# BRITAIN AGAINST SILVER V

**Presented March 2008 by Charles Savoie**

***"IN ALL CALMNESS AND DELIBERATION I CONSIDER THAT THE ACTION OF THE INTERNATIONAL BANKERS IN DEMONETIZING SILVER AND VIRTUALLY DESTROYING THE PURCHASING POWER OF OVER 800,000,000 PEOPLE WAS <u>ONE OF THE MOST BRUTAL ACTS EVER COMMITTED IN HISTORY</u>."***---Idaho Silver Senator William Borah, New York Times, October 13, 1932, page 4---

***"WE HAVE SEEN A GREAT DEAL OF OFFICIAL AND BANKERS OPPOSITION MANIFEST EVERYWHERE TOWARD THE ORIENTAL SILVER MONEY PROBLEM, BUT HARDLY ANY ABILITY IN SUCH QUARTERS TO AT LEAST STEM THE TIDE OF DEPRESSION."***---Editor of The Shanghai Herald, quoted in the NYT, July 3, 1932, section II, page 2

***"THE CRASH IN SILVER VALUE THUS WAS CONTRIVED AND CARRIED OUT BY GOVERNMENT EDICT AT A TIME WHEN LESS THAN NORMAL SILVER PRODUCTION WAS TAKING PLACE. NONE KNEW BETTER THAN ENGLISHMEN THAT SILVER AS THE***

***PEOPLE'S MONEY WAS BEING RUINED*.*"***---Letter in NYT, September 14, 1932, page 20

***"THE SUSPENSION OF GOLD PAYMENTS ON SEPTEMBER 21 LAST YEAR WAS NOT AN ISOLATED INCIDENT. THE ACTION OF THE BANK OF ENGLAND CREATED WORLDWIDE CONSTERNATION; IT CERTAINLY PROLONGED AND AGGRAVATED THE WORLD DEPRESSION.*"***---NYT, September 21, 1932, page 20

***"GREAT BRITAIN WOULD NOT AGREE TO MAKING SILVER A UNIVERSAL CURRENCY BASE.*"***---Montana Silver Senator Burton Wheeler, New York Times, December 1, 1932, page 34

***"NINETY PERCENT OF THE WORLD'S POPULATION IS FUNCTIONING ON DEPRECIATED CURRENCIES. THESE DEPRECIATED CURRENCIES HAVE BROUGHT COMMODITY PRICES SO LOW THAT THERE IS NO LONGER A PROFIT IN PRODUCTION. THIS, OF COURSE, ACCOUNTS FOR THE TREMENDOUS AMOUNT OF UNEMPLOYMENT THROUGHOUT THE WORLD."***---Congressman Andrew L. Somers, NYT, December 4, 1932, page 2

***"THIS COUNTRY HAD IT IN ITS POWER TO TAKE A LEAD AND IMPOSE ITS WILL ON THE WORLD. OUR POLICY MUST BE DIRECTED TO HELPING THE WHOLE WORLD, INCLUDING AMERICA. WE SHOULD USE THE GREAT POWER WE POSSESSED TO PUSH FRANCE AND AMERICA OFF THE GOLD STANDARD AND DO ALL WE COULD TO IMPOSE STERLING ON THE WORLD AS THE INTERNATIONAL MEDIUM OF EXCHANGE."---***Speech in British House of Commons by a Mr. Smithers, The Times, London, December 22, 1932, page

This month's will be the final episode in the "Britain Against Silver" series. However this isn't at all to say that actions against silver were to come to a close by year-end 1932. The currents and tides of monetary subversion shifted with the start of the FDR years, but inevitably still marched counter to Constitutional provisions. We'll consider the 1933 events on the basis of the FDR presidency, which was a huge tragedy for America; the rash of funny money (scrip and "prosperity coupons") that cities, corporations and

other entities printed in response to the banking and currency crisis brought about by the consequences of the attack against silver, followed by the attack against gold; the World Monetary Conference in London in summer 1933 and note the usual assortment of Pilgrims Society members running the circus; actions in 1933 against gold hoarding that led to similar actions by August 9, 1934 against silver hoarding; and other relevant details, in a series of presentations.

Later I hope to offer another backward glance into the nineteenth century in a presentation on the sound monetary views held by the Father of Texas, the great Sam Houston, top military lieutenant of the awe-inspiring Andy By God Jackson!

Sir Graham Bower, anti-silver activist we heard from in The Times, June 25, 1932, was again heard from in the July 1, 1932 edition, page 10---

"I think the best answer I can give to Mr. Bunbury's letter in your issue of June 28 is to quote the following from the speech of George Hamilton, a convinced bimetallist, on the closing of the Indian mints, as reported in The Times of March 30, 1898---

"The proposition made to us was that the ratio of silver to gold should be 15.5 to 1. But the market ratio was 35 to 1, and if the wishes of Governments come into contact with the universal law of supply and demand that law will prevail, and the ratio of 15.5 could not be sustained."

(The war against silver was intense way before the way on gold heated up. Returning to Graham Bower's remarks)---

"The ratio is now 80 to 1, and the objection to bimetallism is that it is impossible."

(He had nothing to say as to the fact of his government intentionally distorting the value of silver towards an unnatural bottom. He implied that it was just characteristic of silver, all by itself, to be unstable.)

"Now about silver monometallism. Perhaps the most authoritative comment on silver monometallism is contained in the report of the Hong Kong and Shanghai Banking Corporation published in the Economist of March 29, 1930, from which I extract the following---

"The net profits for the year amount to 14,148,209, as compared with 13,420,061 for 1928---a return to approximately our earlier level of profits as calculated in silver. This would be satisfactory were it not for the heavy fall in the rate of conversion from silver to gold corresponding to a fall in exchange of just under 25 percent between the opening and closing of the year."

"The requirements of any currency are that it shall act as a measure of value, a store of value, and a medium of exchange. ***IT IS EVIDENT THAT A METAL WHICH FLUCTUATES AS DESCRIBED IN THIS REPORT CANNOT BE USED AS A MEASURE OF VALUE OR AS A STORE OF VALUE."***

(A very dirty player this fellow was, blaming silver for what his own government did to it! What would happen to the price of diamonds if De Beers, the Russians, Lev Leviev and Laurence Graff all dumped their stockpiles on the global marketplace at once? That's about what Great Britain did in Bower's time, and he saw no reason to blame his government nor even to mention the problem. He just counted on everyone being impressionable morons that he could mislead.)

The NYT, July 3, 1932, section II, page 2, "Adoption Of Gold Standard Seen As Detrimental To Siam" subtitled, "Depreciated Oriental Silver Money Is Problem Affecting All of Us" was a letter---

"In the view of published statements relative to the economic debacle in Siam, it may be interesting to have pointed out how the situation there is of vital importance to the world in general. A national credit system resting on the gold standard is as well suited to the United States as it is unsuited to primitive people, such as the Siamese and Chinese. Despite this obvious fact, Siam listened to the siren song of impractical Western theorists and adopted the gold standard and thus took the road to economic ruin followed by revolution."

"The great rice export markets of the world are Burma, Siam and French Indo-China. Until four years ago Indo-Chinese currency was the silver piastre and Siam's the silver tikal. In 1928 the French put Indo-China on the gold standard and sold its silver; soon thereafter Siam followed suit. Since during the last few months the depreciation of the Indian rupee, now linked

to depreciated sterling, has given to Burma a 25 percent advantage through exchange over Siam and Indo-China, the rice business has gone to Rangoon and the important export rice trade of Bangkok and Saigon is ruined on account of their disadvantageous exchange position."

"Siam, being the weak angle of the rice commerce triangle, broke down first economically. Today the Indo-Chinese gold piastre may be likened to an island completely surrounded by a sea of depreciated Chinese taels, Siamese tikals, Japanese yen and Straits Settlements dollars, so that French Indo-China must next go into economic chaos with all her neighbors. Already this impending collapse has been foreshadowed by revolutionary activities due to distress."

"In a letter received recently from the editor of The Shanghai Herald, he says in explaining this exchange problem to America---"There is a grave mission to fulfill. It concerns the white race of men whether our civilization is to survive or not. ***WE HAVE SEEN A GREAT DEAL OF OFFICIAL AND BANKERS OPPOSITION MANIFEST EVERYWHERE TOWARD THE ORIENTAL SILVER MONEY PROBLEM, BUT HARDLY ANY ABILITY IN SUCH QUARTERS TO AT LEAST STEM THE TIDE OF DEPRESSION***."

(Which fact demonstrated the conspiratorial basis of the anti-silver measures.)

"In the case of the United States the temporary, but ultimately harmful, inflationary measures resorted to solve the depression shall draw public strictures upon the initiators. The raising of tariffs, correctly interpreted, is merely ***THE ABOMINABLE OUTCOME OF THE DISINTEGRATION OF INTERNATIONAL COMMERCE AND DISEQUILIBRIUM OF EXCHANGE DUE TO LOW SILVER***."

"We have consistently referred to silver's ruined purchase power as an important reason for the existence of the worldwide depression. A simple snow ball rolled down the side of a mountain provides the most graphic illustration. If we should go further and try to realize the multiplied ill effects of the removal of $2,000,000,000 from the value of only one year's American cotton production we should cease altogether to be surprised at the turn of events."

"The trouble undoubtedly is the patent reluctance of the leading economic nations to recognize that the highly geared international machinery of credit has collapsed due to artificially induced contraction of its foundation, as represented in the capital of half the world's population."

(Well stated---touché!)

"An economic war is raging unchecked that can end only in increasing destruction. The white man's standards are in the balance. If for consideration of immediate and proverbial gold profit we permit silver to drag at the present level, we should only be cutting the nose to spite the face. The weapon of peace socially, politically and economically is within grasp. It is within the grasp of the President of the United States."

(That was true, and since Hoover was going along with the British and Wall Street plan, he would not take constructive action! Phillipe De Forceville of New York who, you could say, wrote forcefully, signed the letter!)

"Cooperation And Silver" was a letter from currency expert Rene Leon, from whom we've heard earlier in this series. This appeared in the NYT, July 13, 1932, page 16---

"The relation of commodity money to all other commodities is definite in that the value of all commodities is measured in terms of commodity money or its equivalents. If for any reason the redeemability of these equivalents is suspended, they inevitably depreciate in terms of commodity money and, in the process, the local price level is affected, thus immediately altering the movement and direction of import and export commodity surpluses, which in turn disequilibrate the international price level."

"We are witnessing today the ineffectual application of orthodox correctives by the Federal Reserve Bank and the Bank of England. They are both avowedly committed to the same policy of easy money, as evidenced by the lowering of their discount rates; yet these two institutions are in open conflict through their opposed exchange policies because, whereas the reserve is attempting to improve world (gold or dollar) prices by raising the local price level through credit expansion, the Bank of England is committed to a policy of low sterling which, by its effect on world prices through exchange, completely neutralizes the effects of the reserve."

(Have the Fed and the BOE ever actually operated at cross-purposes? I think not, though the suggestion of such may have sometimes been apparent. It's well known that the Fed is the offspring of the BOE, that they collaborated in meetings just before the Crash of 1929, and on and on.)

"The numerical sphere of influence of the pound sterling as affecting producers and consumers is infinitely greater than that of the dollar, hence the urgent necessity of establishing a joint money program by these two institutions which shall be harmonious as to both discount and exchange."

(Why beg the question? Neither institution should have been allowed to exist and the urgent need was that they both be permanently scrapped and never restored under any other name or guise!)

"A singular characteristic of the present situation, and the one which baffles a majority of thinking individuals, is that dire poverty is stalking in the midst of riches."

(Yes and central banking systems amplify the natural tendency to shove more people into the poor classes.)

"The problem is not so difficult of solution if we would face it squarely; but this requires vision and moral courage which, ***IF THEY ARE NOT AT A DISCOUNT TODAY IN HIGH FINANCIAL AND POLITICAL CIRCLES***, should assert themselves."

(Those qualities were nearly absent in the sphere he mentioned. That's why so many key leaders kept suggesting silver was unimportant, and there was no need for its restoration.)

"We prefer to point to the war and to its inevitable heritage of human misery, conveniently forgetting the fact that the war, long ago, took its toll in human life and treasure. The great struggle left us chastened, but it should also have left us wiser and more courageous. It should have taught us the futility of resorting to narrow nationalism, which is a simulacrum of patriotism behind which to hide our unwillingness to face the fact that we have been brought to our low estate by sheer mismanagement."

(This fellow was a financier, probably on a medium size scale. Blaming nationalism for war is false. It was internationalism that was to blame!

Neither wars nor financial maelstroms are mismanagement---they are intentionally planned so as to transfer more wealth and control to a concentrated elite.)

***"BECAUSE THE ELIMINATION OF SILVER AS MONEY AFFECTS EVERY PRODUCER AND CONSUMER OF COMMODITIES*** through the price level, the problem cannot properly be approached from the angle of interest of the metal producer. It must instead be approached from the angle of the interest of producers and consumers of commodities whose relations have been dislocated at their point of contact. If the problem is thus approached, it is a challenge to international cooperation."

(Many voices have told the world that only silver miners benefit from stronger silver prices. Actually, the silver miners are a minority among those who benefit.)

"The rehabilitation of the world can only come through the close cooperation of three leading nations. The joint responsibility is theirs and it is inescapable. England, because the numerical sphere of influence of the pound sterling as affecting producers and consumers, is the greatest; then come France because of her key position on the European continent, and the United States because of its creditor position and owing to the fact that, together with France, it controls the world's stock of gold. Moving singly, these nations can achieve nothing, because the individual effort is too great; but acting in concert, they can enforce their decisions upon all the countries of the earth which are only too eager to follow their joint leadership."

(England and the USA were tied together diplomatically and financially by The Pilgrims Society, which unfortunately is still a current situation. There is a related organization we will mention below that has some influence in French-American relations. I disagree that only one of these three nations could have affected the silver situation. We will consider the Silver Purchase Act of 1934 later.)

"The raising of the price level through the restoration of equilibrium in exchanges can be achieved by a return to fractional currency of high silver content and by the inclusion of modest amounts of silver in the metallic reserves of the principal central banking institutions. ***THE METALLIC BASIS OF CREDIT WILL THUS BE BROADENED AND THE***

***DIGNITY OF MONEY, OF WHICH IT HAS BEEN ROBBED, WILL BE GIVEN BACK TO THE WHITE METAL."***

(Rene Leon wasn't with the program, which was to get rid of silver coins, not to increase their use. Metallic basis of credit? What metallic basis of credit do we have today? That certified that he wasn't with the program!)

"Alongside of gold in the money systems of the world silver will fulfill its role of auxiliary money metal as of old ***AND WILL DISPLACE WORTHLESS PAPER WHICH IS INUNDATING THE WORLD***."

(Leon was confused on several points but not so much about silver. He spoke of the Fed and the BOE helping the situation when they were the twin enemies, flooding the marketplace with the paper he admitted was worthless. So why would they have been motivated to do the right thing for they world when that was contrary to their special interest?)

"Juan Rios Displaced In Chilean Cabinet" subtitled "Seizure of Foreign Deposits Has Been Delayed Because of Diplomatic Protests," NYT, July 14, 1932, page 11---

"Santiago, Chile---Juan Antonio Rios, Premier and Minister of the Interior of the Chilean government which was formed last Friday, resigned today because of criticism of his friendship with former President Carlos Ibanez. He was succeeded by Eseo Penavillalon, who was Minister of Lands. Carlos Davila, Provisional President, accepted the resignation but praised his retiring Premier's contribution to the establishment of the present socialistic regime."

(Socialistic---a dreaded word, like a "pink" Communist red, right?)

"The Minister of Finance announced today that he had postponed the contemplated confiscation of foreign currency deposits in Chilean banks until August 1 because of diplomatic protests from the United States, Great Britain, France, Italy and Spain. It was understood that a further and indefinite postponement was likely."

(Mining investors today should consider this past scenario and try to relax a bit. Any nation that starts to confiscate will be penalized in various ways.

Confiscation isn't worthwhile. However this isn't to say that taxes or government royalties won't be proposed to take a larger slice.)

"Revolt Against Society" was a NYT opinion piece, July 17, 1932, section II, page 1, that rambled about the years 1877, 1894, 1919 and to the then present 1932---

"No ground whatever has existed for assuming a change of attitude in this regard, even after the present prolonged depression. The question still remained whether there was not bound to be a popular uprising against the present currency, a demand for silver bimetallism or actual fiat money. That had abundant American precedent. It had never failed to disorganize the whole political situation in such business depressions as 1893 and 1873. The Democratic convention of 1896, ***DOMINATED BY A DEMAND FOR SILVER INFLATION*** from interior constituencies, ***WHICH WAS NOT ONLY EXTENSIVE IN SCOPE BUT FANATICAL IN CHARACTER***, declared itself "unalterably opposed to the single gold standard."

(The inside story as to how the NYT fell in with the paper money issuers and turned permanently against silver will never be known, but undoubtedly would be a fascinating intrigue!)

"It might reasonably enough have been expected, considering the severity and duration of this depression, that something at least of this older picture would have been reproduced this year. In Congressional debates we have had it; outside Congress, the absence of a popular movement of the sort has been the impressive fact."

(There was a huge popular movement for silver money. The NYT strategy was to paint the picture as if it didn't exist.)

"The currency planks of the Republican and Democratic conventions declared distinctly for sound money and ignored Congressional appeals for currency inflation; ***THE DEMOCRATIC CONVENTION FLATLY REFUSED TO CONSIDER PLANKS APPROVING SILVER REMONETIZATION***."

(As if they did the right thing, with the glowing approval of the NYT.)

"If it is argued that the convention was organized and controlled by conservative leaders of the party, the answer is that this fact in itself proved the lack of interest in such radical proposals."

(Using silver is a radical proposal? Such a view stood in opposition to thousands of years of history. The NYT in league with the Money Creators.)

"In the Democratic convention of 1896, the fury for inflation was such that the "free coinage delegates" rejected a conservative chairman proposed by party leaders, and voted down every platform amendment suggested in the way of moderation. There is perfectly good reason for believing that the action of last months conventions reflected the general attitude of the party's constituencies as correctly as did the action of 1896."

(The more those designated as responsible leaders do to shove silver out of the monetary scene, the more we are being protected! That was the theme of the NYT!)

"Evidence quite unconnected with political conventions has pointed distinctly to the absence of popular enthusiasm over such proposals in sections of the country which went mad over silver inflation thirty-six years ago. Of a political uprising there is not the slightest sign. The West and South have had useful experience during that interval with the gold standard ***AND A SOUNDLY ADMINISTERED PAPER CURRENCY***, and the lesson has apparently not been forgotten."

(Adolph Ochs, publisher of the NYT, was a Pilgrims Society member, and his son in law, Arthur H. Sulzberger, became a member. More members have been Episcopalians over the years than any other single religious background, various other Protestant denominations, Jews and some Catholics, notably J. Peter Grace, who was head of the Knights of Malta for North America. Religious origins aside, the members agree on getting rid of precious metals as money since these cannot be "created!")

