughly fifty percent and that is also the approximate percentage by which silver values have fallen. In other words, the prices of these commodities taken at their origin, without adding freight, work out in silver at about the same price now as they did two years ago. It is their prices in gold that have fluctuated, and not in silver."

"Explain it as you will, the fact is, as residents in China who have lived here for a decade or more will have realized from their own experience, the prices of the world's major raw products have been more stable worked out in silver money than they have been in gold. Years ago there used to be an eccentric lecturer in America by the name of "Citizen" George Francis Train, who argued that prices of wheat and silver practically always went up and down together. Recent experiences show that the prices of many articles keep in tune better with gold than with silver. Those who were in China in the post war period will remember when the Mexican dollar was actually worth more than a gold dollar, but that didn't mean that there was any particular drop in the price of living here."

"When one wanted to buy something abroad with the "good" exchange one found that the major raw products from gold standard countries were so high in price that they cost in Mexico just about the same as they did when silver was low. H. Parker Willis, at present editor of the New York Journal of Commerce, and formerly prominent in banking circles in the Philippine Islands, in an article on "Silver" in The New Republic says---"Contrary to current superstition, silver, up to about 1916, had been for nearly a generation more stable than gold." Old residents of Shanghai, or other parts of China, will have experienced the further fact that since that date, although the price of silver had fluctuated greatly, the buying power of the silver as regards staple raw products has remained very stable, and this has been true whether the Mexican dollar was worth more than a gold dollar, as was the case a little over a decade ago, or now, when it is worth less than twenty-five American cents. To refer back again to Mr. Willis article in The New Republic, "There is nothing peculiar about the status of silver; and therefore no reason to do anything about its value."

(We already looked at Willis in previous installments. He was a banker hit man. No reason to do anything about the value of silver, he said! If he had said that in any Mexican mining village, the unemployed would have stoned him.)

"Now the writer is going to make an absolutely impudent suggestion. First of all let it be understood that gold and silver are just commodities. To a Chinese, it is the gold that is dear. To an American it is the silver that is cheap. If there is a "corner" of any commodity that the world needs the price of that commodity goes up. The plain fact is that America and France between them have a "corner" on gold. The natural result is that, worked out in terms of silver. of wheat or coffee, or tin, or any of a dozen other world-wide raw commodities, gold has become dear, for the evident fact is that if the price of the commodities goes down it takes so much more of them to buy a unit of gold. If America and France would both begin handing out gold pieces piecemeal to the individual poor and needy of the world, (there wouldn't be so much for each even at that) the world wide industrial depression would be solved forthwith and there would be such an era of buying, production and good will as the world hasn't seen for many a generation."

"You would then not hear anything more about the price of silver being cheap, because of over production, because it is a byproduct of copper and lead, or because of those many other reasons which have been given as explaining the greatly increased ratio of values between silver and gold. Figures given by independent economists show that the relative production of gold and silver in recent years has been much the same as it has been for years."

The CWR, June 13, 1931, pages 53-54, "What Do the Chinese Expect from the Senatorial Visit?" by C.Y.W. Meng---

"Perhaps on no occasion in the past has China been more honored by foreign visitors than by the visit of the Congressional party from the United States, consisting of Senators Pittman, Tasker Oddie, Robertson, Congressmen Dowell and Gibson. All of them came to the Far East with their families. It is our greatest pleasure to receive them in China and it is our fervent hope that the visit will result in a better understanding and will be of mutual benefit to the two Republics. Aside from a few words of welcome, it is perhaps incumbent upon us to tell them what our people are hoping for from their visit."

(Cassius Dowell was a Congressman from Iowa, a member of the "Farm Bloc," whose members had an alliance with the "Silver Bloc" to vote together on monetary and agricultural issues so as to present a strong front against the "Paper Money Bloc" in Congress. Unfortunately with the coming of agribusiness conglomerates the farm bloc is largely history.)

"Judging from their interviews granted to the press in Shanghai, we know that the purpose of their visit is apparently not confined to the silver problem. Senator Pittman is chairman of a subcommittee of the Foreign Relations Committee of the Senate. He said this committee had been authorized to "recommend action, legislation and treaties that will be of equal benefit to the people of China and the United States." The committee is undoubtedly now waiting for Senator Pittman's findings in making its final report to the Senate in December."

"The significance of this," continued Senator Pittman in his interview with the Shanghai press, "is that for years we have been creatures of habit looking to the East for opportunities in trade and commerce. We have been blind, for the path of empire has most certainly been westward. Now we are awake to the great potential market that lies to the West of us---the Orient. The mission marks the breaking of the habit of looking backward instead of forward. The people of the United States have been unconscious of the opportunities here in China and the people of China, too, have been unconscious of the possibilities for development. That is to say, another purpose of the visit is to develop Sino-American trade and to find a better market for American surplus goods."

"As a representative from the largest silver producing state in the Union, Senator Pittman is certainly very interested in studying the silver problem in the Far East probably in connection with the possibility of calling an International Silver Conference. The Senatorial visit is of far reaching effect and significance because it has to do not only with the silver issue but also with Sino-American commercial and diplomatic relations."

"America, being one of the greatest producers of silver in the world, was expected to take the initiative in calling an International Silver Conference to deal with the problem. Considerable pressure was brought to bear on President Hoover to do so, long before the meeting of the International Chamber of Commerce was in session, only after eloquent oratory, a resolution introduced by the Chinese delegates to call an international silver conference was adopted. Though the resolution did not mention which country should take the initiative in calling the conference, it was generally expected that America would take the lead. ***BUT SO FAR AMERICA IS VERY SILENT. GREAT BRITAIN, BEING THE LARGEST SILVER MARKET IN THE WORLD, WAS NEXT EXPECTED TO TAKE THE INITIATIVE BUT THE BRITISH ATTITUDE IS RATHER TO DISCOURAGE THE HOLDING OF SUCH A CONFERENCE***."

(In reviewing extensive coverage of the Paris based ICC in parts II and III of "Britain Against Silver," mention wasn't made of Chinese appeals for it to support a conference. We had to discover that fact from a source with far lesser coverage in the West.)

"Japan was next expected to take such a step, but the financial leaders in the island empire have shown themselves extremely adverse to the suggestion and have replied to Washington in polite terms that Japan does not feel it convenient to take any step in this direction."

(Was Japan "Trilateralized" even as of 1931? Apparently so; since American and British connected activists founded the Japan Society back in 1907.)

"China, being the worse sufferer from the silver slump, was next expected to take such an action. But the New York Times of May 15 published a dispatch from Washington, which disqualified China to be the leader. It says---"It is felt in Government circles that it would not be impressive for the National Government of China to take the lead in calling the proposed international silver conference and that, though the Government would be prepared to cooperate with China, the United States would prefer that some other government take the lead."

(That was like a doctor in a disaster area saying he preferred that someone else treat an obvious victim. No sense of urgency was displayed by the United States government to correct the silver problem that Britain intentionally caused.)

"The resolution adopted by the International Chamber of Commerce for calling of an international silver conference could not bear fruit because ***NO ONE IS WILLING TO TAKE THE INITIATIVE TO CALL A CONFERENCE.***"

(In my cynical way I wish to suggest that the ICC, as a body, would not have suggested a conference if it suspected that by placing its influence on the silver side of the scales it would have made the difference in getting any leading government to call a conference. Certain ICC delegates, as from Mexico, would of course have been totally sincere.)

"Such action on the part of the powers gives the Chinese a very bad impression that there is absolutely no cooperation among the nations of the world to work together in the interest of all, and that it convinces the Chinese that the participation in any international conference is of no substantial use but a waste of time and money. Silver, as pointed out by the Chinese on numerous occasions, is not a Chinese problem but it is a world problem for which China is not to be blamed and China has no way to control it. The Chinese admit that China, being the only country in the world adopting the silver standard, is the worst sufferer from the tremendous drop in the price of silver, but it must be pointed out that the depression in China would only make the world-wide depression go from bad to worse."

"It is the belief of the Chinese that the fundamental solution of the silver problem will come about if the silver producing and silver using countries in the world would cooperate to devise some remedies. As Senator Pittman concluded, depressed silver values constitute the major cause of the world-wide business and financial depression. It was reported that America was going to grant us a huge silver loan at low interest without any security. It is the conviction of the Chinese that America would help us more substantially if she would first take the initiative to call an International Silver Conference in Washington to discuss the silver problem and to take some steps to improve the situation, and then to grant China a huge silver loan for constructive purposes under the same conditions."

"America was the initiator of the Disarmament Conference in Washington for the sake of world peace, we hope she will also be the initiator of the Silver Conference for the sake of removing the causes of the world-wide depression and for improving the present economic situation in the world. Senator Pittman is quite right in saying that the time has come for the entire world to seek a market in the Orient, meaning China. ***BUT THE WORLD MUST BE AWARE THAT THE UNNATURAL DEPRESSION IN THE PRICE OF SILVER HAS GREATLY DECREASED THE PURCHASING POWER OF THE PEOPLE.*** Without solving the silver problem, the purchasing power of the people would be very poor, and China would be the poorest market for foreign surplus goods. The Chinese population is estimated at 450,000,000, and the per capita trade of China in 1925 was about $4.30. A slight increase of $1 per capita would mean $450,000,000 to our trade figures."

