BRITAIN AGAINST SILVER IV

Presented February 2008 by Charles Savoie

"NO REFERENCE HAS BEEN MADE TO SILVER, AND IF GREAT BRITAIN CALLS THE CONFERENCE I DO NOT THINK THERE WILL BE ANY."---Idaho Silver Senator William Borah, New York Times, June 30, 1932, page 31

"IT'S PRETTY APPARENT THAT <u>GREAT BRITAIN WILL NOT PERMIT A DISCUSSION OF SILVER</u>."---New York Senator Royal Copeland, NYT, June 30, 1932, page 31

"LONDON BANKERS CONSIDER PRESENT PRICE AS HIGH ENOUGH. BANKERS HERE ARE STILL UNFAVORABLE TO REMONETIZATION."---NYT, January 4, 1932, page 30

"SILVER IS DENIED ALL RANK OR RECOGNITION."---NYT, May 9, 1932, page 32. City of London, world financial district is situated almost exactly in the middle of metro London---

"WHAT IS THE EXPLANATION OF THE CHANCELLOR OF THE EXCHEQUER'S RECENT REFUSAL TO CONVENE A SILVER CONFERENCE OF THE POWERS PRINCIPALLY CONCERNED?"---
The Times, London, January 15, 1932, page 8

"THE ABANDONMENT OF THE MINTAGE OF SILVER HAS PROVED EXTREMELY DISASTROUS."---Alexandre Ribot, 4 time Prime Minister of France, NYT, January 17, 1932, section II, page 2

"***GOLD AND SILVER ORNAMENTS WERE BEING EAGERLY COLLECTED BY TERRIFIED PEOPLE IN ALL NATIONS OF THE WORLD, AND ENGLISH SOVEREIGNS WERE BEING BOUGHT AT HIGH PRICES BY FRENCHMEN. THIS HOARDING SEEMED TO BE JUSTIFIED BY THE EXPERIENCE OF INVESTORS AT HOME AND ABROAD WHO HAD SEEN PAPER CURRENCIES AND TRUSTEE SECURITIES ON THE CONTINENT DWINDLE TO NOTHING UNDER THE INFLUENCE OF INCONVERTIBLE PAPER MONEY***."---The Times, London, February 19, 1932, page 14

"SILVER IS THE MONEY OF ALL ASIA. SILVER IS THE MONEY OF A BILLION HUMAN BEINGS, AND IT OUGHT NOT TO BE TREATED WITH AS LITTLE REGARD AS IF IT WERE A SACK OF POTATOES. SILVER HAS ALWAYS BEEN THE COMRADE AND

***ALLY OF GOLD. SURELY WE WOULD DO WELL TO CONSIDER MORE CAREFULLY THE PART IT HAS TO PLAY IN OUR WORLD HOUSEKEEPING.*"---**NYT, May 9, 1932, page 32

***"THE DECLINE IN SILVER PRICES HAS CAUSED LOSSES ESTIMATED AS HIGH AS $3,000,000,000 TO INDIAN SILVER HOLDERS.*"---**Current History, May 1932, page 176

"***PRICE DECLINES IN SILVER LONG PRECEDED THE GENERAL WORLD DEPRESSION.*"---**Current History, May 1932, page 177

"THE RESULTS OF THE SITUATION BROUGHT ABOUT BY THE DESTRUCTION OF SILVER ARE VERY ACUTE AND ARE RAPIDLY GROWING WORSE."---House Subcommittee on Coinage, NYT, May 15, 1932, page 26

"THE WORLD MONEY SYSTEM, WHICH HAD BEEN FUNCTIONING FROM TIME IMMEMORIAL ON THE TWO CYLINDERS OF GOLD AND SILVER, IS NOW BEING ASKED TO FUNCTION ON ONE CYLINDER ONLY."---New York Congressman Andrew Somers, NYT, front page, May 15, 1932

"I HAVE NOT FELT THAT THE CALLING OF A CONFERENCE (ON SILVER) BY THE UNITED STATES WOULD SERVE ANY USEFUL PURPOSE."---Secretary of State Henry Stimson, Pilgrims Society and Skull & Bones member, associate of Winthrop family of Pilgrims Society members related to the Rockefellers, quoted in the New York Times, June 4, 1932, page 5---

"THE EVIL INFLUENCE OF SILVER DEPRECIATION HAS BEEN FELT BY ALL THE COUNTRIES IN THE WORLD."---Yue Kwei-Zun, director, Tung Yih Bank, Shanghai, China Weekly Review, June 11, 1932, page 49

"***IT SEEMS HOPELESS TO GET THE PRESIDENT TO TAKE THE INITIATIVE,"*** he said bitterly. ***"THERE IS NO USE TO DECEIVE OURSELVES***. ***<u>WE ALL KNOW THE TREASURY IS AGAINST IT</u>***."---Nevada Silver Senator Pittman, referring to an international silver conference, NYT, June 19, 1932, page 4

"THERE WILL BE NO GREAT RELIEF FROM THIS FRIGHTFUL DEPRESSION UNTIL SOMETHING HAS BEEN DONE TO RESTORE THE PURCHASING POWER OF SILVER. ***THE WORLD DEPRESSION WAS BROUGHT ON BY THE DUMPING OF INDIA'S SILVER. SILVER, THE ONLY REAL MONEY THAT HAS CIRCULATED FOR MANY THOUSANDS OF YEARS, MUST BE REHABILITATED OR THIS DEPRESSION MAY, LIKE THE DARK***

AGES, LAST A HUNDRED YEARS. OUR GREAT FIELD OF NEW CUSTOMERS WERE DEALT A FRIGHTFUL BLOW WHEN ENGLAND BEGAN DUMPING INDIA'S SILVER SOME FOUR YEARS AGO."---Letter in NYT, June 26, 1932, section II page 2

"THEORETICAL ECONOMISTS DECLINE TO RECOGNIZE THE EFFECT OF THE DEMONETIZATION OF SILVER."---NYT, June 27, 1932, page 25

"THE MINING STATES OF THE WEST APPEARED TO STAND AS A UNIT FOR A STRONG SILVER PLANK. IDAHO AND UTAH WERE DISPOSED TO SEEK IMMEDIATE ACTION BY THE UNITED STATES FOR REHABILITATION OF SILVER AS A BASIC MONEY."---NYT---June 27, 1932, page 13

"THE IDEA OF A CURRENCY BASED ON A COMMODITY OF INTRINSIC VALUE IS REALLY A SURVIVAL OF A BYGONE AGE. BARLEY, CATTLE, WIVES, COWRIE SHELLS, SILVER AND GOLD HAVE ALL PLAYED USEFUL PARTS IN MONETARY HISTORY, BUT IN COUNTRIES WHERE MODERN BANKING METHODS HAVE BEEN DEVELOPED THEY ARE OUT OF DATE AS CURRENCY STANDARDS TODAY."---The Times, London, June 29, 1932, page 13, letter from William Cecil Dampier, member executive committee, The Silver Association (front organization attempting to mislead the world on silver at that time.)

What a ride so far! This month we will continue this series and cover the first half of 1932. If you haven't read the preceding articles starting last August, stop now and do so!

The Times, London, January 1, 1932, page 19, "Gold In 1931" subtitled, "India's Hoard Tapped"---

"After summarizing the important gold movements up to September and referring to the events leading to the suspension of the gold standard in that month, Mocatta and Goldsmid state that the immediate result of these events was ***A COMPLETE LOSS OF CONFIDENCE ON THE CONTINENT AND A DISTINCT FLIGHT FROM THE DOLLAR AS WELL AS FROM STERLING. ENORMOUS SHIPMENTS OF GOLD WERE MADE FROM NEW YORK TO BELGIUM, HOLLAND, AND FRANCE.***

Very large amounts were earmarked. So heavy was the drain that special steps had to be taken to protect the dollar-franc exchange while the crisis lasted."

(With England repudiating gold at that time, no wonder Europeans preferred to hold gold rather than so-called sterling, which wasn't even silver anymore. As for dollars, they must have realized how much our government marches in lockstep with England---The Pilgrims Society guarantees that---so why should they trust dollars either?)

"The next most interesting feature was the beginning of gold shipments from India, as owing to the linking of the rupee to sterling instead of gold, the metal now commanded a premium in terms of sterling corresponding to the depreciation of that currency."

(This really drives home how Machiavellian the British financial establishment is. They announced in 1926 that they wanted to place India on a gold standard---while relegating silver really to mere base metal status. Then Britain repudiated gold in September 1931, and in addition, started withdrawing gold from British India! This was even after the British said the paper rupees they were issuing would have gold bullion convertibility---that is, provided you were an Indian with rupees equal to $8,064 in U.S. dollar equivalent! That was certain proof the British had no intention of anything approaching full convertibility! So next they started draining gold from India!)

The NYT, January 3, 1932, section II, page 11, "Silver Price Fixing Viewed As Useless" subtitled "Handy & Harman See No Help to Trade if Figure is Pegged Artificially"---

"Since the current low level of the price of silver is not a major factor in the world depression, attempts at increases through artificial measures would be of no assistance to trade, Handy & Harman, silver dealers, report in their annual review of the silver market."

(They opened with a false assertion then proceeded to wrongly reason from that starting point. Why increase silver prices, if you're a silver user?)

"They assert that the low quotations have impaired the purchasing power of silver producing countries only to a limited extent, and that of the silver

consuming countries scarcely at all. Recognition of these facts, they say, is the cause of the indifference of governments toward proposals for artificially increasing the price of the metal."

(Handy & Harman took great license in putting words in others mouths. Then they called their falsities facts. Governments didn't want to see silver prices increased because they wanted it destroyed as money.)

"We are opposed," the report reads in part, "to the principle of price fixing, because agreement upon a particular price is difficult, the correctness of any accepted figure is subject to human error and the effect of such action is to restrict the normal functioning of economic laws."

(Gee whiz---the "normal functioning of economic laws" was already tampered with by means of a downside price fixing of silver, caused by the British led attack against it! The so-called price fixing proposals were on the part of those who wished to restore silver to the more nearly normal levels it had before the British attack started!)

"Although a situation may be temporarily relieved or improved by artificial means, it is only when basic economic conditions become better that a permanent cure can come about. "Notwithstanding our lack of sympathy with any effort to stabilize the price of silver, we do, however, see reasons why an improvement in prices should occur as the result of economic forces."

(Did you catch the double entendre there? They had no qualms as to speaking out of both sides of their mouth.)

"A summary of these factors follows---Current production shows a substantial curtailment. Sales from demonetization have also declined, and since this source of supply is derived from a fixed amount of coinage each successive offering reduces the amount available in the future."

(That's just the point I've been making in the last several months on our 90% silver coins. The supply lessens every business day that many are smelted for bullion. They will prove to be the scarcest type of silver shares of all---even 1964s. I couldn't believe the 1948 and 1949 Franklins I just cherry picked, plus the 1949 and 1955 dimes and quarters.)

"The Indian Government may cease selling silver, not on account of a change in policy but because the necessity for so doing may be lacking. It has been stated that the Indian Government was forced to sell in the past in order to secure funds to help maintain the rupee at the legal rate of 1 shilling six pence gold, but now that the pound sterling has departed from gold parity the obligation to support the rupee at the former gold ratio no longer exists. Some new buying for subsidiary coinage has appeared recently, indicating a possible revival of demand for this purpose."

"India and China will continue to take large amounts of silver, although their absorption in 1931 was less than in recent years. This however, was due chiefly to decreased purchasing power occasioned by the low price of their products in foreign markets, and the inability of the rest of the world to buy on the same scale as formerly; and does not reflect any aversion to silver on the part of the people of these countries."

(No, the people of China and India didn't dislike silver; they disliked what Great Britain did to silver that damaged them so badly.)

"The preference for silver by the Chinese and the Indian farmer goes back over centuries, and conditions which prevail at present still forecast (start page 18) its continuance. The general standard of living in China and India is so low that the acquisition by individuals of any appreciable amount of gold is impossible. Outside of the principal cities, banks are unknown and the use of checks is not understood---***SO THAT HOARDING BECOMES NECESSARY, AND PAPER MONEY IS UNSUITABLE FOR THIS PURPOSE***. The white metal alone satisfies the needs of the Far East, and in our opinion will continue to do so for years to come, its use increasing as these Oriental countries develop."

(Accounts of misers stuffing cash into and underneath mattresses are well known. Clearly, saving in paper currency is a grand way to outwit oneself.)

"We reaffirm our faith in the future of silver. Its present plight is no worse than that of other commodities, securities or real estate, is the result of the economic depression through which we are passing, and will be corrected when international finances are adjusted and an improvement occurs in world trade and prices. After two years of steadily receding prices, the silver market, during 1931, showed definite signs of a change of trend."

(They repeated the lie that silver fell due to the depression. It was the fall in silver that caused the depression.)

"For the first time in more than two years silver has demonstrated its ability to rally substantially, and recently the average monthly prices have shown an upward tendency. Information now available indicates a material decline in world production for 1931 from the previous years total; in fact, we must go back ten years to find a comparable figure. Our estimate is 196,100,000 ounces, of which 31,400,000 ounces, Mexico 88,900,000 and Canada 20,400,000. South America contributed 19,700,000 ounces, the major portion from Peru, and all others 35,700,000 ounces. Expressed in percentage, the shrinkage from last year's figures is approximately as follows---United States 38 percent, Mexico 15.5 percent; Canada 22 percent, South America 16 percent, others 13.5 percent and world total 20.33 percent."

The NYT, January 4, 1932, page 2, "Wheeler To Offer A 16-1 Silver Bill"---

"Washington---A bill providing for the free coinage of silver on the basis of sixteen ounces of silver to one ounce of gold, as once advocated by William Jennings Bryan, will be presented in the Senate tomorrow by Senator Wheeler of Montana. His bill results from discussions among several Western Senators who advocate making silver a money standard, among them Senators Pittman, Democrat of Nevada, and Shipstead, Farmer-Laborite, of Minnesota."

(Aww, gee, another member of Congress supporting silver from a state not recognized as a silver state---but it once produced lots of silver from copper ore.)

"A special Senate committee headed by Mr. Pittman investigated the silver question and is expected to offer legislation to stabilize the price. The Senate last session adopted a resolution requesting President Hoover to call an international conference on silver, ***BUT THE PRESIDENT DECLINED BECAUSE OF OPPOSITION FROM GREAT BRITAIN***."

(It's astonishing that a nation that tried so hard to keep us in its grasp and under its bully thumb could reign in our President. This is accounted for on the basis of the invisible, yet astronomical, influence network that is The Pilgrims Society.)

"While some Senators from silver producing States are not in accord with the Wheeler proposal, it is believed that the problem will be discussed later in this session and that efforts will be made to inject it as an issue in the Presidential campaign. After stating that the proportional value of silver to gold in all coins current as money shall be sixteen to one, Senator Wheeler's bill will further provide that "the dollar consisting of twenty-five and eight-tenths grains of gold, nine-tenths fine, or of 412.5 grains of silver, nine-tenths fine, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

"Senator Wheeler declared that adoption of his plan would put more dollars in circulation and help the United States regain lost trade in the Orient by increasing the purchasing power of countries now off the gold standard. Such a law would double the volume of world primary money and within a year the world price of wheat, cotton and all agricultural products would be more than trebled, he said, asserting also that unemployment would be relieved through restoration of prosperity."

The NYT, January 4, 1932, page 30 stated in a story from London---

"One outstanding feature of 1931 was the year's early break in silver to a low record level, followed by recovery on the agitation for some kind of remonetization. Bankers believe that trade revival in the East would cause all necessary stimulus to demand for the metal. It is considered that the price of silver is high enough."

Business Week, January 6, 1932, pages 15-16, "Clamor to Boost Price of Silver Will Grow Louder, Get Nowhere" subtitled, "Remonetization might help solve economic problems, but political and social barriers are insuperable"---

"Silver is a recurrent symbol of serious depression or periods of drastic price decline. Last year saw the first large scale resurrection of the silver question since the hectic days of 1893, when Congress committed this country to international bimetallism in a law which still stands on the statute books. More will be heard about it in 1932. Outstanding authorities, economists, bankers, exporters, as well as mining interests have urged attention to it and

action on it as an important cause of the depression and a promising means of relief. The United States Senate in February 1931, urged the President to call an international conference to consider it. The President attempted to do so, but found the other countries chiefly concerned---Britain, France---not interested at the time except as a side issue in general consideration of international financial and debt problems. The International Chamber of Commerce, realizing the hopelessness of governmental action, has suggested schemes of private action which will be further considered this year."

(We haven't seen any evidence that Hoover attempted to call a silver conference! We did see much evidence that his attitude was "give Britain whatever it wants" in silver.)

The NYT, January 6, 1932, page 14, "Currency Issue Against Silver Proposed to Honor Lindbergh"---

"Washington---A proposal to authorize issuance of ounce coins and ounce notes against equal amounts of silver bullion, was made today to the Senate in a bill which Senator Borah introduced by request of ex-Representative Lafferty of California. On one side of the coin would be a head of Colonel Charles A. Lindbergh, on the other side a replica of his famous "Spirit of Saint Louis."

(The Silver Users Association would wince at that. They are always opposed to coined silver in any form and of any type.)

The NYT, January 9, 1932, page 7, "Sees Others Off Gold," subtitled, Keynes Says Many Countries Will Follow Britain's Example"---

"Hamburg---Speaking before a large audience tonight, John Maynard Keynes, British economist, predicted that in 1932 many countries, and especially Germany, South Africa, the Middle European countries and possibly the Netherlands would follow Great Britain in abandoning the gold standard."

(Recall that Keynes was a member of the Royal Commission on Indian Currency & Finance that wrecked silver worldwide and erected a fake gold standard over British India. It was insulting in the extreme that Keynes would suggest South Africa, the leading gold producer, would disavow monetary gold. It was also very brazen of this paper purveyor to suggest

Germany toss gold out, since less than ten years earlier it had a totally gut-wrenching catastrophe in fiat currency! Not to get too far ahead, but the Commercial & Financial Chronicle, February 9, 1935, page 891, said---"There is nothing at all remarkable about the fact that London appears to have an endless supply of gold upon which to draw." So how does that harmonize with England needed to go off gold because they didn't have enough?)

"With respect to reparations he declared that all parties and other groups in Britain were in favor of cancellation, saying that the possibility of a small annuity after three years must be preferred to the dangers of failure to reach an agreement at Lausanne."

The Commercial & Financial Chronicle, January 9, 1932, page 206, "Silver Bullion Tendered in Payment to Holyoke Water Power Company by American Writing Paper Company Declined"---

"Under date of January 2 Associated Press advices from Holyoke, Massachusetts, stated---"For the second time in six months several hundredweight of silver bullion today was tendered to the Holyoke Water Power Company as payment for a power bill, and acceptance was refused by the power company officials. The tender was made by officials of the American Writing Paper Company, on the basis of a clause to an old contract which read---

"Perpetual annual rentals shall be paid in troy weight of silver of the standard value and fineness of the silver coin of the United States or an equivalent in gold, at the option of the grantee at the time of the payment."

"The amount due from the paper corporation for water rentals is said to be about $30,000, covering a period of a year and a half. ***IT IS EXPECTED THAT THE CONTROVERSY WILL EVENTUALLY FIND ITS WAY INTO THE COURTS."***

(Yes, we should see the time when there is some judicial backlash against artificial money! The NYT, July 29, 1923, section II, page 12 ran a story identified in the index for that time---referring to Weimar Germany---"Judicial movement started to prevent payment of debts in worthless paper currency.")

The NYT, January 10, 1932, section III page 2 featured a letter from someone in Miami Beach, Von Schulze-Gaevernitz titled, "Federal Reserve Could Advance Currency Against Issue of Federal Securities"---

"The present emergency is as abnormal for the American nation as was the war emergency. Like the war, to overcome it the energies of the entire nation must be mobilized for concerted action. To employ or to relieve an army of six millions of unemployed; to save six million farms from the threat of bankruptcy; to avoid far-reaching default on railway obligations, upon which savings banks and insurance companies and millions of small investors depend; to encourage the building trades, the recovery of which usually precedes the general recovery, a large sum, say $2,000,000,000 is needed. This sum can be raised only in part by taxes. It must be raised chiefly by making use of government credit, either by the issuance of government bonds or of debentures of the planned Reconstruction Finance Corporation as a government institution."

"It must be recognized that under present conditions neither the banks nor the public have the available funds to buy these bonds in cash; instead, the issue must be mobilized by the Federal Reserve System into currency. As this currency passes into circulation additional purchasing power will be created. This purchasing power, permeating from the treasury into the channels of circulation and being absorbed by wage earners, will stimulate consumption and raise prices."

(He was a currency expansionist advocating inflation. His proposal sure would have helped someone, right?)

"In this way the vicious cycle of deflation, with its attendant fear and anxiety, will be arrested***. THE MORE MONEY BORROWED AND SPENT***, within reasonable limits, ***THE MORE EMPHATIC AND CERTAIN THE EFFECT WILL BE."***

(What limits were there to be? How long have we heard the insinuation that we can borrow and spend our way to prosperity?)

"As to the question how government credit can be mobilized into currency, the war experience gives a full answer. Federal Reserve Banks are permitted to rediscount notes, drafts and bills of exchange for member banks drawn for the purpose of carrying or trading in bonds and notes of the government of

the United States and to discount collateral notes of the member banks, the collateral being bonds or notes of the Unites States Government. These clauses of the law proved particularly useful in connection with the financing of Liberty bonds during the war."

"The Federal Reserve Banks made huge advances to the banks in the way of loans, which made possible the buying of so many government bonds. For particulars compare the book of E.W. Kemmerer, "The A.B.C. of the Federal Reserve System."

(Kemmerer, who we looked at last fall, was another banker hit man who helped derail China off its silver standard.)

"A similar program carried out today cannot endanger the gold standard. According to all past experience, the present gold cover is fully sufficient for an additional two billion dollars of currency. If deflation goes on and bankruptcies increase I number, mistrust may spread further to the point where gold will be hoarded. Once gold hoarding becomes general no gold cover will suffice."

(FDR took care of the so-called gold hoarding problem in 1933, didn't he? The Pilgrims Society understands how important to their objectives it is that they control the White House.)

"Once the present abnormal deflation is overcome and a more nearly normal price level can be reached, any unsound inflation can be avoided by selling government bonds to the public for cash and canceling the additional currency that has been put into circulation."

(This German fellow may not have fully comprehended the Wall Street plan. There would be no cancellation of superfluous currency.)

"America today is the central pillar of the world's economic structure. America, by overcoming her own depression, will help the world out of its chaotic state and the attendant misery and despair that reign in most countries of Europe. Under such conditions of distress and despair the violent overturn of established and valuable institutions is a possibility. With economic recovery, it will be far easier to find a way to sound political reconstruction."

(What he suggested was to throw more paper devices at the financial problem, not to cure the root cause by restoring silver. He didn't even mention silver!)

"Let me quote an incident of the life of Karl Marx who, whatever he meant in other fields, was a great scholar with a deep insight into economic causation. Marx cherished the hope that the European revolution of 1848-1849 would develop into the world revolution to upset finally the capitalistic system."

(Was Marx actually against capitalism? Or was he against noncompetitive free market capitalism? What about the support he received from the London based League of Just Men, financiers who hated competition? No doubt some members of The Pilgrims of Great Britain trace ancestry to this organization. Another miserable paper note paying nothing)---

"But in 1850, when he heard of the discovery of the California gold fields, he understood that the hope of the world revolution had to be postponed for decades, for he rightly anticipated that the California gold streaming to Europe would give a turn to the economic depression of the forties, leveling the revolutionary wave and cementing anew the capitalistic world order."

(So I guess we could say that gold and silver exploration companies are "anti-revolutionary?")

"Nowadays America can open gold mines with a similar effect by making use of its gold hoards for monetary purposes for as Professor Irving Fisher

states, the value of gold in the United States can be forced upon the whole world in connection with the reduction in the excessive gold reserve of the Federal Reserve System."

(Aww---gold and silver are so evil! Fiat paper currency is so virtuous, faultless, saintly and angelic! President Jackson declared--- "Mischief springs from the power which the moneyed interest derives from a paper currency which they are able to control, from the multitude of corporations with exclusive privileges which are employed altogether for their benefit. Unless you become more watchful in your states and check the spirit of monopoly and thirst for exclusive privileges you will in the end find that the control over your dearest interests has passed into the hands of these corporations.")

"Even if America by doing so, loses a part of her gold, it might be to her benefit, ***FOR THERE WILL BE A DAY WHEN GOLD WILL BE DETHRONED, WHICH PROVED TO BE A CAPRICIOUS TYRANT."***

(Okay, the bad boys actually did dethrone gold for almost two generations as of today---but what will be the consequences? Unthinkable catastrophe and from the ashes, return to gold and its monetary twin---silver!)

"Rational control of currency and credit will supplant the geological and technical factors which control the supplies of gold, and by doing so govern the destiny of mankind. Then those will be the losers who were the latest worshippers of the golden calf."

(To the contrary, those with no precious metal will suffer most.)

The Times, London, January 15, 1932, page 8, "Surplus Silver"---

"What is the explanation of the Chancellor of the Exchequer's recent refusal to convene a conference of the powers principally concerned for the purpose of discussing the matter and of endeavouring to secure the necessary cooperation?"

(Neville Chamberlain, Pilgrims of Great Britain, was one of many members of this Society behind the central banks across the decades who have led major attacks against silver and gold as money.)

"Important financial and commercial interests representing all the countries most concerned (including America) have expressed a strong desire that such a conference should be convened with the least possible delay, ***BECAUSE OF THE GRAVE INJURY THAT IS IN THE MEANTIME BEING INFLICTED ON TRADE ALL OVER THE WORLD***, and particularly on the export trade of this country, by the present irregularities and uncertainties of international currencies; and as this desire is evidently fully shared by the Indian Government it is to be earnestly hoped that the Chancellor will reconsider his decision and take immediate steps to convene the conference so generally desired and so essential for overcoming the present world's trade depression and this country's adverse trade balance."

(It wasn't most of the Indians in the British Government over India, but the highest British officials themselves, who held final say, who opposed doing anything for silver money. I have some one ouncers stamped "World Trade Unit," many of you probably have some of these also.)

The Commercial & Financial Chronicle, January 16, 1932, page 418, "German Mint Plans More Silver Coinage---Government Finds Metal Cheaper Than Paper for Its Purposes"---

"The mint at Munich, Germany, has announced that it is proceeding with the greatest possible dispatch to put into circulation approximately 17,000,000 marks ($4,046,000) of silver currency to replace a similar quantity of national and bank notes now in circulation, says a report from Consul Charles M. Hathaway Jr., Munich, made public by the Commerce Department on January 7. The Department further says---"The minting of those silver coins is a portion of the program authorized last summer by the German Reichstag calling for the issuance of 220,000,000 marks of silver."

(Apparently the 17 million was a first installment on the 220 million.)

"This act was based on investigations which indicated that silver was cheaper from the Government's standpoint than paper money. The coins to be minted are five, three and two mark denominations, equivalent to approximately $1.19, $.714 and $.476 respectively."

(While silver is never cheaper than paper, it is less expensive by far from the standpoint of maintaining a real value whereas paper fails. They may also

have considered how many paper notes would have had to be printed over time versus how long the coins would endure in average use.)

The NYT, January 16, 1932, page 26, "Argentine Paper Issue Proposed"---

"Buenos Aires---The Razon, an evening paper of large circulation, advocates an issue of paper currency. It holds that a depreciated currency would curb remittances abroad and thus facilitate the struggle against cheap Russian wheat, curb superfluous imports, and compel the reinvestment of capital now invested abroad. All this, it is argued, would aid employment in Argentina. This proposal does not reflect the official attitude. Nevertheless it indicates the trend of one section of public opinion."

(Maybe that newspaper was British owned. All fiat systems rely heavily on misinformation being dispensed to the public.)

The NYT, January 17, 1932, section III, page 2, featured a letter, "Strong Factors Are At Work For Return Of Bimetallism" subtitled, "System Has Had Many Ups and Downs Since England's Action in 1696"---

"The question of the desirability of reverting to a bimetallic monetary basis is now so much in the public mind that the following notes may be considered to be of some interest. Prior to 1696 England alone among important countries used silver money only, and in that year a committee composed of John Locke, Sir Isaac Newton and Lord Somers was set up to reform the currency. This committee recommended a bimetallic basis. England adopted these recommendations, but the mistake was made in them to undervalue silver relatively to gold, with the result that England's silver flowed steadily into Europe, where it was more highly valued, so that in less than twenty years England was virtually on a monometallic gold standard, so becoming again the only country out of step with the remainder. Nominally however, England's bimetallic status continued until 1816, when Lord Liverpool's gold standard act was passed."

(The committee in 1696 had to have realized what the consequences of their lopsided ratio policy would be. I can only conclude that the intent from the start was to drive silver out. The Earl of Liverpool was Prime Minister, 1812-1827)---

"In 1878 Germany mulcted France of a war indemnity of about one billion dollars payable in gold and, having received payment of this sum with unexpected rapidity, suffered from a great excess of currency, and decided therefore to imitate England in demonetizing silver, erroneously attributing England's tremendous prosperity to its monometallic gold standard."

(England was prosperous because it was sucking wealth from all corners of its empire.)

"The scramble for gold had then begun, bringing with it the commencement of a fall in commodity prices which was the fundamental cause of the worldwide depression of the '80s and '90s, and which continued until the coming into production of the Rand deep level gold mines in 1895. France closed its mints to the free coinage of silver in 1876, and the United States and India did likewise in 1893."

"Between 1873 and 1895 the price of silver fell from $1.29 to 65 cents an ounce and the commodity price level measured in gold fell by 45 percent, representing an annual loss of more than $350,000,000 to the farmers of Great Britain, ***WHICH COUNTRY ABOVE ALL HAD BEEN RESPONSIBLE FOR THE FACTORS WHICH BROUGHT ABOUT THE FALL***."

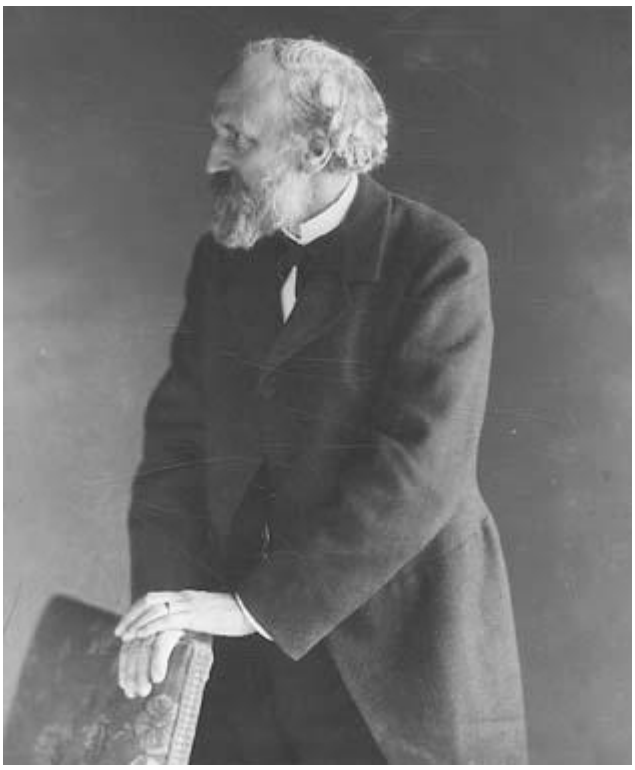
"Meanwhile the cry for an international return to bimetallism was in no way confined to the United States. In 1887 and 1888 a gold and silver commission was appointed in England under the chairmanship of Lord Herschell. The chairman and six members reported adversely, but six other members recommended a return to bimetallism."

(With 13 members, the seven negatives formed a majority. I think that of the remaining six, it's possible that some or all of them were actually against silver. It was considered necessary to present the illusion that the British

ruling class wasn't totally opposed to silver. In that way they could continue to do damage as long as a simple majority mandated it. Lord Herschell was Lord Chancellor of Great Britain, 1892-1895.)

"In the Chamber of Deputies in Paris, Alexandre Ribot, then Prime Minister of France, said "I agree that the abandonment of the mintage of silver, the responsibility for which was incurred in 1878 by the German Government, ***HAS PROVED EXTREMELY DISASTROUS***."

(Alexandre Ribot, 1842-1923, was Prime Minister of France four terms)---



"Immediately afterward the Reichstag adopted Count Mirbach's resolution in favor of bimetallism by a large majority."

The Commercial & Financial Chronicle, January 30, 1932, page 766, "Criticism of Silver Policy Stand of President Hoover---Senator Pittman Charges Senate's Hands Are Tied by Failure to Call World Parley"---

"President Hoover was accused on January 25 of "tying the hands of the Senate" in failing to call an international conference on silver by Senator Pittman (Democrat, Nevada) following an 80 minute speech in favor of

remonetization of the white metal by Senator Wheeler (Democrat, Montana.) The Washington correspondent of the New York Journal of Commerce further reported---

"Mr. Pittman maintained that the general desire for such a conference in both houses of Congress was attested by the serious attention being given the subject of silver at the present session. He did not regard British or French demurral to such a meeting as sufficient reason for abandoning the conference idea and asserted that "***THE PRESIDENT HAS NO EXCUSE FOR NOT CALLING SUCH A GATHERING***."

(Count Mirbach was an agrarian leader and gained the consensus of 210 members of the Reichstag for the support of international silver money, NYT, February 17, 1895, page 16.)

"But in June 1895, Lord Rosebury's Ministry fell and was replaced by Lord Salisbury and this Ministry did not give much encouragement to the envoys from the United States who had been sent over a short time before the Bryan-McKinley campaign to sound out European and British opinion on the remonetization of silver."

(Lord Rosebury became a Pilgrims member and opened the Imperial Press conference in 1909. Lord Salisbury was probably a member.)

"The failure of Lord Salisbury's government to grasp this opportunity, the defeat of William Jennings Bryan, and the simultaneous and entirely lucky increase in the rate of world gold production, were the triple facts which gave the quietus to bimetallism for many years. Curiously enough the factor which primarily influenced the decision of the British Government in this matter was a hot protest by the government of India which was anxious not to reverse its decision of 1893."

(Such a lame excuse! Who was running India? Great Britain, of course! British Viceroy of India when the mints were closed to silver was the Marquess of Lansdowne, who became a Pilgrims member. Succeeding him was the Earl of Elgin, who also became a Pilgrims member in 1902. The Earl of Elgin and Kincardine appeared in the leaked list of The Pilgrims of Great Britain, undated but apparently dated 1969.)

"The relations between the British Government and India in matters surrounding the silver question are still very much misunderstood in the United States. Many people here have been very outspoken in their condemnation of the British Government for putting India on a gold basis."

(Stop! Hold it right there! As we've seen, England certainly did not put India on a gold basis. It was a paper basis attempting to masquerade as gold!)

"Since 1893 the rupee, both silver and paper, has been on a sterling basis; until 1926 stabilized at a level of 16 pence and backed by reserves of silver bullion, and since 1926 stabilized at 18 pence and backed by reserves of silver bullion gradually being replaced by gold."

(More deviousness! With the statutory requirement that Indians had to have $8,064 or more in paper rupees as denominated in U.S. currency value before they could present the notes for convertibility into specie, clearly the "reserves being gradually replaced by gold" were of an extremely fractional nature! Bottom line---it was a fiat paper system as concerned the great majority of Indians!)

"Critics of British policy in this aspect are apt to forget that the Royal Commission on Indian Currency and Finance, called in 1926, made the most extensive and conscientious study of the question that could possibly be undertaken. Moreover, recognizing America's interest in the issue, they requested American experts to attend and to testify; this they did under the leadership of Governor Benjamin Strong of the Federal Reserve Bank of New York."

(The letter writer failed to make his point because he had none. The British fully realized the consequences of their attack against silver and had no conscience in the matter. They did it not because they had to, but because the drive towards world fiat currencies demanded it. Benjamin Strong, Pilgrims Society member)---

"This commission was composed of ten members, eight of whom were residents of India, four being natives. All were able and distinguished men."

(We had a look at those "able and distinguished men" in the opener of "Britain Against Silver" last August. It is just unbelievable that anyone would stick his neck out in an attempt to declare they were in any way honorable men. The suffering they wreaked on the world was incalculable and the world still suffers from the effects of the cataclysm they hatched.)

"Several months were spent in holding meetings in India in which it was developed that the sentiment in India was strongly for the establishment of a complete and independent gold standard system. After closing the hearings in India the commission moved to London."

(Here's another expression that makes me wretch. It's like saying "the rape victim begged to be abused because she totally craved it." How could it be that British India needed a loan of 200 million silver ounces in 1918 from the United States, which it got under the Pittman Act---in order to settle the Indians down to prevent riots and revolution because they demanded payment in silver? How could it be that in the span of 8 years or less, Indians started loathing silver and desired only gold? More likely, it was that the Royal Commission's hearings were a kangaroo court proceeding, and only shills who would speak in favor of scrapping silver were invited to their symposiums!)

"The case for bimetallism is not dead; indeed, it seems to be about to revive with redoubled vigor as being one of the most potent expedients toward our

essential requirement, namely toward the restoration of the commodity price level to its 1926 level."

(Amazing that this Frederic Bennett could say anything nice about silver considering how hard he tried to paint the silver assassins as delightful angels.)

"Besides the powerful support gathering force in the United States, it should be noted that the recently formed Silver Association of England is lending its weight, the very influential membership of which association is in no way confined to business men who are personally interested in the production of silver."

(We had a look at the Silver Association already and noted its distressing connections, strongly suggesting insincerity. We'll confirm absolute verification of that conclusion with a documented reference next month.)

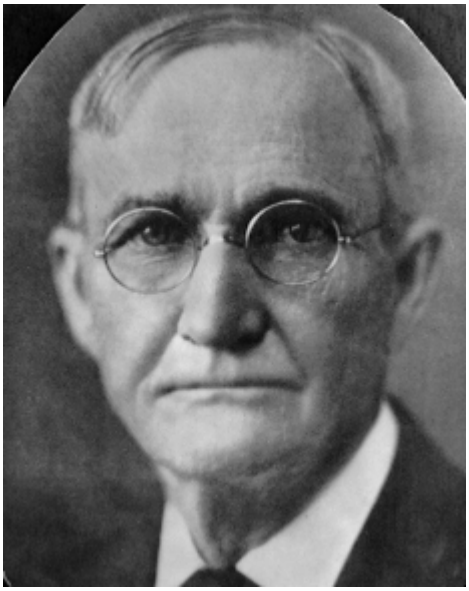
"It seems to be in the highest degree improbable that England will consent to return either to a gold standard or to a bimetallic standard until the factors have been removed which have appeared to decree that, whatever metal may be chosen as a monetary basis, such metal must tend to become segregated in the United States and France."

(The Silver Purchase Act of 1934 really concentrated silver in the United States Treasury. Its effects, some positive, were highly negative in other ways.)

The NYT, January 19, 1932, page 16, "Calls Silver Conference" subtitled, "William Jennings Bryan Jr. Asks States to Send Delegates"---

"Denver---William Jennings Bryan Jr. telegraphed Governor Adams from Los Angeles today that he had called a silver conference to meet in Denver February 15. The purpose of the conference, said the son of the Commoner, is to organize in every State non-partisan, non-political bodies to disseminate authentic information on "this fundamental economic problem." It is understood that Mr. Bryan is endeavoring to have every State interested in the silver question send a representative here for the conference."

(The "Commoner" was a nickname given to Bryan because he represented the views of most of the middle class. William H. Adams was a cattle rancher from Alamosa, Colorado Governor and silverite, 1927-1933)---



The Times, London, January 20, 1932, page 17, "The Silver Question" contained this---

"At the fourth general meeting of the Indian Institute of Bankers, held recently in Bombay, Sir Osborne A. Smith, Governor of the Imperial Bank of India, made the following statement on the silver question---"Before I close perhaps I may briefly touch on the economic crisis though which India and the whole world is passing. This crisis is engaging the whole time attention of the great economic leaders of all countries, but there seems to be no unanimity among these leaders as to the cause or the remedy, though most agree that maldistribution of the world's standard of value, gold, and over production of commodities have largely contributed to the slump."

(The cause of the crisis was well known and not in any sense hazy or indistinctly defined. It was Great Britain's massive attack against silver money to which almost the entire global economic distress could be attributed. He certainly played his role in the damage. In 1921 this bank was formed from the consolidation of the Bank of Bengal, the Bank of Madras and the Bank of Bombay. It performed the functions of a regular central bank until the Reserve Bank of India was started in 1935. As of 2004 this British created bank---renamed the State Bank of India in 1955---

has 9,093 branches across India
http://en.wikipedia.org/wiki/Imperial_Bank_of_India)

"When one realizes that the teeming millions of India and Asia are half starved and less than half clad one can scarcely agree that there is any over production in regard to requirements, but there is certainly over production relative to purchasing power. If this is conceded, the question then arises as to how purchasing power can be stimulated."

The Times, London, January 21, 1932, page 8, featured a letter, "The Silver Question"---

"The main object of the majority of those who advocate action in regard to silver is, presumably, to encourage trade between Western nations and the great silver using countries of the East. For this purpose stability is of far greater importance than appreciation. Stability even at 1 shilling, though admittedly too low a level, would be far better than the present instability."

(What a jerk this guy was! As long as silver wouldn't vary in purchasing power, even a depressed price was better than restoration to its previous level!)

"Many years experience of trade with China have convinced me that the West cannot hope to develop the possibilities of this great potential market while trading in a currency which is based on a metal constantly jumping up and down, not in accordance with a legitimate movement of trade, but at the dictates of pure gamblers in Shanghai and on the New York futures market."

(Stanley Dodwell, the letter writer, was associated with the Department of Overseas Trade and the China Association. Here was another bloke who refused to place blame for silver volatility where it belonged---on meddling by governments. There was no free market in silver in 1932 either.)

The Times, London, Januar5y 21, 1932, page 8, featured a letter from someone using the pen name "Peregrinus" (a reference to a falcon)---

"It appears from the published account of the conversation between President Hoover and Monsieur Laval that France, with the United States following her lead, intends to insist that War debts and reparations shall be settled on a gold basis. Neither country is prepared to dilute the gold

standard in any way which would make payment of the amounts due easier for their debtors. Nor is either country prepared to adopt a tariff policy which would allow the greater part of what is due them to be settled by delivery of commodities."

(Assuming these statements were correct, what do you make of it? While commodities other than precious metal aren't money, they are wealth. Were France and America in on a plan to create pressure for another big war?)

"This creates a serious situation for the debtor countries among which for the present purpose Great Britain must be included, since it is a debtor to the United States, and the fact that it is a creditor to the rest of the world does not help it if the rest of the world is unable to pay. Whatever opinion may be held about the sufficiency of the present and future stock of gold in the world to serve as a basis for world currency, it is quite certain that the supply is insufficient to provide both for that purpose and for the annual payments required by France and the United States, if these have to be settled largely in gold."

"The gold stocks of the world are in the neighborhood of two thousand million gold pounds (taking the pound at its full gold value.) Of these stocks the United States and France already hold between them about three-quarters. The annual world production of gold, excluding that produced in the United States, is about seventy five million gold pounds. The requirement for reparations payments and War debts to be received by France and the United States is approximately one hundred million gold pounds a year. In addition to this there is the interest requirement on gold loans which have been made by private investors in the United States to Governments and public bodies abroad. The amount of this is certainly not less than seventy million gold pounds a year."

(During the Great Depression years the world was focused on gold and silver as never before. The British made successful attempts to wreck silver before, especially in 1873. In 1926 they did it again with shattering effect. Now the gold supply was under pressure as never before which caused voices to call for silver's restoration.)

"It follows that if the United States and France require even half of the annual amounts due to them to be paid inn gold it will not only absorb the whole of the annual gold production of the world, but will involve an annual

r5eduction in the existing gold stocks held by the rest of the world. These stocks are already insufficient to serve as a currency basis. This is self-evident from the fact that a large number of countries, including Great Britain, have been forced off the gold standard by the depletion of their gold stocks. With that depletion continuing, as it must, in view of the policy of France and the United States, and with the whole annual gold production taken up as well, what chance is there that the countries which have been forced off the gold standard will be able to return to it or that most of those which still nominally cling to the gold standard will be able to remain?"

(That scenario was highly likely another reason for staging World War I---to nudge the world closer to fiat currencies. The link between unbacked paper currency and war flashes like a neon sign at night in Las Vegas!)

"If the world attempts to retain gold as a general currency basis and at the same time to pay France and the United States in the only form which they will take payment, it must surely fail. The only result of making the attempt will be to create a perpetual gold famine, with the result that gold prices will drop still further than they have done already. Following on this, the burden of such payments as the United States and France consent to receive in commodities other than gold will be enormously increased to the debtor countries, since the value of such payments will be calculated in terms of gold prices. In fact, the debtor countries will finally put themselves into the position of undischarged bankrupts whose creditors have an ever increasing lien on all their earnings."

(At this time gold was "set" at $20.67 per ounce, and of course in 1934 "reset" to $35.00, a price the "cartel" defended for over a quarter of a century! See details on the London Gold Pool of the early 1960's in "The Conspiracy Against Gold" in Archives section.)

"If the debtor countries wish to avoid this position and at the same time to escape from the stigma of wholesale repudiation, there seems to be only one way out. They must abandon an impossible task and definitely determine to give up entirely the use of gold as a currency basis. This will in the first place allow such balance of existing gold stocks as remains outside the United States and France to be transferred to those countries in reduction of the principal amount of their debt; and in the second place will allow the whole of the annual gold production to be devoted to paying the United States and France their interest and sinking funds. There will still be a

substantial balance to be met, but it should not be impossible to settle this in other commodities, since after all neither country can do entirely without the products of the rest of the world."

"Moreover, the disappearance of the demand for gold (except for ornament) in the debtor countries and the transference of existing and future supplies of gold to the United States and France and such other countries as continue to use gold as a currency basis, should result in a substantial rise in gold prices and thus lessen the burden of commodity payments which the debtors will still have to make."

"THE ENTIRE ABANDONMENT OF THE USE OF GOLD AS CURRENCY BASIS WILL NO DOUBT HAVE ITS INCONVENIENCES. But those inconveniences need not be so great as to be a fatal objection."

(I guess so! Look at the shape the currency systems are in today. Without restraint on money "creation," its value ultimately crashes. Symbols are no substitute for substance.)

"Gold has undoubtedly been in the past and perhaps is today the most useful material for a currency basis which can be found. But it is not indispensable, as many economists have pointed out. If by some miracle the whole of the world's stocks of gold were suddenly dissolved into the air some other basis of currency would speedily be found."

(The more economists have to say about monetary policy, the worse off the world is. That's because most of them are financier prostitutes.)

"It is possible that the greater part of the world might be willing to adopt sterling notes, ***WITHOUT METALLIC BACKING***, as a currency basis, provided that the conditions of the issue were strictly regulated, ***OR PERHAPS EVEN SUBJECTED TO SOME FORM OF INTERNATIONAL CONTROL."***

(Strictly regulated? Of course! A privileged few must have a legal monopoly on issuing "money." International control? Isn't that what the IMF wants, and has, only to an incipient degree?)

"Of if a metallic backing be absolutely necessary in order to check arbitrary inflation, there is always silver available. The use of silver as a monometallic basis for currency would not be open to most of the objections which are urged against bimetallism. It may be remembered that the pound sterling was originally a pound's weight of silver and had no relation to gold. Or if silver be objected to, there are other things which could be used as a physical backing for currency if a physical backing is thought to be essential."

(What other things? Corncobs, pine needles, hickory chips, bits of granite, rolls of carpet, sacks of wheat---what? How about balsa wood "ingots?")

"If this were done the world would be divided into two currency groups. The first group would be likely to include the British Empire, South America, China and Japan and the rest of Asia---which would certainly come in if a monometallic silver basis were adopted, and probably in any event---Germany, Italy, Scandinavia and most of the small European countries. The members of this group would all have currencies based on a single standard, which might be sterling notes or might be silver, or might be something else, but which in any case would have no connexion with gold. In these countries gold would have no fixed value, and its price from time to time would be determined by the demand existing for it either for purposes of ornament or to serve as a medium for discharging obligations to members of the other group."

(British leadership---the politicians and the financiers behind them---was and remains as opposed to silver money as the devil is to air-conditioning in hell.)

"There is no reason why these currencies should not prove at least as stable both for internal use and for international use between members of the group as currencies based on the gold standard have been in the past. The second group would consist of the United States and France and such European and other countries---probably not very many---as determined to continue to use gold as their currency basis. These countries would also have a stable exchange as between themselves---subject always to their balance of trade remaining in a satisfactory condition, which is a condition which would apply also in the first group. But between members of the first group and members of the second group the exchanges would be fluctuating, just as they have been in the past between gold and silver countries."

(It would be interesting to know this fellow's identity and what connections he may have had.)

"While this would be a disadvantage to trade between the two groups, it would by no means act as an absolute bar. Much trade has been done in the past and is still being done between countries whose exchange fluctuates. But undoubtedly it would be easier for members of each group to trade with members of the same group than to trade with members of the other group."

(This guy was "flighty" in his thinking, as his name suggests---a birdbrain who was uncertain as to just using gold and silver. Every technology improves except that which is immutable natural law. Gold and silver are monetary basis. Created currencies don't endure.)

"To sum up---there are two disadvantages which would attend such a plan. The first is the disadvantage of using some other and probably less convenient currency basis in place of gold. This would be felt only by members of the first group."

(How about sacks of Sahara sand? Would those not be "fungible?")

"The second is the disadvantage arising from the fact that there would be two standards of value in international trade and that though exchanges might be stable as between members of each group they would fluctuate as between the two groups. This disadvantage would affect both groups alike. But both disadvantages are trifling by comparison with the state of general bankruptcy which seems certain to result from any attempt to preserve gold as a general currency basis, and at the same time to satisfy the demands of France and the United States for that metal as the principal medium in which they will accept payment of the amounts due to them by the rest of the world."

The Times, London, January 21, 1932, page 11, "British Monetary Policy"—

"Charles Rist, who represented France on the Special Advisory Committee at Basle, contributes to L' Information today an article in which British monetary policy is attacked with some violence. Rist contradicts Sir Henry Strakosch's conclusion establishing a link between reparation payments and

the acceptance of gold by the Bank of France and the Federal Reserve Bank. He denies that France and the United States prevent payments except in gold, and points to the fact that since 1929 German imports into France have greatly exceeded French imports into Germany as proof that France accepted payment in goods. He declares that the accumulation of gold by France and the United States is due to the shortsighted monetary policy of Great Britain. It was British presumption in returning to gold for reasons of prestige when the enormous currency note inflation made such a return absolutely illusory. This fatal illusion prevented the Bank of England from buying gold."

(Rist was a fiscal expert with the Bank of France. Britain was fiercely campaigning against silver, as we've seen starting last August, and shortly thereafter started battling against gold. Far from being shortsighted, Britain's posturing against precious metals was totally conspiratorial in nature. As Rist recognized, it was paper currency the British wanted as a universal standard of alleged value---not gold.)

"Was it not this same inflation of American credit which made the United States lend to the whole world and throw unlimited capital into central Europe, the unwise employment of which rendered the whole region insolvent? Now, adds Rist, Great Britain is about to commit more errors. ***INSTEAD OF ENDING INSTABILITY AS SOON AS POSSIBLE SHE COMPLACENTLY TOYS WITH THE IDEA OF A BRITISH IMPERIAL CURRENCY BASED NOT ON GOLD BUT CHIEFLY ON THE INGENUITY OF PERSONS CHARGED WITH "MANAGING" IT, CONTINUING TO SHOW A SUPERB DISDAIN FOR GOLD RESERVES***. Great Britain is giving the world proofs of this magnificent blindness."

The Times, London, January 21, 1932, page 13, "Alternatives to Gold" featured these opinions---

"Peregrinus does not overstate his case in the letter published this morning. His points are that a very large percentage of the world's monetary stock is already in the hands of France and the United States; that if these two countries, the only creditor countries on balance in respect of War debts, insist on being paid in gold, the annual production of the metal would not suffice to meet their requirements and the rest of the world would therefore soon be denuded of its present very depleted stock; and that given these conditions the world must surely fail in any attempt to keep gold as a general

basis for currency. As the decline in gold prices has already been of catastrophic dimensions, causing many countries to default, to abandon the gold standard, the prospect of a further fall has only an academic interest for non-gold countries, but it offers a real menace to the economy of the gold countries."

(The same small inner circle back of the Bank of England was also back of the Federal Reserve and the Bank of France. There were reasons for developing the concentration of gold other than so-called trade imbalances. The end goal was to be able to say "aha---you see, the gold standard is too flawed, and we must now progress to managed currencies.")

"In the long run both the United States and France have more to fear from what might be described as the gold question than any other country. The gold standard has been described as the fair weather standard. It is certainly a very delicate mechanism, which works admirably in the higher forms of economic organization. The sensitiveness of the mechanism is due to the scarcity of the metal. Unfortunately this natural scarcity has been accentuated by the payment of huge War debts. High tariffs have prevented these obligations from being discharged as they should be in goods, and gold has had to be used instead. That is to say gold has been used as a commodity, and not as a medium for the settlement of small international balances and a measure of value. The recent distorted working of the gold standard might be likened to the abuse that a greengrocer might be expected to make of a chemist's balances."

(By greengrocer they meant to refer to fruits and vegetables.)

"Peregrinus therefore contemplates as many other thoughtful men have lately done, the possibility that the greater part of the world may be driven to adopt another currency basis. He discusses the possibility of the greater part of the world being willing to adopt sterling. Events have lately shown that certain countries having close business relations with this country would require little encouragement to link their currencies with sterling. Portugal and several other nations have already announced their intention to tie their currencies to sterling as far as may be possible. Failing sterling, "Peregrinus" suggests that silver might be used as a monometallic basis for currency."

(Mexico, Peru, Argentina, Chile, Bolivia, Brazil and other central and south American nations are well equipped to move to a silver monetary basis, provided that sufficient will can be mustered to bulldoze over banker influence!)

"He thinks that the British Empire, South America, China, Japan, and the rest of Asia, Germany, Italy, Scandinavia, and most of the small European countries would probably form the sterling or silver group. The second group, consisting of the United States and France, and one or two of the smaller countries, would probably continue to use gold. He realizes that trade between the two groups would be hindered by the fluctuations in the relative value of gold and silver, but on the other hand trade between the countries within the groups would be stimulated. No one will pretend that this would be an ideal solution of the world's economic troubles, but the alternatives which "Peregrinus" puts forward will become practical issues unless the forces which have destroyed the working of the gold standard are themselves destroyed by the common sense of the nations."

The Times, London, January 23, 1932, page 11 featured a letter by Pilgrims Society member Sir Henry Strakosch, who was a member of the Royal Commission on Indian Currency and Finance in 1926 and also an anti-gold activist campaigning for managed currencies---

"Mr. Charles Rist, the well known French economist, does not disguise his resentment at the view now widely accepted that there is a close connexion between reparations and War debts, the accumulation and sterilization in France and America of vast amounts of monetary gold, and the fall of the level of gold prices, and that these are fundamental factors in the present crisis. He disagrees with that view, and blames the monetary policy pursued by this country since 1920 with the pound devalued to a lower level, the gold which flowed to America during the five years to 1925 would then have been accumulated at the Bank of England instead. The boom of the New York stock market, the subsequent slump and the unwise manner in which American bonds were employed for loan operations abroad, especially in central Europe, would thus all have been avoided."

"Mr. Rist does not tell us what the effect of such great accumulations of gold at the Bank of England would have been on this country, and through it, on the rest of the world. For his thesis to have any basis at all he must be assuming that the gold would have been prevented from exercising its

influence on our structure of credit and on our prices that in fact, it would have been sterilized here instead of in America."

(Ever wonder where the term "sterile assets" as applied to gold and silver ever came from? This particular Pilgrims Society member is the farthest back on record I have yet encountered. The fact that he and Keynes were both on the Royal Commission in 1926 that assassinated silver worldwide, does suggest another first.)

"The mere statement of this proposition reveals how wide is the gulf which separates the French and our own conception of the part which gold should play in the gold standard system. According to our conception of the modern gold standard, monetary gold reserves serve the purpose of setting temporary disequilibrium in the balance of payments between nations. ***WE HAVE NEVER REGARDED GOLD AS A SUITABLE MEANS OF STORING WEALTH, WHILE WE HAVE ALWAYS BELIEVED---AND THE EVENTS OF RECENT TIMES HAVE SHOWN---THAT THE INTERNATIONAL GOLD STANDARD SYSTEM CANNOT EXIST IF GOLD IS TO ANY MATERIAL EXTENT EMPLOYED AS A STORE OF WEALTH."***

(Monstrous views; venomous teachings; bizarre tenets; raunchy doctrines!)

The NYT, January 26, 1932, page 12, "Wheeler In Senate Revives 16 To 1 Plea" subtitled, "Maintaining Gold Standard Adds a Third to Commodity Producers Debts" and "Silver's Remonetization Would Stabilize Wheat and Cotton Prices"---

"Washington---Remonetization of silver at a ratio of 16 to 1 compared with gold was asked by Senator Wheeler of Montana today in a speech on the floor, in which he said maintenance of the gold standard in the United States has increased the debts of producers of raw materials and commodities by at least one third."

(He should have said, "gold monometallic standard.")

"By reason of the tremendous inflation that took place in Germany, Austria and Russia and the 80 percent inflation in France since the World War the farmers of these countries were able to pay off their indebtedness in cheap money," Senator Wheeler said. "Now England, Australia and all countries

competing with our producers of raw materials which have to be sold on world markets will be able to pay off their indebtedness with cheap money, while the American farmer, debt and tax ridden as he is, will have to pay off his indebtedness with a dollar of the value of $1.50. So his indebtedness is increased."

"In reviving a fight led more than a third of a century ago by William Jennings Bryan, Senator Wheeler criticized the President's relief plans on the ground that they make no provision for raising commodity prices which, he argued, would be accomplished through the re-establishment of bimetallism. "Remonetization of silver on a basis of 16 to 1 would fix the minimum price of silver," he asserted. "It would increase the purchasing power of the Orient and all silver-using countries and tend to stabilize the price of wheat and cotton." Senators Pittman of Nevada and King of Utah spoke in support of Senator Wheeler's plan."