The NYT, July 19, 1932, page 16, "Varied Paper Money"---

"Reference in the news columns of The Times yesterday to "seven different kinds of paper money in circulation" may have roused curiosity. Four or five are easily remembered, but it is harder to identify all seven. The list includes United States notes, gold certificates, silver certificates, Treasury

notes of 1890, Federal Reserve notes, Federal Reserve bank notes and national bank notes. Of these, Treasury notes of 1890 and Federal Reserve bank notes are no longer issued, and the amounts outstanding are being redeemed as they reach the Treasury. There are also outstanding small amounts of old demand notes and fractional currency issued during the Civil War."

"Of the five kinds of paper money now issued, Federal Reserve notes accounted for $1,700,000,000, or about 40 percent of the total value of paper money in circulation at the close of fiscal year 1931. This compares with $997,000,000 in gold certificates, $648,000,000 in national bank notes, $377,000,000 in silver certificates and $299,000,000 in United States notes. In denominations, one-dollar bills are naturally most numerous, followed by fives and tens. The two-dollar bill is the ugly duckling of the Treasury, so widely regarded as unlucky that there are less than a sixth as many twos in circulation as there are fives. The Treasury prints a billion new bills a year to replace paper money as it wears out. The average life of a dollar bill is nine months. Larger denominations last somewhat longer."

(Of those notes, monetary purists of the past would have advised to redeem the gold and silver notes and let the withering plague pass to others.)

"Bank For The Empire And Silver Coinage Pressed At Ottawa," NYT, July 25, 1932, page 1, subtitled, "Plan for a Super-Institution in London to Aid Exchange Will Come Up This Week," and "Most Delegates Who Favor First Proposal Also Want Basis of Currency Increased" and "Return To Gold Opposed"---

"Ottawa---When the currency questions committee of the Imperial Economic Conference here begins its work this week two important proposals that will be laid before it are for ***THE CREATION OF A SUPER EMPIRE BANK*** and for the remonetization of silver. The plan for a great bank to function not only for Great Britain and the dominions but also for the colonies is being urged in Ottawa by J.F. Darling, a director of the Midland Bank of England, who has found sympathetic listeners among the members of the conference's currency committee."

(Darling as we saw earlier in this series, while projecting himself as a friend of silver, wanted the world's miners to deliver their silver and gold to this

super bank, which would then issue them "Rex" notes, named after the King of England, Royal Patron of The Pilgrims Society!)

"Under this scheme each part of the Commonwealth would have a central banking system of its own, ***WITH THE SUPER INSTITUTION SET UP IN LONDON***. Its primary object would be to facilitate exchange within the empire. Each dominion would deposit in the super bank its bonds and other obligations, thereby creating a credit to form the nucleus of a revolving fund for settling balances throughout the Commonwealth and providing funds for loans in such British countries as needed them."

"Among delegates on the currency committee who advocate this plan are H.H. Stevens, Canadian Minister of Commerce, and Sir Henry Strakosch of India."

(Henry Herbert Stevens founded the Reconstruction Party. Strakosch, as we saw in the opener of this series, was another Pilgrims Society member. In his role as a member of the Royal Commission on Indian Currency & Finance, he bore boundless guilt along with the other members for the immense attack on silver and the cause of the Great Depression!)

"The silver question is bound to loom large. Mr. Darling is also urging this proposal on the conference. Two other supporters of silver remonetization are Sir Robert Horne and Charles McRae, Minister of Mines in Ontario, in which province the mines have yielded this year $60,000,000 worth of gold."

(We also scrutinized Sir Robert and the Silver Association and concluded that it bore every resemblance to a Trojan horse.)

"The conference delegates who approve the plan for a super bank are also in favor of adding silver to gold in the increase of the basis of currency. Australians and New Zealanders are for the super bank. They are less convinced about bimetallism but they are far less determined than South Africa in behalf of gold."

(Having silver under the control of this "super bank" was a poor idea for true remonetization! Only if it circulated physically among the people, would true remonetization occur.)

"A leading factor in the discussions of the currency committee will be speculation as to the future attitude of the United States with reference to war debts. Also much of the early deliberations will centre on the prospects of Great Britain's returning to the gold standard in the near or distant future and of stabilizing her pound."

(Why should the world production of gold be sent into the vaults of a "super bank" in London run by Pilgrims Society members, when Britain had repudiated gold?)

"***BUT THE BRITISH HAVE NOT THE SLIGHTEST INTENTION TO RETURN TO GOLD AT PRESENT*** nor, in the recent words of Stanley Baldwin, as long as "gold (continued on page 4) behaves itself as it does now." Neither do the British delegates wish to see the exchange value of the pound rise at this time. These two admitted facts of British policy are disappointing to both N.C. Havenga, Finance Minister of South Africa, who is the most pronounced gold standard advocate in the conference, and to Prime Minister Bennett and some of his associates in the Canadian delegation."

(Perhaps Bennett held some gold mining shares)---

"Silver advocates at the conference argue that a return to the gold standard now by Great Britain and other parts of the empire that have abandoned it would necessitate lowering wages, rents and interest and cause further and continuous curtailment of purchasing power. The British delegates who are members of the conference committee on currency questions are Neville Chamberlain, Chancellor of the Exchequer, and Sir Philip Cunliffe-Lister, Secretary for the Colonies. They will no doubt advocate the British monetary policy, which is for an abundant supply of cheap money."

(Sir Philip was almost certainly another Pilgrims Society member. Chamberlain is identified as unmistakably having been a member and opposed an international conference on silver)---

"Chile Revokes Decree Seizing Foreign Cash," NYT, July 30, 1932, page 14, subtitled, "Machine Guns Guard Regime on Threat of New Revolt---Cabinet Changes Forecast"---

"Washington---The Chilean Embassy made public a dispatch it received today from the Chilean Government announcing the government had repealed the law declaring all deposits and credits in foreign money in banks the property of the State."

(It wasn't a realistic approach to theft at any rate.)

"Santiago, Chile---Eight truckloads of machine guns bristled expectantly around the Presidential palace today, brought there at midnight following rumors of discord in the army and political ramblings against the government of President Carlos Davila. The machine gun defense was ordered by the Cabinet, which remained in session throughout the night. Reports were in circulation that several Cabinet changes would be announced soon. An order was sent to the military barracks commanding that all troops there be held in readiness."

(The temporary confiscation of foreign owned assets, which the Socialists in Chile wanted to be a permanent one, evidently caused quite a scare and if it had not been rescinded, gunfire would most likely have erupted.)

"Propose Substitute For Gold Standard," NYT, July 31, 1932, section IV, page 1 with subtitles, "British Economists Suggest Monetary System Based on Commodities" and "Would Stop Shipping Gold" and "Assert Clearing House Could Adjust All Balances Between Nations" and "Put Forward as a Basis of Discussion at Imperial Conference in Ottawa"---

"Establishment of a monetary system whereby every import would carry an order for an export of goods or services, as opposed to the international gold standard system where an import might carry an order for an export of gold unless the price level of the importing country followed that of the selling country downward, is set forth in a report by a special committee of the London Chamber of Commerce and put forward as a basis for discussion at the conference in Ottawa."

"The text of the report, which was received here yesterday, recommends currency backed 100 percent by real wealth; that is, commodities with a market value and which do not fluctuate widely in price either through scarcity from natural causes or through being "cornered." The system, in its international aspect, it is asserted, should render it impossible for any one nation, prepared to support a lower standard of living, to undersell and so drag down the standards of living of the more advanced nations, thus reducing purchasing power and creating unemployment."

(This proposal would solidify British power in several ways---first, by depriving the world of the worth of the precious metals held outside the

British Empire and second, to take advantage of the British position as commodity producers across their vast Empire, including India, Canada and Australia!)

"The United States is experiencing the effects of one of the essential and most disastrous features of the international gold standard system," the report asserts. "Her standard of living is now being dragged down toward that of the countries whose standards she has herself been largely instrumental in driving down."

(False! It was Great Britain's attack on precious metals, starting with silver, that caused the dragging down of living standards!)

"The basic idea of the rediscounting system is that currency is issued by the central institution against all commodities, as represented by the eligible commercial bill, and not merely against one commodity, gold, supported by paper representing government debt."

(The idea of paper supporting gold in any way seems far out crazy. Here the British were again calling for a "central institution" that could issue currency! Of course, they intended that the central institution would be headquartered in merry old London and that they would control it!)

"Gold may become insufficient through natural causes or may be made scarce through being cornered. In order to be eligible these bills must relate to current production and distribution only. Bills relating to capital or financial transactions would not be eligible for rediscount. As under the system here advocated the internal trade of the country would be financed by bills (this would not preclude the continued use of advances where this was found more suitable for certain types of business), trade activity would be reflected by the rise and fall in the value of rediscounts; the currency, too, would automatically rise and fall with trade activity and so would be subject neither to inflation nor to deflation."

(These planners would have been overjoyed to know about the derivatives structure that was designed after the start of the 21st century!)

"It is pointed out that under this system the practice of shipping gold from one country to another would be abandoned, since all differences between nations could be adjusted through a central bankers clearing house. The

central bank would keep the imports, visible and invisible, of their respective countries equal to the exports, visible and invisible. Comparatively small and temporary balances, whether favorable or unfavorable, would be dealt with as book entries. Contrary to what has happened under the international gold standard, it is asserted, the punishment which would follow persistence, in spite of warnings of other central banks, in an accumulation of either favorable or unfavorable balances would fall first upon the offending nation."

(It sounds swell to have the power to punish entire nations! Just as long as England didn't get punished, but functioned as the administrator of punishment, it would be OK. Just look what the British did to silver, they were next attempting to get rid of gold!)

"Since gold would not, under the plan, be used as the basis for the settlement of international balances, except in the clearing house in the adjustment of temporary differences, the credits established would not unsettle exchange rates, as these would be fixed."

The Times, London, August 16, 1932, page 12, "Monetary Policy" made some disquieting statements---

"In the report on monetary policy the committee urge that a return to the gold standard will not meet the requirements of the country; and that any attempt to readopt this policy will be strenuously opposed. The future monetary policy of this country must of necessity be capable of acceptance by the great majority of the Empire, and by the United States, France, and the other great nations of the world. In so far as it is possible, suggestions of a highly experimental nature should be avoided."

"Future policy should be built upon the framework of the central reserve bank system, because this would appear to be the only system capable of being adapted to modern requirements; and experience of this policy in countries where it is already in force seems to hold out the greatest promise for Imperial and international agreement and cooperation in the ultimate adoption of a world policy. Inasmuch as it has been generally conceded that ***GOLD IS UNSUITABLE AS A STANDARD AND MEASURE OF VALUE***, endeavour should be made internationally to arrive at a new and more stable measure of value. It is also suggested that the introduction of the eligible bill of exchange, rediscountable at the central institutions, is

likely to prove of immense importance to agriculture and other industries, and this, it is urged, is dependent upon the adoption of the central reserve bank practice in this country."

(For "modern requirements" read "banking pillage. Notice that Imperial was capitalized, as if suggesting that "international," meaning the rest of the world outside Great Britain, should be subservient in a "world policy" crafted by London. It didn't take long after silver got attacked, for them to turn on gold next.)

"In lieu of controlling the currency by the volume of credit, the volume of credit should itself be controlled by currency in a future system, a distinction being drawn between industrial credit and financial credit. It is important that industrial credit should not be depleted by demands for financial credit. The above principles involve the consideration of a new measure of value. They may also entail the formation of a central control bank (an international clearing house or a central bankers clearing house) for the general regulation and fixation of exchanges, and for the management of the balances to be held there by the central banks of those countries adopting such a system."

"While unable to agree to suggestions put forward for the inflation of currency nor for the return to the gold standard, the Chamber considers that the past failures of finance fully warrant a new outlook upon financial problems which will be more in keeping with the demand of industries which are productive of real wealth, rather than industries dealing solely with the supply and demand of tokens necessary to the distribution of that wealth. Past practices are today no longer adequate for modern requirements."

(Which chamber was being referred to is unclear. It sure sounded like coined money---as in silver---was being faulted, while in fact the blame rested upon those who purposefully destabilized it.)

The Times, London, August 18, 1932, page 16, "The Economic Conference"---

"The forthcoming world economic conference is the subject of an article in the current Westminster Bank Monthly Review. The writer says that failure at such a conference would be more tragic because the fruits of success are

so incalculably valuable. He points out that the world is better equipped for the production of wealth than at any other time. He gives a few examples of how rapidly the wealth of the world increased during the years immediately preceding the present crisis. He adds---

"The world's production of steel increased between 1924 and 1929 by 54 percent, of copper by 47 percent, of lead by 23 percent, of tin by 29 percent, of wool by 20 percent, and of rubber by 103 percent. In the same period the output of the manufacturing industry in the United States rose by 26 percent, in Canada by 62 percent, in Japan by 44 percent, and in France by 27 percent. In Great Britain the increase between 1921 and 1929 was 16 percent. In the seven years to 1929 the output of petroleum rose by 62 percent. Between 1926 and 1929 alone the production of electrical power rose in the United States by 33 percent, in Canada by nearly 50 percent, in France by 36 percent, in Great Britain by 10 percent and in Japan by 43 percent."

(Dry statistics, but perhaps of some interest. The Times continued)---

"At the same time the obstacles to the exchange of this greatly increased supply of wealth have been greatly multiplied, and these obstacles accentuated the fall in the price level. Increased productivity would have brought about a fall in prices in any case, for the only known method of passing on the benefits of increased productivity to the consumer is through a reduction of price; but it would probably have been less severe but for the hindrances placed in the way of international commerce. The lower prices fell primary producing countries with heavy debts at home and abroad had to struggle harder in their efforts to maintain the service of their loans and their import trade, which was an important item in their standard of living. This for a time stimulated production in certain lines and made prices fall further."

(It's true that going into the Depression there were warehouses and shipping terminals and ports full of unsold goods. We've seen many times in this series how the British attack against silver torched off the whole problem. I think it possible that they could have played other roles leading up to the crisis, which they knew would exacerbate the situation. That investigation would be a whole other series and dependent upon information outside the usual range of indexes.)

"Since the recent rise in silver began, London bullion brokers have emphasized the speculative character of the movement. Writing yesterday in their usual weekly review, Pixley and Abell state that the market has in the last few days been a dangerous one as, although the prices paid by New York, which has led the speculative movement, were out of all proportion to Shanghai exchange, sales from that quarter were distinctly restricted. It is suggested that possibly the fact that a similar raid which took place between October 30 and November 14 last year and forced prices up from 17.8125d to 21.5625d before they definitely broke was being borne in mind."

(The figures were denominated in British "pence," oddly enough, abbreviated with a small "d," which historically refers to Denarius, tracing Roman influence in early Britain, which they called Britannia.)

"Pixley and Abell point out that the incidents are dissimilar in this respect, that whereas the rise of last year was due to speculation based on hopes and talks of conferences to be held with a view to official action being taken to raise prices, the advance the market has just experienced has been caused by speculation based on the theory that because commodity prices are advancing silver must follow suit. They offer the reminder that, though production shows a heavy further fall this year, the consumption of the metal is still very poor and the world's stocks of silver are heavy. The conclusion is therefore reached that the time has not yet come when prices can advance sharply and maintain such improvement."

(Yes, especially since Great Britain was flooding the world with silver in its attempt to obliterate it as a monetary metal.)

The NYT, August 21, 1932, section II, page 5, "Cuba Will Accept 33 Percent Silver in Payment of Taxes"---

"Havana---Tax collectors have been authorized by the Secretary of the Treasury to accept up to 33 percent silver in payment of taxes, with the exception of certain dues affected by foreign obligations. Also, payments up to $10 may be made entirely in silver. Until now only 20 percent silver has been accepted by the government in payment of taxes, the balance being payable in American currency."

"This ruling has been made in response to numerous complaints by merchants who are forced to accept silver as the bulk of their daily receipts

and have heretofore been unable to use this type of money in the liquidation of various government obligations."

(President Gerardo Machado of Cuba, under whose tenure silver was "partially respected")---

"Pledges Talk On Silver," subtitled, "Hoover Tells Smoot of Plan for World Economic Conference," NYT, August 24, 1932, page 20---

"Salt Lake City---President Hoover today assured Senator Smoot of Utah that the silver question would be discussed at the World Economic Conference and that he would appoint someone representing the silver point of view as a member of the American delegation."

(Just one silverite? And the rest Wall Streeters and hokey economists?)

"Senator Smoot made public the following telegram from the President---"I have your inquiry as to whether it has been finally settled that the silver question will be dealt with at the forthcoming World Economic Conference and as to the constitution of the American delegation to the conference. At the request of the American Government it has been agreed that the silver question will be a part of the conference. In making up the American delegation I shall appoint someone representing the silver point of view as a member of the delegation. I prefer this representative to be a real representative of the silver mining interests and from the Western portion of the United States."

(And the rest of the delegation was to be packed against silver, right? At any rate Hoover wouldn't be the one to select delegates since the conference only took place shortly after FDR went into the White House.)

The NYT, September 9, 1932, page 29, "Adoption of Gold Standard Blamed for Price Drop and Cut in Orient's Buying Power"---

"In the last seven years there has been a very rapid decline in the price of silver due to the policy of the government of India being forced by Great Britain to adopt the gold standard. In pursuance of this fatuous policy the silver of India was melted and sold as bullion on the world's markets, causing an almost immediate drop of one-half of the normal price of silver. The drop of silver from 60 to less than 30 cents an ounce has reduced by one-half the wealth of the Orient and its purchasing power. In the "backward" countries silver was the circulating medium and NO ***MANAGED CURRENCY WOULD BE ACCEPTED AS A SUBSTITUTE FOR SPECIE IN THESE COUNTRIES***. The silver question is one which has not been adequately brought to the consideration of the general public."

The NYT, September 9, 1932, page 29, "Suggests Silver Restoration"---

"A campaign of education by an organization interested in world trade should be formed, consisting of cotton manufacturers, textile manufacturers, automobile manufacturers, petroleum producers, metal producers, farmers and many other classes of industrialists who are in an important degree concerned, to carry on such a campaign of education that the people of the world will recognize their interest in and exert their influence to effect the rehabilitation of silver."

(Great suggestion---many of us have silver rounds stamped "World Trade Unit." However, petroleum producers including ChevronTexaco and ExxonMobil are totally in the grip of the Money Power and will issue no call for metallic currency basis.)

"Answer to Silver Problem Would Open World Markets" was a letter in the NYT, September 14, 1932, page 20---

"The reestablishment of silver will restore the purchasing power of a billion people (about half the world's population), and thus provide a market for those surplus products such as cotton, wheat and manufactured goods now so much needed. When Great Britain dictated the placing of India upon a gold basis in 1926, and began selling silver in the markets of the world in order to obtain the needed gold as the basis of credit, ***THE DECLINE OF SILVER TO ABNORMAL DEPTHS WAS CERTAIN***. Then in a little while, with silver at a fraction of its former purchasing power, all other silver using countries as well as India found themselves unable to buy goods, and even the textiles of Manchester lost their market."