"A slight improvement of the purchasing power of the Chinese would mean a tremendous effect on our foreign trade. From the point of supplying raw materials and finished products, China offered to the commercial world the greatest opportunity imaginable. For this reason alone, the international cooperation for stabilizing silver would appear to be justified for the mutual benefit of all. Silver might further drop if the international silver conference fails in its mission, as pointed out by Sir Arthur Salter. But this could easily be avoided by some previous understanding and arrangement among the countries concerned, and let the conference only legalize the proceedings and discuss the details. Though the informal discussion among the nations of the world have developed the fact that the nations do not consider this to be the proper time to call an International Silver Conference, it is said that the hope is not yet abandoned."

"Having conducted the investigations in person and on the spot throughout the Far East, it is hoped that the Senatorial party would be able to convince Washington officials of the seriousness of the situation and the necessity of calling the conference."

(Everyone in Washington from President Hoover on down already understood how serious the situation was. They chose to take no action for silver because they supported the British drive towards world fiat money. The next portion of this story dealt with issues such as education; treaties; courts; prisons; foreigners; centralized government authority; internal strife; and trade missions. Start page 54)---

"***CHINA IS HAVING THE HARDEST TIME THAT ANY COUNTRY HAS EVER EXPERIENCED***, which really deserves the sympathy of all people in the world. In any country under the sun, different revolutions come at different times. But in China today, the political revolution, industrial revolution, economic revolution, and the intellectual revolution all come at the same time. Despite the overwhelming difficulties, this republic of the Orient is striving to achieve the final goal, which might be impossible."

"In this article we have explained to these American visitors that silver is not a Chinese problem alone and that cooperation among all nations is the key to its solution; and that the present political situation in China is not chaos but a fight for a great cause for Chinese nationalism. It is our hope that the Senatorial visit will do much in removing the cause of the trouble and in improving the present situation, and that they would present the following principles to their committee to be submitted to the Senate in December"---

"(1) That the American Government should take the initiative in calling the international silver conference in Washington at the earliest possible opportunity to work out remedies to cope with the situation. (2) That the American Government should enter immediately into negotiations with the National Government for the revision of the Sino-American existing treaties and to base the new treaty on the principles of equality and reciprocity."

(The U.S. government was so tightly in the grip of the paper money forces there was no chance of any action on its part.)

China Weekly Review, June 20, 1931, "Some Possible Results From the Visit of the American Silver Senators," page 85---

"Although it always has been favorite indoor sport of Shanghai foreigners, particularly those possessing the die-hard complex, to ridicule the visits to this part of the world of American Senators and Representatives, there is no side-stepping the fact that these visits of members of America's chief legislative body have usually been followed by important developments in U.S. policy toward this part of the world. In 1919-1920 the visit of a large number of Congressmen to China resulted indirectly in the calling of the Washington Conference on Limitation of Armaments and the inclusion in the agenda of that meeting of a discussion of problems affecting the international status of the Chinese Republic."

"Another visit of a number of Senators and Representatives in 1927 had a considerable bearing on the refusal of the American Government to intervene in China and later had much to do with the decision of the U.S. Government to extend recognition to the new Nationalist administration in Nanking."

"Now there is another delegation of Senators and Representatives in China and according to reports still more are on the way. And while present prospects do not appear any too favorable for constructive action on the silver question it is really too early to form any definite conclusions on that subject. According to reports from Washington, President Hoover, due to foreign, ***PARTICULARLY BRITISH OPPOSITION, HAS REFUSED TO TAKE ANY STEPS TOWARD THE CALLING OF A SILVER CONFERENCE*** in accordance with the resolution passed by the Sixth Biennial Congress of the International Chamber of Commerce."

(Hoover cared more about his English pals and what they wanted than he did for Constitutional silver money, and for his own unemployed people in the Depression.)

"But this does not mean that President Hoover may not change his mind after Congress resumes this fall and the various Senators and

Representatives are back on the job from their Oriental tour. Congressmen from the Western states appear to be more or less united on the proposition that something should be done about silver and if they continue in their present attitude something will be done, regardless of the personal views of President Hoover, the reason being that neither of the two major political parties will want the other to make a political issue of this question."

"Senator King of Utah, ranking Democrat in the Upper House ***IS BEGINNING TO ATTACK HOOVER'S ATTITUDE ON THIS QUESTION*** and it will not be long before Senator Pittman, another ranking Democrat will be back home with fresh ammunition from the China front. Senator Oddie, Republican, who is also in China at the present time, will likewise have something to say on this question. The likelihood is that something may be done, despite the views of the economists who claim that silver should be permitted to take its natural course in the direction of copper and lead and wheat. It may be poor economics to attempt a stabilization of silver, but it may become good politics to do so in the event such is necessary in order to keep the Western silver states from going Democratic in the next Presidential election."

"Although it is beyond the ability of the average individual to understand all the ins and outs of the silver question, there is no questioning the fact that Senator Pittman understands his subject and when he declares that something will be done about it, we are inclined to think he knows what he is talking about. China stands a good chance of benefiting from the controversy, not because of any overwhelming desire on the part of American politicians to help China, but because helping China will provide a convenient peg upon which to hang Congressional action. China, at least from the standpoint of the National Government, is not interested in high silver; rather to the contrary, but China will offer no objections to an American loan which might contain a scheme for stabilizing the price of silver."

"The Chinese Government with its major obligations in the form of silver loans in the domestic market, would not shed any tears even should silver slump to still lower values, because every drop in the price of silver decreases just that much the Government's obligations. China therefore occupies a strategic position on this question and before she will agree to any plan for stabilization that would increase the price of silver, she will have to receive material benefits in the form of a silver loan or a gold-silver loan, or some other benefit that would make it worth while for China to cooperate."

Foreign Affairs for April 1931, pages 441-456, had an article, "The Silver Problem" by Herbert B. Elliston. Foreign Affairs is the official journal of the Council on Foreign Relations (CFR) which is the public subsidiary of The Pilgrims Society. The board and upper management of the CFR have always been Pilgrims members, and the rank and file realize there's a higher entity above them with a far lower public profile. Elliston was listed in Who's Who for 1940, page 858. He was born in Wakefield, Yorkshire, England in 1895 and was foreign correspondent for the Manchester Guardian and the London Observer before becoming and editorial writer for the New York Herald in 1922. His listing also contained the following---economic advisor to the Chinese government, 1923-1927; assistant director of research at the CFR, 1927-1930; joined the Christian Science Monitor in 1930 and became its financial editor in 1933. He was a member of the National Press Club in D.C.; the Century Club in Manhattan; the Royal Economic Society; the Royal Institute for International Affairs, the London counterpart to the CFR; and the anti-silver American Economic Association.

Elliston, while at the CFR, worked for Charles P. Howland, a member of the Association of the Bar of the City of New York, who was a member of Rushmore, Bisbee & Stern, 1921-1925. Charles E. Rushmore of that firm, a prominent lawyer, is the person for whom Mount Rushmore in South Dakota is named! Presidents are sculpted there, but another Pilgrim member is hidden behind them! Howland was a director of Mortgage Bond Company of New York, Lawyers Mortgage Company, and Robins Conveying Belt Company. He was of the same Howland family granted a family crest by the Crown back in 1584 http://www.renderplus.com/hartgen/htm/howland.htm Thomas Robins, Pilgrims Society (Who's Who, 1929, page 1777) was president of Robins Conveying Belt Company and president of the Princeton Engineering Association and a member since 1915 of the Naval Consulting Board of the United States. This was the inventor who introduced the conveyor belt to factories and mines worldwide, and controlled his own rubber company so as to maximize profits.

As of the 1952 Who's Who, page 736, Elliston was a member of the CFR and the Cosmos Club in D.C. plus the Royal Economic Society and the American Economic Association and was editor of the Washington Post with a Pulitzer Prize in 1949. Let's look at some of his 1931 Foreign Affairs article on silver, with comments on China---

"Any abrupt decline in a commodity price always disguises some special cause in addition to general market or monetary conditions. Silver is now at the lowest level of all time (about 27 cents an ounce). Obviously, conditions not wholly susceptible of explanation on grounds of the general fall of prices have been at work. In regard to most commodities the explanation would be sought in the production-consumption ratio, which is the determinant of price."

(It would be nice to see that ratio set the price today. Waiting for a real free market in silver is like being underwater, waiting to surface for a breath of air.)

"It is worth while to see what such a search yields when applied to silver. Over the decades since 1921 the average yearly output has been 230 million ounces. The average yearly consumption, however, has been 265 million ounces, ***ACTUALLY MORE THAN THE OUTPUT.*** Evidently we shall not find our answer along this route. The fact is that the large, ever-growing world stock of silver invalidates the production-consumption comparison as an explanation of its price. When wheat is consumed, a vacuum is left to be filled by new production; but the bulk of silver output flows into a vast pool of accumulations. Thus we have the origin of what in trade parlance is called "other supplies," i.e., the entrance into world markets of existing stock."