New York Times, January 31, 1932, section II, page 9, "Movement to Stabilize Price of Silver Grows As Reduction of Output of Metal Threatens"---

"Interest in the silver market began to revive last week as the movement for an international stabilization conference gathered momentum and as reports reached Wall Street of the threatened closing of large silver mines in Mexico. Trading in silver futures increased sharply on the National Metal Exchange. Under a resolution favorably reported in the lower house of Congress, the Committee on Coinage, Weights and Measures would be authorized to investigate the cause and effect of the depressed price of silver, the monetary policies of the United States and foreign countries, their relation to the value of silver, methods of stabilizing the silver market and the advisability of holding an international conference. ***SUCH A CONFERENCE HAS BEEN URGED FOR SOME TIME BY IMPORTANT SILVER INTERESTS."***

(But of course the more politically entrenched paper money interests were blocking the conference, until one could be set up in order to keep silver screwed, while making it appear that something was being done. Man, I can't wait to review those mid-1933 happenings!)

"According to reports from Mexico, the closing of several large mines is expected because of the unprofitable price at which the metal has been

selling. A sharp reduction in production in 1932 is predicted by silver authorities, not only in Mexico but in the United States as well. ***SOME ESTIMATES PLACE THE PROBABLE CURTAILMENT AT 25 PERCENT."***

(That 25% reduction meant that just about every primary silver mine in the world was being shut down, suffocated by British manipulated crushed prices.)

"The rallying movement in silver was attributed in some quarters to the Sino-Japanese hostilities, but Wall Street authorities disagreed as to the probable effect of the conflict. It has been assumed that because the belligerents will require silver to support their armies, the demand for the metal would be increased. On the other hand, it is contended that a war means the sale of large amounts of silver in Occidental markets to raise funds with which to purchase war supplies. It was generally agreed, however, that the conflict in the Far East had served to stimulate interest in the silver markets of the world."

(Any time a reduction of world output of any commodity is announced, it should stimulate prices, and war is certainly a stimulant. The temptation on the part of economic planners in the U.S. Government to slap a Federal price cap on silver---and gold---during any war with Iran, will be quite irresistible to such bizarre charlatans.)

The Commercial & Financial Chronicle, February 6, 1932, pages 938-939, "International Inquiry on Adequacy of Gold Supply Advocated---F.H. Brownell of American Smelting & Refining Company Tells Congress Group Nations Should Agree on Silver Restoration"---

"Relief of world monetary conditions by an investigation of the adequacy of gold and a definite plan in the interest of silver, was proposed by F.H. Brownell of the American Smelting & Refining Company of New York, before a conference of representatives in Congress from silver producing States on February 1. This is learned from the "United States Daily" of February 2, which continued---

"Mr. Brownell suggested that before an international conference is called the United States prepare a plan to revamp the monetary systems of the world, including those of India and China and all silver using countries, on a gold

basis if desired. He said that if an impartial study finds gold is inadequate the United States should offer a plan utilizing silver in part at least with gold, on a basis that would insure some increase of commodity prices, avoid dangers of any excessive inflation and of injury to the creditor class, preserve the rights of the debtor class and insure a relative stability of level of the new monetary systems when measured in terms of commodity prices."

"Mr. Brownell said an international conference, formal or informal, between some groups of important nations, seems necessary "in order to stabilize the money systems" and that Congress should advocate and encourage such a conference. In stressing the importance of sufficient preliminary work so that the conference "may not entirely be at sea" Mr. Brownell said---

"If the President should call an international conference on silver, what concrete action would the United States advocate? What should be the purpose of its representatives at the conference? It is proposed that such an international conference make an investigation of the facts in regard to gold supply, or adequacy of gold to be assumed and the conference called for the formulation of a plan to utilize silver in addition to gold and report its recommendations to the nations for action. If the latter, shall the United States advocate the unlimited coinage of silver at some fixed ratio or at no fixed ratio? A reliable, impartial, authoritative expert investigation and answer to the question of the adequacy of gold to serve alone the monetary needs of the world is immediately desirable. If the makers of such an investigation find that gold is adequate, they should recommend a definite plan under which the present supply and annual production of gold can be utilized in a satisfactory way."

"The lack of such a plan is the most striking and significant feature in the attitude of those who hold the present gold supply to be sufficient. No way has been suggested to redistribute gold; no plan after redistribution to make it serve as an adequate base for the money systems of the world, without an appreciation in value---that is, a continued fall in commodity prices. If the investigation finds gold to be inadequate, a definite plan for its support by silver should be recommended."

"He said the case for silver depends upon whether there is and will continue to be sufficient gold to afford an adequate base for the world's monetary system. "If there is a sufficiency of gold," he said, "there is no special

reason for and little right to expect an extension of the use of silver as money." He stated that the "mathematical argument that the monetary stock of gold in the world is not adequate is supported and demonstrated by experience." Referring to objections to the free coinage of silver at a fixed ratio, Mr. Brownell said "the fluctuations in volume of production of either gold or silver are possible to an extent that might seriously disturb a free coinage system on a fixed ratio."

"GOLD WILL CONTINUE TO BE INSUFFICIENT IN QUANTITY TO AFFORD ALONE AN ADEQUATE BASIS FOR THE WORLD'S MONEY SYSTEM," he said, "***AND MUST BE AIDED AND SUPPLEMENTED BY SILVER***." He declared that "***THE WORLD WENT TOO FAR IN SO COMPLETELY DISCARDING SILVER AS IT HAS FOUND ITSELF UNABLE TO HAVE A STABLE MONETARY SYSTEM WITHOUT IT AND MUST RETRACE ITS STEPS."***

"All nations should cease further sale of silver and return to its use as from 1900 to the World War, Mr. Brownell said, to relieve the gold reserve of the burden of subsidiary coinage and revive the pre-war status with silver using countries, especially China and Mexico, which would make trade with them more stable. "We must return to a two metal system in some form," he added. "Bimetallism at no fixed ratio seems to offer a possible solution and meets all requirements" (end page 938). "Payments by foreign governments of their debts to the United States in silver," he said, "is not a solution of the silver question or any other question" as it "associates silver with prejudices and animosities, which surround settlement of the debt question, and the effect on silver would probably be more harmful than beneficial."

(I would disagree. It would have been OK for debts to be paid in silver, provided that silver was being received in settlement of debts at market prices then rigged low by Great Britain.)

The NYT, February 3, 1932, page 5, "Predicts End Here Of Gold Standard" subtitled "Declares Metal is Too Unstable"---

"A prophecy that the United States would eventually discard the gold standard of exchange was voiced by Lieutenant Commander Joseph Montague Kenworthy, former British Laborite Member of Parliament and a retired naval officer, at the annual dinner of the Greater New York Federation of Churches held last night in the Hotel Pennsylvania. He

arrived late in the evening on the Aquitania, leaving the ship at quarantine to speak at the dinner."

(Kenworthy was an associate of Baron Beaverbrook, a Pilgrims Society member identified as another anti-precious metals activist in "Britain Against Silver" last August--- http://empireclubfoundation.com/details.asp?SpeechID=902&FT=yes Kenworthy was also at one time chairman of the English Speaking Union, a position apparently reserved for Pilgrims members.)

"We have got to find a way to stabilize a world wide medium of exchange," he said, "so that there will be no inflation and deflation. The only way to do this is to find a new basis of currency. ***GOLD AS SUCH HAS BECOME OBSOLETE.*** It may remain as a basis for the settlement of debts between nations, ***BUT AS A STANDARD FOR THE WORLD IT HAS PROVED ITSELF UNSTABLE. THERE IS A WIDELY SPREAD AND GENERAL BELIEF IN ENGLAND THAT YOU WILL GO OFF THE GOLD STANDARD***."

(Gold was targeted the same way as silver, except that it was second in line on the bankers' hit list. Instability was caused but wasn't due to inherent characteristics of precious metals. The blame belonged strictly with the scheming globalist financiers. It would take another 39 and a half years, but Kenworthy's prediction for the U.S. would come about.)

"As machine and agricultural production of the world increases as it has in latter years, he pointed out, both nations and individuals become inclined to hoard gold."

(Why is it strange that people wish to accumulate savings in something that can't go broke?)

"We in England and Australia were not going to sit down and starve simply because the monetary exchange has given out," Commander Kenworthy said, referring to the recent action of the British in abandoning the gold standard. "There are certain things that don't change---a barrel of oil, a bushel of wheat, a bale of cotton, and tin and wool. They do not change because they are basic necessities. It is up to us all to work out a system in which their values will not inflate or deflate in the markets of the world."

(His own government, of which as a member of Parliament he was a part, attacked silver then abandoned the gold standard. Gold and silver are like the commodities he mentioned---they don't change, except as to variations in purchasing power. They are remarkably stable if allowed to be. They have been tampered with very dreadfully.)

"Commander Kenworthy said that this system would have to be interdependent upon the cooperation of all nations and could not be worked out by any one nation alone."

(Meaning he was making an appeal for a world currency that Britain intended to manage!)

"Europe at the present time, he said, presented an almost intolerable situation, "full of suspicions and fears and obstacles to the free exchange of commerce." Currency in the banks of one country cannot in any circumstances be taken across the frontier, he said. It was announced by Dr. A. Edwin Keigwin, president of the federation, that permission from Secretary Mellon had been issued to extend Commander Kenworthy the courtesy of the port upon his arrival."

(Mellon was the Pilgrims Society member who as Treasury Secretary refused to complete the terms of the 1918 Pittman Act, requiring the Treasury to buy a fixed amount of silver from Western miners at $1 per ounce. Don't you find it a bit odd that a church organization was involved with fiat money promoters, when among other things, churches are supposed to stand for honesty? Keigwin was president of the Presbyterian Board of Home Missions and the Greater New York Federation of Churches. Wall Street bankers figured prominently in those institutions.)

"The Right Reverend James Edward Freeman, Protestant Episcopal Bishop of Washington, D.C., addressed the 350 persons at the dinner on the need of the world for spiritual cooperation."

(Freeman was a member of the Cosmos Club in D.C. and the Yale Club in New York---Who's Who, 1932, page 883. Before becoming a clergyman he was with the Vanderbilt owned Long Island, New York and Hudson River Railroads. The Vanderbilts were among the founders of the Pilgrims Society. Freeman studied theology under Bishop Henry C. Potter, Episcopal Bishop of New York, who was a Pilgrims member. They maintain a

significant presence in the clergy. For instance, Norman Vincent Peale was a member and controlled the large Presbyterian Ministers Fund.)

"Other speakers were Dr. William B. Millar, the Rev. Theodore F. Savage, Mrs. Katharine Gibson, Bishop Charles K. Gilbert, former United States Attorney Charles H. Tuttle, W.D. Blair and the Rev. W.T. Clemens."

(Millar was with the Interchurch World Movement in 1919-1920 and was with the Greater New York Federation of Churches. Gilbert was on the executive council of the New York State Council of Churches. Tuttle was a trustee of the International Council for Religious Education. Blair was an architect and Clemens wasn't in Who's Who. When the fiat forces start recruiting clergymen to boost their anti-precious metals concepts, this shows there are no limits to their corruption.)

The NYT, February 9, 1932, page 2 featured, "House Authorizes Inquiry on Silver Slump; Somers Resolution Suggests World Parley"---

"Washington, February 8---The House authorized today by a practically unanimous vote a broad investigation of all factors in the depression of silver, including a survey of the monetary systems of the world. The vote was on a resolution introduced by Representative Somers, Democrat of New York, and the responsibility of the investigation was put upon the Committee on Coinage, Weights and Measures, of which he is chairman."

"The committee is empowered to investigate the "cause and effect of the present depressed value of silver, the monetary policies of the United States and foreign countries and their relation to the value of silver, methods of stabilizing the value of silver and the advisability of an international conference to consider methods by which, by international cooperation, the value of silver can be stabilized."

"The Senate passed a resolution at the last session authorizing the President to call an international silver conference, ***BUT HE DECLINED TO DO SO***, largely on the ground that such a conference might be turned into a discussion of all the factors in the depression and might involve this government as the leader in a general economic parley."

(Hoover had great talent at fabricating excuses for doing nothing. Just what would have been wrong with the United States taking the lead in world

financial policy discussions? Ahh! Because it would have bumped Great Britain out of that role of leadership! Hoover after all showed that he was a British Empire loyalist! Hoover pledged "to abolish poverty"---NYT, page 1, November 5, 1932---yet he refused to take any action to restore monetary silver and thus restore jobs tied to export trade, which the fall in silver ruined!)

"In presenting the measure, Mr. Somers took the position that correction of the evils causing the present slump involves a correction of monetary conditions. He emphasized that the Coinage Committee would seek a solution that would preserve the integrity of the gold standard, which "seems best suited to the habits and customs of the people of the United States," but suggested that other countries might be induced to change their basis without any serious international repercussions. Mr. Somers predicted that the inquiry would get under way next week."

The NYT, February 11, 1932, page 17 featured Professor Robert Eisler, a historian and economist from Vienna, Austria, stating---"A thorough reconstruction of monetary machinery is necessary to save civilization from disaster."

The NYT, February 12, 1932, page 31, "Asks Government To Purchase Silver"---

"Washington---Purchase by the Mint of silver mined in the United States at prevailing prices was proposed in a bill introduced today by Senator Pittman of Nevada. The limit would be 5,000,000 ounces a month."

(It would better have been phrased, "not less than 5MOZ per month.")

"Payment for delivery of the silver would be made in silver certificates, backed by a reserve of silver coins minted from the silver so bought. The certificates would be legal tender with the same circulation status as other currency and would be a permanent addition to the currency. The certificates would be issued in denominations of $1, $5 and $10 and could be counted as part of the legal reserve of "any national banking association or Federal Reserve Bank."

(But the Federal Reserve didn't wish to be restricted in its activities by being bound to silver or gold in any way!)

"This bill would not inflate the currency and would add little to the circulating currency of the United States," Senator Pittman said. "At present if all silver produced were offered to the government at 30 cents an ounce it would only cause $750,000 in silver certificates to be issued each month."

"The bill, which was referred to the Banking and Currency Committee, provided that the silver bullion purchased under its provisions should be coined into standard silver dollars and subsidiary silver coins "sufficient in the opinion of the Secretary of the Treasury to meet any demands for redemption of silver certificates issued" and that such coin should be retained in the Treasury for the payment of such certificates on demand. It is also provided that such bullion as is not coined shall be held in the Treasury "for the sole purpose of redemption of the certificates."

(It always annoyed the hell out of bankers and silver users that silver was held in reserve as currency backing.)

The Commercial & Financial Chronicle, February 13, 1932, page 1109, "Bimetallism Urged as Aid to Farmers---Farm Witnesses Tell Senate Committee That Dearth of Money Revives Barter---Bankers Criticized---Control of the "Money Crop" by a "Handful" of International Financiers Assailed---Hearings on Senator Wheeler's Bill"---

"Adoption of bimetallism as a means of taking "from the international bankers control of the value and volume of money" was urged on February 6 by John A. Simpson, President of the National Farmers Union, in testifying before the Senate Finance Committee in favor of Senator Wheeler's bill to establish a double system of currency. A Washington dispatch to the New York Times, February 6, further reported---

"He was followed by William Lemke, of Fargo, North Dakota, an attorney for the Union, who contended that under the present system, because of insufficiency of money in circulation, Westerners were being forced to resort to barter and trade. Mr. Lemke asserted that if money was being hoarded it was being done by rich persons. Saying that ***MILLIONS OF PEOPLE WERE GOING TO BED HUNGRY EACH NIGHT***, he added---"What is a Republican world depression? That is Herbert Clark Hoover sitting solemnly astride a dead horse and trying to win the race."

"Under the National Bank and Federal Reserve Acts," Mr. Simpson said, "***THE POWER TO CONTROL THE MONEY CROP HAS BEEN TRANSFERRED TO A HANDFUL OF INTERNATIONAL BANKERS. BIMETALLISM WILL MAKE IT MUCH MORE DIFFICULT FOR THE INTERNATIONAL BANKERS TO CONTROL THE MONEY CROP***."

(Exactly. This is why anyone today advocating precious metals as currency is subject to denunciation as a fruitcake. The Money Creators aren't enchanted over the prospect of having their power terminated.)

"He declared that international bankers had been trying to get the little banks to invest in foreign instead of domestic securities. "They pawned off on their unsuspecting friends millions of dollars of these securities," he added. "The very gold standard we are on is interfering with our trade in foreign countries." He estimated that bimetallism, as provided for in the Wheeler Bill, would increase the money in circulation by at least $2,000,000,000. Mr. Lemke said that horses were being traded for vegetables in the Northwest, and that Eastern North Dakota wheat was being paid to Kansas ministers for marrying couples, and that the farmers were receiving but 15 cents a bushel for potatoes after paying 9 cents for a sack to contain them and 3 cents to have them dug."

(Yes, that typified the Great Depression, as in the classic film, "The Grapes of Wrath," 1940.)

"C.H. Hyde, of Alva, Oklahoma; Joe P. Lummer, of Akron, Ohio, and Senator Wheeler also supported the bill. Mr. Wheeler said that the measure would "not only increase the price of farm products in this country but would double or triple the purchasing power of other nations."

(The big bankers would have none of that and bumped their big moneybag bellies against it!)

The Commercial & Financial Chronicle, February 13, 1932, page 1109, mentioned---

"The New York Clearing House banks are the almost exclusive instrument through which monetary influences from the United States toward abroad and vice versa exert themselves. Any action they take may be and will be

considered as being in agreement with the policy of the Federal Reserve System, no matter what the legal situation is."

(This was in reference to the ban on hoarding of gold coins by means of exporting them to foreign nations!)

"Accept French Bid To Silver Parley," NYT, February 14, 1932, page 27, subtitled, "Western and Southern Senators Will Join Informal Interparliamentary Body," and "Great Britain, Canada, Belgium and Italy Will Also Be Asked to Send Representatives"---

"Washington---A group of Western and Southern Senators agreed today to accept the invitation of members of the French Parliament for the formation of an informal inter-parliamentary association ***TO STUDY LEGISLATION TO RESTORE THE PURCHASING POWER OF SILVER MONEY.*** The agreement was announced by Senator Pittman (Democrat, Nevada) after he and other Senators had conferred with Pierre Du Pacquier, French businessman and representative of a group of members of the French Parliament."

(A web search on the Frenchman's name yielded no leads other than that the NYT spelling might have been wrong. There was a Pierre Du Pasquier in the cotton business at that time. If that was the correct name, it would account for his interest in silver, as the fall in silver hurt the world textile exporting trade. Pierre Du Pasquier transitioned into the securities business by 1937 http://www.dupasco.com/dp/about/about.htm and is linked to Pershing Bank New York, a Pilgrims linked institution.)

"Mr. Pittman said he believed the agreement would "tend to bring a common understanding as to the best character of legislation." He emphasized the proposed legislation was entirely an informal, and not of an official character. Senator Borah will be head of the American group, Pittman said. Other Senators who have joined the group or may, he said, include King, Wheeler, Fletcher, Bankhead, Walsh of Montana, McGill, Robinson, Black, Sheppard and Connally."

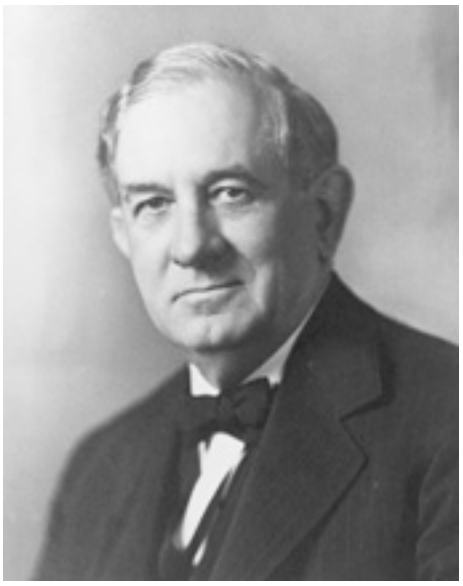
Florida Senator Duncan Upshaw Fletcher (1859-1936, term 1909-1936) graduated from Vanderbilt University in 1880 and played a role in the Securities Exchange Acts of 1933 and 1934 on the Banking and Currency Committee and in the creation of the SEC in 1935, appears to have been a

fence straddler on the silver issue. He was a trustee of Stetson University and honorary president of the Southern Commercial Congress, including cotton growers hurt by the Depression (Who's Who, 1932, page 849)---

"It was agreed," Pittman said, "that, with certain limitations, those in the Senate and House who are favorable to some action looking to the restoration of the purchasing power of silver money are willing to enter an informal association with similar groups from other nations for the purpose of exchanging views on the subject." Among other nations which probably will be invited to join the association, the Senator said, are Great Britain, Canada, Belgium and Italy."

(What limitations was Pittman referencing? At any rate this item shows that not all French leadership opposed silver. Morris Sheppard, Yale 1898, was a Senator from Texarkana, Texas, 1913-1941. Not everyone who attends Yale gets some type of induction; however I do not know in his case. He was treasurer of Woodmen of the World Life Insurance Association from 1899 until his death in 1941, a sort of Masonic type association. His widow Lucile married his Senate colleague, Thomas Terry Connally, who was grand chancellor of the Texas Knights of Pythias, 1913-1914. Lyndon Baines Johnson, future monetary silver assassin, ran unsuccessfully for Sheppard's Senate seat in the special election called upon his death. Two of Sheppard's grandsons became Federal judges in Arkansas. Another grandson is Connie Mack III, Florida Senator 1989-2001, and grandson Connie Mack IV a Florida Representative in the Bush camp. Sheppard)---

Texas Senator Thomas Terry Connally, terms 1929-1953, as chairman of the Senate Foreign Relations Committee, played a major role in creation of the North Atlantic Treaty Organization and the United Nations in 1945---both British Empire entities. Was he actually a friend to silver? Just because you want to attend a conference on silver, does this guarantee you are a long?---



Democrat Senator Thomas Walsh of Montana, term 1913-1933, was Roosevelt's choice for Attorney General, but died enroute to Washington. I have to wonder if the death was from natural causes---

Accompanying the preceding item was this on the same page (NYT, February 14, 1932, page 27)---

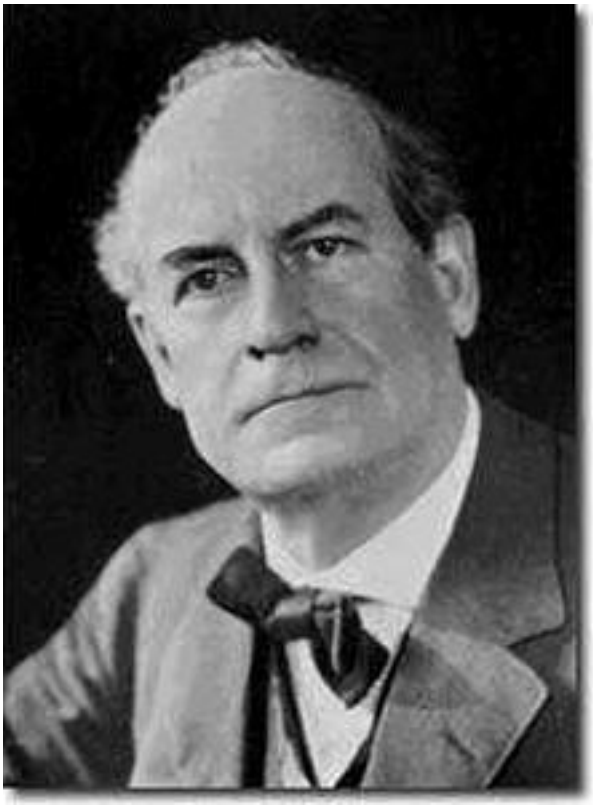
"Denver---William Jennings Bryan Jr., son of the Commoner, held preliminary discussions today with delegates to his Western silver conference which is to open Monday. Viewing the low price of silver as a fundamental cause of economic distress, his purpose in calling the

conference, Bryan said, is to begin an educational program to re-establish silver as a world money."

The NYT, February 16, 1932, page 23, "Opens Silver Convention"---

"Denver---Men and sons of men who cheered William Jennings Bryan in 1896 returned today to cheer William Jennings Bryan Jr. as the son of the Great Commoner opened the Western States Silver Conference with a plea for bimetallism."

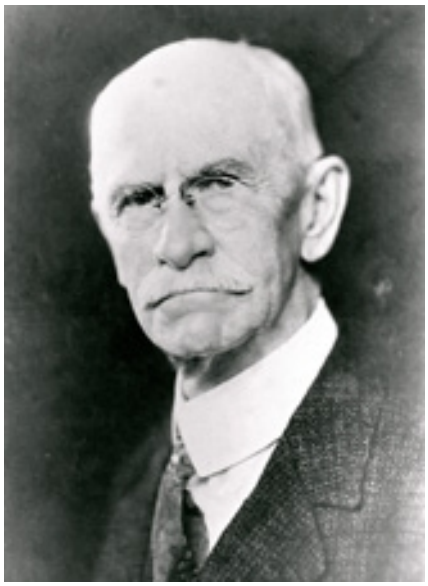
(The original Bryan was nicknamed the "Great Commoner" because he fought so hard for the money of the common man, silver. His son was an attorney and among other positions served as a regent of the University of Arizona, 1915-1920. He passed away at age 89 in Santa Fe, New Mexico in March 1978. The original Bryan)---



"Unless silver is again made to do duty as primary money by the side of gold," Mr. Bryan declared, "there is no relief from falling prices, unemployment, bankruptcy, suffering and misery for the unnumbered millions of the world." Russell F. Collins of Seattle urged America to force

establishing of bimetallism. Former Senator Charles S. Thomas of Denver urged the convention to "briefly and unequivocally declare for the free and unlimited coinage of gold and silver at the historic ratio established by statute a century ago."

(Russell Collins was manager, 1924-1945 of Hornsilver Mining & Milling Company at Wallace, Idaho. Charles Spalding Thomas was Colorado Governor, 1899-1901 and Senator from Colorado, 1913-1921 who never lost sight of the severe damage to Colorado by attacks on silver)---



The NYT, February 17, 1932, page 31, "Asks Silver Ratio of 15.988 to 1"---

"Denver---Delegates to the Western States Silver Conference adopted a resolution today calling upon the Federal Government to enforce a statute providing for the free and unlimited coinage of silver at a ratio between silver and gold of 15.988 to 1."

(We need another Western States Silver Conference, attended by State Senators and Representatives, Governors, Mayors, mining people, and members of Congress.)

The Times, London, February 19, 1932, page 14, "Stable Currencies" was a report on a meeting of the Industrial Copartnership Association we find---

"The value of gold had more than doubled since the War debts were incurred and the collapse of gold prices, especially since the slump on Wall Street in October 1929 had involved the whole world in a ruinous depression of trade and in an unparalleled series of public and private bankruptcies. Private hoarding had been withdrawing currency from American and French banks, gold and silver ornaments were being eagerly collected by terrified people in all nations of the world, and English sovereigns were being bought at high prices by Frenchmen. ***THIS HOARDING SEEMED TO BE JUSTIFIED BY THE EXPERIENCE OF INVESTORS AT HOME AND ABROAD WHO HAD SEEN PAPER CURRENCIES AND TRUSTEE SECURITIES ON THE CONTINENT DWINDLE TO NOTHING UNDER THE INFLUENCE OF INCONVERTIBLE PAPER MONEY***."

(Now you understand why it's not enough protection to hold mining shares in the event of currency failure. There will always be equity markets---one way or another---but during really harsh periods of monetary dislocation, only hard metal suffices till better conditions arrive.)

"After the War, many government bonds became worthless owing to the depreciation of inconvertible paper currency; last year many bonds in South America and South Eastern Europe became almost worthless. All this experience surely taught us that the world needed stable currencies, and a reduction, if not a cancellation, of gold debts and indemnities. To make gold serviceable again as a standard, artificial conditions must be removed and the leading commercial nations must enter into a new monetary union or compact. ***AN INCONVERTIBLE PAPER CURRENCY COULD NOT BE TRUSTED, AND THE WHOLE EXPERIENCE OF THE PAST WAS AGAINST MANAGED CURRENCIES. IT WAS MUCH BETTER TO HAVE AN AUTOMATIC CURRENCY, ONE FREELY CONVERTIBLE INTO GOLD OR SILVER AND ONE WHICH COULD BE TRUSTED TO THAT EXTENT***."

"In the last few days there had been a rather good sign which might prove of benefit to traders all over the world. Mr. Hoover had changed his mind. Up to a little while ago Mr. Hoover held the view that gold had nothing to do with prices."

The Times, London, February 25, 1932, page 7, "British Monetary Policy---A Managed Currency" subtitled "Sir Henry Strakosch's Advocacy"---

"Sir Henry Strakosch gave an address on "British Monetary Policy---The Key to Economic Prosperity" last evening before the Financial and Currency Group of the House of Commons."

(As we saw in the opener of "Britain Against Silver" last August, Sir Henry Strakosch was another Pilgrims Society member and sat on the Royal Commission on Indian Currency and Finance that wrecked silver values worldwide and caused the Great Depression.)

"All of us in recent years, said Sir Henry Strakosch, had doubtless accepted payments in respect of fixed money claims for services, interest, and capital repayment, which had given us a title to goods and services very considerably greater than the title to goods we expected to receive when our creditor position was established. Those who had claims to money thus inflicted on those who had money obligations a serious injustice. The plea that this injustice was not inflicted knowingly could have validity only if we took it for granted that the purchasing power of money would remain stable. That was precisely what everyone expected when entering into a money contract."

(The Money Power, with which Strakosch was intimately connected, absolutely understood the consequences of the attack against silver. That's why they were so happy to carry it out.)

"When we and other countries returned to the gold standard in 1925 we did so on the tacit assumption that the value of gold would remain stable. In this we were encouraged by the Genoa resolutions. Had we been able to foresee the events of the last two years neither we nor any of the other countries would have dreamt of linking their currencies to so unstable a standard of value as gold had proved to be."

(You can sense where this is going. Even though Strakosch held South African gold mining interests, not only was he a terribly dangerous---and highly effective---enemy of silver; he also opposed gold. Fiat, you see, is the most profitable currency, if you are close enough to the issuing source!)

"The purchasing power of gold had increased since 1928 by no less than 71 percent; the true burden of all fixed money obligations had therefore been increased in the same ratio. The burden of debt had become so great that the majority of debtors had become insolvent, and we were witnessing an almost

complete breakdown of credit in the countries which maintained the gold standard. ***NEED WE DEPLORE THE ABANDONMENT OF THE GOLD STANDARD? EMPHATICALLY NO."***

(Wow! Another terrific proof that attacks against silver money virtually always lead to attacks against gold! The main reason for getting rid of silver is to launch fiat. That of course cannot be fully accomplished until gold also is ushered out. Then at some eventual point, all managed currencies become mere trash. However, consider how much property of all descriptions has changed hands in the meantime, to the benefit of the fiat creators!)

"Since we abandoned it," said Sir Henry Strakosch," the purchasing power of gold has still further risen and is now some 10 percent greater than in August last. The future of the level of gold prices is at the mercy of the conflicting monetary policies of the United States and France. Fortunately, having abandoned the gold standard, we can, if we choose, be merely detached spectators of this extraordinary and wholly absurd tussle. ***WE HAVE EVERY REASON TO WELCOME OUR HAVING SEVERED THE LINK WITH SO WHOLLY UNCERTAIN A STANDARD OF VALUE."***

(This was from a fellow who frequently rubbed elbows with famed fiat economist John Maynard Keynes, another member of the Royal Commission on Indian Currency and Finance.)

"Having severed the link with gold, it is of supreme importance to determine the aim of our monetary policy. That policy must not be determined merely by the needs of Great Britain, but also by the needs of the vast area which has linked its currencies to sterling."

(When seeing the word sterling, please don't make the mistake of thinking "silver.")

"***OUR CURRENCY SYSTEM IS NOW A MANAGED ONE***. The word managed implies management with a definite objective. Having seen countries brought to misery and destitution by violent monetary inflation, and having ourselves experienced even more destructive effects of unbridled deflation, it should be plain that we need a money which has a stable purchasing power, not in terms in gold, but in terms of all the commodities

taken on an average we currently consume. The one and only objective of our monetary policy should be stability in terms of commodities."

(He was arguing for something that couldn't endure. Having got rid of silver, he now proposed to do so with gold, and complained of resistance in France and America concerning removal of gold from payments systems. When payment can be made in a money that has no worth of itself, no greater motive of greed is possible on the part of those advocating such.)

"The next question is at what level of commodity prices should that stability be established. It is now generally accepted that the crisis through which we are passing is due to the fall of prices."

(And what started that process in motion? Nothing other than the great attack against silver out of British India, which he did his personal damnest to assist.)

"It is clear, then, that stabilization should be attained at a higher level. That level must be compatible with ultimate stability. I suggest we should aim at restoring the sterling level of wholesale prices that ruled on an average in 1928. ***THAT WOULD INVOLVE INJECTING INTO OUR MONETARY SYSTEM ADDITIONAL PURCHASING POWER BY CURRENCY AND CREDIT EXPANSION*** till wholesale prices are restored from their present level of 76 to 100."

(Strakosch started out by noting the misfortunes suffered by those who had money obligations, that they suffered serious injustice as their purchasing power shrank. He was quite careful to avoid mentioning silver by name! Now he revealed himself as a pure, unabashed fiat currency inflationist. What, was he suggesting that such monetary methods wouldn't continue to rob the common folks? He merely represented it as benign, and called gold unstable. Gee.)

"I feel confident that this would not create new disequilibria of any moment."

(It wasn't that he was making a mistake, it was that he was intentionally misrepresenting fact, backed up by all of history---created currencies are not good for those forced to use them. They are only good for their issuers.)

"Whereas wholesale prices have since 1928 fallen by about 24 percent, cost of living has fallen by only 11 percent, and wages have fallen by only 3.5 percent."

(Just like our planners of today, figures from such demonstrably unethical sources cannot be relied upon.)

"To restore the position of 1928 cost of living need only rise by 11 percent and wages by 3.5 percent, but even that is not inevitable. Or keeping wages at the present level, cost of living need only rise by 9 percent, but wholesale prices by 28 percent. The only alternative, in order to restore the 1928 equilibrium with wholesale prices at their present level, is that wages should be reduced by 21.8 percent, and cost of living by 15 percent."

(Remember this was during the Great Depression, and in toying with the lives of so many millions, he would consider slashing wages. That is, for those lucky enough to still have employment. These bankers never propose reduction in living standards for themselves. Austerity measures apply only to those outside the predatory circles. In his proposals he had no inclination to remonetize Indian silver. Just rob everyone blind, walk off, and go deliver a lecture to other such monetary vampires!)

"I am in no doubt that the restoration of the 1928 level of wholesale prices would restore to solvency most of our debtors---their debts to us are in the main sterling debts. Confidence would be restored and enterprise, and with it trade, would be revived."

(The only manner of restoring soundness to money is to use nothing but the real thing---gold, silver, and copper. The Silver Senators made it plain that unless silver were restored, the export businesses of the West would flounder. Then came FDR as we shall see with his silver concepts, and his support for the British fomented second World War. The Treaty of Versailles guaranteed the next war.)

"I regard it as essential that we should at the earliest possible moment declare publicly and in clear and unequivocal terms the objective of our monetary policy. ***HAVING ABANDONED GOLD BECAUSE WE HAVE FOUND IT A THOROUGHLY UNRELIABLE MEASURE OF VALUE, WE SHOULD FORGET GOLD ALTOGETHER*** for the time being and should therefore be entirely unmoved by the course of the external value of

sterling in terms of the dollar or the franc. We should not be perturbed by the exchange dropping lower."

(After thousands of years of history supporting it, the Money Power was fast moving to shove gold out of the finance system. Apparently, however, gold has elbowed its way back in!)

"You will no doubt have heard it said that until we have restored sterling to its old gold parity ***WE SHOULD REGARD OURSELVES AS DEFAULTERS***."

(So? In the Van Buren administration, 1837-1841, legislation was enacted, which he fell all over himself rushing to sign---prohibiting the tender of any bank note not convertible on the spot into gold or silver at the will of the holder. He periodically received notes from Andrew Jackson congratulating him and suggesting additional monetary safeguards. Honest and dishonest men are in conflict as to the nature of money. It is our duty to throw every possible dart of fact and truth at the dishonest.)

"Doubt is frequently expressed as to whether it is possible to stabilize the purchasing power of a currency in a managed currency system. Under the gold standard system it was the task of the currency authorities to keep the purchasing power at parity with gold, and through gold with the purchasing power of the currencies of other gold standard countries. That was accomplished by the orthodox means of suitably expanding or contracting the monetary circulation."

(No wonder doubt has been expressed as to the stability of fiat currencies. They are at least as unstable as driverless racecars with stuck accelerators. And they always crash.)

"This was successfully accomplished until comparatively recently by all the gold standard countries in spite of the fact that the purchasing power of gold performed incredible antics. If it was possible for national currencies to be so managed as to keep them in step with these antics there is no possible reason why it should not be possible to manage sterling in precisely the same way so as to be kept in step with the stable level of commodity prices or conversely, why a relatively stable level of commodity prices cannot be assured by the management of sterling."

(Funny how he spoke of the antics of gold. It would be more appropriate to speak of the antics of managed currencies.)

"All that this would involve, broadly speaking, would be to increase our monetary circulation and our credit structure at a rate corresponding to the rate at which our production and trade increases."

(That's similar to what the U.S. has done since August 1971. We aren't in better condition for it. Eliminating the gold discipline was also necessary for ongoing wars to be "financed.")

"A GENERAL RETURN TO THE GOLD STANDARD WOULD NOT BE POSSIBLE, AND EVEN IF IT WERE POSSIBLE IT WOULD BE DANGEROUS, AND THEREFORE UNDESIRABLE. Much painstaking work and a radical change in the mentality of some of the countries that still adhere to the gold standard are needed before we can expect to reach agreement. In the meantime, we cannot do better than pursue boldly the plan I have outlined."

(The Money Power did its "painstaking work" to get rid of silver and gold leaving the world in the precarious fix we now witness.)

The Times, London, February 27, 1932, page 9, "U.S. Plea For World Conference"---

"Washington---A document of much value and ultimate possible significance was read into the American Hansard, the Congressional Record, today by Mr. Andrew Somers, chairman of the Coinage, Weights and Measures Committee of the House of Representatives."

(Winston Churchill and Clement Attlee, Pilgrims Society members, were active in the Hansard Society at its founding in 1944 http://www.hansardsociety.org.uk/)

"It gained in interest from an accompanying letter to Mr. Somers from Mr. Churchill, written during the recent visit to Washington of the man who was Chancellor of the Exchequer at the time of Great Britain's return to the gold standard."

(Just after poisoning silver all over the world, Great Britain tried to end the gold standard, but too many nations still held on, including Europe and the United States. The time was not yet ripe for total departure, and another World War was necessary in the "progress" towards a universal government and global fiat money. The money part was achieved, the universal government isn't likely. I make no reference to any Biblical interpretation.)

"Churchill believes that "prompt international cooperation upon monetary conditions is not only desirable but imperative. He adds---"The question of the rehabilitation of silver through the joint action of the principal Western nations should be one of the principal matters to be considered by an international conference."

"Upon the text of these two paragraphs the committee's document is an extremely able and persuasive sermon. It is a plea for international action to reestablish a proper relation between silver and gold. It starts from the fact that during the Great War India and China "rolled up against the Allies balances of such magnitude as to make the question of their settlement a precarious one because neither India nor China possessed the economic machinery which makes possible the postponement of settlement of balances by means of bank credits or bond issues." Then followed the exhaustion of Europe's visible stocks of silver, an increase in the bullion value of fractional currency, hoarding, debasing and demonetizing until, with the change in the Indian currency system from gold exchange to gold bullion in 1925, there was laid, according to the report, the "basis for the great monetary dislocation which we are witnessing today, because it super-induced the flight of capital."

(It was 1926, not 1925, or really 1927, till that British directed change within India occurred.)

"So the argument takes its way through huge protective cover operations of the peoples of India and China---purchase of gold and/or gold exchange---the effect of exchanges, thus dislocated, upon commodity prices, and resort to tariff walls as protection against the dumping of low exchange nations, until it touches upon the interrelation of economic disruption and political relations---"The Nationalist movement of India is a typical illustration, as is the effect upon the economic life of Japan of the depressed China exchanges."

"There is much more, but the conclusion of the whole matter is thus stated---"When the question is examined from every angle accurate diagnosis of the money problem invariably points to the two metals which form the bases of money systems. Once this is conceded, it is simple enough to accept the principal that if the quality of money is destroyed in a metal, mankind will desert the one so debased and reach out for the other, to which value is still attached. Hence the universal rush for gold or gold exchanges, which plainly explains maldistribution, hoarding, and all those attendant evils which make for the destruction of values through disruption of trade via exchanges."

(It was the oversupply of silver intentionally caused by the British Empire that so damaged its worth as money. This illustrates that money must not be composed of anything that is too plentiful in supply. This principal applies more strongly to fiat money than to actual money. Silver didn't fail as money, the British sabotaged it. Silver has been run into the ground, price-wise, for so many decades that only an unconscionable sustained upward spike can do anything to lessen its shortfall. In such event, its worth as money must become virtually indisputable.)

"It is monetary dislocation which has set in motion the vicious vortex of deflation which is gaining in velocity as its evil consequences multiply, because they feed on each other. We have abundant evidence of the failure of palliatives everywhere; yet we dismiss the evidence and persist in treating the effects and ignoring the cause. ***IT IS TIME TO CALL A HALT AND TO RECOGNIZE THE URGENCY OF REESTABLISHING A PROPER RELATION BETWEEN THE TWO WORLD YARDSTICKS OF VALUE, BECAUSE THIS IS INDISPENSABLE TO A PROPER EQUILIBRIUM IN INTERNATIONAL TRADE."***

"The target of those who have prepared this paper is American action. If, says the document, the United States were "to take the initiative in the field of international cooperation of matters pertaining to silver as money, their action should not properly be translated as an expression of the interest of a merchant in his product. The British Empire produces an overwhelming proportion of the total world output of gold; yet in matters monetary Great Britain is never approached from the angle of a metal producer seeking a market for his product." More will be heard of the matter before Congress adjourns---more perhaps from the White House."

The NYT, February 28, 1932, page 10, "Urges Bimetallism At No Fixed Ratio" subtitled "Notes Ebb In Gold Supply" and "Reserve of Silver at Least 1-16 of Gold Coverage of Paper Advocated for Stability"---

"With the production of gold declining, "limited bimetallism at no fixed ratio seems to offer a possible solution that meets all requirements," according to Francis F. Brownell, chairman of the American Smelting and Refining Company. This plan is "not only logical in itself, but is in the nature of a compromise between the gold extremists and the free silver advocates," he adds."

(We had a detailed look at Brownell last summer in "Two Voices On Silver.")

"Mr. Brownell, who has been advocating an international silver conference to attempt stabilization measures, says that the "case for silver, in the last analysis, depends upon the answer to the question---is there now and will there continue to be sufficient gold in the world to afford an adequate base for the world's monetary systems?" Contending that the gold supply is inadequate, Brownell says---"The statistics of past production and of known ore reserves all indicate that annual production, while varying from year to year is, on the whole, showing a declining tendency. The Rand, which now yields about half of the annual gold production, is believed to have reached its apex and will, about 1936, begin to decline, unless saved by a further fall in cost of labor and supplies or by some new discovery or invention permitting the working of reserves not profitable at present."

"Most mining engineers and students of gold production incline to the belief that the world has been pretty thoroughly prospected for gold and that each passing year makes less probable the discovery of a new gold field of major importance."

"Arguing for limited bimetallism "at no fixed ratio." Brownell says---"It is not only logical in itself, but it is in the nature of a compromise between the gold extremists and the free silver advocates. Various plans have been suggested, varying quite widely in detail, but all based on the general principle that gold should continue to be the primary metal to be used to the full extent of its availability, but that it be supplemented by silver at market value, to the extent necessary to correct or prevent an appreciation in gold; that is, a fall in commodity price level. The fundamental object is to secure

a money more stable and less fluctuating when measured in commodity prices, avoiding, on the one hand, injury to the creditor class because of too great inflation of the commodity price level and, on the other hand, injury to the debtor class because of excessive deflation of the commodity price level."

"Let us make the principal clearer by considering one of the more flexible and adaptable of the various methods suggested. Assume that reserves of precious metal, upon which a currency is based, should include both gold and silver to an adequate extent, say, 50 percent of the total paper issue."

(That's unsafe! All paper should be covered 100%! Beyond that, as President Jackson declared, he wanted to eliminate all paper "money" entirely so as to guarantee stability!)

"Of this total metal base, a fixed proportion---say one half---must be gold, always of the same value---namely, $20.67 per ounce."

(We looked at the fallacies of government fixing gold prices in "The Conspiracy Against Gold," in which the Roosevelt price of $35 per ounce persisted so long as to nearly destroy gold miners as a class because the dollars they had constantly shrank in value.)

"The remaining one half should contain a fixed small amount of silver---say one sixteenth---and the other seven-sixteenths should be optionally in gold or silver---the silver always not on a fixed ratio of value to gold, but at its market value, averaged over some period, say the last six months, as established by some designated authority, the Secretary of the Treasury."

"Mr. Brownell offers these recommendations---"What seems to be immediately desirable is---an impartial, authoritative, expert investigation and answer to the question of the adequacy of gold to serve alone the monetary needs of the world. If the makers of such an investigation find that gold is adequate, they should recommend a definite plan under which the present supply and annual production of gold can be utilized in a way that will be satisfactory, including the method of correcting the present maldistribution of gold, if there is any."

(If there was any maldistribution of gold, he said! That was way far beyond question. He knew that no one could propose, absent the reinstitution of

silver money, any workable means for distributing the gold stock on a more even basis! Watch what he was about to say)---

"The lack of such a plan is the most striking and significant feature in the attitude of those who hold the present gold supply to be sufficient. No way has been suggested to redistribute gold; no plan with or without redistribution to make present and prospective gold supply serve as an adequate base for the money systems of the world without an appreciation in value---that is, a continual fall in commodity prices, or at least a continuance of the present low level."

"If the makers of such an investigation find gold to be inadequate, then they should recommend a definite plan for its support by silver. Before an international conference is called, it seems highly desirable that the United States, now the leading creditor nation and the greatest holder of the present gold supply of the world, should be prepared to offer a carefully considered plan for the revamping of the monetary systems of the world, including India and China."

The Times, London, February 29 (leap year) 1932, page 20, "Monetary Policy---East African Trade"---

"British monetary policy is to all intents and purposes undefined, the statements made in Parliament from time to time being too nebulous to constitute a definition of policy. The reason for this is that to a considerable extent British policy in this important matter must depend largely upon the settlement of various international problems."

(Problems Britain caused, including the fall of silver and the Great Depression, may I ask?)

"The greater part of the world has for the time being abandoned gold payments, but there is no indication, except in Mexico, that the non-gold countries have finally abandoned the standard. There is a considerable body of opinion, especially among economists, traders and industrialists, which would welcome ***A MONETARY STANDARD MORE SCIENTIFIC THAN GOLD***, but bankers are distrustful at present of an isometric system of currency or any form of it."

(The usual meaning of "isometric" is in exercise, exerting resistance against an object which cannot be moved---a steel I-beam, for example. What do you figure was the intent here? There is no controversy that bankers in general oppose gold and silver in the money system, since they cannot create them, nor have a monopoly on their dispensation to the world.)

"The majority of businessmen probably still favour a metallic standard, though many of them, notably those who have had practical business experience in the Far East, have lately shown a preference for remonetizing silver in order to relieve the scarcity of gold. They hold that the heavy fall in world prices, which brought about the suspension of gold payments by those countries which could not obtain sufficient gold or its equivalent to pay their gold debts, might have been avoided, or at any rate postponed, if the supply of monetary gold had been increased by giving silver a fixed ratio to gold."

"They argue that it would then have been more difficult for American and France to have accumulated an excessive proportion of the world's means of international monetary payment. Obviously, however, ***BANKERS WOULD NOT COMMIT THEMSELVES TO ADVOCACY OF SILVER WITHOUT AN EXPERT INQUIRY***, and would not be prepared to take any definite action except in cooperation with other countries."

(Any expert inquiry, so-called, launched by bankers, would have had an agenda to start with, not an open mind. There certainly was no need for any inquiry, as thousands of years of history already amply established silver's excellent capabilities as money.)

The NYT, March 6, 1932, section II, page 1, "Bankers To Appear For Silver Inquiry"---

"Washington---Financial and metal experts in New York have been invited to appear before the Committee on Coinage, Weights and Measures next week, when causes and effects of the depressed value of silver will be investigated. The hearings will begin Monday and continue through Friday, with the full committee hearing the testimony. Representative Somers of New York is chairman."

"J.P. Warburg and L.W. Kroke of the Federal Reserve Bank of New York will appear Monday; Tuesday, H.K. Hochschild of the American Metals Company, and F.H. Brownell, banker; Wednesday, G.W. Lehman and James

Heckscher, officers of the Irving Trust Company, will testify. Thursday is an open day; the hearings will be concluded Friday with the appearance of S.R. Bomanji and K.C. Li, a Chinese metal expert."

(Warburg, Pilgrims Society, was well known on the international finance stage. Brownell was profiled in "Two Voices On Silver," Archives; Heckscher is a fairly rare name and appeared in the leaked 1969 list of The Pilgrims, New York. Lehman is another more widely known family, but what isn't well known is they're another Pilgrims family. The NYT, March 11, 1932, page 35, spelled the name "Leman," so it could be the more recent spelling was correct and the Lehmans weren't involved in that story. The Hochschilds are a family not well known outside of South American mining circles and have their own set of connections at least up to CFR level and probably higher. Bomanji was an Indian national who was totally irate over Britain's destruction of his nation's money.)

"Coincident with the announcement of these hearings, Mr. Somers revealed that, in answer to a question from him, Winston Churchill, former Chancellor of the British Exchequer, had recently advocated an international conference on monetary problems, with special attention to the rehabilitation of silver. Somers wrote to Churchill on February 17 about a House resolution advocating international monetary stabilization. He asked if Churchill believed rehabilitation of silver was the best method of restoring the world's purchasing power."

"Churchill's reply, dated February 20, was as follows---"I am much honored by the inquiry which you have addressed to me and gladly comply with your request that I should answer the questions you ask. I believe that prompt international cooperation upon monetary conditions is not only desirable but imperative at this time, and that it can be effected only through international conference. I concur with the statement that there is overproduction with respect to purchasing power rather than with respect to requirements. I consider that the question of the rehabilitation of silver through the joint action of the principal Western nations should be one of the principal matters to be considered by international conference."

(Churchill was a Pilgrims member. Was he actually in favor of restoration of silver money? I say no; his statements were intended to mislead to create the impression that British leadership wasn't totally opposed to silver. Watch later what happened at the 1933 London conference.)

"Mr. Somers had written to Churchill as follows---"In introducing House Resolution number 72, I have stated, in part---The committee further believes that the solution of the fundamental problem of money is at the very root of our present evils, so that its correction necessarily implies progress in the solving of other important questions, the discussion of which in the absence of stable monetary conditions becomes futile and academic. The committee points out that it may be understood, both at home and abroad, that if monetary instability has destroyed trade, and with it capacity to pay, it has also destroyed in the same degree our ability to cancel."

"It therefore follows that stability of money should restore trade, thus recreating capacity to pay and likewise our ability to cancel. Under such conditions the common burden might possibly be borne by all, because cooperative effort will have made it lighter, whereas under present conditions, it is too heavy to be carried alone, so that danger threatens creditor and debtor nations alike. With reference to the foregoing, do you believe that prompt international cooperation is not only desirable but imperative at this time, and that it can be effected only through international conference? Do you share conviction that the best method of restoring purchasing power is through the rehabilitation of silver by joint action of the principal Western nations?"

"Bankers Disagree On A Silver Parley," NYT, March 8, 1932, page 40---

"Washington---A Congressional effort to lift silver from the mire was begun today with disagreement between two leading bankers as to the value of an international consultation. L.W. Knoke, who has been with the New York Federal Reserve Bank two months, expressed the opinion that war debts and reparations must be considered at any international conference called to discuss world economics and silver."

(As of 1940 Knoke was a V.P. of the bank.)

"But James P. Warburg, president of the International Acceptance Bank, disagreed with this view. He held that an international gathering to discuss silver alone would be "possible and fruitful." Mr. Knoke, the first witness in the special study of silver authorized by the House, said---"I am very much of the opinion that international debts and reparations are the primary cause

of today's ills, coupled with other such highly controversial matters such as tariffs."

(James Warburg, second generation Pilgrims Society member and son of Paul Warburg, the "father of the Federal Reserve Act," was a director of the Los Angeles & Salt Lake Railroad---as was his cousin Frederick---and James was also a director of Union Pacific Railroad; Oregon-Washington Railroad; Polaroid Corporation; and the Bank of Manhattan---now part of JPMorganChase Bank. James had his office at 40 Wall Street. He was a financial advisor to the conniving Franklin Roosevelt and to the World Economic Conference in London in June 1933, where British India came out still being able to dump megamillions of silver ounces on world markets per annum. James was a member of the Economic Club of New York, which has a dismal record of hard-core opposition to silver as money---Who's Who, 1940, page 2673. According to http://www.jfklibrary.org/Historical+Resources/Archives/Archives+and+Manuscripts/fa_warburg.htm during 1939-1941, James Warburg "worked against isolationism in American foreign policy;" meaning, he wanted the United States to enter WWII because Britain wanted us to!)

"He said that cancellation of war debts or a scaling down of reparations "would be simply passing the burden to the people of the United States." Mr. Warburg also opposed cancellation. Referring to the 40 percent reserve required on treasury notes, ***MR. WARBURG SUGGESTED THAT THE LAW BE CHANGED TO STIPULATE THAT 5 PERCENT OF THIS BE IN SILVER, 25 PERCENT GOLD AND THE REMAINDER EITHER GOLD OR SILVER."***

(Notice that Warburg didn't ask that the law be changed to increase the precious metal reserve requirement to any figure upwards of 40 percent! James Roosevelt, who later became a Pilgrims Society member, once resided at Pilgrim member Felix Warburg's estate at White Plains, New York--- James P. Warburg, "The Long Road Home: The Autobiography of a Maverick"--- Garden City: Doubleday, 1964, page 106. James Warburg was with the Office of War Information during 1942. On February 17, 1950, James Warburg told Congress, speaking of the UN charter---"The question is only whether world government will be achieved by consent or by conquest."--- Senate Report (Senate Foreign Relations Committee) Revision of the United Nations Charter: Hearings Before a Subcommittee of the

Committee on Foreign Relations, Eighty-First Congress. United States Government Printing Office, page 494.)

The NYT, March 10, 1932, page 15, "More Silver Coins Planned By Mexico"---

"Mexico City---Additional coinage of silver pesos to relieve the currency stringency in Mexico will be decreed tomorrow, Alberto J. Pani, Minister of Finance, announced today. The mintage will be controlled by the Bank of Mexico and will be limited to an amount considered urgently necessary by the board of directors. In addition to being circulated, the new silver may also be used as cover for new issues of notes. Only 3,000,000 pesos in silver notes are now in circulation."

"Under the new decree the Bank of Mexico will take over duties formerly exercised by the Central Banking Commission, established under the monetary legislation enacted a year ago, when Luis Montes de Oca was Finance Minister, taking Mexico off the gold standard. The new decree is said to have been agreed upon at conferences among Senor Pani, President Pascual Ortiz Rubio and Mexican and foreign bankers."

(Yeah I bet foreign bankers were there---from New York and London.)

"In his announcement Senor Pani acknowledges that apart from lack of credit within Mexico there is also lack of confidence. He expects his proposal to cause some improvement on the exchange market, on which the peso has fluctuated violently during the last six weeks in its relation to the dollar."

(A follow up accompanied this, "Move Supported by Calles)---

"Mexico City---Coinage of more silver money to relieve a shortage of currency in Mexico and stabilize the exchange situation as the first step in a reconstruction program was said tonight by Finance Minister Alberto J. Pani to have the approval of General Plutarco Elias Calles, president of the Bank of Mexico, and of Pascual Ortiz Rubio, President of Mexico. The Finance Minister said hoarding was one of the major causes of the present scarcity of money with which to conduct business. The permission to issue new silver coins would tend to re-establish confidence and bring back into circulation much of the hoarded money."

The Commercial & Financial Chronicle, March 12, 1932, pages 1860-1861, "Hearing on Depressed Value of Silver Before House Committee"---

"On Monday March 7 hearings were begun by a subcommittee of the House Committee on Coinage into the causes and effects of the depressed value of silver. At the first day's hearing L.W. Knoke, who has been with the New York Federal Reserve Bank two months, expressed the opinion that war debts and reparations must be considered at any international conference called to discuss world economics and silver. Knoke, according to Associated Press accounts said---

"I personally am very much of the opinion that international debts and reparations are the primary cause of today's ills, coupled with other such highly controversial matters as tariffs."

"The Associated Press further reported---"He said that a cancellation of war debts "would be simply passing the burden to the people of the United States."

"From the United States Daily of March 3 we also quote the following---(start page 1861) "Philip C. Nash, chairman of the Inter-organization Council on Disarmament spoke briefly. The committee reserved action. War debts and reparations must be considered in any effort to cure existing economic difficulties, Knoke told the committee. Warburg opposes debt cancellation because of his belief in the sanctity of a promise, and stated that, although the international debt problem is difficult to solve, the nations of the world must arrive at some common denominator regarding gold and silver standards before war debts can be discussed."

(No doubt big bankers such as Pilgrims Society member Warburg want everyone to pay the debts they saddle them with. If on the other hand, they owe any of us anything, repudiation could be a different matter!)

"If the purpose of the present investigation is to find a means by which an end can be put to the depression prevailing the world over," Knoke stated, "anything short of an international understanding with regard to international debts and reparations will be of little avail. I personally am firmly of the opinion that international debts and reparations are the primary cause of today's ills."

(He felt it necessary to appeal to repetition of that topic in order to submerge the more important issue of silver. Reparations were of greatest importance concerning Germany, France and England, but silver concerned the entire world economy.)

"THE PREDICAMENT OF SILVER CAN BE REMEDIED ALMOST OVERNIGHT IF THESE GOVERNMENTS WHICH DEBASED SILVER WOULD RESTORE IT TO ITS OLD POSITION," he asserted."

(It's fantastic that any Federal Reserve official would have ever made such an admission. I couldn't find Knoke in later Who's Who volumes. Possibly he didn't climb high in the power structure.)