"***THE CRASH IN SILVER VALUE THUS WAS CONTRIVED AND CARRIED OUT BY GOVERNMENT EDICT AT A TIME WHEN LESS THAN NORMAL SILVER PRODUCTION WAS TAKING PLACE.*** Several other nations at once proceeded to debase their currency by melting and recoining with lower silver content and thereupon also offered silver for sale. ***NONE KNEW BETTER THAN ENGLISHMEN THAT SILVER AS THE PEOPLE'S MONEY WAS BEING RUINED.*** All the great English mining managers knew it and acted promptly by closing the mines."

"This is illustrated by the action of two great British companies which had acquired and were operating most of the great mines upon the famous old Comstock Lode in Nevada, ***ALL OF WHICH WERE SUDDENLY SHUT DOWN ON DECEMBER 15, 1926***, the very month in which the gold standard was put through in India. Thus was a great mining operation suddenly discontinued in the United States with the discharge of more than 700 men and the ruin of a thriving community."

"The average cost to produce silver in this country is 45 cents an ounce. The United States is potentially and could become a large producer of silver. Why should the price be fixed in London by speculators based on forced or

announced government selling? The President should call that conference of nations. Solve the silver situation and these great markets will be available."

"Roosevelt At Butte Pledges No Evasion On A Silver Parley," NYT, September 20, 1932, page 1, subtitled, "He Promises to Call a World Conference Immediately After His Inauguration," and "Assails Cynical Delays" and "Unsympathetic Acceptance of Things as They Are He Calls The Issue of Campaign" and "Hailed By Crowd of 7,000"---

"Butte, Montana---Before one of the largest and most enthusiastic crowds yet encountered on his tour, Franklin D. Roosevelt promised today that if elected President he would call immediately after his inauguration an international monetary conference to consider the rehabilitation of silver. ***SILVER MUST BE RESTORED AS A MONEY METAL***, and the Democratic platform pledge on the subject must be kept, Roosevelt declared, and then went on to point out that the Republican platform merely pledged the participation of the United States in a monetary conference, if one should be called."

(If the crowd at Butte could have known Roosevelt's intention to seize their gold and silver, they would have switched support to that awful jerk Hoover, as being better than this super-scale thief! They should have known that any New York Governor would be in the camp of the Money Power. His older cousin, William Emlen Roosevelt, probably a Pilgrims member, was a director of Mexican Telegraph; Central South American Telegraph; Chemical National Bank; Hanover National Bank; Union Square Savings Bank; Union Trust; New York Trust; New York Life; Fidelity & Casualty Company; Norwich Union Fire Insurance; Broadway Improvement Company; Westchester Electric Railroad; Mobile & Ohio Railroad; Buffalo, Rochester & Pittsburgh Railway and other corporations---Who's Who, 1916, page 2107.)

"A crowd of 8,000 gathered in front of the court house to hear the New York Governor after an automobile parade through the streets of the city which lasted more than an hour. Although Butte's population has dropped to about 30,000 because of unemployment, the throngs that lined the streets would have been a generous turnout for a much larger city. There were frequent shouts for Roosevelt as "our next President." The meeting was opened by James E. Murray, chairman of the Silverbow County Democratic Committee, who introduced Governor J.E. Erickson."

(John Erickson was Montana Governor, 1925-1933, when he was appointed to fill the seat vacated by the death of Senator Walsh.)

"Senator Thomas J. Walsh was then presented, and after predicting that Roosevelt would win the four electoral votes of Montana and be elected President took up the silver record of President Hoover. The Montana leader declared that Hoover, ***BY HIS FAILURE TO CALL A MO***NETARY ***CONFERENCE***, had shown that he was opposed to having the United States take the initiative, but would have the conference called "by some country like China." This was "a sure way to make it sterile," Walsh added." The people of the mining city of Butte could have only one choice between the two rival candidates for President, he held."

"On February 17, 1931, more than nineteen months ago, the Senate of the United States, upon recommendation of its Committee on Foreign Affairs, adopted a resolution offered by Senator Pittman of Nevada requesting the President call an international conference on silver," Walsh said. "The International Chamber of Commerce, at the instance of the United States Chamber of Commerce, declared in favor of such a conference. The legislatures of eleven States and the American Federation of Labor called on the President to call a conference. Representatives of the silver producing States importuned him to call a conference."

"The President has been obdurate. No such conference has been called for reasons that are plain to the reading public." Senator Walsh then read the Democratic and Republican silver platform planks and declared that Mr. Roosevelt could be depended upon to carry out the Democratic platform pledge."

(Yeah---and tragically, he carried out a whole lot more!)

"Governor Roosevelt assured his hearers of his complete acceptance of the party's silver plank, regarded as of great importance by Colorado, Montana, Nevada and other silver producers, and in doing so paid a tribute to Mr. Walsh, who supported him for the Presidential nomination and was chairman of the Chicago convention. "No American can stand in the presence of Senator Walsh without feeling very deeply not only a sense of gratitude for the unselfish service of this man throughout his whole life to

his State and to his country but also a deep sense of the innate greatness of the man himself," the Governor said."

"For nearly twenty years now you have honored yourself by honoring him. In that long period he has stood foursquare in the front of every fight in behalf of human rights. He has given freely and unselfishly of his great talents in behalf of the citizen whom I have repeatedly characterized as the forgotten man. Never has he spoken more sincerely (continued on page 4) than he has today. He voices the aspirations and hopes of many people, and it is this same hope that is recognized by the platform without equivocation and without reservation."

(Roosevelt's pretended sincerity continued)---

"All prosperity springs from the soil. Agriculture and mining---these are fundamental. I am glad Senator Walsh read to you the platform of the two parties on silver. The difference between the Republican and Democrat platforms on the money question is not a difference of alleged purpose, but it is a difference of attitude and of method. But remember well, that attitude and method---the way we do things, is nearly always the measure of our sincerity. It is so in this case. The Republican leaders say that when an international conference is called by someone else, they will then participate. We promise on our own initiative to call such a conference. This I promise to do without delay or evasion, when I go to Washington next March."

(It wasn't when Roosevelt went to Washington; it was when he went to London!)

"I believe in American initiative in this and in all other important matters of worldwide concern. You and I know the manner in which different parts of the United States are interdependent, and you and I are coming to recognize the interdependence of all nations in the world in such matters."

(True, we all need silver and gold, but Roosevelt was more---he was an "internationalist" or "one-worlder." Roosevelt's law partner at 54 Wall Street was former New York State Bar Association president, Pilgrims Society member John George Milburn, a trustee of New York Life Insurance Company. Milburn's listing on page 1696 of the 1916 Who's Who said---"President McKinley was taken to his house after fatal assault and died there." George Cortelyou, who later headed New York Gas Company,

was close by and also became a Pilgrims member. Yes, the Society does maintain close relations with the White House, what say you, JFK? Cortelyou was Treasury Secretary during the Panic of 1907, created to intensify political pressure for a central bank.)

"The improvement of conditions in the mining industry will be attained by no single panacea. I want to be fair and honest with you as I was with the farmers at Topeka the other day and say that with problems of such many sided importance the way out is difficult. Particularly is this true of the problem of improving the condition of silver and the restoration of trade on the Pacific. It must be done with the pledge of the platform in mind that sound currency be maintained at all regards. I pledge to you and to the farmers, willing hands and sincere purpose. This is, my friends, the issue of the campaign, on the one side cynical and unsympathetic acceptance of things as they are---on the other, determination and faith in the possibility of change, of progress and of a new deal."

(That alleged "new deal" became a trademark phrase of FDR's administration, and involved many Socialistic programs.)

"The crowd listened attentively to Governor Roosevelt and cheered his promise of hope for the rehabilitation of the mining industry. After Roosevelt had spoken, brief speeches were made by James A. Farley, national chairman; Frank C. Walker, treasurer of the national committee and a former resident of Butte; James Roosevelt, son of the Governor; Senator Key Pittman of Nevada, and Senator Clarence C. Dill of Washington."

(James Roosevelt became a mutual fund operator after several terms in Congress. His younger brother John appeared as a Pilgrims Society member---Who's Who, 1971, page 1937, as an executive at Bache & Company, 36 Wall Street, which firm "helped" the Hunts to get scalped in the silver blow-off just after mid-January 1980. Farley became Postmaster General on March 4, 1933, when Roosevelt assumed office. James Aloysius Farley was president of General Building Supply Corporation which the Postal Service then awarded with lucrative contracts! No wonder Farley was a member of the Congressional Country Club in D.C.! Walker was an attorney with real estate and movie interests and a trustee of Notre Dame University. The huge Farley Post Office building in Manhattan, opened in 1914, doubled in size and guess who profited! Winton Blount was Postmaster General under Nixon and later launched a huge construction

enterprise building postal installations. Donald M. Dickinson---a critic of silverite William Jennings Bryan--- and George B. Cortelyou were PMG's and Pilgrims Society members. Farley)---

"During his stay in Montana, Governor Roosevelt received assurances from party leaders that he would carry the state. He was told that the Western mining section was strong for him, and that many farmers in the Eastern part of the state would back the Democratic party this year because of dissatisfaction with Hoover farm policies. R.M. Drumhaller of Seattle, Democratic National Committeeman from Washington. Said that conditions in his State were so favorable to Governor Roosevelt as to give rise to

almost unbelievably optimistic reports. He had no doubt that the national ticket would carry Washington. Governor Roosevelt was scheduled to reach the first of the Pacific Coast States during the night. He will be in Seattle all day tomorrow and on Wednesday will reach Portland, where he is expected to make his public utility and waterpower speech."

(Roscoe Maxson Drumheller was a wealthy insurance executive with United Pacific Casualty Insurance and Northern Life Insurance. Just think of all the people Roosevelt disappointed when he ordered confiscation of precious metals! That was in no way in step with mining country ethics!)

"Silver Not Forgotten" was a NYT commentary, September 21, 1932, page 20---

"Journeying through the silver producing States, Governor Roosevelt could not well avoid saying about what used to be glorified by Mr. Bryan and others as "the white metal." But everybody is the friend of silver nowadays---with needed reservations Mr. Roosevelt made in his Montana speech."

(Just like the silver users are "friends" of silver, right?)

"He is willing to "do something" for silver, ***BUT ONLY ON CONDITION THAT NOTHING BE ALLOWED TO IMPAIR THE SOUNDNESS OF OUR NATIONAL CURRENCY***."

(It wasn't as if this was the first time any important voice suggested that the use of silver as money renders the payments and exchange system on a precarious basis! It is of course banker sponsored drivel.)

"This means of course, clinging to the gold standard. Silver is already extensively in use as subsidiary coinage. But in the markets of all the world it has now the status of a commodity with a fluctuating value, so that the attempt to elevate it to a parity with gold at whatever ratio would be doomed to failure in advance."

(The British insisted on defining silver as only a commodity at least since 1816. This was central to their intentions for financial domination of the globe. In the drive towards universal fiat, it was essential to first omit silver, then gold, from the payments system. The enemies of silver, posing as

friends to gold, at last turned against gold also, which was planned from the start.)

"Both our political parties are committed to the idea of an international conference for the purpose of finding a way to remonetize silver. The only difference between them is that President Hoover will have American representation in such a conference if it is called, while Governor Roosevelt promises that if he is elected President he will take the initiative and call a conference in the name of the country."

(The NYT cast its vote for British leadership, being a Pilgrims Society run media machine.)

"But this seems to overlook the fact that a World Economic Conference is soon to be held and that in it the subject of silver is certain to come up for earnest discussion. At the Imperial Conference at Ottawa the question of the use of silver as money was pressed for consideration, but ***IT WAS DECIDED TO DO NOTHING*** and defer the whole matter to the World Economic Conference."

(Some of the same British Government officials at the Ottawa conference would appear at the London conference in summer 1933 where the hatchet job was slated to take place.)

"If Great Britain, with her immense interest in India, where the price of silver has fallen so low, and in China, could take no positive steps to enlarge the silver currency, it is more than doubtful that if the United States could safely undertake anything of the kind. Governor Roosevelt frankly told the silver miners that he had no sure or single remedy for their depressed industry. Limited and uncertain remonetization of silver would help them very little, and might even lead to a still greater overproduction and a drop in the price."

(Here the NYT suggested that the oversupply was due to overproduction! We've already seen documentation that overproduction could not have caused the oversupply! It was only the British led attack against silver, by means of dumping, that caused the oversupply! As for a price increase in silver causing "still greater overproduction," there wasn't any overproduction going into the timing of the British attack! Therefore, to

restore the price would not have contributed to oversupply! It was government sponsored dumping exclusively, that caused oversupply!)

"The fact seems to be that both political parties and most candidates for office feel it necessary to butter the silver parsnips with fine words, but feel in their hearts that no practical plan has been devised, to restore silver to the place which it once held in the currency of many nations."

(That was similarly inaccurate. It was only the way they wanted things to be.)

The NYT, September 24, 1932, page 21, "Mexican Gold Deal Sends Silver Peso Up"---

"Mexico City---The quotation of the dollar over the Mexican silver peso has undergone a sharp drop of twenty points within the last twenty four hours and the dollar is now quoted at 3.13 against 3.33 yesterday and 3.80 less than six months ago. The drop was the result of a government decree authorizing the treasury to purchase Mexican produced gold with the profits from minting silver from bars under the law of last May. The gold will go to strengthen the reserves of the Bank of Mexico, ***GUARANTEEING THE PAPER CURRENCY***."

(Man, does paper currency ever need a guarantee! Precious metals are the absolute best guarantee and nothing stands in second place!)

"The decision of the Mexican Government to purchase gold, interpreted as a step toward the restoration of the gold standard, means that the first of the countries that abandoned the gold standard last year is likely to be the first to return to it. Since July 1931, when Mexico adopted a silver standard, $20,801,100 in gold has been shipped here from that country, of which $10,859,100 was received this year. Recent shipments of gold have been made in anticipation of the restoration of the gold standard, the belief being that one of the first steps necessary would be an embargo on gold exports to facilitate the accumulation of gold by the Bank of Mexico."

(The fly in the ointment was the gold was going into the Bank of Mexico, rather than into the Mexican Treasury Department.)

"Proposed Action On Silver Affects A Large Output Here," NYT, September 25, 1932, section 8, page 3---

"With both parties pledged to it, the long delayed international monetary conference seems sure to be called in a relatively short time. Last Monday, in a speech at Butte, Montana, in the heart of the silver region, Governor Roosevelt promised that, if elected President, he would summon such a conference "without delay or evasion."

(That was then New York Governor Roosevelt, Pilgrims Society member, speaking. Naturally nothing would be said on that subject. The fact that he did make different noises on silver than Hoover helped him politically.)

"The Republican Party too has gone on record in its platform in favor of American participation in a monetary conference, though without offering to call one itself. The World Economic Conference, which will soon be held, is considered certain to deal with the problem of silver."

(That conference wouldn't take place for another nine months! Notice the Republicans didn't make clear what their objectives on silver were, only that they wanted a conference. That ranges from noncommittal to possibly an antagonistic view on silver as money.)

"Any international action on silver would be of great interest to the United States. This country is the second largest producer of silver in the world, Mexico being first and Canada third. Silver production for 1931 of the three leading nations and of the world---Mexico---86,066,000 fine ounces; United States---31,380,000; Canada---20,562,000; World---193,575,000."

"Silver production last year showed a sharp decline from 1930 and preceding years. World production in 1930 was 243,700,000 ounces and that of the United States 50,400,000 ounces. In 1930 twenty-one States produced silver. The output of the leading States for the last two years is shown by these figures (1931 ounces & 1930 ounces)---Utah---8,173,000 & 14,451,000; Idaho---7,390,000 & 9,710,000; Arizona---4,304,000 & 4,910,000; Montana---4,120,000 & 8,597,000; Nevada---2,413,000 & 4,179,000."

"In addition to these States, two Territories, Alaska and the Philippine Islands, have valuable silver resources; between them they produced more

than 500,000 ounces in 1930. American investors also own large shares in foreign silver mines."

(Yes, we own lots of silver and gold shares so; let your wishes be known to management as to who they bank with, opposition to hedging, attend annual meetings, be concerned as to the composition of the board!)

"Importance Of Silver" was a letter in the NYT, September 26, 1932, page 14---

"Silver as a commodity is a negligible factor, but if utilized to reverse the movement of capital in flight and as a powerful lever upon world prices, it is of vital importance to the Western world. Because it holds the key to its fundamental problems."

(Tell the silver users that "silver as a commodity is negligible!")

"Reassurance must be given to the Orientals, who are the great consumers and users of silver both for money and for savings, that the Western nations do not intend to destroy their money and their savings."

(Great Britain already accomplished that depraved purpose.)

"If this is done we shall put in motion powerful forces which will restore equilibrium in exchange, raise the international price level and maintain the integrity of the gold standard."

"Bingham Warns Of 16 To 1," NYT, October 9, 1932, page 25---

"Ridgefield, Connecticut---Senator Hiram Bingham, campaigning for re-election, declared in a speech here today that paper money and "16 to 1 silver" were in the offing if the Democratic national ticket was elected in November. Senator Bingham praised the President for his policies during the past four years."

(Party matters more than principles to most politicians.)

The NYT, October 13, 1932, page 4, "Borah Again Urges Money Expansion" with subtitles, "In Idaho Speech Senator Denounces Present

Dollar as "Not Honest" and "Would Not Hesitate to Trade Foreign Debts for Prosperity for Our Farmers"---

"Denouncing the gold standard dollar of the present as "not an honest dollar," Senator Borah tonight appealed for an expansion of currency to "give the American people a medium of circulation to replace that in hoarding." He disclaimed being an authority on the money problem and had turned to those supposedly informed on that subject for guidance. "What I found was that they knew no more than I did," he commented. "But they were authorities on the collection of interest."

"Stating that the discovery of gold in Alaska had come at a time when the lack of circulating medium was becoming felt, he felt that this had given a great stimulus to American industry. "If we had another such gold strike," he added, "it would revitalize industry." The same stimulus could be given by an expansion of currency "to replace these hoarded billions." Which he estaimated at $3,500,000,000, leaving only $1,500,000,000 in circulation."

"Making a plea for the restoration of silver as a purchasing medium in the orient, he went on---"***IN ALL CALMNESS AND DELIBERATION I CONSIDER THAT THE ACTION OF THE INTERNATIONAL BANKERS IN DEMONETIZING SILVER AND VIRTUALLY DESTROYING THE PURCHASING POWER OF OVER 800,000,000 PEOPLE WAS ONE OF THE MOST BRUTAL ACTS EVER COMMITTED IN HISTORY***."

(This is the kind of Senator we need today---at least 26 like Borah! It's a miracle he wasn't assassinated for his views, like Charles Bronson said in "The Mechanic," 1972, "he was hit by a shooter from Topeka!")

"Reviewing his efforts to expand currency through amendment to the home loan bill, he stated that when the proposal for a billion dollar expansion was published in New York, "you would have thought an earthquake had hit the city." The measure was defeated in the closing hours of the session, he maintained, ***BY THE CONCENTRATED VOTE OF EASTERN SENATORS***. "Those Eastern States have too many votes in Congress," he claimed, affirming that the bill was finally passed in the closing hours "only because they wanted to go home and we could have stopped them."