"Other supplies" constitute the outstanding market phenomenon; ***OVERSUPPLY, NOT OVERPRODUCTION, IS THE TROUBLE***. "Other supplies" have been in such vigorous competition with annual production that in the last decade they have ***EXCEEDED 355 MILLION OUNCES***, a yearly average of 35 million ounces. Since the use of silver is very ancient nobody can compute the reserve of these "other supplies." They do not come from mines whose potentialities are susceptible of measurement, but from sources whose age-old depths defy statistical research. Nor are actual sales from these sources known in advance. In regard to both volume and time, they have sprung upon the market, with the effect not only of depressing silver but of frightening operators into a persistent pessimism."

"Though the average annual sale from "other supplies" in the last decade was 35 million ounces, almost twice that amount came on the market every year in the three years ended 1930. Modern price relations, (start page 442) which rest on some degree of future planning, are impossible of maintenance in the face of this unknowable factor in the silver situation."

"Other supplies are coming out of depositories to compete with output because silver is nowadays treated as a commodity. ***FORMERLY SILVER AS WELL AS GOLD WAS THE MEASURING ROD OF COMMODITY VALUE.*** It had a fixed ratio with gold, not an unfixed price in gold, as in the case of other commodities. ***<u>IN THE TIME OF THE PHARAOHS A GOLD TO SILVER RATIO OF 10 TO 1 HELD ALMOST A RELIGIOUS SANCTION</u>."***

(In ancient Egypt silver was actually more highly valued than gold. That finally changed when the Phoenicians started importing larger quantities of silver from far to the North.)

"Colonne, the French economist, gave the seal of an economic law to 15:1, and in 1896 William Jennings Bryan built the Democratic platform on 16:1, persuading millions of American voters of its virtues. But Bryan's effort marked the end of the struggle to keep silver from being put on the side of commodities. Left to fend for itself, its "ratio" or price in gold is now 60:1. Progressive demonetization of the metal has built up a surplus of millions of ounces."

(Silver wasn't "left to fend for itself." Governments behind which lurked fiat creating financiers cast silver adrift. They understood all along that the first step towards eliminating gold was to eliminate silver. That is exactly what has taken place!)

"The history of the demonetization of silver goes back over a hundred years. ***IT HAS MARCHED HAND IN HAND WITH THE IMPROVEMENT OF LIVING STANDARDS***."

(Gee, the more we trash, debase and demonetize silver, the better off we become. Now watch what Elliston is about to say)---

"Man wanted a higher unit to express his growing wealth. He also required the minimum of variability in value. In 1816 England, then fast becoming the world's workshop, set the course of monetary policy towards gold monometallism. It enacted into law the single gold standard."

(The picture is different than the way this CFR writer depicted it. England wanted a way "to express its growing world monopolies." 1816 was just after the close of the Napoleonic wars. Napoleon as it happened, was a big believer in silver as well as gold. England desired to suppress silver as money in order to enrich itself by nudging other nations towards poverty. This was naked greed on Britain's part! As long as gold, gram for gram, is reckoned to be a higher unit of concentrated wealth than silver, silver will remain the more appropriate for most transactions! In fact, copper is naturally subsidiary to silver for smaller transactions.))

"Other trading nations, growing more prosperous and feeling the same need for stability, slowly fell into line behind England. Until 1921-1930, however, silver sales from surplus stocks had only temporarily adverse effects on silver prices. They were quickly absorbed in the Far East. After digesting the shocks caused by the progressive abandonment of the bimetallic standard, the demand rallied, as for example in the 1890's, when India closed its mints to free silver coinage and went on a kind of pound sterling exchange standard."

"Statistics show that India imported almost twice as much silver in the decade before the war as it imported in the previous decade. Post-war reconstruction gave a decided impetus to the century old movement against monetary silver. It added to the resources of "other supplies" the silver saved from a general debasement of silver coinage. This metal rapidly overflowed on to the market. In 1919 England called in and melted its silver coinage, reissuing the metal with a silver content reduced to five-tenths (start page 443) instead of nine-tenths."

"This was not an economy measure per se. England required silver to settle its obligations to India which, prosperous on war orders, had demanded such a volume of precious metals in settlement that in 1918 England was compelled to arrange for a loan of 200 million ounces of silver from the United States Government reserves. In 1919 and 1920, after wartime control had been removed, silver prices several times soared so high that even in the United States the silver dollar was worth more as silver than as a coin. The same phenomenon in respect of the rupee occurred in India, where the people, always alive to the appreciation of silver in value, began to present their paper notes to the banks and ask for silver rupees, which were promptly stored or melted down. To meet the growing demand in India, England shipped part of the silver saved from its silver coinage."

(Elliston spoke of wartime price controls on silver. We read about that in "War And Silver"---see Archives, which covered World War II. Apparently the same thing happened in WWI. I have yet to look at indexes for 1914 through 1918.)

"Postwar governments in Europe found that the British method afforded an excellent means of economizing on government expenditure. They ignored silver in their calculations for reconstruction, either keeping silver out of circulation altogether or debasing new issues. Conspicuous among these nations was France, which withdrew all of its silver coinage, issuing paper, brass, nickel and copper instead. In their anxiety to copy England and France, certain other states, notably Austria, ***WENT TOO FAR AND FOUND THAT TOKEN CURRENCY WAS NOT ACCEPTABLE. AFTER THEIR EXPERIENCE WITH PAPER CURRENCY WHICH COULD NOT BE CONVERTED INTO ANYTHING SUBSTANTIAL, THE PEOPLE DEMANDED THE CIRCULATION OF HARD MONEY OF INTRINSIC WORTH, SO THAT THEY MIGHT BE PROTECTED IN THE EVENT OF A RETURN TO ASTRONOMICAL INFLATION***."

(That says everything! Unbacked paper notes are mere trash!)

"Since they were no longer living under the police system of wartime, they got it, and silver started to return to the European money system. Though fineness was reduced, the additional demand, as well as general reconstruction, manifested itself in price; by 1925 silver had improved to 69.07 cents from the 1921 post-deflation figure of 62.66 cents an ounce (compared with $1.38 at one time in 1919.) ***THE DEBASEMENT OF SILVER COINAGE IN EUROPE NEVERTHELESS CONSTITUTED A SEVERE BLOW TO THE LONG-TERM PROSPECTS OF SILVER***. It enabled governments to dispense with the pre-war statutory requirements for subsidiary currency. It also made governments sellers, where formerly they had been buyers. In 1928 and 1929 England and France disposed of substantial quantities of their (start page 444) saved silver, though France has since declared its intention to keep the remainder of its reserve intact, and to reissue silver coinage next year, albeit with a low fineness."

"In the meantime the idea of a gold standard began to spread to the Far East, in spite of the low living standards prevailing there. The Indian Government in 1925 appointed a Royal Commission on Indian Currency and Finance, the fifth in its currency history, to consider a plan with a twofold design. Postwar losses incurred by the government that the only remedy was to introduce an effective gold standard and ***DETHRONE THE SILVER COIN FROM ITS POSITION AS UNLIMITED LEGAL TENDER***. Freed of this obligation, the government could then eliminate the surplus silver from its currency reserve. This was the first proposal submitted for the Commission's consideration."

"The second is worth quoting in full---"***TO CURE THE UNECONOMIC HABIT OF THE PEOPLE OF HOLDING PRECIOUS METALS AS A STORE OF VALUE***, by assuring them, through the instrumentality of a gold currency, that the same measure which they mete out, in gold value, by way of investment of deposit with a bank, will be meted to them again, in gold value."

(We already saw in "Britain Against Silver III" that the gold money system the British were imposing on India was in fact, only a paper system in disguise. India was simply being moved off silver onto paper. Some improvement, huh? And for whom is holding precious metals uneconomic? Not for those who hold them.)

"These objectives aroused the utmost concern in the silver industry of the United States. Only about 25 percent of the world's silver output is produced in United States territory, but American capital has large or controlling interests in many of the mines in Mexico, Canada and Peru. Possibly, indeed, American capital controls as much as 70 percent of world output. The objectives of the Indian Government threatened to cripple the buying power of silver's best customer, India. At that time India was taking up to 40 percent of the world supply, both on government account for coinage and on private account for hoards."

"There was a saying in the industry, "good monsoon, good silver," meaning that profitable farming conditions in India would boost silver prices by enabling the Indian people to invest their enhanced returns in silver. Yet government purchases were little less important to the industry. For the first sixteen years of the century Indian governmental transactions were said to be the main determinant of price. Finally, for centuries India had been a veritable Danaides jar for the world's silver mines, with the result that the silver industry had acquired a fixed fear that any blow to Indian confidence in silver, such as might follow an abrupt (start page 445) decline in price, would be likely to result in the disgorging of this tremendous hoard of buried rupees and ornaments, thus demoralizing the market."

(In Greek mythology, the Danaides were 50 sisters carrying water in large jugs in Tartarus, their version of hell. The jugs were riddled with holes, so that the water spewed out.)

"Disquiet was not allayed by the knowledge that at that time the plan of the government, in so far as it related to the attainment of an independent gold standard, found general support in India, for reasons of national pride."