"Such a restoration, he continued, could automatically re-establish a demand for about 40,000,000 ounces of silver, which is all that is needed to balance consumption. However, he said, before he would advise the committee to act on such a suggestion he would suggest that it consider the cost of this restoration to the countries involved. Most governments which have debased silver say they would not be able to meet the additional burden, he stated."

(The burden of not doing the right thing is usually greater long term than in taking right action.)

"Relative to the theory that capital has left India because of debasement of silver, Knoke said he has tried to follow such an argument, but that he "stumbles over the figures."

(Now he's starting to sound more Federal Reserve-ish, becoming murky!)

"He pointed out that the argument has been advanced that a gold shortage had been largely responsible for the present economic situation. The gold supply is not any more short now than it was 10 years ago, he asserted. Many answer the demand for bimetallism, he said, with the declaration that bimetallism has been tried and found wanting. Some say, he added, that L***OW SILVER PRICES BROUGHT ABOUT THE PRESENT DEPRESSION***. "I cannot understand that," he said."

(What was there not to understand? If a mechanic discovers that the exhaust has been blocked by shoving several tight fitting potatoes far into the tailpipe, how likely is he to dismiss it as a cause of poor performance?)

"Silver production is being materially reduced today, he said. He does not think there will be any more demonetized silver, and that India will stop selling silver."

(Sincere or devious in that expression, he was far better connected than most persons, and events proved to the contrary.)

"Knoke expressed the view that higher silver prices today would do more harm than good to China. In order to help China, he observed silver prices should rise gradually and slowly. Increase in the price of silver, Knoke said, would help only those countries in which the metal is produced. The benefit in dollars and cents would not be material, but would be merely a commodity price increase, he said."

(Again he sounded more like a true New York banker than any potential friend to silver. The entire nation benefited from silver money for generations. The fact that it couldn't be produced in every state of the Union was in no way contradictory to that matter.)

"***HE RECOMMENDED AGAINST CALLING AN INTERNATIONAL CONFERENCE SOLELY FOR THE PURPOSE OF ATTEMPTING TO SOLVE THE SILVER SITUATION."***

(He was now flying the flag of a fiat activist, although his earlier statement on silver suggested he had somewhat of a Jekyll and Hyde personality.)

"Knoke stated that the following countries debased silver---Great Britain, France, Germany, Italy, the Netherlands, Austria and Hungary. He also stated that according to estimates, $2,500,000,000 in silver and $3,000,000,000 in gold is being hoarded in India."

(Whatever the figures were, did the people of India have any moral right to make an attempt to insulate themselves from fiat currency folly by holding precious metals? We the silverites and goldbugs say yes; the bankers say no!)

"Conceding that the country would be in a better position if commodity prices were raised and that adoption of bimetallism would result in "watering the gold stock."

(Watered stock was a form of securities fraud especially prevalent during the nineteenth century and into the early twentieth century, although the last case was around 1956. Stock promoters and company officials wildly over-valued the par value of their stocks far in excess of company assets and income. The public was left holding the bag in the inevitable sharp tumble as the hucksters walked off with their ill-gotten takings. It was extremely devious of this Federal Reserve official to so slander silver!)

"Mr. Warburg told the committee that he believed the depression is due to a maladjustment of World War settlements."

(Another case of a big financier offering misdirection!)

"Beside expressing opposition to debt cancellation, ***WARBURG SAID THAT HE IS AGAINST BIMETALLISM OR FREE SILVER***. He said he was against Congress attempting to do anything in the way of stabilizing the price of silver without the cooperation of foreign countries."

(We should allow Great Britain to lead us about by the nose, according to Pilgrims Society member Warburg!)

"Silver Urged As Reserve," NYT, March 12, 1932, page 4---

"Washington---A New York Chinese and a Bombay Indian today told a House committee trying to find a means of stabilizing silver that one of the best hopes they could see was an international conference to encourage nations to use silver as a reserve."

(Perfect idea, but this was what the bankers wanted to get everyone away from.)

"K.C. Li, operating the Wah Chang Trading Company, New York, said use of the metal would increase the demand for it and cause a price rise. S.R. Bomanji, who owns a cotton mill in Bombay, emphasized the same belief. He saw a chance for the United States to make money by accumulating a stock of silver at its present low price with a view to selling it to other

governments which wish to restore the original fineness of their debased coins."

The Times, London, March 12, 1932, page 8 featured a letter which acknowledged---

"Our currency is managed since we went off gold."

The Times, London, March 14, 1932, page 15 featured a letter---

"Colonel Wedgwood, in his letter, enumerates various measures by which the authorities that control our financial position can prevent that premature rise in sterling which he and the Chancellor of the Exchequer agree in regarding as undesirable. He has overlooked one---the purchase of silver. As compared with the purchase of gold or gold standard exchange the purchase of silver has the advantage of not aggravating the world price deflation, but of counteracting it, at any rate to the extent of the resulting improvement of the purchasing power of silver using countries and of the rise in the price of their exports."

"If eventually we may have to take into consideration the use of something besides gold then it becomes of no small importance that silver should by that time have acquired both a higher value and a greater measure of stability than at present. It is well within our power, in conjunction with the other Governments of the Empire, more particularly the Government of India, to assure for silver both a reasonable price and reasonable stability in terms of sterling without waiting for the solution of the larger and more difficult problem of linking either silver or sterling to gold."

"Such a step would greatly enlarge the sterling area by the inclusion of China, Persia, Mexico and other Central and South American countries. It would thus not only tend to maintain the stability of our own domestic price level, but would also put us in a definitely stronger position when we come to consider the terms and conditions on which we can afford to reestablish gold parity. My suggestion is that silver may be made to serve not only as an immediate corrective to a premature rise in sterling, but also as a stepping stone to the restoration of a world monetary system based, in part at least, upon the precious metals."

(The majority of the English people favored silver as money---also gold---but their government was in the grip of an insanely perverse faction of money "creators."

The NYT, March 17, 1932, page 10, "Mexican Policy May Go Protectionist"---

"Mexico City---A possibility that Mexico will go strongly protectionist as a result of the recent modification in its monetary legislation is seen by financial and economic observers here. This modification allows the Bank of Mexico as a regulatory institution to mint more silver money to an extent which it may consider necessary to alleviate the grave situation caused by shortage of currency aggravated by private hoarding."

(Certainly it wasn't paper currency that there was a shortage of in the marketplace, but hard silver coins.)

"It is believed by some that new minting has begun but as the Minister of Finance has not revealed what additional amounts he will issue there is much speculation here as to the outcome. ***GOLD MONEY IS NO LONGER LEGAL TENDER***, but the few who hold gold coins can get silver at a rate of 45 to 50 percent in their favor. However, there is confidence in the local silver certificates already issued and with this and further silver coinage which may be forthcoming the republic could probably meet its internal requirements."

(Part of Mexico's response to the attack on silver was to de-emphasize gold.)

"It is possible, observers believe, that United States currency may continue to rise in rates to Mexican currency, and it is this which causes the question as to possible protectionist policy on the part of Mexico."

The Commercial & Financial Chronicle, March 19, 1932, page 2074 noted the "many thousands of miners: in Mexico, unemployed due to the silver crash.

The Commercial & Financial Chronicle, March 19, 1932, pages 2059-2060, "World Conference on Silver Question and Trade Advised---Doubt that Stabilization of Silver Alone Will Restore Business Expressed at Hearing of

House Committee by Vice President Heckscher of Irving Trust Company and E.C. Funck of Chase National Bank"---

"While monetary dislocation may be either a cause or effect of depression in trade, it undoubtedly has played an important role in the depression today, and ranks as one of the most important problems facing the world, James Heckscher, vice president of Irving Trust Company of New York, told the House Committee on Coinage, Weights and Measures on March 9, according to the United States Daily of March 10, which further reported---

"In stating his belief that a world conference on silver would prove beneficial in tending to stabilize that metal, he said that "international action for the purpose of giving attention to the many retardants to world business is, in my opinion, desirable." ***HE SAID HE OPPOSES BIMETALLISM IN ANY FORM***."

(Irving Trust Company at 1 Wall Street merged some years ago into some other Manhattan bank. Irving has had several execs and directors over the years in the Pilgrims Society, such as Arthur G. Boardman Jr., page 210, Who's Who, 1971. Irving Trust had connections to the textile industry, which is why it made some noises appearing to favor silver to some extent. But take full notice of the fact that it opposed bimetallism!)

"Under the circumstances, efforts directed toward the solution of the silver problem may well be confined to the consideration of such other proposals as seem to be practical after a thorough investigation," he stated, (start page 2060) "the statement that there is no other way to restoring world values except by giving a general validity to the purchasing medium of the East" is open to question, not because it is of itself untrue, but because of the implication that improvement in the East will serve to restore values the world over. Of this we cannot be certain."

(These bankers must have had lengthy courses in deviousness. Their reasoning was so feverish, so contorted, so twisted, knotted and distorted, they couldn't be trusted in any matter---certainly not with anyone's savings.)

"It is self evident that the silver debacle does not alone offer an adequate explanation of the world depression."

(That's as realistic as saying, although the daisies weren't watered, that could not have been the sole cause of their wilting.)

"The reduction in international lending, artificial attempts to control prices, the introduction of obstructions to the flow of international trade, the financial dislocations caused by war debts, the boom in security prices, and many other factors may be cited as direct or indirect causes of the decline in the volume of trade."

(Yet, while World War I debts were certainly in place before Britain mounted the biggest attack against monetary silver in world history out of India in 1926, most of those other specified and unspecified factors these banxters tried to fall back on, were intensified only after the attack against silver launched. They mention "artificial attempts to control prices" but carefully skirted the admission that the English mugging of silver values was possibly the largest scale artificial price rigging in world history!)

"Any investigation of the possible remedies should consider this problem in its broader aspects, with full recognition of the implications of changes in monetary relations on their parts of economic organization. Furthermore, extreme care must be taken that action at this stage of the business cycle will not prejudice the functioning of the natural and normal correction inherent in economic organization."

(Babbling gobbledygook, jive, jargon, slang, claptrap and pseudo-economic nonsense in order to awe the deceivable.)

"E.C. Funck, of the Chase National Bank of New York, who also approved an international conference on monetary exchange, said that stabilization of all exchanges would improve conditions, but that ***HE DID NOT BELIEVE THAT ANY EFFORT TO STABILIZE SILVER ALONE WOULD BE OF MUCH VALUE."***

(Strong bias against monetary silver has existed in the New York banking community since before Revolutionary War times, since they've always been in league with the London money community---that still robustly applies today!)

"No radical move would solve the situation, he added. China is hurt more than any other country by fluctuations in the price of silver."

(What Funck was declaring was "Although no effort to stabilize silver is worth attempting, its destabilization hurts China greatly." Ergo, he was saying that China's suffering didn't matter!)

"Funck told the committee that he understands England would now invite an international conference on monetary exchange, and that it would be to the advantage of all countries of the world if some international agreement could be reached. Any measure which would create stability would be beneficial and to the advantage of all, he said."

"Declaring that the low price of silver has retarded the purchasing power of China, he told the committee that if there was a way of developing China peacefully, there would be a tremendous market in that country. Heckscher said that business confidence has been destroyed, and that is one of the primary reasons why depressed economic conditions are continuing. After stating that there is a maladjustment of gold in the world, Heckscher was asked if there is not a great struggle among nations to get gold with which to pay their debts. He said he believed there was, but he doubts that the debts will ever be paid in gold."

(The 1969 leaked list of The Pilgrims in New York featured the name August Heckscher, born in 1913 who was a governor of Yale University Press and president of the Woodrow Wilson Foundation. He had an uncle or great uncle by the same name---August Heckscher---born in Hamburg, Germany in August 1848---Who's Who, 1941, page 1213. He had holdings in iron, steel, zinc---New Jersey Zinc---real estate, banking and paper and bought a residence from the Vanderbilts. His daughter Antoinette became Viscountess Esher. Viscount Reginald Esher, of The Pilgrims of Great Britain, was described in "The Empire of The City---World Superstate," 1946, page 40 as "for forty years one of the most powerful statesmen in all the world" and ID'd as a Rothschild family "agent and henchman," page 68)---

"Asked if there was anything in the business conditions just prior to the stock market crash of 1929 which should have thrown fear into the minds of such a great number to cause them to sell their stocks at the same time, Heckscher said---"I don't think there was any justification for the boom."

(Observe that he said nothing about how the Federal Reserve pumped up the balloon, then very abruptly reversed course to cause the crash and in so doing, another huge transfer of wealth to the hidden pirates of The Pilgrims Society.)

The Commercial & Financial Chronicle, March 19, 1932, page 2060, "Oriental Viewpoint on Silver Question Given at Hearing Before House Committee---Limited Use of Metal as Reserve Suggested by Chinese Merchant and East Indian Business Man---Favors Calling International Conference"---

"Use of silver to the extent of 5 or 10% in the reserves of gold using countries as a means of remedying the present low price and fluctuation of the price of silver was suggested by K.C. Li, Chinese importer, Chinese

importer and exporter and president of the Wah Chang Trading Corporation of New York, testifying before the House Committee on Coinage. This could be arranged at an international conference of interested countries which he said is possible of negotiating. S.R. Bomanji, former vice president of the Chamber of Commerce of India, also testified, said the United States Daily of March 12---

"Mr. Li emphasized the fact that silver should not be considered a commodity as it is to a great extent throughout the Western hemisphere. It is a medium of exchange in China, ***AND HAS BEEN FOR THE PAST 5,000 YEARS***. A commodity, Mr. Li told the committee, is an article of commerce, but silver is not, as it is the currency of over one half of the population of the world with the other half of the world regarding it as subsidiary coinage. The disastrous effect that demonetizing has had on world trade decreases the desire to buy."

"The gold standard countries have suffered as much as the silver countries because of the drop in the price of silver," Mr. Li said. "It is to be regretted that the calling of an international conference has been delayed as it has, but the reason is that each country interested has not taken the initiative to call it due to a fear that its reason for calling a conference would be mistaken or because of ***THE FEAR THAT CONTROVERSIAL INTERNATIONAL QUESTIONS MAY BE INVOKED***."

(Hoover wouldn't call a silver conference because his lordly British pals opposed it. He was in office to please a foreign power and their Wall Street accomplices---not the citizenry of these United States. He was a devil of a man who assisted thieves to steal from most of two billion people! Silver as money is a controversy, yes, but only because so many leaders are dishonest.)

"He pointed out, however, that during the last few months there has been "a gradual awakening" that silver plays an important part in trade and commerce in the world. In view of this change of sentiment he said it would be comparatively easy to arrange such an international conference."

(Easy? In any case it never happened in the sense he was speaking of. Wait until you see who Nevada silver Senator Key Pittman, silver's greatest champion in those dark days, met with just after the World Economic Conference in 1933! I don't interpret it as any sell-out on his part, but it

certainly wins the argument for my thesis that the World Money Power was jerking silver around. Yes, Pittman met with The Pilgrims of Great Britain. In attendance was a Rothschild, a Carnegie and a Packenham---of the same Packenham family that sent an emissary at the head of 14,000 troops to invade the port of New Orleans, where General Jackson so soundly crushed them!)

"I would not recommend attempting to regulate the price of silver by artificial means, as I believe it would meet the same fate as the artificial means that have been used to regulate the price of such commodities as wheat," he said. "I am against bringing up such subjects as debts and tariffs at such a conference, as each of the subjects are complicated enough, and should be taken up separately. The conference should be composed of the Eastern as well as the Western nations interested either as importers or exporters of silver."

(This Chinese fellow would not see his wish transpire. The silver issue was submerged in other issues at the World Economic Conference in London in summer 1933, which is how the British wanted it.)

"The industries of China are not organized as those in Western countries. China wants silver higher so the purchasing power of its people will be greater."

"However, we consider stabilization of the price of silver of greater importance than increasing the price of silver," he said, "because fluctuation in the price impedes Chinese industry. Although China would like to have both stability and higher prices of silver, it would sacrifice the higher price for stabilization."

(In any case they could thank Great Britain for the miserable state of affairs.)

"Asked how an international conference of this sort should be called, defined and limited, Mr. Li said that one of the larger interested nations should issue the call, with the participation of the important countries assured, and said that the conference should work on the theory of re-establishing confidence in silver. Restoration of confidence would bring about stability of the metal as a natural course, he said. The following nations should be invited to such a conference---India, China, United States, Great Britain, France and Germany."

"During a colloquy between chairman Somers of Brooklyn and Mr. Li, it was agreed that if the price of silver is forced lower, the silver advocates will run to cover assuming silver were to go so low as to be practically of no value."

(The times the industrial users have transmitted bearish commentary on silver, it has been for the purpose of discouraging investors from moving into silver. Yes, silver will displace aluminum as a cheap structural material!)

"China would begin to import gold, and commodity prices would fall, unemployment would increase and the depression would become even more disastrous. They agreed that for that reason something must be done about the silver situation immediately, and that it is to the advantage of all countries of the world for recognizing the need for solving the silver problem."

"Mr. Bomanji also expressed his approval of a proposal to call an international silver conference. He attributed the "primary cause of the world slump" to the depreciated price of silver, saying the purchasing power of 800,000,000 people had been reduced. Bomanji said American manufacturers and businessmen have not realized the opportunities of the great Indian market, adding that America is not making the strenuous efforts that it should to get the trade of the Orient. Without the participation of the United States, Great Britain and France in any international silver conference the success of the conference could not be assured, he asserted. Great Britain now is willing to cooperate in such a conference, he stated as his belief."

(Not really! What the British wanted was a "spiked" conference, and that's what they got as we'll review in the 1933 coverage from assorted sources. The public record is an invaluable historical and educational resource!)

"He pointed out that India has exported $200,000,000 of gold since England went off the gold standard, and this came from hoards. Bomanji asserted that the problem of silver dumping has disappeared, and that silver rupees has gone back to the hoards."

(I believe it was wishful thinking on Bomanji's part. Britain would continue to inject silver into the world market out of India in order to intentionally destabilize silver as money. It didn't fit into their fiat dreams.)

"It might be desirable for the United States Government to accumulate a silver stock at present low prices with a view to future resale to governments which may wish to restore the original fineness of their coins, he suggested. Bomanji believes an international conference should seek to encourage the use of silver as a part of government reserves, as suggested by Mr. Li."

(We had government reserves didn't we? We had a reserve for silver certificates! The Federal Reserve and the Silver Users Association lobbied to put an end to that! Lastly, we had a silver reserve for military industrial uses, and they carted off the majority of that silver too!)

The NYT, March 22, 1932, page 33, "Cuba Plans An Issue Of $3,566,829 Silver" subtitled "Coins Will Be Minted Here---Bids Are Open to Home Banks Until March 25"---

"Havana---Cuba plans to increase the silver in circulation by $3,566,829.20, which will be minted immediately under a decree signed by President Machado today. Bidding is open to banking firms of Cuba for handling the issue, which will be coined by the United States Mint. Cuba now has a circulation of about $8,400,000 in silver, and the issue just decreed will bring the coinage of the island up to the limit of the currency law."

"The new issue, it is said unofficially, will be used for current expenses, particularly the payment of salaries of public employees, many of whom have not yet received their pay for January."

(The silver coin proposition crafted by Jason Hommel has good historical precedent. Besides, armies used to be paid in silver coin!)

"At the same time the Cuban treasury is making an energetic drive to collect all United States coins, which will be returned to the United States in exchange for paper currency."

(Sounds like a bad deal for those receiving the boatload of cellulose.)

"The effort of the treasury to increase the silver circulation has encountered a great deal of opposition from commercial organizations and merchants who assert the treasury refuses to accept more than 8 percent silver in payment of taxes, notwithstanding the fact that they are forced to pay a large proportion of their domestic obligations in silver."

The NYT, March 23, 1932, page 33, "Mexico Purchases Big Silver Supply" subtitled "Deal Made With United States Companies Having Mines in Southern Republic"---

"The Mexican Government has purchased 2,000,000 ounces of silver for delivery next month from a group of American producers and has taken an option for the purchase of an additional 2,000,000 ounces a month at the average price prevailing during the months in question up to a total of 23,000,000 ounces, it was announced yesterday."

(We should see many repeats of this event in months to come, with Mexico doing deals with Canadian and American headquartered silver producers.)

"The announcement was made on behalf of the United States Smelting, Refining and Mining Company, the American Smelting and Refining Company, the American Metal Corporation and the Mexican Corporation, which are among the companies with which the contract has been made. The silver is Mexican metal produced by the companies involved at their Mexican properties."

"The purchase and the option for future purchases were arranged in accordance with the recently announced policy of the Mexican Government to coin additional silver money to relieve the currency shortage in Mexico. Alberto J, Pani, Minister of Finance, in making the announcement a short time ago, said that the current shortage of circulating media was due to hoarding and expressed the hope that additional silver coinage would relieve this condition."

"F.H. Brownell, chairman of the board of the American Smelting and Refining Company, in discussing the purchases of the Mexican Government yesterday, suggested that ***THE DECISION OF MEXICO TO INCREASE ITS SILVER COINAGE MIGHT BE THE BEGINNING OF A GENERAL MOVEMENT AMONG NATIONS TO EXPAND SILVER COINAGE***."

(That's exactly why the American media has blacked out the current Mexican silver remonetization movement led by Hugo Salinas-Price!)

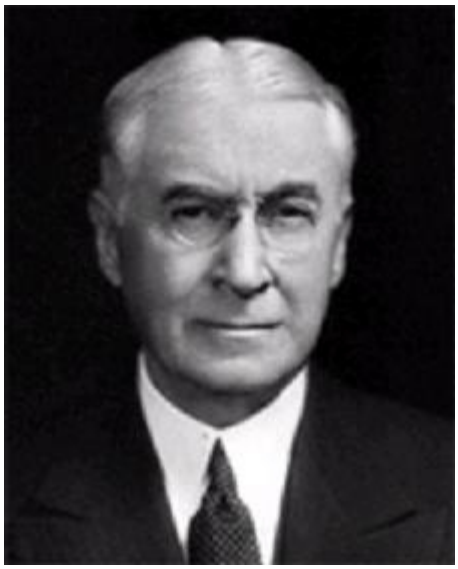
The NYT, March 24, 1932, page 37, "Baruch Advocates World Silver Study" subtitled, "Tells House Committee International Conference Should Be Called at Once"---

"Washington---Bernard M. Baruch advocated an international silver stabilization conference in an address today before the House Committee on Coinage, Weights and Measures. At the same time the committee revealed that it had asked by letter bankers and government officials of this and seven foreign countries to state their attitude toward such a conference."

(Bernard Baruch was a man of mystery in terms of tracing his connections to the so-called internationalist movement. His father was a surgeon under General Robert E. Lee, 1862-1865. Baruch, 1870-1965, became a successful stock market operator. He is reputed to have amassed a huge amount of silver, probably at the price bottom, but I've been unable to confirm. If so, he may have realized gains under the Silver Purchase Act of 1934, with silver nationalized at 50.01 cents per ounce on August 9, 1934. Baruch was an advisor at the Versailles Conference in 1919 and supported the League of Nations, which refused to endorse silver as a world money. Therefore, statements Baruch made seemingly in favor of silver cannot be trusted.)

"Representative Perkins of New Jersey, a member of the committee, told President Hoover the committee believed the conference should be called. Baruch listed the following reasons for advocating the meeting---1) Silver is a subject of international application and one in which all action should be of an international character; 2) The silver decline merits study, negotiation and certainly composition of conflicting interests; 3) It seems apparent that the matter requires international cooperation for study, reaching conclusions and taking action."

(According to web sources there was the "Baruch plan for world government" as of 1946 detailed in "Has Man A Future?" by Bertrand Russell, 1961. Baruch's name appears in many web documents associated with the Rothschilds.)---



"I see no reason why such an international conference should not proceed at once," he continued. "In general, I agree on the following facts---That the demonetization of silver in various nations which began in the last century threw large quantities of that metal in excess of the former requirements of the arts on the markets and depressed the price of silver; that several Oriental nations have from time immemorial used silver as a token of wealth and as a medium of exchange and that the accumulations of individuals were and still are represented by stocks of silver. It goes without saying that the influence which depreciated the exchange value of these stocks of silver impaired the buying power of these nations."

"After the war the demonetization and re-evaluation resulted in gold coverage in India and China and threw great quantities of silver on the market, depressing the price of silver and, to the extent that Oriental wealth and buying power are represented in silver hoards, impaired that buying power. On all these facts, of which I am reasonably certain, it seems to me that cooperative action among the principal governments affected, tending to the purchase and aggregation of silver as a commodity, would increase the market price of silver and thus, to the extent that Oriental wealth is represented by silver, increase the buying power of that region."

"The quantities involved and the money necessary to effectuate such a policy are not very great. I believe that anything we can do to retrace the steps of excessive deflation and restore the purchasing power of all countries is a right thing to do so long as it is absolutely insured against excessive inflation."

The NYT, March 26, 1932, front page (brief excerpt)---

"After conversations with bankers and merchants in the countries visited, Mr. Strawn said his impression was that ***THERE WAS LITTLE IF ANY PROSPECT IN THE IMMEDIATE FUTURE FOR AN INTERNATIONAL CONFERENCE LOOKING TO THE STABILIZATION OF SILVER***. He felt that for the present the question had been crowded out of the picture by the press of other matters."

(That sounded like Pilgrims member Ramsey MacDonald who said Britain didn't have time to consider a silver conference because they were staging a naval conference with some European countries!)

The NYT, April 4, 1932, page 23, "Paris Market Wholly Skeptical of Managed Currency Theory"---

"Paris---It is believed here that the idea of a "managed currency," divorced from gold, has been losing ground. It is true that since the gold standard was abandoned in England, Keynes managed currency theories have appeared to have gathered adherents. For a time, many English people appeared to imagine that a "managed pound sterling," without any metallic basis, would have to become the standard for all other countries. The view of responsible Paris financiers, however, has been entirely different."

(It can't be too many years before the world revolts and demands sound money. Congressional investigations must be made into acquisition of land and other assets made possible by fiat creators and those assets forfeited.)

"No country, it is considered here, will find any advantage in linking its own currency to another unstable currency."

(A slap in the face for Great Britain, and highly deserved!)

"It is assumed that the British chancellor and the governors of the Bank of England do not hold any such Utopian idea."

(With all evidence to the contrary, there was no basis for giving the clods the benefit of the doubt.)

"Nevertheless, the belief still seems to be widespread in England that no inconvenience will be incurred by postponing even for a year, as Sir Josiah Stamp has declared, the question of stabilizing the pound. In financial Paris, however, it is thought that such postponement is out of the question, if it is desired to avoid violent fluctuations of sterling such as would be greatly prejudicial to British trade."

(Stamp was a Pilgrims Society member. The NYT, April 22, 1933, page 12, quoted Stamp as saying "Roosevelt's plans are good," including his gold-silver confiscation drive!)

The NYT, April 6, 1932, page 25, "King Moves To Call Silver Conference" subtitled, "Joint Resolution, Offered in the Senate, Requests Hoover to Summon World Parley"---

"Washington---An international conference to discuss the greater use of silver in currency is sought in a joint resolution introduced this afternoon by Senator King. The resolution requests President Hoover to call the conference."

(We saw in the last two installments in this series how Hoover refused to take the action requested by the representatives of the people and the States. He would continue to do nothing throughout 1932!)

"Under the King resolution, the President would be authorized and requested to call a conference "for the purpose of considering and devising plans to increase the use of silver for monetary and other purposes, ***INCLUDING THE RESTORATION OF SILVER TO ITS PROPER MONETARY STATUS AS A PART OF THE PRIMARY AND BASIC MONEY OF THE WORLD."*** The President would appoint five or more American commissioners to the conference, and $100,000 would be appropriated for the expense of the meeting."

The NYT, April 7, 1932, page 41, "Sees Silver Parley Within One Year" subtitled "Somers Asserts That Canada Will Call it if Washington Fails to Do So"---

"Washington---An international silver conference was termed probable within a year today by Representative Somers of New York, chairman of the House Coinage Committee. "The United States may not have called such a

conference by the time a year has elapsed," he said, "but if it does not I am certain that some other country, probably Canada, will do so. Of course, I cannot speak for another government, but I am reliably informed that Canada is prepared to take such action."

(That may have been wishful thinking, due to all the British influence across Canada, including Londoners on the boards of major Canadian banks, industrial, utility and transportation companies.)

"Somers is understood to favor such a conference, but his official position must remain indefinite, he said, until the committee of which he is chairman completes a pending investigation. For that reason, Somers said that he did not feel privileged to introduce in the House a companion measure to the joint resolution proposing such a conference introduced in the Senate yesterday by Senator King. It is expected that the same technical reason will preclude other House members interested in the silver question who are on the Coinage Committee from introducing the resolution there."

"That need not keep it from being put in, however," Somers said. "There are a number of other representatives who would be glad to introduce it." Several unsuccessful attempts to force consideration of the re-establishment of bimetallism have been made in Congress during two and a half years by legislators who ascribe the depression, at least in part, to a lack of sufficient gold to satisfy the monetary needs of the world. The International Chamber of Commerce, at its Congress here last May, adopted a resolution endorsing an international silver conference, and since has reiterated the belief that such a conference would be of great value to world economic stability."

The NYT, April 8, 1932, page 2, "Senate Sees Wooden Money Issued by Town in the West"---

"Washington---Many jokes are made about wooden money, but Senator Dill of Washington actually exhibited in the Senate this afternoon some currency of this kind, popularly used in Tenino, in his State. The wooden money was made of thin pieces of spruce, each about the size and shape of a postcard, and stamped in denominations of 25 cents, 50 cents and $1. On the face of each piece was an inscription declaring the "certificates" redeemable by the trustees appointed by the Tenino Chamber of Commerce for the assets of a failed bank in that community. Printing of the inscription was done without charge by the local newspaper. Asserting that a shortage of real currency

had forced the use of the wooden money, Mr. Dill said the total amount of it now outstanding in Tenino is $5,000."

(Clarence Cleveland Dill, Democratic Representative from 1915-1919, Senator from 1923-1935, sponsored the Radio Act of 1927 and the Communications Act of 1934 and was an attorney and a member of the Columbia Basin Commission from 1845-1948. He retired in Spokane, Washington. We can't say too much in favor of the wooden currency as neither wood nor paper is a basic money material)---

The NYT, April 8, 1932, page 3, "Chase National Bank Gets Contract for Handling New Silver Issue"---

"Havana---The Havana branch of the Chase National Bank today received the contract to handle the $3,586,859.20 silver issue being made by the Cuban Government, which will bring the republic's silver circulation up to $12,000,000 as provided in the currency law of 1914."

(Albert Wiggin of The Pilgrims Society was head of Chase National Bank at that time. We know this modern institution as one unfriendly to silver.)

"Secretary of the Treasury Ruiz Mesa, president of the commission awarding the contract, said this afternoon it was awarded to the Chase bank on a basis of $819,900 in silver bullion to be delivered to the United States Mint at Philadelphia, $6,200 for freight insurance and a seven-sixteenths

commission, plus 4.5 percent interest on all funds from the date of advancement to the time of reimbursement, and $41,000 for the minting. The secretary estimates the total cost at $800,000, which operation is expected to net the Treasury Department an approximate benefit of $2,700,000 when the coins are placed in circulation."

(According to Ferdinand Lundberg in "America's Sixty Families," 1937, page 229, referring to Albert Wiggin---"Under his headship the Chase National Bank played an evil role in Cuba, for which the bank wanted to float a $100,000,000 loan on which it could collect commission---despite the fact that its Cuban advisor said conditions on the island were deplorable. This loan was to finance the building of a road which independent contractors estimated should cost only $30,000,000.")

The NYT, April 8, 1932, page 20, featured a letter by a Jeremiah Johnson of Washington, D.C.---

"As most people have little to do nowadays but think and talk, the woods are full of theories about the depression, the writer guilty like the rest. He believes the world depression due to England and France dumping India's and Indo-China's silver, accentuated in the United States by the drought, overproduction and the big bear stock market which began June 17, 1930, the day President Hoover signed the tariff bill. There are evidences that England and France are relenting their silver policy, for Germany, England and France are quietly buying silver. That the purchasing power of the Oriental countries, South and Central America and Mexico was reduced by the demonetization of silver is now generally understood."

(Germany was certainly a net buyer of silver in 1932. Its people were still suffering from the aches, pains and nausea of the harmful paper money plague of less than a decade previous. But were England and France---especially England---buying more than it was still dumping from India? It appears unlikely. I have seen no statistics to support that Britain was buying more silver than British India was discarding.)

"***THE REDUCTION IN THE PURCHASING POWER OF THE SILVER USING COUNTRIES IS WHAT CAUSED OUR EXPORT TRADE TO DIMINISH***, for we are manufacturing and trying to sell articles like automobiles on a gold basis to countries like China, where the exchange of silver dollars has gone from two for one to four and five for one. We have

Senator Pittman asking for an international conference to fix the ratio for the coinage of silver. We have Representative Patman asking for an issue of two billions of fiat money to pay the soldiers bonus. Such a currency would immediately seek its proper level, just as the English pound went down when it went off gold, and our greenbacks during the Civil War went to about 38 cents."

(Wright Patman was a friend to the Silver Users Association, somewhat curious in view of the fact that he repeatedly called for an audit of the Federal Reserve System, one of the SUA's most reliable friends for many years.)

"Right here it may be pertinent to ask just how this country can get off the gold standard if it wants to. It would have to take about half our gold and go out on the Atlantic and sink it. As the Europeans seem determined to wave aside their indebtedness to us, it seems to me Senator Smoot's proposition to let them pay their interest to us with silver, $252,000,000 per year is not receiving the attention it should. If enacted it would help us to save face in demanding payment, Europe would immediately begin bidding for silver and in a short period restore it to something like 50 or 60 cents an ounce, restoring the purchasing power of the countries mentioned at the beginning of this letter."

(That was a super proposal. Of course the Money Power wasn't going to allow it to be put into effect.)

The NYT, April 8, 1932, page 31, "Price of Silver Breaks Here Under Sales by Speculators"---

"The silver market broke sharply yesterday on liquidation of speculative holdings of silver futures on the National Metal Exchange. Silver declined three-eighths cent to 28.75 cents an ounce, a new low price for the year. The October delivery sold at 29.2 cents an ounce, made last November 30. Trading on the Exchange totaled 2,625,000 ounces."

(Does this sound reminiscent of COMEX silver price activity?)

The NYT, April 12, 1932, page 34, "Argues For Inflation, Views it as Remedy for Present Conditions"---

"Inflation, or the artifice of making money cheaper, and not debt cancellation is the only painless cure-all and adjuster for present conditions. Michael J. Devlet, a partner in the municipal bond house of Gertler, Devlet & Co., says in the firm's current issue of Municipal Bond News. The world is debt ridden, he adds. Each debtor is willing to pay to capacity; but when forced beyond that, repudiation becomes inevitable."

"The creditor must capitulate," Mr. Devlet says, "but the operation must be performed with a sweet smelling ether. The one instrument is to cheapen money, cause inflation, cause artificial respiration. ***EVERYTHING ABOUT MONEY IS ARTIFICIAL***, so that the respiration, even though termed artificial, ***MAY BE CONSIDERED SOUND***."

(Shades of helicopter Ben! I don't think creditors wish to be paid in depreciated funds. That is emphatically the case today.)

"Orderly Marketing Of Silver Is Urged," NYT, April 15, 1932, page 2, "Suggests Pact With India"---

"Washington---Negotiations to bring about a meeting of important North American silver producers and the Government of India, to formulate an exporters marketing agreement are progressing, Marshall W. Tuthill of New York, reported to the House Committee on Coinage, Weights and Measures today. His views were contained in a statement submitted by Silas H. Strawn, chairman of the American Committee of the International Chamber of Commerce."

(We heard about Mr. Strawn and his elitist connections previously.)

"Mr. Tuthill, American member of the committee of experts appointed by the International Chamber to report on the silver question, stated that an important contribution would be made to efforts to stabilize the price of the white metal if a compact resulted."

(Nothing meaningful was to come from this initiative, sincere or not.)

"The Indian Treasury, he stated, now has about 400,000,000 ounces of silver which he described as "the proverbial sword that has been hanging over the silver market." Such a situation, he stated, was in large degree responsible for the decline in the value of silver."

"It is our thought," Mr. Tuthill reported, "to remove this fear of the unknown" by initiating a close contact between the Indian Government and the half dozen American producers who control the bulk of current world production. If these American producers had a working agreement with the Indian Treasury, it should be possible to maintain the price of silver at a level fair to both buyers and sellers, so long as they supply the market with judgment and in an orderly fashion."

(There would be no such agreement with British India.)

"Mr. Strawn, who explained that the Chamber of Commerce was interested in efforts to arrest the decline in the price of silver "both for reasons of world trade and the importance of this matter to the mining interests of the United States and other silver producing countries."

The NYT, April 15, 1932, page 10, "New Quarters Bearing Head of Washington Will Displace Present Fast-Wearing Design"---

"Washington---A quarter of a dollar with a new design will be placed in circulation by the Treasury in about a month. Bearing the head of Washington, it will replace the one which has an eagle on one side and the figure of a woman on the other. The purpose is to replace the old coin, which was of such design that it did not wear so long as experts believed it should."

(There was apparently something to the claim. Standing Liberty quarters in nice condition in batches of Washington quarters are really rare.)

"Because of the poor wearing quality of the old coin and faults in design, stories were widely circulated that quarters of a dollar in circulation which had no date on them were counterfeit. The report, however, was untrue and the lack of a date was due to the fact that the coin minted up to two years ago had the date raised above the rim so that the numerals wore off quickly."

(A companion story from the Associated Press followed)---

"Philadelphia---Preparations were begun today at the Philadelphia Mint to turn out dies for the making of the new quarter dollars bearing the head of Washington. The Mint here will prepare the dies for the mints in this city,

Denver and San Francisco and production of the new coins will begin in all three Mints as soon as this work, usually requiring three weeks, is completed. The dies are prepared from large plaster models of the coin, which were received at the Mint today from the artist who designed them."

"It is expected that the Philadelphia Mint will turn out 100,000 of the new coins daily when production gets under way. The Treasury has not advised the Mint as yet the total number to be produced. The coins are put into circulation through the Federal Reserve Banks."

(John Flanagan designed the Washington quarter, who was a student of Augustus St. Gaudens, of the superb $20 gold piece)---

The NYT, section V, April 24, 1932, page15, "A Panic Over Small Change" subtitled, "Hoarding of Silver Coins in 1862 Created Hardships and Resulted in Substitutions"---

"Happily for themselves, the American people have not in recent months hoarded small change as they did during some crises of the past. Nickels, dimes, quarters, half dollars and dollars have circulated freely. Cigars have been purchased, nickels dropped in subway turnstiles, papers bought, and all the other necessary petty business transactions carried on every day just as if there were no financial stress. Americans have not always been so fortunate. The Panic of 1907 is remembered, even that of 1893, but who recalls the small change panic of Civil War days? That was a serious affair. Silver coins were hoarded and retail trade was virtually paralyzed."

"At the time the war broke out in 1861 almost all of the subsidiary coinage of the country was of silver dollars, half dollars, quarters, dimes, half dimes and three cent pieces. In addition, there were copper nickel one cent pieces. Inability to finance the war by loans forced the Federal Government off the gold standard early in 1862, and the country shifted to a paper money regime***. BY THE MIDDLE OF 1862 SILVER HAD PRACTICALLY VANISHED FROM CIRCULATION***. In July of 1862 the scarcity of change became so acute that it was a subject of discussion everywhere."

"The New York Times remarked that the disappearance of silver coins had "puzzled the wits of the whole community and driven it almost to distraction." There were millions of one-cent pieces in circulation, but they were wholly inadequate to fill the void created by the disappearance of silver coins. The United States, in the midst of a war, was without a currency between the one cent piece and the five dollar note."

(People's instinct that silver is precious is something that cannot be extinguished.)

"Chaos developed in the retail business of the country. The volume of retail trade declined tremendously. Hotels, groceries, confectionaries, saloons, barber shops, streetcar and bus service, and ferries, all suffered because they could not make change. Substitutes were resorted to---fractional banknotes, municipal notes of 5, 10, 25 and 50 cent denominations, postage stamps and "shinplasters." The latter were personal notes and tickets issued by

transportation companies, hotels, saloons, and retail stores that could not carry on business without change."

"Most interesting perhaps, of the several kinds of improvised money was the postage currency authorized by Congress in an act signed by President Lincoln on July 17, 1862. Many millions of stamps soon went into circulation. ***THEIR UNFITNESS AS MONEY WAS IMMEDIATELY EVIDENT.*** Early in 1863 Congress passed an act replacing the stamps with fractional notes."

"The Silver Question Again" by Bernhard Ostrolenk appeared in Current History, May 1932, pages 173-177---

"Gold and silver, the two metals that from time immemorial have represented wealth and affluence, that have embodied the dream of ancient and modern misers, that have been the most valued booty of conquering armies, that have supplied the urge for exploration and conquest, for whose possession man, from the beginning of civilization, has labored and fought, risked his life on uncharted seas and in perilous lands, these metals still present baffling problems to modern statesmen and economists and today again provide central themes in the discussion of the critical problems arising from the economic depression."

"The problem of gold springs from the fact that there is a shortage, because it is relatively overvalued, because there is a maldistribution and because the insufficient supply has inflated its value as currency. In contrast to gold, the problem of silver is due to an oversupply, because it is cheap and because it has devaluated the currency based on it."

(He made it sound as if silver itself was to blame, rather than Britain's attack against silver. Let's see where he goes in his presentation.)

"There is no need to consider here the fiscal complications arising from a shortage of gold and the significant connection that an important group of economists discover between gold, prices and prosperity; nor need we elaborate the reasons for the departure from the gold standard of important industrial nations of Europe, Asia and South America. It is enough to point out that just as gold is money to the industrialized world so ***SILVER IS MONEY TO MORE THAN ONE HALF OF THE HUMAN RACE***, and that while in recent years the industrial world has been prone to discuss

silver largely as a commodity, to those large populations to whom silver is money it has meant much more than a mere commodity---it has meant a medium of exchange, purchasing power and economic well being. These are the terms in which Bryan discussed silver, ***AND THE GHOST OF BRYAN AND BIMETALLISM TODAY FRIGHTENS THE ORTHODOX MONOMETALLIST ECONOMIST."***

(Have any of you seen any one ounce silver rounds or wafers stamped with the likeness of William Jennings Bryan? I don't have one such, but his image is certainly an appropriate subject for commemoration. I have legions of Roosevelt dimes, and wish that series, from 1946 through 1964, featured a better likeness, such as Andy By God Jackson!)

"However, the practical problems confronting the silver nations and silver producers need not be confused with monetary vagaries of the past. The problems of silver need to be discussed both in the light of currency for important groups of people throughout the world and also as a commodity to producers in Mexico, the United States, Peru and other countries. The present oversupply of silver, with its consequent price of 30 cents an ounce, as against 65 cents before 1914, originates in the World War. Before 1914 silver producers and silver currency countries acquiesced in a sort of price equilibrium between silver and gold. The "Crime of 1873," which was the first attempt to demonetize silver in the United States, and Bryan's burden of the "cross of gold" in 1896, which was to be lifted by reestablishing silver as a co-currency with gold, had become only memories."

(Do you think that a quasi - normal purchasing price for silver would have become a memory in barely a generation---really, since 1919? I vividly remember ten-cent candy bars in vending machines back in 1968! No old man am I! Physiological, not chronological age, is key.)

"Throughout the world there were important countries including China, India, Indo-China, Mexico and Spain, that used silver either exclusively as currency or as a co-currency with gold; every industrial nation also used silver as a subsidiary (start page 174) currency and held important stocks of silver in its vaults as reserves."

"Production from 1900 to 1916 averaged about 100,000,000 fine ounces annually; 70 percent of it was a byproduct in the mining of nonferrous metals and virtually all of it was used in the arts and for minting purposes.

The price of silver during this period fluctuated relatively little. In 1900 silver prices averaged 62 cents an ounce and in 1916 they still averaged 67 cents. Though prices, just before the World War, were sharply lower than when laws forced bimetallism on the United States (prices from 1865 to 1885 were from $1 to $1.33 an ounce), the significant and satisfactory price aspect of this prewar period was that silver prices were reasonably stable and consequently there were no serious disturbances in the economic relations between silver and gold currency countries."

(Is it possible for some nations to be on a gold basis and others on a silver basis without chaos? Absolutely; it has already happened as history confirms.)

"The World War created a heavy demand for goods from India and China, both silver currency countries, and a curtailment of exports to the Far East. This shift in the balance of trade led to an exceptional demand for silver to pay for goods from those countries. Silver prices rose rapidly, reaching an average in New York of $1.12 an ounce in 1919, or almost double the prewar stabilized price. The metallic contents of the rupee and of silver coins of many gold standard countries came to be worth more than the face value of the coins in currency, and consequently ***SILVER WAS IN UNUSUAL DEMAND FOR HOARDING.*** The value of silver in the hands of private owners and in the vaults of nations using silver as coinage sharply appreciated."

(Silver coin bags and rolls were in great demand leading up to the Y2K scare, and many investors have never sold. As monetary problems intensify, those holding such assets will increasingly find themselves at advantage over those having no precious metal.)

"Treasury officials, harassed by deficits arising from war budgets, were quick to note the advantages that could be derived from the situation. The subsidiary currency of gold standard countries is usually worth only a fraction of the face value of the metal in the coins. It detracts in no way from the face value of these coins if the metal content is still further reduced because, in any event, the currency may be exchanged for gold. ***THE VALUE IS NOT IN THE METAL CONTENT, BUT IN ITS FACE VALUE."***

(Ostrolenk was letting his true colors appear. He was a member of the American Economic Association, which as I have repeatedly said and given substantiating examples, opposes monetary silver. He was an economist for Business Week, 1933-1934, and was a member of the ominous sounding Institute for Cooperation---Who's Who, 1940, page 1985. He authored a book---date not stated, titled, "Economics of Branch Banking." Would he have anyone believe that silver quarters and clad quarters are no different in worth, because "the value is not in the metal content, but in its face value.")

"Holland was the first country to reduce the silver content of its currency and in 1920, Great Britain reduced its coinage from a standard of .925 fine to a basic fineness of .500. This change had no more effect on the face value of the coins than when the dollar bill in the United States recently was reduced in size."

(You have to get a rush reading his statement as to "basic fineness." Little mathematical aptitude is required to grasp that the older standard was superior from a store of value perspective. It's also plainly evident that Ostrolenk was merely another creep in a long parade of slithering types in the ranks of the American Economic Association who campaigned against the notion of money of innate value.)

"But the debasing of silver coins left in the treasuries of Holland and Great Britain important silver bullion surpluses, where were promptly sold at the then greatly appreciated prices. Australia, New Zealand and most of the European and South American countries soon followed the example of Great Britain. Belgium abolished silver coins in 1926; Poland, Italy and France sharply demonetized their silver coinage during the next two years. As a result of this process of demonetization, between 1920 and 1930, a total of about 225,000,000 ounces of silver was thrown on the market."

(All that subversion against silver took place because the people were lacking in vigilance and allowed the wrong people to ascend to the helms of government.)

"So large an additional supply would in itself have suffered to cause sharp price declines and economic disturbances to the silver countries. And silver prices did drop vertically after 1920, reaching the prewar level by 1921; further irregular declines continued in sympathy with the successive sales from government treasuries. Another heavy blow was given to silver prices

when the Indian Government decided to adopt the gold bullion standard. In 1926 the Royal Commission on Indian Currency and Finance, the Hilton Young Commission, recommended this standard as the most satisfactory for India."

(We looked at the Royal Commission in August. We saw Sir Hilton Young's statement in The Times, November 5, 1931, page 16, claiming that it's a "fallacy" that gold is wealth. Since he took the position that silver was outdated and all India needed was "paper" gold, obviously he was another Pilgrims Society member leading the world towards full blown fiat,)

"The rupee, which had been stabilized since 1919 at 2 shillings, was reduced to 1 shilling and 6 pence. To procure for India the necessary gold for the new currency (start page 175) system it was necessary to sell a large portion of her silver holdings. ***IN FACT, THE MERE ANNOUNCEMENT OF THE PROBABILITY THAT 400,000,000 OUNCES OF THE SILVER HOLDINGS OF THE INDIAN GOVERNMENT MIGHT BE SOLD, PRECIPITATED A SHARP DECLINE IN 1926. FURTHER DECLINES FOLLOWED WHEN THE INDIAN GOVERNMENT PROCEEDED TO DISPOSE OF ITS SILVER HOLDINGS***. By December 1931, the price dropped to less than 30 cents an ounce, against 63 cents in 1926 and $1.12 in 1919."

"***ECONOMIC DISTURBANCES FOLLOWED INEVITABLY UPON THIS FURTHER DECLINE IN SILVER***. Such a situation had been foreseen by the Hilton Young Commission, which declared in its 1926 report---"The effect of the announcement that the Indian Government proposed selling a large quantity of silver would be to immediately throw out of gear the exchange with China and for a time to paralyze the growing trade with the world of that country. 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 ***AND IT IS CONTRARY TO THEIR INTEREST TO DEPRECIATE IT. THE PRESENT PROPOSAL WOULD INFLICT HEAVY LOSSES ON THE POORER CLASSES, WHO HAVE PUT THEIR SAVINGS IN SILVER AND WHO WOULD FIND THEIR STORES OF VALUE DEPRECIATED BY POSSIBLY 50 PERCENT BY THE ACTION OF THE GOVERNMENT."***

(Of course all members of the Royal Commission knew what would be the outcome of their vile actions against silver. They knew it just as well as an arsonist knows the result before he torches off a blaze with accelerants and a match. What sort of people would with full knowledge, proceed to commit such unspeakable monetary crimes against the world? The answer is obvious. There is a Fiat Money Mob concentrated in London and New York that calls itself The Pilgrims Society that represents by marriage and cross-holdings, the world's predatory elite, including the Europeans. This is the only internationalist organization for which no current membership lists can be obtained. This fact suggests that all members of the inner circle are members.)

"At the same time the Governor of the Bank of England expressed the opinion that "there is a reaction upon gold prices when an extreme fall or rise takes place in the value of silver, which is none the less serious because it is indirect and not very apparent on the surface."

(That was of course Lord Montagu Norman of The Pilgrims Society, whose family had been in the banking profession since 1820.)

"The consequential changes in prices generally and in trade conditions which would be produced; the disturbance to the world's economic peace and confidence; the interference with the long established social habits in the use of silver; the reliance of a great country like China upon silver as a medium of currency and a common store of value, could not fail to have important effects upon the gold prices of commodities in Europe and in America."

(Highly placed racketeers such as Lord Norman have a gift for admitting facts when they for secretly sarcastic reasons opt to do so. This is not to be taken as signifying that he was inclined to do anything for silver. Returning to Ostrolenk's commentary)---

"Price disturbances, exactly of the nature foretold by the Hilton Young Commission and the Governor of the Bank of England, occurred."

(Just a brilliant observation! Of course price disturbances occurred!)

"***ONE OF THE PECULIARITIES OF THE SILVER SITUATION IS THAT THE BRITISH GOVERNMENT SHOULD HAVE***

DELIBERATELY INITIATED A POLICY THE CONSEQUENCES OF WHICH APPEARED SO PLAIN. Neither the forecasts of the Commission nor of the Governor of the Bank of England checked the plans to place India on a gold standard."

(There was nothing peculiar about it. Great Britain knew what would happen, and they charged ahead, because they wanted to wreck monetary silver to the nth degree. What is peculiar is that Ostrolenk seems to not have grasped that clearly apparent fact.)

"Between 1926 and 1930 the Indian Government sold about 100,000,000 ounces of silver. Meanwhile, Indo-China also went on a gold standard and sold about 34,000,000 ounces. ***DURING THE DECADE FOLLOWING 1920 A TOTAL OF 400,000,000 OUNCES OF SILVER WAS THROWN ON THE MARKET, A SUPPLY UNRELATED TO OVERPRODUCTION*** or accumulation if stocks, being merely releases of previously stored silver by India, Great Britain and other countries."

(The gold standard the French were offering to Indo-China, later known as Vietnam, was little better than the phony system the British fastened on India.)

"Production increased but slightly during the years from 1921 to 1930. The average annual production during this period amounted to 238,300,000 ounces, compared with 190,000,000 ounces during sixteen years of the prewar period. Because of the fact that 70 percent of silver output is a byproduct in the production of nonferrous metals such as copper, gold, zinc and lead, the increase during the period must be attributed partly to the rise in production of the other metals. Silver production varies directly with the production of nonferrous metals and does not readily respond to price. During the first nine months of 1931, in sympathy with lower production of nonferrous metals, there was a drop in silver production of 22 percent from the corresponding nine months of 1930."

(It was also a feature of the silver scene at that time, that primary silver mines, especially in Mexico, began to be idled by the price crash in silver, perhaps lowering production another 10 percent.)

"The causes for present low silver (start page 176) prices may be attributed to three factors---first, demonetization by Great Britain and other countries;

second, adoption of the gold bullion standard by the Indian Government and subsequently by Indo-China; and third, a slightly increased silver production which resulted from the greater mining of other metals."

(The first cause he stated probably accounted for 90% or more of the problem.)

"The decline in silver prices sharply depreciated the currency of all silver countries, especially China, India, Indo-China and Mexico. China is still on a full silver standard and its chief silver unit, the tael, varies in weight in different sections. The decline in silver has been followed by a sharp curtailment of Chinese foreign trade. In fact, the effect of the decline of silver prices on China was similar to that of a high tariff. Foreign goods had to be paid for in larger quantities of silver; as a result purchasing power for imports sharply decreased***. ECONOMISTS DISAGREE AS TO WHETHER CHINA HAS GAINED OR LOST BY THIS SITUATION***."

(If you had just lost over half your personal savings and purchasing power, would you have felt you had gained by the situation?)

"Some maintain that the drop in silver prices stimulated exports from China because more taels could be purchased with gold and Chinese prices were lower relatively for other countries. Again, domestic production was stimulated because low silver prices in terms of gold inflated domestic prices and checked imports. On the other hand, ***75 PERCENT OF CHINA'S DEBT IS PAYABLE IN FOREIGN CURRENCY AND THE DROP IN SILVER HAS GREATLY INCREASED CHINESE FOREIGN OBLIGATIONS.*** Besides the governmental debt there is also private indebtedness of more than $300,000,000, which was incurred in the building of railroads. ***THE SHARP INCREASE IN THE COST OF LIVING IN CHINA HAS MADE FOR DECREASED REAL WAGES***. The effects have been so varied by these changes that it is difficult to strike an average."

(Obviously someone benefited; most especially the fiat money mob, based in London. Obviously also the vast plurality of Chinese were badly damaged by the silver crash. No, "striking an average" was not difficult. Perhaps this member of the American Economic Association wished to portray the silver crash as a near-neutral event for China.)

"A similar situation exists in India. Silver hoarding has been one of the important means of accumulating wealth by the Indian farmer. ***THE DECLINE IN SILVER PRICES HAS CAUSED LOSSES ESTIMATED AS HIGH AS $3,000,000,000 TO INDIAN SILVER HOLDERS***. On the other hand, there have been gains by precisely the same groups that profited in China."

(People advocating use of precious metals are accused of greed. That's bitterly ironic, as those accusations are distributed on a wholesale basis by those who stand to gain from artificial money.)

"India attempted to counteract the domestic effects of the price declines in silver by imposing an import tax of 9 cents, which temporarily raised domestic prices of silver and had the general effect of curtailing silver imports into India ***BUT AGAIN SHARPLY LOWERED WORLD SILVER PRICES***."

(Silver has been the object of more effort to drop the price, probably than everything else combined. The monetary conspiracy is immense.)

"In Mexico, where the mining of silver is one of the chief sources of wealth, ***THE DROP IN THE PRICE OF SILVER HAS BEEN ALMOST A NATIONAL DISASTER.*** Few silver mines can operate profitably."

(Almost a national disaster? Many unemployed miners were faced with a nightmarish alternative---starvation or banditry! Some were saved from starvation by a diet comprised mostly of corn! See "The Greatest Right" in Archives for details.)

"Mexico attempted to adhere to the gold basis, but in July 1931, the Chamber of Deputies voted to abolish the gold standard and to place Mexico on a modified silver standard. The gold peso was declared to be no longer legal tender, and all contracts on a gold basis were made payable in silver. Mexico is not on a full silver basis because the coinage of silver pesos is strictly prohibited. All the evils of inflation and debt cancellation have followed the drop in prices."

(We had a look at these details in parts II and III of "Britain Against Silver.")

"Conflicting views are held by economists as to the world effect of the drop in silver prices. An important group holds that much of the world depression can be traced to the drop in silver prices with the resulting decline in the purchasing power of over one half of the world's population, which is on a silver basis."

(Which group that was he didn't identify. But we know that the Silver Senators and certain mining and refining executives were saying exactly that.)

"Others argue that the drop in silver prices is an effect and not a cause of the depression. The argument is not wholly academic because our attitude to possible solutions of the silver problem must depend on the point of view developed. If silver has declined because of the general world depression, then the rehabilitation of silver prices must await general recovery."

(We had a glance at those dishonest economists before also. Which camp was Ostrolenk in? How could silver prices recover when governments, led by Great Britain, continued to suppress prices? To say that the depression caused the silver crash is as rational as saying wet streets cause rain. Bernard Duis, a Chase National Bank vice president, was quoted in the NYT, March 11, 1932, page 35, as repeating the blather that the fall in silver prices was an effect rather than the cause of the depression.)

"On the other hand, if silver has caused much of the depression, then the rehabilitation of silver prices becomes a major item in (start page 177) the necessary steps for recovery. The latter thesis has more weight because ***PRICE DECLINES IN SILVER LONG PRECEDED THE GENERAL WORLD DEPRESSION***."

(That's exactly what we already knew. It was the fall in silver values that caused the cataclysm. Tariffs and other factors were strictly secondary but were sufficient to exacerbate conditions.)

"With this in view, we may briefly examine some of the suggestions that have been proposed for stabilizing silver and restoring the purchasing power of the silver countries. These proposals arise out of the conditions that have created the present debacle. First there is the suggestion to curtail production. Producers reply that, since from 70 to 80 percent of silver is a byproduct in the production of nonferrous metals, such restriction cannot be

readily agreed upon or carried out. Moreover, ***PRODUCERS ARGUE THAT THE PRESENT SILVER PRICE DEBACLE IS NOT THE RESULT OF OVERPRODUCTION, BUT OF THE DUMPING BY GOVERNMENTS OF SURPLUS BULLION FROM DEMONETIZED SILVER CURRENCIES."***

"They argue that restricted production, even if it could be accomplished, would merely leave the field open for additional selling by governments that still have silver stocks. A second recommendation is predicated upon bringing about an agreement among governments not to sell silver when it reaches a certain price and on the contrary to buy silver when it goes below a certain price. No important official body has suggested at what price silver is to be thus stabilized. It is obvious that important silver purchases by governments would have to be made in order to rectify errors made during the period from 1920 to 1930, when large amounts of silver were thrown upon a non-absorptive market."