"I have long opposed cancellation of foreign debts," the Senator went on, "but I would not hesitate to trade these debts for prosperity for the American farmer."

(It was the Farm Bloc votes, combined with those of the Silver States, that made it possible to resist the paper money forces to the extent of maintaining silver coinage into the mid-1960's. The Farm Bloc was infiltrated and taken over due to the rise of agribusiness industries linked to Wall Street!)

"Big Loan Of Silver Is Sought For China," NYT, October 13, 1932, page 7, subtitled, "Nanking Advisor Is Here to Try to Borrow 200,000,000 Ounces From the Government"---

"Paul Linebarger, legal advisor to the Chinese Nationalist Government and former United States Judge in the Philippines, arrived in New York yesterday from China to attempt to negotiate a loan of 200,000,000 ounces of silver from the United States of silver from the United States Government to assist Chinese provincial governments. He said that help from the United States, of which such a silver loan would be an important part, ***WAS THE ONLY THING THAT COULD KEEP ALL OF CHINA FROM GOING BOLSHEVIST WITHIN A FEW YEARS."***

(We looked at the proposals for silver loans to China very extensively in the last two installments in this series. That was exactly my speculation---that it was needed to confer stability over large expanses of Chinese territory so as to stop Communists from making political inroads. Although British Indian silver flooded the Shanghai market, it remained there in concentrated stocks, from which it was dumped elsewhere on world markets, guaranteeing the immense price collapse.)

"Judge Linebarger tried unsuccessfully to obtain such a loan two years ago, but he did make a deal for 15,000,000 bushels of wheat from the Farm Board which, he said, was the only thing that kept the Yangtze Valley from going Communist."

(So this Linebarger was one of the good guys---wish there were more like him.)

"The silver he seeks, Judge Linebarger says, is lying idle in United States Government vaults and, under his plan, would be lent under American

supervision to the local governments. If the silver were loaned, he said, it would help cultivate the greatest potential market for American exports."

The NYT, October 13, 1932, page 18, "Cheapening The Dollar" offered this perspective---

"Senator Borah began on Tuesday the series of free lance speeches which he had announced that he was going to make. They have no relation to the Presidential election. Borah is to campaign for neither party, frankly expressing his dislike and distrust of both."

(Borah must have known about Wall Street influences corrupting both.)

"His plan is to discuss the large issues and the burning questions which, he declares, President Hoover and Governor Roosevelt sedulously avoid. He would thus assume a kind of Rolland attitude---"Above the Melee."

(This must have been a reference to some well-known figure outside the precious metals arena.)

"It is not a bad idea if any public man from such a height is able to send down a message to which those actually in the melee ought to listen. We hasten to add that in Senator Borah's first speech, not only nonpartisan but anti-partisan, he utters many words of truth and soberness. Take his first proposition---that world markets have been destroyed and that until they are restored there can be no "hope for a rise in the price of commodities." This is in refreshing contrast with the position taken by some of our commercial isolationists, whether Republican or Democrat. They talk about this country being sufficient unto itself, consuming all it produces or needs to produce, and crossing the rest of the world off the slate of trade."

"Whatever Senator Borah may formerly have said or done in this sense, he now knows better. Both our agricultural life and our industrial capacity have been geared for a large foreign commerce, and if we do not recover it we are doomed to be suffocated in the flood of our own surpluses. Equally pungent and to the point is what Senator Borah says of the veritable rage for waste and extravagance in our Government, from Washington down to the smallest village, with the result of piling up taxes that have become literally destructive and causing the lavish expenditure of public money to seem like a national crime. These truths, set forth with such vigor by the Idaho

Senator, have long been engaging the minds of serious men in both political parties."

"What will they think, however, when they hear Senator Borah passing on to prescribe the remedy of currency inflation? It is true that he does not advocate a frank abandonment of the gold standard, ***NOR THE OPEN PRINTING OF FIAT MONEY BY THE GOVERNMENT."***

(The editorial writer seemed to not realize the intentions of the Federal Reserve to reach that stage.)

"But distinctly implied in his argument is a reduction of the gold value of the dollar to about one third of what it is now."

(No, they chose to interpret his support for silver as an attack on gold. It was no such thing; it was to support gold.)

"Forgetting for the moment what he said about the rise of prices depending upon our recovery of trade in the markets of the world, he declares that a lift in commodity prices will require the issue of "a sufficient amount of currency with which to do business" and enlarge the purchasing power of the country. Probably we shall hear more from Senator Borah on this subject which, for the time being, he leaves somewhat obscure."

(There was no obscurity with Idaho Senator Borah. He wanted more silver certificates backed by hard metal.)

"Not so does Senator Wheeler of Montana, who is ardently supporting Governor Roosevelt in this campaign. Writing in this week's Liberty Magazine, he asserts that "there is no way out of our difficulty except to cheapen the dollar. He would do this not by issuing more paper money but by "drawing upon silver." He proceeds---

"If we reintroduce silver as money, we can take away Britain's trade in the Orient. ***ENGLAND WILL THUS BE FORCED TO ADOPT BIMETALLISM***. Once the two great English speaking countries remonetize silver they can maintain any ratio they consider advisable."

(When Britain left the gold standard in September 1931, sterling cheapened---naturally. In so doing British exports became easier to

purchase and this placed America at another trade disadvantage. That was the matter Wheeler spoke of when he mentioned cheapening the dollar. He made no inference to silver causing currency debasement.)

"I do not care whether that ratio is 16 to 1 or 15 to 1. If we restore silver, we increase the purchasing power of the Orient, of South America and all Latin countries. These will be able to buy from us again. As a result, the price of commodities will rise in the international market."

"It is needless to follow such airy nothings. For some men the history of inflation of the currency has been written in vain."

(The NYT dismissed as fallacy what years of practice already certified as fact! As long as silver was stable, East-West trade boomed. Along came the British Empire and wrecked silver on purpose. Then the NYT said Wheeler was confused. As for currency inflation, precious metals act to prevent that, if allowed to play their role.)

"Even the almost contemporary demonstrations by Germany and Russia of what happened when you really set about cheapening the dollar have apparently been lost upon them."

(The Silver Senators lost no such lesson. The German hyperinflation had no basis in hard metal. In fact, afterwards there were calls to fall back on silver, and these were put into practice on a limited basis. The Anglo-Americans interfered and limited silver. See "The Greatest Right," Archives, for details.)

"The thing actually cheapened is human life, while confidence of the people is annihilated and the credit and reputation of the Government are made contemptible. Such outgivings as those of Senator Wheeler cannot be stopped but they certainly lay a fresh obligation upon Governor Roosevelt to reaffirm in the strongest way his determination to defend and maintain the soundness of our currency and to resist to the death every attack upon the credit of the Government."

(The NYT was on the anti-silver bandwagon back in 1873 when the Crime of that year took place!)

The NYT, October 15, 1932, page 9, "Senator Borah's Cure For Depression"---

"Senator Borah, who declined to join in President Hoover's election campaign, is making speeches in the West criticizing both Republicans and Democrats for supporting excessive expenditures of public money, and advocating currency inflation as the only way to raise the prices of commodities. While he has not actually proposed abandoning the gold standard or issuing fiat money, he has said in effect that the only hope for a rise in the prices of commodities is to reduce the gold value of the dollar."

(No wonder Hoover wasn't reelected! The country was in the grip of the depression and he refused to do anything to normalize the world purchasing power of silver!)

"He is making this declaration without any feeling, apparently, that it conflicts with his earlier declaration that a rise in the prices of commodities could not be brought about except by a restoration of world markets which had been destroyed. Senator Wheeler of Montana, who is supporting Governor Roosevelt for the Presidency, agrees with Senator Borah that the dollar must be cheapened, but his way of doing it is to "draw upon silver."

(The NYT was unfairly placing words in Senator Wheeler's mouth by equating reliance on silver as "cheapening currency," and by implying that Senator Borah's support for silver was "advocating currency inflation." Is it easier to print paper notes, or to mine silver? Which is more finite in supply, and has value of itself?)

"Western chambers of commerce, farm organizations and Senators from mining states have resolved and pleaded and pressed for something to be done about silver. The clamor will increase unless business and prices recover, but it is improbable that anything will be done. ***THE MAIN REASON IS THAT THE SILVER ISSUE IS A CONFUSED COMPLEX OF FALLACIES AND HALF TRUTHS, SUPERSTITIONS, SPECIAL POLITICAL AND PRIVATE INTERESTS WHICH INEVITABLY PARALYZE SANE ACTION ON IT."***

(The writer was aggressively unfair in outlook on silver issues.)

"Silver today is simply a commodity, like copper, except in one country, China, where it is money, a legal standard of value and medium of exchange. Its value fluctuates like that of any other commodity in terms of the legal standard of value for most of the world, which is gold; and its value has become extremely unstable in recent years."

(The commentator spoke of the instability as if it were inherently a fault of silver itself, rather than an artificial condition intentionally engineered by Great Britain, home base of fiat money!)

"In 1920 it was more than twice as great as before the war; in 1928, before the depression, it was back to its prewar value, and is now half as much. Up to 1873 it was legal money in most countries, and till 1926 in India."

(Again painting a picture of silver suggesting it's essentially unstable, without acknowledgement that governments manipulated it.)

"The real issues about silver are two---one is whether it should be made money again by international governmental agreement; the other is whether and how its price, or value in terms of gold, shall be stabilized or increased. These issues are confused but separate. If silver is monetized by law its value will be stabilized and probably raised; but it can be stabilized and raised without being monetized. ***STABILIZATION OR INCREASE OF THE PRICE OF SILVER IS A MINOR ISSUE, OF INTEREST ONLY TO PRODUCERS OR EXPORTERS OF THE METAL***."

(Such an unfair degenerate! Imagine that you are one of some 800 million people in China and India whose silver savings has been drastically slashed in value, and this dude says you have no concern as to its price being restored!)

"The instability or low price of silver is not an important factor in the world depression. Silver production is a relatively small industry except in Mexico, and there it is diminishing as the mines are giving out."

(This writer was at the extreme end of the silver spectrum. He wanted to deny the fact that the fall in silver was by far the biggest factor in causing the Great Depression. Some mines in Mexico were playing out, but most were shut down due to inability to make an operating profit.)

"There is no evidence that the low price of silver in itself has greatly upset trade between China and the rest of the world. World depression and internal disturbances in China have been the more important influences on Chinese trade, which is only an insignificant part of world trade anyway."

(The Senate Subcommittee on Silver found no end of evidence that the low silver price hurt trade with China. We reviewed those details in "Britain Against Silver," parts II and III. Trade with Albania and Tunisia, for instance, were insignificant in world trade, but this wasn't true of China! But the writer was an effortless dissembler!)

"China is a consumer, not a producer or exporter, of silver, and probably on the whole benefits from its lower price."

(You just lost over half the worth of your savings and he tells you, your condition is improved!)

"In China, as in India, the value of hoards or stocks of silver has been reduced, just as the value of securities and real estate has been in the United States; but her real income, which depends on production, has not been reduced, but probably increased."

(A more stark procession of nullity statements on silver I have yet to encounter!)

"The prevention of wide fluctuations in the exchange value of silver would perhaps be helpful to Chinese trade, ***BUT THE IDEA THAT WORLD TRADE HAS BEEN SERIOUSLY INJURED BY THE FALL IN THE PRICE OF SILVER ITSELF IS A DELUSION***."

(The crescendo of his nullities was spiking upwards!)

"Silver prices could be stabilized and raised, in the same way as those of copper, by private agreement among producers and exporters to control production or export the metal. Production is not easily controlled because three-quarters of the output is a byproduct of other metal mining; but export sales could be controlled. This sort of scheme is suggested by the International Chamber of Commerce. It would have to include India because, while that country is not an important producer, she has

accumulated large stocks resulting from demonetization of silver in 1926, and sales of these have depressed prices."

(I wondered if he would even mention the British Indian sales.)

"This plan does not satisfy producers of silver just because silver is a byproduct. They see that the easiest way to stabilize and raise silver prices is to increase the demand. There is little hope of doing this by development of industrial uses, so they want the monetary demand for silver increased either by having governments go back to using silver instead of copper and nickel for token coin or small change, or by making it legal tender money and using it as part of the metallic reserves against currency. There are other and better reasons for doing this besides the purpose of (start page 16) helping silver producers; and these reasons are the real issue in the silver question."

"They resolve themselves into the single fundamental fact that some means of prompt and effective expansion of the monetary medium of exchange is needed in most countries in order to restore commodity prices, ease debt burdens and promote recovery. ***THIS COULD BE DONE BY CREDIT OR PAPER CURRENCY EXPANSION*** on the basis of existing gold reserves, but this has so far proved impossible in most countries without suspension of the gold standard because of legal reserve requirements and the ***PSYCHOLOGICAL SUPERSTITIONS AND ANXIETIES ABOUT INFLATION. THERE IS A DEEP ROOTED PREJUDICE IN FAVOR OF METALLIC BACKING FOR CURRENCY AND CREDIT WHICH CANNOT BE OVERCOME***. The world is not yet ready for managed currencies based solely on the credit resources of the community, and certainly not so far as international trade is concerned."

(Yes---and that was another reason the Money Power staged World War II.)

"Britain Proposes the Rex---the inclusion of silver with gold as a combined basis for currency and credit undoubtedly would meet the problem of credit expansion---and at the same time stabilize silver prices. Many schemes have been suggested for accomplishing it with a minimum of disturbance to established currency and banking systems, including the large-scale plan proposed and seriously considered in Britain, to establish a new Imperial currency standard called the "Rex" to be based on both gold and silver in

some ratio and used as a common reserve for all the distinct existing currencies of the Empire."

"The technical difficulties in the way are not serious. The political difficulties seem insuperable in the present state of international relations and the present economic situation. They arise from the conflict of international and class interests. Some countries hold most of the world's gold reserves or are large gold producers. ***THE USE OF SILVER AS A MONEY BASE WOULD INEVITABLY INCREASE THE VALUE OF SILVER*** and lower the value of gold. So long as gold is regarded by these countries as capital or real wealth, international agreement to devalue it is as difficult as any international agreement to write down debts."

(Do you believe this fellow really wanted to see gold continue as money? Not in light of his advocacy of managed currencies. It wasn't that he feared silver would dislodge gold to any extent---it was that he was actually opposed to both metals.)

"This international conflict of interest is paralleled by internal conflict of interest between creditor and debtor classes in each country. So long as all debts are gold debts, stated and payable in a gold standard, debtors will not easily induce creditors to write them down by accepting silver. Any devaluation of gold and accompanying rise in prices implies repudiation, default, writing down of real debt burdens, losses to creditors. It is usually forgotten that it also implies stimulation of production and trade which makes possible payment of debt and is far more important for prosperity."

(The marketplace is capable of resolving the ratio of gold and silver values. The distortion against silver as money wasn't due to any natural problem distinct to silver itself, but by hostile actions of governments. It isn't practical to use only gold as metallic money. A three tier metallic system is necessary and can prove itself if allowed to. In fact this proof will be forced to happen as what the world thinks is "money," fails.)

"Thus the silver problem is not a problem of silver producers or of Chinese trade. These are incidental and mostly insincere or superficial side issues. It is a problem of persuading whole peoples and classes to see their common interest in international and internal price stability voluntarily some illusory temporary advantage before they are forced to do so by events. ***THE SILVER PROBLEM IS SO COMPLICATED BY PREJUDICE AND***

***SPECIAL INTEREST THAT IT IS IMPOSSIBLE TO EXPECT ANY SUCH OUTCOME."***

(What about the special interest behind the creation and issuance of managed currencies? Silver and gold miners work hard to provide the world with real wealth. Bankers want to inflict phony wealth on the world that transfers real assets to themselves! Gee was this ever a biased commentator!)

"Tumulty Criticizes President On Gold," NYT, October 15, 1932, page 9, subtitled, "He Credits Federal Reserve Act of Wilson Administration With Saving Us in Crisis"---

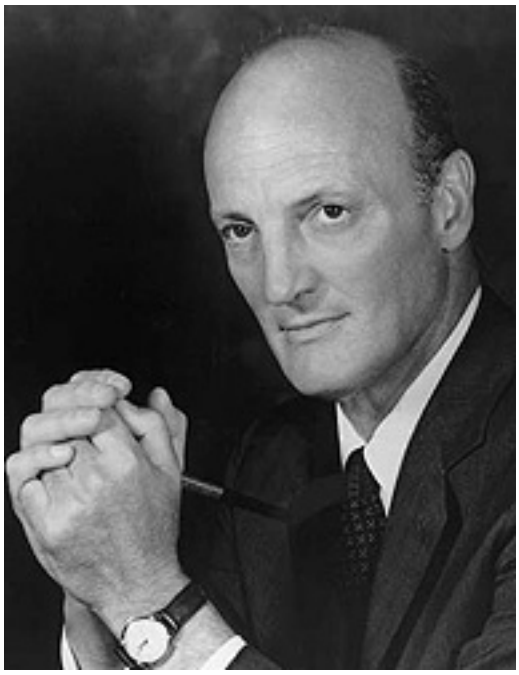
"Washington---Challenging Republican contention that administration policies prevented the United States from going off the gold standard some months ago, Joseph P. Tumulty, secretary to President Wilson, declared today that the stability of American currency was really preserved through the Federal Reserve Banking act."

(In retrospect this has been demonstrated to be devoid of fact! As for Tumulty---what a name! The word "tumult" is evoked!)

"In an address at Rockville, Maryland, Mr. Tumulty quoted Governor Eugene Meyer of the Federal Reserve Board as pointing out the dominant part that the Federal Reserve System has played in saving the United States from financial chaos; characterized the Federal Reserve act as "admittedly the greatest act of constructive financial legislation in the history of the world," and offered it as an answer to Republican claims that the Democratic party was incapable of constructive action."

(Eugene Meyer was probably another Pilgrims member. In any case it didn't matter whether he was or wasn't, the effect was unchanged. A longtime antagonist of Eugene Meyer, Chairman Louis McFadden of the House Banking and Currency Committee, was quoted in The New York Times, December 17, 1930, as delivering a speech on the floor of the House attacking Hoover's appointment of Meyer, and charging that "He represents the Rothschild interest and is liaison officer between the French Government and J.P. Morgan." Meyer's family controlled the Washington Post and according to his 1941 Who's Who listing on page 1811, Meyer was head of Eugene Meyer & Company, 1901-1917 and "director of many corporations." He was appointed advisor on nonferrous metals---including silver---to the

Advisory Commission to the Council of National Defense in 1917 and was a member of such elitist clubs as the Cosmos and Burning Tree in the District of Columbia and Grolier in Manhattan. Meyer was a confidant of the Marquess of Lothian, British Ambassador to the U.S. and a Pilgrims Society member. The unappealing looking Meyer was first president of the anti-precious metals World Bank in 1946)---



"Democrats in the past have shown rare ability in the conduct of national affairs from the days of Jefferson to the days of Wilson," said Tumulty. "The workings of the Federal Reserve act, set up by the Democratic administration in 1913, and its effect on business is a sufficient answer to the base insinuations that Democrats cannot be trusted with the delicate affairs of the national government."