(Indians had never been opposed to gold, but as in most places, its use was largely reserved to larger transactions and high-end jewelry.)

"American witnesses, mainly bankers such as the late Benjamin Strong, placed the considerations of American interest at some length before the Royal Commission. When the report came out it was found to modify the original plan, but nonetheless, in the opinion of the American industry, ***IT PRESAGED SERIOUS CONSEQUENCES FOR SILVER.*** These fears persisted in spite of English assurances that they would prove as baseless as the apprehensions of the 1890's."

(Pilgrims Society member Benjamin Strong was an official of the New York Fed Bank.)

"India was put on a gold bullion standard. Currency was convertible into gold, though only in bars of gold, ***TO OBTAIN WHICH IT WAS NECESSARY TO PRESENT NOT LESS THAN $8,000 OF CURRENCY."***

(We've seen this fact referenced several times already. Proof that the British certainly weren't offering gold to the average Indian. Only those in the upper crust, probably who arrived in that strata by being British collaborators, could exchange the new paper notes for real precious metal.)

"***THE COMMISSION GAVE ITS IMPRIMATUR TO THE PROPOSED ABOLITION OF THE LEGAL RIGHT TO CONVERT NEW NOTES***

INTO SILVER RUPEES. The gold reserve needed to support the new gold standard was much more than the Indian treasury possessed, and it was proposed to obtain it by selling excess silver held in the reserve against paper currency. More silver was expected to flow back to the Treasury out of the so-called "redundant rupees" acquired by the Indian population during the prosperous war and postwar years. As the inevitable consequences of these measures, provision was made for the suspension of the coinage of silver for some time to come. ***OBVIOUSLY THE INTENTION WAS TO DISCOURAGE HOARDING AND TO PROMOTE IN INDIA THE "POCKET CHANGE" ATTITUDE TOWARD SILVER OBTAINING IN THE WEST***."

(All of this subversion against silver, and the faked support for gold, was directed from London. This event, ranking as high or higher on the scale of attacks against silver as the Crime of 1873, is additional substantiation that the modern concept of money creation flows from London! The Americans are likely the junior partners, albeit stronger in military terms; that's why we are being used in the Middle East. As the Bush---and God forbid---the incoming Clinton administration throws open the Southern border, the millions of Mexicans will flood in, lured by a false prospect of a better life---only to be fed into the war machine as "volunteer enlistees.")

"World silver prices, which had held up for four years, responded to the Indian report by sinking 10 percent in 1926. Today the reaction seems to have been due to intelligent anticipation of coming troubles. If Indian governmental purchases alone had determined price in 1900-1916, surely Indian governmental sales would depress it. The Indian Government fulfilled expectations by selling (on a modest estimate) 75 million ounces in 1926-1930. In 1928 India, hitherto the chief absorber of silver since records began to be kept, was passed by China, the last great stronghold of the silver standard." (end page 445)

"Another consequence of the action of the Indian Government was to gain advocates for gold among other peoples historically wedded to silver. A currency example is contagious, and it was therefore not surprising when last year French Indo-China renounced silver and emptied its coffers into the world market. The Indian Government, taking alarm at the possibilities of this invasion, in March 1930 set the final seal on its disapproval of world silver by imposing an import duty."

(The French joined the British plan against silver money. On the surface, it was in the best interest of gold acquisition that British India receive as high a trade value as possible for silver. But their main objective was certainly just to wreck silver as money everywhere.)

"In his last budget speech, Sir George Schuster, Finance Minister of the Indian Government, explained---"There is another important new factor in the situation, in that the government, owing to their possession of surplus stocks of silver and the erection of a new refinery at Bombay, have got into the position of being themselves important producers of silver. Our proposal, therefore, has the new incidental advantage of providing Government with a protected market for their own produce."

(As we saw in "Britain Against Silver III," Schuster was related by marriage to the Kleinworts, whose connections to the Rothschilds got Goldman Sachs the London connection they needed.)

"But the act did not accomplish its purpose of protecting the price of Indian Government silver sold inside of India. The import duty established a differential between home and world prices of about 9 cents an ounce. Yet, partly in consequence of this act, the world price started to toboggan downward in May, and, dropping much lower than 9 cents, of course dragged the Indian price along with it. Today the duty is meaningless in view of ruling prices at 27 cents compared with around 45 cents in February 1930. Figures which illustrate the shift in silver distribution in the East as the result of these developments are as follows---

(World Output…..…China……..…India)

1924…….239,100,000…..41,700,000…..108,200,000
1925……..245,100,000…..59,400,000…..106,700,000
1926…….253,600,000…..73,900,000…..91,600,000
1927…….251,200,000…..85,000,000…..90,000,000
1928…….257,200,000…..124,000,000….89,000,000
1929…….260,900,000…..136,700,000….81,800,000
1930…….243,700,000…..123,000,000….94,500,000

"What will China do? It is only a half-truth to describe China as being on a silver standard basis. Internally, silver is simply the medium and the standard of value for the upper stratum of society. As one goes down the scale of social life, one finds in vogue many media besides silver, all independently managed standards---copper, a minutely valued coin composed of an alloy, (start page 447) chiefly brass and bronze), inconvertible paper, and outright barter. If one may make any generalization about China, that country may be described as on a commodity basis of exchange, for even in those areas which have progressed out of barter the metals are used almost at commodity values."

"Sometimes, as in India in 1919, these metals may have an intrinsic worth beyond their face value. For instance, in 1919, when the metals rose so high and so abruptly in price, the cash of China attained to this premium, and a lively Japanese trade sprang up in imported cash from China. In Japan the coins were melted down and the metal returned to China for recoinage at the mints! Thus the mass of the Chinese people are neither aware of the convulsions in the silver world nor very much affected by the world depression."

(It takes a CFR spokesman to stoop so low as to deny the effects of the British induced world silver slump on China. In no way did the findings of the Senate subcommittee on silver concur with Elliston's allegations as to the supposed benign effects.)

"They live and work too far from the treaty ports to be dependent on gold priced goods, so expensive in China nowadays with the drop in silver or, as it is regarded in China, the rise in gold. Even the few foreign commodities which percolate down to the smallest villages, such as kerosene and cigarettes, may not show any marked change in price, as the foreign merchants operating in China, long used to changes in the price of silver, generally vary the content of the product and leave the unit price undisturbed."

(Senator Pittman spent many weeks in China investigating their living conditions as the silver slump brought negative changes. Yeah, I bet that imported products were cheapened in order to make adjustments to depressed silver values.)

"China as a people may be indifferent, but the chief currency authority, the Government at Nanking, cannot be unconcerned. The government must take stock of China's new position as the main support of the silver market, with takings amounting to the equivalent of half of the world output. In addition to being the chief outlet of production, China is the dumping ground for "other supplies," i.e., government sales. For reasons of which dumping is one, Shanghai holds three times the stocks which it held in 1921. China has been so hospitable to all this cheap loose silver that a group of United States Senators now propose to expedite delivery beyond the limits of its consuming ability."

"They suggest that China might take another hundred million or so ounces by way of a loan, as England did in 1918. Such a prospect does not seem likely to fall on receptive ears in China at a time when its trouble is to maintain a free market which will not degenerate into a dump. Last year the Nanking Government, following India's example, put an embargo on the importation of foreign silver coin, and actually (start page 448) considered the imposition of an import duty on silver, which would have put the country on an inconvertible silver standard. It has also partly safeguarded its foreign debts not in default by fixing a rate of exchange for the collection of the maritime customs, a source of revenue which, formerly collected in variable silver, is used to meet most of China's foreign obligations, which are mainly payable in gold currencies."

"So much for the internal function of silver in China. Silver is also the Chinese medium of exchange in international trade; that is, its foreign exchanges are at the mercy primarily of the equation between fixed gold and unfixed silver, or the price of silver in gold. Naturally the present low gold prices for silver conceal a bounty on Chinese silver-priced exports. Foreigners, having to give less in their own currencies for a given quantity of goods, will find China a cheap buying market. This phase of the situation has already excited those who see the Yellow Peril behind every economic bush. However, any great augmentation of exports seems dubious. For one thing, neither the economic nor the political organization of China is such as to allow it to take much advantage of such an export bonus."

"Again, it does not seem likely that commercially China wants a bonus on these terms. The penalty on the other side, namely the high prices which it has to pay with its silver for foreign gold priced goods, is too great. Just as foreigners have to supply less of their currencies to buy Chinese goods, so the Chinese have to supply more of their currencies or goods to buy foreign goods."

"Modern China is interested in imports as well as exports. This is not the China of the Emperor Chien Lung, who wrote to George III that there was "no need to import the manufactures of outside barbarians in exchange for our own produce." There is today a will to import at least capital goods such as machinery in order to build up modern industries. A will to import may be observed in the new tariff which has reduced the duties on such imports in the effort to overcome the high levels of gold priced goods. Vain, however, has been the hope of trying to offset the effects of the accelerating silver decline. So if China cannot provide the cheap goods or enough silver, it will of course reduce its foreign commodity takings; in any case, low silver prices (conversely, high gold prices) will encourage the upbuilding of Chinese factories to supply the demand which has hitherto been dependent upon foreign supplies." (end page 448)

"The answer may be that China will abandon the silver standard. The proposal has been talked about since pre-republican days, but no progress has been made, as currency reform demands what China has always liked to inquire into the theoretical possibilities of bringing order out of its monetary chaos. The invitation to Dr. E.W. Kemmerer to render a currency report resulted from this feeling. Dr. Kemmerer's report proposed that a gold exchange standard should be ushered in by stages. It has been regarded with so much skepticism on the score of practicability that its influence upon the silver market has probably been negligible."