(Exactly---they knew the market couldn't absorb so much silver without a price collapse. They also realized that world trade would be crushed and millions be turned out of employment!)

"But these governments---Great Britain, India and others---are in no financial position to make such purchases. The producers of silver themselves have suggested that governments that have sold silver repurchase it in the same quantities that it was sold and that central banks be required to accumulate certain reserves of silver. It is claimed that the shortage of gold makes it advisable to increase the metal base for currency by creating an adequate store of silver in addition to gold. This would be a modified form of bimetallism."

"The chief direct effects on the United States have been on silver producers whose profits have dropped and on exporters to the Far East, who have found their market sharply diminished. There has been a sharp curtailment of Chinese purchases of cotton goods from Japan because of the lowered purchasing power of the Chinese tael and, in turn, a disastrous decline in the takings of raw cotton from the United States. Perhaps here is a major contributing factor in the collapse of cotton prices---from 20 cents a pound in 1929 to 6 cents a pound in 1931**.** ***IT IS NOT IMPROBABLE THAT THE ECONOMIC TROUBLES OF THE SOUTH CAN BE RELATED TO THE PRICE COLLAPSE OF SILVER***."

(Cotton producers saw their receipts take a 70% hit in just two years---courtesy of the silver suppressors.)

"Other indirect consequences can be traced to a decline in silver prices. In spite of the fact that the United States produces less silver than Mexico and only 20 percent of the world's total production and that the United States Treasury did not participate in the demonetization schemes, there is an important demand that the United States Government actively lead in the rehabilitation of silver. This leadership, it has been variously suggested, is to take the form of purchasing silver and of negotiating agreements with other countries for the stabilization of silver prices. Some silver representatives wish to see larger portions of our monetary reserves in the form of silver. However, it appears obvious that the solution of the silver problem lies more directly with Great Britain and India because of the monetary importance of the problem to them. In any such movement the cooperation of silver producing countries, such as Mexico, the United States and Peru, may be counted on."

(In places Ostrolenk actually sounded reasonable, or potentially so; but it's dismaying to see him issue commentary suggesting that India itself was some sort of independent agent. India was not; it was under Great Britain's thumb.)

"The Gold Standard" subtitled "No Anxiety Is Felt in France Regarding Its Necessity as World Basis," NYT, section III, page 1---

"Paris---For a country to be rich, or at any rate to appear rich, is a state which is not without inconveniences. The United States found this out when they were reproached with cornering the world's gold supply. Later France came in for her share of the unpopularity which Europe attaches to countries holding a large gold reserve. But now that America has surrendered some of her gold, France alone is incriminated. ***ENGLISH VOICES ARE PREDOMINANT IN THE CHORUS OF REPROACH***, and they would render France responsible not only for the collapse of sterling, but even for the whole of the present day ills."

(France was going along with England on the attack on silver. However, French officials weren't desirous of abandoning gold. The British knew that gold also had to be excluded so as to have the world on full fiat.)

"American opinion should not, however, allow itself to be misled by insinuations which tend to depict the attitude of the French market as hostile to the United States. Quite the opposite is the case. It is certain that the Bank of France entertains the most cordial relations with the Federal Reserve Board, with which it has always acted in perfect agreement."

(That's a fact sufficient to cause apprehension!)

"It is true that the former's present policy pursues the gradual liquidation of the foreign currency it was obliged to acquire in order to peg the franc rate during the period of de facto stability which lasted two years and was followed by the currency reform law of 1928. The bank adopted this policy for two reasons---the first is that the government has been obliged to take over the major part of the loss, totaling two and a half billion francs, which was caused to the Bank of France by the fall of sterling, and that it continues to assume exchange risks on the bank's foreign balances."

"It is therefore easy to understand that the government's desire, unanimously shared by parliamentary opinion, is to put an end to an abnormal situation into which it was forced by exceptional circumstances. The second reason for the bank's determination is that although its foreign balances are not legally admitted as cover for its bank note circulation, it is bound to issue bank notes to represent such balances."

(Enough to cause squirming and indigestion!)

"The result is that capital remaining at the disposal of a foreign market serves to create a like amount of fresh capital in France. This is the drawback of the gold exchange standard, which consists in reality of making a double profit out of one business, or as the French proverb has it, "making one sack of grist provide two grindings," and the Bank of France holds the view that it was the inflation resulting from such practice which fostered excessive speculation, the inevitable end of which was the world crisis."

(Someone wanted to paint silver out of the picture entirely when in fact, that was the major portion of the entire problem.)

"But though the Bank of France has in fact sold foreign exchange, this was done with great precaution, and proof of the endeavor to avoid

inconveniencing the American market lies in the fact that the bank recently suspended its sales of dollars when the latter were observed to be giving rise to exports of gold from America. How could the banks be hostile to the American market? In all financial and industrial circles, on the bourse as well as among investors, all eyes are fixed upon the United States which, it was thought, should be the first to recover, since they were the first to be affected by the crisis."

"The unanimous desire is to witness in America a recovery which is considered as a factor of the highest importance for the clearing up of the European situation. It is undeniable that a short time ago a wave of apprehension concerning the dollar swept over Europe and that withdrawals of funds from the United States for foreign account led to large exports of gold. But such anxiety did not arise spontaneously, at any rate in France. It was caused and fostered day by day by the comments of the American correspondent of a financial agency with a wide circulation among financial circles, which represented the measures taken to remedy a difficult situation in a most unfavorable light."

"According to this agency, the United States had decidedly embarked upon inflation, which must lead them to abandon the gold standard, and American bankers themselves, so the report said, were manifesting keen anxiety on this subject. But after the passing of the Glass-Steagall bill, when opinion was enlightened as to the true character of the measure, anxiety was speedily relieved. It can be affirmed that not a single authoritative financier in France today believes that the stability of the dollar is at present menaced. They consider the free gold reserve now existing in the United States would suffice to meet the wholesale withdrawal of the remaining foreign balances. This is the opinion voiced at the Bank of France."

(39 years, three and a half months later, the gold window was permanently riveted shut.)

"New York seems to have taken seriously certain reports which spoke of French attacks on the dollar. It is a fact that an unimportant newspaper published an unfavorable article on the American exchange and that a rumor was circulated that a certain large American bank was in difficulties, but this report received no credence in well-informed circles and was, moreover, immediately denied."

(Consider the morass the big banks are in today; no one can refute it.)

"The influential press expresses no doubts concerning the maintenance of the gold standard in the United States, and French banks have taken no part in the dollar selling which has been done. Such selling was solely due to isolated speculators, and its volume was relatively small. The only real danger for the dollar exchange would be a loss of confidence of Americans themselves in their own currency. This happened in France in 1926, causing the franc to collapse; but the circumstances were quite different and it does not seem possible for the American public to imagine any European currency being more secure than the dollar."

"AMERICANS SHOULD GUARD CAREFULLY AGAINST THE EFFECTS OF ENGLISH PROPAGANDA IN FAVOR OF A GENERAL DEPARTURE FROM THE GOLD STANDARD."

(Fernand Maroni, Paris correspondent for the NYT made this statement. He was an Italian living in Paris and the views expressed were unlikely that of senior management of the great newspaper! He resumed speaking of the English abandonment of the gold standard)---

"The English would like to persuade other countries that it would be to their advantage. ***THE PARTISANS OF A MANAGED CURRENCY WITHOUT A STANDARD MUST BE FAIRLY NUMEROUS IN ENGLAND***, since no official declaration has exactly defined to government's monetary policy. Thus the field is left clear for the managed currency theorists to preach their utopian doctrine."

(It was represented to be a utopian doctrine, but the backers knew it had to some day end in ruin. But in the meantime, they would happily use it to transfer nearly boundless wealth to themselves! No wonder they were so hot to see managed currencies take hold!)

"WHAT THEY REALLY HOPE FOR IS THAT ONCE GOLD HAS BEEN DEPRIVED OF ITS MONETARY ROLE STERLING WILL BECOME THE INTERNATIONAL STANDARD, ACCEPTED BY ALL THE OTHER COUNTRIES. KEYNES HAS MADE NO SECRET OF THIS IN HIS WRITINGS."

"It might be admitted that a country isolated from the rest of the world should indulge in the absence of a standard for its own currency; but it is absolutely incomprehensible that one could do without a common measure for transactions between various countries, each having its own currency, whose economic and financial positions would not be comparable."

(We live in a world that's papered over by many currencies---managed currencies. Consider the size of the Forex markets. Still without foundation in precious metals, the system must be relatively close to seizing up.)

"The need for a fixed currency was realized even by England when, to prevent the United States taking the place she occupied before the war as an international financial market, she prematurely restored the pound to par. It is surprising that there should exist a party in England opposed to the return of sterling to the gold standard. In France the theory of a standardless currency is not taken seriously. It is considered, at the most, good enough for countries which cannot have a better currency, and such is certainly not the case of England. And so no anxiety is felt with regard to the future fate of gold. It has not lost its millenary prestige and will long continue insuring to money a fixed and universally recognized value which is the indispensable basis of international settlements."

The NYT, May 2, 1932, page 31, "Advocates Payment Of Debts In Silver" subtitled, "Hayden Estimates Foreign Nations Would Absorb Production of Metal for Four Years"---

"Washington---A new plan for restoring silver prices by permitting payment of war debts until 1936 with the metal under certain conditions was proposed today by Senator Hayden, Democrat, of Arizona. He will offer a resolution tomorrow which would allow nations to pay an ounce of silver for each dollar of indebtedness, if they agree to restore their silver coinage to a fineness of at least nine-tenths silver."

"One and a half ounces of silver would be accepted for each dollar of indebtedness if the foreign countries would agree not to melt their own coins to obtain the silver. Silver received for debt payments would be coined into silver dollars by the United States and deposited in the Treasury, and silver certificates would be issued against them. "The primary object of this legislation," Mr. Hayden said, ***"IS TO BREAK THE WORLD-WIDE VICIOUS CIRCLE OF DECLINING PRICES BY ENHANCING THE***

PURCHASING POWER OF ONE-HALF THE PEOPLE OF THE WORLD WHO HAVE NO OTHER MONEY THAN SILVER."

(Bah, humbug, we say, to those who think silver isn't still money in 2008, though denied by governments while their disgusting paper currencies slide towards use in furnaces for seasonal heating requirements. It was a crafty idea on Hayden's part to attach the requirement that the debtor nations would maintain a fine silver currency of their own.)

"He estimated that to restore the silver coinage of the debtor nations to nine-tenths fineness would require the purchase of at least 250,000,000 ounces and that the silver necessary to pay the debts would absorb the world production during the four year period."

"Urges Sterling Basis For Trade Of World" subtitled "Runciman Asserts That Is Only Way to Deal With Present Business Conditions," NYT, May 3, 1932, page 6---

"London---Walter Runciman, President of the Board of Trade, made a forceful appeal tonight that sterling instead of gold should henceforth be the new basis of world trade. Addressing the London Chamber of Commerce he said that in his opinion that was the only way to deal with the present situation. "I don't like to prophesy what would happen in gold countries, but at all events those which deal in sterling and are linked with sterling might well support each other. That is one of the justifications for making a closer union within the British Empire."

"When we have done that I think we might well invite other sterling countries to enter closer relationships with us." Mr. Runciman added that some people seemed to think sterling was the only thing that had fluctuated in the past few months. It was gold, he said, that had fluctuated and sterling that had been steady. "A very simple proof of this is to be found in any close examination of commodities," he said."

(Runciman was another Pilgrims Society member. His father, a transoceanic shipping tycoon, may also have been a member)---

The NYT, May 5, 1932, page 4, "World Price Drive Is Urged By Britons" subtitled "Lord Leverhulme Suggests Empire Parley Should Seek Cooperation on Monetary Policy"---

"Viscount Leverhulme, head of the great Unilever combine, suggested today that the States join the British Empire in initiating world-wide monetary reform and ending the "progressive, dangerous policy of deflation." The coming Ottawa Imperial Conference, he declared, should be ready to discuss the whole price level problem from the British Empire standpoint."

(The first Viscount Leverhulme, William Hesketh Lever of Lever Brothers and Unilever, 1851-1925, was probably a Pilgrims member---the son also)---

“I think there can be no doubt that if the British Empire would give the lead in this matter it would find an encouraging response from a majority of the peoples of the world,” said Lord Leverhulme, addressing the London

Chamber of Commerce. "It is probable that those nations which have already followed sterling would join us in such an endeavor and I cannot think that in a supreme effort to lift the world out of its present decline the British Empire would appeal in vain for cooperation from that other great Anglo-Saxon people, the United States of America."

(When did this Lordly Viscount mention silver? He didn't! He mentioned sterling, which was then no longer silver nor gold!)

"French Fears Revived" subtitled "Inflation Moves Seen in the Recent Actions of Our House," NYT, May 5, 1932, page 4---

"Paris---The passage of the Goldsborough bill and the wreckage the House made of the economy bill at Washington has aroused new fears in Paris regarding the possibility of inflation in the United States. It is the same old story here. Responsible financiers and government officials, although fully realizing the essential soundness of American finances are unable to prevent speculators from attacking the dollar. ***VIRTUALLY THE ENTIRE FRENCH PRESS IS CIRCULATING ALARMING RUMORS***."

(Congressman Thomas Goldsborough, related to an executive of Baltimore Trust Company, authored the Goldsborough Bill, which was a "credit expansion bill." Yet it made no provision for providing more gold, nor for restoration of silver.)

"Frederic Jenny, financial editor of Le Temps, whose opinion may be taken as typical, referring to the Goldsborough bill says, "the naiveté of the House has no limit. There is only one way to raise prices sharply," he adds---"devaluation of the dollar. But it is evidently not that kind of measure which the bill adopted by the House intends. The vote has, nevertheless, produced the most unfortunate effect in international financial circles. The proof is that the dollar again fell."

"One certainly should not take the thing tragically," Jenny goes on. "In reality one is faced with a manifestation, more or less platonic, whereby the House wished to show its discontent over the failure of the expansion of credit which is being practiced." Little credence is placed here in the story that the Federal Reserve Board is seeking to induce the Bank of France to expand its credits in order to raise prices."

(Two additional items followed)---

"Berlin---The German press is continuing to comment on the Goldsborough bill under consideration in Washington with general criticism and skepticism as to its soundness. The Frankfurter Zeitung says---"However much the world needs reorientation in matters economic, it would be deplorable if the United States initiated measures having such slight chance of orderly execution while involving ***GREAT DANGER OF UNCONTROLLABLE INFLATION***."

"The newspaper expresses the hope that the United States Government will be able to block the project."

(The second item)---

"Fight On Price Bill Mapped In Senate" subtitled "Slump of the Dollar Abroad Is Expected to Aid Drive on the Goldsborough Measure"---

"Washington---The slump in dollar values abroad, caused by the adoption of the Goldsborough credit and currency expansion bill by the House, is expected by opponents to aid in defeating the bill in the Senate. It is probable that some time will pass before the Banking and Currency Committee, to which the bill has been referred, will give it consideration, and an effort will then be made with administration backing to sidetrack it in committee."

"A bill introduced by Senator Fletcher, calling for a credit and currency expansion program along the lines suggested by the Goldsborough bill, has been held back in committee, awaiting reports from government departments to which it has been submitted for opinions."

"There was evidence today that the attack on the Goldsborough bill, when the committee gets around to consideration of it, will be along these lines---that it would be unfortunate to give impetus to talk abroad that a policy of sharp inflation was contemplated by the United States, and that little could be gained, if the theory of the bill was sound, as the Federal Reserve Board would interpret it as calling for no radical change in the policy of the controlled credit expansion now being pursued through open market operations."

(It's a matter of record that the Federal Reserve never ceased agitating for reductions in the gold backing of the dollar. When FDR came into office, they certainly got more of what they wanted---confiscation of gold and "nationalization" of silver. When that took place, the best holding to be in was silver coins!)

The NYT, May 6, 1932, page 8, contained a follow-up item, "Urges Silver For Debts"---

"Washington, After weeks of studying the monetary systems of the world by direction of the House, Representative Somers of New York, chairman of the House Coinage Committee, has decided things could be helped by payment of international obligations in silver. He introduced a measure today which would authorize the United States to accept silver instead of gold on debts. Mr. Somers' measure would let the President accept, between the present and July 1, 1936, silver in debt payment at the rate of one and one half fine ounces for each dollar owed."

"No silver would be acceptable, however, unless the government paying it would assure that it would not debase its own silver coin. The measure would also tend to stimulate recoinage of metals debased by seigniorage, Mr. Somers believes, for it provides that if a debtor nation agrees to restore its silver to a fineness of nine-tenths, it may pay its debt at the rate of one fine ounce of silver for each dollar. The metal received by the United States would be coined into silver dollars and held as a reserve on silver certificates."

(It seems odd that any member of Congress from New York State would show any friendliness towards silver. Elsewhere I noticed Somers appeared as a helper to industrial users.)

"Borah Says Upturn Hinges On 3 Points," NYT, May 6, 1932, page 1, subtitled, "He Calls for Restoration of Silver" and "Inaction Held Cowardly"---

"Washington---Restoration of silver to its 1925 level was called for, with the reduction of armaments and the settlement of reparations, in a three point program for economic recovery laid down today by Senator Borah in a speech which held the attention of the Senate for an hour."

"Unless the armaments of the world are reduced so that the burden will be lightened upon the people," Senator Borah said, "unless reparations are settled, so that Europe can face economic recovery, ***AND UNLESS SILVER IS RESTORED TO THE PLACE IT OCCUPIED PRIOR TO 1925, SO THAT NEARLY ONE-HALF OF THE HUMAN FAMILY MAY HAVE MEANS BY WHICH TO TRANSACT BUSINESS AND RESTORE THEIR PURCHASING POWER, THERE CANNOT BE ANY RETURN TO PROSPERITY."***

"Senator Borah's speech, delivered without reference to manuscript or notes, was spoken mainly in a quiet, appealing tone, ***BUT WHEN HE DELIVERED HIS FINAL RECOMMENDATION HIS VOICE ROSE TO A ROAR; HE SHOOK HIS FIST FIGURATIVELY AT THOSE WHOM HE DENOUNCED FOR COWARDLY INACTION.*** Although not so stated directly, his speech was taken as a plea for Congress and the Executive branch of the government to spend this summer in working out the program he described."

"The speech was prompted by what the Senator termed the impending failures of the Geneva disarmament conference and the Lausanne conference on reparations, as well as the recent failure of the Danubian conference to find remedies for burdens that are bearing down on central Europe. Senator Borah specifically repudiated suggestions for currency inflation as a panacea for the depression, but he said the need of a larger supply of money is evident. ***IN DISCUSSING SILVER, HE AIMED SHARP CRITICISM AT THE WHITE HOUSE***."

"I say that the United States has made no real, sincere effort to bring about an international conference on the subject, and that is the very trouble with the situation---the timidity of governments to take hold of these questions which are sinking their people into utter degradation. There is not a leading man in Europe," continued Senator Borah, "who does not know that reparations will destroy Europe. There is not a leading man in Europe who does not know that unless there is disarmament their people will sink under the load. It is because they refuse to (continued page 12) take hold of these questions as they should that there is no leadership in regard to it."

(There was negatively oriented leadership on the part of these people he faulted.)

"In the introduction to his speech Senator Borah commented pointedly on current policies, ***CITING THE COMPLAINT AGAINST HOARDING***. "***WE MIGHT JUST AS WELL INVEIGH AGAINST THE LAW OF SELF-DEFENSE AS AGAINST THE LAW OF HOARDING UNDER PRESENT CONDITIONS***," he added.

(Certainly hoarding of precious metals in 2008 is a self-defense measure against the unlimited creation of fiat dollars. When our own government is under intentional mismanagement, this doesn't signify that we have any falsely designated patriotic duty to follow Uncle Sam's example. It is paper money that is treasonous!)

"Again he considered the "lack of public confidence," he said. "But, Mr. President, when a man is lying upon his bed with a broken limb and gangrene is setting in, he may have courage and confidence, but he also needs a surgeon. ***THE PEOPLE OF THIS COUNTRY ARE INSTINCTIVELY DISTRUSTFUL OF PROGRAMS WHICH ARE BEING PROPOSED FOR THE RETURN OF ECONOMIC PROSPERITY***."

(When Franklin Roosevelt imposed his socialistic national "recovery" programs starting the following year, we may expect to find Senator Borah howling a protest!)

"Therefore we must expect the same condition of affairs to continue that has continued for some time unless there is a change in some of the fundamental questions which are now before us."

"The Senator maintained that the oft-cited fact that the national wealth of the United States is still at large---about $400,000,000---"is proof positive that the policies under which the national wealth is being administered are unsound." He said the only policies being pursued in this and other countries are those of increased taxes and larger loans. Although he is a noted "isolationist" he told the Senate that at this time domestic affairs must be considered in relation to international occurrences."

(Senator Borah was appropriately against America joining the British run League of Nations. That is why they termed him an isolationist. That designation has been abused countless times in all manner of literature. Those who opposed unjust and unnecessary wars are called isolationists! It

is the warmongers who attempt to justify interventionist wars based on clandestine influence from foreign governments, who call real Americans isolationists! Borah was never in any way opposed to normal trade, tourism, and diplomacy! He was the type of Senator we so badly need today.)

"Coming to his first point, disarmament, he said, "It is now pretty generally believed that the disarmament conference at Geneva will not accomplish anything of great moment in reducing armaments. 75 percent of the budgets of all the nations of the world are made up of expenses for war, either past or anticipated." Should that conference adjourn in failure, the Senator predicted, "its effect will not only be felt immediately in those countries, but its effect will be felt here."

(I believe the Senator understood the distressing link between fiat currencies and war. His statement was almost six years after Britain started its destructive effort against monetary silver, and world trade had been badly disrupted as a result. In fact the departure from silver, followed by the attacks against gold, combined with the unusually severe reparations demands on Germany---the burden should have been spread out across a longer span of years---guaranteed another big war. That in fact was what the Anglo-American planners sought, in order to launch the Trojan horse called the United Nations.)

"Speaking almost in a whisper, he intruded the observation that "there can be no doubt of the feeling of the people generally throughout the country that governments are not successfully meeting the problems which now confront them."

(The Senator would be boggled could he be on the scene today to see how huge the Federal deficit and debt, combined with corporate and private debt, have become. We stand now at the brink of full monetary annihilation.)

"After remarking the failure of the Danubian conference, Senator Borah stated that "it has already been foreshadowed that the Lausanne conference cannot hope to succeed. If that should fail," he added, "and reparations questions should go unsettled, we have economic chaos in the heart of Europe."

"Plunging into his topic, "The Maldistribution or the Unequal Distribution of Gold and Its Effect Upon the Price of Commodities," he observed that the

United States and France hold about 70 percent of the gold stock of the world, amounting to about $11,000,000,000, although the combined populations of the United States and France are only some 170,000,000. Throughout the rest of the world, he continued, with a population of 1,400,000,000, there is about $3,000,000,000 in gold."

(Yet with that contrived concentration of gold---and there was nothing morally wrong with the French tendency to trust gold---world commerce functioned fairly well; that is, before Britain attacked silver.)

"A direct connection was seen between the rapid increase of gold holdings by the United States and France from early in 1929 to June 1930, and the fall of prices of commodities and securities. In that period this country increased its gold holdings by 23 percent and France by 76 percent."

(While the increase in American gold reserves could not have caused the Crash in October 1929, he appears to be saying that the scarcity of gold elsewhere for reliance upon in the proposed monometallic gold standard was inadequate, causing prices to tumble. Wait till you see what else he says on silver.)

"Senator Borah said, "***AN ATTACK UPON A NATIONS GOLD HOLDINGS IS REGARDED ALMOST AS DANGEROUS AS AN INVASION OF HER TERRITORY***. The moment, therefore, it was observed that the rest of the world was losing its gold holdings, the prolific parent of economic chaos, fear, brought on frantic efforts to hold gold; debtors were called upon to pay, and commodities and securities were thrown upon the market, and deflation began and continued and bids fair to go forward. The fall of commodity prices took place in point of time almost precisely with the enlarged flow of gold into France and the United States."

(And at the same time silver prices were racing downhill.)

"The fall in prices was compared by Senator Borah to a glacier which, "once started, sweeps all before it," whether nations have or do not have gold, "for the reason that those with whom they must do business have had their purchasing power destroyed."

"He quoted a statement by Sir George Schuster in the latter's budget speech to the Legislative Assembly of India, which follows---"It is impossible to

escape the conclusion that the world is faced with two alternatives---either to find some means of reducing the real value of gold as expressed in commodities, ***OR ABANDON GOLD ALTOGETHER AS A BASIS OF CURRENCY***."

(Schuster, 1881-1982, was a member of the Order of the British Empire, a Pilgrims Society affiliate.)

"Senator Borah then took up the problem of the payment of debts contracted before the depression, with gold now distributed as it is. He quoted statistics showing that the debt of forty-nine countries is $136,000,000,000. In the United States he grouped debts as follows---National, $18,000,000,000; State and municipal, $17,000,000,000; railroads, $11,000,000,000; industrial bonds and mortgages, $10,000,000,000; public utility bonds and mortgages, $7,000,000,000; real estate mortgages, $25,000,000,000; farm mortgages, $9,000,000,000; miscellaneous, $7,000,000,000, "or over $140,000,000,000 when measured by commodity prices as compared with commodity prices at the time these debts were contracted."

(A $36 billion debt surge starting from 1925, about 7 years.)

"Nearly 90 percent of these debts are gold debts," Senator Borah said. "That is, they are payable in gold; and nearly 90 percent of them were contracted prior to 1929 and therefore, according to commodity prices at the present time this debt is very nearly double what it appears to be upon the face of the contract."

"Senator Borah was unable to present a formula for paying debts under present conditions, conceding that tariffs, in which he said he believed, present a grave stumbling block to international trade, the ordinary source of revenue for the payment of international obligations. "So it seems to me," he concluded, "that we are against what might be called ***AN IMPOSSIBLE SITUATION UNLESS THERE CAN BE A LARGER SUPPLY OF MONEY."***

"Aside from the question of bimetallism," he continued, "aside from the question of any action upon the part of the United States after the war. Leaving to one side these problems, let us see what happened in 1929. Notwithstanding the fact that the gold supply has been decreasing as compared with the increase of the volume of business in the world, an effort

was made in 1925 to force the gold standard upon the silver using countries of the world."

(Actually though the Royal Commission on Indian Currency and Finance was chartered in 1925, its "report" came out in 1926, with the hatchet job against silver.)

"IT WAS NOT A MOVEMENT UPON THE PART OF THESE PEOPLE THEMSELVES. IT WAS NOT BECAUSE THEIR SYSTEM OF MONEY HAD BEEN UNSATISFACTORY. IT AROSE IN A DIFFERENT SOURCE AND FROM A DIFFERENT REASON."

(A tiny clique of money creators in London wisely chose this as the modern starting point for renewed drive towards global fiat currency.)

"The first step was taken in India, where the gold standard was established through the influence of Great Britain."

(But as we've documented, that wasn't a de facto gold standard, and its leading author, Sir Hilton Young, called the idea that gold is wealth, "the bullionist fable.")

"He was asked at that time his opinion as to that movement and what its effect would be upon India and the rest of the world. He advised against it. He stated that those countries had not yet learned to use gold. They did not have banks and they did not use checks***. THEY WERE COMMITTED TO THE USE OF SILVER***. He stated that to force them to the gold standard would force the silver upon the markets of the world ***AND WOULD HAVE ITS EFFECT ON THE BUSINESS OF THE WORLD***."

"Thus a condition developed, Senator Borah observed, in which many gold using countries found themselves without gold and "in the very mf that movement, ***AN EFFORT TO DEPRIVE ONE HALF OF THE HUMAN FAMILY OF THE MONEY TO WHICH IT HAD BEEN COMMITTED FOR 3,000 YEARS***."

"Mr. President, I assert that today, nearly one half of the human family is on the basis of barter," thundered the Senator. "***THEY ARE WITHOUT MEANS OF EXCHANGE. THEIR PURCHASING POWER HAS BEEN DESTROYED. THEY CANNOT DEAL WITH NATIONS AS THEY***

HAVE DEALT HERETOFORE, AND I CANNOT UNDERSTAND WHY IT SHOULD BE UNSAFE OR UNSOUND TO RESTORE CONDITIONS AS THEY WERE PRIOR TO 1925."

(There would be no restoration because the British were determined to place the world on fiat currencies.)

"It is not an attack on the gold standard. It is supplementing it and strengthening it. ***IT IS FURNISHING A LARGE PART OF THE HUMAN FAMILY THE MEANS BY WHICH THEY HAVE TRANSACTED BUSINESS THROUGH ALL OF THESE CENTURIES***."

(What can be said of Senator Borah other than that he was an outstanding fighter for monetary silver! Planning a climb of Idaho's highest, Borah Peak? Feel the Senator's spirit flying high on top!)

"Adverting to the fact that the United States has all the natural wealth that it enjoyed at the height of prosperity, Senator Borah thereupon sounded this warning---"We have vast wealth, but Rome had as much wealth when she fell as she did at the height of her power. It was not properly administered. France had as much wealth when Robespierre was at the head of the Committee of Public Safety as when Louis XIV was the head of the French empire. China today has perhaps the greatest undeveloped natural wealth in the world with the possible exception of Russia. It does not signify very much that we have vast natural wealth unless it is administered in such a way as to bring reasonable prosperity to the great mass of the people who occupy the land."

"Senator Borah delivered his three point program after Senator McKellar interrupted him to ask for definite recommendations."

(Kenneth McKellar was a Senator from Tennessee, 1916-1935.)

"We must sell something," Senator Borah said. "We must do business with Europe, and we must do business with the Orient, ***AND I DO NOT SEE HOW WE ARE TO BE PROSPEROUS AND TO ENJOY THOSE THINGS WITH THE BALANCE OF THE WORLD DEPRIVED OF ITS PURCHASING POWER AND UTTERLY IN DISTRESS***."

"I suggest that the summer of 1932 should be devoted to those questions which are fundamental to the recovery of the people, not only of this country but of all countries. They cannot carry the load that is on them. We will return to the people in the summer of 1932 with just two constructive programs, one for raising more taxes and one for making loans more readily. Those things will not bring back the prosperity which is essential to the repayment of these loans or of the taxes."

(End comments by Senator Borah.)

The Times, London, May 6, 1932, page 14, "Relief From Gold Mentality"---

"Washington---A threefold program for world economic recovery---disarmament, the settlement of reparations, and the restoration of silver---was outlined to a crowded Senate tonight by Senator Borah, chairman of the Senate Foreign Relations Committee. Senator Borah said---"I venture the opinion that unless armaments are reduced so that Europe can move towards economic recovery, unless silver is restored to the place it occupied before 1925 to restore some part of the purchasing power of half the world, there will not be, in my judgment, any ready return to prosperity."

"Senator Borah went on to declare that it was impossible to pay gold debts so long as 70 percent of the world's gold was held by France and the United States, and it was obvious that the United States tariff would not permit payment in kind. We are up against an impossible situation he said unless there can be a large supply of money. There must be some relief from this gold mentality. Senator Borah concluded by saying that, if the United States threw her influence behind the movement to restore silver to its position in 1925, it would succeed. "***WE HAVE NO LEADERSHIP***" was his parting shot."

(Borah wasn't saying gold was bad, he was saying that silver money was also essential.)

The NYT, May 8, 1932, page 1, "Sees Hoover Willing To Seek Silver Pact" subtitled, "Senator Jones, After Call on President, Thinks He Would Seek Out Powers" and "White House, However, Has Little Hope of Gaining Assent for International Parley"---

"Washington---The belief that President Hoover is willing to invite other nations to an international silver conference if advocates of a world-wide remonetization of silver will submit a concrete plan was expressed by Senator Jones of Washington as he left the White House this afternoon. A short time later, however, it was said at the White House that the President entertains little hope of the success of any specific proposal for a conference, ***BECAUSE THE LEADING FOREIGN POWERS HAVE ALREADY REJECTED SUGGESTIONS FOR A GENERAL DISCUSSION OF THE SUBJECT***."

(Silver Senator Wesley L. Jones, terms 1909-1932, resided in North Yakima, Washington, and was highly acquainted with the silver mining industry)---

(Notice that Hoover attempted to hide his own personal opposition against an international monetary silver summit behind the well-known British opposition, and that of France, which was afflicted with bad leadership at that time. Did Hoover ever offer to pressure Great Britain on this matter? Absolutely not!)

"Mr. Jones said he had gained the impression that Hoover would agree to sound out the other nations with a view to a conference if he had some definite proposal to present. "I am satisfied," he stated, "that if any concrete proposal to rehabilitate or remonetize or bring silver into more general use were made, such a proposition would be submitted in some way, directly or

indirectly---probably directly---to the other nations with a view to calling an international conference."

(So spoke Herbert Hoover, the great dodge-artist. Plans were already specifically proposed by various highly capable sources---Silver Senators led by Key Pittman, and miners, led by Herbert Brownell. These plans were detailed and in plain sight. We looked at portions of them in parts one through three of "Britain Against Silver" and previous to that, in "Two Voices On Silver." Hoover was as derelict in his duties as a fireman who said if he had water available, he would combat a blaze, while ignoring the fact of persons offering ready supplies.)

"Of course I appreciate the fact that if the other countries would not join in holding such a conference, it would not amount to anything. I am satisfied President Hoover would invite the other interested nations to participate in a world silver conference, provided the other powers would manifest any disposition to meet and consider the question of rehabilitating silver."

(Senator Jones was unnecessarily kind to Hoover. It's likely that his off the record views were more cynical, and justifiably so.)

"James Grafton Rogers, Assistant Secretary of State, said yesterday that the principal powers had shown little interest in a conference on silver and added that the United States Government, for the present at least, did not plan to do more than it had previously done."

(Rogers admitted that he and other high Federal officials were crooks squarely in the camp of the fiat money forces. Image above is of the American delegation to oversee postwar Greek elections in 1946. Left to right---William Wesley Waymack, probable Pilgrims member whose listing in the 1951 Who's Who, page 2886 stated "member board of directors representing the public, Federal Reserve Bank of Chicago, 1941-1946." What a laugh! Someone on a regional Fed board representing the public! He was a member of the Royal Economic Society of Great Britain! Waymack was in the employ of Gardner Cowles as editor of the Des Moines Register & Tribune. Cowles appeared in the 1969 list of The Pilgrims---he was owner of Look Magazine and held widespread publishing and broadcasting interests, plus insurance and aviation interests in United Airlines. Waymack was also associated with the Carnegie Endowment for International Peace, the American Association for the United Nations, and the Institute for Pacific Relations, long accused of helping deliver China to the reds. Waymack was a member of the Atomic Energy Commission, 1946-1948.)

(Second from left was Walter Hampton Mallory of The Pilgrims Society, who was executive director of their direct subsidiary, the Council on Foreign Relations, 1927-1959, and later became a director of the Asia Foundation. Mallory also had a Chinese connection as president of the China Institute in

America, 1943-1947 and a member of the China Medical Board, 1947-1958, a Rockefeller project. Third from left stood our silver subject, James Grafton Rogers, Yale 1905---who as Assistant Secretary of State under Pilgrims member Henry L. Stimson, played his role in stalling off a silver conference. Stimson became FDR's Secretary of War in 1940, oversaw the development of the Atomic Bomb and made the decision with Truman to use it on Japan in 1945. Rogers drafted the legislation in 1913 that created Rocky Mountain National Park and was president of the Foreign Bondholders Protective Council, 1943-1955 and was involved with the suspect World Peace Foundation, 1937-1953. Rogers was a CFR member---page 1930, 1971 Who's Who. He authored "World Policing and the Constitution," 1958, a frightening sounding volume.)

(Fourth from left stood Henry F. Grady, who became another Assistant Secretary of State in 1939. His listing in the 1941 Who's Who features another lulu of a claim, "impartial chairman Regional Labor Board for San Francisco, 1933-1934." I've encountered very few impartial persons in my lifetime, and Grady was a member of the anti-silver American Economic Association. He authored "British War Finance, 1914-1919" in 1927 and spent plenty of time in London as U.S. Trade Commissioner and Commercial Attaché. He was a member of the Economics Commission of the League of Nations as of 1937. This was another organization that declined to do anything for silver. After evaluating Rogers background and that of some of his buddies, we return to the article)---

"Mr. Rogers statement was made when his attention was called to Senator Borah's criticism for not calling a conference. The Assistant Secretary said the conference had not been proposed because, in the administration's view, a nation calling such a parley should be in a position to make some substantial plan and contribution of its own, and the United States was not in that position."

(God Almighty! Rogers claimed that the United States had no one who could generate a "substantial plan!" Totally false! Obviously he didn't want to acknowledge that several notable persons already crafted such plans! And America couldn't make any "substantial contribution," such as being one of the three leading silver producing nations at that time? This freak should have been put out of his office!)

"The feeling had been that this country was not the appropriate one to call a conference. The United States was not a relatively large producer of silver and the metal (start page 2) produced here was a byproduct depending almost entirely on the production of copper, lead and zinc. This meant that no practical control of the output of this country could be possible."

(We just reviewed the fact of the U.S.A. being the third largest silver producing country, and they said that didn't make it "relatively large!" The byproduct thing was another matter they used to dance around the monetary issue with, as though it constituted any actual reason for not recognizing silver's natural role!)

"The American Government had one of the largest silver stocks in the world in the Treasury and had shown interest in the world silver problem. The subject had been considered in informal conversations and sometimes through direct communications with other powers. The United States indicated that it was favorable to a conference and would take part in one if and when called under appropriate auspices."

(What did they consider appropriate auspices? If the King of England parted the waves of the Atlantic like Moses and said, "come on over?" While they were mouthing about "appropriate auspices," Mexican miners were on a diet of corn and beans and creek water, and America was in the throes of the Great Depression with its drastic high unemployment.)

"A special committee of the International Chamber of Commerce reported recently to the House Committee on Coinage, Weights and Measures that, following an investigation of the silver situation, it had found little sentiment among foreign governments in favor of a conference. The proposal was temporarily dropped and a movement started to bring about an agreement between silver producing interests of North America and foreign silver interests to restrict the mining and distribution of the metal."

(Actually what that effort, sincere or not, was about, was directed towards regulation of British silver dumping activities.)

"Senator King of Utah, who has introduced a resolution requesting the President to call an international conference, said today that he would press for action next week. He had noted a growing sentiment businessmen of Britain, France, Canada and other countries in favor of such a conference."

(The transition away from silver, and next from gold, in the money system, was most painful for many otherwise prosperous people. The fiat creators seized key government posts in sufficient leading nations to make the ghastly mutation to fiat possible.)

(Page 2417 of the 1971 Who's Who features an extraordinarily lengthy listing on Herman Wells, second from right. He was another member of the shady American Economic Association, longtime president of Indiana University, and active in numerous internationalist groups including the Carnegie Foundation for the Advancement of Teaching and South East Asia Treaty Organization. On far right was Major General Harry Malony of the 94th Division.)

The NYT, May 9, 1932, page 5, "Churchill Blames Money For Crisis" with subtitles, "Urges Over Radio That Britain and America Take Joint Step to End Depression" and "Asks Study Of Silver" and "He Asserts Monetary System Has Gone Wrong and World Torments Itself Without Cause"---

"A plea for the United States and Great Britain to join in a study of the money problem to bring an end to "these absurd nightmare years" of depression was made last night by Winston Churchill, a member of the British Parliament and former Chancellor of the Exchequer. Churchill spoke from London to America over a National Broadcasting Company network."

(Keep in mind the glowing statements to come were from a man who as Chancellor of the Exchequer, 1924-1929 assisted in the program to throw 70MOZ silver from cheapened British coinage onto the market; and assisted with the far larger Indian silver dumping. Churchill was another Pilgrims member who could make statements for public consumption, while his record of "public service" demonstrated a reverse intent!)

"He emphasized the part being played by gold and silver in the depression, saying---"I believe something has gone wrong with the monetary system. It no longer affords men and nations an adequate means of exchanging what they are capable of producing. Gold, having been cornered and hoarded, has gone up 70 percent in value in the last five years, and the price of everything else, measured by gold, has fallen."

Churchill in 1912 as First Lord of the Admiralty---

"See what that means. The farmer has to plow a 1,700 yard furrow in order to pay off as much mortgage or overdraft to the bank as he could have paid by plowing a 1,000 yard furrow only five years ago. All debts have nearly doubled. ***AMONG ALL OTHER COMMODITIES SILVER HAS FALLEN TO A MISERABLE LEVEL***. I am not going to plunge into the thorny jungles of currency, but surely the fact that ***SILVER IS DENIED ALL RANK OR RECOGNITION***, the fact that the difference in price between silver and gold is greater than it has ever been, ***THE FACT THAT LESS SILVER WAS PRODUCED LAST YEAR THAN FOR CENTURIES, OUGHT TO EXCITE THE CONCERN OF WORLD STATESMEN."***

(Yes they were concerned as to how to stall a silver conference for another year. They were concerned as to how they would leave silver screwed as the outcome of a conference when it finally came. In order to accomplish that,

they understood that the conference could not be solely devoted to silver matters. It had to be submerged with other issues to confuse the masses---to beguile them that they were friendly to silver. Yes, silver's true friends would be on hand. But they weren't running the conference in London in June 1933!)

"***SILVER IS THE MONEY OF ALL ASIA. SILVER IS THE MONEY OF A BILLION HUMAN BEINGS, AND IT OUGHT NOT TO BE TREATED WITH AS LITTLE REGARD AS IF IT WERE A SACK OF POTATOES. SILVER HAS ALWAYS BEEN THE COMRADE AND ALLY OF GOLD. SURELY WE WOULD DO WELL TO CONSIDER MORE CAREFULLY THE PART IT HAS TO PLAY IN OUR WORLD HOUSEKEEPING***."

"It is this hideous process of deflation which is the main cause of all our troubles. What are we going to do about it? Are we going on gaping at each other in this helpless way while every morning the efforts of all the producers of new wealth are written down remorselessly and every day sees a narrowing prospect of life and labor for mankind?"

"Churchill said that no one country, however powerful, could end the trouble by its own efforts. The fall of prices compared with gold, he said, could be dealt with successfully only by the "common action of the leading nations." He then urged that the two great English-speaking nations take the first steps to "lead the world back out of these gloomy caverns into the broad sunlight of activity and progress. Why shouldn't we put our heads together in matters of universal concern? The world is tormenting itself largely without cause."

The NYT, May 9, 1932, page 14, "Diagnosis Without Remedy" was an editorial---

"Senator Borah is admittedly one of the most interesting men now in public life. He is not only a ready debater and moving orator but a student. He seldom makes a full speech in the Senate, but when he does all ears are stretched to hear him. His address on the present financial situation of the world, as printed in full in the Congressional Record of May 5 was no exception. In it he presented the results of much reading and reflection. One would not easily find in the same compass a more powerful description of the evils which at present afflict the whole world. One after another he

passed them in solemn review. It was an effective bit of analysis and description."

"Yet one rises from its reading a good deal puzzled. Coming from a great American isolationist, what can be made of Senator Borah's demonstration that our own troubles are largely of European origin, and that until European statesmen solve the difficulties in which their countries are caught, there can be no real hope for a return of prosperity in the United States? It is something to get from the leading opponent of the League of Nations and of the World Court an admission that "we are compelled to take into consideration questions which are of world moment, because we are either directly or indirectly affected by them." The Idaho Senator has also made the discovery that "today nearly half the human family are nearing a basis of barter. They are without means of exchange."

(The New York Times, a Pilgrims Society associated concern, unsurprisingly favored the world government scheme represented by the British conceived League of Nations and the World Court. Reading between the lines you detect a belittling of silver.)

when was international trade anything in essence except barter---the exchange of one class of goods for another? That process is still going on in China and India, though Senator Borah affirms that their "purchasing power has been destroyed" by the demonetization of silver and its decline in value as a commodity. The effect of this on Chinese foreign trade has been carefully estimated by a high authority, Sir Arthur Salter, as not possibly reducing the total by as much a 2 percent. Merchants and producers find ways of buying and selling despite dislocations in foreign exchange and maladjustments of the currency."

(After reviewing the two "Silver Tour of China" items offered last November and December, did it appear as if Chinese trade was affected by only two percent to the downside? We had a look at the devious Sir Arthur Salter in the second and third stages of "Britain Against Silver.")

"It was not strange that other Senators, after listening to Mr. Borah's depressing account of the worldwide depression, asked him what remedial measures he would advocate. Senator Fletcher inquired if he favored "expansion of credits and currencies." Mr. Borah replied that he did not

know what effect that would have in this country. "I am not committed to it."

(Borah must have sidestepped that question a bit at first. However, when he admitted he wasn't committed to currency expansion, he indicated he did know what effect it would have. Duncan Upshaw Fletcher, a Vanderbilt Law School graduate, was a trustee of Stetson University, named for a Pilgrims Society family associated with J.P. Morgan & Company. Fletcher's activities led to the creation of the Securities Exchange Commission in 1935.)

"Then what about the remonetization of silver? The Idaho Senator said that he must leave that phase to future discussion. Senator Norris rose to ask whether Mr. Borah would not "take into consideration the fact that such a large proportion of the wealth of the country is owned by a comparatively small number of people." The Idaho Senator admitted that the "concentration of wealth presents a serious problem," but added that "it is aside from what I have in mind today. The net result was to leave the impression that Mr. Borah had no positive plan of his own at all."

(Introducing a tangential issue into the discussion on silver as an attempt to make it appear as if Borah was disoriented was dirty press and dirty politics, and I can't see that this nasty trick fooled many readers.)

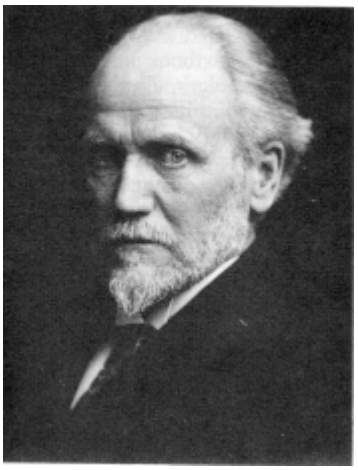
"Yes, he had one. It was that "the summer of 1932 should be devoted to those questions which are fundamental to a recovery of the people not only of this country but of all countries." One would like to move an amendment. The summer of 1932 should also be marked by a stern resolution on the part of all public men never to say how bad things are without trying to show how they can be made better---never to announce a diagnosis without at least offering some kind of promising cure."

(Borah did offer a promising cure. But the NYT, in the grip of the paper money forces as it was---refused to give any credence to silver. In so doing they defied thousands of years of history that fully validated silver beyond any possible legitimate challenge against it.)

The Times, London, May 9, 1932, page 8, "World's Monetary Crisis"---

"Professor Gustav Cassel delivered today at Rhodes House the first of three Rhodes Memorial lectures on "The Crisis in the World's Monetary System." Professor Cassel began by showing how the fluctuation in the value of gold brought about by the War had destroyed the old popular faith in a definite and objectively given value of gold as the common basis for the world's monetary system. Yet a return to the gold standard was, in the first half of the twenties, the only means of averting economic and social catastrophe of the world's economy."

(This was at Oxford University. Rhodes House was named for Cecil Rhodes, front man for the Crown and the Rothschilds, from whose wills came The Pilgrims Society, the Rhodes Scholars, Royal Institute for International Affairs and the Council on Foreign Relations. Cassel was associated with the Financial Committee of the League of Nations in 1921-1922. According to http://www.econlib.org/library/Enc/bios/Cassel.html his dying words were---"a world currency")---



"Return to the gold standard had required that greater stability of value should be provided for gold. The United States carried through a process of deflation by which the price level of commodities was reduced, and consequently the value of gold increased from about 40 to 67 percent of its prewar value. Other countries desirous of restoring their currency to a gold standard basis had to fix their commodity price level in a certain proportion to the American. The dollar was originally a paper currency regulated so as to maintain a definite parity with gold. The connexion was now reversed, the paper currency being regulated independently, and the dollar being stabilized at a purchasing power determined absolutely by the U.S.A.'s

management of its currency, while the value of gold had simply to adjust itself to this value of the dollar."

(A piece of paper is a standard of value while the real thing is a mere tag-along? I believe he knew better. Economists are frequently wicked lunatics.)

"Quite clearly, under modern conditions, the world's gold market can no longer be considered a free market, governed by objective economic forces, in which a definite value of gold emerges automatically. Those who cherish the hope that the world market for gold will gradually return to some such conditions grossly delude themselves. ***THE GOLD STANDARD OF THE FUTURE WILL ALWAYS BE A CONTROLLED OR MANAGED STANDARD, A STANDARD SUBJECT TO DELIBERATE INFLUENCE."***

(That became unfortunately true, and it was the next to the last stepping stone, before getting rid of silver coinage, to a full fiat system. Even though the gold window was closed to overseas dollar holders in August 1971, anyone here dumb enough to spend silver coins for face value could still do so. But this applied to relatively few people, as silver savers, otherwise slandered as "hoarders" and the silver users, from opposite ends of the spectrum, started the rush on silver coins well before 1965.)

"The most natural object for monetary policy was a certain stabilization of the purchasing power of money. How far stabilization would prove possible in the future we should only know when we had applied a rational policy of stabilization for decades, and thus won experience and skill in the matter."

(Such statements were for public consumption. The results of "monetary policy" were opposite of the false claims.)

"Obviously we could never attain anything of that sort if we never started the work. Hitherto the majority of economists had been content with producing a whole literature on the difficulties, and had paid very little attention to the important results already attained by the stabilization policy."

(There was no reason to consider not discussing gold as well as silver in this series. As noted often enough, attacks on silver almost always lead to attacks on gold. Neither monetary metal can be dismissed.)

"The annual gold supply for the future was not likely to be sufficient as a basis for a stable value of gold. "Roughly calculated," Professor Cassel said, "an annual production of gold equal to 3 percent of the accumulated stock of gold will be required for the future to ensure that, without disturbance of the general price level of commodities, the world may advance at a rate of progress corresponding to that of prewar days---namely, at about 3 percent per annum. The world's gold production today is actually about two-thirds of what we have found to be normally requisite to keep the level of prices constant. ***THE DEFICIENCY IS SO ENORMOUS THAT ORDINARY DISCOVERIES OF NEW GOLD MEAN LITTLE TOWARDS ITS REPAIR***."

(We are at the start of a new era of monetary history, when there are no theoretical limits on the price of gold. That may prove even more emphatic in silver.)

"Experts are unanimous in their opinion that gold production from present sources will sink considerably in the next decade. Of course no man can say that the discovery of a new goldfield of real importance is quite impossible. But the world has been explored more thoroughly in search of gold than for any other of Nature's resources, and the prospects of new discoveries, especially in proximity to ample supplies of cheap labour, are therefore not very great. A systematic gold economizing policy will therefore be necessary. The present violent crisis is fundamentally the result of the fact that the monetary policy of leading countries has departed from this programme without the slightest regard to the inevitable consequences."

"After 1925 the gold economizing policy continued for some time to gain ground. An achievement of particular importance was that it succeeded in preventing India from putting gold coins into circulation when that country adopted the gold standard. India's demand for gold coins would probably have been so great that it would completely have frustrated the whole gold economizing policy."

(For "gold economizing policy" read "deprivation of physical gold possession by the citizenry." This wasn't the concept of Andy Jackson.

Neither did the typical Indian agree with it. A paper note will never have the feel of reality in the palm of the hand as a precious metal coin.)

"For some years also a certain cooperation between the central banks succeeded in restricting their demands for gold so far that it was possible to prevent any considerable rise in the value of gold. The world reaped the fruits of this policy in an economic development in which most countries had their share, and which for some countries meant a great deal of prosperity. In the basic economic conditions there was no reason at all why this development should not go on, and the tremendous productive powers inherent in the world's material resources, technical progress and capitalistic organization, be allowed to create wealth and raise the standard of life of humanity to the standard of their real capacity."

"But an indispensable condition for such a development was always that a certain degree of stability was secured for the world's monetary system. An appalling lack of insight into the true nature of the problem prevailed. Most governing circles paid no attention to the very explicit warnings of economic science, and some of the most important countries completely failed to grasp both the necessity of international cooperation and their particular responsibility for the fate of the world's monetary system."

(Notice in all that this allegedly brilliant economist uttered no whisper concerning silver.)

"New Impetus Given To Reviving Silver," NYT, May 7, 1932, page 23, subtitled, "Proposal Before Congress for Use of Metal in Paying War Debts is a New Angle," and "Senator Says Acceptance by Nations Would Break Decline of World Prices"---

"Washington---A joint proposal introduced in the Senate and House authorizing the President to accept from foreign nations in payment on their indebtedness to this country until July 1, 1936, silver at the rate of one and one-half fine ounces for each dollar they are obligated to remit has given added impetus to the discussion of the silver problem by Congress."

"The sponsors of the resolution, while agreeing that the total for which foreign governments are obligated would be reduced, ***WITH SILVER QUOTED AT AROUND 30 CENTS AN OUNCE***, are satisfied that such action would bring about a stabilization of silver at a somewhat higher level

and stimulate world trade to a degree where the United States would, in the end, win more than it would lose."

"At the present level the quantity of silver required to meet each dollar of payments on the debts owed this government would cost these nations about 45 cents. If the plan was adopted and proved practical, the reduction in the war debts payments would be very considerable, even if the price of silver rose somewhat, as the total payments due to the United States in the fiscal year 1933 alone are $269,976,571. The resolution was introduced in the Senate by Senator Hayden of Arizona on Monday and on the following day was placed before the House by Representative Somers of New York, chairman of the House Committee on Coinage, Weights and Measures."

"IT GUARDS AGAINST THE DEBASEMENT OF SILVER COINAGE BY FOREIGN GOVERNMENTS BY PROVIDING THAT IN SUCH CASE THE SILVER WOULD NOT BE ACCEPTABLE, AND ALSO SEEKS TO STIMULATE RECOINAGE BY SPECIFYING THAT WHERE NATIONS RESTORE THEIR SILVER COINAGE TO A FINENESS OF AT LEAST NINE-TENTHS SILVER, payments on their debts may be received at the rate of one fine ounce of silver for each dollar of indebtedness due."

"The identical resolutions have been referred respectively to the Senate Banking and Currency Committee and the House Ways and Means Committee, and their authors will press for hearings on them."

"The movement coincided with the criticism voiced yesterday by Senator Borah that ***THIS GOVERNMENT HAD MADE NO SINCERE EFFORT TO BRING ABOUT AN INTERNATIONAL CONFERENCE ON THE SILVER PROBLEM***, and with the plans of Senator King of Utah to press for such a conference, as well as for other steps to promote a settlement of the silver problem in the Senate on Monday."

(A major voice, that of Idaho Silver Senator Borah, finally denounced the Hoover administration for intentionally doing nothing to correct the worldwide problem caused by our so-called ally, England!)

"It was also announced today that a subcommittee of the Senate Banking and Currency Committee would hold hearings next week on a bill introduced by Senator Pittman of Nevada to have the Treasury purchase not

in excess of 5,000,000 ounces of silver a month at the market price and coin it into standard silver dollars and subsidiary coins, in an amount considered sufficient by the Secretary to meet any demands for redemption of silver certificates issued under the bill."

(Imagine the outcry of the Silver Users Association if Congress required the Treasury to acquire---at market prices---60 million silver ounces a year! But to be adjusted to the 1932 situation, with its population ratio to 2008, Treasury would have to acquire 2.5x as much---150MOZ per annum.)

"Mr. Rogers, Assistant Secretary of State, replied today to Senator Borah's criticism by stating that the government had not called an international conference to stabilize silver because ***THE UNITED STATES WAS NOT IN A POSITION, IN THE ADMINISTRATION'S VIEW, TO OFFER A SUBSTANTIAL PLAN OF ITS OWN FOR THE SUCCESS OF SUCH A PARLEY."***

(Imagine that---the world's most powerful nation, and at that time, the number two silver producer, had no confidence that it could develop and present a "substantial plan" to make a world silver conference successful! Would the Hoover administration have said that it lacked the talent to put together proposals for any other type of international summit? Of course not! They were abundantly able to do something substantial for silver. The fact was that they didn't wish to do so!)

"Senator Hayden, in discussing the proposal in the Senate, said that its primary object was to "break the world-wide vicious cycle of declining prices by ***ENHANCING THE PURCHASING POWER OF ONE-HALF THE PEOPLE OF THE WORLD WHO HAVE NO OTHER MONEY THAN SILVER***." "This is to be accomplished," he added, "by creating a demand for silver during the next four years, which will insure an increase in its value. The demand will arise from the continued purchases of silver by foreign governments, which will find it to their financial advantage to contract for silver in the open market in order to make payments on their indebtedness to the United States in that metal instead of gold."

"That any apparent loss which may accrue to the American Government because of the acceptance of the silver in payments on the foreign debts will be balanced by a gain in revenues due to improved foreign trade. We must all live in one world and must generally either suffer or prosper together.

Remembering always America's vital interest in a world which is capable of buying her surplus products, instead of lessening the use of silver coins in Europe the United States can well afford to promote a steady demand based on such use by granting more liberal terms of settlement to any debtor nation which will make provision for the restoration of silver coinage to a uniformly established degree of fineness."

"That is why the joint resolution includes an added inducement to any nation indebted to the United States which will leave off debasing its silver coins and make them at least nine-tenths fine or otherwise expand its use of silver for coinage purposes."

(Current Arizona Senators are Victor Soltero and Paula Aboud. Arizona residents reading this should copy and paste some of Senator Hayden's remarks and send to their offices.)

"Britain Won't Seek A Currency Parley," NYT, May 10, 1932, page 29---

"London---Neville Chamberlain, Chancellor of the Exchequer, said in the House of Commons tonight that ***IT WAS IMPOSSIBLE FOR THE BRITISH GOVERNMENT TO ENGAGE IN AN INTERNATIONAL CURRENCY CONFERENCE*** at present because it already had many conferences on hand."

(As we saw in "Britain Against Silver III," Chamberlain was a Pilgrims Society member. Cynicism comes easily when considering these slippery operators. They must have conjured other conferences just for the basis of having an excuse to avoid the silver problem---which they took the leadership in creating!)