(Yes Democrats can be just as sold out to the Federal Reserve as Republicans! Is that not so, Mrs. Clinton?)

The NYT, October 15, 1932, page 14, "Mr. Borah's Orient"---

"One reason why Senator Borah sometimes reaches an erroneous conclusion is that he proceeds logically from a false premise. Thus he urges governmental action in behalf of silver, recommending this as a means of developing foreign markets for American goods, because he thinks that the

purchasing power of the Orient has been "virtually destroyed." This he seems to take for granted because the price of silver has fallen and because certain Oriental nations are on the silver standard. It is the silver producing countries, not those on the silver standard, whose purchasing power is adversely affected by a decline in the price of the metal."

(If you read either "Silver Tour Of China" that appeared here last November and December, you'd have copious documentation that the silver crash hurt China very badly.)

"Hoover Reassures The West On Silver" subtitled "Whole Question Will Be Dealt With Fully at the Coming Economic Parley" and "Representative of Silver Men is to Be Named on Delegation Representing Nation"---

"Butte, Montana---Associated Press---President Hoover assured Western producers today that "the whole silver question" would be "fully dealt with" at the world economic conference late this year and said that he was "anxious to secure the improvement of the silver situation."

(There would be no world economic conference late in 1932. Not until summer 1933 would it take place in the bad boys town, London. What Hoover was anxious about was his re-election chances, which were fading fast!)

"In a telegram to Paul D. Hudtloff, chairman of the Silver Bow County Republican Committee, Mr. Hoover declared he had made participation of the United States in the international conference conditional upon consideration of the silver problem. Terming the arrangement "the first constructive step that has been made in this direction," he went on to say that a representative of the silver interests of this country would be a member of the American delegation to the conference."

"Mr. Hudtloff asked for a statement from the White House, charging that Franklin D. Roosevelt and Senator Walsh, in speeches in Butte, made statements indicating that ***HOOVER HAD DONE NOTHING TOWARD CALLING A SILVER CONFERENCE***."

"Hoover's telegram was as follows---"Regarding your telegram calling attention to misinformation given in recent public meetings in Butte in respect to the calling of a silver conference, something over a year ago I had

informal inquiries made, as is the usual custom, of important governments as to whether they would be prepared to attend a silver conference to be called by the American Government. ***THEY STATED THEY WOULD NOT BE INTERESTED***."

"At subsequent dates, on being approached by minor governments who were anxious to secure such a conference, we suggested that they endeavor to see whether they could secure attendance of the principal foreign governments at a conference which they would call, and that we would be glad to attend and cooperate. We also suggested that regional conferences might be held at which we would attend."

"Finally, upon proposal of the British Government that there should be called a world economic conference to take place late this year, I made it a condition of our acceptance that the whole silver question should be put in the agenda and that it should be fully dealt with. That has been agreed to, and recently I stated that I should appoint a member of the delegation to that conference representing the silver interests of the United States."

(Hoover should have announced after the major nations, led by Britain, declined interest, that he would open a silver conference in Washington D.C. regardless, and that they were free to attend if they opted to. He was interested in appearing as if he wanted to help silver. He wasn't actually desirous of doing so!)

"Congress has been passing resolutions for twenty years asking for an international conference on silver. Various Presidents have endeavored to secure such a conference. They have all failed because there are governments in the world that are not particularly interested or are opposed to any special action. The arrangement which I have succeeded in making in the last few months in respect to the world economic conference is the first constructive step that has been taken in this direction."

"I am anxious to secure the improvement of the silver situation in the world and will take part in any constructive measures to that end. Otherwise I should not have insisted upon this question being fully considered at the forthcoming world economic conference. I am glad that your telegram enables me to give this information and record a statement not only as to the action of the administration but as to the utterly misleading character of these statements which have been made to the people of Montana."

(Hoover's view was if England wouldn't sign on to attend, he'd give up! Again, why didn't he haul off and stage a conference in the U.S. capitol? To say it wouldn't have had big impact is patently fallacious. Hoover danced a good talk with sincere sounding rhetoric. He actually in fact, did do nothing for silver except go through pointless motions!)

"Predict Stability In Nation's Silver---Foreign Buying Active," NYT, October 20, 1932, page 38---

"No substantial advance in the price of silver is expected in the immediate future but there is no reason to expect a price collapse, C.W. Handy, president of Handy & Harmon, said last night at a symposium on the present status of silver, copper, lead and zinc, held by the American Institute of Mining and Metallurgical Engineers."

(Why should the price collapse when it had already done so, nudged into the pit by Great Britain? Handy & Harmon was destined to become a Silver Users Association member. Had the SUA existed in fall 1932, H & H would have said "there is every reason to expect a price collapse.")

"In discussing the silver situation Handy said he believed that silver prices would fluctuate for the present within the range of recent months, between 26 and 30 cents per ounce. The coinage situation of silver is improving, he declared. Germany, with her increase of metallic currency in circulation, will have absorbed about 52,000,000 ounces during 1931 and 1932, he said. Mexico, Belgium and Turkey also have bought silver recently and after more than a decade of demonetization and debasement the silver coinage situation is really encouraging."

(Talk about a change in tune for Handy & Harman from 1932 to later years!)

"The tremendous shrinkage in demand from India and China is the chief cause of low silver prices, he went on to say. These countries ordinarily import 75 percent of the world's production of newly mined silver, but this year their imports would scarcely amount to 35 percent of the total, he declared."

The NYT, October 21, 1932, page 20, featured a letter from Guy M. Walker, an attorney with offices at 15 Wall Street, who took part in railroad and

banking reorganizations, including Knickerbocker Trust Company, connected to the Panic of 1907, complained about "foolish propagandists in favor of free silver" and called silver payments "a sucker proposition."

"Farmers Hope Lies Abroad, Says Borah," NYT, October 21, 1932, page 2 subtitled, "Repeats Currency Plea"---

"Rexburg, Idaho---Senator Borah told a campaign audience here tonight that the farmer would not get better prices for his produce until international problems were adjusted. "If the natural laws of trade and commerce can be permitted to operate, if the political obstacles which stand in the way of economic laws are removed," he said, "the nations can trade with one another in accordance with their needs, and we will soon start forward on the road to recovery."

"The Senator reiterated his advocacy of the measures he believes will contribute to economic recovery of the farmer, including stabilization of silver as the monetary exchange for Oriental nations, scaling down of farm mortgages and relief of farmers tax burden. "There may be something in the equalization fee," he said. "I believe in normal times the debenture would tend to establish equality between the manufacturer and the farmer under our tariff system. ***THERE MAY BE SOMETHING IN THIS BEAUTIFUL NATIONAL PLANNING SYSTEM***. But unless the farmer can get a better price for his products these remedies will prove utterly futile."

(Borah recognized Hoover's socialistic policies. These would really heat up under FDR.)

"Senator Borah declared that until the real producer is prosperous there can be no real prosperity. "This country cannot come back economically and financially until the farmer comes back," he continued. "And the farmer cannot come back until the markets he once enjoyed are restored and built up. Ever since the war closed, an economic war has been waged in Europe, spreading to the United States, until the purchasing power of the masses has been destroyed. The man who wants the things which the farmer produces cannot buy them. It is said that this is a worldwide depression. That is well established. But the question is---what is the worldwide remedy? If it is a worldwide depression, you cannot cure it by anything less than remedies commensurate with the cause."

"We hesitate to discuss the worldwide remedy in this campaign for fear someone will holler "debts" and then everyone makes for the political cyclone cellar. How are you going to find markets for farmers products until you remove those barriers, those obstacles which destroy commerce, demoralize trade and break up and demoralize all monetary systems?"

The NYT, October 24, 1932, page 27, "Dutch View of Sterling" subtitled, "Decline Thought Natural by Amsterdam"---

"Amsterdam---The week's occurrences in sterling were considered only natural; numerous influences pointed to lower rates, among them the large foreign holdings of unconverted war loan stock and the imminence of the war debt payment to America. Moreover, the low London discount rate has cut some figure. The large American gold imports and the Federal Reserve's gain from release of earmarked gold are considered here the result of better American export trade and the usual seasonal influences. But the weakness in sterling has caused a turning of interest to the dollar."

(Of course, since Britain turned its back on gold whereas our Yankee dollar was then still linked!)

"World Currency Ridiculed" appeared on the same page, subtitled, "German Writer Insists on Return to True Gold Standard"---

"Berlin---Alfred Lansburgh, editor of Die Bank, rejects as impracticable and unnecessary the suggestions to create a world currency or a European currency. He declares that the purposes of the currency enthusiasts would be realized only if the country were to return to the pre-war system of a genuine gold standard. In other words, Germany would have to abandon what he calls the spurious gold exchange standard."

(The NYT, June 19, 1922, page 20, had an item on Landsburgh criticizing "paper inflation." He was dead on in his view, because look what happened there in 1923! Read about it in Silver Investor Archives, "Monetary Madhouse.")

The Times, London, October 25, 1932, page 13, "Caillaux On The World Crisis"---

"Vienna---Marcel Caillaux, a former French Minister of Finance, who is the guest of the Austrian League of Culture, addressed that body on the "World Crisis, its Causes, and how it may be Assuaged." Among those who filled the hall in the Hofberg were the President and the Chancellor of Austria, members of the Cabinet and the Diplomatic Corps, and many of the leading bankers and merchants of Vienna."

"Caillaux declared that the crisis was in reality much graver than it was generally believed to be. ***IT WAS MENACING CIVILIZATION, OF WHICH IT MIGHT WELL PROVE TO BE THE FINAL PHASE***. He maintained that unless Europe somehow secured political pacification and sought economic cooperation she might be wiped off the face of the map. In the resolutions of Stresa, the speaker believed, one might remotely trace the first signs of economic reorganization, similarly in the Dutch-Belgian-Luxembourg Customs Union, but the spirit manifested only shyly in these must spread to the masses, otherwise the crisis could not be surmounted."

"As some of the main causes of the crisis as it affected the Continent of Europe Caillaux mentioned the presence of many customs barriers ***AND GREAT BRITAIN'S ABANDONMENT OF SILVER AS CURRENCY, THROUGH WHICH THE MASSES IN INDIA AND CHINA WHO LACKED GOLD WERE LOST AS BUYERS ON THE WORLD MARKET. SILVER THEREFORE, SAID THE SPEAKER, MUST BE REINSTATED IN ITS FORMER ROLE AND THE MILLIONS IN INDIA AND CHINA BE CONVERTED INTO BUYERS."***

(Apparently Caillaux had to wait till he was out of the Finance Ministry to make those statements!)

"Borah's Silver Plan, was a letter to the NYT, October 26, page 16---

"In your editorial "Mr. Borah's Orient," you question the Senator's view that government action to raise the price of silver will improve foreign markets for American goods. I believe that an examination of this question from all aspects will prove that Senator Borah's contention is correct. Quite rightly you say that China buys silver with exports of goods and services. Of course, basically, China buys everything in this way, as indeed all countries do. But the process of payment is that to pay for Chinese goods foreigners must buy Chinese exchange, and to pay for foreign goods China must buy foreign exchange."

***"WITH GROTESQUELY CHEAP SILVER, WHICH BRINGS ABOUT VERY ABNORMALLY LOW CHINESE EXCHANGE***, Chinese goods are at a bargain in terms of the high exchange of gold standard countries. They are the more a bargain due to low cost of production."

"Conversely, the goods of high gold exchange countries like the United States are so expensive in terms of low Chinese exchange that such goods can be exported to China only at a continual sacrifice of price. China's imports are therefore restricted. To state the principal generally, where there is great exchange disparity the imports of the low exchange country are restricted and its exports are stimulated in total gold value. In other words, in balancing the gold values of exports and imports, volume of exports is much increased at the expense of volume of imports. The case of China is an excellent example of this."

"Even if the statistics of China's foreign trade are relatively good, this fact is no proof that China could not import much more, and would not export proportionately less, if the price of silver were higher***. CHINA'S POWER TO BUY FROM THE UNITED STATES TENDS TO BE IN DIRECT RATIO TO THE PRICE OF SILVER IN RELATION TO GOLD***."

(This basic bedrock fact, as plain as the nose on your face, was nonetheless ignored and denied by anti-silver establishment economists.)

"The relative prosperity of China's trade is proof of successful competition in world markets. Evidently Senator Borah has in mind the fact that exchange disparity, stimulating Chinese exports and the establishment of Chinese industries competitive with the West, forces Chinese products upon the world market. This tends to depress world prices and consequently domestic prices, and to affect adversely demand and employment in Western gold standard countries. Dumping in the world market induced by low exchange lowers prices in the world market."

"It is in the world market that the exports of a high gold exchange country like the United States must compete. More and more of our exportable surplus must stay at home. The result of this is to keep down its domestic prices, and indirectly, by reducing purchasing power, to keep down our general domestic price level***. IT IS BECAUSE CHEAP SILVER IS AN***

***INSTRUMENT OF PRICE DESTRUCTION THAT GOLD STANDARD COUNTRIES SHOULD STRIVE TO RAISE ITS PRICE***."

"In your comments on Senator Borah's remarks I do not think you followed him in a consideration of all the direct and indirect factors he probably has in mind when he expresses the view that to raise the price of silver will facilitate the export trade and prosperity of the United States."

(The Eastern Senators who opposed silver's restoration were actually stonewalling progress towards reduction of high unemployment!)

"One further point. A recent influx of foreign, mostly Japanese, goods in competition with our industries has been cited as proof of the virtue of a skyscraper tariff. These importations appear quite clearly due to exchange disparities, like that involved in the great fall of the Japanese yen in terms of gold. Tariff barriers are no panacea and they are a two-edged sword. A more realistic money policy, ***INCLUDING MEASURES TO RAISE THE PRICE OF SILVER***, such as Senator Borah has in mind, would, I believe, do only good."

The Times, London, October 27, 1932, page 12, "Senator Borah And Mr. Norman"---

"New York---Echoes of Montagu Norman's speech at the Mansion House last week continue to be heard in the United States. Last night in the course of an address at Nampa, Idaho, Senator Borah expressed regret that Mr. Norman should have taken such a "discouraged attitude," quoting him as saying, "Our present economic difficulties are so vast and so unlimited that I cannot see through to the end nor tell what will ultimately result." Senator Borah said---"This is a sad picture from so high and respectable a source."

(The Times added this footnote at the end---"It is clear that the reports of Mr. Norman's speech have been misunderstood on the other side of the Atlantic. The tone of his address was far from pessimistic, and the passage quoted has not been correctly interpreted." Possible contradictions aside, it's disappointing to see Senator Borah call central banker Montagu Norman "respectable.")

"Norman further stated in effect that ***THE CAUSE OF OUR PRESENT DIFFICULTIES COULD NOT BE FORESEEN AND THAT REALLY***

***THE CAUSES WERE YET UNKNOWN***. Mr. Norman himself, Senator Borah said, had foreseen one of the causes of the depression---forcing India on to the gold standard."

(Montagu Norman was certainly a dishonest person. Everyone other than the confused knew the cause of the Great Depression was Britain's action to wreck monetary silver!)

"Senator Borah quoted extensively from a statement made by Mr. Norman in 1926 pointing out the dangers to world trade and economic stability if India entered on a silver demonetization programme. "If these able gentlemen who are so blue," Senator Borah continued, "so discouraged, spreading gloom all over the earth, would summon their courage and come to grips with the real problems which confront us---***IF THEY WOULD UNDO WHAT HAS BEEN DONE, WE COULD FIND OUR WAY OUT OF THIS DEPRESSION***. Let us realize our awful condition, but realize it with a courage to undo what brought it on."

(Borah should have said, "If they would undo what they have done," instead of "what has been done." The plan was to get silver out of the money system finally for all; then gold. It would take another 39 years to complete this plan. So you could say the Federal Reserve System has been fully operational only since August 1971!)

"Earlier in his speech Senator Borah indicated what he thought was wrong with the world by saying that "in the presence of the mistakes of the Versailles Treaty, of reparations, of debts, ***OF DEMONETIZATION OF SILVER IN THE ORIENT***, of political interference with trade and commerce, we seem paralyzed with fear and doubt, whereas we ought to recognize the task and go to it."

"Economic Experts Open Trade Parley" subtitled "Silver to Be Debated," NYT, November 1, 1932, page 37---

"Geneva---The preparatory committee meeting for the World Monetary and Economic Conference was opened here this morning by Joseph Avenol, secretary general of the League of Nations, with the warning that the situation is now "so grave as to make success absolutely indispensable." Its twenty experts then organized under the presidency of Dr. L.J.A. Trip of the

Netherlands and split up into two subcommittees, one on monetary and the other on economic questions."

"The monetary committee got down to work with a discussion of the gold standard that showed there was still a general agreement in favor of its restoration, but did not bring out any new ideas on the practical question involved. This problem will be considered tomorrow. The gold question came up under the first point the committee placed on its agenda, called "Problems Relating to Monetary and Credit Policy," which was broad enough to allow silver to be debated. When this point was finished the experts exchanged views on price levels, exchange difficulties, movements of capital, the international financial mechanism and financial organization and practice. Alberto Beneduce of Italy was named to head the subcommittee."

(Beneduce was a director of the of the Bank of Italy who was a director of the Bank for International Settlements, 1932-1939, in Basle, Switzerland. He founded the Institute for Industrial Reconstruction in Italy.)

"The economic subcommittee, under the chairmanship of Mr. Van Langenhove of Belgium, decided first to examine the list of questions before attempting to determine whether it should confine itself to recommending problems to the coming conference or to try direct agreements on some of them. It will begin its real work tomorrow with a discussion of quotas and other trade obstructions. Other points on its program are conditions of production and trade interchanges, with particular attention to tariff policy, producers agreements, public works and monetary normalization. ***THE COMMITTEES DECIDED TO MEET IN SECRET."***

The Times, London, November 1, 1932, page 22 featured this---

"In the course of a lecture to the Incorporated Secretaries Association yesterday Mr. W.F. Spalding referred to the catastrophic fall in silver, and said that it had so weakened the purchasing power of Asia that it was probably one of the main causes of the world depression. One reason for the depreciation was the abandonment of silver for coinage by European nations and as a standard of value by some of the Eastern countries."

(Whoops! Here was another remark to the effect that the fall in silver was "probably" one of the "main causes" of the Great Depression. More

forthrightly stated, "The fall in silver values was by far the overriding cause of the Great Depression and would have thus harmed the world had no other causes, such as high tariffs, been present.")

"In view of the peculiar circumstances of its production, permanent stabilization of the price of silver, he thought, hardly came within the region of practical politics. The only hope for the future was for consumption of the metal to be increased."

(That's what has happened. Consumption has increased. And as Jason Hommel sagely commented, the Silver Users Association is dedicated to the conflicting goals of holding silver prices down while insuring itself of supply!)