"Perhaps the only item in the recommendations calling for comments is the one which provides for the sale of many millions of ounces of silver in order to build up a gold reserve. This would be accomplished out of the seigniorage saved by issuing debased token coins instead of the pure and almost pure silver which at present circulates either in the form of sycee (bullion shaped like shoes) or of coins. The trouble with this recommendation is that China, in the same selling role as India and for the same purpose, would probably drive down the price of silver to further low levels. At present it would be a reductio ad absurdum; the silver-deserting countries would be taking in each other's silver."

"Of immediate moment is the reaction in India to present low silver prices. An Anglo-Indian lawyer residing up country once gave the writer some indication of the changing monetary habits of the Indian population when he said that he was now paid in notes whereas in his first few years in India he was paid in rupees dug out of hoards in the ground. The rupee has a face value of 37 cents as compared with an intrinsic value of less than 10 cents. In the United States the simultaneous decline in the bullion value of a silver dollar to about 25 cents has not affected our esteem for the silver dollar, because that esteem is based on its recognition as token coinage and nothing more."

"We are so confident of our ability to command a gold dollar's worth of commodities with our silver dollar that we do not perceive any significance in the decline in its intrinsic worth. A different psychology would probably prevail if we used dollars for savings instead of to buy small articles. The Indian, as was shown in his early postwar behavior, is fully conscious of the increasing devaluation of the rupee, in spite of the fact that by the operations of the gold (end page 449) standard he is able to obtain goods of a gold value of 37 cents for it. He is showing an increasing indisposition to store it. Undoubtedly this is one reason for the flow of rupees back to the government treasury. Coined rupees have been coming in so fast that, in spite of government silver sales totaling 75 million ounces (250,000,000 silver rupees), the Indian currency reserves on January 15, 1931, far from being diminished, stood at 1,202,000,000 silver rupees, as compared with 833,000,000 silver rupees on January 1, 1926."

"Yet an Indian flight from silver bullion as distinct from silver rupees would require a vast change in psychology, and hence is extremely problematical. Silver bullion is stored away in bars or ornaments. In some parts of the country a widow is not allowed to inherit more property than she can hang around her person; naturally such property takes the form of ornaments composed of the precious metals. Silver has the great virtue of relative indestructibility; ***PAPER CURRENCY BURIED IN THE DAMP GROUND OR SECRETED IN LEAKY RAFTERS COULD NOT WITHSTAND THE RAVAGES OF TIME***."

(Inferiority is the hallmark of all paper money. Its relative lightness is no excuse for the tribulations it brings.)

"Nor is the development of banking or investment habits likely to make the headway that was prophesied for it, particularly in view of the uncertainty of the country's political future. Despite all this, the arrival of historic low prices for silver has awakened serious fears lest Indians should lose confidence in the metal. Unlike China, where gold is not used as a standard and seldom as a store, in India the relation between gold and silver is widely appreciated. In its first interim report on gold, the Gold Delegation of the Financial Committee of the League of Nations makes the guarded comment that, "It is quite possible that the recent decline in the price of silver will lead to increased purchases of gold." There is no way of knowing definitely about such a subject, but no such movement as yet seems to be recorded, and most authorities consider the converse to be true, namely, that low silver prices, when they are considered bottom prices, are apt to encourage silver imports at the expense of gold imports."

(Any of you ever hear anything as to the United Nations doing anything positive to encourage use of precious metals in payments systems? Why should its predecessor have been different?)

"However, just as American women would cease to esteem platinum if platinum lost most of its present value, so the Indian esteem for silver would vanish if the bottom dropped out of the silver market. After all, Indian hoards are a store of value, in the sense of being private treasuries, as well as a store of sentiment. It is sometimes asked why the silver industry does not seek (end page 450) equilibrium and adjust itself to its new competitor. No measures could be imagined that would offset the waywardness of such competition as "other supplies" have provided in the last two or three years. Nevertheless, the attempt to widen industrial demand for silver or limit output in order to help prices has repeatedly been urged on the industry."

"There are those who assert that enough activity has not been devoted to the promotion of uses for silver apart from its uses as a precious metal. And it may well be that the historical regard for silver as a precious metal has not encouraged enough research into its possibilities as an industrial commodity. Only 15 percent of supplies is now absorbed by industry; but present conditions may provoke further research, especially into possible uses at different price levels. As yet the only hope of a larger industrial outlet lies in the effort now being made to put non-tarnishable silverware on the market."

"Limitation of output is difficult in the case of silver because 60 percent of the product is won from mines which also yield lead, zinc and copper. Output was reduced last year by 20 percent, but this was chiefly due to curtailment in the output of the other metals, though there was some degree of lessened activity at the straight silver mines. This year a further reduction is in sight. Peru, for instance, which normally furnishes 10 percent of the world's output, will probably place on the market about half of its usual quantity."

"Another problem attaches to curtailment of output. Silver holds an important position in the budgets of Mexico and Peru. Mexico, responsible for 40 percent of output, is to a great extent dependent for sustenance on world takings of its mineral wealth, and silver figures largely in this revenue. Already an arrangement has been made to suspend transfers of payments on the Mexican foreign debts. Peru wants an outright moratorium on its obligations abroad. A major reason for the development in both cases was the silver crisis. Moreover, Mexico will not readily allow the silver mines to be closed down. Unremunerative operation has been forced on several owners by a provision in Mexican legislation requiring an employer to obtain official permission before discharging labor. One instance is recorded where, even after permission had been obtained, and the mine had officially suspended operations, the miners continued at work, finding a market for the stolen metal in Mexico City." (end page 451)

(When governments interfere with free markets, black markets result.)

"Drastic restriction of the silver output, it is obvious, would create a widening circle of complications not limited to the silver industry or to the impoverishment of Mexico and Peru. Enough has been said to show that in potentialities other "supplies" are of far more significance than output. They are a permanent feature of the situation because of ***THE FEAR THAT IN THE LONG RUN SILVER MAY BE DETHRONED AS A MONETARY METAL***. To try to stem the tide would be like the effort of the lady of fiction who tried to sweep back the ocean. That the bimetallic solution of the silver problem has not gained more advocates in the face of fears of a gold shortage is a witness to the manner in which men are looking to managing existing gold supplies more efficiently rather than to securing more metal in stabilizing currency supplies."

(Silver money advocates were numerous, but were increasingly squelched in the press, and much more so in university curriculum.)

"***THE NATIONS ARE BEGINNING TO DISPENSE WITH GOLD AS WELL AS SILVER, MASSING THE YELLOW METAL IN CENTRAL BANKS, WHICH ARE REARING INVERTED PYRAMIDS OF CREDIT AND PAPER CURRENCY UPON IT***. So far have we progressed from the days when we insisted on "honest metal" as a safeguard against dishonest government that the movement to reinstate more silver into circulation seems foredoomed to failure. We are moving toward the elimination of international, let alone the national, handling of metal. Impressed by the cumbrousness of shipping gold in settlement of international balances, central bankers are beginning to envisage the prospect of a world clearing house system."

(A complete collapse of world currencies stands between us and renewed reliance on precious metals. Is it possible for all "money" to be expressed and used electronically---with no bullion base? Apparently this is what the old intermarried rich are after.)

"Is there any reason, however, for the West to force the process on the East, where such different conditions prevail? The East possesses neither the living standards nor the tempo of life which has encouraged the elimination of metal by Westerners in transactions among themselves. Nor do we find in the Orient the confidence in government which is a desideratum in dispensing with "conspicuously visible" money. Even in India the British Raj is preparing progressively to Indianize the institutions of government, and no one can foretell either the outcome of these reforms or their consequences on the currency habit of the Indian population. ***WILL THEY LIVE TO REGRET THE INTRODUCTION OF PAPER, AS MANY AREAS IN CHINA REGRET IT?"***

(We still see accounts in the newspapers of the USA about some elderly person having stashed large wads of cash under a mattress. Those few with such a habit have practiced it for many years---and been very decidedly losers because of inflation.)

"Be that as it may, if the writing on the wall reads that the cheapening of silver is inevitable, there are reasons both of justice in India and of Western self-interest for making the process gradual. India has probably four times the silver hoards held by China. (start page 453) Strictly speaking they are not "hoards," a word which connotes miserliness, but savings, and should be regarded in the same category as the money on deposit with the savings banks of the United States. An average of the estimates of recognized authorities would put these private stores of the Indian population at four billion ounces, or well over half the world total stock. In 1926 their value in terms of gold was $2,750,000,000. Today they would be valued at $1,075,000,000."

(The London money powers have a long history of impoverishing billions around the globe. Some day this will reverse.)