"By moving in parellel lines with America," he added, "we might achieve a common object, even if we did not meet around the conference table." This remark probably had reference to Winston Churchill's suggestion in a radio broadcast to the United States last night that the two countries should get together immediately to solve monetary problems. But whatever provoked Chamberlain's statement, ***IT RECEIVED THE APPROVAL OF INCREASING NUMBER OF MEMBERS OF PARLIAMENT***."

"Chamberlain's speech was chiefly devoted to answering criticism of the government's finance bill which developed in a debate on its second

reading. The Chancellor said the government did not want to see the value of the pound any higher than it is at present, but did want to increase wholesale commodity prices in this country. These statements were made largely in response to an inflationist speech by Sir Robert Horne who declared that deflation had already been carried on to a disastrous point."

"Sir Robert declared that the new tariff had been of great help to the country, but was inadequate by itself to restore British prosperity. He asked what the government's policy was with reference to the commodity price level and currency exchange and said the bank rate should be reduced to 2 percent, or even lower if necessary, to cheapen sterling, thereby increasing prices."

"While Chamberlain agreed that the pound should be held down and wholesale prices sent up, he did not agree as to methods. He said that the proposed decrease in the bank rate would not have the desired result. "We can't be sure," added the Chancellor, "that by manipulating sterling we can be certain of guiding commodity prices as we wish. The pound at $3.68 is three-quarters of its old value. If wholesale prices had moved in proportion of 4 to 3, but they have risen only 4 percent, while retail prices, which should have risen 10 percent, have actually fallen since the abandonment of the gold standard."

"The reason for this is that we do not buy all our imports from countries still on gold," he went on. "It is also because gold prices have fallen and because the dollar, with which we compare the pound today, is worth perhaps 10 percent less than the dollar with which we compared the pound last September." Sir Robert Horne declared that prices must be raised to at least the 1929 level, when business could be done at a slight profit. Arguing for lowering the bank rate, he said---"I may be told that would be inflation, but there is no more merit in deflation than in inflation. A man may have too much blood or too little; if too much, he dies of apoplexy; if too little, of anemia. The question is what is best between those extremes?"

"It is the same way with currency. Deflation has now gone to a disastrous extreme in this country, with the result that production is being carried on at a loss and the resources of industry are depleted. Prices would be raised to a profitable level by cheapening sterling, which could be effected by lowering the bank rate."

(We also hear much talk about which way interest rates move, and in many cases, there is the attitude that such changes can make or ruin us. But when money itself is of fiat nothingness, ruin arrives eventually, no matter what an interest rate is.)

"Under such circumstances, Sir Robert said, he would have no fear of flight from the pound. "If there was any such danger, the government has now got control of the exchange stabilization account and the bank has sufficient foreign currency to deal with the possibility of such a flight," he added. "There are great reasons why we should keep the pound at a reasonable figure, and we need not fear timid reactions to courageous policy. British stability and prestige as masters of national finance are reasserting themselves and ***THE WORLD TRUSTS OUR JUDGMENT AND CHARACTER TODAY MORE THAN EVER BEFORE***."

(Gee, the British wrecked silver and caused the Great Depression, they started attacking gold, and world confidence in their judgment was on the rise?)

"Urges Hoover To Call Conference On Silver," NYT, May 10, 1932, page 37---

"Washington---President Hoover was urged today by Representative Somers of New York, chairman of the House Coinage Committee, to call an international conference to discuss stabilization of silver. Mr. Somers was accompanied by Representative Perkins of New Jersey, ranking Republican member of the committee. "The President did not indicate whether he would or would not call the conference," Mr. Somers said. "He was non-committal, but he told us he would consider the suggestion."

"Mr. Somers said he would introduce a resolution during the week to authorize the President to call an international conference. "There is about $6,000,000,000 in visible silver in the world and about the same amount of invisible metal," he said. "The latter is simply composed of ornaments used by Indians and Oriental people, who will never relinquish them. A conference is necessary to prevent dumping of silver and to prevent 'bootlegging' of the metal after it has been stabilized. ***SILVER IS NOW SELLING AT 30 CENTS AN OUNCE, AND THAT IS ABOUT THE PRICE I HOPE WILL BE FIXED IF THE CONFERENCE IS CALLED***."

(First he sounded like a friend, then he said he wanted to see 30 cent silver maintained! Remember this Congressman was from New York State! Later he was active as a friend of the silver users!)

"Mr. Somers added that the conference would undoubtedly give rise to discussion over war debts and reparations, and he believed that was the chief reason it has not been called."

(Bankers can always blame things other than silver for what they've done to it.)

The NYT, May 11, 1932, front page, "Debt Payment in Silver Put Before Hoover; He Orders Plan Studied by Departments"---

"Washington---Senator Hayden of Arizona discussed with President Hoover today the Senator's joint resolution which would permit foreign nations to pay their debts to the United States in silver until July 1, 1936. He said afterward that the President had promised to send the resolution to interested departments of the government, which will make a report to the Senate Banking and Currency Committee. "I asked the President," said Senator Hayden, "that a very careful study of the effects of the resolution be made by the departments before passing judgment, and he promised that such directions would be given."

"The resolution also has been introduced in the House by Representative Somers of New York. It would authorize the President to accept silver in debt payments at the rate of one and one half ounces to the dollar until July 1, 1936. As a further concession, payments could be made at the rate of one ounce to the dollar where governments which have debased their silver currency agree to raise it to a fineness of nine-tenths silver, or where governments having no silver currency establish silver coinage."

"With silver selling below 30 cents an ounce, adoption of the program would mean a considerable reduction in the total received by the United States. Senator Hayden holds that the price of silver would be advanced by the operation of the plan and our foreign trade stimulated."

(A shorter story followed that news item)---

"Washington---Commenting on Winston Churchill's statement favoring Anglo-American cooperation for a world money conference, Chairman Borah of the Senate Foreign Relations Committee said today such a conference would be attended by every important nation. "Necessarily, some great and responsible nation must lead," he said. "***WE CANNOT GET ANYWHERE BY SUGGESTING TO SOME OTHER NATION THAT IT LEAD."***

(Borah was fed up with British stalling. The 1933 conference wasn't quite going to be what the silver using nations needed.)

The NYT, May 14, 1932, page 1, "House Group Backs Parley On Silver; Gold Study Included" subtitled "President Approves Plan" and "Insertion of Gold Question Meets His Objections---Vote Is Hoped For Next Week"---

"Washington---The joint resolution introduced by Representative Somers of New York, requesting President Hoover to call an international monetary conference which would consider the re-evaluation of silver wherever it is used as money and as monetary reserves, was reported favorably today by the House Committee on Coinage, of which Mr. Somers is chairman."

"This action marks another step in the agitation for world-wide consideration of the silver problem."

(Agitation? The silver people were supposed to take any perverse insults and body blows the British and their accomplices here wanted to deliver---and make no response?)

"The conference which the resolution proposes would also take in other questions such as the gold standard and international exchanges. Senator King has introduced a resolution in the Senate urging an international conference which would cover the silver question."

"The text of the Somers resolution is as follows---"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to invite all interested countries of the world to join with representatives of the United States at an international conference, to be participated in by as many countries as may be willing to send representatives & having as its objects---

"(1) The maintenance or restoration of the gold monetary standard within such countries as are desirous and capable of employing it, and the adjustment of monetary exchanges among such countries and other countries; (2) The discontinuance of the debasement of silver and silver coins and the discontinuance of sales by governments of silver obtained from the coins or monetary reserves of such governments; (3) The restoration of debased (continued on page 8) silver coinage to its former fineness; (4) The absorption into coinage or governmental monetary reserves of additional amounts of silver; (5) Means by which cover operations in silver may be reversed and ; (6) Such other methods dealing with monetary and exchange conditions as may be appropriate to follow the purpose of the conference."

"Another proposal dealing with silver which has attracted widespread interest lately is a joint resolution introduced in the Senate by Senator Hayden and in the House by Representative Somers, permitting the President receive silver at the rate of one and one half ounces to the dollar from foreign nations in payment of their debts to the United States Government. When Representative Somers introduced this resolution for a conference he said that the silver problem, being international in scope, could best be solved by international cooperation. He felt it desirable, he told the House, that a reasonable relationship should be established between silver and gold, but said this did not mean that these two metals should be placed upon the normal production ratio, nor that bimetallism should be adopted."

(Somers advocated at best half measures to help silver. Would Somers have thought it fair that the number of seats in the House of Representatives of these United States ceased to be apportioned according to the population ratio of each state in the Union? That's what he wanted to continue doing in silver---treat it unfairly while wearing a mask as one of its "friends." I guess his problem was some New York influence.)

"He said it appeared that at present no nation alone was in a position to restore the falling price of silver. "Many different peoples," Somers said, "are engaged in the commerce of the world; some use gold, some can only use silver. Changes in the values of these metals are therefore, always disturbing, but when the difference in value is as great as at present the channels of trade naturally dry up, and the result is chaotic."

(Yet Somers was like a fireman who advocated saving only part of a burning building! The story was followed by "Gold Clause Added For Hoover")---

"Washington---The President and Congress drew nearer to agreement today on the method of studying the rehabilitation of silver with the approval of the resolution directing the Chief Executive to call an international conference. Last minute changes in the program as presented by Representative Somers were said to have overcome administration objections. The New Yorker and the committee agreed that the resolution should include a proviso specifying that nations participating should consider the maintenance or restoration of the gold monetary standard in countries desiring it and the adjustment of monetary exchanges between such countries."

"President Hoover had objected to a proposal directing him to call an international conference to consider silver and nothing else. When the resolution can be brought before the House for action is problematical, but its sponsors hoped today that it could be passed next week."

(Hoover was still dissembling. Yes he was bitterly against monetary silver but he knew the Money Power wanted to hold a conference in London, not elsewhere. He would reach the end of his undeserved term as President still sitting on his hands.)

"Holds Higher Silver Would Raise Prices" subtitled "House Group Report on World Money Parley Stresses Elevating Commodity Rates," NYT, May 15, 1932, page 1---

"Washington---Recommendations made by the House Committee on Coinage, Weights and Measures that President Hoover call, not later than July 1, an international monetary conference, as requested in a joint resolution introduced by Representative Somers of New York, were made public today, together with a preliminary report on the resolution by a subcommittee of which Somers is chairman. The resolution was reported to the House by the full committee yesterday."

"Under the resolution, the silver problem would be one of the leading topics discussed at the conference. The subcommittee held that plans to restore the value of that metal and revive the purchasing power of countries which use it as the principal medium of exchange was essential to world economic

rehabilitation. The resolution, however, has been altered since its introduction, to broaden the scope of the conference and do away with any impression that the committee is recommending bimetallism or the abandonment of the principle of the gold standard by countries which are now on it or desire to restore that currency to that base."

(Well thanks a lot, Congressman Somers! He wanted to do something for silver, but certainly not go all the way. Or was it a ploy to get the camel's nose into the tent preparatory to having the entire camel inside?)

"The change, it was said, was made after Somers and Representative Perkins of New Jersey visited President Hoover a few days ago in an effort to determine his attitude on the proposal. The new provision included the following subjects to be discussed--- The maintenance or restoration of the gold monetary standard within such countries as are desirous and capable of employing it, and the adjustment of monetary exchanges among such countries and other countries. At the White House today no word could be obtained as to what the President might do if the resolution was adopted."

"Representative Somers and his group, however, are hopeful that the President will look favorably on the resolution, now that the change has been made. Copies of it have been sent to the State Department in the expectation that the department will sound out other nations as to their attitude should invitations be issued, or at least make available to the committee such information as it now has. The understanding is that, pending such information from the State Department, no effort will be made to bring the resolution up for action."

(They knew the Hoover administration wasn't going to do anything about the silver crisis. That was a cowardly thing for those Congressmen to do, to say they wouldn't take further action until they heard back from the State Department which was---and perpetually is---under heavy British influence, as all Secretaries of State are Pilgrims Society members.)

"The subcommittee in its report stated that the raising of the level of commodity prices was the most urgent need of the world today and while not mentioning the Goldsborough credit expansion bill by name (continued on page 26) said that most plans which contemplated advancing prices only by the inflation of credit should be dismissed as unsound."

(Actually all such plans are unsound, even if appearing to have incipient beneficial stimulus.)

"The result of the dislocation of money and commodity prices was described as a paradox of want in the midst of plenty. "All witnesses agree that the dislocation of exchanges is one of the basic causes of world depression which had drawn in its vortex one nation after another during the last two years," were the words of the report. As to war time debts owed this country by foreign nations, the report said---"Every nation is anxious to pay these debts, provided it can secure the money. If we can raise commodity prices, we automatically reduce these debts which can then be paid. If commodities are kept where there is no profit in their production, then the American taxpayer will pay these war debts. There is no other alternative."

(That reminded me of our foreign aid programs over the years. This aid has seldom gone for any salutary purpose. Many times it is simply rerouted to corporation branches overseas---clearly a matter of theft.)

"If the price of silver could be raised from thirty to sixty cents an ounce, the result would have the same effect as the discovery of a new gold mine, producing and making available to the world $3,000,000,000 of gold. The report contended. This would bring an immediate rise in commodity prices and bring the world back on the road to prosperity. Representative Somers in an interview emphasized that the committee had suggested nothing which even smacked of bimetallism. "Not one member of my committee." He said, "comes from a silver producing state, but we all want to protect the gold standard for this country by raising the price level so as to restore capacity to pay all debtors. Otherwise, repudiation both at home and abroad stares us in the face."

(Somers knew the ways of duplicity. He advocated raising the silver price because he was concerned about war debts being settled and the unemployed being put back to work. Yet he disavowed bimetallism. That's strange, since he was, in effect, boosting it, even if not acknowledging the fact.)

"Practically all bonded indebtedness in America being payable in gold coin of the present standard of weight and fineness, it is absolutely imperative that we should make every effort to protect the gold standard. "The integrity of the gold standard can only be maintained by raising the price level of commodities, because debts of every nature, while measured in gold, can be

paid only in commodities, labor or services produced by the debtor. We must not lose sight of the fact that money, like every other commodity, is subject to the natural laws of supply and demand, so that if the supply of money is reduced for any reason, money will rise in terms of commodities or the commodity price level will go down."

"When silver was largely discarded as auxiliary money shortly after the war the European nations did not realize that they were automatically reducing the world volume of money, first by taking away from the silver money still remaining in use a part of its gold value, and second, by causing frightened capital in the Far East to convert silver into gold and to hoard that gold."

(No---they absolutely knew what the effects would be. They were not innocent!)

"THE WORLD MONEY SYSTEM, WHICH HAD BEEN FUNCTIONING FROM TIME IMMEMORIAL ON THE TWO CYLINDERS OF GOLD AND SILVER, IS NOW BEING ASKED TO FUNCTION ON ONE CYLINDER ONLY."

(That's profound wisdom on the part of a Congressman who claimed he wasn't advocating bimetallism!)

"The volume of money had thus naturally risen in terms of commodities, and as commodities have fallen debtors have been obliged to produce more and more commodities to meet the same fixed obligations. This spells bankruptcy to the debtors or repudiation to the creditors."

"One after the other, nations have been obliged to repudiate their obligations either through moratoria or by leaving the gold standard. They have put up tariff barriers by way of defending their markets from dumping by countries whose cost of production is based on depreciated money. Today America vies in world markets in open competition with nations whose costs of production are based on cheap exchange, and therefore we in the United States are obliged to continually lower prices to meet this competition."

"Our producers and workers, on the farms and in the factories, are now competing with Chinese coolie and Spanish labor at a 55 percent disadvantage; they are competing at a 40 percent disadvantage with Japan and Mexico, at a 24 percent with British and 26 percent with Scandinavian

labor. Obviously we must in time lose our entire foreign trade under these circumstances. As long as we produce a surplus of wheat, cotton, copper, oil, tobacco, automobiles etc., we must sell abroad."

"No local measures of reflation silver, who feel that an international can effectually alter the world price level, but a concerted effort by international cooperation can unquestionably raise it and I know of no other means to accomplish this objective than by making world money more plentiful by giving to silver its prewar gold value."

(Whew! The first part of that sentence is convoluted---that's verbatim how it was worded!)

"This can be easily accomplished by reverting to prewar money policies which dignified silver as the auxiliary metal in the Western money system. This requires simple international action, which we propose to bring about by requesting the President to call a conference and, if at that conference a better plan is offered, I am all for it."

(Hoover didn't care how many voices were pleading with him to call a silver conference, he wasn't going to do it because it would displease England!)

"In the Senate the Somers resolution was received with some doubts by advocates of the rehabilitation of conference should be restricted to that metal."

(Here's another boo-boo! Something was wrong with their typesetting!)

"That's too large an order," Senator King of Utah said. He felt it would be wiser to make the scope of the Somers resolution more in line with a joint resolution King introduced on April 5. That resolution would authorize the President to call a conference "for the purpose of considering and devising plans to increase the use of silver for monetary and other purposes, ***INCLUDING THE RESTORATION OF SILVER TO ITS PROPER MONETARY STATUS AS A PART OF THE PRIMARY AND BASIC MONEY OF THE WORLD***."

(Utah Silver Senator William H. King, terms 1917-1935, was an attorney and a fine champion for monetary silver)---

"Senator King said that he would call up his resolution at the first opportunity and added that ***SENTIMENT FOR AN INTERNATIONAL CONFERENCE WAS CONSTANTLY GROWING***. Stating that he had received letters and telegrams of approval from various foreign countries, he said that Joseph Caillaux, former French Premier, approved the idea of bimetallism, as did many other prominent men abroad. The suggestion had been made that in lieu of a government conference, members of Congress or Parliaments should meet to discuss the silver situation. ***ALL OVER THE WORLD A DEMAND THAT SOMETHING SHOULD BE DONE TO IMPROVE THE ECONOMIC SITUATION WAS GIVING IMPETUS TO A SILVER CONFERENCE."***

"Senator Wheeler of Montana, another Senator of a silver producing State, was not enthusiastic over the Somers resolution. "I fear the effect of a conference, ***BECAUSE THE PRESIDENT HAS NOT BEEN SYMPATHETIC TO SUCH A PLAN, AND I AM AFRAID THE DELEGATION HE WOULD APPOINT WOULD NOT BE HEARTILY IN FAVOR OF THE IDEA***," he objected."

(Senator Wheeler was correct to mistrust Hoover. He would have appointed a delegation riddled with Pilgrims Society members, CFR, Rhodes Scholars and the whole miserable mess like Wolf's Head and Skull & Bones.)

"I think the proper plan is to institute bimetallism through my bill, or one similar," he added. "Great Britain would follow our lead, and if she did so, other countries would fall into line. In my judgment, unless something is done, we will be a long time getting out of the depression."

(We were following Britain's lead and not the other way around. After shrugging them off militarily for the last time in January 1815, we were still in their diplomatic and banking cross-ownership grasp. That influence remains today but could be broken with Ron Paul as President.)

"Bimetallism would do more to raise commodity prices than anything else. It would increase the purchasing power of the Orient and Latin America and do an enormous amount toward restoring our trade." Pressure from Western states producing silver, such as Arizona, Montana, Nevada and Utah, is steadily growing in Congress."

(Pressure from New York, New Jersey and Pennsylvania for paper money was nothing new. Why should the Silver States have been inactive? The Silver Senators recognized the shortcomings of Congressman Somers.)

The NYT, May 15, 1932, page 26 featured the text of the House Committee report urging Hoover to call a monetary conference---

"Washington---The subcommittee on Coinage, Weights and Measures to whom was referred House Resolution 72, having held hearings under its authority, reports therewith with certain recommendations. The raising of the level of commodity prices is the most urgent need of the world today. Most plans proposed to accomplish this comprehend only inflation of the credit structure without the desired effect on commodity price levels and are, therefore, to be dismissed as unsound. World commodity price levels can only be raised soundly and effectively through strengthening the metallic bases of the money systems by cooperative international action; not by addition to an already overburdened credit structure."

(No faults found so far!)

"In a world wherein credit is a symbol of civilization, money should be the medium by which to measure all values including the necessities of life; yet, under economic pressure, money has reverted to the role of wealth itself. If we are to propose a cure for the break-down, we must restore to money its proper function, which is that of a yardstick of value. Where there is maladjustment we must correct it before we can expect money efficiently to perform its duty. If money is weak, we must eliminate its weakness that way may build s strong and efficient system."

"The spectacle of money conditions in the world today presents an array of marked inequalities---two great nations holding sixty percent of the visible gold supply; they do thirty percent of the world's trade, while the remaining forty percent of gold is called upon to swing with the same efficiency seventy percent of world trade. These two nations, in their role as creditors, are demanding that the money due them be paid in gold, yet those who owe them money have not the gold necessary to meet such demands, nor is there any possible means of their acquiring it."

"As a result, twenty nations, led by Great Britain, "the mother of the gold standard," have been forced off gold and are using managed currency, silver or paper."

(In my view, this concentration of gold in America and France was arranged so as to cause a world crisis, in addition to the great silver crisis! This gave Britain more excuses to push fiat currencies worldwide!)

"Meantime the nations which have not left the gold standard are struggling desperately to hold on to it. The situation is rendered still more complex by the fact that 50 percent of the people of the world are, by their circumstances and tradition, linked to silver. ***CHINA CANNOT, IN THIS DAY OR GENERATION, GO TO GOLD***. Its habit and traditions have not prepared it for advanced the credit standard."

(Did the subcommittee intend to say, "for the advanced credit standard?")

"As long as it remains on silver, there will be two yardsticks of value. The problem which the subcommittee faces is how to preserve a reasonable relationship between these two yardsticks while giving a general validity to the exchange media of all peoples without attempting the unsound and impractical agency of definitely fixing this relationship at a given ratio

between the two precious metals which form the bases of the world's money systems."

"Throughout its investigation the subcommittee gave particular attention to the causes of the present depression. ***THE DISASTROUS CONDITIONS THAT ARE UPON US ARE ANALOGOUS TO THOSE PREVAILING DURING THE WAR. WIDESPREAD SUFFERING, HEARTBREAKS, DISASTERS AND LOSSES ARE NOT DISSIMILAR TO THE CONDITIONS EXISTING DURING THE DARK DAYS OF WORLD CONFLICT. MANY WHO HAVE SPENT YEARS IN HONEST TOIL HAVE SEEN THEIR PROPERTY VALUES SWEPT AWAY---MANY HAVE HAD THEIR ACCUMULATIONS OF A LIFETIME SOLD UNDER THE HAMMER IN THE ENFORCEMENT OF A DEBT THAT WAS MADE UNPAYABLE IN A FLUCTUATING DOLLAR***."

(All the misery of the Great Depression traces to the actions of The Pilgrims Society in its astonishingly vicious attack against silver, led by Viceroy Halifax of India starting in 1926---as we saw last August. The world is at risk of international war as long as this organization exists!)

"This fluctuation is disastrous to creditor and debtor alike, because while debts are fixed in money, they are paid in commodities or their proceeds. The lowering of the commodity price level has made debts harder to pay, with consequent losses to both debtors and creditors, so that it is only through the raising of commodity prices that we can bring back the normal and proper basis of economic relationship between them. Both creditor and debtor are benefited by the stability of money and commodities, the one because the menace of repudiation is removed, while bankruptcy no longer threatens the other."

(While many creditors suffered, they certainly didn't all suffer. In his 1974 book on Paul Mellon---wherein biographer William Hoffman never mentioned Paul's membership in the Pilgrims Society---although he did mention that he was "constantly entertaining heads of state and royalty," he detailed how his father Andrew Mellon used the Depression to acquire property on an almost undreamed of scale.)

"The result of the dislocation between money and commodities has brought about the paradox of want in the midst of plenty, privation and suffering, discouragements, unemployment, doubts, and moral depression, all of which

justify vigorous and immediate action and render delay inexcusable once the corrective is found."

(They just took a jab at President Hoover, a British Redcoat in disguise.)

"Your subcommittee was careful not to rush unduly through its deliberation so that it could arrive at a definite finding of the facts and the determination of a sound plan that opens the way to a basic remedy. The 8,000,000 unemployed in this country, the reduced earnings of business organizations operating with high overhead at part capacity and in the face of ruinous prices, entail an enormous and continuing loss to the country. Professional men and women have lost their usefulness. To top all of this, the great section of productive industry, including the farmers, is completely prostrated. The farmer is particularly unfortunate under the present dislocation. Industrious, worthy, capable farmers, whose experience and service are of great value to the nation in their present station are losing their lands because the prices of their products are so low that they cannot meet their indebtedness with them."

(This situation was a parellel with the Crime of 1873 in which, thanks to influence by the Bank of England, countless people saw their mortgages foreclosed because silver couldn't be used in any single payment of more than $5! There is a ***MONETARY CONSPIRACY*** that has existed for centuries to attack silver first then gold, led by a small inner circle of powerful men, whose top lieutenants are concentrated in The Pilgrims of Great Britain and The Pilgrims of The United States. This organization comprises most of the management of Bilderberg, Trilateral and CFR.)

"HUNDREDS OF THOUSANDS OF FARMS ARE LOST WITHIN A PERIOD OF MONTHS. IN ONE STATE 60,000 FARMS WERE REPORTED SOLD IN A SINGLE DAY FOR TAXES. THERE IS NO BASIS WHEREWITH TO MEASURE THE MORAL LOSSES OR THE MENTAL AND PHYSICAL ANGUISH OF OUR PEOPLE."

(This was probably the start of what has become the agribusiness giants moving in on family farms to consolidate food production. The Money Power misses no opportunity to impoverish the world. In Hoffman's 1971 book on David Rockefeller, he detailed as to how his International Basic Economy Corporation consolidated the dairy business in Venezuela by

selling below cost to ruin independent producers, then aggressively raised prices.)

"In the face of such a condition, which we all know actually exists. It does not behoove us to stop to measure or consider in detail the cost of removing the causes that have brought us to our present predicament. The subcommittee, after making a careful survey of these conditions, especially from the angle of money, its fluctuations and its relation to commodities, called before it some of the nation's leading bankers, money and exchange experts, importers and exporters, metal producers and economists, and has invited expressions of opinions from persons of distinction and prestige both at home and abroad. It has come to the obvious conclusion that the raising of the commodity price level can best be achieved by stabilizing the exchanges and thereby removing one of the principal obstacles to international trade."

(A look at the list of these men who came to testify at these hearings would show that not all of them were in favor of silver's restoration.)

"All witnesses agree that the dislocation of exchange is one of the basic causes of world depression, which has drawn in its vortex one nation after another during the last two years. The witnesses were unanimously of the conviction that disorganized currencies contribute a major portion of the world's distress which, in view of the emergency leads the subcommittee to make a partial report of their findings at this time to Congress, with the intention of supplementing this preliminary report with a final one at a later date. We find that the fundamental facts involved, as clearly shown by our study of ***THE CAUSES OF THIS DEPRESSION ARE SIMPLE RATHER THAN COMPLICATED***---only the detailed ramifications, in themselves less important, appear to present difficulties."

"Our investigation has covered the various major depressions that have occurred in the periods since the Napoleonic Wars. Certain underlying causal forces are common to them all. Some show varying phases but they are phases of the same fundamental situation. The subcommittee, through the weight of testimony, has learned that the ***MAJOR DEPRESSIONS HAVE FOLLOWED GOVERNMENTAL ACTION WHICH DIRECTLY RESULTED IN THE DISLOCATION OF MONEY*** and, through it, of commodity values or, in other words, in the destruction of profits from productive industry."

(There was a book called, "The Wallace Contract and the Watergate Connection" that made exactly the same point!)

"Profits reduced when the general commodity price level is suddenly lowered by whatever cause, and completely wiped out when the price level goes below the cost of production. The position of the United States has shifted as a result of the World War from a debtor to a creditor nation. As a result of this, the profit from our productive industry has assumed greater importance as it established through investment as well as consumption the basis of a market for our manufactured products. The maintenance of a condition of prosperity in the United States is, therefore, accentuated to the point that the restoration of productive industry to a profit-earning basis is of transcendental importance. To convey this idea in other words we would say that the purchasing power of money must be brought back to normal and, to do this, ***THE CAUSE OF DISEQUILIBRIUM IN MONEY MUST BE REMOVED***."

"Our investigation has revealed that certain European nations, in an effort to protect their manufacturing industries by affording a better cost basis through lower prices of raw materials and foodstuffs, suddenly and either inadvertently and unintentionally ***OR QUITE DELIBERATELY*** depressed the world commodity price levels below the point that admits of any profit to the American producer. We find that this result has followed directly and definitely ***FROM CERTAIN GOVERNMENTAL ACTS***, the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered."

"The cause and effect relation is definite and simple; there is no evidence submitted which tends to confuse this relation. Evidence has been submitted to contradict some of the facts, but in each instance these facts have been developed and the contrary evidence has been shown to have been based on misunderstanding or misconception, or upon a partial consideration of the facts with other important phases left out of consideration."

"We find that these depressions have come about as a result of dislocation in money which disrupts commodities through changing the price levels which direct their movement. The value of money, like everything else, is determined by supply and demand, yet money being the yardstick of value, its scarcity or abundance directly affects the commodity price level. The

dislocation of money comes through the fact that the Orient relies principally upon silver for money or savings. Commerce between the Oriental and the Occidental countries affords a contrast between silver and gold, and exchange between the two groups is dislocated to the damage of commerce through any violent fluctuations in the price of silver in its relation to gold."

"Anything that suddenly changes the supply of money affects its value in commodities and anything that suddenly threatens to destroy the value of silver money in Asia causes a flight of silver capital which is converted into gold or gold exchange in tremendous amounts, thus rarifying gold, which thereupon rises in terms of commodities. This also constitutes a drain upon the central banks of the gold standard countries by sterilizing their stock of gold and threatening their credit structures, which automatically inflate in relation to the reduced volume of the metallic base."

(Although I didn't react well to talk of sterilized gold, otherwise, this paragraph of economics jargon read much better than anything I ever saw in my college economics textbooks.)

"Our investigation has shown that legislation affecting silver has had a double effect---(1) ***IT HAS DECREASED THE METALLIC BASE OF MONEY IN THE WORLD*** and (2) at the same time has caused a sudden and violent increase in the demand for gold in nations which had previously used silver as the base of their monetary systems. This was exemplified when the Indian Government, in response to the Hilton Young recommendations, created over night an additional demand for gold in substituting gold for silver in her rupee reserves. ***BY THE SAME ACT SHE DESTROYED PART OF THE WORLD DEMAND FOR SILVER***."

(That's exactly what we've been documenting since last August! The British fully intended to eliminate silver as money forever from the world stage. To their everlasting dismay, it is mounting as fantastic a comeback as has ever been seen!)

"THE RESULTS OF THE SITUATION BROUGHT ABOUT BY THE DESTRUCTION OF SILVER ARE VERY ACUTE AND ARE RAPIDLY GROWING WORSE, so that even though our investigation is not finally concluded, we feel constrained at this time to recommend that immediate steps be taken by the United States Government to restore prices of

commodities to normal levels so that a proper relationship between debtors and creditors shall be re-established."

"The effect that silver has had upon the commodity prices of the world may be traced back as far as the year 1335, when Parliament, meeting in the city of York, then capitol of Northern England, passed a statute prohibiting the export of good money and bullion and the importation of bad money. The extraordinary rise of commodity prices in the latter part of the fourteenth century was due to governmental manipulation of the monetary system, while debasements in the fifteenth century brought to the Old World exactly the problems we are struggling with today. The dislocations and economic disturbances of the sixteenth century likewise find their origin in the supply of silver, not the shortage of it this time, but its abundance through the overproduction of South American mines."

(That would be a fascinating study with the Spaniards removing metal from New World colonies and the English wresting some shipments from them on the high seas!)

"Since Great Britain's enthronement of gold through Lord Liverpool's coinage act in 1816, ***SILVER PRICES HAVE STEADILY DECLINED*** except when temporarily affected by wars of the principal nations. This continuous drop of silver was paralleled by a similar drop in commodity prices. That this relation between silver and commodity prices continues to the present time is shown by the Federal Reserve chart covering the years 1913-1931, which evidences that ***SILVER IS THE PRECURSOR OF MAJOR COMMODITY PRICE MOVEMENTS AND HENCE MAY BE CONSIDERED THE KEY COMMODITY***."

"This chart, originally compiled in 1930 by the Federal Reserve Bank of New York, shows the course of silver prices superimposed upon the course of the general commodity price level from 1913 to the end of 1931. It will be noticed that until the beginning of the war the average price of silver fluctuated around 60 cents an ounce. In 1918, under the Pittman Act, the United States Government was authorized to sell silver to the Indian Government at $1 an ounce. On this basis some 200,000,000 were sold. What effect did it have on silver? If we look to No. 1 on the chart we will notice that the advance in silver prices was stopped and held stable during the months that this act operated. We further observe that some very few

months later the movement in commodity levels is rather strikingly reflected."

"In late 1919, ***THE GOVERNMENT OF THE UNITED STATES ANNOUNCED THAT IT WOULD SELL SILVER IN LARGE AMOUNTS***. As a result, the course of silver turns down, as will be seen under No. 2 of the chart. ***SEVERAL MONTHS LATER THERE IS AN ALMOST IDENTICAL DROP IN THE COMMODITY PRICE LEVEL***. In 1920 the British Government debased its silver coins and sold its surplus upon the markets of the world. The drop in silver as shown by the chart is followed by a similar general fall in commodity prices. For a period from 1921 to 1925 silver was relatively steady, as was the level of commodities."

"In 1926, the Royal Commission on Indian Currency and Finance sat in London under the chairmanship of E. Hilton Young. As a result of their deliberations, India was put upon a gold bullion standard. Gold reserves were to be partially created through the sale of silver rupees, ***CONSISTING OF SEVERAL HUNDRED MILLION OUNCES. THE THREAT OF DUMPING BY INDIA OF HUGE AMOUNTS OF SILVER ON THE MARKETS OF THE WORLD LAID THE BASIS FOR THE MONETARY DISLOCATION WHICH WE ARE STILL WITNESSING. THE DEPRESSION IN THE PRICE OF SILVER IS AGAIN FOLLOWED, AS THE CHART SHOWS, BY A LIKE DECLINE IN PRICE LEVELS."***

(Let that silence all who, by intentional dishonesty, ascribe the cause of the Great Depression to any other cause, such as the stock market blowout in October 1929! All other problems were mere tributaries to this giant "Amazon" of causation---***ENGLAND'S ASSAULT AGAINST SILVER MONEY***! There can be no dispute---if silver money is attacked, most people suffer---not merely those who produce and own it!)

"Again, in 1928 and 1929, Indo-China and Belgium demonetized, melted up and sold silver coins in world markets. The course of silver prices shown on the chart dropped downward to its present low level of approximately 28 cents an ounce. The course of commodity price levels corresponded with the same downward movement. ***THE BLOW WHICH SILVER RECEIVED DURING THE INTERVAL OF TWELVE YEARS IS ATTRIBUTABLE TO GOVERNMENTAL ACTION AND NOT TO AN***

ABNORMAL INCREASE OF SILVER PRODUCTION, AS NO INCREASE HAS TAKEN PLACE."

"debasement and demonetization and the flight of capital which they superinduced are the direct consequences of governmental acts. If the stability of money has thus been destroyed by governmental acts, it can be restored by the same process and therefore, this committee is convinced that it is possible to restore confidence in money, stabilize its purchasing power and raise commodity prices through the instrumentality of sound legislation and administration."

(That's correct, but the Money Power would prevent that occurrence by seeing to it that from the perspective of public benefit, the wrong people would be placed in office---just like the shill candidates they push at us today.)

"The problem of giving to silver some integrity in gold countries in order to restore confidence in it as a purchasing medium is international in scope. The subcommittee feels that no one country can easily solve this problem alone and therefore, a complete inquiry into the present low price level of silver with the unselfish aim of finding that necessary germ of stability from which restoration of confidence might emanate is not only advisable but is our most immediate necessity."

"It is well to bear in mind that the war debts must be paid. They will either be paid by those who owe them or by the taxpayers of the United States. Every nation is anxious to pay these debts, provided it can secure the money. If we can raise commodity prices we automatically reduce these debts which can then be paid. If commodities are kept where there is no profit in their production, then the American taxpayer will pay these war debts. The choice is clear. There is no other alternative."

"The calling of an international conference for the sole purpose of raising the price level by the restoration of equilibrium in the exchanges, through the basis of the monetary systems, provided its call clearly states its purpose and procedure, would have a swift, profound and lasting effect, so that it could be determined whether we were on the right path before the conference actually met. If our determination to hold such a conference resulted in the reversal of gold cover operations, which were nothing more nor less than short sales of silver by the Far East, it would release the gold or

gold exchanges involved, which are estimated conservatively at $1,000,000,000 in amount. This would be tantamount to a simultaneous sale of gold and purchase of silver in the amount of $1,000,000,000---a transaction that would raise the price of silver, or to the same degree reduce the price of gold when expressed in commodities."

"If the price of silver could be raised from 30 to 60 cents per ounce, the action in itself would have the same effect as the discovery of a new gold mine, producing and making available to the world $3,000,000,000 in gold. We arrive at this figure by estimating world stocks of silver at 10,000,000,000 ounces and giving it an increased value of 30 cents an ounce. Were it possible to instantaneously produce and distribute the equivalent of $3,000,000,000 in gold throughout the world, the price of commodities would rise on the quantitative principle if for no other reason. This would immediately relieve the tension of the world depression and, in all probability, bring us back on the road to prosperity. The possibility involved in this action is, in the opinion of the subcommittee, deserving of the most careful consideration of all charged with the responsibility of our national welfare."

"It is recognized that some nations may not desire to participate in such a conference for reasons regarded by themselves as adequate. We feel, nevertheless, that such nations as do desire to participate in the effort to improve the situation should have the opportunity to do so and se believe they are sufficient in number and importance to assure substantial and beneficial results."

"We recommend therefore, that the President of the United States immediately issue a call for a conference of all nations interested in the restoration of the commodity price level through the stabilization of international exchanges by restoring the equilibrium in the metallic bases of the money systems; such conference to be held at the earliest possible date, but not later than July 1, 1932, and in such city as the President may designate."

(Hoover would sit on his hands and take no action in response to this Congressional prodding. Were his orders coming from John D. Rockefeller Jr., Andrew Mellon---or straight from London? There is no way to know except that these men function in tandem as a unified power bloc.)

"We recommend that it be conveyed to the proposed conferees that as debts of all natures are fixed and measured in money, but in fact are paid in commodities or their proceeds, the problem should be approached from the angle of the price level which can be most effectually controlled through the money systems because these systems have a disproportionate power of leverage on the large body of commodities through the price level which regulates their movement. All these systems, whatever their local nature, have their bases in the two precious metals, so that a normal relationship between these two is prerequisite to equilibrium in money and through money, in the price level of commodities."

"The raising of the commodity price level should have instant appeal to those nations which are debtors of the United States if for no other reason than that international debts will be reduced in inverse ratio to the rise in commodities. If the proposed conferees should not agree that the raising of the price level can best be achieved by this means, they can then offer such other suggestions as may accomplish the purpose."

(The subcommittee knew there weren't any other viable approaches but offered others the right to butt their heads on a stump.)

"The nations which decline to attend a conference which will be called for the sole purpose of re-establishing the normal basis of economic relations between debtors and creditors, thus materially favoring such nations as are debtors of the United States, ***WILL AUTOMATICALLY HAVE SERVED NOTICE ON THIS COUNTRY THAT THEIR TRUE INTENTION IS NOT TO REDUCE THEIR DEBTS TO THE UNITED STATES, BUT RATHER TO INDUCE OUR GOVERNMENT TO ESTABLISH THE PRINCIPLE OF THE CAPACITY TO PAY AT A TIME WHEN THAT CAPACITY IS VIRTUALLY NONEXISTENT."***

"In such event the inference is clear, and this government should at once accept the only other alternative which the self-preservation of our people imposes upon it. We recommend that, despite non-cooperators, the conference be held with such countries as are willing to make a common effort for a common cause, so that together with them we may devise ways and means to cope with a condition which threatens the very foundation of our economic life."

(The statement was followed by a Minority Report)---

"We desire to join in reporting out the joint resolution based upon the partial report filed pursuant to House Joint Resolution 72, and we agree as to the advisability of having the President call an international conference for the purpose of giving consideration to monetary matters, whether the same be of national or international significance. However, we regret that we cannot concur in some of the statements of facts made in the partial report and some of the deductions reached by the majority. We believe that no good purpose would be served in making a detailed analysis of our objections, so with these brief reservations we join with the committee in reporting out the joint resolution."

(What these Congressional miscreants were saying was (1) silver isn't money anymore because the Money Power says so and (2) Great Britain played no role in causing the Great Depression and (3) a monetary conference is needed to get rid of silver for good and move to put an end to gold so we can be on full fiat like the big bankers want us to be because they bought us off." The objectors were Randolph Perkins of New Jersey and member of the Arcola Country Club, a haunt of elitists; Lloyd Thurston of Iowa---surprising since the farm belt usually backed the silver States; Thomas R. Amlie of Wisconsin, who was "elected chairman of American Commonwealth Political Federation" in 1935---sounds like a banker front---Who's Who, 1940, page 175; Victor Christgau of Minnesota, a member of the American Farm Economic Association, probably another front to infiltrate and draw off opposition by confusion; and George J. Schneider of Wisconsin, vice president of the International Brotherhood of Paper Makers Union---Who's Who, 1932, page 2035. Evidently he felt that paper is a money superior to silver!)

The Times, London, May 17, 1932, page 11, "Cheaper Silver" was a letter from E.L. Franklin---

"In the report made on the silver question by the committee of experts of the International Chamber of Commerce, of which small body I was a member, among our recommendations was the following---"***THE COMMITTEE ALSO CALLS ATTENTION TO THE UNREASONABLY WIDE MARGIN WHICH EXISTS BETWEEN THE WHOLESALE PRICE OF SILVER AND THE RETAIL PRICE OF THE ARTICLES MANUFACTURED FROM SILVER, AFTER MAKING AMPLE ALLOWANCE FOR LABOUR COSTS."***

(The reader is directed to "The $150 Cufflinks" in Archives section for a critical and factual look at Tiffany & Company, the Silver Users Association member who most likely enjoys by far the highest percent mark-up on fabricated silver of any SUA member, while bitterly complaining about even small increases in silver prices received by miners!)

(Mr. Franklin also reported receiving comments from an "American colleague on this committee" regarding "the unreasonably wide margin which existed between the price of bar silver and the retail price of the articles manufactured therefrom.")

The NYT, May 17, 1932, page 33, "Borah Urges Silver As Currency Basis"

"Washington---Monetary stabilization is as urgent a necessity during the present session of Congress as balancing the budget and granting relief to the unemployed, Senator Borah said in a Senate speech today. "With the constant fall of prices and the constant diminishing of returns," he said, "it is impossible for anyone to give any reasonable estimate as to what will be required to balance the budget."

"If we cannot, before we adjourn, work out some reasonable plan which will stay the fall of prices; if we cannot aid the farmer and the business man to balance their budgets, this talk of balancing our judgment, in my judgment, will never be realized. In his speech Borah renewed his old plea for the use of silver as a currency base. "We must take up the question of the stabilization of the dollar," he said. "A farmer may go to sleep with a $1,000 mortgage on his land and, by reason of the fluctuating value of the gold dollar, wake up to find that he owes an additional 10 percent."

"How many suicides must we have, how many persons go insane, how many farms must be sold under the hammer, how many businesses be closed up, before we take a single step to stabilize the value of the dollar?" Borah said that stabilization must be accomplished "either through the Federal Reserve System or some other method which Congress may point out."

(I don't think he really trusted the Fed. He had to have been aware of their hostility towards silver.)

"He contended that silver never has fluctuated "since the time of Abraham," more widely than gold, quoting statistics to show that between 1879 and 1896 the gold dollar rose 27 percent; that from 1896 to 1920 it fell 70 percent, and that from 1920 to September 1927, it again rose 56 percent in value. "The business world cannot continue under that condition of affairs," Senator Borah added. "There will be a collapse. If we have no remedy for the fluctuating value of gold which is now in hiding, now being hoarded, which retreats the minute trouble comes, it is impossible for the business world or agriculture to continue, and the balancing of the budget would be an iridescent dream."

"Silver has never fluctuated in value to a greater degree than gold, ***EXCEPT WHEN IT HAS BEEN LEGISLATED AGAINST BY GOVERNMENT.*** If we take the course of gold, and its value, its purchasing power, and that of silver, from the time of Abraham down to recent days, we find that the fluctuating value of silver has not been greater than that of gold at any time."

"Borah spoke during a temporary cessation of hearings on the House Goldsborough bill, which recently has been the subject of hearings before a Senate Banking and Currency subcommittee, under the chairmanship of Senator Walcott."

(I found Phillips Goldsborough in the 1932 Who's Who, page 956, listed as a Senator from Maryland and vice chairman of Baltimore Trust Company. He was apparently cousin to House member Thomas Goldsborough. Senator Frederic Walcott of New York was an 1891 Yale graduate, suggesting his membership in one of their "secret five")---

"This bill would direct arbitrarily that the Federal Reserve System maintain commodity prices at a predetermined level."

(Tampering with the free market would never have been sanctioned by the Founding Fathers!)

The Times, London, May 18, 1932, page 6, "Cheaper Silver" presented a letter from John J. Hodges, director of The Goldsmiths and Silversmiths Company of The City of London---

"I feel that the letter in The Times today from Mr. E.L. Franklin stating that there is "an unreasonably wide margin between the wholesale price of silver"---by which I suppose he refers to the quoted market price for bar silver---"and the retail price of the articles manufactured from silver, after making ample compensation for labour costs," should not be passed over without some comment from a member of the trade here. The percentage of profits made by our silversmith friends in the States has always been a much higher one than in this country."

(What, was that an attempt to get the English public to focus on another country's market, so as to reduce some pressure on them?)

"All progressive firms in London have reduced their prices to the public from time to time in the past few years, as the costs of silver and labour have

fallen, and without waiting for the present depression to force them to do so."

(Were the price reductions commensurate with the fall of silver? Were the reductions on the order of 50% or more? A scan of microfilm for advertisements in 1925 compared to 1932 would tell the tale without bias. He said the depression would have forced them to lower prices in any case; so, they were supposed to be consumer heroes for doing what they would have been forced to do so anyway?)

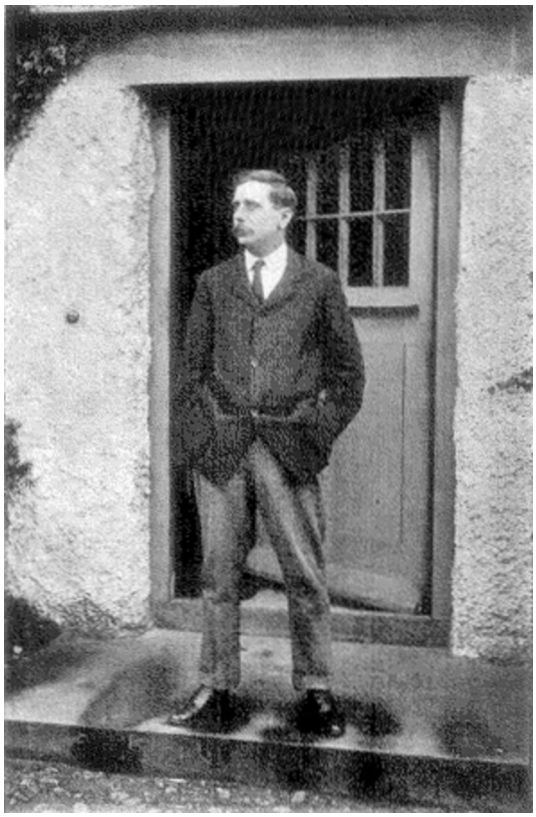
"The silversmith is struggling hard at the present time for sheer existence, without hoping much for profits, a state of affairs not healthy for the trained craftsmen, the manufacturer, retailers, or the country generally."

(People faced with choosing food, clothing and shelter would normally choose these over any luxury items. There were far more people badly affected by the silver price in the mining sector, than in the silversmith arena.)

The NYT, May 18, 1932, page 5, "Wells Expects Unity Of World's Credit" subtitled "British Author Tells Madrid That Only Unification Can Prevent Crash of Nations"---

"Madrid---"Things are moving rapidly to the world unification of credit and currency," H.G. Wells, British author, said here today on his arrival to deliver an address tomorrow. "I do not know whether this means extreme socialism or bolshevism everywhere, but if unification does not come very soon everything is going to smash. "If the bankers do not recognize the danger, it means the end, but their numerous conversations and gatherings indicate they do."

(H.G. Wells, author of "The Invisible Man," "The Time Machine," "The War of the Worlds" and "First Men in the Moon")---



"He added that measures being taken by the United States to strengthen centralized banking control represented a step in the direction of world unification of credit and currency. "A universal gold standard certainly is far from the solution," he continued. Mr. Wells said Spain appeared to be "tremendously awake." The people are thinking, he emphasized, so "the outcome must be good."

(Just another one-world type. Some of them have actually believed this is for mankind's benefit rather than a power scheme for a few.)

The NYT, May 19, 1932, page 7, "Sees French Move To Restore Silver"---

"Paris---The next French Government will support a policy of international bimetallic standard of currency, Raymond Patenotre, one of the wealthiest men in the country, said in an interview today. Patenotre accompanied former Premier Laval to Washington in an effort to win over President Hoover to his views and to induce the President to call a monetary conference. He failed at that time to convince either Mr. Hoover or even the French financial experts in the mission, he admits, but he now says the President seems willing at least to have a conference called. On the French

side, Patenotre asserts he has completely won over Joseph Caillaux and Edouard Herriot to his point of view."

(On October 15, 1945 Pierre Laval, after being convicted of high treason, was executed! But it had nothing to do with precious metals.)

"When it is remembered that Herriot is to be a most important figure in the new government and that Caillaux possibly will be Finance Minister, it will be realized that their support would go far toward swinging financial France into line. While it is true that Bank of France officials flatly oppose a change from the monometallic, or gold standard, and that their influence is naturally very strong, their positions are political appointments, and when they are at odds with the government they must either resign or change their attitude."

"The world's gold stocks are insufficient for the volume of transactions," Patenotre said, "and the production of gold, far from increasing, is going to diminish. A return to bimetallism would permit a revival of international trade. It would give back purchasing power to Asiatic races. It would reduce hoarding and reverse deflationary trends and start the world back toward normalcy. "If we don't do something, capitalism is doomed. I don't consider bimetallism the only way out, but monometallism must be abandoned, and it seems to me that a bimetallic standard is the best solution."

"What Patenotre has in mind is setting a definite ratio of gold to silver at one to forty-five."

(So much for his intentions to normalize monetary and commodity silver!)

"This would be done at an international monetary conference at which the Banks of France and England and the Federal Reserve System would at least agree to adopt bimetallism to the extent of making the currency reserve 3 percent in silver and the rest of the reserve in gold. In the case of France, for instance, that would mean about $300,000,000 in silver."

(Three percent shows no spirit of generosity.)

"Patenotre feels there are great to the bimetallism which the United States tried, in a limited way, by the compulsory purchase of silver during the

nineteenth century. He holds that one country acting alone cannot adopt the policy effectively. If an international agreement were reached, he says, the fluctuations in the value of silver and its ratio toward gold would be kept at such a minimum as to permit the ratio to stand for at least five to ten years."

(Then which way would the ratio move? Towards the production ratio, or more insanely distant from it?)

"The adoption of the Patenotre plan would mean a reversal of France's traditional policy, which is firmly for the gold standard and for a slow and cautious return to normal conditions."

(The story was followed by "Predicts Course of Britain")---

"London---A suggestion is made in the current Westminster Bank Review that sooner or later Great Britain will return to the gold standard, "but only upon conditions which will insure, as far as human foresight can govern unknown future contingencies, that the gold standard shall not again be called upon to function under impracticable conditions."

(No British banking source can ever be trusted as to intentions regarding precious metals!)

"Meantime," the article continues, "the creation of an exchange equalization account is an intimation to whom it may concern that the pound will not be allowed to drift as accident, hysteria or speculation may decide. Though the pound may remain inconvertible, it will not be unstable."

(Yeah irredeemable currencies are always stable, right!)

"As to what constitutes stability, the intentions of the authorities are beneficent rather than precise. It may be presumed that the authorities operations in connection with the exchange equalization account will at the outset be tentative, but that in due course it will appear whether their ideal is the pound whose stability is internal---in the sense that its purchasing power in terms of British goods is constant---or external in the sense that its exchange ratio for gold currencies fluctuates only within narrow limits."

(The number of units of any currency, as expressed in one gold ounce---or one silver ounce---is theoretically astronomical.)

"Two objectives may not be compatible if gold prices continue to decline during the next few months, and steering a middle course may demand exceptional navigating powers."

(Exceptional yes, without foundation of precious metals!)

The NYT, May 19, 1932, section II, page 14, "Bill Asks Reserve Use Silver Security" subtitled, "Senator King of Utah Proposes Bank Buy Bullion to Back Some Note Issues"---

"Washington---Use of silver bullion as security for Federal Reserve note issues in some cases is proposed in a bill introduced today by Senator King of Utah. The measure provides that when Federal Reserve Banks are authorized by Congress to use government obligations as collateral security for their Federal Reserve notes, each Reserve Bank is "authorized and directed to use silver bullion (the product of mines situated in the United States so far as practicable) 99.9 fine as collateral security for 3 percent of the Reserve notes issued by it during such period and for that purpose to purchase such bullion in the open market."

(That went over like the expected lead balloon. The Federal Reserve lobbied tirelessly to reduce the gold reserve requirement, and at last got it to zero which was the intent from day one. By mid 1968, they eliminated all Treasury silver certs as well.)

"The silver bullion thus purchased "may be counted as part of said Federal Reserve Banks at such purchase prices and at such higher price or value as may be approved by the Federal Reserve Board," the bill said. "If and when direct obligations of the United States may not be used as collateral security for Federal Reserve notes any silver bullion then owned and held by said Federal Reserve Banks may be retained by them and given same privileges and status herein accorded to it."

(The Fed had no taste for any prospective boost to commodity silver prices; and far less so to do anything for monetary silver! It was Nicholas Biddle all over again, with no Andrew Jackson to knock him down and stomp a mudhole in him.)

The Times, London, May 20, 1932, page 10, "Silver As Money" was a letter from a Mr. H.E. Moon---

"It is now well recognized that the chief trouble in the world is the low price of all primary products, due to the enhanced price of gold in terms of which they are quoted. It is equally well established that the high price of gold is due to that metal having been cornered, unwittingly perhaps, but nevertheless it has been cornered. The question is how to break the corner? ***THERE IS ONLY ONE THING THAT CAN DO IT AND THAT IS SILVER***."

"All other methods of raising prices have been tried and found wanting; but statesmen seem to fear to apply this one and only remedy, because of that bogey name "bimetallism," which once lost an election in America, but is now no more to be dreaded than that other bogey "tariffs" which also once lost an election. ***THE REINTRODUCTION OF SILVER AS MONEY ENTAILS NO RISK OF LOSS***, holds out the prospect of great profit to the government that first adopts it, and cannot fail to raise prices the world over."

(In a real currency collapse, Federal banking freeze and monetary crisis, anyone holding silver will even be at an advantage over gold only holders, assuming that gold is still regarded as more valuable. This is because silver holders can spend it for smaller units of value. Holding enough silver dimes to correlate to the value of a one ounce gold bullion coin means that divisibility of purchases is effected far better than with one ounce gold pieces. Most purchases will not be for a luxury car or a huge tract of land, for which gold could be more convenient.)

The Times, London, May 24, 1932, page 10, featured a rebuttal from E.L. Franklin of the letter by John J. Hodges---

"I can see no reason why spoons, forks and tea sets, because they are made of silver, should be treated as if they were necessarily works of art and marketed in an expensive manner, and I feel sure that if our department and chain stores were to push the sale of real silver articles, working for a profit equal to that which they make on their other articles, they would meet with great success. The ambition of a very large number of the less well to do classes is to possess silver teapots or at least some silver spoons and forks, but they are shy of the luxurious atmosphere of our silversmiths, and their

wants are not catered for to the extent that they might be by the shops they are in the habit of frequenting."

(Franklin went on to state that in examining the catalogues of important silversmiths and making price comparisons between plated and solid sterling silver tablespoons, his conclusion as to price gouging markups was substantiated by the prices he saw, related to the cost of raw material procurement and declared)---

"As there should not be any great difference in the cost of making silver or plated articles wholesale of the same pattern I see no reason to alter my opinion that the margin is unreasonably wide."

The Times, London, May 26, 1932, page 8, featured some statements from a session of the House of Commons---

"Major Hills (Ripon) said that all the quotations of the exchange value of the pound were in terms of francs or dollars, which were based on gold. Therefore, though we did not realize it, we were still on the gold standard once removed. The whole effort of the Treasury was devoted to keeping our currency stable in terms of another gold currency. ***HE WISHED TO SEE THE GOVERNMENT DISREGARD GOLD*** and by some means or other get a currency which was stable in terms of commodities. ***HE BELIEVED THAT EVENTUALLY WE SHOULD LEAVE GOLD ALTOGETHER AND ADOPT AN UNRELATED PAPER CURRENCY*** based on the stability of the Empire and attracting to it other countries whose currencies were now linked to sterling and would remain so. ***THAT MEANT A MANAGED CURRENCY, MANAGED NOT BY THE GOVERNMENT BUT BY AN INDEPENDENT BODY*** with the duty of keeping prices level. (Cheers.)"

(Ripon is a city in Yorkshire district. See what I mean about England being the home base of money "creators?" Next we hear from pilgrims Society member Sir Hilton Young, who chaired the Royal Commission on Indian Currency and Finance in 1926 that recommended demonetization of silver in India and who said in The Times, November 5, 1931, page 16 that the idea that gold is wealth is a "bullionist fallacy")---

"Whatever opinion they might take on this big question of policy in regard to increasing the value of silver, it was seriously to be deprecated that they

should make the Exchange Equalization Fund the instrument of carrying out that policy. The truth was that the Fund did not exist for that purpose; it existed for a specific purpose. To put the burden of the valorization of silver on the Account would be most dangerous."

(Sounds like an earlier British counterpart to the notorious Exchange Stabilization Fund that Gold Anti-Trust Action Committee has mentioned so many times in connection with market rigging. Since when have Government entities outside of the Silver Purchase Act of 1934 and occasional Congressional price raises acted to raise silver prices?)