"There was little likelihood of any country going back to bimetallism, but with the trade of the world at stake there was every reason why gold standard countries should proceed with the minting of silver coins of a fineness of not less than .900. The confidence in silver among the Oriental nations must have been rudely shaken in recent years, and steps must also be taken to restore their faith in the metal, but Europe must be in the vanguard in the resuscitation in price."

The NYT, November 5, 1932, page 4, "Wickersham Backs Hoover's Warnings" subtitled "Situation Today is Akin to That of Bryan and 1896, He Says at Harrisburg" and "Hints Peril To Currency"---

"Harrisburg, Pennsylvania---Policies of the Hoover administration were defended by George W. Wickersham of New York at a Republican rally at which State and local candidates appeared."

(Wickersham was with Cadwalader, Wickersham & Taft, Wall Street law firm whose origins ran all the way back to 1792! This Pilgrims Society member was Attorney General, 1909-1913, chairman of the Wickersham Commission appointed by Hoover in 1929, and was president of the Council On Foreign Relations, 1933-1936---another of numerous instances of internationalist organizations being superintended from behind a wall of silence by The Pilgrims Society)---


(According to Who's Who, 1933, page 2447, Wickersham was appointed by the Council of the League of Nations to the Committee on Progressive Codification of International Law. He was a member on the Commission for the Reorganization of New York State Government, 1925-1926 and was a trustee the University of Pennsylvania, 1920-1926. The 1933 volume listed

him as a trustee of Barnard College of Columbia University, the Carnegie Institution of Washington, and the Cathedral of St. John the Divine in Manhattan. He was former chairman of the Committee on International Justice and Good Will of the Federal Council of Churches and became president of the American Law Institute in 1924, a post later held by Pilgrims members Norris Darrell Sr. and Jr. Wickersham was president of the American Prison Association in 1920 and was chairman of the executive committee of the France America Society and was president of the American Society of the French Legion of Honor.)

(The 1916 volume, page 2662 listed Wickersham's address as 40 Wall Street and counsel to the New York subway system contractor, Interborough Rapid Transit Company. He became president of the Association of the Bar of the City of New York in 1914 and was counsel to Mexican National Railway Company, controlled by Pilgrims Society member Henry Clay Pierce, who put up funding for the Mexican Revolution and was an associate of Pilgrims Society member John D. Rockefeller Sr. Today Cadwalader, Wickersham & Taft is among the nation's most powerful law firms, with hundreds of partners including in London and based at One World Financial Center, New York. To continue with the item)---

"The Republican Governors of Pennsylvania for years have been chosen to preside at the final campaign meetings at the Capitol, but Governor Gifford Pinchot left early today for his home at Milford to remain there until after election day. Wickersham challenged Governor Roosevelt's speeches on the tariff, the railroads and public utilities, and charged the Governor with "colossal egotism" in criticizing President Hoover's relations with Congress."

(This is a typical case of Republican versus Democrat rhetoric when in fact, there wasn't true philosophical difference present. It's a show to con the public into thinking it matters much whether a nominal Republican or a nominal Democrat wins the White House. With Hoover, Roosevelt and Wickersham all Pilgrims Society members, they must have been laughing out of public view over the deception they worked upon the gullible public!)

"Every voter must envisage the condition of the country," Wickersham said, "under the direction of a man of courage and stability, of mastery of governmental problems, of tireless industry and unselfish devotion to the welfare of the country, embodied in the person of Herbert Hoover; and the

long legislative experience and character of the candidate for Vice President, in contrast with the smug self-satisfaction, the glad-hand artist, prodigal of promises, self-satisfied with his own power to get along with anybody by the simple process of agreement exhibited by Mr. Roosevelt and the absence in him of that fibre which enables a President to stand firmly against blocs and groups, or even majorities when necessary, for the protection of individual rights, for the preservation of sound principles of American institutions, the salvation of the economic interests of the country, ***AND TO PROTECT THE TREASURY AGAINST RAIDS BY ORGANIZED GROUPS***."

(That's one of the biggest ironic laughs I ever had. A Pilgrims Society member, which organization nearly totally anonymous to the American public, yet controlling most of the highest levers of power in and out of government, called for the protection of the public finances, when the organization he was a member of was and remains composed of the largest scale looters in world history!)

"Since President Hoover so clearly pointed out to the American people the inevitable effect upon the credit of the government and the business of the country of the operation of the policies to which the Democratic Party is committed the candidates of that party and their supporters have been heaping abuse upon the President and his associates for spreading a campaign of fear."

(Wickersham realized his oratory was hollow and that it made no difference to the objectives of The Pilgrims Society whether Hoover was reelected or Roosevelt won. Just after the election, Hoover asked Americans to support FDR's monetary policies!)

"But it was only through fear of the consequences upon the financial standing and the business interests of the country by the adoption of William J. Bryan's proposal of the unlimited coinage of silver at the ratio of 16 to a in 1896 that he and his measures were defeated."

(It takes a Pilgrims Society member like Wickersham to attack monetary silver from the loftiest levels of the legal sphere of the country. The matter of voting fraud in 1896 in the defeat of Bryan is a matter for another study, as the mass of the American people, far from fearing silver, still trusted in it, regardless of the unrelenting attacks by the banking community.)

"The advocates of sound money prevailed because of the fears awakened in the minds of the people of the effect of adopting Bryan's nostrums at that time, and it is not only legitimate advocacy but a public duty for the President today to point out what would be the effect upon the country of putting men like Garner and Patman in power with Roosevelt in the White House, powerless to prevent their raids on the Treasury or their destruction of public credit."

(By "advocates of sound money," Wickersham of course meant those who wanted silver exiled from the money system. He made reference to Texas Democratic Congressman John Nance Garner of Uvalde, a known silverite, and Texas Democratic Congressman Wright Patman of Texarkana, an antagonist of the Federal Reserve System. Garner, known as "Cactus Jack," was Roosevelt's VP from March 4, 1933 till January 20, 1941 when, due to disagreements with FDR which revealed Garner's true integrity, Garner exited the stage. At age 15 I stayed at the hill country state park named after this great Texan, who died in 1967 just 15 days short of turning 99)---

The Times, London, November 7, 1932, page 7, featured discussions from a session in Parliament---

"Colonel Wedgwood said that ***BIMETALLISM WOULD BENEFIT EVERY COUNTRY WHICH HAD A SILVER MINE OR HOARD OF SILVER AT THE EXPENSE OF THOSE LIKE OURSELVES WHO HAD NO SILVER."***

(Deprive all possible competitors of their means of independence from British influence! Of course the British had silver production of significance in several places, and were in control, unfortunately, of the Indian government hoard. Take away people's silver, give them synthetic money instead---that's the British way!)

"Mr. Chamberlain's Reply---Bimetallism No Solution---Chancellor of the Exchequer---said he desired to examine the proposition, based on the assumption that the troubles of the world were caused by an insufficient supply of gold for monetary purposes. Most people were agreed that, if we were to find a way out of the present difficulties we had, somehow or other, to bring about a rise in wholesale commodity prices. That rise might be brought about either by restriction of the supplies of commodities, or by an alteration in the amount of gold available. A way to supplement the supply of gold would be to bring into currency another metal---silver. Mr. Chamberlain was not convinced that a rise in the price of silver would have the valuable effect on trade with China or India."

(This Chamberlain was the same Pilgrims Society member who in The Times, November 18, 1931, page 11, said he saw no "useful purpose" in calling an international silver conference! Useful being defined as suiting the strategies of his associates in The Secret Society of triple sixers!)

"He did not see how it could be argued that bringing in silver to help out gold was, in the present circumstances of the world, going to be of any effective help, even supposing that they could get, what he was quite certain they could not get, the agreement of all the main central banks to adopt that system. He was not hopeful of a bimetallic proposal for helping us over our present difficulties."

(As long as members of certain organizations hold government office---in any nation---the wrong policies will prevail.)

"Says His Stand on Silver Has Been Misrepresented" was part of an address by President Herbert Hoover at the Mormon Tabernacle in Salt Lake City, NYT, November 8, 1932, page 16---

"One of these misrepresentations, local to the intermountain States, has been as to my position as to silver. If I had no broader vision than my personal sympathies with every man who worked with pick and shovel, every superintendent and every owner of a mine, to which industry I devoted myself over a term of years. I would be anxious that their products could be salable at a price which would maintain their livelihood and the prosperity of these States. Increase in the value of silver would maintain their livelihood and the prosperity of these States. Increase in the value of silver would relieve us from strain of cheap production of goods which flow over our borders. It would rehabilitate the buying power of many foreign nations for our goods."

(There wasn't much use in Hoover telling the audience things they already were acutely aware of. They also knew he refused to summon an international silver conference! His declared concern for silver was a putrid mass of nauseating lies!)

"We have long since determined that there can be but one standard of monetary value."

(Hoover was repeating the British doctrine, traceable to the close of the Napoleonic Wars in 1816, but also to the founding of the Bank of England in 1694, that gold alone is money and monetary basis! They defied thousands of years of history that showed silver was used as money by many times more people, and over far more expansive territories, than gold ever was! It was as if an arborist suddenly declared that the oak is no longer a tree!)

"Yet we should restore silver to greater use for subsidiary coinage and other purposes in those countries which traditionally have used it and to do it without undermining the gold standard. It thus becomes a problem which cannot be solved without international action.)

(And Hoover really wanted his British overlords to lead that action so as to falsely restore silver!)

"For a score of years the Congress has been passing resolutions asking for an international conference for this purpose. I took the proper steps through our diplomatic agents to inquire of the nations, without which such a conference would be impossible, as to whether or not they would be willing to join in such a conference. They stated they were unwilling to do so."

(Hoover was a vicious conspirator! Had he announced that America would open an international silver conference in Washington, the nations would have had no choice but to send representatives, not wishing to be excluded from the deliberations and their outcome! He tried to say that if England wouldn't commit to come to a party, there was no use in trying. Such a weirdly diseased son of a bitch!)

"Later on, when the question arose of a world economic conference to consider steps by which the international phases of this stupendous crisis could be relieved, I stipulated as a condition of American entry into that conference that there should be considered also the methods for the restoration of the use and price of silver as a full part of that conference. That was finally accepted. I have given assurance to the people of the intermountain region that I shall appoint a representative on the American delegation who will carry their point of view to that conference. I call your attention to the fact that in the history of thirty years this is the only administration which has won for you the consideration of this question by the nations of the world."

(It wasn't the Hoover administration that could take credit for the proposed World Economic Conference to be held in London. It was the state of the entire world that cried out for a monetary conference! That the conference was slated to be held in London was a slap in the face to the hopes, dreams and aspirations for a better life for the rest of the world, inasmuch as England was the one who crafted the plan to destabilize silver first and gold secondly, and literally knocked the world off its monetary axis, causing the Great Depression en route to its insane drive for total fiat currencies!)

"We Have Tried Cheap Money," NYT, November 13, 1932, section II, page 2, was a letter subtitled, "Continental Currency Was Not Exactly a Happy Experiment"---

"The first experience our country had in connection with being off the gold standard was with respect to the depreciation and redemption of Continental

currency. On the commencement of the Revolution, Congress had no money. The external commerce of the States being suppressed, the farmer could not sell his produce and, of course, could not pay a tax. Congress had no resource then but in paper money."

"Not being able to lay a tax for its redemption, they could only promise that taxes should be laid for that purpose, so as to redeem the bills by a certain day. They did not foresee the long continuance of the war, the almost total suppression of their exports, and other events which rendered the performance of their engagements impossible. The paper money continued for a twelvemonth equal to gold and silver; but the quantities which they were obliged to emit for the purpose of the war exceeded what had been the usual quantity of the circulating medium."

"It began, therefore, to become cheaper or, as we expressed it, it depreciated. But not having, like gold and silver, an intrinsic value, its depreciation was more rapid and greater. In two years it had fallen to $2 of paper money for one of silver; in three years to four for one; in three years to four to one; in nine months more it fell to ten for one, and in the six months following, that is to say, by September 1779, it had fallen to twenty for one."

(President Van Buren commented that at its lowest, $500 in Continental paper reached parity with $1 in coin!)

"Congress, alarmed at the consequences, which were to be apprehended should they lose this resource altogether, thought it necessary to make a vigorous effort to stop its further depreciation. They therefore determined, in the first place, that their emissions should not exceed $200,000,000, to which sum they were then nearly arrived, and though they knew that $20 of what they were then issuing would buy no more for their army than one silver dollar would buy, yet they thought it would be worthwhile to submit to the sacrifice of nineteen out of twenty dollars if they could thereby stop further depreciation."

"They therefore published an address to their constituents, in which they renewed their original declaration that this paper money should be redeemed at dollar for dollar. They proved the ability of the States to do this, and that their liberty would be cheaply bought at this price. The declaration was ineffectual. No man received the money at a better rate. On the contrary, in six months more, that is, by March 1780, it had fallen to forty to one."

(I haven't seen any references to any of the States or designated Colonial areas making good on the Continentals. Why should they, since they were a Federal obligation?)

"Congress then tried an experiment of a different kind. Considering their former offers to redeem this money at par as relinquished by the general refusal to take it but in progressive depreciation, they required the whole to be brought in, declared it should be redeemed at its present value of forty for one, and that they would give to the holders new bills, reduced in their denominations to the sum of gold or silver which was actually to be paid for them. This would reduce the nominal sum of the mass in circulation to the present worth of that mass, which was $5,000,000, a sum not too great for the circulation of the States, and which they therefore hoped would not depreciate further, as they continued firm in their purpose of emitting no more. ***THIS EFFORT WAS AS UNAVAILING AS THE FORMER***. Very little of the money was brought in."

(Travel expenses and the cost of being unable to tend to farms were a huge obstacle, especially since they knew the currency had no value and were being offered new bills.)

"The various issues of Continental currency were never redeemable by the United States as reorganized under the Constitution. By the act of August 4, 1790 it was receivable at the Treasury in subscription to a loan at the rate of $100 in Continental currency to $1 in specie. By the act of March 3, 1797 it was declared that said currency should be receivable as above until December 31, 1797, and no longer. It appears that the holders of Continental currency to the amount of $168,280,219 took advantage of the provision for funding it, receiving therefor $1,682,802."

(Critically important to comprehension of natural economic law was the phrase, "the provision for funding it." Washington admitted that "unfunded paper" was perilous. What we have today is "unfunded paper;" there is no provision for funding it! We have no silver certificates, nor can Federal Reserve notes be Federally converted into gold, as they constitute zero claims on any Treasury gold! Paper, in and of itself, doesn't represent funding! Only precious metals constitute funding! The public has been devilishly tricked into the false conception that paper currency is the ultimate object of money---rather than as the representative of it, as

originally intended! The temptation to reduce metallic coverage for paper is too great, which is why Jackson and Van Buren opposed all paper notes!)

The NYT, November 16, 1932, page 1, "South Africa Bars British Silver As Legal Tender After January 15"---

"Cape Town, Union of South Africa---Silver coins of the United Kingdom will not be recognized as legal currency in the Union of South Africa after January 15, 1933. When Great Britain went off the gold standard a year ago last September, a wholesale importation of United Kingdom silver took place. Although the pound in Treasury notes was worth only about 14 shillings in Union Currency, 20 shillings in British currency were accepted as 20 shillings in Union Currency."

(British silver coins were debased to .500 fine as of 1920, it's worth recalling.)

"The government has not succeeded in stemming this importation, which is of an illicit nature, not only from England but from the adjoining territory which, unlike the Union of South Africa, is off the gold standard."

"France Plans New Coins," NYT, November 20, 1932, page 30---

"Paris---The Council of Ministers decided today to submit to Parliament a bill providing for the coinage of silver five franc pieces and prolonging the validity of Bank of France paper notes of small denomination. Another bill will be designed to counteract foreign dumping and other procedures considered harmful to French interests."

The NYT, November 23, 1932, page 27, "League Of Finance On Gold Basis Urged," subtitled, "Sir Basil Blackett, Director of Bank of England, Calls For Unity On Currency" and "Disapproves Bimetallism" and "Former Chancellor of Exchequer for India Sees No Advantage in Dual Standard" and "He Would Turn Over All Minting to a Central Authority, Obviating Complexities of Exchange"---

"London---A "Financial Society of Nations" with an international currency based on gold is advocated by Sir Basil Blackett, a director of the Bank of England, formerly Chancellor of the Exchequer for India and well known in the United States because of various British Government financial missions

to that country, in a book called "Planned Money," published today by Constable."

(Sir Basil Blackett, Pilgrims Society, worked with Sir Hilton Young, Pilgrims Society, in the attack on silver that started in British India in 1926 and in fact was secretary to an identical previous commission during 1913-1914 that tried to pull off the same subversive act but came up short. He was a member of the Anglo-French Financial Commission during 1916. Blackett chaired the Imperial & International Communications Company. Blackett was a friend of John Maynard Keynes and shared his rotten views on a managed currency.)

"He says---"The international monetary system suggested in this book is founded on the same basis as is the League of Nations---an independent financial status for each of its members. Its aim is a world-wide financial society of nations."

(Another British attempt to seize full control of the world's monetary system. Notice his proposal for a "Central Authority" that would operate all minting---and printing---for the world---in order to eliminate "complexities of exchange.")

"If it could secure world-wide acceptance it would provide greater, not less, opportunities for mutual cooperation. Central banks would no longer compete with each other for gold and would not continually be driven unwillingly to take measures to contract and expand their internal currency for reasons not arising out of the needs of the situation at home in order to meet the conditions forced on them by the action of other central banks."

(These conditions he spoke of---do you suppose they were intentionally created in order to render acceptable the change he was suggesting?)

"This proposed international monetary system would give the nations both stability of internal prices and approximate stability of exchange. The logical completion of the theory of an international gold standard would be in universal use in all countries adhering to that standard of a single gold coin minted for a gold standard world by some central authority, ***INTO WHOSE HANDS ALL THE NATIONS WOULD HAVE RESIGNED THE MONOPOLY OF COINING GOLD."***

(In the first place, I believe Blackett knew that the exclusion of gold as money was on the agenda. No pal of Keynes was any real backer of gold! They had to offer the world a plan seemingly based on gold, however, to gain some trust and acceptance. After the plan was imposed, they would remove gold! As a necessary step, he would take away monetary powers from individual nations and vest them in "some central authority," no doubt to be run by members of The Pilgrims Society!)

"***IT IS AN ATTRACTIVE IDEAL*** and its realizations have been subject to active international study and discussion on more than one occasion. The last attempt broke down over the insistence of Napoleon III that international currency should bear his effigy. In a gold standard world the minting of national gold coins is wasteful and misleading, obscuring the central aim of an international monetary standard to give the world a single standard of value."

(We must mention again the fact that there wasn't enough gold in the world, nor is there enough today, for everyone at least in the middle classes, to have any gold coins of significant savings accumulation. Of course, "hoarding" is always mentioned as if it should be forbidden. The use of silver is inescapable in a precious metal monetary structure, as between the two historical money metals, there approximates enough to go around, as compared to gold only, which is going to exclude all the poor, and the lower middle class.)