"The word filched has been applied to this reduction in value. What word is the Indian using? One can well imagine, especially when, as a result of the world depression, he is forced to pawn or sell his silver. Here arises the question of justice. In certain circumstances the protection of the purchasing power of silver may be none the less vital to the Indian than the protection of the purchasing power of gold to the West. The raising of the point of justice has not been limited to unofficial British commentators. It has the warrant of the Royal Commission of 1926, which stated---

"The people of India have from time immemorial placed their trust in silver as the medium of exchange and as their store of value. They are deeply interested in the value of silver bullion, ***AND IT IS CONTRARY TO THEIR INTERESTS TO DEPRECIATE IT***. The present proposals (those of the Indian Government) would ***INFLICT HEAVY LOSSES ON THE POORER CLASSES***, who have put their savings into silver ornaments, and who would find their stores of value depreciated by perhaps 50 percent by the action of government. It might well happen that ***WHEN IT WAS SEEN THAT THE PRICE OF SILVER WAS DOOMED TO FALL, THERE WOULD BE A TENDENCY TO CHANGE OVER FROM SILVER TO GOLD IN ALL PARTS OF THE WORLD."***

(That paragraph was a top example of double-speak and hypocrisy. The Royal Commission on Indian Currency and Finance was part of the British Government of India! Here they attempted to make it seem as if it was someone else, other than themselves, readying to assassinate silver! That was exactly their plan---to derail silver as money all over the world! The United States branch of The Pilgrims Society, in charge of the demonetization efforts against silver here, in the persons of Lyndon Johnson, Douglas Dillon and Robert Roosa---all members---succeeded in consummating the plans of their London counterparts by 1965!)

"We have already seen how the prophecy came out more than true, even though the laws as enacted only partly fulfilled the original proposals. The price of silver in 1925 was 69 cents; ***TODAY IT IS AROUND 27 CENTS,***

A DROP OF 60 (NOT 50) PERCENT. AND THE INDIAN GOVERNMENT IS KNOWN TO HAVE SOLD SILVER WAS AT RECORD LOW PRICES.”

(Elliston appeared to be trying to suggest that it was Indians who were attacking silver! He continued making references to the Indian Government, when in fact, it was the British Government over India that was pulling the strings against silver, tossing its own hellish varieties of arsenic, strychnine, mercury and poison monetary gas against silver money. When the Bank of England was selling gold into the market in the $250 per ounce range in 2001, they were doing exactly what their predecessors were doing against silver over 60 years earlier! Selling at the bottom of the market to crush prices!)

“By conducting its operations regardless of price, ***THUS FURTHER DEPRESSING THE MARKET***, the government must accept much of the responsibility for the reduction in the value of Indian hoards. Undoubtedly much of the explanation is traceable to the need under which the Indian Government has labored of parting with silver for the purpose of supporting foreign exchange during the business depression. But that is another story.” (end page 453)

“Any proposal to remedy the silver situation must first take account of the Indian Government’s attitude. Through Sir George Schuster, in his last budget speech, it has now expressed its willingness to consider joint action with a view to the regulation of sales by all world sellers. In actual sales the Indian Government has probably not sold more silver in the last decade than the British Government. All governments holding reserves of metal from debased coinages would therefore have to join India in making cooperation effective.”

“There is no doubt, as will be seen from a reference to the statistics already given, that world demand furnishes an outlet for both the debased and demonetized silver What troubles the market, and makes operators bearish, is the uncertainty, both as regards time and volume, of government selling. On this point the 1930 circular of the British firm of silver brokers, Sharps and Wilkins, writing of sales by the Indian Government, states---“It was not so much the actual sales that were responsible for the fall, as the uncertainty of their next move.” That this is the outstanding characteristic of the present day silver situation seems to be the consensus of expert opinion.”

“What is wanted then, is regulation of the time and flow of government selling. At the same time a system of regulated government buying to meet coinage needs might be worked out. Hitherto coinage requirements have been filled more or less haphazardly. Francis H. Brownell, chairman of the board of the American Smelting and Refining Company, has outlined a plan for joint action (as mentioned by Sir George Schuster) to be undertaken along some such lines. Demand for silver is highly irregular, and if the governments agreed to time their calls for coinage purposes during slack buying seasons in the East, and at the same time came to some understanding over their silver selling policy, the darkest cloud would be lifted off the silver market, and the atmosphere cleared.”

“Self-interest as an urge to the Western world to control “other supplies” is based on two considerations---(A) the need for conserving gold; (B) the need for markets for Western goods. Studies of the gold problem have brought out the well grounded fear that our gold mines will soon be unable to add the requisite 2 or 3 percent of new gold to the existing monetary stock of gold needed for maintaining stable prices. Such a situation (start page 455) admittedly calls for better management but it also requires the conservation of existing supplies. The problem of economy in the use of gold, particularly non-monetary gold, is the subject of discussion at every meeting of central bankers. Bankers have hitherto been exercised over the imponderable of the Indian demand for hoards as well as for money reserves.”

“At various times India has been called a “sink” and a “sponge.” It has been absorbing a fifth of annual world output, mainly for hoards, which of course do not serve world trade. Yet the Indian Government is pursuing a policy, the consequences of which must be to encourage India to acquire gold. On the authority of the League Gold Delegation, low silver prices fostered by that policy might possibly turn the preference for hoarding purposes from silver to gold.”

(Indians have always craved gold. But that is accessible to the upper classes. Silver has always been the savings of the average Indian.)

“A marked decline in the price of silver depletes the ability of both the silver users of China and the silver savers of India to buy Western goods at present gold values. We have seen that in China there exists a new desire to import foreign goods. But the drop in silver is depriving more and more Chinese of the ability to pay for the very goods which the enterprise of foreign merchants has introduced during the past century. Reports from Shanghai state that Chinese (or silver) prices on wool, for example, have skyrocketed so high that thousands of Chinese, long used to Western style clothes, are going back to Chinese silks."

"Few commentators on the silver situation neglect to observe that permanent recovery is dependent in no small measure on an increase in China's foreign trade. Some indeed go so far as to say that the decline in that trade last year was the primary cause of low silver prices."

(Elliston referenced those who tried to remove blame from Great Britain for causing the Great Depression. For the millionth time---the depression took place because the British Empire attacked silver values and made silver plummet. Silver fell first, then the depression occurred.)

"This is putting the cart before the horse, as the figures show that the commerce of the United States with China declined in about the same proportion as the total trade of the United States, while silver imports by China, though slightly reduced from the record year of 1929, were 40 million ounces above the six year average. Undoubtedly few things would do so much not only for silver but for the excess manufacturing capacity of the Western world as the development of China. Wu Ting Fang, when minister to Washington, once said that if his people could be persuaded to add half an inch to their shirt tails, all the textile mills in the world would be kept busy supplying the extra demand. The remark, though only facetious, does give some idea of the potentialities residing in such a huge (start page 456) population, should its living standards be raised to somewhere near Western levels. But as long as China remains attached to a silver standard, the rapid decline in silver must be checked if we are to retain the relatively small trade which we have secured, let alone obtain the increment which belongs to the future."

"As a commodity, silver has clearly been affected by the worldwide decline in all commodity prices. Yet silver has declined far more than other commodities and in that disparity may be sought the justification for regarding silver as a special problem. The decline of silver has perhaps caused other commodities to fall in price more than they otherwise would have done. There is no disagreement among the various sections of opinion interested in silver as to the advisability of restoring silver to something of its former prestige."

(Considering how the British leadership did its damnest to inflict mortal wounds on monetary silver, it's impossible to reckon that they wanted to see any of silver's status restored.)

"The most determined Anglo-Indian advocate of the gold standard for India, the most isolated silver miner of Nevada, and the most rampant Chinese nationalist will all welcome for their own particular purposes the restoration of confidence in silver. The question is thus whittled down to one of how shall this restoration of confidence be brought about. India apparently feels that it should not be asked to stop selling unless the American producing interests curtail their output. The American producers are likely to argue that they cannot curtail production of silver without simultaneously (and with far reaching complications) curtailing the production of other metals, principally gold, lead, copper, and zinc, of which the three latter are already on a reduced basis of production."

"The producers will probably also stress the point that the equilibrium of silver was upset not by an abnormal increase in production but by the action of governments and that equilibrium consequently should be restored by those same governments."

(Not even all the Silver Senators combined could have stated the case any better!)

"China, relatively impotent in the matter, is likely, if driven to the wall, to resort to extreme measures which, while they may not help China very much, will certainly harm Western trade. The problem of reconciling these conflicting interests in a harmonious program would not seem insuperable when the object is common to all parties."

(The conflicting interests were not to be reconciled. The Times, London, November 18, 1931, page 11, mentioned the resolute opposition of the New York banking community and the U.S. Government against using silver as a reserve against currency and were opposed to summoning an international silver conference. The silver suppressors were to have their way in derailing China off its ages old silver standard. The China Weekly Review, February

8, 1936, page 350, reported that the new coins issued were of nickel alloy and copper.)