"It had been particularly useful to have had a clear recognition of the circumstance, which was sometimes not so clearly recognized, that India was not a silver standard country; that the rupee as silver was not related to sterling; and that as regarded her active currency ***INDIA WOULD OBTAIN A VERY SLIGHT BENEFIT FROM THE VALORIZATION OF SILVER***. It was not so clear that the interests of the Indian people were so set in silver hoards as was sometimes supposed. It was doubtful whether the development of the habits of the Indians ***WERE NOT LEADING THEM AWAY*** (start page 9) ***FROM SILVER HOARDS IN THE DIRECTION OF OBTAINING GOLD WHERE POSSIBLE, AND EVEN PAPER."***

(This evil man was talented at putting words in the mouths of Indians. They never appointed him to speak for their interests. Great Britain imposed him on them! Imagine the brazenness of a man who tells you that if your silver savings rise in value, you would obtain only "a very slight benefit." As for Young wanting Indians to own gold, that too was aggravated hypocrisy on his part, as the British Government of India set up the hurdle to paper rupee redemption in gold that an Indian had to have U.S. $8,000 or more in paper before any gold convertibility could be honored! Yes, Young wanted Indians to change their habits to "even paper." As Baron Kennett he became a director of Imperial Bank of Iran and British Bank of the Middle East)---

"It was not the intention at the present time to hold silver as part of the Exchange Equalization Account, it would be very mischievous. The reason was ***THEY OUGHT NOT TO GIVE THE IMPRESSION TO THE SILVER MARKET THAT THERE WAS AN INTENTION TO MAKE PURCHASES OF SILVER BY THE ACCOUNT.*** The effect of such an impression on the market would be most unfair and unsettling."

(Don't do anything to even hint at giving any support to silver prices, was the message from this Pilgrims Society member.)

"Gold was necessary for the purchase of foreign currencies and making international payments. ***FOR NEITHER OF THOSE PURPOSES WAS SILVER OF ANY PRACTICAL VALUE AT ALL***. In order to achieve the purpose of balancing the exchange between this country and China they would have to do a great deal more than contemplated. ***THEY WOULD HAVE TO CONTROL THE WORLD PRICE OF SILVER***. These big issues would have to be discussed at the Imperial Conference at Ottawa."

(Gee, you just can't use silver to buy anything with, nor to pay debts with---according to The Pilgrims Society of London and New York and its allied organizations---Trilaterals, Bilderberg, CFR and the Royal Institute for International Affairs. Control the world price of silver? That's what the Anglo-American money creators have been doing with a vengeance, especially since February 1873. I believe the world has had just about enough of these intermarried crooks telling us that "silver isn't money" and "gold is a barbarous relic.")

The Times, London, May 26, 1932, page 10, "Cheaper Silver" was another to the letter by E.L. Franklin. This other letter was sent by P.C. Cunningham, president of the Birmingham Jewellers and Silversmiths Association---

"It would take too long to explain in a letter the reasons for the difference in production costs of silver as compared with electroplated spoons and forks. Mr. Franklin happens to have chosen as an instance an article where both manufacturers and retailers alike work on a very small margin of profit. We do ask him not to be afraid of the luxurious atmosphere of the silversmith's shops. I can confirm as to the state of the silver trade in America. Our reports certainly do not bear out what your correspondent states. I do not think the better class department stores are in a position to retail silver ware at lower prices than the silversmith's shops. I feel that Mr. Franklin's letters are calculated to do our trade considerable harm, and that they are written without the expert knowledge claimed for his committee."

(It has never troubled silver users to be bald-faced liars as to their mark-up. The Silver Users Association stubbornly persists in insisting that they are "nonprofit.")

"More Silver Coins Urged To Aid Trade," NYT, May 27, 1932, p. 32, "Speakers of the United States, Mexico and China Give Arguments Over Radio," and, "Dean Madden of N.Y.U. Attacks Remonetization Plans"---

"Increased use of silver coins as a means of relieving the depression in international trade was urged by three speakers representing the United States, China and Mexico last night in a discussion of "Silver and the Depression," broadcast by WOR's Radio Forum. John T. Madden, dean of the School of Commerce at New York University and president of the Alexander Hamilton Institute, expressed his opinion that remonetization of silver and stabilization of the price of the metal were "panaceas economically unsound in character." Dean Madden, who is also a director of the Institute of International Finance, represented the United States in the forum."

(So all three speakers weren't friends of silver. I didn't find Madden in Who's Who, but what you want to bet, he was a member of the American Economic Association and the Economic Club of New York? The Institute of International Finance is interlocked with HSBC; Barclays; Citigroup; etc. http://www.iif.com/about/bod/)

"The proposal for the remonetization of silver, he said, was based on the assumption that the world was suffering from a shortage of gold. Mr. Madden called this assumption purely imaginary, saying that gold held by central banks at the end of last year amounted to $11,200,000,000, against $4,800,000,000 in 1913, an increase of 233 percent. Pointing out that silver is turned out chiefly as a byproduct of copper, lead and zinc, he said a great amount of the white metal was being produced without regard to its market price. Silver production from 1925 to 1929 increased every year, although the price dropped from 79 to 49 cents an ounce, he contended."

(This hit man knew how to present a twisted argument. You can see where there was some truth in it. Throw in some truth, the deception of the remainder receives less resistance. Sure in almost 20 years more gold came from the world's mines. But silver functioned as money at least as long as gold, and was used by far more people. Imagine that someone wrecks and ruins the only money you have, then some jerk in Manhattan says it doesn't need to be used as money any more! Just go broke, he essentially said! Too bad Madden didn't have to subsist on crickets and puddle water!)

"Mr. Madden held that the remonetizing of silver would sharply increase silver production, which in turn would tend to depress its price further. The chief difference between silver and gold supplies is that the former can be increased readily at the will of the producers, while the latter cannot, he explained."

(What else could mad Madden explain? Why, whatever he wanted to prevaricate about! I have never heard that silver mines can be quickly placed on increased production just because a price rise takes place in the market! More likely, the same conditions applied to both metals as to production and prices! Madden's charge that remonetizing silver would increase production and make prices drop lower was really a lying low blow. It was an argument others of his bilk-ilk were using! To the contrary, what applied strongly then applies far more strongly today! If silver is remonetized, the demand will send silver to incomprehensible heights.)

"The dean added that remonetization of silver would not benefit many countries because Mexico and the United States produced most of the metal."

(This is what we may expect to hear today---"remonetizing silver only helps silver producing areas and greedy silver mining companies." What do you say to that? How many countries produce no diamonds? Yet diamonds are in demand everywhere among many who can afford them. Water is pumped on a interstate and intrastate basis, from aquifers and rivers and reservoirs, to locations where more is needed than can be produced. Are the water providers the only ones to benefit? Can water users get by without water? In the monetary arena, now that we have been officially stripped of the gold that Madden falsely professed confidence in---he was a consummate con man---how long can they world continue to stumble forward on managed, created currencies? Silver producers have a money to offer which carries its intrinsic value across all borders and traverses all eras. Countless millions who have used it would not agree that only its producers benefited!)

"The world is not suffering now from a shortage of gold, but from maldistribution of gold, with France and this country holding about two-thirds of the world's stock, he contended. Proposals to stabilize the price of silver, in the belief that world trade would be helped were regarded by the dean as over-optimistic. In 1929, he said, about 86 percent of world trade

was carried on by countries on the gold standard. This fact made it clear, he added, that ***ANY INCREASE IN THE PRICE OF SILVER WOULD BE OF LITTLE BENEFIT TO THE WORLD AT LARGE***. He rejected both remonetization and stabilization as solutions for the depression problem."

(Clearly this was a treacherous character. He was a talent at rigging figures. Madden could commit neglected aspect fallacies to perfection! As of 1929, the world had not yet slipped into the great depths of the Depression; that's why he selected that year as an example. Keep in mind this incident involving Madden took place near mid-1932! Those 86% composite gold standard nations were in 1929 trading with silver standard regions of China, India, the rest of the Far East, and the silver areas of Mexico and South America. Imagine this dignified thief in his ivory tower telling Indians, Chinese and Mexicans that their silver money need not be restored as to its previous purchasing power---that they were people no more important than shadows in a vacuum! Damn!)

"K.C. Li, governor of the National Metal Exchange and president of the Wah Chang Trading Corporation of 233 Broadway, said ***THERE HAD BEEN A CONSISTENT UNDERMINING OF THE WORLD'S CONFIDENCE IN SILVER***, compared to gold, in recent years. After the war, he continued, many governments reduced the silver content of their coins by half, and in 1927 the Government of British India changed from a silver to a gold standard."

(The NME was indeed the forerunner to the COMEX, and it's remarkable that anyone actually advocating silver as money was involved with any major New York institution. But this Chinese fellow was similar to the Guggenheims in that regard, except that they tried to be fence-straddlers on issues.)

"With half the world either on a silver standard or regarding silver as its store of wealth, he asserted, ***THE DEPRESSED PRICE OF THE METAL HAD BEEN A SEVERE BLOW TO WORLD TRADE***. Although the gold standard has been on trial since 1873, Mr. Li said, it has failed badly in the present crisis."

(Of course, neither gold nor silver ever failed per se, but distortions have taken place due to governments meddling with money.)

"Restoration of commodity prices through the recognition of silver and gold as the "twins of the monetary family" was urged by Mr. Li. He said silver was most suitable to perform part of the service that gold is now required to perform. The metal could be used as coinage and said nations that had reduced the silver content of their coinage should restore it. With confidence revived in silver as a medium of exchange, he believed an upturn in world prosperity would soon result."

"Enrique D. Ruiz, Consul General of Mexico, said ***THE LOWER PRICES OF SILVER HAD BEEN SEVERELY FELT IN HIS COUNTRY*** because the republic produced about 40 percent of the world supply. ***THE DEPRECIATION IN SILVER PRICES IN THE LAST FEW YEARS CRIPPLED MEXICO'S MINING INDUSTRY, FROM WHICH 500,000 PERSONS DERIVED THEIR SUPPORT***, he declared."

"He advocated the rehabilitation of silver at a fixed rate in proportion to gold, based on the ratio of production between the two metals. Any legalization of the value of silver at a minimum ratio of an ounce and a half of silver to the dollar was sound and would hasten the return of prosperity, in Mr. Ruiz's belief."

(There is still a known ratio of silver to gold production today. That ratio needs to be adjusted on the basis of how much silver is available to the market from past supplies, in ratio to gold mined in earlier times. This will strongly favor silver.)

The NYT, May 27, 1932, page 6, "Britain Now Seeking New Money System" subtitled "Return To Gold Opposed"---

"London---Leaders of political thought in Great Britain more and more are turning their attention toward the problem of world currencies as a source of the world's economic stress and particularly of the ills besetting Britain herself. The tariff has been tried and it has helped---that is to say it has had the desired effect of restricting imports and thereby somewhat improving the country's trade balance. Now the problem is to increase exports and surmount the tariff walls of other countries."

"That is more difficult. Britain's departure from the gold standard produced a temporary spurt in that direction and is still having some effect. But the opposing tariff walls soon went still higher in many countries or were

reinforced by quota abutments, so the spurt is losing its force and something more is necessary. Public attention which for more than a year has been concentrated on the tariff as the real solution of the country's economic and financial perplexities has been tending since March rather toward a search for some new monetary system, either within the empire or in conjunction with other countries, which may bring the world out of its distress."

"This tendency came strongly to the surface in last night's debate on the finance bill in the House of Commons. So far as practical results go it was an abortive discussion, but it was notable that it was initiated from the ranks of the government's own supporters and it has had an effect of further focusing public opinion on the problem that seems destined increasingly to command the attention of the world's parliaments."

"There is perhaps a curious but certainly increasing public reluctance in Britain as months pass to return to the gold standard."

(We can't take that statement for fact. I haven't seen any surveys of English public opinion in those days.)

"Its abandonment, which was received with bated breath and deep forebodings, has proved so far a step without the expected dire consequences."

(Having been off foreign gold convertibility for over 36 years and domestic convertibility even longer, we are seeing the dollar---which is the Federal Reserve Note---ever weakening. Eventually it attains zero.)

"What has kept general prices down probably is the fact that a large proportion of British imports come from countries that followed the British example by dropping gold as the currency basis."

(Such a poor example Britain has set for the world in boosting fiat systems.)

"The change from gold has had the temporary effect of stimulating industry without visible counter-ills. Consequently labor is now strongly in favor of keeping the present status or trying something other than gold."

(Trying something other than PM's has always led to a crash into a stone wall.)

"In considering the latter eventuality there are two schools of thought in Britain. One group, with a nucleus of old-time bimetallists, would remonetize silver and bring it into fiscal relation with gold. The argument of this group is that the world needs a new and ordered monetary system in which, for public purposes, some metallic element is necessary; that there is every indication that within a few years the gold supply will be sufficient for the purpose for which it is intended and that since silver is the most convenient precious metal, it is desirable to bring it into the picture with some definite ratio to gold."

"Also, it is agreed, the remonetization of silver would help British trade immensely in silver using countries like India and China, which are also great markets. This group would prefer to deal with silver under an international arrangement through an international conference rather than have the British Empire, including the dominions, attempt to deal with it alone. They expect the question to be raised at the Ottawa Imperial Conference and will welcome expressions from the dominions on the question. They are also keenly interested in the present movement in the United States Congress to have President Hoover summon an international monetary congress at an early date. ***THE BRITISH GOVERNMENT, HOWEVER, IS NOT AT ALL KEEN FOR EVEN CONSIDERING SUCH A CONFERENCE."***

"The other school would attack the currency problem from within the empire, ***DISREGARDING BOTH GOLD AND SILVER ALTOGETHER AND ADOPTING INSTEAD AN UNRELATED PAPER CURRENCY*** based on the stability of the British Empire and rated according to the prices of commodities. Such currency, they believe, would attract the cooperation of other countries where currencies are already linked to sterling."

(The forces of greed never quit. History shows failure after fiat failure and they keep offering it---by force.)

"It is possible that the immediate future may see some union of both these groups on a compromise plan that would take cognizance of the views of both. The subject of currency reform is now one of the liveliest and most discussed issues in British public life."

(How would such differing schools of thought reach a compromise? That's like asking for water in frozen and steam state simultaneously.)

The Commercial & Financial Chronicle, May 28, 1932, page 3899, "Move to Let Great Britain Buy Silver Reserve---Proposal Lost---Treasury Secretary Assures Nation Will Not Return to Gold"---

"From its London correspondent the New York Times reported the following---"A move to permit the Treasury to purchase silver as well as gold to protect sterling was made today in the House of Commons. Although it was defeated, it was championed by leaders of the Conservative party."

(England has an Exchequer and a Chancellor, rather than a "Treasury.")

"The proposal came in the form of an amendment to the finance bill. The amendment was permissive, not mandatory, ***SO IT WOULD NOT COMMIT THE COUNTRY TO ANY FAR-REACHING SCHEME OF BIMETALLISM***, so that the government might have power to protect sterling against fluctuations in silver as well as gold, and said that such a provision was desirable because of Britain's trade with the silver countries of the Far East."

(The "friends" of silver in England wouldn't go whole hog and commit to a full-blown silver basis with gold, or even gold monometallism.)

"In a discussion over a sentence in the finance bill providing that the account for stabilizing exchange be abolished six months after the gold standard is resumed, several members indicated ***THEY WANTED ASSURANCE THAT BRITAIN NEVER WOULD RETURN TO GOLD UNDER ANY CIRCUMSTANCES***. The objection to the bill's provision was that it implied the Government expected to return to gold and gave the impression of such an intention to foreign countries."

(The type of people Gold Anti-Trust Action Committee has been complaining about have been on the world scene for generations!)

"Walter Elliot, Financial Secretary, assured the House that the Government had "***NO INTENTION WHATEVER OF GOING BACK TO THE GOLD STANDARD***." This announcement was received with cheers, but Major

Elliot added, "at any rate while gold prices are behaving as now." ***THIS WAS NOT CHEERED."***

(The same nation that so vigorously assaulted silver soon afterwards shunned gold!)

"The silver question would arise soon on an international basis and certainly at the Ottawa Imperial Conference. Britain should go there with a free hand to do what was required. It would be a good thing if Britain could get rid of its gold mentality and begin to think seriously in terms of the new situation."

(Sir Robert Horne, a quasi-friend to silver as we've seen, declared)---

"Last year the American Senate passed unanimously a resolution asking the President to call an international currency conference and, according to my information, when a tentative suggestion of that kind came from America to the Government of this country, it was not received enthusiastically. Since then the question has progressed in America much further. The Coinage Committee of Congress, quite independent in its composition, for it hasn't a single representative of the silver States, recently reported in favor of a conference of nations interested in the restoration of the price level of commodities through the stabilization of international exchanges and declaring for the utilization of silver as well as gold to that end."

"As no ultimate solution of the problem can be reached by action of this country alone---it requires the cooperation of other countries, particularly the United States---I suggest provision shall be made in the bill to enable the Government to go forward without committing us to any action contrary to our wishes."

"Sir Edward Hilton Young on behalf of the Government asked that the amendment be withdrawn, adding that the request did not mean that the Ministry intended to prejudge the issue raised, which undoubtedly will be discussed at Ottawa. He explained that the stabilization account had been devised for a specific purpose and it would be more useful to the Government in its original form than with the proposed changes. ***THE AMENDMENT WAS NEGATIVED."***

(This was the same Hilton Young who presided over the Royal Commission on Indian Currency and Finance that started the global destruction of monetary silver in 1926! He was another member of The Pilgrims Society.)

"J.W. Hills, Conservative, ***WANTED BRITAIN TO DISREGARD GOLD ENTIRELY AND ADOPT AN UNRELATED PAPER CURRENCY MANAGED*** with reference to commodity prices and based on the stability of the British Empire, attracting other countries with currencies already linked to sterling."

"Josiah C. Wedgewood moved to amend the bill ***BY THE ADDITION OF A CLAUSE PROHIBITING THE TREASURY FROM BUYING ANY GOLD.*** This was opposed on the ground it would detract from the flexibility of the stabilization account, thereby impairing its usefulness in protection of sterling against fluctuations. The amendment was lost by a vote that gave the Government a majority of 301."

The Commercial & Financial Chronicle, May 28, 1932, pages 3899-3900, "F.J. Lisman Holds Bimetallism Impractical---Credit Structure Would Have Been Wrecked 40 Years Ago by Silver Inflation Except for Stand of President Cleveland"---

"Bimetallism is impracticable and any attempt to make people accept silver for monetary purposes at an artificial ratio to gold would only result in a premium on gold, according to F.J. Lisman, who points out that virtually all of the agitation for silver comes from the seven silver producing States. Mr. Lisman says---

"There is much talk about other or better standards of value than gold, but they have not been found. If some country would try to substitute something else, it could be usable only if everyone were willing to take this substitute in exchange for whatever goods or services are sold---whether this substitute be silver, platinum, or currency based on land credits, wheat or pig iron. If everybody is not willing to accept it, then it is not a proper means of exchange. It does not look as though anybody would take any of these things."

(This guy sounded like a fool, but the fact was he knew better. We will look at one of his key associations soon. For him to try and place silver in the same bracket for monetary exchange as pig iron, or with the German

Rentenmark, the currency created by Pilgrims Society member Charles Dawes, allegedly "anchored" in German land values, and inflicted on the Germans in the aftermath of the Weimar inflation---was more than preposterous. Equally absurd was his implication that gold alone was acceptable to everyone as money. That silver has been used far more frequently as money than gold, by far more people and in many more lands across history than gold, there can be no dispute. It is as realistic as saying more people have imbibed vodka than water!)

"***SILVER IS AN UNIMPORTANT COMMODITY*** with an important sentimental value which is greatly accentuated and exploited for political purposes. The decline in the price of silver has been parellel to that of other commodities, but during the past few years has been temporarily accentuated by governmental action due to the impoverishment of Europe by the World War ***AND A COLOSSAL GOVERNMENTAL BLUNDER IN INDIA***."

(What can he be speaking of other than the huge silver dumping operation the British conducted? It's surprising he'd acknowledge that it caused any problem, given his other expressed views on silver.)

"Silver is largely a byproduct, and the natural law of supply and demand had best be given play which will ultimately bring the best results to all. The entire credit structure of the United States would have been wrecked about 40 years ago by silver inflation if we had not had courageous Grover Cleveland as President."

(Cleveland was a charter member of The Pilgrims Society in New York. It was never precious metal that caused inflation, but unchecked credit expansion and fiat currency. Still they blame silver because some uninformed individuals will be taken in by the lie.)

"Five important countries of Europe---France, Belgium, Greece, Switzerland and Italy---tried bimetallism for a whole generation and gave it up because the world price of silver declined relative to gold."

(Yes it did decline, but he speaks as if it were the result of natural free market forces! It was due entirely to contrived government intervention, and he had to be aware of that! The dishonesty of these anti-silver campaigners is without limits. Start page 3900)---

"Many experienced mining men are of the opinion that our planet has been so thoroughly prospected for gold that the discovery of new important gold fields is very unlikely. They fear that with the increasing demand for gold for currency and the arts, its price will steadily rise. Inasmuch as gold is nominally always selling at the same price, a theoretical rise in the price of gold means an actual decline in the price of everything else, with consequential great losses to the trading classes and business depression."

"Mankind has never yet succeeded in providing very far for future generations. By endeavoring to fly from dangers or contingencies which we realize. We are compelled to face new problems and risks not previously conceived. Artificially to boost the price of anything brings about unfavorable kickbacks. We have very recent evidence of this in many directions. ***FOR INFLATION PURPOSES, PAPER IS MORE SERVICEABLE THAN SILVER AND DOES NOT INVOLVE PAYMENTS OF BONUSES TO PARTICULAR COUNTRIES OR SECTIONS***."

(He was speaking of attempts to raise the silver price, but as we've seen repeatedly, those trying to do so were only seeking to restore it to a previous level of semi-normalcy. Therefore, they weren't "seeking to artificially boost the price of silver." Paper money issuance involves infinitely more "kickbacks" than does silver and gold money. Paper money issuance benefits those back of the central banks and cheats everyone else! Lisman was a director of Bush Terminal Company---Who's Who, 1932, page 1428. Irving T. Bush, Pilgrims Society member, created Bush Terminal Company with 125 warehouses, 8 piers, 1 railroad and 18 industrial buildings covering 30 city blocks in South Brooklyn, with over 300 high-profile corporate tenants and owned the 30 story Sales Building on 42nd Street---Who's Who, 1933, page 444.)

The NYT, May 29, 1932, page 2, "Utah's Votes for Roosevelt"---

"Salt Lake City---Utah's eight Democratic National Convention votes were pledged to Governor Roosevelt today and Governor George Dern of Utah was endorsed for the Vice Presidential nomination."

(George Dern was Utah Governor, 1925-1933 and grandfather of film villain Bruce Dern! George was co-inventor with Theodore P. Holt of the Holt-Dern ore roaster. He was a member of the American Institute of Mining and

Metallurgical Engineers and started at age 22 in 1894 as treasurer of Mercur Gold Mining & Milling---that's "Mercur," not "Mercury," which operated until 1913. He was president of Mines Operating Company till 1914 and served as general manager of Tintic Milling Company at Silver City, Utah, 1915-1919. The 1929 Who's Who, page 638, listed him as president of Eureka Banking Company; vice president, Dixie Power Company, Pleasant Grove Canning Company and Mountain View Mining. It also listed him as a director of "National Copper Bank, Mutual Creamery Company, Bankers Trust Company, etc." This appeared to be the same institution known in New York City. Dern, shown below, may have been another type like Francis Brownell, profiled in "Two Voices On Silver")---

"The State party convention instructed its delegation to vote for the nomination of Governor Roosevelt for President and of Governor Dern for Vice President until released by a majority ballot of the delegation. The Wheeler bill for remonetization of silver was endorsed. Along with the names of Democratic leaders of the past and present, that of Senator William Borah, Idaho Republican, received prolonged applause. A.B. Morgan, the

keynote speaker, referred to Senator Borah as "one of the great spiritual leaders of our people," and said---

"Senator Borah has determined not to stultify himself. He knows he picked a lemon in the last national campaign. He knows that Hoover through his own folly and stupidity has laid himself down on the sidewalk to be trod upon, and Senator Borah instinctively feels that the jam on that sidewalk will be so dense that no power on earth can rescue Hoover and that any one who makes the attempt will get hurt himself." One of Senator Borah's reasons for abandoning "his bungling chief," the speaker said, "***IS THE STUBBORN AND OBSTINATE ATTITUDE OF HOOVER TOWARDS SILVER."***

(We saw a trainload of confirmation about Hoover's moral failure during the two part look at silver in 1931.)

The NYT, May 29, 1932, page 7, "Professor Cassel Urges Currency Inflation" subtitled, "Economist Asserts in Oxford Lecture That Gold Standard Countries Can Start Recovery"---

"Oxford, England---The best thing the gold standard countries could do for rapid economic recovery would be immediately to start inflation of their currencies, declared Professor Gustaf Cassel, Swedish economist, in the last of his three Rhodes lectures on the crisis in the world's monetary system. "If this inflation were the outcome of a deliberate, well-conceived policy it could be controlled and consequently the rise in the general level of commodity prices could be kept within such limits as was deemed desirable for the restoration of the necessary equilibrium between the different groups of prices, wages and commercial debts."

(Recall that Cecil Rhodes was a Crown and Rothschild agent out of whose wills sprang The Pilgrims Society and its subsidiary organizations including the Council On Foreign Relations.)

"If at the same time France and the United States had the foresight and courage to adopt a program for fulfilling the conditions here outlined for the restoration of the international gold standard system they would thereby make their best contributions toward the restoration of prosperity."

(We already saw what Cassel was like. His proposals were of benefit to elites and would harm most others. Some people who occasionally squeak a bit about gold aren't really friends of monetary gold.)

"My duty is to attend these lectures and to state what I think ought to be done in order to rescue the world from the present disastrous conditions of its monetary system. You may rightly ask what are the prospects of such a rational policy being applied in the near future. The answer, I fear, must be that they are not promising. Wherever in the world we look for help we only find an appalling lack of both insight and resolution."

(Currency inflation is a rational policy, he said! His insight was the same as that of Keynes.)

The June 1932 issue of Popular Mechanics, pages 938-942, "The Moon Metal Comes Back" featured these comments---

"Silver, the everyday money metal of the ages, is coming back. Even now, the once popular white metal is taking its place beside its aristocratic sister, gold, if it isn't actually crowding her aside. All the great powers, except this country and France, and nearly all the smaller nations have abandoned the gold standard."

(That's because Britain knew that gold also had to be ushered out of payments systems. It took longer to get the United States out of gold. As for France, their people have a more profound consciousness of gold, because their culture is older, and they've suffered longer bouts of fiat subversion over the ages.)

"In North and South America there are 8,000 silver mines, 4,000 of them in Mexico, the world's foremost silver producing country. These mines have long been closed as it now costs between thirty and forty cents to turn out an ounce of the white metal---except where it is mined as a byproduct. With silver selling at fifty cents an ounce, these mines and many hundreds of others in this country will be reopened. Even now, prospectors are hurrying into the hills of the far West on the trail of the (start page 939) gleaming, white lode, which has not been seriously hunted since the days of the early eighties. The same invasion of the mountain wastes is going on in Mexico, where there are already more than 20,000 mining claims of all kinds, as well as in South America."

(One reason silver is sometimes called the moon metal is its ability to gleam in moonlight. Notice also that the nefarious Silver Users Association uses a moon symbol for silver.)

"No man can prophesy how much new mineral ground will be uncovered in this newest prospecting venture. History may repeat itself, even to the extent of a chance discovery of vast underground treasure, such as the new populous district of Alamos de Catorce, in the state of San Luis Potosi, Mexico. This was an uninhabited wilderness until 1770, when an itinerant musician named Milagros lost his way one night. As he was about to rekindle his fire the next morning, he spied several tiny globules of glistening silver under the ashes. Milagros lost no time establishing title to the valuable ground and putting miners at work. The mine paid its way from the start, and its sole owner died an enormously wealthy man."

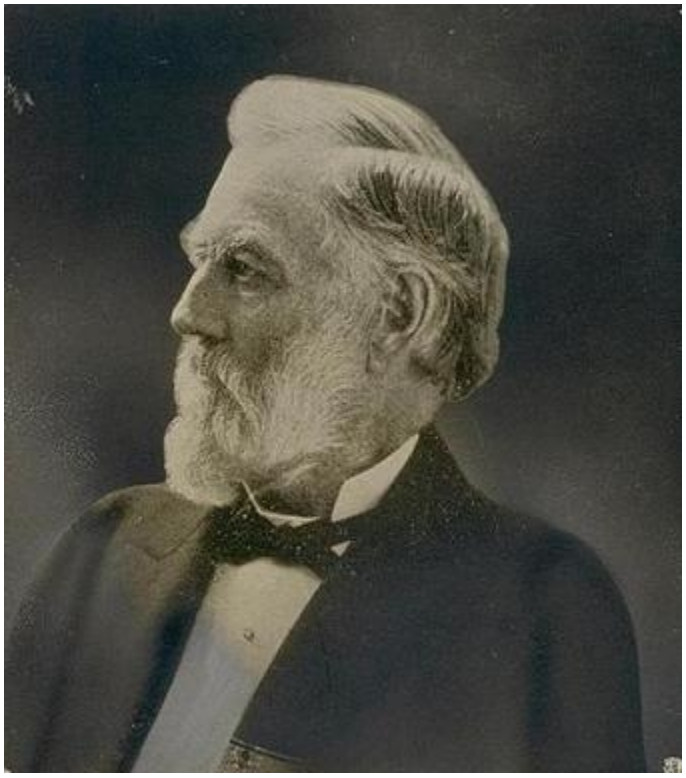
(Alamos de Catorce means "Fourteen Poplar Trees;" and "Milagros" means "Miracles." Silver mining has occasionally made investors wealthy. Be assured that the Money Power opposes such successes. That is why we must influence legislation!)

"The location of the largest single lode of silver-lead-zinc ore uncovered in modern times, the famous Broken Hill mine in Australia, was likewise a chance discovery. Charles rasp, a lone sheepherder, made the sensational find in 1882 that brought miners scurrying to the antipodes from all corners of the world. His discovery created huge fortunes. A shepherd was also responsible for the discovery of silver in the Cerro de Pasco district of Peru when, from the embers of his fire built 13,000 feet up the slopes of the Andes, he raked out fine beads of white metal. This was in 1630. From 1784 to 1889 this district yielded over $200,000,000 worth of silver from 342 mines."

(Wow! Talk about a supernova of wealth! By rights, we precious metals investors should benefit to a corresponding, inflation-adjusted degree, because we have a money to offer the world which gives them payment, not an empty claim. The Broken Hill Proprietary, now known as BHP Billiton, is an immense polymetallic mega-corporation recently in the news with another giant, Rio Tinto Mining, or RTZ. Both are Pilgrims Society concerns.)

"Not until 1859, long after Mexico and South America produced a total of over a billion ounces of the white metal, was there a silver mine of any importance in this country. Two adventurers named O' Reilly and McLaughlin, made history in the far West when they uncovered the fabulously (start page 940) rich silver deposit of the Comstock Lode in Nevada, in 1859, bringing to light the first high grade American silver ore. The impetus given silver mining in this country through the discovery of the Comstock Lode is readily seen by comparing the production for 1859, amounting to 77,300 ounces, with the peak year of 1915, when 74,945,927 ounces were brought to the surface."

(These statistics are a bit confusing. 1877 was the peak production year at Comstock---inside and under Mount Davidson near Virginia City---but by 1880 the Comstock was regarded as played out. The figure he cited for 1915 was probably the total silver extraction sum for the entire United States for that year. There is a good article on the Comstock at http://en.wikipedia.org/wiki/Comstock_Lode Alvinza Hayward, 1822-1904, was one of the megamillionaires produced from Comstock silver claims which, according to the URL, created wealth equal to $600 billion in 2005 dollars)---



"Except when found in its native state---that is, pure metal unmixed with other chemical elements---silver hides behind a variety of disguises and is not easily detected. It often occurs as argentite, a chemical union with Sulphur, which is natural considering that silver deposits are frequently the result of volcanic action. Although rusty looking and unpromising, "red" silver contains as much as sixty percent of the pure metal. Horn silver is a class of ore in which the metal is combined with chlorine. The white metal occurs in a variety of mineral combinations with copper, lead and zinc."

"No expert eye is necessary to detect silver in its native state. In that form, and when freshly broken from the vein, it is resplendent in all its glory, often taking on beautiful and fantastic shapes. In the famous Cobalt mine in Canada, the pure metal commonly appears in the figure of a tree, complete from heavy trunk to gnarled limbs that taper out to slender branches and twigs having the fineness of spun silk. ***THE SAME ORE DEPOSIT HAS YIELDED CHUNKS OF SOLID SILVER EQUALLING THE SIZE OF A MAN***. In certain workings of this mine, the vein matter has assayed as high as one-tenth pure metal; or putting it another way, ***A TON OF THIS ORE WOULD CONTAIN 200 POUNDS OF SILVER***."

(What can you say to that? It's every silver investor's dream!)

"When man beheld his first chunk of the white metal, the clear, pale light reflected from it resembled so closely the rays of the moon, that he assigned to it the symbol of the crescent and called it "Luna's metal" or "moon metal." The term "lunar caustic" and names of similar compounds in use today, had their origin at the dawn of history. Man's first feeble attempts at mining amounted to little short of grubbing and scratching, surface trenching and shallow (start page 941)burrowing; he broke rock by laboriously pounding and prying it out of place. His first real underground workings were irregular, winding and steep; his ore came to the surface in staggering loads on the backs of men who toiled up long ladders made of tree trunks with notches cut out at intervals to serve as steps. He made no attempt at smelting complex ores, granting he knew of their existence, contenting himself with small ovenlike enclosures in which he smelted down the native silver as he found it."

"Compared with the crude means of mining silver fifteen and twenty centuries ago, the mines of today are like huge buildings tucked away underground. Air drills, built like pneumatic riveters, bore holes in the rock.

These holes are tamped with explosives and when fired, bring down tons of silver bearing ore. Immense rooms or "stopes" connect with the shaft through tunnels along which twenty-ton loads of ore are whisked by electric locomotives and dumped in bins to be drawn off as desired and raised to the surface in huge "skips" or steel buckets, drawn by high speed hoists. The skips also carry the miners to and from their work."

"New means of separating fine particles of silver from their flinty envelopes have resulted in extracting practically all the silver from the rock after it has been brought to the surface; also, much larger tonnages are handled. Many Indians and a score of mules were required to break and grind fifty tons of ore a day at a good sized Mexican mine as late as seventy five years ago. Today, twenty times as much silver ore is crushed and treated daily with the aid of chemistry and electrically driven machinery in the hands of not more than twenty men."

(Roman silver mining in Iberia---their word for Spain---was especially brutal. It's the sort of work the silver users should be obliged to do. Possibly then they would gain an understanding that miners are justly due a profit on their enterprise! Four tons of silver ready for shipment to the Far East, date not stated, from article)---

"From the year when Columbus landed on American shores to the present day, world production of the white metal has totaled 15,000,000,000 ounces, or about fourteen times the weight of gold extracted in the same period. This would be enough silver to make a ponderous cube 115 feet along the edges, or sufficient to pave the average boulevard with a six inch layer of the shining metal for a distance of more than four miles. The age of silver is reckoned as beginning in 1493, since the voyage of the famous discoverer (start page 942) furnished the key that immediately unlocked newly found storehouses of fabulous wealth."

"The two largest producers of silver in the world are Mexico and the United States. Beginning with 1901, when Mexico turned out 58,000,000 ounces and this country 55,000,000, the Southern republic has held first place, with few exceptions, until recent years, when her mines produced as much as 100,000,000 ounces a year, while the average production of American mines was 63,000,000. In 1930, this country's output was only 50,000,000, due to the lowered production of copper, lead and other metals of which silver is mined as byproduct."

(It's unlikely the United States will ever again be number two silver producer. That will be decided between Mexico, Peru, Argentina and maybe Bolivia.)

"Nearly half the world's silver, or 7,000,000,000 ounces, is held in China and India in the form of ingots, ornaments and coins. The Indian Treasury alone held 452,000,000 ounces on November 1, 1931. Except the United States, nearly every country has debased its silver coinage to the point where it is only .500 fine, or exactly one-half pure silver. American silver pieces are minted .900 fine, the remaining ten percent being copper that is added to give the required wearing qualities. Such a coin, with average use, will survive forty years of circulation."

(That average could certainly be subject to interpretation and dispute. Walking Liberty quarters are far scarcer in nice condition that the halves.)

"Aside from its natural beauty and the fact that it is, without exception, the easiest metal to work, ***ALL SIGNS NOW POINT TOWARD THE INCREASING USE OF THE WHITE METAL IN THE WORLD'S MONEY MARKETS***."

(Lead might be easier to work than silver, but compares poorly to silver. As for his concluding remark, it was just wishful thinking, as the British-American paper money mob was too deeply entrenched in government. FDR's actions, while seemingly favoring silver in some ways, were just another step towards a world fiat system. Let's do more than hope the remark becomes true in our time---be politically active.)

"Stimson To Insist That Trade Parley Be Held In London," NYT, June 3, 1932, front page) subtitled, "Congress Group Asks Hoover to Include Silver in Agenda of World Economic Issues"---

"Washington---The United States is prepared to adopt the British suggestion and attend a general economic conference in London as the second part of the Lausanne conference to discuss general economic conditions, but will do so only on the express understanding that reparations, tariff rates and governmental debts owed the United States will not be discussed."

(Maybe the British wanted American taxpayers to absorb their debt!)

"This was made clear today on high authority. It was added that the American delegation would have no instructions or authority to discuss reparations, debts or the tariff."

(Why come to a conference if you are to be hamstrung in advance? Stimson graduated from Harvard Law School in 1890 and joined the prestigious Wall Street law firm of Root and Clark in 1891, becoming a partner two years later. Elihu Root, a future secretary of war and state, became a major influence and role model for Stimson. Root was the Pilgrims Society member who helped Pilgrims Society member Andrew Carnegie, of the huge Steel Trust, set up his menacing foundations. It was Carnegie who originally envisioned a North American Union as a way to bring the continent under British rule. Stimson had first cousins who were big in public utilities---"America's 60 Families," Lundberg, 1937, page 183. The Rockefeller Brothers Fund is currently listed as a sponsor of the Henry L. Stimson Center in Washington, D.C.))

"The United States is not identified with reparations, and should this issue and that of tariffs be injected apart from the agenda it was predicted today the discussions would be academic because final authority on both these questions is vested in Congress, and the administration has no power to commit the government on them. The United States will not attend the Lausanne conference because of the identification of Lausanne exclusively with reparations in the public mind of this country. No misunderstanding is wanted on this point."

"In consenting to attend the second part at London, the administration expects other nations than those invited to Lausanne will be represented and that the conference will be of world-wide scope in representation and in the questions discussed. This would mean, in the American view, that there would be a world economic conference at London bearing the Lausanne label but amounting to a separate conference. The Lausanne label would be retained out of consideration for powers which insisted weeks ago that economic questions should be included at Lausanne."

(The Lausanne Conference in Switzerland in 1932 had to do with winding up wartime reparations linked to the Paris conference in 1919. The World Economic Conference at London in June 1933 would deal in part with the silver issue, though definitely in an imperfect manner.)

"One practical benefit that may flow from adjourning the Lausanne discussions in the technical sense to London, it is believed, may be that the economic conference may be held considerably earlier than was first expected. Originally, with the necessity of drafting an agenda for a new conference and arranging other details, it was felt that the London meeting would not be held before September or even later. Now it is considered possible that through a simple adjournment from Lausanne the economic parley may be held before the British Imperial Conference at Ottawa in July."

(This presumed timetable would not take place.)

"These views of the prospects were all tentative today because no official reports have been received by the State Department concerning the views of Sir John Simon, British Foreign Secretary, as expressed in the House of Commons and because plans for the London conference are still nebulous. It is assumed that efforts for stabilizing commodity prices will be the first question considered."

(Viscount Simon, as he would later be known, Pilgrims of Great Britain, was Foreign Secretary, 1931-1935, in which position he used his influence to suppress silver; became Home Secretary, 1935-1937; Chancellor of the Exchequer, 1937-1940, where he carried on the campaign for world fiat money; and Lord Chancellor, 1940-1945.)

"Officials said today that no thought has been given to the composition of the American delegation. Advocates in Congress of international (start page 4) moves to improve the price of silver have been encouraged to hope that something may be done toward stabilizing the price through authoritative predictions that the silver question will be placed on the agenda of the London conference."

(Sure they were thinking about who would go representing the United States!)

"Not satisfied with these assurances, Representatives Somers of New York, chairman of the House Committee on Coinage, Weights and Measures, and members of his committee asked President Hoover today to use his influence to have the silver problem included on the agenda. Joining in the request were representatives Colton of Utah, Arentz of Nevada and Eaton

and Taylor of Colorado. They argued that to preserve the gold standard it is essential that silver be stabilized at a higher rate than now prevails."

(Eaton was a member of the National Association for Constitutional Government, Who's Who, 1932, page 757. Don Colton was a sheep rancher and newspaper owner in Utah. Arentz was president of Western America Exploration Company and had a background in timber, copper and railroads in Michigan, Utah, Idaho and Nevada.)

"The President's reaction to the arguments of the committee was "splendid," according to Representative Arentz, who was of the opinion that the President would ask that silver be considered by the conference."

(Hoover already delayed for way over a year in requesting a conference. When he determined that there would be a conference in London still months later, maybe that's why he thought it was splendid.)

"The chronology of the movements looking to an international economic conference was learned today upon authority as follows---Sir Ronald Lindsay, British Ambassador, shortly before the middle of last month called upon William R. Castle Jr., Under Secretary of State, who was Acting Secretary at the time, and said he was instructed by his government to inquire how the United States would feel toward attending an international economic conference to discuss the stabilizing of commodity prices."

(Sir Ronald Lindsay, Pilgrims Society, son of the 26th Earl of Crawford, was Ambassador to Washington, 1930-1939, in which capacity he played his role in Britain's attack against silver. His first marriage was to Martha, daughter of J. Donald Cameron, United States Senator from Pennsylvania. Cameron had interests in Northern Central Railroad and in coal and iron. Lindsay's second marriage was to Elizabeth Sherman Hoyt, daughter of Wall Street financier Colgate Hoyt. She was the grandniece of Treasury Secretary John Sherman, involved in gold and silver manipulations with the British financial elite. Colgate Hoyt, highly likely another Pilgrims Society member with offices at 14 Wall Street, held interest in rubber plantations; railroads (Missouri, Kansas & Texas Railway and South Bend & Southern Railroad; Cuba Copper Company; Brooklyn Rapid Transit; British Colonial Copper; U.S. Cast Iron Pipe & Foundry; and the International Banking Corporation---Who's Who, page 1231, 1916.)

"The British Government, the Ambassador explained, was not extending an invitation to such a conference but was disturbed over the fall of gold commodity prices and felt a conference might be helpful. Mr. Castle replied this was the first he had heard of the possibility of such a conference; that he could give only his personal reaction and not speak for the government until he had consulted the President, but he felt, if a proper agenda could be worked out, the United States would be interested, provided reparations, governmental debts owed the United States and tariff rates were not discussed."

(Gee! A high-ranking American official didn't want the British to have to discuss any sums they owed this country! Talk about loyalty---to Great Britain!)

"Two days later Mr. Castle discussed the question with the President, whose views he found coincided with his own. The President, Mr. Castle, and the British Ambassador assumed that the conference would be held in London."

(Yeah and they all wanted to continue to stifle silver and that's really what they got in June 1933.)

"Mr. Castle informed Sir Ronald of the President's views and then took up the question with Secretary Stimson, who had returned from Europe. Stimson's reaction was favorable, and late last month a cablegram was sent to Ambassador Mellon in London informing him of the substance of the conversations here and instructing him to discuss the matter with Sir John Simon, British Foreign Secretary."

(This was the former three-time Treasury Secretary and Pilgrims Society member whose fortune was described by Texas Congressman Wright Patman---quoted in "Paul Mellon, Portrait of An Oil Baron" by William Hoffman, 1974, as "equal to the entire value of all the property in the State of Texas.")

"Ambassador Mellon was told to inform Sir John that if the British Government decided to call such a conference under the restrictions outlined by the United States, this government would undoubtedly be represented. Again it was assumed the conference would be held in London. The same day, a few hours after the instructions had been sent Mr. Mellon, the British Ambassador called on Mr. Castle and said he had new instructions from his

government to inquire if the United States would be prepared to attend the projected economic conference as the second part was listed on the agenda for a discussion of general economic conditions."

(This was the same Mellon who as Treasury Secretary butted heads with Nevada Silver Senator Pittman regarding Mellon's refusal to complete the Treasury's compliance with the Pittman Silver Purchase Act of 1918, which required the government to purchase a quantity of metal at $1 per ounce. As that price was way higher than what Mellon's Pilgrims Society associates wanted to see prevail, he refused to honor the terms of the act!)

"Mr. Castle replied that was a new idea and that public opinion in this country viewed the Lausanne conference as primarily one to consider reparations, regardless of the details carried on the agenda. Secretary Stimson joined in the discussion and said he did not think it would be possible for an American delegation to go to Lausanne in view of the way that conference was viewed in this country. A cablegram was then sent Ambassador Mellon, informing him of this development and stressing that the United States would not go to Lausanne."

"In reporting on his conversation with the British Foreign Secretary, Mellon said that, since the Lausanne conference was scheduled for June 16 and the Ottawa conference for July, it did not appear probable that the economic conference would be called until after the Ottawa meeting. There the question now stands, so far as official conversations and exchanges are concerned."

(Too bad so much of the world's destiny was in the hands of such corrupt men with fraudulent intentions.)

"Stimson Opposes Money Parley Now," NYT, June 4, 1932, page 5, subtitled, "Tells House Committee Issues Will Be Discussed at the London Conference" and "But Members Back Plan" and "Senator King Asks Hoover to Call Separate World Meeting to Take Up Silver Problem"---

"Washington---Differences of views developed between Secretary of State Stimson and the House Foreign Affairs Committee today over the advisability of calling an international monetary conference by the United States while the London world economic conference is pending because monetary problems presumably will be considered at London."

(Stimson knew that his British associates had in mind to submerge the silver issue in other matters. He was in league with them to help suppress silver. In 1893 Stimson married Mabel Wellington White, who was the great-great granddaughter of American founding father Roger Sherman. That marriage in itself was an insult to the Constitution.)

"Secretary Stimson sent a letter to Representative Linthicum of Maryland, chairman of the Foreign Affairs Committee, suggesting that the committee delay action on the joint resolution of Representative Somers of New York, chairman of the House Coinage Committee, requesting President Hoover to call an international monetary conference before July 1."

"The Secretary of State said the road was open to international consideration of the monetary question through the overtures made by Great Britain for a world economic conference."

(It's so obvious that Stimson wanted the British to organize, lead and run a world monetary conference, and that the intent was that silver would not be dealt with outside of their auspices. How could the British have so much influence over our Secretary of State? Ahh! It was his membership in the highly secretive British-American Pilgrims Society that accounted for the "invisible" strings pulled!)

"Previous investigation by the State Department of the prospects of a monetary conference had not developed a wide promise of international participation and cooperation, he said. This was understood to have reference to inquiries made by the State Department by direction of President Hoover when the Somers resolution was introduced. The House Foreign Affairs Committee, however, appeared to take a different view. Members said this afternoon the committee would report the Somers resolution favorably tomorrow in the form of a declaration of Congress's desire that President Hoover should call an international monetary conference."

"Some of the members indicated impatience with the position taken by Secretary Stimson ***AND PREDICTED THAT IF THE RESOLUTION WAS ADOPTED BY CONGRESS AND WAS NOT ACTED ON BY THE PRESIDENT IMMEDIATELY THEY WERE CERTAIN THEY COULD GET THROUGH A STRONGER RESOLUTION NEXT WINTER***. The

Somers resolution was recently reported favorably by the Coinage Committee, but was referred by the House to the Foreign Affairs Committee for its views."

"Meanwhile, members of the House and Senate, especially those from Western States, are continuing to urge that the United States call an international silver conference. This question also is expected to be considered by the projected London economic conference. The State Department is marking time on these issues, awaiting some definite word from London on the scope of the agenda for the proposed world economic conference."

(Exactly. Stimson was in league with Pilgrims Society members in England representing the Bank of England, the big banks and financial establishment, their super-rich families, and the Crown.)

"Secretary Stimson's letter to Chairman Linthicum read---

"I have received your letter of May 31 enclosing a copy of House Resolution No. 385 with the hearings of the Committee on Coinage, Weights and Measures on the same question and asking for some expression of views on this topic. I have no doubt that you have noticed the accounts in the press of the discussions now going on between Great Britain and the United States regarding a world economic conference."

"The resolution calls for a monetary conference, but in nearly all respects covers ground which could properly be included in a general economic conference. The conversations going on between Great Britain and ourselves have not developed any considerable definition of the topics which would be placed upon the table before the proposed conference, but the general scope includes the field covered by the resolution."

(Stimson was discussing matters with British Foreign Secretary Sir John Simon, who was on the cover of Time Magazine, March 21, 1932. This Pilgrims Society member later became Viscount Simon and was Lord Chancellor, 1940-1945)---

"I HAVE NOT FELT THAT THE CALLING OF A CONFERENCE BY THE UNITED STATES WOULD SERVE ANY USEFUL PURPOSE without a much wider promise of international participation and cooperation than has at any time been indicated. The developments in the last few days give promise of widespread interest and cooperation in the project, and while they have not progressed so far that the results can be considered matured or certain, I am clear that the end in view should be pursued along the road which has now opened. I suggest therefore that ***THERE IS NOTHING TO BE GAINED FOR THE TIME BEING BY PRESSING TO CONCLUSION THE RESOLUTION WHICH YOU HAVE ENCLOSED***."

(Stimson, the Secret Society member in with the leading figures on Wall Street and London, rebuffed the Congressional call for immediate action on rehabilitation of silver! I tell you these people are the Fiat Money Mob! That was the conclusion of Stimson's poison pen letter of denial to Congressman Linthicum.)

"No change in the American position against the inclusion of reparations, debts and tariff rates in the agenda of the proposed economic conference was

discernable here today. The assertion of Neville Chamberlain, British Chancellor of the Exchequer, that reparations and war debts were inseparably tied up with plans for the improvement of world economic conditions and similar intimations in press reports from Paris and Rome ***WERE GREETED WITH OFFICIAL SILENCE.***"

"Intimations in unofficial reports from London that ***GREAT BRITAIN WOULD PREFER THAT THE CONFERENCE MEMBERSHIP BE RESTRICTED TO THE UNITED STATES AND TO THOSE ATTENDING THE LAUSANNE MEETING*** were not received with approbation here. The United States Government believes that other nations should be included, such as Argentina, Spain and South American countries."

(Wow! The British wanted to exclude any nations they thought might come in as favorable to monetary silver! By "United States Government," we must conclude, from the context of extensive information we've covered in this entire series, it is implied to mean "Congress," not the Executive Branch!)

"It was said at the State Department that the United States would have no objection to the inclusion of Russia, because it is an important factor in trade."

(But what of silver producers Mexico and Peru?)

"Senator King, after a conference with President Hoover at the White House, said he urged the President to call an international conference on silver, ***INDEPENDENT OF THE LONDON ECONOMIC CONFERENCE."***

(King realized the silver conference needed to be outside British dominance else the cake that would be baked there, so to speak, would be spiked with arsenic! Unfortunately the British influence was to prevail, as we will see in "Silver In 1933.")

The NYT, June 9, 1932, page 5, "Republican Battle On Silver Forecast" subtitled "Agitation for Stabilization of Metal and Monetary Parley Is Growing in Capital," and "Eight Producing States in West Demand a Favorable Plank as an Economic Necessity" and "Easterners Fear Giving Europe the Impression That the Gold Standard May Be Abandoned---

"Washington---The agitation for stabilization of silver and an international monetary conference promises to produce one of the sharpest battles in the Republican National Convention, second only to the prohibition question. Today the discussion among Republican Senators, who are delegates to the convention, centered upon the sectional struggle between the West and East over the maintenance of the gold standard and the remonetization of silver."

(Those who were unhappy about their savings being destroyed, their mines shuttered and their employees put out of work were "agitators.")

"Something like the free silver wave of 1896, which Brought Bryan into public life, is stirring the eight silver producing States of the West. Senator Smoot is leading the Republican forces demanding a favorable silver plank while Senator Wheeler plans to offer a silver plank in the Democratic convention. The present indications are that the Democrats will go further in satisfying the silver adherents than will the Republicans."

"THE RENEWAL OF THE DEMANDS FOR STABILIZATION OF SILVER THAT HAS FLARED UP DURING THIS SESSION OF CONGRESS IS VIEWED WITH CONCERN BY FINANCIERS AND GOVERNMENT OFFICIALS. They fear that to bring this issue before the party conventions will confirm suspicions in European centers that the United States will abandon the gold standard."

(Silver has been faulted so many times as undermining gold, by the very people whose long-range intention it was, to get rid of gold, it's quite disturbing. The United States was well known as Great Britain's "partner" on the world stage, made possible by their Secret Society who in 2008 still refuses to disclose its members---and Britain was campaigning against gold, just after wrecking silver. These New York bankers were as hostile towards gold as to silver. They had no intention of letting it show. But look what happened in August 1971.)

"The situation is pictured by the Western Senators as a real economic issue in the silver States, while the agricultural sections are also represented by their members in Congress as favoring cheaper money and the placing of silver on a parity with gold. The conference last Sunday of Republican Senators which agreed upon the principle of the prohibition plank reached an impasse when an attempt was made to obtain a consensus on the monetary

plank. Senator Smoot insisted that the silver producing States would be lost to the Republican party and that he could not hope to be reelected unless there was an adequate monetary plank in the platform."

"He suggested something like the declaration in the 1896 Republican plank, which opposed the "free coinage of silver except by international agreement with the leading nations of the world." He said he and his colleagues in the silver States would present a comprehensive suggestion but he was not prepared to offer it at the time. The conferences were resumed Monday with Senator Smoot absent. Senator Reed, spokesman for the East and representing the conservative forces, attended and argued against any plank that would savor of reviving the silver contest of 1896."

(Senator David Reed was a Mellon family operative with offices at 747 Union Trust Building in Pittsburgh. Union Trust was controlled by Pilgrims Society member Andrew Mellon, anti-silver three term Treasury Secretary.)

"He said it was important at this stage in the world's economic distress, with critics of this government asserting the gold standard would be dropped by the United States, that the Republican party declare in no uncertain terms to the contrary." He surprised his colleagues and James R. Garfield, who will be chairman of the Republican Resolutions Committee, by presenting this suggested plank---"We stand for the integrity of our currency and the maintenance of the gold standard."

(James Garfield was Secretary of the Interior in the Theodore Roosevelt administration, 1907-1909.)

"Senator Reed then insisted that the next most important thing the United States could do at this time was to continue restricted immigration until economic conditions improved. He offered this other suggested plank---"We urge maintenance of the policy of restricted immigration and oppose all changes therein." Mr. Garfield took these planks with him and promised to wait for Senator Smoot's ideas before drafting the monetary plank."

(Immigration---of the unrestricted type, carries its own difficulties for the country. To those coming up from South of the "border," don't be mad at me---be angry with the planners. They seemingly plan for you to be soldiers

sent to the Middle East. Just think, you could have remained safe and secure in your original location.)

The NYT, June 10, 1932, page 36, "Approval Pressed For Money Parley," subtitled, "Somers Resolution Endorsing World Conference Gets Preferred Status in House" and "***SILVER STABILIZATION CLAUSE WAS OMITTED AFTER BRITAIN INVITED US TO ECONOMIC SESSION***"---

"Washington---The revised resolution by Representative Somers of New York, approving steps which have begun for an international monetary conference at London, received privileged status today from the House Rules Committee and will probably be placed before the House early next week for action. Its sponsors predicted adoption."

(Again we see a definite suggestion that the home base for global silver suppression is London---not co-conspirator New York!)

"Representative Linthicum of Maryland, chairman of the House Foreign Affairs Committee, and Representative Somers told the Rules Committee that such a conference, they believed, would find a solution for some of the pressing monetary problems, which they held were prolonging the economic depression. They urged that the House go on record in the matter."

"Mr. Linthicum explained that the short resolution which had been reported by his committee was a substitute for one introduced by Mr. Somers after hearings before the House Coinage Committee. In its original form the resolution requested the President to call a conference and specifically mentioned the stabilization of silver. The present resolution merely endorses the efforts to get the nations together."

"The alteration was decided upon after Great Britain invited the United States to attend an economic conference in London. The State Department approved American participation. Somers held that if a number of nations would get behind a movement to raise commodity prices, they could be brought to a level where productive industry would be able to realize a profit, and operate on a basis which would go far to solve the unemployment problem."

(While probably no one in the administration wanted to see silver continue as money, the signal to institute the "alteration"---a silver stabilization clause---was given by Britain. This again suggests that they were the Senior Partner in monetary crime.)

"He said the monetary problem was one of the most important in the world economic depression and that, unless some remedy was found, many of the debts which were contracted would never be paid. It was his hope, he said, "that this conference with the best banking minds of the world in attendance," would arrive at conclusions which would enable the various nations of the world to carry on trade without being confronted by wide fluctuations in currency values. Cooperation by the various nations, he said, was necessary to bring this about."

(That was plenty to worry about---"the best banking minds of the world" would be there, rigging the system against average people. Was Somers naïve, or knowingly leading us down a path?)

"Representative Bankhead of Alabama contended that the stability of the United States and the world was dependent upon some solution of world monetary problems. If the Somers resolution is adopted by the House an effort probably will be made to get a similar resolution through the Senate."

China Weekly Review, Shanghai, June 11, 1932, page 49 featured "Measures For Rehabilitating Silver" by Yue Kwei-Zun, director of Tung Yih Bank in Shanghai---

"At this time when ***THE EVIL INFLUENCE OF SILVER DEPRECIATION HAS BEEN FELT BY ALL COUNTRIES IN THE WORLD*** and the talk of convening an International Silver Conference to remedy the situation has been rife, it is apropos to bring into prominence once again the problem of gold and silver. It is always my conviction that the measures for rehabilitating silver should be based on two premises---first, close cooperation between Great Britain and the U.S. and secondly, China's promise of retaining the silver standard for some definite period in the future. I am also of the belief that Great Britain, including India and Canada, the U.S., China and Mexico, representing the principal producers, holders, and consumers of the world's silver, should bear the chief burden of the task of its rehabilitation."