"The fact that nations have continued to mint local gold coins with different weights, whereby needless complexities are imported into calculations of parities and rates of exchange, is an eloquent and unbridged gap between theory and practice which must remain unbridgeable ***AS LONG AS THE WORLD CONTINUES TO BE ORGANIZED AS A SERIES OF NATIONAL INDEPENDENT ECONOMIC UNITS***."

(One world! One currency! The Crown and its financiers over all!)

"Further on in the same chapter the author adds---"Planning in this connection stands first and foremost for the political philosophy that is the antithesis of laissez faire. "Planned money," he says, "is hardly conceivable under a monetary system in which the general level of prices is subject to violent fluctuations."

(Laissez faire, French, loosely means "free market.")

"His book is no plea for bimetallism. On the contrary Sir Basil says that before the question of an international gold standard can be reached it is necessary to get rid of the claims of the bimetallists, who put forward the view that the world's currency troubles would be solved if instead of gold the international standard were made up of a combination of gold and silver. In his chapter on bimetallism Sir Basil refers to the commercial prosperity of Great Britain in the nineteenth century, which was largely believed, in England and elsewhere, to be attributable to the supposed merits of the gold standard."

(The commercial affluence of England in the nineteenth century is at least as attributable to the fraud and force it used, apparently with incredible relish, in expropriating wealth and resources from many peoples around the globe, as to its monometallic gold standard.)

"But he adds that his country's preeminence in trade would in all probability have been equally marked if the British standard of value had been bimetallic. He does not jump at the conclusion, though, that the adoption today of the bimetallic system would automatically cure the world's financial difficulties."

(What superior method of suppressing competition against the British Empire could they have concocted, than to suppress the major money of other nations---silver!)

"To admit that the world would have been wiser to retain the bimetallic standard in 1870," he says, "does not involve the conclusion that it would be wise---still less that it is possible---to restore it throughout the world today. As to the wisdom of an attempt to return to bimetallism, it must be borne in mind that the most its advocates claim for it is that it would tend to keep prices more stable than is possible under the monometallic standard."

(Blackett had no misgivings as to placing words in others' mouths! But if improved price stability were the sole benefit of bimetallism, on what basis can any created currency demagogue render convincing his argument against it?)

"True stability of price level is in no way secured by bimetallism, which makes no attempt to deal with any factor (continued on page 31) causing instability other than the variations of supply and demand for gold. The prior question is whether the metallic standard is in any way comparable to that which the world hitherto has been accustomed and is necessary to all."

(I want to swear! Blackett was stating that his alleged proposal for a gold monometallic standard---which wasn't gold at all, as his book showed, but "planned money"---could go it alone without the use of silver, which the world had known and trusted for thousands of years!)

"The conclusion would seem to be that if a metallic standard is indispensable a bimetallic or a symmetallic system has clear advantages over the monometallic system, but these advantages are not enough to justify twentieth century humanity in reconciling itself to tinkering with its old inadequate monetary machine."

(So strange to admit that bimetallism has advantages, yet to conclude it isn't worthwhile!)

"If there are but small gains to be hoped for from the successful reestablishment of bimetallism the obstacles in the way of success are formidable. It is out of the question for any single nation or even a group of nations so economically minded as the British Empire to think of admitting silver to partnership with gold in their currency systems unless it is done by international agreement."

(Which is exactly what the Silver Senators sought, and were stymied by President Hoover and Great Britain!)

"It might be possible to achieve success by agreement between the British Empire and the United States, but a wider preliminary understanding is desirable. ***ONE VERY SERIOUS DIFFICULTY WHICH MUST BE OVERCOME IS THE FACT THAT THE SILVER PRODUCERS OF THE WORLD, AND PARTICULARLY THE LARGE HOLDERS OF SILVER, STAND TO MAKE LARGE PROFITS WHICH, IF NOT MADE AT THE EXPENSE OF OTHERS, WOULD AT LEAST BE BALANCED BY NO CORRESPONDING BENEFITS TO THE MAJORITY OF THEIR FELLOWS***."

(As we've seen multiple times in this series, the silver backers were only trying to see silver prices restored to the levels before Great Britain's hatchet job against it! They weren't trying to get "higher" prices, they were trying to get "normal" prices! And yes it's a problem for the British-American Pilgrims Society, that exists to "seize the wealth necessary" if those outside its ranks and tentacles get ahead! They have to use government action to knock us back to poverty!)

"The gold producing interests, on the other hand, would be certain to take alarm and believe they were being sacrificed."

(In the 2008 bull market for precious metals, I don't think most investors focused mainly on gold feel that the advance of silver prices is harming them. Their gold producers who have some silver byproduct are better served by getting higher, not lower, rates for this byproduct.)

"In these circumstances it is difficult to believe that the difficulties of monetary agreement already alluded to would be to any material extent modified by an attempt to approach the matter from the standpoint of silver."

(Gee, these Britishers have a terminal aversion to silver! It's because they want to prevent silver producing nations to enjoy independence from London financial dominance! Those who oppose monetary silver are the most insanely greedy SOB's that ever were!)

"It is much more likely that silver would prove to be a red herring drawn across the trail, and the schemes for reestablishing bimetallism would make international discussions on money even more confused and more empty of results than now."

(Discussions of silver as money cause confusion? Yes! It confuses the fiat money creators, because they're intent on closing the door on monetary silver forever! It's an obstruction to their greed being fully expressed!)

The Times, London, November 23, 1932, page 8, featured a letter from an Englishman residing in India---

"All experts are, I believe, unanimous that a period of rising prices till, at least, the levels of 1929 have been regained is essential to save the world from chaos. Should the recently discovered 30 more miles of the great Rand

reef yield as much gold as the portion now being worked, then world prices will undoubtedly gradually rise, and the world may be saved from disaster just as it was after the gold discoveries of the fifties, and again after the great gold discoveries of the nineties and onwards."

"But why should we all wait for accidental and uncertain salvation when recovery and prosperity can be engineered by reopening the Indian and other mints to the free coinage of another precious metal which at present serves at least one half of the human race, the peoples of the tropics, the whole of the East, and other parts of the world just as well as gold. Even if the adoption of this course led to a rise of prices so marked as to call for regarding of wages upwards, no great harm would be done. Continued attempts to regrade downwards can only lead to friction and disaster."

(Many people were saying the same thing. The Anglo-American world empire would have none of silver as money.)

"Silver In The West And The East," by Herbert M. Bratter, with the Bureau of Foreign and Domestic Commerce of the Commerce Department, appeared on pages 832-846 of the Bulletin of the Pan-American Union, Washington D.C., December 1932---

"The utilization of silver by mankind antedates civilization. The white metal has played a unique role in the lives of almost every people from the most primitive to the most cultured. Like the veins which characterize the metal as it is found in ore, the history of silver in inextricably intertwined with the history of great nations, assuming now greater and now lesser importance, but never ceasing to be present. It is no exaggeration to state that silver had a part of utmost significance in the exploration and settlement of Latin America as also in the prosperity of the Spanish empire. The deeds of brutality and amazing fortitude which that metal inspired are graven deep in the record of conquest. Merely the mention of such names as Cortez and Pizarro, the Inca Atahualpa, Potosi, de la Borda, or Pachuca calls up visions of wealth such as the world has rarely witnessed."

(This precious metal was de facto wealth, as contrasted to the illusory wealth of fiat currencies. No wonder the United States dollar is so riddled with disease and increasingly viewed as worthless, especially overseas.)

"Never had the world seen so much silver as was brought by the treasure fleets from Vera Cruz, Cartagena, Amatique, Nombre de Dios, and Porto Bello. The arrival of the white metal in Spain put new life into the economy of Europe, made possible the notable voyages of Magellan, Vespucci, Sebastian Cabot and financed in large part the colonization of Latin America. One hears fabulous stories about silver in Spanish colonies. There is nothing mythical about the richness of the mines of Potosi in Bolivia. However, the story of the Indian who discovered those mines by the accidental displacement of a shrub is probably just a story. These mines were worked by Pizarro and his brother. An interesting tale about silver in Costa Rica is told by Del Mar. So productive were the mines there that, on the occasion when the owner's first child was christened, the father laid a triple row of silver bricks from the palace to the church. Similar stories are to be heard in Mexico."

(Reading about so much silver being used in such ways is enough to make a silver user shed tears.)

"Among the several estimates available of the silver production of Latin America are those of Soetbeer, Lexis and Haring. To anyone examining the ancient records of the Spanish trade in treasure, it quickly becomes apparent that the various values as given in the records can be reconciled with only the greatest difficulty and some (start page 833) uncertainty. Some very interesting researches in that field were published in 1929 by Earl J. Hamilton, in the Quarterly Journal of Economics, Cambridge. Today silver no longer means so much to Europeans as it once did. But although four full centuries have passed, the Americas still play the leading part in the production of silver. Mexico is still the world's chief silver producing country, followed by the United States, Canada and Peru. From 1493 to date, about 36 percent of all the silver mined has come from Mexico, 21 percent from the United States, 4 percent from Canada, and 9 percent from Peru. To put the matter in another way, from the time of Columbus to the present, about 84 percent of the silver mined has come from the two Americas; South America has yielded about 23 percent and North America over 61 percent."

"Naturally there have been changes in the relative position of producing countries. The last century discoveries of important silver mines in the Western part of the United States pushed the United States to a leading position, which it held until 1897. Since then, with few exceptions, Mexico

has maintained the first place. Hence we find that of the 248,000,000 fine ounces of silver mined in 1930, 42 percent came from Mexico, 21 percent from the United States, 7 percent from Peru, 75 percent from all North America and 85 percent from both Americas."

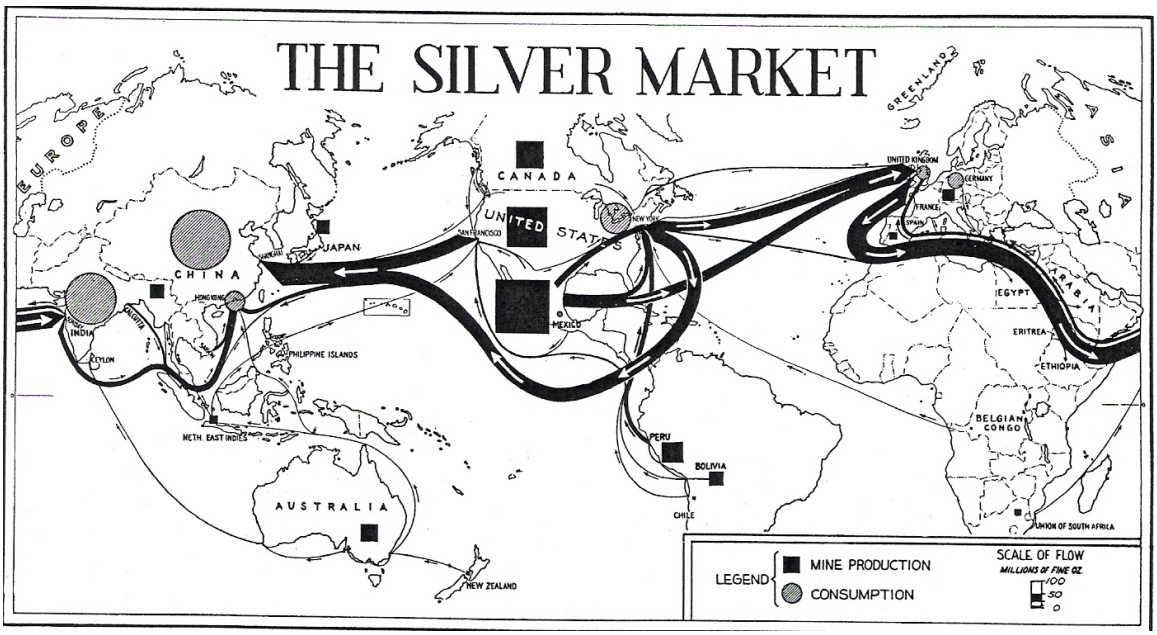
"What becomes of this silver? Some is used in the arts and industries, although relatively little is so consumed in Latin America. Some is used as currency in the Occidental countries. In this connection it is interesting to observe that, despite their importance as silver producers, no American country, not even Mexico, maintains silver as the standard of value."

(Termites were at work, apparently, in many national legislatures!)

"Silver is to be found as a full standard of value only in China and Hong Kong, to which we may add perhaps one or two small areas elsewhere, of insignificant standing commercially. The bulk of the world's silver is taken by the people of China and India, in which countries the metal is prized as a store of savings. ***THE HOARDERS OF ASIA SEEM TO HAVE AN INSATIABLE APPETITE FOR SILVER*** and, but for them, in all likelihood it would have ceased years ago to be classed as a precious metal."

(American Metal Market, November 9, 1998 featured an article, "India Silver Hoarding Worries Users Group." Aww gee, no one but the Silver Users Association has any rights to silver! Where self interest is at stake, phony definitions of reality are implied, because it would be too brazen to state it outright! As for Mr. Bratter, we have heard from him before in my informational presentations. He was on the side of the paper money mob and the silver users.)

"There is presented herewith a map on which has been indicated how silver moved to market during 1930. The squares show the chief mine production of silver; the circles indicate the leading buyers of silver; and the flow lines indicate the movements from mine to consumer; and also here and there a return flow, such as that from India to England, or the much smaller flow from England to the United States." (Map appears on page 834 with the footnote "Certain Intra-European and overland movements elsewhere are not shown")---




(Start page 835) "The principal steps in the marketing of silver are---the production from American mines; the refining of silver in the United States; the long established bullion market of London, now closely rivaled by that of New York; the consumption of silver by the industries and arts and by the mints; and a matter of major importance---the absorption of the metal by Chinese and British Indians. All of these steps have a part in determining the price of silver, for ***SILVER IS A WORLDWIDE COMMODITY, AND ITS PRICE IS A WORLDWIDE PRICE***."

(Why is that last statement of such overshadowing importance? The United States Government and the financiers who manipulate it are coming to the point at which they can no longer cap the silver price by unlimited shorting. The only alternative beyond that is a Federally imposed price cap, such as we witnessed during the Nixon Administration with the Cost of Living Council, of which the present Richard Cheney was number two administrator, after Donald Rumsfeld. We may in fact see a Federal price cap on silver during 2008. However, once this Fascist measure takes effect, silver flows into the United States will cease. Metal will gravitate towards the highest prices offered. Price capping causes shortages. ***THE BOYCOTT OF SILVER SHIPMENTS INTO THE UNITED STATES WILL FORCE THE SCRAPPING OF THE PRICE CAP***.)

"In recent years the world price of silver has experienced severe depreciation. Thus, whereas the price per fine ounce rose from an annual

average of 56.3 cents in 1914 to one of 112.1 cents in 1919, and, despite a severe decline the next year---maintained a level of around 63 cents for nine years, subsequently the average dropped from 55.3 cents in 1929 to 38.5 cents in 1930 and 28.7 cents in 1931. It would be difficult to describe in a short space all the causes which brought about this decline. We must keep in mind that the price of silver is no longer stabilized anywhere by law and that, like the price of any other commodity, it is simply the result of the interaction of demand and supply."

(Here Bratter attempted to become evasive. Had not several nations, led by England, attacked monetary silver, there would have been no Great Depression.)

"The price of any commodity reflects both the commodity value of gold---in other words, the general commodity price level---and secondly, those conditions peculiar to the particular commodity itself. That the world price level for all commodities has declined severely is in itself enough to explain a very large part of silver's price decline."

(Bratter branded himself as among the mendacious! Silver was the money of some 60% of the world's population! Having been driven so low by Britain, their purchasing power failed! That caused the price collapse across the board! That Bratter attempted to depict silver's fall as identical to that of other commodities illustrates that he didn't wish to acknowledge it as money!)

"Then too, there have been special circumstances to depress the price of silver. Some are more obvious, although not necessarily more important than others. For example, in 1926 the Indian Government decided to sell its surplus stock of silver."

(It's almost as if Bratter knew he had to highlight that fact, while preferring not to, because he understood that if he was silent about it, he would be roundly jeered as an utter buffoon.)

"Sales commenced in 1927 and, by March 31, 1932, 127,584,564 fine ounces of such silver had been sold. ***CLEARLY, THIS INJURED THE PRICE OF SILVER***."

(Yeah---I guess so! And added to that intentionally induced worldwide glut of excess silver, was silver dumped by co-conspirator France and tag-alongs such as Belgium and Italy. French president Gaston Doumergue, 1924-1931, went along with Britain's attack on monetary silver, which he possibly considered a comical affair)---

"If we make a rough estimate of the total supply of silver sold on the market by all sellers annually between 1920 and 1928---including the British Indian silver, the demonetized metal sold in Europe, and the product of the world's mines, we find there was a decided upward trend. The demand of India and China is determined by their prosperity and affected favorably or unfavorably by such factors as good crops, destructive civil warfare or unrest, changes in their balance of payments (start page 836) with Western countries, and speculation. When a severe business depression in 1930 affected the Occidental demand for Far Eastern goods, naturally the natives of China and India were unable to acquire the exchange with which to maintain their large purchases of silver---except at a concession in the price of the metal."

"How about the supply of this commodity sold each year? Is it limited to the annual product of the mines? The answer is no. In one sense, practically all the silver ever mined by man constitutes the supply, at least potentially, because silver is virtually an indestructible metal. Comparatively little is lost in abrasion of coins or is believed to be otherwise used up or irretrievably misplaced."

(Wow! Has that picture changed! Most all of you have read Butler's weekly bulletins for years, no need to cover the topic of silver being irretrievable in many applications.)

"A large part of the mined silver rests in Asiatic hoards in the form of jewelry, bullion, or coin, and another large quantity of the metal is scattered throughout the Occident in the form of table services, decorative articles, and the like. ***SUCH SILVER DOES NOT CONSTITUTE PART OF THE ACTIVE MARKET SUPPLY. BUT IT MAY SOME TIME BE MELTED AND OFFERED FOR SALE***. In this manner silver does, in fact, come back to the market at intervals, again and again; the silver quarter in one's pocket may contain some of the very metal taken from the Inca Atahualpa by Pizarro. Silver is therefore, a commodity which differs from most other commodities---textiles for example---because there is practically no limit to the number of times it may be consumed."

(How reality has changed in regard to that last statement! In the great silver run-up of fall 1979 into just past mid-January 1980, most of the accumulated overhang of secondary supply was sold and sent to refineries for conversion into bullion, which then went mostly to industrial users. Therefore, most of any so-called "cushion" to lessen a reverse price crash in times ahead---is gone!)

"With the world stock of silver being added to each year by the output of mines, this stock, visible and invisible, is clearly many times greater than the new supply currently on the market. The latter is not any fixed quantity but varies. In 1931 for example, the new silver estimated to have been sold on the world market was about 196,000,000 troy ounces. Old silver, obtained almost exclusively from melted coin, and physically transported from a seller to a buyer at least once during that year, added an estimated 60,000,000 ounces. The total of the two figures just mentioned indicates that actual metallic silver to the amount of at least 256,000,000 ounces changed hands one or more times during 1931. There is no available

method of calculating the total sales involved in handling this silver---that is, the turnover. A single lot may have changed in ownership many times."