Asia Magazine, December 1931, featured a silver article, "Asia, Absorber of Silver" which mentioned China. Herbert M. Bratter, a well known statistician and silver researcher who was on the scene until at least the late 1950's, was the commentator. Assorted passages in the Commercial and Financial Chronicle across these years demonstrated Bratter's sympathies were with the silver suppressors. Some of his comments---

"How came silver to be treasure? And how came it to attain the position of importance it occupies today? We read daily of proposals to "remonetize" the white metal, of the advisability of turning back to silver in order to "save the purchasing power of half the world" or to "overcome the universal economic depression." There must indeed be a magic about this appealing substance. We should like to inquire further, to know whence it comes and whither it goes, who has it and what it is wanted for. Why is it so important that United States Senators devote whole months and years to pleading for it, that day after day newspapers fill columns with word of it? Is it really something significant, something vital to you and to me? Silver is an unusual metal. It is extremely attractive. It is also relatively rare in nature. Hence it can scarcely be called a common metal." (page 754)

"In addition to attractiveness and rarity, silver has several other desirable qualities. It is relatively indestructible. It is malleable and ductile and therefore lends itself well to use in manufacture. It is wear-resisting, especially in combination with other metals. For all these reasons, silver early acquired an exchange value. It offered a satisfactory store of wealth, a portable repository for that portion of one's labor not required for immediate consumption." (page 754)

"In India and the Far East, it became customary for the people to put their savings not only in coined silver but in silver bullion or jewelry as well. This custom has persisted down to the present. In China, not only is silver bullion the principal form of savings, but it is still the principal money of the country for large size transactions. To replace the foreign coins (end page 756) formerly circulated, Chinese dollars lately have been coined in increasing quantities. But copper cash remains the basic money of the country, and wholesale business is conducted as of old in terms of taels---Chinese ounces---of silver. The tael is not a coin. It was never coined.

Silver bullion circulates largely in the form of "sycee shoes." Sycee---literally, "fine silk"---refers to silver fine enough to be drawn into a thin thread; the word "shoe" is commonly believed to refer to the shape of the bar, similar to that of the shoe worn by a woman with bound feet."

(I recommend http://www.sycee-on-line.com/ for more info.)

"These "shoes" of silver and foreign bars constitute the bank reserves of China. They are divided into smaller pieces for hoarding by individuals or for manufacture into jewelry and ornaments and, together with silver coins taken at their intrinsic value, constitute the principal savings of the Chinese. Into these forms of saving in India and China, the greater part of the world's silver output has gone. Where banking facilities are inadequate and peace conditions unstable, they are the only practical means of saving. But the silver so saved does not usually find its (end page 757) way back to the Occident; it is held as a form of insurance against a rainy day. In time of need as, for example, when there is a crop failure, some of the hoarded silver will be sold locally."

(I believe that most of the silver that went into China since it began to be mined in Mexico and Bolivia over 450 years ago, has been squeezed out of China by the paper money forces for the benefit of industrial users. After China fell to Communism just before 1950, many millions of people were liquidated in the "cultural revolution"---estimates range as high as 63 million deaths! In such tyrannical and dangerous conditions, it would have been an easy matter for the Chinese Communist Party to round up silver hoards---large and small---and corral them at a central location---the Bank of China. It is certainly known that China has periodically dumped many millions of silver ounces on world markets. This took place after the Silver Purchase Act of 1934 removed well over half a billion ounces from China, which was a blow sufficient to force China off its internal silver standard by early November 1935.)

"Occasionally, when the balance of international payments is adverse to India or China, silver will even be shipped by Oriental countries to London for sale. Sometimes for another reason, silver may temporarily move away from the East. That reason is connected with the gold-silver ratio. For example, when an ounce of gold sells for $20.67 and an ounce of silver for 50 cents, gold has relatively about forty-one times the value of silver. If silver falls in price to 25 cents, gold has become relatively eighty-two times as valuable as silver. In the former instance, we should say that the gold-silver ratio 1 to 41 and in the latter, 1 to 82. A change of this sort in the eyes of the Oriental---to whom both gold and silver are desirable forms of savings---indicates that silver has become cheap."

"It is relatively easier to procure than it was. Therefore, any surplus that he has to set aside he will tend to invest in silver, now the better buy. Secondly, if he considers this advantageous situation only temporary, he will very likely put aside more savings than he normally would and invest them in silver. Thirdly, he may sell some of his already saved gold and therewith buy silver."

"But take the reverse situation. The gold-silver ratio moves from 1 to 82 to 1 to 41; that is, silver, which sold at 25 cents per ounce, now sells at 50 cents. Silver has now become relatively dear and gold relatively cheap. There will be a tendency for gold to be sought after and for some silver to be sold for gold. This is the (start page 759) situation that occasionally makes for the exportation of silver from Asia to Europe. Before discussing other aspects of the movement of silver in the Orient, I should like to mention some facts about the different gold-silver ratios that have prevailed at different times and places and to recall briefly certain points in the history of foreign silver coins in Asia."

"Before the nations became part of a single economic system, gold and silver had different relative values in different countries. As international trade increased, the gold-silver ratio tended to become more or less uniform throughout the world. In recent centuries, the course of the average ratio may be accurately traced, the figure being available for each year since 1687. In that year the average ratio of silver to gold was 14.94 to 1. It rose slightly thereafter, exceeding 15 to 1 in a number (start page 760) of years, particularly in the early eighteenth century. In 1760, it fell to 14.14, but by 1808 it had recovered to 16.08 to 1. In general, the ratio remained thereafter below 16 to 1, until 1874, when silver began to drop in value, as a result of European and American demonetizations and the commencement of a progressive increase in the world production of silver. By 1894, the average market rating for the year was around 32 to 1; in 1902, it stood at 39 to 1; in 1915, at 39.84; in 1930, approximately 71.5 to 1."

"Yet in Japan---only as recently as the middle of the past century, when the country was being opened to trade with the West---***GOLD WAS STILL***

CONSIDERED BUT FOUR TIMES AS VALUABLE AS SILVER. In his fascinating diary, Townsend Harris, first United States consul in Japan, tells of the highly profitable exchange business carried on by foreigners there. In 1859, Yokohama, then called Kanagawa, was first opened to foreign trade. Treaties with England and the United States were drawn up, providing for the exchange of Japanese silver coin for foreign, weight for weight. Though the treaties referred to American and English silver money, they were, in fact, interpreted as applying to Mexican silver dollars or more accurately, pesos. Nothing was said about fineness or about prohibiting the exportation of gold. Indeed, the treaties expressly permitted exportation."

"Foreigners lost no time in profiting by the treaties. From China and the Philippines they imported Mexican dollars, exchanged them by weight for Japanese silver ichi-bu, with the silver ichi-bu bought gold koban at the ratio of 5 to 1, shipped the gold to Shanghai and there sold it for Mexican dollars, at a profit of some two hundred percent. The outflow of gold was limited by the amount of gold held in Japan. Mexican pesos were there aplenty. Within one year, $1,500,000 Mexican accumulated in the hands of the merchants and was unexchangeable. In order not to let Japan be entirely drained of gold, the Japanese government ordered gold mining stopped. By 1860-1861, the gold koban had nearly trebled in silver value."

"The reference to Mexican dollars recalls another interesting chapter in the travels of silver. The newcomer in China is usually perplexed to hear prices quoted in "Mex."---Mexican dollars. These "dollars," as they are called, first found their way to China through the Philippines, whither they were brought from Mexico for the purchase of Oriental teas and silks and those varied treasures still occasionally to be found in the antique shops of Mexico City. Various other "dollars" also attained important circulation in China---the Carolus dollar, bearing the likeness of either Charles III or Charles IV of Spain; Peruvian, Chilean and Bolivian pesos; the American trade dollar; the British trade dollar used in Hong Kong; the French Indo-China piaster; the Straights dollar; and the Indian rupee. None of these, however, attained the popularity of the Mexican dollar. So widespread did its use become that the word "Mex." Was used in the treaty ports as practically synonymous with silver dollar."

"That these foreign coins became for many years, the most important silver tokens in circulation in China was not due to the absence of Chinese silver coins. Chinese silver dollars were minted in Fukien Province as early as

1835, and many other Chinese silver dollars made their appearance subsequently in other provinces. But the Chinese is by instinct conservative. As in the case of "chops," or trademarks, the popularity of a design---provided it stands for uniform quality---is difficult to destroy."

Fukien Province shown in red---

"Mexican and other foreign silver dollars filled a definite need in the early trade with China. The principal coins found in the country by the first foreign traders to seek regular business there were copper. These were naturally too bulky to serve the purpose of wholesale trade requirements. Silver was used by the Chinese for this purpose, but only in bulk. Since the ounce, or tael, was of varying weight in different localities, foreign traders found it desirable to introduce a silver coin of convenient size and standard value. This is the Spanish and Portuguese found in the Carolus dollar, which was subsequently supplanted by the Mexican peso coined during the latter half of the nineteenth century---not the coin used today in Mexico."