(Great Britain and the U.S. certainly were engaged in "close cooperation." Unfortunately, they cooperated in suppressing monetary silver and silver commodity prices.)

"With the fixing of the above premises and the cooperation of the countries mentioned, the silver price, irrespective of the possibility of convening a silver conference, can be restored and stabilized by the following measures."

"The first measure for rehabilitating silver is the organization of a silver trust under the joint management of governments, leading banks, silver mines, and silver works."

(I don't like the sound of that. I believe we have had for many long years, a silver trust managed by governments and leading banks. It's purpose is to suppress silver prices.)

"In the above mentioned four countries, silver either directly coming from the mines or derived from the debased old coins, will be purchased by the silver trust in accordance with the market rate; and likewise its demand either for monetary purposes or for artistic and industrial uses will be supplied by the same trust at the market price. This trust backed by the Central Banks or the Federal Reserve Banks of these four countries and the financial strength of these governments will use its sound judgment to regulate the supply and demand of silver."

(This was an appeal for something other than a free market. If all silver mined was to be delivered by law to central banks, and they would dole it out as they judged best, this was a proposal for tight world control of silver. It was in no sense any free market recommendation.)

"The restriction of silver production is my second measure. Under present conditions, the production of silver has to be drastically reduced. During the last few years we have witnessed that the price of silver has fallen below its cost of production, and that in the meantime the prices of other metals such as copper, lead, zinc and nickel, from the ores of which silver is a byproduct, have also fallen. From our rough estimation, the production of silver this year will be possibly reduced to 200,000,000 ounces. Although the production is already about 50,000,000 ounces less than the average production of the last few years, I still consider this reduction not big enough, and believe that ***THE TOTAL ANNUAL PRODUCTION MUST***

BY ALL MEANS BE RESTRICTED TO THE LIMIT OF 150,000,000 OUNCES so that the reduction will prove beneficial to the present situation."

(Observe that he didn't call on Great Britain to halt its Indian silver-dumping program! No, it was the miners who should scale back, and throw still more people into breadlines, except that in most of Mexico, breadlines weren't available! For jobless miners it was either subsist on corn and water, or turn to banditry!)

"The prejudice against silver will not be eradicated, until and unless the volume of its supply is limited to that of its demand. It is up to the mine owners concerned in these four countries to come together to devise means for restricting silver production."

(Again he placed the burden on the mine owners, who were innocent of causing the oversaturation of silver supply!)

"The comparatively hard task is to restrict the output of silver which is derived from the ores of other metals as byproduct. For the present, the byproduct silver does not assume a very serious problem, and in the future we can adopt the following three methods of preventing it from swamping the market---(1) The owners of the mines and works should keep silver in their possession to wait for a high price; (2) The silver trust should buy it and hold it in its custody; and (3) The banks should advance money against silver at a low rate of interest."

(Again he blamed mining for swamping the market, when to the absolute contrary, it was caused exclusively by government dumping!)

"We must by all means keep silver in circulation in the market under 150,000,000 ounces, no matter whether the quantity of the production will exceed that figure. After four or five years, with the change of public prejudice against the white metal, its former status can be gradually restored, and silver now in storage can be sold at good prices."

"My third measure is the restriction of selling of silver stock and the abolition of duties on silver. It goes without saying that the revival of silver prices will be very much encouraged ***IF THE BRITISH INDIAN GOVERNMENT CAN REPEAL THE RESOLUTION PASSED BY ITS***

MONETARY SYSTEM REVISING COMMISSION IN 1926, and revise its monetary unit."

(Finally he mentioned the real troublemakers!)

"We are under no illusion to entertain this hope, as we have recently been told that its government authorities have still insisted that one rupee should be equivalent to one shilling and six pence. Thus it is understood that ***IT WILL CONTINUE TO SELL SILVER."***

(The British were gleefully resolved to continue throttling the silver market.)

"India in past decades has been, besides China, another big silver importing country. We can neither restrict nor modify the practice adopted by the British Indian Government of absorbing the white metal from its domain and disposing of it within its boundaries, although the practice will indirectly entail a great loss to the British treasury and commerce."

(More importantly, Britain was dumping Indian silver on world markets---not just an Indian market.)

"WHILE WE CAN BY NO MEANS PERSUADE THE BRITISH INDIAN GOVERNMENT TO STOP THIS PRACTICE, we have to seek other practical means for regulating the supply of silver. The most feasible means is, with the agreement of Great Britain as well as other countries, to restrict the annual selling quota of old silver to 10 or 15% of its annual production, or about 20,000,000 ounces. If this formula can be carried out, the total quantity of old and new silver circulating in the market will not be over 200,000,000 ounces every year, including 15,000,000 ounces of new silver as above fixed."

"According to the present market situation, the price of silver will be greatly stimulated through this regulation. Besides India, the silver stock in Germany and France has been nearly exhausted. In Japan and Holland, the available stock is small and will not be sold out at the present time; and in Spain, the silver in the government treasury is said to be about 100,000,000 ounces, and the Spanish government is still uncertain as to its disposal. Henceforth all the countries which have silver to dispose of should first apply to the silver trust and let the silver trust purchase it, so that its price

can be stabilized through the restriction of its supply, and the selling country will not suffer the loss through the fall in price."

(Things would be somewhat different in practice if the world had a silver trust to suck up all mining production and dole it out as it chose. Such a dangerous proposition should never be entertained.)

"Fourthly, the above named four countries should increase the quantity of subsidiary silver coins now in circulation and also the fineness of silver contained therein. This is the initial step leading to the restoration of the accustomed usage of silver coins. By so doing, the consumption of silver can be kept up, with no effect upon the government treasuries of the countries concerned."

(This fellow didn't understand the full fiat program.)

"Lastly, all the Central Bank or the Federal Reserve Banks of the above mentioned countries which now adopt the gold standard should include silver as part of their currency reserves. The present congestion of silver is caused by the fact that it has no exits other than China and India. If Great Britain and the U.S. can lead other countries in accepting silver as part of bank reserves, the quantity of silver absorbed in this way will be enormous. Gold reserves in the U.S. alone are estimated at about $4,000,000,000; and if one percent of her reserves is in silver, she will take 30 or 40 million ounces, supposing the market price of silver is quoted at less than .30 per ounce."

"In this way, an enormous quantity of silver will be taken away from the market, because silver in terms of gold is very cheap. With the present silver price below its cost of production, no fear will be entertained for the further depreciation of the value of silver set aside for reserves. For Great Britain and the U.S. whose national wealth is large, to absorb this small amount of silver is nothing more than to pluck a feather from a bird."

"The above five measures, which can be easily carried out, are intended to effect a gradual restoration of the former status of silver, to boost the silver price, and to change the popular belief in the demonetization of silver."

(There was no "popular belief in the demonetization of silver" on the part of the masses; only the elites liked it.)

"When the popular attitude towards silver has been changed after a few years, the public will once again turn its attention to the scheme of bimetallism as a desirable monetary standard. When that time comes, the people will have the same confidence in the scheme of bimetallism as they have now in the single gold standard."

(Do you think it credible that rank and file Indians, who couldn't exchange paper rupee notes for physical gold since there were very few of them who could amass the required $8,000+ minimum equivalent in U.S. dollars---as denominated in 1932 dollars---were confident they had a real gold standard?)

"The evils of the gold standard are clearer and clearer every day. The maldistribution of gold and its insufficient production have not only discounted the purchasing power of the Far Eastern people, but also caused the present world depression. It is believed that with the change of public opinion towards the gold standard, the adoption of bimetallism will become a matter of fact after ten or twenty years."

(The concentration of gold didn't help matters, yet before the British attacked silver world trade was going on robustly enough. As of 1952 his prediction on bimetallism was not materializing. By 1965 the end was at hand.)

"In restoring the silver price, one thing must be carefully guarded, that is, the silver price should not be increased too rapidly."

(To what extent would this statement apply now in 2008? Probably close to zero.)

"At the present, all owners of silver mines as well as the Far Eastern merchants, have incessantly cursed the evils arising from the fall in the silver price, and unanimously hoped that it will be restored to its former price all of a sudden. This sudden rise in the price of silver will do more harm than good, because it will not only upset the commercial market and strangle many trades, but will also foster speculation and encourage production of silver."

(Such problems the British money manipulators have caused!)

"As a result, the purchasers and holders of silver will alike suffer the evil consequence and the program of restoring silver price will be greatly hampered. Therefore it is my firm conviction that the process of rehabilitating silver must be carried out gradually. With the prejudice against the white metal passing into oblivion, its price will naturally rise, without the need of any artificial means. All shortcut processes will only serve to delay reaching of our desired goal."

The NYT, June 12, 1932, page 5, "Borah Studies Gold Report"---

"Washington---Senator Borah, chairman of the Foreign Relations Committee, is studying the summary of the report by the League of Nations gold delegation and expects to speak on the subject in the Senate next week. Those who know his views feel sure he will pay close attention to that portion referring to "a satisfactory solution of the problem of reparation payments and war debts." The questions of reparations, the gold standard and the proposed economic conference came up on the floor of the Senate today."

"Senator Lewis of Illinois congratulated President Hoover and Secretary Stimson for refusing to enter a conference at Lausanne, seductively entitled, "An Arrangement for the Adjustment of World Trade," when the real purpose would be "to point out the necessity for cancellation of the American debts." Senator King of Utah, who has long urged an international silver conference, related how he had gone to the President with such a proposal. He said he had gained an impression from Mr. Hoover and acting Secretary of State Castle that an economic conference would be held and that this country would participate in it. He did not understand the conference would be to cancel the war debts, but "to remove trade barriers, to revive industry and get us out of the gloom and darkness."

(It would not be until June 1933 that the International Economic Conference would take place in London. It was under the control of the usual shady elements,)

"We should participate in that kind of conference actively, and not through a peephole, but if a conference is held to cancel debts, we should not participate," he stated. Then he proceeded to wonder how Senator Lewis expected foreign nations to pay war debts when there is so little gold. "There is only $11,000,000,000 of gold in the world and seven-tenths of that

is in the United States and France," he explained. "The other nations have virtually none. Nations are going off the gold standard because of the paucity of gold. They can't pay us in gold because there is no gold." He went on to say that the need for a rise in commodity prices could not be effected with a narrow metallic base, and quoted former Premier Caillaux of France as saying the world's financial structure was pyramided "upon a mere diamond point of gold."

The Times, June 13, 1932, page 8 was a letter by Sir Graham Bower---we will see more from him later---rebutting another letter writer's suggestion that the Bank of England should adjust its bullion holding until ten percent of it was in silver---

"I would remind Mr. Hirst that the Sherman Act of July 1890 directed the Secretary of the United States Treasury to purchase a specified amount of silver and to issue in payment for such purchases of silver bullion Treasury notes of the United States. The result was described in the message that President Cleveland addressed to Congress on August 7, 1893, from which I extract the following---

"With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, although heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business. I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the Government."

(How like a Pilgrims Society member---he became one in 1903---to blame the world's ills on silver! In fact it was his friends in the Money Power who caused the Panic of 1893 by a run on the gold supply. Then they influenced Americans, through the press, to race to the banks and attempt to convert silver notes into gold. Naturally they could not all be covered, since the Morgans, Speyers and Rothschilds and their associates, removed so much

gold from the Treasury. Silver was very falsely blamed for the evil actions of world financiers. Continuing with Sir Graham Bower's letter)---

"The purchase of silver was stopped, but the Act repealing the purchase clause declared bimetallism to be the policy of the United States, and the crisis continued, giving occasion for Bryan's speech at the Chicago Convention of 1896 in which he said "You shall not crucify mankind upon a cross of gold," ***AND DID MORE THAN ANY OTHER MAN TO UNDERMINE THE CREDIT OF THE COUNTRY***."

(Wow! If you even attempt to do anything to assist silver to play its natural role as money, you are undermining credit! Of course bankers want credit to be something only they can manufacture. No wonder they have hated silver so badly. They way their propagandists raved against silver, I'm surprised to have not yet found a warning that if rubies were set in silver jewelry, they'd be transmuted into cheap red garnets.)

"May I then suggest that the experience of the purchase of silver and of bimetallism in the United States has been so serious that it acts as a warning to all who may hope for relief in that direction?"

(Sir Graham must have been fairly close to the Money Power to be making such deliriously false statements.)

The NYT, June 16, 1932, page 5 featured this item from the platform adopted at the Republican National Convention---

"We favor the participation of the United States in an international conference to consider matters relating to monetary questions, including the position of silver, exchange problems and commodity prices, and possible cooperative action concerning them."

The NYT, June 16, 1932, page 17, "Western Leaders Hail Silver Plank Report," subtitled, "They See Partial Victory in Recognition by Committee of Need for International Conference"---

"Chicago---Western leaders of the silver money movement today hailed as a partial victory a reported recognition by the Republican Platform Committee of the necessity for an international conference. The plank was described as brief and one that did not go nearly as far as the silver men had hoped. It

read---"We favor the calling of an international conference for the consideration of monetary matters, including the position of silver." W. Mont Ferry of Salt Lake City, president of the American Silver Producers Association, considered the plank one recognizing silver as money."

"We had hoped also for a declaration recognizing silver as a metallic reserve against which currency might be issued, and we had no intention of attacking the gold standard, but desire that it be supplemented by the use of silver," he said. A.B. Irvine, chairman of the Utah delegation, characterized the silver plank as "a decided victory for the friends of silver. In view of the sentiment we find confronting us here, ***RECOGNITION OF SILVER FROM A MONETARY STANDPOINT AND NOT MERELY AS A COMMODITY*** is a victory," he added."

(Alonzo Blair Irvine was an attorney who held railroad and irrigation interests. The railroad may have derived revenue from ore shipments. He was a director of Inter-Mountain Electric, president of the Utah State Senate, 1926-1930 and chairman of the Utah Judicial Council, 1932-1934---Who's Who, 1940, page 1362.)

"We were interested primarily in establishing the principle. Of course we would have liked a more specific declaration." Dr. Hinton D. Jones, chairman of the Washington delegation, said his State favored a plank calling for international consideration of the restoration of silver as money."

"Silver Plank Urged Against Mills Plan" subtitled "Strength of Far Western Group Advocating Move Carries Weight With Leaders" and "Secretary Cool To Idea"---

"Chicago---The first open opposition to Secretary Mills's "gold standard" proposal for the Republican platform developed today when Ernest Bamberger of Utah offered a silver plank for the platform. Mr. Bamberger, nephew of the late Governor Bamberger, sought chiefly to head off any outright declaration for the maintenance of the gold standard which might serve to preclude consideration of the remonetization of silver. His proposed platform plank would put the party on record as holding that the best way to maintain the gold standard was to increase monetary reserves; it would pledge the Republicans to an international consideration of the restoration of silver as a primary money."

(Bamberger is an improvement on Bilderberger, huh? Ernest Bamberger was Utah Governor, 1917-1921 and operated the Delmonico Hotel in Salt Lake City. He invested in a Utah silver mine back in 1872, the Centennial Eureka Mine. Two years into operations, a major vein was struck. He became involved in railroad building, some of which eventually lost money)---

"Bamberger's silver plank read---"Believing that the maintenance of the gold standard is dependent on increasing monetary reserves and that the present reserve of monetary gold and the prospect of future gold production afford no reasonable expectation that gold will continue to serve unaided as a sufficient and satisfactory money and credit basis and that---"

"The present level of commodity prices has reached a point where productive industry is becoming unprofitable and the payment of taxes and other debts is becoming impossible and that ***MORE THAN ONE THOUSAND MILLION PEOPLE, HALF OF THE WORLD'S POPULATION, HAVE ALWAYS USED AND WILL DOUBTLESS CONTINUE TO USE SILVER AS THEIR EXCLUSIVE MONEY METAL***, and hence the foreign trade of the United States with these countries is dependent upon the buying power of silver---"

"The Republican Party, strongly favoring sound money, ***BASED ON METAL AS AGAINST FIAT MONEY***, which merely expands and weakens

our credit structure, asserts its belief in silver, and pledges itself to an international consideration of the remonetization of silver as a primary money, in order to broaden the metallic credit base and strengthen and stabilize the gold standard; and furthermore approves such legislation as is practicable, to further the foregoing declaration."

(Ernest Bamberger was general manager of Daly West Mining Company, 1904-1911 and became president of Keystone Mining in 1920 and was president of Ontario Silver Mining Company, 1907-1924. He became a director of Associated Oil of California in 1923 and was a member from Utah of the Republican National Committee, 1920-1929---Who's Who, 1932, page 237.)

"Bamberger's announcement raised the hope of other party leaders that they might keep the words "gold standard" out of any declaration on sound money. The issue of silver restoration is a live one in the Far West, and the desire to raise commodity prices, even at the price of inflation, has gripped the North West. Certain of the Republican helmsmen dislike to antagonize any organized group, especially in these times when the party is hard pressed on its economic policies."

(That's because Herbert Hoover's determination to obstruct an international silver conference was a great mortification.)

"Whether Secretary Mills could be persuaded to compromise on a mere declaration for "sound money" was still a question tonight. He spent much time working on a gold standard plank, and came here prepared to use all of his influence before the resolutions committee in urging maintenance of the gold standard as the Republican campaign cry."

(Treasury Secretary Mills, a Pilgrims Society member with a 161-foot yacht and ownership in the New York Herald Tribune and the International Paris Tribune, was totally opposed to monetary silver. His cousin Ogden Reid was also a Pilgrims Society member. His sons Whitelaw and Ogden became members and totally dedicated to the British Crown.)

"Secretary Mills is expected to have the entire economic section of the platform ready for tomorrow night. He has assumed the major responsibility for framing this part of the party declaration, since it was agreed that the administration's record in the present crisis must make up the most of it.

Mr. Mills has a large share in shaping the administration's economic policies."

The NYT, June 16, 1932, page 31, "Gold Redistributed; Hoarding Myth Ends" featured this significant remark---

"No less than nineteen foreign central banks now hold gold reserves in excess of their holdings one year ago."

The NYT, June 16, 1932, page 38, "Urges Bimetallism To End Depression" subtitled "Defends Inflation Policy"---

"London---Winston Churchill and Sir Robert Horne, both former Chancellors of the Exchequer, addressing the Royal Empire Society on the money problem today, said that increasing the world's commodity prices was the first essential. Sir Robert suggested that the best solution would be to unite silver and gold as a monetary basis. He said prices of commodities today were below those of 1913 and out of these prices had to be paid formidable costs."

(We reviewed Sir Robert Horne in the first installments of this series and considered the flaws in his suggestions, which started out appearing to be those of a true silverite, but which led down a devious path. The British silver movement was infected with proposals for the "Rex," a proposed world currency backed by silver and gold to be controlled by a "Super Bank." We need a world currency---gold and silver! We don't need the British or any other conniving schemers imposing a fiat currency on us hiding behind a veneer of real wealth.)

"How does anybody suggest this burden can be borne?" he asked. "If, as is obvious, it cannot be borne, and we are plunging straight to catastrophe under our present system, what is the solution? We are met with certain curious obsessions. As soon as we announce or suggest a policy of raising commodity prices we are told we are trying to create prosperity by currency manipulation. When they use that phrase we are supposed to feel as guilty as if we had been caught coming out of a hen roost we had robbed***. BUT CURRENCY MANIPUALTION IS NO CRIME. IT IS CARRIED ON EVERY DAY BY THE BANK OF ENGLAND."***

"The fact that there is a deep seated view in people's minds that currency has been created by Providence and it is sacrilegious to touch it. Manipulation is not bad, but you may manipulate it badly and then the whole world suffers. There are other obsessions. The word inflation is a perpetual deterrent to a just consideration of these problems. People who say "you must not inflate" can very seldom give you any reason why not. In the last resort they are forced to say "you must never begin it because you cannot halt it." They are like the people who refuse a drop of brandy to a man with a heart attack in the fear he will take to drink."

(Does Sir Robert Horne sound like a silverite here? No; he sounds like a paper sterling inflationist! And his analogy is badly flawed.)

"The deflation from which we are suffering today was deliberately adopted by our money authorities in 1918 and has been carried on to the extent of impoverishing the country. "I don't despair of getting results at Lausanne." Sir Robert foreshadowed a position in which by 1941 it would not engulf gold to provide the world sufficient currency."

(Engulf gold? Must have been an English or East coast colloquialism.)

"I have long held the view that the best solution to some of our present troubles would be to unite silver with gold as a basis on which the world's business might be conducted," he said. "Eighty percent of the silver produced in the world comes from composite mines, where are found together silver, lead, zinc and copper. The periods when the world wants lead, zinc and copper are in prosperity and it is in periods of prosperity that the most currency is needed. ***HERE IS NATURE'S OWN DEVICE FOR SUPPLYING US WITH CURRENCY WHEN WE NEED IT***. Silver is not simply a commodity. It is also the money of a vast population. Silver as part of our currency would increase the value of the savings of that population and as a result produce immediate orders for goods from manufacturers that the people require."

"Mr. Churchill, referring to the proposed world economic conference, said the first task of the delegates would be to discover the best technical method of arresting the devaluation of commodities and then to invest the process with authority that would command the confidence of the most powerful states and the investing classes throughout the world."

("Technical method?" What did Pilgrims Society member Churchill refer to? Other Pilgrims members on hand included Sir Harry Brittain, one of the founders; Sir Henry Strakosch, a member of the Royal Commission on Indian Currency and Finance who shafted silver in 1926; Sir Montague Barlow, Baronet of Westminster; and Lord Desborough, member of Parliament and president of the London Chamber of Commerce---names listed in The Times, London, June 16, 1932, page 11.)

"Gold Basis Is Urged On World By Haney" appeared in the same NYT edition, same page---

"World-wide return to the gold standard as the best means of reducing uncertainty as to the value of currencies, restoring the basis for foreign loans and paving the road to world economic revival, was urged by Dr. Lewis Haney, director of the bureau of business research at New York University, in an address last night at a dinner meeting of the World Trade League of the United States in the Hotel Astor."

(Haney, who was a member of the anti-silver American Economic Association---page 1152, 1940 Who's Who---would end his address having said nothing about silver.)

"In contrast with the program advocated by Dr. Haney, A.C. Peters, export executive and advocate of international currency, recommended immediate redefinition of the gold content of the present dollar or, in other words, a "split dollar," to approximate a true gold standard with a metallic base. Mr. Peters maintained that this would lift the burden of debt in each nation without affecting the international balance and thus start an immediate trade revival and restore confidence in money, distrust of which, he declared, was the fundamental cause of the depression. Credit control after such a currency split-up would be necessary, he said."

(Yes credit control is a prominent feature exercised by the Money Power. Notice that he didn't mention silver either.)

"George F. Bauer, chairman of the World Trade League, who presided, said reciprocal trade, expanded to its maximum, was the objective for which the World Trade League was striving and that such trade, unhampered by excessive tariff barriers, would reduce to a minimum the gold required for

payment of international balances and thus alleviate greatly or remove entirely the scramble for gold."

(The removal of tariff barriers would have a favorable effect on trade. However, he also said nothing about silver---three out of three---and world trade was crushed when Britain thrust its "Royal" dagger into silver's vitals.)

"While urging world return to the gold standard, Dr. Haney admitted that "the gold standard can never work under present artificial conditions" and added that "the restoration of gold will require much modification of tariffs, exchange restrictions, reparations, central bank policies and all the selfish, short sighted nationalism of the day."

(Nationalism? Was he advocating a universal government?)

"The unsound economic conditions today make the sound things break down," Dr. Haney said. "Sane people are out of place in an insane asylum. The United States does not need to go off the gold standard and although we are drifting in that direction, I hope that we may yet reverse our course. ***SO-CALLED MANAGED CURRENCIES NEVER HAVE WORKED AND PROBABLY NEVER WILL."***

(Haney was a "transitional" economist. He saw no need for monetary silver, or he would have mentioned it. But today we are all off gold too and have been for over 36 years! It seems unlikely that any economist on the faculty of New York University in 2008 would advocate any gold standard today---much less silver!)

"Abandonment of the gold standard would injure America's foreign trade, he continued, pointing out that England had gained little by her suspension of the gold standard and that the United States stood to gain even less because our foreign trade is small in relation to our domestic business. The chief exports of this country, he said, have their prices determined in world markets independent of the American dollar."

"He said any great weakening in the dollar would raise domestic prices and thus further decrease exports and increase imports. Moreover, the number of countries remaining strictly on the gold standard was so small that we could not even hope to gain the advantages that England expected when she suspended the gold standard, he declared."

"Emphasizing the existence of gold promises far in excess of the world's gold supply, Mr. Peters suggested that the "technical corner" in gold should be corrected voluntarily and equitably as an alternative to a breakdown of the prevailing economic system. ***AN INTERNATIONAL CURRENCY WOULD BE THE IDEAL SOLUTION***, he thought, but admitted that this was impracticable at present because of existing international enmities. He maintained, however, that a desirable immediate step would be to increase the quantity of real money instead of resorting to unsound inflation schemes."

The NYT, June 16, 1032, page 38, featured an Associated Press dispatch from Paris---

"Paris---The loss of about $80,000,000 when Great Britain went off the gold standard was reported in American banking circles here today to be the basis for the French gold policy that resulted in the removal of $50,000,000 in the metal from New York this week. When the pound fell last fall, American bankers said, the French Government decided on a new policy of protecting its foreign gold, and a high French financial authority agreed in part. This authority said the withdrawal of gold from the Federal Reserve Bank of New York in New York was in line with the French policy of liquidating foreign credit and currency balances. "French credit balances in New York amounting to $300,000,000," he said, "have been earmarked progressively over the last six months***. IT IS NORMAL THAT THE BANK OF FRANCE SHOULD POSSESS GOLD AND NOT FOREIGN CURRENCIES***."

(Right, since gold is money, and currencies at best only represent gold---or silver.)

The Times, London, June 17, 1932, page 10 featured a letter from professor Edwin Cannan of the London School of Economics---

"It is much to be feared that the ministerial spokesmen of the Treasury are badly infected with "gold mentality," which may be defined as incapacity to measure value in anything but gold (or which is the same thing, gold standard currencies). Having left the gold standard because, as we rightly allege, it is a bad standard under its present management, we ought to

maintain that ***THE PAPER POUND STANDARD WHICH WE HAVE ADOPTED IS A BETTER ONE."***

(The London School of Economics is well known as a fountainhead of the fiat currency forces.)

"Yet these ministers seem unable to open their mouths without saying something which shows that they assume that every change in the ratio between gold and the paper pound sterling must necessarily mean that not gold but sterling has risen or fallen in value. Incapacity to grasp the theory of the subject would not matter much if it were accompanied by sound practice. Before September 1931 the pound was kept approximately equal in value to 113 grains of fine gold by the Bank buying and selling gold at prescribed prices close to that ratio when divergencies from it tended to appear; at present the pound is being kept approximately equal to 85 grains of gold by exactly the same method. There is a difference---before last September we called it being on the gold standard, and now we call it "pegging the exchange," but the only difference of fact is that the old ratio was published, and could not be abolished without a meeting of Parliament."

"The new ratio is unpublished and exists only during the pleasure of nobody knows whom---nominally the Chancellor of the Exchequer and the Bank Court of Directors."

(Neville Chamberlain and Montagu Norman were the leading personalities of whom he spoke. He was a mere economist who was unhappy to not be on top of the heap! Fierce Pilgrims Society member Chamberlain)---

"We have returned to the gold standard in defiance of the Government's professed intention not to return without security that gold should be treated in a more rational manner than it has been in recent years. Those who remember me as an advocate of a general return to the gold standard at the time of the wild inflations which were leading up to the fall of the old German mark ***TO LESS THAN A BILLIONTH OF ITS FORMER VALUE*** may think that I ought to welcome even a temporary and precarious return by this country to that standard now. But from way back into the nineteenth century I have been fully alive to the degree to which the gold standard is exposed from the influence of the worship of gold, which tends to induce banks to raise its value by inordinate accumulation, especially when legislatures have deprived them of the profits of fiduciary note issues."

(Are fiduciary note issues as "tokens of wealth" as certain as gold bullion? Only to bankers and economists.)

"You printed long letters from me on January 8 and 18 last year complaining that the great accumulations arising from this and from fatuous legislation prescribing ***STERILE RESERVES*** were making gold a worse standard at that time. Since then, it is most important to realize, it has been made a still worse standard, because the collapse of last September has shown the world what it did not know before, that the most highly respected country on the gold standard, without even the excuse of a war, and almost without shame, may suddenly relieve its central bank of the obligation to give gold for its notes at the prescribed ratio."

"The consequence of this has been that no gold standard currency is any longer regarded as quite as good as gold itself, ***AND THEREFORE THE DEMAND FOR HARD GOLD IS ENORMOUSLY INCREASED***, and is not likely to diminish in the absence of a somewhat improbable change in the situation. There is thus no reason for regarding approval of the returns to the gold standard which took place in the twenties, or even disapproval of the departures which took place in 1931, as incompatible with the strongest objection to a second return in 1932."

(Why is the demand for gold so great today? Currency debasement is the main answer.)

"We have freely accused other countries of not playing the gold standard game; let us not incur the reproach that, having gone off the gold standard in consequence, we now fail to play the sterling game. Theory and experience both teach that ***THE LONG RUN VALUE OF PAPER CURRENCIES DEPENDS NOT ON BUDGETS, BALANCES OF TRADE, NOR EXCHANGE SPECULATION, BUT ON THEIR INTERNAL PURCHASING POWER, WHICH CAN BE REGULATED AS EASILY AS, OR RATHER MORE EASILY THAN, THAT OF ANY OTHER NONMONOPOLIZED COMMODITY***."

(Just regulate fiat paper currency and its buying power will remain steady, in whatever nation you happen to live! Any of you see evidence that the purchasing power of a $50 bill is equal to what it was even two years ago? How about 20 years ago? This professor was a fiat money criminal.)

The NYT, June 18, 1932, front page, "House Calls for a World Economic Parley, Adopting Somers Resolution, 235 to 24"---

"Washington---Despite the opposition of Representative McFadden of Pennsylvania, the House today adopted, 235 to 24, the Somers resolution approving an international conference to discuss the world economic situation. The resolution adopted today, after McFadden played his last trump with a challenge of no quorum following a division vote of 83 to 5, did not mention silver or monetary troubles, but it was a committee revision of the original Somers resolution authorizing the President to call an international conference to adjust the gold standard and standardize silver."

"It read---Resolved, that the House of Representatives of the Congress of the United States does hereby approve and encourage the efforts which have been made to hold an international economic conference ***TO BE PARTICIPATED IN BY AS MANY COUNTRIES AS MAY BE WILLING TO SEND REPRESENTATIVES*** for the purpose of considering methods for the improvement of general economic and monetary conditions."

(While President Hoover and his cabinet were jumping all over each other to accommodate the British stall job against silver, Congress was not. Apparently the Congressional composition was of personalities of generally superior integrity than as of 2008.)

"The substitute resolution, the Foreign Affairs Committee reported, "was decided upon after the government of Great Britain had issued an invitation to the United States Government to attend a conference for the discussion of the economic and financial difficulties that are responsible for and which may prolong the world crisis."

"McFadden based his opposition on a letter he said he received from a correspondent in Paris. It was dated June 3, he said, and the writer declared that "gold is the only thing of importance here in France." It also asserted that gold was being withdrawn from the United States to force down the American dollar. "At the Lausanne conference today plans are being laid for a recess of reparations and debts," McFadden declared. "They will not be taken up again until after the fall elections in the United States. Europe knew what was going to happen here long before we did." Senate action will not be necessary, as it was a House resolution and will be sent tomorrow to the White House for President Hoover's attention."

(McFadden, famous for well justified tirades against the Federal Reserve System, was president of the Pennsylvania Bankers Association, 1914-1915, and was evidently a gold monometallist.)

"China and Silver Rehabilitation" appeared in the China Weekly Review, June 18, 1932, pages 87-89 and was by the same banker we heard from earlier---Yue Kwei-Zun, credentialed in the article as "former Vice-Governor of the Bank of China"---

"From the silver slump China has learned a great lesson. From it she has realized that, first, no matter whether an International Silver Conference can be convened to decide on the measures for rehabilitating silver, China must (1) unify her monetary system and (2) control her foreign exchange operations; and secondly, if no measures can be formulated to rehabilitate silver, even if an International Silver Conference is called, China must (1) Impose import duties on silver at differential rates, (2) establish a strong foreign exchange organ with sufficient capital and (3) to stop the importation of luxurious and semi-luxurious articles in times of emergency. I shall confine my discussions to these points."

"In speaking of China's monetary system, our first attention will be turned to the problem of the abolition of the tael as a unit and of the adoption of the silver dollar as the standard currency. To bankers this reformation is an important one; and before it has been carried out, the standardization of Chinese currency is next to impossible. Undoubtedly the adoption of a weight of silver as a unit is contrary to the principle of a sound monetary system, and it is further complicated by the fact that different taels of varying weight are used in different parts of the country."

(The first part of that last sentence made me shudder.)

"This confused state of affairs only invites speculation, and hampers the natural growth of industry and commerce. This reformation, after ten years agitation, has not made much headway, and today we are confronted with a condition as bad as it was before. While the conditions, either economic or political, have not been favorable for effecting this reformation, the problem itself has its own difficulties in that---first, it not only takes time and money to mint a large volume of silver dollars, but it is also very hard to ascertain the amount which will just supply the needs of the country; and secondly, the influence which has been built up by the old fashioned bankers who have relied upon the ill-earned profit arising from the exchange operations between dollar and tael cannot be broken down overnight."

"In this connection, Dr. Kemmerer has had direct and indirect methods of reformation, and advocated that a new unit should be adopted to standardize Chinese currencies in order to save time and efforts which are required to overthrow the old complicated system. While I have no faith in the practicability of the gold exchange standard, as advocated by Dr. Kemmerer,

I admit that the task of abolishing the tael and adopting the silver dollar as the standard currency is neither feasible nor economical."

(Kwei-Zun was a strange one. Some things he said appeared OK, other things repugnant. Then he took a swipe at Dr. Edwin Kemmerer who we looked at last fall in this series, as a bad boy on Chinese monetary affairs.)

"Two years ago, I had in mind a plan to standardize the currencies of different parts of the country through a very feasible means. According to my plan, a silver bullion standard, something like the gold bullion standard, should be adopted for the time being. Since the Shanghai tael is the most influential of all kinds of taels now used in this country, it should be adopted as the standard unit of the new system. Thereupon we shall definitely fix the rate of exchange between silver dollar and Shanghai tael either at 1 to .725 or at 1 to .7225, that is, every thousand pieces of silver dollars can be exchanged for 725 or 722.50 Shanghai taels, and vice versa. Once this rate of exchange is fixed, it should not be altered."

"The central banks and other banks and other banks designated by the government for making the exchange should control this exchange business in accordance with the fixed rate without charging any exchange fees, but no amount less than 1000 silver dollars will be acceptable for the exchange, and for the commercial banks and exchange shops, the exchange fee is limited to .001%. Bank notes over $1,000 can be exchanged for either silver dollars or Shanghai taels according to the wish of the holder. In the meantime, the daily rates of exchange between dollar and tael should be abolished."

"The Shanghai tael thus fixed shall be used only in exchange operations, while the prices of commodities shall be all quoted in silver dollars and not in taels. No restrictions will be put upon the free coinage, and anyone who has silver on hand can approach the government mint to turn it into silver dollars upon paying a mintage charge or seigniorage."

(That last statement made him sound like one of us; too bad he wasn't always so fiscally pure.)

"The government, however, will henceforth not mint any more silver dollars, and confine its coinage to subsidiary coins until their point of saturation is reached. By this means, we can eventually obtain the following benefits---first, it will save time and expenses to mint a large volume of silver dollars;

secondly, it will facilitate the issuance and circulation of bank notes, when their reserves need not be in silver dollars only; and third, it can be easily carried out, when a part of the old business custom is retained."

"In order to adopt my plan, all the preparatory works must be carried out by two periods, each containing five months. In the first period, we shall see the abolition of different taels in different cities, such as the Hankow Tael, Tientsin Tael, and Yinkow Tael, all of which should be turned into the Shanghai tael in accordance with their respective average exchange rates of the previous ten months. Once their respective rates are fixed it should be proclaimed that henceforth the monetary value stated in the contracts and transactions pertaining to buying and selling, and lending and borrowing should be expressed either in Shanghai taels or in silver dollars, and not in the old forms of monies; and that the old forms of monies stated in the contracts and transactions made before should be turned either into Shanghai taels or into silver dollars on the basis of their fixed rates."

"In the second period, we shall see the abolition of the daily rates of exchange between tael and dollar after the establishment of a fixed rate between the Shanghai tael and silver dollar. The relation between Shanghai tael and silver dollar will be confined to exchange operations only, and there will be no buying and selling of the one against the other. The government should designate several well known banks to take care of this exchange business, and it is understood that these designated banks should be the issuing banks."

(Apparently he wasn't opposed to arbitrage, depending on who was doing it. Must have had interest in those particular banks.)

"They should, in conformity with the market condition, keep at their disposal a necessary amount of silver dollars and Shanghai taels and not for silver dollars. After ten months of strenuous efforts, the silver dollar as the standard unit will be accepted in most parts of the country. Subsidiary coins on the basis of decimal system should also be introduced, but it will take longer time to effect the change. Besides this, we have also two other reforms which should be carried out in the first period. (1) The Haikwan tael, the origin of which we are not in a position to tell, must also be abolished, because, aside from its use as the basis of customs duties, it has no relation with the commercial world. As customary, the ratio between Haikwan tael and silver dollar is 1 to 1.5. The task of standardizing China's

monetary system will not be complete if custom duties are not also levied in silver dollars."

(In less than 3 years and 5 months from the date he released this, China would be off the silver standard for the first time in centuries. Either he wasn't as well informed as he appeared, or he was concealing the fact. There was no need for anyone involved to be psychic. It was well known what was coming---at least in high circles.)

"(2) Foreign exchange rates should be quoted and calculated on the basis of silver dollars. The banks which enter the foreign exchange business should figure out the daily exchange quotations on the basis of silver dollars and operate the business accordingly. As this problem has a great bearing upon China as well as other countries, I shall discuss it more in detail."

"It is lamentable to recall that chapter of China's financial history relating to foreign exchange business, which should fall into the exclusive hands of Chinese bankers***, BUT HAS BEEN MANIPULATED BY FOREIGN BANKS IN CHINA EVER SINCE THE COMMENCEMENT OF FOREIGN TRADE***."

(Mainly by the Anglo-American bankers!)

"It is only during the last ten years that Chinese banks have begun to enter the foreign exchange business, and before that time, they were totally ignorant of its intricate operations. Up to the present time, ***DAILY EXCHANGE QUOTATIONS ARE STILL MANIPULATED BY THE HONG KONG AND SHANGHAI BANKING CORPORATION***, and Chinese banks limited by their capital have not as yet developed an influential stand on this business. The most ludicrous fact is that even in the operation of domestic exchange, we must first resort to some foreign currencies as the medium of exchange."

(Today HSBC Bank is the biggest bank in Britain and Europe. Should any PM miner use this bank as its primary banker? Yes, all big banks are dirty!)

"For instance, to exchange Canton small coins for Shanghai money, they must be first turned into Hong Kong dollars, because there is no direct quotation between Canton dollars and Shanghai money. This case also holds true in some parts of Manchuria, where the local currencies must be

first turned into Dairen silver notes (the notes issued by the Yokohama Specie Bank of Japan.)"

(No bank today would consider placing the word "specie" in its name! The Japanese were readying to inject a military presence in Manchuria.)

"This anomalous state of affairs, the like of which we cannot find in other countries, is a great disgrace to China's financial world. To return to my subject of foreign exchange, this business, in accordance with government regulations, should be exclusively handled by the Bank of China, just as in the case of the Yokohama (start page 88) Specie Bank in Japan. But the financial strength of that bank has been badly crippled by the fact that an enormous amount of money which has been advanced to the government has not been returned. In order to break down the foreign monopoly and recover our lost business, the following three steps must be taken instantly. First, all the banks which now operate foreign exchange should come together to form a union with the amalgamation of their capital set aside for this purpose and the amount of capital for that union should not be less than 10,000,000 pounds, or G$50,000,000."

(That "G" stands for "gold.")

"Secondly, the government should give every assistance to this union by depositing all the proceeds of the custom gold units earmarked for the payment of foreign loans and indemnities before they are due, and entrusting it to the task of buying and selling the custom gold units and of remitting interest and principal monies of foreign loans and indemnities, the transaction of which being not bound by contracts can be taken away from the hands of foreign banks."

(He just said the wrong thing! But it didn't matter much longer, because China had less than 29 months to go before Roosevelt shoved it off its silver system.)

"Thirdly, the daily exchange quotations should be quoted in silver dollars so as to control foreign exchange operations. When we can control exchange operations by means of this union, we then can turn our attention to the next subject---the stabilization of foreign rates of exchange. In regard to rates of foreign exchange, they are mostly determined by the price of silver abroad, and partly by the local market condition (speculation also plays a part.) The

fluctuation of the silver price abroad will reflect greatly upon the local exchange market, while the reaction of the local market arising from the demand and supply upon the foreign silver price is proportionately small. Thirty years ago, ***CHINA'S FOREIGN EXCHANGE BUSINESS WAS TOTALLY MONOPOLIZED BY THE HONG KONG AND SHANGHAI BANKING CORPORATION***, and only recently many banks, Chinese and foreign, have entered that business; ***BUT DAILY QUOTATIONS ARE STIL MANIPULATED BY THAT BANK***."

(This was the same HSBC bank whose USA subsidiary was listed on the Silver Users Association roster until several years ago; the same bank that "helped" a major Canadian silver holding company to get into "asset backed commercial paper" just before that market sickened!)

"Under such a condition, ***CHINA HAS SUFFERED AN UNSPEAKABLE LOSS*** owing to the fact that at the time when interest and principal of foreign loans and indemnities are due the foreign bank which is entrusted to make the remittance ***WILL ARBITRARILY RAISE THE RATE OF EXCHANGE SO AS TO REAP AN ENORMOUS BENEFIT AT THE EXPENSE OF THE CHINESE GOVERNMENT***."

(The same bank that siphoned so much silver out of China during the glory days of the opium trade wasn't about to miss other chances to cheat China.)

"The formation of a foreign exchange union backed up by a strong financial resource will enable us to regulate the supply and demand of the market in accordance with seasonal changes and market conditions, so as to mitigate the evil influence of the sudden rise and fall of the exchange market. It is true that the local exchange market follows the fluctuation of the foreign silver price, but if we can find means to stabilize the price of silver, it naturally follows that the rates of foreign exchange can be made stable."

(Some chance of that with Britain pouring silver out of Crown held India!)

"Thus our foreign exchange union should cooperate with the silver trust and foreign banks to fix a standard price for silver, sat at G$.50 per ounce."

(This banker had some worthwhile notions mixed with heavily flawed ones. The proposed silver trust he carped about wouldn't exist to help China, nor to do anything to establish any free market rates for silver. Any time some

kind of government-sponsored entity is granted monetary powers, someone will be hidden in the background such as the Rothschilds, to use it to drain off wealth from the public.)

"After this standard price is agreed upon, China will export her silver when the market price rises above it, and import silver from abroad when the market price goes below it."

(He would have found, had this proposed silver trust materialized, that it would have had the power to disallow any nation from importing silver whenever it wished. In fact, the world did get a silver trust, established by the Silver Purchase Act of 1934. That Act functioned as a magnet to draw more silver by far into any one location---the American Treasury---than any other factor in world history; and it was then used to keep prices capped for decades.)

"Since China is the world's great silver consumer, the part played by her in the silver market should be recognized by silver producing countries and leading foreign banks, and therefore her suggestion should be followed to some extent by them. The stabilization of the silver price is the only means to make our foreign rates of exchange stationary."

(Price stability is the enemy of speculation. Foreign bankers would not tolerate it. China was a huge nation in population and area, but consider how Western powers have bullied it for centuries.)

"The imposition of import duties on silver is a familiar topic and deserves our attention. In my opinion, in imposing duties on imported silver, the rates should be made differential. Through the imposition of import duties, we can increase the price of silver at home but in the meantime, we must also keep up a standard price, despite the rise and fall in the price of silver abroad. Even in our dealing with gold standard countries, this standard price must be kept intact. Supposing the standard price of silver is fixed at G$.50 per ounce, we shall levy a duty on silver at G$.20 per ounce, when the silver price in the New York market is G$.30 per ounce. In the same manner, if the new York price falls down to G$.25 per ounce, the duty will proportionately increase to G$.25 per ounce; and likewise, if the New York price rises to G$.35 per ounce, the duty will be decreased to G.15 per ounce."

"It follows that no duty will be levied on silver when its New York price is at par with our standard price. That this form of taxation has many advantages over ad valorum taxation needs no detailed explanation. Mr. Sun Tsen, in his article on silver, strongly advocated this form of taxation, but recently he has changed his mind by saying that its evil lies in the fact that it will cause a great outflow of China's silver, when the duties levied on its importation will be refunded at the time of its exportation."

"Sun's fear, however, is not well grounded, because the importation and exportation of silver follows its market price abroad, and no merchant will take such a risk as to ship silver from and to China, simply because of the profit arising from the refund tax. I believe that the refund tax system is neither practical nor feasible, because we don not need to adopt that means to encourage the exportation of silver, when silver in China is not over abundant, and especially because the refund tax based on differential rates is very hard to figure out."

(Also there would be considerable shipping and insurance costs associated with transoceanic silver movements.)

"It will invite fraudulent practice, if the tax is refunded according to the tax receipt. Since the conditions prevailing in this country are vastly different from that of other countries, I advocate that no tax should be refunded upon the exportation of silver, although tax is levied upon its importation."

(Yue Kwei-Zun wanted Chinese silver to remain in China.)

"In adopting import duties at differential rates, we must in the meantime find other means to prevent the importation of silver through smuggling and other illegal channels. As a means of protection, I advocate that no silver can be imported without government permits, that the above said foreign exchange union and government designated exchange banks can apply for these permits for the importation of silver, and that silver thus imported will pay duties according to the fixed schedule, and silver without permits will be banned even at the payment of duties."

(What criteria would he propose for qualifying for a government issued silver import permit?)

"As customary, the silver sycee before its circulation must first be presented to the Public Testing Bureau to test its genuineness and fineness, and it will bear the impress of the Bureau after being tested. This practice still survives in Shanghai. We can likewise establish an organ, to which all silver now circulating in the market should be presented by the designated banks to test fineness and which, after testing, should impress a mark on silver. Henceforth the government mint will not accept unimpressed silver for coinage, and furthermore will trace its source so as to prevent any smuggling."

(Tracing sources could prove costlier than accepting "unknown" metal.)

"Thus unimpressed silver will not be accepted by the public, and the amount coming in through other illegal channels will not be big enough to affect the general situation, as it will be largely devoted to industrial uses."

"The introduction of silver duties at differential rates should be gradual, so as to avoid any great reaction upon the local exchange market resulting in an unexpected loss to local importers and exporters. At its inception, the duty should amount to only 10% of the present silver price, and be increased by 10% after every two months, until a duty of 50% is reached. When that point is attained, we are able to fix a standard silver price in accordance with the market situation, and start to levy duties on the basis of differential rates."

"There are two bases on which we can levy import duties. We can base our levies either on the value stated on the bills, or on the monthly average silver price, arrived at from the prices in New York. This average price will be changed every month, and that of the previous month will be valid. Comparatively speaking, the second method is more advisable, because of its simplicity and expediency, while in the first method, importers may resort to fraudulent practice by presenting counterfeit bills."

"As I have said before, the imposition of duties on silver will not cause the appreciation of silver price at home, if the control of foreign exchange operations is still maintained by foreign banks in China. I have also remarked that it is necessary for all the Chinese banks which have entered the foreign exchange business to form a union with a capital of G$50,000,000 in order to break down this foreign exchange monopoly. But it must not be misunderstood that a union with such an amount of capital can

do much toward increasing the silver price at home and stabilizing foreign rates of exchange. To that end, the union must have at least a capital of three times as much, or G$150,000,000, coupled with an understanding with leading banks in foreign countries for opening an overdrawn account of about G$60,000,000, so that it can meet any emergency and maintain the standard price of silver."

"In view of the requirement of a vast amount of capital, which is beyond the capacity of Chinese bankers to supply, they can, at the outset, cooperate with the friendly foreign banks in China to launch this new (start page 89) undertaking. The manipulation of foreign exchange operations only brings profit to a few foreign banks, while the stabilization of foreign exchange rates will benefit all import and export merchants. The cooperation of several foreign banks, if not the whole, will not be hard to secure, if the beneficial consequence of the new scheme is made known to them. The admission of foreign banks in a union will pave the way to break down the present anomalous situation in which foreign exchange operations are manipulated by a few foreign banks."

(Banking and manipulation are old companions!)

"No matter whether silver is imported by the government or by the central banks, it shall bear the same rate of import duties. The duties should be paid in custom gold units, and the amount should be specially reserved, so as to be part of the capital for the foreign exchange union. From our conservative estimation, the annual importation of silver to this country is around 50,000,000 ounces. We shall be able to get about G$5,000,000, if we levy G$.10 on every ounce imported. After five or ten years, the money thus accumulated will be enormous, and it will be able to give some substantial help to the foreign exchange union."

(Wonder what this guy thought as he saw his dreams swept away by the Silver Purchase Act of 1934?)

"By levying import duties on silver and strengthening the foreign exchange union, our position in the financial world is still not secure. In the business world, crisis does not come first with warning, and must be met with extraordinary measures."

(In some cases that could be true. However there are probably many more instances on record of government regulators ignoring whistleblowers and failing to protect shareholders and the marketplace.)

"At the time of emergency, customary practices adopted by foreign countries are to declare moratorium, to restrict the buying of foreign currencies, and to collect foreign bonds and stocks. The Chinese Government, however, cannot enforce these practices with effectiveness, because foreign banks have scattered all over China's trade ports, and China's influence cannot reach to Hong Kong and Dairen. Therefore, at the time of emergency when the capital of the foreign exchange union proves insufficient and the standard price of silver cannot be maintained, the only possible means is to restrict imports."

"The decrease of imports will ease up the exchange market through decrease in the amount of gold exchange. China has now attained custom autonomy, and her government, if necessary, can ban the importation of luxurious and semi-luxurious articles for a certain period. By so doing, the foreign exchange union can manage to cover the gold exchange arising from the imports of necessities. Thus the price of foreign imported necessary articles will not rise all of a sudden through the rise in foreign exchange. The people will in the meantime contract the habit of saving and economy. Such an emergency measure will not only maintain the silver price, but also bring beneficial consequence to the public."

"If the above means is not available, the government may rule that certain traders can buy foreign exchange at ordinary rates, while the application of other traders not designated will be turned down by the foreign exchange union."

(He complained about favoritism enjoyed by Hong Kong and Shanghai Bank, then proposed to use that discriminatory tool in his domestic sphere. By what standards were certain traders to be qualified and others disqualified? Payoffs, political relationships, or genealogy?)

"But this plan has its loophole in that the foreign banks will not profit by accepting the application thus turned down by the union. The exchange market will be further confused by the fact that exporters will not sell their exchange until they obtain good prices. Merely for the sake of reference, I mention this plan here. The imposition of import duties at differential rates

supported by a strong foreign exchange union will work out the same result as the adoption of a gold exchange standard, and its advantages are far numerous. (1) Its simplicity and expediency are beyond question. (2) The standard price of silver is further guarded by imposing differential rates. (3) The disuse of coins of fictitious value will not cause suspicion on the part of people who are not accustomed to use them. (4) The standard price of silver will be more elastic and therefore will be more easy to maintain. (5) In case of emergency, ***WE STILL MAINTAIN THE SILVER STANDARD***. As a matter of fact, to relieve the silver crisis will be much easier than to relieve the gold crisis." (End)

"Attacks Hoover On Silver Parley," NYT, June 19, 1932, page 4, "Pittman Asserts President's Opposition to Conference Dictated Party Plank"---

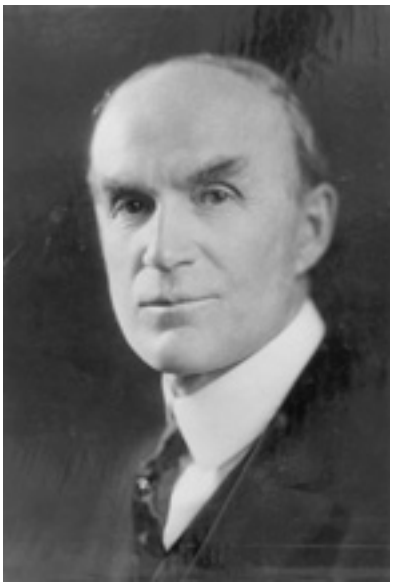
"Washington---Charges that President Hoover objected to calling an international conference on silver and that that was the reason why the monetary plank adopted at the Republican National Conference did not frankly urge such a step by this government, were made by Senator Pittman, Democrat of Nevada, on the Senate floor today. ***"IT SEEMS HOPELESS TO GET THE PRESIDENT TO TAKE THE INITIATIVE***," he said bitterly. "***THERE IS NO USE TO DECEIVE OURSELVES. WE ALL KNOW THE TREASURY IS AGAINST IT***."

"Senator King, Democrat of Utah, said he had been told by assistant Secretary of State Rogers last year that no nation had refused to enter such a conference, that France was "indifferent" and that Great Britain had merely wished to postpone the matter until after the Indian round-table conference. Senator King said he made the inquiry in the belief that the President had been "misinformed" in holding that "any nation" refused to join the conference."

(Hoover and his State Department had been intentionally stalling for months on end. There was no confusion as to intent. What other countries wanted or didn't want to do were excuses to do nothing.)

"The Pittman charges came when Senator Fess of Ohio, former chairman of the Republican National Committee, interrupted a statement by the Nevadan that an international conference was an "impossibility" to say that he did not think it impossible unless foreign nations refused and to ask if Senator Pittman had read the Chicago plank."

(Ohio Senator Simeon Fess, term 1923-1935, president of Republican National Committee in 1931, insincere and noncommittal about silver and displaying a quirky and fishy expression)---



"Platforms are rarely definite in meaning and when they cross the sentiments and sympathies of government officials they are generally set aside," Senator Pittman replied. "A year ago, by unanimous consent, with every Republican voting, including the Senator from Ohio, this body adopted a platform that it was the sense of the Senate that the President should call a conference. ***HE HAS NOT YET RESPONDED***."

"Terming the plank merely "an amendment" of the Chicago platform, he continued---"Why did not the convention put in the plank the very frank statement that they favored the President calling such a conference? ***IT WAS BECAUSE THE PRESIDENT DOES NOT WANT TO INITIATE SUCH A CONFERENCE. HE HAS NEVER WANTED TO INITIATE IT."***

(When someone stalls a whole year, you have to figure it's because he doesn't want to do something!)

"That's too broad a statement," Senator Smoot interrupted. "I know the President has taken up the question of a conference on silver with foreign countries, but up to now he has not received a favorable reply." Senator

Pittman said that in the Orient, where he was sent by the subcommittee of the Foreign Relations Committee, he found China and Japan both sought an international meeting."

(Senator Smoot was engaged in wishful thinking as to President Hoover. Japanese officials denied the year before that they were interested in hosting or promoting a meeting. This was partly because of British influence, and partly because of Japan's territorial designs on China. They were already in Manchuria as of 1931. Kill silver as money, weaken China, could have been their conclusion!)

"Asked by Senator Smoot if he knew why China or Mexico had declined to call a conference, he replied---"On the morning I arrived in Nanking the papers carried a telegram from the President to Senator Smoot. "***I NEVER RECEIVED A TELEGRAM FROM THE PRESIDENT IN MY LIFE RELATING TO MEXICO OR CHINA***," Senator Smoot broke in, "***THERE IS SOMETHING WRONG."***

(This is becoming interesting, read on! I don't think Smoot would have lied, yet the telegram was made public.)

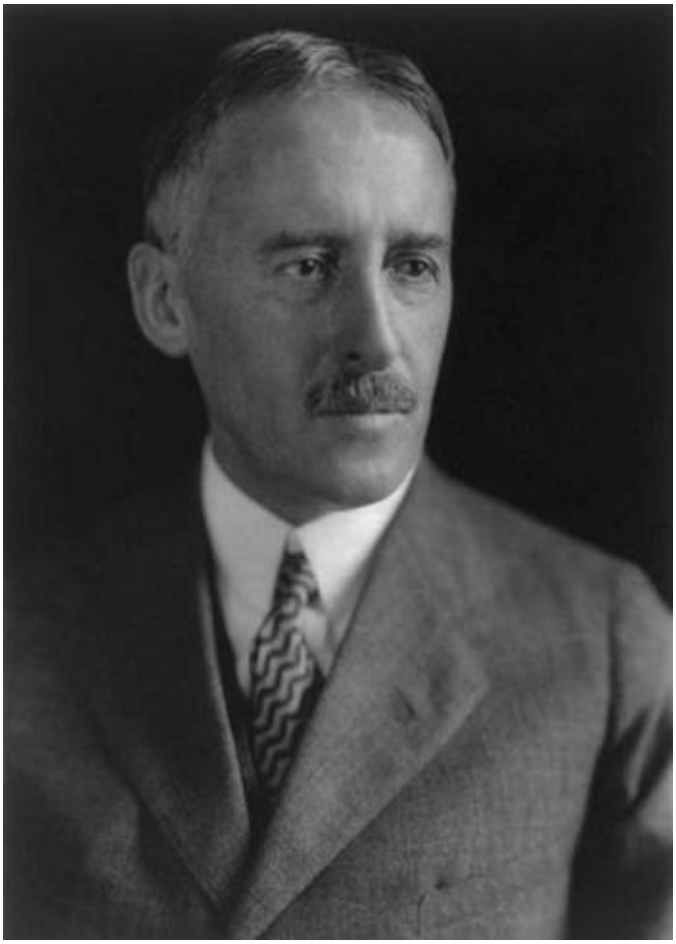
"There is nothing wrong," Senator Pittman retorted. "The telegram said---"I am now able to inform you that from informal conferences with the representatives of certain governments whose participation in the conferences I deem essential that ***THEY OPPOSE THE HOLDING OF SUCH A CONFERENCE AT THE PRESENT TIME AND THEREFORE IN EFFECT IT CANNOT BE HELD***."

"Chinese officials at once told me there was no use for a conference if the United States would not participate," he continued. "I said the last word I had heard was when Assistant Secretary of State Castle said in behalf of the White House that if some other government more interested in silver than the United States called the conference we would participate."