"This Mexican dollar became immensely popular in China, and only recently has it been displaced by the Yuan dollar, through the vigorous effort of the present Chinese government. The fact that silver is used as the currency, if not as the monetary standard, of several hundred millions of Asiatics, coupled with the severe depreciation in the price of that metal on world markets, has given rise to considerable discussion of the pros and cons of artificially raising or stabilizing the price of silver. Into the discussions have been injected arguments regarding the welfare of the Asiatics and of others who hold tremendous amounts of the metal as savings and the effect of the decline of silver on their purchasing (end page 760 start page 810) power in the rest of the world."

"Many factors have been active in depressing the price of silver. The fall started with the abandonment of the silver standard and of bimetallism, either international or national---closed the mint to the free coinage of silver. Then the United States terminated the Sherman silver purchase act, a provision by which the government had been required to buy fixed amounts of silver monthly. During and just after the World War, silver was in unusually great demand for the settlement of balances due in the Orient. The British government decided to lower the fineness in 1920. Other nations followed, and presently large quantities of demonetized silver were sold on the market. The price of silver dropped tremendously." (end page 810)

"Two conclusions are evident---one, that silver as a commodity reacts to demand and supply like any other commodity; the other, that silver, although deviating somewhat at times from the general direction of prices, has not necessarily met disaster because of its decline."

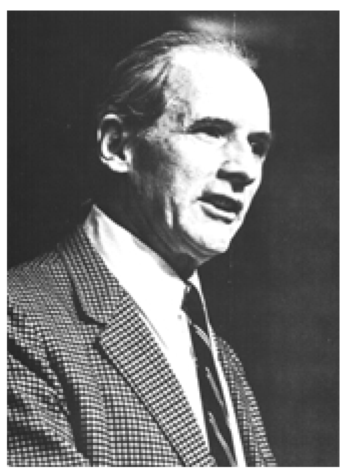
(Silver is governed by supply and demand? That's not the record of Commodity Exchange pricing for most of the period since the end of Treasury sales to the users in fall 1970! As for the fall of silver not being a disaster, Bratter should have discussed his contention with jobless Mexican silver miners subsisting on corn and water, or better yet, with Indians in agricultural districts who committed suicide because they had no funds with which to buy food!)

"Although India ceased the free coinage of silver in 1893, it was not until 1926 that definite steps were taken to establish India's rupee on a gold basis. In that year the Royal Commission on Indian Currency and Finance issued its report recommending that the rupee be linked with gold in a manner real and conspicuously visible, to establish a true gold standard. ***THE COMMISSION DID NOT RECOMMEND THE ACTUAL CIRCULATION OF GOLD RUPEES BUT OF PAPER RUPEES BASED ON GOLD***---the gold bullion standard. The rupee was to be redeemable in gold in quantities of not less than 400 ounces. The Government of India commenced selling silver in 1927. ***BY THE END OF MARCH 1931***

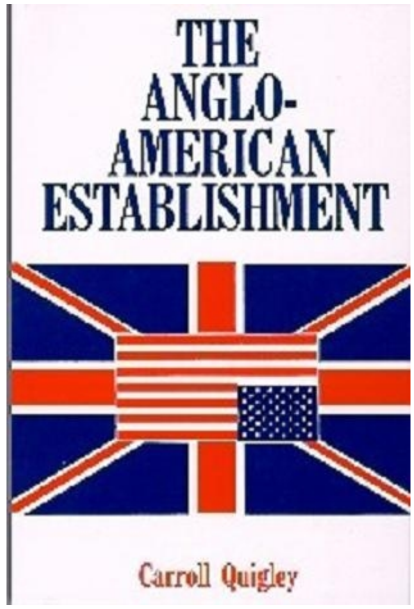
***APPROXIMATELY 101,000,000 OUNCES HAD BEEN SOLD*.” (end page 811)

(At a gold rate of $20.67 per ounce, an Indian would have had to present $8,268 in paper rupees for convertibility to be honored! In today’s terms what price would that be? Well over $150,000! The British weren’t giving India a gold money system, but a fiat money system trying to pass for a gold system.)

Carroll Quigley, a member of such banker fronts as the American Historical Association, the Conference of British Studies, the American Economic Association, the American Academy of Arts and Sciences and the English Speaking Union, and who was associated with the anti-silver Brookings Institution and the anti-silver State Department (1966 Who’s Who, page 1725) authored “Tragedy And Hope---The World In Our Time” in 1966. This was a 1,348 page book in which he spoke of India, China, gold, and the Great Depression---but contained not so much as one mention of silver! Quigley was a known sympathizer of the “one world” movement as he said on page 950 he had been “close to it and to many of its instruments,” meaning, the organizations he was enrolled in---



Quigley’s other book, dated 1966, was “The Anglo-American Establishment”---



Allington Castle in Kent, England, over 700 years old, is headquarters site of The Pilgrims Society of Great Britain, the creators of central banking systems and unbacked fiat currencies all over the world---

"The Pilgrims of Great Britain," 2002, page 176, has a more impressive view of this castle. It also showed the American flag flying underneath the British flag on the same flagpole. Apparently the positions of the flags indicated that the American members, great titans though many of them are, are nevertheless the junior partners. Quigley's book, showing the United States flag turned upside down and totally engulfed by the British standard, is additional commentary as to how our financial, military, and political system remains under British control through the cooperative influence of American members of The Pilgrims Society, the Council on Foreign Relations, the Rhodes Scholars, Trilaterals and Bilderberg.

I have enjoyed presenting some details over the last several months on the subject of silver coins. Once melted, they are gone forever; at least, as concerns the original mintages dating 1964 and earlier. In fact, these coins represent the scarcest silver investment I am aware of. Therefore, there is the prospect that they could ultimately outperform all other silver investments. That would apply especially after mining equities have attained their topmost pinnacle. The Wall Street Journal, September 23, 1968, page 28, reported---

"Thomas W. Wolfe, director of the Treasury's Office of Domestic Gold and Silver Operations, said the Government currently hasn't any plans to rescind the coin-melting ban. He said that coins of 10 cent, 25 cent and half-dollar denominations currently in circulation contain more than 900 million ounces of silver, or six times the nation's annual industrial needs of 150 millions ounces."

(Does the Treasury Department currently have such a division? If so, you can bet that Wall Street has total purview over it.)

"Since last year, the Treasury has accumulated 250 million ounces of silver in coins as a hedge against a shortage. And it expects to recover an additional 67.2 million ounces from the Atomic Energy Commission by the end of 1968. This is the last of a consignment of 427.8 million ounces given to the AEC in 1943, when copper was in short supply, for use in building power lines needed by the atom bomb makers."

(Almost 28% of the then current silver coin circulation was captured for the Silver Users Association. However, let's ponder a moment---if the Treasury started gathering that 250MOZ as of September 23, 1967---they must have been accumulating silver coins well before that, as they were in competition with so-called “hoarders.” In fact, the rush to rescue silver coins on the part of private citizens must have started not later than 1963, when there was much debate on Capitol Hill and media coverage of the silver shortage. My guess is that the Treasury, with the help of commercial banks feeding into the regional Federal Reserve branch banks, probably accumulated not less than 550MOZ of coinage. These activities would have started well before the date specified by the Wall Street Journal. The 67.2MOZ from the AEC was in all probability somewhat radioactive contaminated.)

The New York Times, November 29, 1970, section II, page 44 stated---

“The General Services Administration sale of surplus silver to the public through competitive sealed bids is expected to bring a profit of about $147 million to the Government, the United States Treasury Department announced.”

(This assertion of “competitive sealed bids” was quite the staggering falsehood as you will discover by reading “The Silver Raiders” here in the Archives. The silver also was definitely not sold “to the public.” It was sold to the Silver Users Association companies, with certain convenient exceptions. So-called end-user certificates were necessary!)

“Weekly sales conducted by the GSA opened on August 4, 1967 and were concluded last November 10. During the life of the sales program the Treasury furnished 212 million fine ounces through the melting of silver dimes and quarters.”

(Notice no mention was made as to how much metal could have been “recovered” in the form of half dollar coins.)

Dear friends in silver! We are in for an eventful 2008; possibly more so than we wish for. Say a prayer for our rights in gold and silver---we need protection. Without metals to dump to suppress prices, a larger Middle East war could be viewed as a “reason” to impose tyrannical Federal price controls on gold and silver. Of course, these would be cheerfully ignored outside this country, and would prevail until the world market drags the United States along, its silver suppressors constipated and flustered. Send out a good thought for Ted Butler. He’s the reason I started writing on silver. Since there was no need for me to cover what he covers---and could not have done as well at it---I turned to the very interesting history of silver. It has been very beneficial for us to discover who our heroes were in times past, phenomenal men such as Andrew Jackson, Martin Van Buren, John Tyler, Sam Houston, Alexander Del Mar, Key Pittman, Patrick McCarran and many others---and who the bad boys were and are, and what they've done against silver and gold. I can almost hear them chanting, "Hurt! Hurt! Hurt! All silver investors get hurt!" Next month---Britain Against Silver IV, covering 1932. We will continue to examine how the silver suppressors harmed China and the entire world. They remind me of what a Chinese woman said in an episode of the "Kung Fu" TV series---

"I KNOW YOU'RE CAPABLE OF GREAT DESTRUCTION SHERRIFF!"