"He said that even if France and Great Britain had asked for delay they would nevertheless be obliged to participate in a meeting which included Canada, the United States, China, Australia and South American countries. The position of the administration was recently explained in a letter to the House Foreign Affairs Committee by Secretary Stimson, ***WHO URGED THE COMMITTEE NOT TO INCLUDE IN A RESOLUTION FOR A***

MONETARY CONFERENCE A PROVISION THAT THE PRESIDENT CALL IT. The Committee acceded to the request in reporting the resolution favoring an international economic conference which was adopted by the House yesterday and sent to the White House."

(Henry L. Stimson (1867-1950), Yale 1888, Skull & Bones, Pilgrims Society, deflected demands for an international silver conference. He was a director of Lawyers Mortgage Company and a trustee of Phillips Academy. Elihu Root, senior partner in the law firm, preceded Stimson as Secretary of War and Secretary of State. Stimson married the great-great grand daughter of Founding Father Roger Sherman (who would have been dismayed to know that one of his descendants married a British Empire collaborator!) Stimson was governor of the Philippines, 1927-1929, head of the American delegation to the London Naval Conference of 1930; Secretary of State, 1929-1933; and Secretary of War, 1940-1945)---



"A subcommittee of the Senate Banking and Currency Committee reported favorably today to the full committee the Pittman bill by which the government would buy the domestic silver output for six years at a price not to exceed 50 cents an ounce. A meeting of the full committee was called for Monday to consider the bill."

(But what of a minimum price?)

The Times, London, June 19, 1932, page 10, "A Plea For More Money---The Use Of Silver" was a letter signed by someone using the nickname "Peregrinus"---

"It is now generally admitted that nothing but a substantial and permanent rise in commodity prices will save the world from a condition of almost universal bankruptcy. It is also coming to be recognized that such a rise can only be brought about by an expansion of the volume of money, using the word in its widest sense. Money in the widest sense consists of three elements---gold, paper currency, and credit."

(Gee, what about silver? We are too aware of the fraud and failure of paper money. Even redeemable paper currency is a steppingstone towards eventual inconvertibility! As for credit, the concept has been badly abused and misused to help greedy elements and suppress others.)

"First we have gold, which is adopted by law in nearly all countries as the standard of value, but is no longer itself used as currency. Next we have paper currency, which nominally represents gold, ***AND IS SUPPOSED TO BE EXCHANGEABLE FOR IT***. On this account the volume of currency depends on the volume of gold. By law or custom it can be extended to about three times the volume of gold. These two elements can be called real money."

(This fellow was confused. We just said that paper notes are not money! They are not a trustworthy substitute for gold or silver! If three times the volume of paper can be issued that corresponds to gold reserves, that's like saying it's OK for two out of three land titles to correspond to a lot or section which doesn't exist! Today of course there is no official gold or silver convertibility and therefore---the "money" is fake!)

"On top of these comes the third element, ***CREDIT, WHICH MAY BE CALLED IMAGINARY MONEY***. This rises like a balloon on the underlying foundation of real money---gold and currency. It greatly exceeds them in volume and in fact supplies the greater part of the money with which the business of the world is carried on. It alone of the three elements is elastic, for though there should be some proportionate relation between the volume of credit existing at any time and the volume of real money in existence, the proportion is a variable one, and may be modified from time to time within certain limits."

("Silver President II" in Archives has an account of President Martin Van Buren, 1837-1841, and his view of credit creation as "unsubstantial wealth.")

"Owing to the entirely new conditions created by the great European War---the general rise in prices, wages and the enormous increase in the volume of international and internal debts; the growth of productive capacity---the world after the War required a much greater volume of money than heretofore in order to carry on its business. The volume of gold could not be increased; the volume of paper currency based on gold could not be increased either so long as the gold standard was maintained. A number of European countries did in fact inflate their paper currency for a time by departing from the gold standard, but afterwards came back to it, at the same time writing down the value of their paper currencies in a greater degree."

"This gave these particular countries relief in the matter of internal debt, but did not affect the level of world prices which remained based on gold. The increase which was required in the volume of money was obtained by blowing up the balloon of credit until it reached abnormal dimensions as compared with its foundation of real money. By means of this abnormal inflation of credit the world was enabled for a number of years to carry on its business without too severe a fall in prices. ***BUT THE SUPERSTRUCTURE WAS TOO LARGE FOR THE FOUNDATION.*** The whole financial structure of the world during these years came to be like that of a bank which is doing too large a business with too small a capital."

"The maintenance of credit in this unusual volume depended on the continuance of public and private optimism. When that was checked---whether the check was caused by ill-balanced production or by the American stock market collapse, or by the growing difficulty over the payment of

reparations and international debts or by a combination of all these causes, and perhaps some others---the balloon began to deflate; the volume of money was reduced and commodity prices fell. This process is still continuing, and is likely to continue for the reason that the volume of credit existing in the world is still greater than is justified by the foundation of real money in existence. Attempts are now being made, particularly in the United States, to check the deflation. But they are doomed to failure, for they are tackling the problem at the wrong end."

"Instead of trying to increase the foundation of real money they are trying to blow up the balloon of credit. But this is still too large for its foundation, and as fast as it is blown up in one direction it sags in another. If the total volume of money is to be permanently increased---and it must be increased to avoid general financial chaos---we must begin by broadening the foundation and increasing the volume of real money. An increase in the volume of credit will follow."

(Don't we have such problems still in 2008?)

"But we cannot increase by act of man the volume of gold, and as long as world currency is tied to gold we cannot increase the volume of currency, which is the second element in real money. Proposals have been made to divorce currency from gold or any other metallic basis and regulate its volume by the requirements of the world's business and financial situation. We may come to this ultimately, but the world is not ripe for it yet."

(The financiers who stood to gain dragged us to this unhealthy situation. The world is ripe for something, but it isn't more artificial money.)

"Assuming that currency must for the present continue to have a metallic basis, we can only increase its volume by adding some other substance than gold to the metallic foundation. ***SILVER IS AVAILABLE FOR THIS PURPOSE AND IS SUITABLE IN EVERY WAY. IF THE WORLD WOULD AGREE TO MONETIZE SILVER---TO PASS LAWS GIVING IT A FIXED VALUE IN TERMS OF CURRENCY, JUST AS A FIXED VALUE IS GIVEN TO GOLD AT PRESENT BY EXISTING LAWS---THE FOUNDATION OF REAL MONEY WOULD RECEIVE THE NECESSARY BROADENING***."

(Bankers detest gold, but they despise silver far more because more people have used it as money! They loathe any money they can't create. And only gold and silver are the best money.)

"Suppose for the sake of argument silver were monetized in a ratio of 20 to 1 as compared with gold---this competitive value has been reached by silver within the last 10 years, and we are safe in taking it without fear of unforeseen consequences---in that case the world's stock of monetary metal would be increased, so far as can be estimated, by something between 50 percent and 75 percent. Its annual increment of monetized metal would be increased by about 60 percent. The volume of currency would automatically be increased in the same proportion. An increase of 60 percent in the volume of real money would justify the restoration of the volume of credit to the figure which it assumed between 1926 and 1929 and its permanent maintenance at somewhere near that figure."

"The increase might not take place all at once, but a permanent addition to the volume of real money in existence would certainly lead to an immediate revival of credit and ultimately to its increase in corresponding proportion."

"Bimetallism, however, cannot be adopted by one country alone if it is to be effective. Great Britain, America and France acting together could bring it about; for if they joined in the matter the rest of the world would have to follow and indeed would be only too glad to do so. But even if the other two will not cooperate, the British Government can end the world's present monetary trouble by its own action. It can invite America and France to join it in monetizing silver. If they agree the thing is done. If they decline the British Government can then inform them that it proposes to repeal the Act fixing the pound sterling at 123 grains of gold and to substitute for it an Act fixing the pound sterling at 5oz. of silver, to put British currency on a monometallic silver basis."

"A number of other countries would certainly be willing to join in this, with the result that two-fifths, or perhaps more, of the world's business would thenceforward be done in terms of a currency or currencies based on silver alone. This would not be bimetallism, but it would have practically the same effect as world wide bimetallism in expanding the volume of real money available for supporting the volume of credit by means of which the world's business is done. For the monometallic silver countries would use no gold, and the whole of the world's gold supply could be taken by the

monometallic gold countries. There would be two groups using two different standards of currency; but taking the world as a whole, the real money foundation would be measured not as it is at present by the quantity of monetary gold in existence but by the quantity of monetary gold plus the quantity of monetary silver."

(Silver Users Association, what say you? Never mind; butt out!)

"This increase in the total volume of the base would enable the superstructure of credit to expand to something like its former figure, without becoming too big for its foundation, and therefore liable to such weakness as it now shows. Great Britain is certainly capable of acting for herself, in conjunction with British Dominions, and with debtor countries, which have so great an interest in seeing a remedy speedily applied to the present deplorable condition of affairs."

(This guy didn't catch on that his own government was the worst enemy silver ever had and wasn't about to do anything to assist silver remonetization.)

The NYT, June 21, 1932, page 31, "Bill To Buy Silver Favored In Senate" subtitled, "World Stabilizing Sought"---

"Washington---The Pittman silver purchase bill went on the Senate calendar today accompanied by a favorable report voted 6 to 4 by the Banking and Currency Committee. The bill, which the Senate is expected to pass, authorizes the Treasury to buy up to 5,000,000 ounces of domestic silver each month at the market price and pay for it with special silver certificates."

"While there is little prospect of a vote this session in the House on an identical bill introduced by Representative McKeown of Oklahoma at the request of Senator Pittman, the Committee on Coinage, Weights and Measures is reported as favoring the measure and quick action on it soon after Congress convenes in December."

(Tom D. McKeown was president of the State Bar Commission of Oklahoma, 1907-1910 and a Congressman, 1917-1921 and 1923-1935. This gives the lie to the banker mythology that "only the mining states want silver for money.")

"Silver is now quoted at 23 cents an ounce and sponsors of the Pittman bill believe that its operation would raise the price to about 50 cents, which is said to be a fair return to producers."

(The 23-cent figure was a numerical transposition. The price was 32 cents!)

"The report on the bill contains eight specific arguments in favor of it, including the contention that its operation would not encourage overproduction of silver, which is produced principally as a byproduct of copper, lead and zinc. Its proponents, led by Senator Pittman, argue that the bill would provide for the purchase of virtually all silver produced in the United States at this time and relieve a surplus that now bears heavily on the money of the countries of the Far East ***WHERE TRADE HAS BEEN RUINED BY THE DEPRECIATION OF SILVER***."

"Senator Pittman agreed to amendment of his bill to limit its operation to July 1, 1939, as he himself terms it only an expedient until a world conference is called to work out the whole silver question. According to correspondence between Senator Pittman and Secretary Mills, the bill does not have the support of the Treasury Department, but the Secretary's objection is interpreted as being rather passive and based on opposition to the stabilization of silver as a commodity."

(Ogden Livingston Mills was a Pilgrims Society member whose grandfather Darius Mills made quite a big fortune in gold and silver mining in California and Nevada. But fiat currency creation is far more profitable, and the Secretary was in on that plan. The Livingston in his ancestry came from that family of British Crown loyalists who received immense land grants during Colonial times. Mills held interests in railroads, printing, paper, food processing, real estate, banking, home building and carpet mills---Who's Who, 1928, page 1488.)

"Supporters of the bill reply that while silver is a commodity in one sense, ***IT HAS A MORE VITAL IMPORTANCE THAN OTHER COMMODITIES BECAUSE ABOUT 80 PERCENT OF THE WORLD PRODUCTION IS USED IN MONEY AS A MEASURE OF VALUE."***

"Two other amendments were inserted by the committee and accepted by Senator Pittman. One limits the price that would be paid at any given time for silver to not more than 10 cents an ounce above the average price for the

preceding three months, and the other stipulates that silver purchased under the act "shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law."

"The portion of the report on the bill outlining the reasons why the act will prove beneficial and replying to major objections to such legislation follow —"The primary purpose of the act is to aid in overcoming the oversupply of silver in the markets of the world due to the debasement and melting of silver coins by governments and disposing of the metal in the open market. The secondary purpose of the act is to place in circulation a limited amount of additional currency based upon silver. ***THIS IS AN EMERGENCY ACT***, and its life is limited to a period of six years."

(It would be nice if the emergency powers granted to the President in times of war or other emergency would all be wiped out. There is no reason for this extraordinarily dangerous anti-Constitutional nonsense except that The Pilgrims Society controls the President, and through that control stands ready, when they feel the moment is propitious, to impose absolute dictatorship in America. Then we return to absolute British Crown rule with the country divided up into Dukedoms, Earldoms or other designations indicating the return to feudalism.)

"The committee finds as facts---(1) That the extreme and abnormal depression in the price of silver has so lowered the exchange value of the silver money of silver using countries in relation to our gold money standard that the purchasing power of the people of such countries in our markets has been greatly decreased, with a serious effect upon our export trade. (2) That such depressed prices of silver is not due to an overproduction of the mines in the United States or the rest of the world. (3) That the production of silver for the year 1931 was substantially what it was in the prewar year 1913. (4) That the mine production of silver is more or less automatically controlled by the production of copper, lead and zinc because 66 percent of the silver produced in the world is as a byproduct of such metals."

"(5) Such depressed price of silver is chiefly due to an oversupply of silver in the world, such excess supply being derived from the debasement of silver coins through the melting of silver coins through the reduction of fineness of silver content and through the melting of silver coins and the sale of the silver residue as metal in the markets of the world. (6) No governments at the present time, except the Government of (continued on page 35) India, are

debasing and melting silver coins. The Indian Government in 1926 authorized the Secretary of the Treasury for India to melt the circulating silver rupee coins in the Treasury as they came into the Treasury and to dispose of the metal so derived in the markets of the world for the purpose of establishing a gold standard for India."

(For the purpose of wrecking monetary silver and establishing a phony gold standard for India!)

"The total amount of such silver sold from the debasement and melting of silver coins for the past three years was as follows---1929---67,000,000 fine ounces; 1930---71,500,000 fine ounces; 1931---59,500,000 fine ounces. The total production from mines during those years was as follows---1929---261,511,985 fine ounces; 1930---247,413,900 fine ounces; 1931---195,766,700 fine ounces."

(With 208MOZ silver in excess of normal demand hitting world markets from British India alone over three years time, no wonder the value of silver was crushed and its status as money nearly sent down a "Royal" toilet!)

"***THE BRITISH GOVERNMENT FOR INDIA, NOTWITHSTANDING THAT INDIA HAS GONE OFF THE GOLD EXCHANGE BASIS IS NEVERTHELESS CONTINUING THE POLICY AND PRACTICE OF MELTING SILVER RUPEE COINS AND SELLING THE METAL ON THE MARKETS OF THE WORLD.*** Such oversupply must be stopped or counteracted. The Treasurer of India demands that mine production shall be reduced."

(While trashing India's current and future monetary soundness as best any diabolical fiend could, their British overlords wanted miners from Canada to Peru to go on a starvation basis of unemployment! Tea and crumpets and tally ho! Sing the glories and wonders of the sickening inbred British upper class!)

"Such a thing is impracticable, if not impossible, by reason of the fact that two-thirds of all silver produced as a byproduct of base metal mining. The same result can be partially accomplished, however, by temporarily withdrawing from the markets of the world the United States production of silver. In the United States in 1931 there were produced 31,580,000 ounces of pure silver. The withdrawal of such silver from the market would

partially offset the oversupply derived from the debasement and melting of silver coins by governments."

"(7) The United States Government could lose nothing by the purchase of such silver. It would purchase the silver at the market price and pay for it in silver certificates of $10, $5 and $1 denominations. With silver at the present market price of around 30 cents an ounce, the government would receive 3.3 ounces of pure silver for a $1 certificate."

(Sounds like the miners weren't being offered the richest end of the deal!)

"As there is approximately .78 of an ounce of pure silver in a standard silver dollar, the government, in addition to the coined standard silver dollar to redeem the silver certificate if and when presented for redemption, would have and hold a reserve of 2.52 ounces of pure silver as additional security for the silver certificate issued or for seigniorage profits if Congress should authorize the disposal of such surplus silver."

(But silver mining in the West was slowed down, understandably by the price collapse, and a 30 cent level could not be realistically be maintained for domestic output in most mines.)

"(8) The silver certificates would go into direct circulation through the payment for mine wages and mine materials. It would not constitute an inflation and would not be a burden upon our gold reserve. It would constitute, however, a small expansion of our currency based on ample silver security. At the present time the issue of such silver certificates would not exceed $1,000,000 per month."

"The evidence shows that there is little hope or expectation of a very substantial increase in the production of silver in the United States for several years. Such production can only increase through the increase in the production of copper, lead and zinc. The circulation of silver certificates in the United States has existed over forty years. During such period such circulation has varied around $500,000,000, and there has been in the Treasury during most of that time an approximately equal number of silver dollars, held for the redemption of such silver certificates. Never in this century has the value of these certificates depreciated or been questioned."

"This small denominational currency constitutes a large part of the currency of the country and is quite popular. At the time the $500,000,000 of silver certificates were issued the gold reserves of the United States ranged around $1,000,000,000. At the present time the gold reserves range around $4,000,000,000."

(Comparing the worth of that $4 billion in gold at 1932 prices to some $4 billion fortune in say, General Motors stock today, is no contest at all for gold to win. And even more so, when GM shares have recently been reported, due to company debt obligations, to have a negative net worth of $74 per share!)

"It is evident therefore, that the small amount of additional currency issued under the act could never even approach the relative amount of silver certificates to gold reserves that existed at the time the present circulating silver certificates were issued."

"Calls China Peril To Cotton Industry," NYT, June 22, 1932, page 39, subtitled, "Depreciated Currency Helping Her to Undersell World" and "Plea For Restoring Silver"---

"A warning that China is rapidly becoming a serious menace to the cotton and cotton goods industries of this country through her ability to undersell in the markets of the world was sounded yesterday at an informal meeting of twenty five representatives of various Cotton Exchange houses at the Downtown Association. The conference, called by Joseph B. Thomas, a mine owner, because of interest in the exchange situation, also heard a plea by Rene Leon, authority on foreign exchange, for rehabilitation of silver, to restore purchasing power to the Far East countries."

(Thomas was a coal operator.)

"Asserting that some Shanghai cotton mills are earning as much as 57 percent on their investment, Thomas attributed the gains to depreciated exchange, which now stands two for one in China's favor. He pointed out that for the year ended July 30, 1931, the United Kingdom took 926,753 bales of cotton from the United States and China took 280,831 bales. But from the eight months from August 1931 to April 1932, the United Kingdom imported 983,056 bales, while Chinese takings spurted to 913,119 bales.

Thomas saw in this trend ruin for England, one of America's best customers."

"Mr. Leon, who was recently called to Washington as technical expert for the House Committee on Coinage, Weights and Measures saw the only remedy to the present depression in "the creation of more gold or gold equivalent." Since ***THE ONLY POSSIBLE GOLD EQUIVALENT IS SILVER***, he urged the rehabilitation of silver and its restoration in our monetary system to the place it occupied formerly."

"Production, distribution and communication have made considerable strides," he asserted, "but exchange continues to be the weak link in the world's industrial chain. To China's cheap land and cheap labor, we have added a third instrument, cheap money, which is enabling that country to enter successfully the markets of the world."

(Sounded like Wal-Mart coming on!)

"Asserting that China will compete with our best customers and directly or indirectly "bring us down to its level," Mr. Leon urged those present to present the facts to the people in their trade and to call upon the government to take definite action on the silver problem. Lieutenant Colonel Harden, long a resident of the East and until recently editor of the China Press, stated that Chinese cotton goods are dominating the Indian and African markets. The East wishes to purchase from us, he asserted, but cannot, ***BECAUSE THEIR BUYING POWER HAS BEEN DESTROYED BY THE DEBASEMENT OF SILVER."***

"With half of the world unable to purchase goods, he said, the problem today is under consumption and not overproduction, adding that "it is quite possible the future greatness of this country depends on exchange." In the discussion that followed, Mr. Leon asserted that ***THE PRICE LEVEL COULD BE CHANGED OVERNIGHT BY DEFINITE GOVERNMENTAL ACTION ON SILVER***."

(The banker organizations still have such hold on the government that the right thing cannot be done in regard to silver and gold. We either turn them out or see infamy continue to reign.)

The Times, London, June 23, 1932, page 8, featured a letter containing some definite contradictions---

"The remonetization of silver would be a most atrocious gamble. Mr. Benjamin White questions the statement made in the letter from me which you published on June 17 that the value of paper currencies "can be regulated as easily as, or rather more easily than, that of any other monopolized commodity." He asks why, if that be so, did not Germany regulate the value of the mark in 1923? The answer is that she did regulate it---reduced it to less than a billionth by producing so many marks."

(Edwin Cannan, who was a professor at the London School of Economics, 1895-1926 signed this letter. Why would Cannan disparage monetary silver, while admitting the problem of paper money inflation? He was observing the principle of gradualism! Proof that Cannan was a pare money activist himself was that he coauthored "Monetary Reform", with John Maynard Keynes, Sir Charles Addis of Hong Kong and Shanghai Bank and Lord Alfred Milner in 1924. Addis and Milner were Pilgrims Society members. The London School of Economics currently has a faculty of 1,303 professors. Its director is Sir Howard Davies of the Bank of England, Morgan Stanley and the Pilgrims Society. Recall last October Butler's notice that Morgan Stanley was party to fraudulent silver storage "programs." Davies chaired the Financial Services Authority, 1998-2003. Chairman of the LSE as of December 2007 is Sir Peter Sutherland of British Petroleum and The Pilgrims Society, who sits on the Bilderberg Steering Committee and the Trilaterals. Entrance to the LSE)---

The Times, London, June 23, 1932, page 8, also featured two other letters---

"Your reference today to the speeding up of the procedure connected with Indian reforms prompts me to refer to the political aspect for India of the monetization of silver. One of the main arguments advanced by the Swarajists against British rule is the cost it entails for the Indian people. It is contended that Western standards of education, immigration and communication, though advantageous in themselves, are beyond the financial capability of India and therefore unsuitable."

(Swarajists were Indian nationalists who were understandably bitterly opposed to the uninvited British occupation of their homeland.)

"There are at present something like 3,000,000,000oz. of silver hoarded by Indians who refuse to place their savings in banks. Owing to the collapse in the price of silver the present value of these savings has been reduced to one quarter of what it was in 1920. Silver was then worth 5 shillings an ounce; the price today is approximately 17 pence. It seems that a return to bimetallism, in addition to the economic advantage it offers, would

materially assist in the solution of our political problem in India. For by considerably increasing Indian national wealth it would go far to neutralize the argument that the Western standards introduced by the Imperial Governments cannot be afforded."

The other letter was from someone using the nickname "Australian"---

"It is essential to bring silver to our aid as real money foundation. The world would undoubtedly be saved from universal bankruptcy, for the present competition in mutual impoverishment would cease and international debts would become supportable."

The Times, London, June 23, 1932, page 17 had this commentary---

"Peregrinus in his letter published on Tuesday attributed the calamitous fall in prices to the relative scarcity of gold, the technical foundation of credit. He explained that money in the wide sense consists of three elements---gold, paper currency and credit."

(No need to comment on that twice!)

"Paper money is nominally exchangeable for gold under the gold standard, but by law or custom the volume of paper money can be, and usually is, extended to about three times the volume of gold."

(The Federal Reserve and its Congressional henchmen worked ceaselessly to continually lower the gold reserve requirement for its abominable "notes." Now of course there is no such limitation on them, allowing them to injure the country and the world badly. The recovery will come when both precious metals are reinstated. In the Van Buren administration, 1837-1841, a law was passed prohibiting the offer of any bank note not convertible on the spot into gold and silver at the will of the holder. The financiers don't like an honest President, and consider the awful personalities they're pushing at us for 2008!)

"These two elements he describes as real money, by which he means legal tender. On the top of them comes the third, and in practice the most important element---credit."

(Credit is a "thing," but it is not an element. Gold and silver are "elements.")

"This, he said, rises like a balloon on the underlying foundation of real money (gold and currency). It greatly exceeds them in volume, and in fact supplies the greater part of the monetary means by which the world's business is carried on. This is a familiar definition and is known as the pyramid of credit which the banking machinery of the civilized world has built upon the gold standard; it worked reasonably well before the War came to expand and distort debts, wages, salaries, and other costs of production and to devastate the old channels of trade. Since the War, Peregrinus states, the balloon of credit has become too large for the foundation."

"He says that the balloon cannot be deflated without bringing about bankruptcy. He declares that the attempts now being made, particularly in the United States, to check the deflation of credit are doomed to failure, for the problem is being tackled at the wrong end. Instead, he says, of trying to increase the foundation of real money they are trying to blow up the balloon of credit, which is already too large. We must, he says, broaden the foundation of real money, and when this is done an increase in the volume of credit will follow."

"Peregrinus therefore proceeds quite logically to advocate a broadening of the real monetary foundation. As the volume of gold cannot be increased by a substantial percentage---the annual addition to the world's monetary stocks of gold (estimated at $12,000,000,000) is little more than 3 percent, he suggests that we must add some other substance than gold to the metallic foundation. The remonetization of silver would, he says, increase the world's stock of monetary metal by something between 50 and 75 percent, and with this large permanent addition to the volume of real money there would be an immediate revival of credit, which would justify the restoration of the volume of credit to a figure similar to that existing between 1926 and 1929."

"To those who believe that the scarcity of monetary gold is the primary cause of the world economic crisis which expresses itself in a catastrophic fall in prices, the suggestions of Peregrinus will make a strong appeal. Others would prefer other methods of achieving the same end, such as that put forward by Sir George Leon. Sir George has suggested that the gold foundation could be broadened by raising the currency price of gold---by the

general world devaluation of gold currencies. This has the advantage compared with the proposal by Peregrinus that it would restore to the world a single international standard instead of two standards---one silver and one gold."

(What a way to ruin the silver money of over a billion people at that time---just elbow it out of the system. That's the British way!)

"But if, as some contend, including the majority of members of the Gold Delegation, the monetary demon is not the primary cause of the crisis, then neither the remonetization of silver nor the devaluation of gold currencies would provide a permanent cure of the world's troubles. The device would merely alleviate the present at the cost of the future. The Gold Delegation of the League of Nations started its investigations at a time when monetary witchcraft was thought to be the cause as well as the cure of the crisis."

(Reading between the lines the message that stands out clearly is they wanted managed currencies without natural monetary foundation! This is the best method of grand scale theft ever devised!)

The Times, London, June 24, 1932, page 8 featured a letter---

"In your issue of June 21 "Peregrinus" makes another plea for the remonetization of silver as a means of expanding the volume of money and so raising commodity prices. He goes so far as to advocate that this country should adopt a purely silver standard on the basis of 5oz. silver to the pound sterling, but remarks, "It would obviously be preferable if a single standard of international value could be maintained."

(I, an avowed silverite, would never go so far as to say that gold need not be part of the world's money structure.)

"Does what one might term, "bisymmetallism" not most nearly blend the opposing views on this question of the metallic basis of currency? Symmetallism, or the use of a gold-silver alloy, has been put forward but, say on a fifty-fifty basis, the absorption of silver would be relatively small. If however, two gold-silver alloys were adopted as the metallic backing of currency with an agreed ratio of value between them, then many of the difficulties of a single gold standard, a single silver standard, or bimetallism, would be avoided while the advantages of all would be retained."

"Suppose that the two alloys adopted were A, gold 95 percent, silver 5 percent; B, gold 5 percent, silver 95 percent and that a ratio of value between A and B of 10 to 1 were agreed; then it would follow arithmetically that the ratio of value of gold to silver when alloyed would be exactly 21 to 1, which is very close to the 20 to 1 ratio suggested by "Peregrinus." Both gold and silver would be merely metals subject to the law of supply and demand, but both would be essential for the making of either form of monetary metal, and the price of silver would tend to rise to 4 shillings per ounce on gold standard value. This would enormously increase the purchasing power of the East, where some 800,000,000 people are hit by the fall in the value of silver."

(This wasn't the first time any such suggestion was made. It seems a touch bizarre, but also a bit weirdly appealing. It isn't necessary to alloy gold and silver for them to both be used as money.)

"The opponents of a silver standard or of bimetallism have always held out the bugbear of unlimited production of silver. With bisymettalism, even in the event of an unlimited supply of silver, the situation would still be controlled by gold. The value of monetary gold at present is about 2,000,000,000 pounds, roughly 500,000,000 ounces; if taking the extreme case the whole of this went to make alloy B, then it would be alloyed with 9,500,000,000 ounces of silver and, speaking in terms of present gold standard values, this monetary metal would be worth approximately 4,000,000,000 pounds, or just double the value of the present gold in use."

(The 500MOZ gold ratio to two billion pounds sterling are figures used by the letter writer---not by me.)

"Thereafter the increase of monetary metal would be strictly controlled by the output of gold. The British Empire, as by far the greatest producer of gold, cannot afford to risk the demonetization of gold, hinted at by "Peregrinus" as a future possibility. Such a scheme of bisymettalism would ensure the demand for both gold and silver, greatly expand the volume of money, and at the same time provide one metallic backing suited to the natural gold countries, and another suited to the natural silver countries, yet both linked together."

(The British Empire was concerned with its gold output only as a way to suppress gold values. The goal was to get the world on 100% artificial "money." That succeeded; how much longer can it last?)

The NYT, June 24, 1932, page 14, "Somers For Silver Plank" subtitled "His Draft Would Increase Value in Relation to Gold"---

"Washington---A Democratic platform plank on silver, based on a three month study made by the House Coinage Committee, has been proposed to party leaders by Representative Somers of New York. Somers told newspapermen today he had drafted what he thought would be a "satisfactory" plank and turned it over to John McCooey, Brooklyn Democratic leader, who is slated for a place on the resolutions committee at Chicago."

"My plank would express a determination to adhere to the gold standard," said Somers, who is chairman of the House Coinage Committee and instigator of the silver investigation. "It would, however, recognize that conditions in Europe and the Orient are such that there is a terrific need to do something to increase purchasing power there. The plank sets forth that the objective could best be accomplished by increasing the value of silver in relation to gold, which, economists agree, would bring a corresponding and necessary increase in the prices of other commodities."

(I almost choked when he said "economists agree" that silver needed to be revalued higher. That was a distinct minority of them who were truthful!)

The Times, London, June 25, 1932, page 7 featured an ad that made this statement---

"What is the explanation of the vast extent, unique position, power and influence of the British Empire? What is the reason of the preeminence of the Anglo-Celto-Saxon Race among all the races of the world today? What is the Special Mission of Our Race in the Divine Economy? Why are most of the Key positions of the world in the hands of this Race? Why is the British Empire the greatest Civilizing, Christianizing and Stabilizing agency today? Why has Britain been Divinely protected and preserved? What people have now the Oracles of God? What is the source of the Common Law, and why has it become the Law of one-third of the human race within the last Century? Why have all the great Empires except the British gone

down; and why does the British Empire stand? Whence came the Coronation Stone in Westminster Abbey, and why is it called the Stone of Destiny?"

(Wow! I could tell you the name of the organization---it wasn't The Pilgrims Society, but it was probably one of their fronts. This group published "The National Message" and you can probably look it up on the web. What, do I have to answer all questions regarding these presentations? It leads to controversy, which I am careful to avoid when I see little use in opening up a can of worms. Silver Investor is not any forum for religious contentions of any nature.)

The Times, London, June 25, 1932, page 8, "More Money" was a letter---

"May I be allowed to enter a protest against the assumptions and recommendations in the letter from "Peregrinus" published in your issue today? In that letter the writer asserts that---"The volume of credit existing in the world is still probably greater than is justified by the foundation of real money in existence;" and he goes on to advocate as remedies bimetallism at 20 to 1, or as an alternative silver monometallism."

"May I point out that the above major premise is flatly denied by the gold delegation at Geneva, who state, section 109---"Before proceeding further in our analysis of the problem of the gold supply, we wish at this point to record our opinion that the world's total stock of monetary gold, apart from any considerations as to its distribution among different countries, has at all times in recent years been adequate to support the credit structure legitimately required by world trade and that the rapid decline in prices, which began in 1929, cannot be attributed to any deficiency in the gold supply considered in this sense."

(The Silver Senators and many others disagreed that the gold supply was adequate. The League of Nations was another British-American attempt to disable silver forever. Don't bother pointing out that America never officially joined the League; it's that many of its biggest backers were Americans. Notice also how the League callously disregarded the imbalances in gold distribution. Getting rid of silver as money was a maximum attack against those whose only money was silver.)

"The fall in prices can be explained by the operation of forces quite distinct from the world supply of gold. They are---1) Protective tariff walls which obstruct or prevent the exchange of surplus goods and tend to increase the glut of goods unable to find a market and 2) The maldistribution of gold caused by the refusal of creditor countries to accept payment in goods."

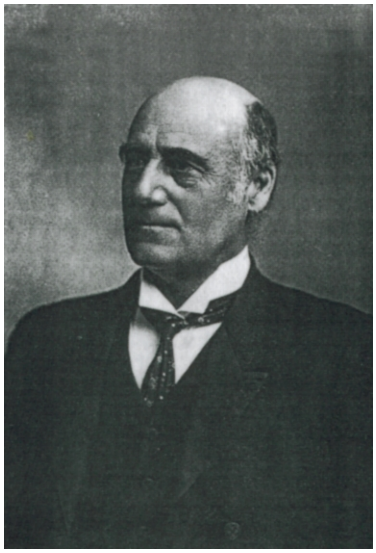
(The letter writer omitted the attack against silver values as a cause of the depression. To Indians, Chinese, and numerous American, British, and European exporters and the jobless they had to let go idle, and to people all over Mexico and South America, the fall of silver was the only cause of the depression! Tariffs were already in place before silver started crashing, shoved off the precipice as it was by Great Britain. Saying that silver's decline had nothing to do with the cause of the depression was equal in fallaciousness to saying that solar radiation could not be the cause of sunburn.)

"Neither of these evils can be cured by bimetallism or by silver monometallism. The experience of the United States after the Civil War proved that bimetallism was fatal to credit and produced a monetary crisis, as was explained by President Cleveland in his message of August 7, 1893. Silver monometallism is one of the causes of the present distress in China. Whatever services silver may render as a medium of exchange in the home market, the difficulties of foreign payments are enormously increased and credit is impaired by a depreciating currency."

(President Cleveland was a charter member of The Pilgrims Society---page 182, "The Pilgrims of Great Britain," 2002. He did his dirty work for the Money Power in attacking silver. Silver "failed" after the Civil War only because financiers, especially the Bank of England, connived to make it fail by legislation that hobbled it as a method of debt service! This letter writer was silent as to the cause of silver's depreciation---British India's attack against silver---and implied that silver on its own was to blame, due presumably to some mythical, imaginary attributes of innate lack of reliability.)

"IT IS BECOMING EVIDENT THAT SILVER CAN NO LONGER BE CLASSED AS A PRECIOUS METAL, and silver monometallism must inevitably increase the difficulty of the payment of gold debts, as Indian and Chinese experience has proved."

(The letter writer was Sir Graham Bower, son of a British Admiral and secretary to the High Commissioner of South Africa, Baron Rosmead. British Empire activist Bower, anti-silver campaigner)---



The NYT, June 26, 1932, section II, page 2, "Help Might Be Found In Silver" was a letter from Jeremiah Johnson, a resident of Washington D.C. who had several such letters printed over a period of time---

"As an out and out gold standard man and approving all the varies acts of reconstruction of Congress and President Hoover, I am constrained to say, as I have heretofore said, ***THERE WILL BE NO GREAT RELIEF FROM THIS FRIGHTFUL DEPRESSION UNTIL SOMETHING HAS BEEN DONE TO RESTORE THE PURCHASING POWER OF SILVER***. ***THE WORLD DEPRESSION WAS BROUGHT ON BY THE DUMPING OF INDIA'S SILVER."***

(Wow! What a voice of reason!)

"Our depression was accentuated by too rapid payment of the public debt, pinching credit black and blue. Now that fear of our going off the gold standard is gone, and we still have four billions of that precious metal with all paper money more than half covered, and without advocating any fallacious theory of sixteen to one, and keeping in mind your recent Sunday editorial that critics should always furnish solutions when they criticize, permit me to say there are two ways in which silver could be boosted in price to some slight extent."

(The 16 to 1 theory was better than a theory, and it was hardly fallacious. Here Mr. Johnson strayed into error. This ratio of course was based on the relative production of silver to gold. Even some so-called "friends" of silver have made certain attempts to shove it into a hole. I can't wait to see all such schemes fail as silver's relative scarcity asserts itself!)

"First, enact Senator Smoot's bill to let Europe meet her annual indebtedness with silver. We could easily carry the $252,000,000 each year at par with our gold. Second, take the $150,000,000 of gold in the Treasury to sustain our $346,000,000 of greenbacks outstanding and buy enough silver to replace them with silver certificates."

(That was a notion the bankers would disapprove.)

"We cannot crowd many more automobiles into this country. The Orient wants them and could buy them freely were its purchasing power restored. ***SILVER, THE ONLY REAL MONEY THAT HAS CIRCULATED FOR MANY THOUSANDS OF YEARS, MUST BE REHABILITATED OR THIS DEPRESSION MAY, LIKE THE DARK AGES, LAST A HUNDRED YEARS***. The world is not suffering from overproduction. It is suffering from under consumption, ***AND OUR GREAT FIELD OF NEW CUSTOMERS WERE DEALT A FRIGHTFUL BLOW WHEN ENGLAND BEGAN DUMPING INDIA'S SILVER SOME FOUR YEARS AGO."***

"Bryan's Son Offers to Lead Fight for a Silver Plank," NYT, June 27, 1932, page 13---

"Chicago---Western Democrats were seeking a William Jennings Bryan today to lead them again in a fight for remonetization of silver. Among those who offered themselves, though not himself a delegate, was William Jennings Bryan Jr. of Los Angeles, son of the Commoner."

(William Jennings Bryan, great silver money proponent of the 1890's, was called the Commoner because his views represented what the working class wanted---silver money!)

"Another was Senator Wheeler of Montana, who expressed the belief today that an agreement was near on a silver plank for the platform which would pledge the party to an international conference looking to remonetization."

The NYT, June 27, 1932, page 25, "Holds Cheap Silver Adds To Depression," subtitled, "Colonel F.L. Harden Calls Britain's Monetary Policy in India One of Greatest Blunders," and "Effect Upon Us Tragic"---

"Great Britain's action in putting India on the gold standard in 1926 and demonetizing the silver which had always been India's wealth was characterized yesterday by Colonel Francis L. Harden, until recently editor of The China Press in Shanghai, ***AS ONE OF THE GREATEST BLUNDERS IN HISTORY."***

(It was a blunder only if they didn't realize the harm that would ensue. They weren't idiots---they were vicious, sick fiends. It wasn't a bungle; it was intentional.)

"Not only had it resulted in economic disaster to India and in the closing of England's cotton mills, he said, but it was having serious repercussions on the United States as well, and was one of the great factors in the Depression."

(Let's say a victim is hit with three dirt clods, then struck in the neck by a 9mm bullet. The destruction of silver was the 9mm bullet.)

"Colonel Harden is in this country to attempt to sway sentiment here toward restoring silver to its former place as an adjunct to gold in the currency systems of the world. He is a guest of Joseph B. Thomas, coal mine owner. Mr. Thomas also is interested in the problem, and last Tuesday he told representatives of the cotton interests at a meeting that the depreciation of Chinese silver currency resulting from the sale of Indian silver was wrecking the cotton industry here as well as in England. This was because the Western world had "presented" China with cheap money so that, with the advantages of cheap labor and cheap land, which her manufacturers already had, Chinese cotton manufacturers had been able to undersell Western nations."

"One result, he said, was that American cotton growers were selling their cotton to Shanghai manufacturers instead of to those of Lancashire, but both

Mr. Thomas and Mr. Harden explained yesterday that this transference of markets was disastrous to American producers because they were forced to sell in China at very low prices. ”Seven years ago,” said Colonel Harden, “American cotton growers sold the Lancashire mills nearly $330,000,000 worth of cotton. In the past eight months they have sold them only $40,000,000 worth. That is a decline that the United States cannot afford. And the China market has not made up for that loss, because in the last eight months American producers have sold only $38,000,000 worth of cotton to China.”

“Colonel Harden and Mr. Thomas agreed that the actual effects on American growers were tragic. “***IN ONE DAY RECENTLY***,” said Mr. Thomas, “***30,000 COTTON FARMS IN MISSISSIPPI WERE SOLD UNDER THE HAMMER***.”

(The effects of the Crime of 1873 were similar. Countless farmers lost their homesteads because of British interference killing silver as money! What terrific broadside against silver will they and their American Pilgrim Partners attempt next?)

“THEORETICAL ECONOMISTS DECLINE TO RECOGNIZE THE EFFECT OF THE DEMONETIZATION OF SILVER, yet in the cotton situation we have complete proof of the ruin it can cause. Unless proper steps are taken very quickly to remedy the situation, labor in the Western world is in danger of being dragged down to the coolie level in the effort to compete with China.”

(I tend to equate the word “economist” with other terms including “grave robber,” “arsonist,” and “child molester,” because most economists are dishonest as to bedrock monetary reality. Thomas explained that Chinese coal coming to West coast ports such as Seattle was hurting his industry and that American rice producers also lost most of their Philippine market due to the silver crash.)

“Both Mr. Thomas and Colonel Harden endorsed the view of Representative Somers of Brooklyn, chairman of the subcommittee of the House which investigated the fall in the price of silver, and of Rene Leon, New York exchange expert, that the remedy is to be found in restoring silver to its pre-war gold value and restoring silver to its former position as the auxiliary

metal in Western money systems, thereby increasing the quantity of money in the world."

The Times, London, June 28, 1932, page 10, "Revival Of Silver---Purchasing Power In India" was a letter by E.J. Bunbury---

"I think all my Indian friends and a great many prominent business men in India today are of the opinion that from India's point of view a revival in the value of silver, which always has been and still is a store of value among its peoples, would be of great benefit to India as a whole. I go farther and venture the opinion that any benefit accruing to India by such a development would be shared to a great extent by Great Britain. The difficult question is whether bimetallism, or a sales and production agreement between India and America and Mexico, or remonetization of silver, or any combination of these measures, can be fitted into the international financial grid which demands for its success concerted action by more than one country."

"Great Britain has a moral obligation to study India's interests in regard to this, and if there is a conflict of interests between them to see if these differences cannot be reconciled. The only hope for the world trouble is so to arrange that the consumptive capacity of the Eastern half of the world's population, which is extremely low, is raised. The British Empire alone can do much towards this end, as alone among nations she holds the largest and most homogeneous portion of the Eastern people within the fold of her Empire. The real and lasting solution of the post-War problem lies in the East, and it is by the West that this solution alone can be operated."

The NYT, June 28, 1932, page 37, "Expanded Currency Is Urged By Chaplin" subtitled, "Actor Also Suggests International Money as a Solution of Reparations Problem"---

"Beverly Hills, California---Charles Chaplin says a shortage of money and not of supply and demand is the prime cause of the world's economic situation. The actor today proposed a remedy, especially for war reparations settlement. He previously had said leading economists he met on a world tour, recently completed, could find nothing wrong with his plan. "The cry of all countries is lack of money," Chaplin said. "Commerce has developed through the expansion of credit, but without a corresponding expansion of currency."

(Charlie Chaplain was born in London in 1889 and was a Knight of the British Empire)---

"We expanded credit with the development of industry and natural resources, while the expansion of currency was restricted on the production of gold. The production of gold is too small to keep up with the development of the world's resources, yet gold is the basis of all value. What gives it that value? An international recognition of its purchasing power. ***THEREFORE BY INTERNATIONAL AGREEMENT ANY METAL COULD BE GIVEN THE SAME BASIC VALUE AS GOLD."***

(Could it be that Chaplin actually believed that statement? No group of nations can give anything a value that it doesn't already have in and of itself. They can merely acknowledge that innate value. If his assertion were true, aluminum could be agreed to be as valuable gram for gram as gold, which is fantastic absurdity.)

"For payment of war reparations, Chaplin suggested the establishment of an international currency, based on gold. He said that each nation to share in the $3,500,000,000 set as the amount to be accepted from Germany in war indemnities could be paid its proportionate share of the international

currency he proposes. "With the first allotment of this currency each nation would agree to purchase silver. The silver would replace the original guarantee bond, which would be retired immediately, leaving silver as a bond to function in its place."

(This comedy actor said some laughable things, then said some better sounding things. He obviously wasn't high up in any power structure.)

The Times, London, June 29, 1932, page 13, "Currency Problems At Ottawa" was a letter by William Cecil Dampier---

"The letters of Peregrinus and others have once more called attention to the bearing of currency problems on the economic and financial state of the world. To those who have long studied these problems the present somewhat belated appreciation of their importance is naturally a matter of interest. But recent discussion seems to show an inadequate understanding of the change brought about by our break with the gold standard in September 1931."

(Dampier was a member of the executive committee of the Silver Association, establishing that it was a false front misleading silver activists! Watch what he is about to say!)

"As long as the pound sterling was defined in terms of gold, and as long as it was the policy of the Government and the Bank of England to maintain that definition at any cost in trade depression and unemployment, an expansion in the metallic basis of currency was eminently desirable, though personally I advocated taking silver into reserve at its market price rather than at an artificially fixed ratio with gold as desired by the bimetallists."

(Dampier was not a bimetallist! Just read on!)

"But when, by great good fortune, economic forces proved too strong for our financial rulers and the pound could no longer follow the vagaries of gold an entirely new situation was created. As pointed out in your leading article of June 21, ***THERE IS NO NEED TO SEEK A METALLIC BASIS FOR OUR CURRENCY AS LONG AS CONFIDENCE IN ITS VALUE IS FELT.*** The object of this letter is to point out why I think the policy of your article, and not that of Peregrinus is right."

"***THE IDEA OF A CURRENCY BASED ON A COMMODITY OF INTRINSIC VALUE IS REALLY A SURVIVAL OF A BYGONE AGE. BARLEY, CATTLE, WIVES, COWRIE SHELLS, SILVER AND GOLD HAVE ALL PLAYED USEFUL PARTS IN MONETARY HISTORY, BUT IN COUNTRIES WHERE MODERN BANKING METHODS HAVE BEEN DEVELOPED THEY ARE OUT OF DATE AS CURRENCY STANDARDS TODAY***."

(Since when is a perishable such as barley or a mere decorative item such as seashells equal in utility as exchange with precious metal? How would a creditor receive payment in cattle without a pasture or barn for them? While precious metals are fungible, it is highly questionable that wives are, and they would say the same thing concerning husbands. This asinine jerk was sputtering tommyrot and he knew it. He also knew he could influence the gullible.)

"Money must increase in quantity or velocity of circulation as trade grows, or it will become relatively scarce and rise in value---that is, prices will fall. Currency and credit should be based on the total wealth of the world, and not on the particular amount of one commodity which chances to be available. Save when improving technique makes things really cheaper to produce, a pound or a dollar should buy a constant average supply of goods and services---not a constant number of cowrie shells or a constant weight of gold, which may possess a continually changing value in terms of real wealth."

(Most economists use this specious argumentation. But most of those who advocate hard money favor the use of two precious metals, and, after reflection, copper also. Do I maintain that metallic money is absolutely perfect? No; but it far more closely approaches perfection than any other system. Money that isn't a store of value always robs the recipient, except for those few far upstream of its source who certainly benefit at the expense of everyone else. Notice he continued blabbering about cowrie shells, as if by so doing to run down gold and silver as being on such a primitive level.)

"It is true that primitive peoples, including some of our political and financial authorities, ***CAN ONLY THINK OF MONEY IN TERMS OF A CONCRETE SUBSTANCE LIKE GOLD***. Possibly, to satisfy them we may have to return some day to a metallic standard. If so, by all means let us use silver as well as gold, in order to broaden the basis of our currency.

But the experience of this country, both from 1923 to 1925 and again from last September till now, shows that ***THE POUND CAN FUNCTION QUITE WELL WHEN UNATTACHED TO GOLD OR SILVER AND THAT, PROPERLY HANDLED, IT IS IN NO DANGER OF RUNAWAY INFLATION***."

(He "unmasked" us as primitives! Not actually so; rather, we have unmasked him as a thief who robs by issue of fake money. No store of value, no money. There remains imbedded in the collective consciousness something "primitive" that demands the real thing. Would people be content knowing that a jeweler was selling cheap mass produced CZ's as natural diamonds? They would be ready to open fire! But through mass deception and economic "education" they accept "funds" which are no store of value. We are on the British model here in America with the Federal Reserve, bastard child of the Bank of England issuing money unattached to metal, and we have runaway inflation.)

"The possession of securities and a credit in our bankers books, together with a few notes and tokens of white alloy and bronze for pocket money, are enough for modern needs. If the nation or an individual wants gold to settle international balances, gold can be bought in the open market. It would be a great gain if creditors would consent to take silver in part payment of gold debts, but that for the moment is a side issue."

(Dampier had a skill for doublespeak. First there is no need for silver, then maybe there is. As an official of the Silver Association, banker front organization, he realized it was necessary to "salt" his pro-fiat tirades with the occasional blurb seeming to favor silver. But silver was actually a "side issue" to him as he wasn't in fact in the end any friend to silver.)

"There are advantages in an international basis for currency; the variation in rates of exchange tends to be smaller. But variation in exchange is less harmful than variation in the general level of prices; the dealer in exchange is better able to insure against the future than the manufacturer or the farmer and if left alone, a freely adjustable pound will correct automatically the rates of exchange so as to secure a balance of trade."

("International basis for currency" sounds like the so-called "Rex," the world currency proposed by Mr. Darling of Midland Bank, another alleged "friend" of silver. President John Tyler, 1841-1845, remarked that under his

administration, that followed after the Van Buren administration, the process of return to stable metallic currency was nearly complete and that prices stabilized. Can we say the same for the reign of unfunded paper?)

"It is most important that at Lausanne, and later at the proposed conference in London, the nations of the world should make every effort not only to settle War debts and reparations, and reduce the obstacles put by tariffs in the way of trade, but also agree on a common monetary policy. But even should they fail to do so, ***OUR ESCAPE FROM THE GOLD STANDARD SETS OUR GOVERNMENT FREE TO ACT ALONE,*** especially if supported by the British Dominions overseas and by those other nations who have now more or less linked their currencies to sterling. A beginning might be made at Ottawa."

(The upcoming Ottawa conference was a meeting of representatives of British Dominions. 156 ounce gold nugget from the Mojave Desert, photo by www.nevada-outback-gems.com)---

The Times, London, June 30, 1932, page 15 featured a letter---

"Will our departure from the gold standard enable the Australian producer to get higher prices for his wheat, wool or meat; the American, Egyptian and Indian producer for his cotton and other raw products; or any of the other producers of the world for their products? The answer to the question is unquestionably in the negative. It would seem that the only effective remedy for the present low prices---which are admittedly the fundamental cause of the world's present financial and industrial depression---is an

augmentation of the medium of exchange with which the trade of the world is carried on, whether by the addition of silver, cowries, or anything else would be immaterial, except that silver, next to gold, is the readiest and most suitable from all points of view, with the advantage that it has the sanctity of age as a medium of barter, and is even now the sole medium of exchange in a large part of the world."

(Wow! Get to the root of things, good chap! The fall in silver caused the collapse of other prices! And silver payment for goods and services isn't barter! It's payment in hard money!)

The NYT, June 30, 1932, page 15 featured this plank from the Democratic Party Platform---

"A sound currency to be preserved at all hazards, and an international conference called on the invitation of our government to consider the rehabilitation of silver and related questions."

(Where is the Democratic Party on silver and gold today? Billary the Hilarious One has a few jewelry trinkets, that's all that matters.)

The NYT, June 30, 1932, page 31, "Senate Votes Fund For Money Parley" subtitled, "But Appropriation of $40,000 for London Economic Talks Is Refused" and "Borah Leads Attack---Monetary Session is Not Yet in Offing, but Silver Study is Sought"---

"Washington---President Hoover's request for a $40,000 appropriation to pay the expenses of an American delegation to the proposed international economic conference at London was rejected today by the Senate, which by a vote of 45 to 8 decided that the money should go to pay the expenses of a delegation to a monetary conference which is apparently not even in the offing."

(Let's see where this leads.)

"The Senate took this action after representatives of the silver States used pressure and arguments and after Senator Borah, chairman of the Foreign Relations Committee, said there was no necessity of calling an economic conference because negotiations at Lausanne had broken down. The resolution authorizing the use of the money for American participation in a

monetary conference, including silver, to be held during 1932, was incorporated in the second bill, which the Senate passed a short time later. Mr. Borah offered the original resolution yesterday in response to a message from the President transmitting a State Department estimate of $40,000 for the London meeting."

"Since the breakdown at Lausanne there is no use of another conference," Borah said in debate today. "We should get nowhere with the arms questions until the questions of debts and reparations had been settled. And as I understand it, there is no idea of considering these matters at the London conference. With the withdrawal of these questions, there remains nothing to be considered holding any promise of aid to the present economic situation."

"No economic conference can hope to succeed in stabilizing conditions and restoring prices without considering the questions of debts and reparations." Senator Borah said he approved a monetary conference, but that ***IF GREAT BRITAIN CALLED THE MEETING IT WOULD BE IMPOSSIBLE TO BRING UP THE MONETARY QUESTION WITHOUT ENTANGLING IT WITH GENERAL ECONOMIC SUBJECTS."***

"No one knows what an economic conference means," Borah declared. "We are not in a position, not having called the conference, to say what will be considered. ***WE MERELY ACCEPT AN INVITATION TO A CONFERENCE WHICH GREAT BRITAIN IS CALLING."***

"Senator Hayden offered an amendment to include silver as one of the subjects of the economic conference, but Borah remarked***---"NO REFERENCE HAS BEEN MADE TO SILVER, AND IF GREAT BRITAIN CALLS THE CONFERENCE I DO NOT THINK THERE WILL BE ANY."***

"***IT'S PRETTY APPARENT THAT GREAT BRITAIN WILL NOT PERMIT A DISCUSSION OF SILVER***," Senator Copeland remarked. "I can't for the life of me see why we should attend a conference where nothing of interest to us will be discussed."

(That was New York Senator Royal Copeland, term 1923-1938. Amazing that anyone from New York showed favor towards monetary silver. However, Michigan was his birth state and I believe some silver has been

mined there over the years in primary copper orebodies. Copeland was a member of Sons of the American Revolution and president of the American Ophthalmological Society)---

"Senator Couzens proposed an amendment to make the appropriation apply to a "monetary" instead of an "economic" conference. He said he wished to authorize the $40,000 in case a monetary conference was called during the recess of Congress. Then the substitute was adopted, including the Hayden amendment."

(Senator James J. Couzens, mayor of Detroit from 1919-1922, sold his interest in Ford Motor to Henry Ford for $35 million in 1919. Mr. Ford was not exactly an "internationalist." Couzens Senate membership started in 1925 when Pilgrims Society member Truman H. Newberry resigned. Newberry was convicted in 1921 of "election irregularities" under the Federal Corrupt Practices Act but his friends at the Supreme Court reversed the conviction! Newberry held interests in steel, elevators, railroads, telephone utilities, trust companies and banks, and was Secretary of the Navy, 1908-1909, in which capacity he could assist his friends with contracts. Senator Couzens, a wealthy man, but evidently a friend in his time to silver)---

"We are merely dangling a bag of $40,000 in the air to be raffled for by whatever nation calls a monetary conference in 1932," Senator Bingham commented. "It might be in China, where the expenses of an American delegation would be too great to be covered by this sum, or it might be in Washington, where we would not need anything like the amount. ***THIS IS ONE OF THE MOST EXTRAORDINARY PROPOSALS EVER LAID BEFORE US."***

(Senator Hiram Bingham of Connecticut, term 1924-1933, discovered the lost Peruvian city of Machu Picchu in 1911 and climbed Peru's highest volcano, Coropuna, 20922 feet, in 1911)---

The New York Times, June 30, 1932, page 34, "Asks Coinage of Silver Dollars" concerned a regional response to the silver crisis---

"Butte, Montana---A resolution asking Congress to coin 25,000,000 silver dollars and the same number of half dollars as a means of stimulating the silver market was passed unanimously at the opening of the annual convention of the Montana State Federation of Labor. All labor organizations of the country will be asked to pass similar resolutions. The silver under the proposal would be purchased from mines in the United States."

(While that group had many miners as members, it also included other occupations. There is truth to the view that those geographically close to silver mining tend to understand its historic role as money more readily than the typical person far removed.)

On the current scene, some of you noticed an item dated January 23, 2008 in which Jessica Cross, of VM Group, London, spoke of the "chronic oversupply of silver" and spoke of declining industrial demand. Very few in London can be trusted as reliable on precious metals information. The Virtual Metals Group is interlocked with the London Bullion Marketing Association (LBMA, infamous for no reporting requirements, allowing fraudulent double counting to occur); the United Nations; The Economist; the World Gold Council; RTZ; and the World Economic Forum. The VM Group's Hedge Book report's sponsor is Mitsui Group of Japan, a large-scale silver user with Trilateral Commission ties.

From current input it seems possible that additional tightening of silver available to investors to bring home or to their unknown storage sites is to be experienced at any time. While a COMEX managed price pullback could happen as it has so very many times, we are moving into an era when availability totally trumps price as a concern. The amount of metal waiting to be released from weak hands must be a fraction of that which has long since been taken over by strong long term holders---people who understand the silver picture and have other income available for their support and see no need to liquidate any ounces until a mass population rush starts on the monetary metals.

This concludes the review of the public record on events in the silver and gold scene during the first six months of 1932. Unless others matters press to the forefront, we will review the second half of 1932 next month. While it's more of the same, there is much to learn. I am appreciative to those who have taken the trouble to preserve so much information that is readily accessible for only the individual's cost of time at many larger libraries across these United States. Sadly, when we review precious metals during the FDR administration, we will see that although silver prices rose to 50.01 cents per ounce, this didn't signify that everything was improved. The purpose of the price increase was so that the biggest silver stockpile in history could be concentrated in the Treasury, so that the financiers could use it to hold world silver prices capped for generations, and to shove China off silver and towards Communism. Precious metals ownership rights were under truly grave attack during the nightmare Franklin Roosevelt administration. History suggests that no New York Governor is fit to be President---as such a person, more than most politicians, will be in the hip pocket of the Money Power.