(How much so-called derivative silver trades annually in London and New York is many times in excess of actual supply.)

"If it is impossible to calculate total sales involved in the marketing of the new production and demonetized metal, it is equally impossible to keep track of what for convenience may be termed the "invisible" silver constantly being bought and sold---that is, of the foreign exchange transactions of silver standard countries. This "invisible" silver is an important factor in the silver market. For example, when a Chinese importer of motor cars pays his bill by selling Shanghai taels in order to buy gold dollars, he is adding to the supply of silver (start page 837) on the world market every bit as much as is the Mexican mine owner when he ships his bullion to the United States. China, the only remaining silver standard country of importance, annually imports several hundred million dollars worth of merchandise. That means the invisible supply of silver on the market is increased by that amount; and, just as in the case of the physical metal annually marketed---where the actual metal may be sold again and again---so in the case of this "invisible" supply---foreign exchange---there are sales and resales."

"A small group of active Chinese speculators may greatly augment the volume of transactions in the silver market by buying and selling, rebuying and reselling, silver bullion or exchange between silver standard and gold standard countries. Total purchases and sales of all kinds in the silver market are thus obviously impossible of determination. On the demand side of the silver market, the Chinese and Indian takings of silver are by far the most important, and are generally considered to be in a class by themselves."

(The Silver Users Association would appreciate having no competition for the indispensable element. May we point out that the Chinese and the Indians aren't the new kid on the block in silver---the greedy SUA is!)

"The Indian Government has since 1927 been one of the most important sellers of silver, derived from the coins returned from circulation (start page 838.) The government consequently has no occasion to import silver on its own account. The Indian imports are private transactions and destined for use by the Indian people in the form of bullion or jewelry, as a store of

value---an investment. In the form of jewelry, silver in India also serves as a token of social standing."

"Chinese consumption is somewhat different from Indian. Chinese authorities do not ordinarily have occasion to sell silver on the bullion market, but buy it regularly for coinage. Another difference is that China, unlike British India, is on the silver standard. Silver is China's main measure of value and, both in the form of coin and bullion. It serves the purpose of money. In India the currency is linked to the pound sterling, and the rupee currency circulates at a higher value than, and without regard to, its bullion value, as does the peso in Mexico."

"Occasionally it becomes necessary or desirable for China or India to export silver; but those two peoples are heavy importers of the metal and form the chief support of the silver market. In 1931 net consumption of silver in India and China together was 45.4 percent of the total sold in the world that year---that total including the sales by the Indian Government and by Indian silver mining companies. Of the non-Asiatic supply, the consumption of China and India naturally formed a much larger percentage."

(Hindustan Copper and Hindustan Zinc both have some silver byproduct and also operations outside India. By no means can such companies supply anything close to even 10% of present Indian silver demand.)

"The second large factor in the demand for silver is the consumption by the arts and industries in other countries, chiefly in the United States, Canada, Great Britain and Germany. It may be said that about 44 percent of the silver thus used is devoted to sterling silverware, about 14 percent to plated silverware, and 42 percent to other industrial consumption---for photographic film, chemicals and the like---these figures being based on 1930 estimates for the United States and Canada. Until 1929 the consumption of silver in the arts and industries revealed an irregular upward trend, but the business depression following that year affected it."

(The 44% figure for tableware has dropped drastically in 75 years.)

"The consumption of silver in the coinage of subsidiary money in western countries is a considerable factor in the price of silver. Such consumption of silver, however, is more irregular and much smaller than either the purchases of the Far Eastern countries or the industrial demand of the Occident."

(I haven't seen anything in regular media about Salinas Price and the political movement to remonetize silver in Mexico. No one in the United States would know about it who isn't knowledgeable as to uncensored websites. This is not by chance that the story is squelched. Imagine the additional demand on the silver supply if the number one producing nation starts using silver as money once again. If other nations followed the example, the value of silver will go so high as to totally embarrass fiat currency and will undoubtedly do so with only investment demand added to the industrial deficit.)

"The accompanying table shows the estimated supply of and demand for silver bin 1930 and 1931 taking for this purpose the estimates by Handy & Harman, a well known New York firm of dealers and brokers. The estimates for 1931 are subject to revision." (End page 838.)



*The silver market in 1930 and 1931*

[According to Handy and Harman, "Review of the Silver Market for 1931"]

| Item | 1930 | | 1931 | |
|---|---|---|---|---|
| | Millions of fine ounces | Per cent of total | Millions of fine ounces | Per cent of total |
| SUPPLY | | | | |
| New production | 246.8 | 77.5 | 196.1 | 76.2 |
| Sales by Indian Government | 29.5 | 9.3 | 35.0 | 14.1 |
| Other governmental sales of demonetized silver | 42.0 | 13.2 | 24.5 | 9.6 |
| Total | 318.3 | 100.0 | 255.6 | [2] 100.0 |
| DEMAND | | | | |
| Net Indian consumption | 94.5 | 29.7 | 57.0 | 22.3 |
| Net Chinese consumption [1] | 123.0 | 38.9 | 59.0 | 23.1 |
| Total Indian and Chinese consumption | 217.5 | 68.6 | 116.0 | 45.4 |
| German consumption | 8.0 | 2.5 | 28.2 | 11.0 |
| Arts and industries, United States and Canada | 29.5 | 9.3 | 30.5 | 11.9 |
| Great Britain | 6.0 | 1.9 | 10.0 | 3.9 |
| Mexico | 1.0 | .3 | 1.0 | .4 |
| Total arts and industries | 36.5 | 11.5 | 41.5 | 16.2 |
| Coinage: | | | | |
| United States only | 6.1 | 1.9 | 2.4 | 1.0 |
| Hong Kong | 14.0 | 4.4 | ---------- | ---------- |
| Otherwise unaccounted for | 36.2 | 11.4 | 67.5 | 26.4 |
| Total | 318.3 | [2] 100.0 | 255.6 | 100.0 |

[1] Includes Hong Kong.
[2] Abbreviation of the items accounts for the slight discrepancy in the summation of these columns.

"In certain important respects the function of silver in the economic life of various nations is quite different in the Occident and the Orient. In the latter area it is primarily a store of wealth and in some places a standard of value as well. In the former area it is primarily a commodity produced by miners for what it will bring in the market. ***ITS USE AS SUBSIDIARY CURRENCY IS A MATTER OF CONVENIENCE AND HABIT IN THE WEST***, only remotely connected with the bullion value of coin."

(In "some places" it was a standard of value? China and India alone cover an extraordinarily immense expanse, and he called that "some places!" It was no matter of habit that the Founding Fathers selected silver as a monetary metal---it already had thousands of years of historical verification to substantiate it as a choice alongside gold! They regarded the use of silver as essential, not merely convenient! There is no remote connection today with the face value of a silver half dollar and a paper dollar. Innately, there is hardly much way to reckon how many paper dollars equal the worth of a silver half. The paper has one inherent value exceeding silver---if you are in bitter cold and have paper to burn, THEN its worth exceeds silver.)

"In Mexico the metal takes an important place in exports. Since the decline in price during the last few years and the consequent decline in mine production, the importance of silver to Mexico has diminished. In 1929 silver formed about 16 percent of the value of Mexico's exports; in 1930, 12 percent."

(But the total size of Mexico's exports undoubtedly shrunk due to the deflationary hurricane Britain unleashed on the globe. He was studious to not mention that.)

"Although Mexico is sometimes spoken of as a silver standard country, it is not on the silver standard, despite the demonetization of gold in 1931. The quotations of Mexican currency show no relationship with the price of silver, the peso being worth considerably more than its silver content and being kept above the value thereof by limitation of the circulating media." (End page 839.)

(In spite of the banker influenced abuses of its people by many politicians, Mexicans still regarded themselves as on a silver standard, and that consciousness would be in effect for years to come. Many Mexicans undoubtedly remember tales of silver money by their ancestors. The Money

Creators have worked hard to eradicate thoughts of silver as money but have never fully succeeded.)

"The United States takes second place as a producer of silver. American mining capital is invested in silver producing mines in various foreign countries, notably Mexico, and to a minor degree in Peru, Canada, Honduras and Chile. In Mexico, American owned mines yielded over 54 percent of the 1927 production."

(Anyone know approximately what the figure might be today?)

"The part that silver plays in the United States currency system is sometimes overlooked."

(I've seen many, many economics textbooks which make no mention of silver in their indexes. Members of the anti-silver American Economic Association and interrelated banker sponsored groups author Most of these volumes.)

"From 1793 to 1931 inclusive, the face value of silver money coined in the United States was approximately one-third of that of United States gold coin minted. Of the amount estimated to be in circulation and in the Treasury on June 30, 1932, the face value of the silver was nearly one-half that of the gold coins. It should be noted that most of the United States monetary stock of gold consists not of coin, but of bullion; hence the part played by gold in our currency system is greater than would otherwise appear. Since by act of 1900, the Government is obliged to maintain all forms of American money at parity with gold, silver certificates which represent standard silver dollars on deposit with the Treasury are freely accepted by the public at face value, regardless of the fluctuating bullion value of the silver dollars they represent. In demanding silver certificates rather than silver dollars, the public displays a decided preference for the more convenient paper money. Of the 380,000,000 silver dollars in circulation at the end of August 1932, 360,000,000 were represented by silver certificates."

(So, I admit, another advantage of paper "money" is that it's easier to carry; just like an automobile title is easier to store than a car. But is the title ever a complete substitute for the vehicle? The public was educated away from the certainty of payment by having actual silver rather than a paper note that

was backed by silver. By mid 1968 the financiers had "educated" the public enough to cancel convertibility.)

"Compared with all money in circulation ($5,459,000,000), silver certificates and coin (totaling $645,000,000 face value) comprised about 12 percent. Of this, standard silver dollars and silver certificates in circulation formed about 7 percent of the total in March 1932, but the standard silver dollar coins were less than six-tenths of 1 percent of the total. These percentages represent money in the hands of the public and in banks. It is estimated that 33.4 percent of the silver certificates and 43.7 percent of the silver dollars outside the Treasury (in 1928) were in the hands of banks." (End page 840.)

"It is interesting to observe that, in the currency systems of Latin America, silver has a place not entirely limited to that of subsidiary money. Mexico, as is well known, depends on silver to a large extent for its monetary medium, even though silver is not the standard of value there. In September 1932, about 250,000,000 silver pesos were in circulation in Mexico."

"Four Latin American central banks make some provision for silver in their reserves. In Bolivia up to one-tenth of the notes and deposits may be secured by silver. In Columbia, where a 40 percent gold or gold exchange reserve is required against the notes of the Banco de la Republica, an additional reserve of 25 percent must be held in the form of legal currency; of the latter reserve, half may be silver. Guatemala permits silver in its reserves to the extent of one-thirtieth thereof. Peru permits silver to form one-fifth of the reserve. That country, it may be of interest, has legally limited the minting of silver to 23,000,000 soles, the amount coined to date being at least 17,500,000."

(One-thirtieth! Though that was pathetic, imagine what the effect on silver values would be if all central banks today had that ratio! Better yet, if the central banks were all dissolved and all honest money was in the hands of citizens!)

"Colombia has recently taken certain steps to circulate silver in a manner not unlike the silver certificate system in the United States. In October 1931, Colombia decreed the coinage of 2,000,000 pesos in silver, to be circulated in the form of silver certificates. The banks, moreover, may now keep silver as legal reserve in place of gold." (End page 841.)

"Argentina and Brazil use no silver currency. Bolivia has only a few old silver coins in circulation. Ecuador uses very little silver currency; Paraguay none. Costa Rica has about 1,500,000 colones of silver coins in use, Nicaragua about $2,230,000, Panama about 500,000 balboas, and Uruguay possibly 12,000,000 pesos. It may be of interest to refer to a recent compilation from United States Mint reports, showing coinage of silver by all countries from 1900 to 1929 inclusive, as consuming 2,111,600,000 fine ounces. The leading countries in the list are---British India, 863,400,000; the United States, 236,000,000; Russia, 151,700,000; and Mexico, 150,400,000 fine ounces."

(Notice that while Mexico's silver coin mintage total was 63.73% that of the United States, its population stood at a lower ratio to ours.)

"The basic circulating medium of Honduras is silver. Whereas that country was on a fiduciary silver standard for many years, with the peso as the unit, there is now in process a reformation of the currency with a view to basing the currency on gold. The new monetary unit is called "lempira" instead of peso. Silver lempiras are the major domestic circulating media, backed by a 50 percent reserve in United States dollars."

(How things change! The reserve currency of the world is gold---and silver---or I should say---the only real currency of any type that endures. Honduras has silver ore resources and should resort to it for money, rather than the paper pretender, artistic but otherwise inherently valueless)---



"The shift is being effected from a silver currency, valued according to scarcity, to one valued in relation to the gold dollar, when and if free conversion of lempiras to dollars comes about. The circulation of silver lempiras is now about 1,300,000' soon, it is planned, another 700,000 will be issued. It is estimated that there are 13 countries and colonies in which silver forms the leading monetary medium, even though not the standard of value. These 13 countries are Anglo-Egyptian Sudan; British India; China; Eritrea; French Indo-China; Honduras; Hong Kong; Iraq; Mexico; Netherlands East Indies; Nyasaland; Persia; and Siam. Hong Kong is included, although its trade is largely covered by the Chinese figures."

"The principal features of the New York silver market are 1) spot silver, the informal telephone market made up of banks, bullion brokers, bullion dealers, smelting and refining companies, and the like; 2) the official price; and, since June 15, 1931, 3) futures, the recently inaugurated trading in silver futures on the National Metal Exchange of New York. According to

long standing practice, business in silver has for many years been done over the telephone, either by direct negotiation between seller and buyer through the intervention of a broker. In New York the principal buyers of silver are banks with branches or correspondents in the Far East or in London. These banks represent (start page 843) the Chinese and Indian demand."

"The principal sellers are the large smelting and refining companies, which either mine silver themselves or buy it, in the form of ore and unrefined bullion, from mining companies. Sometimes they do both. The large metal companies do not sell silver in lots of less than 50,000 fine ounces. As there are few manufacturing companies requiring silver in such large quantities, purchases by the trade are usually made from bullion dealers, of whom there are two in New York. By the trade is meant the American and Canadian manufacturers of sterling and plated silverware and the industrial (chemical) demand. The photographic industry is a large consumer, and the largest manufacturers of film and photographic paper are in a position to buy directly from the leading metal companies."

(Silver Users Association companies such as Kodak get most of their silver from polymetallic mining companies, who have stupidly allowed themselves to be "milked," or I should say, "bilked" for cheap silver. What did the silver users do, tell the miners they may as well lock in a guaranteed rate cheap, otherwise the users would just lease the metal from a central bank? How much of a factor is leasing today? Far less than in previous times. We have been saying we're on the brink of a silver surge for years. Now it is finally imminent and is taking place.)

"Since the New York market in spot silver is carried on very informally, there is naturally no record of the total business done, nor the prices obtained by traders during any given period. Hence, an informal method of recording the trend of the market came to be---the official price of silver. The official price is published in the daily newspapers in New York and the leading metal market dailies and magazines. The margin by which the official price is usually lower than the prevailing market price represents the carrying and marketing charges."

(That tempts comments applicable for today. Butler has already covered that base.)

"Mining companies deliver crude ore or bullion which contains a percentage of silver. Probably the ore will be predominantly lead, copper or zinc. If the quantity delivered is not large, it may be set aside at the smelter until a large enough quantity has accumulated to warrant treatment. Thus it may be weeks, or even months, before the silver content of such ore becomes available for sale by the smelter. The smelters and refiners prefer not to take a position in silver; therefore, they hedge on all silver purchased in the form or ore or crude bullion. Because of the delay that generally occurs in the reduction of the latter, the existence of a futures market is of considerable importance to the metal companies."

(Will there always be a futures market for silver? That is subject to doubt.)

"Prior to June 1931, it was possible to make futures contracts for delivery of silver in New York by utilizing the foreign exchange market. By means of such contracts, hedging on exchange contracts involving silver currencies could be arranged on approximately a 90 day basis. Such arrangements were made directly, or with a broker. But there were no published quotations or other data on the volume of business done. Since June 15, 1931, the National Metal Exchange of New York has maintained facilities for trading in silver for future delivery, contracts being made for delivery during the current month or any of the 11 subsequent months."

"As a result of the initiation of trading in silver futures, it became possible to hedge on transactions in New York involving silver or silver currencies up to one year in (start page 844) advance, instead of three months. This has proved to be a useful facility. The daily publication of details of business done attracted some speculation. The latter feature of the use to which the public has put the new trading facilities has been criticized as disturbing to the market, as it no doubt was during the first third of November 1931, when speculation drove the price of silver up by 20 percent and then caused it to drop. Speculation in the Far East will in any case continue to affect silver and Chinese exchange."

"The London bullion market was for years the most important market of its kind in the world, and some claim that it still is. There is no doubt, however, that the New York market rivals it very closely in importance and at least on certain occasions becomes more important than the London market. When one thinks of the price of silver being a world price and of all the silver which is being marketed in the world flowing, as it were, into a common

pool from which demand is met, it becomes evident that no single market is "the" market. The market is made by the meeting of demand and (start page 845) supply. The place where the greatest volume of demand and supply is canceled is, for that particular day, the leading silver market."

"There is no selling unless there is buying and no buying unless there is selling, in such a market as New York or London. To a large degree, it is believed, silver sold in New York figures again in the London market where, purchased from America, the metal is resold to British Indians or Chinese. The metal may actually be never sent to London. It may be shipped from New York through the Panama Canal or overland to the Pacific Ocean and thence to China. Such a course would not prevent it from being bought and sold in London, due to the wonderful facilities which exist today in the way of cable and radio communications. It is a very common thing to find silver shipped to one destination on a bill of lading providing for optional delivery at some other place en route or even beyond the first destination. Thus, silver may be shipped from London to Bombay, "option Shanghai," or to Shanghai "option Yokohama or Hong Kong."

"The London market being participated in by persons the world over, it might be supposed that such a wide market would be complex in its operation; yet the actual workings are relatively simple. Normally most of London's silver bullion business is transacted in a 15 or 30 minute meeting, once each business day, of representatives of four long established firms of bullion brokers."

(Bratter could have spelled it out---Mocatta & Goldsmid; Sharps-Pixley; Samuel Montagu & Company and Johnson-Matthey were the four firms. N.M. Rothschild is another name but known primarily for gold dealings.)

"At 1:45 p.m. on week days and 11:30 a.m. on Saturdays the representatives of these bullion brokers meet at the office of one of them. Each of these brokerage firms receives orders from banks and others in England and from buyers and sellers in all parts of the world, the four firms together receiving all the silver bullion orders coming to London. Such orders may refer to silver for immediate delivery, or for delivery at some future date. During and following the war, for 4 years and 9 months ended May 9, 1919, trading in future silver was suspended. For any given delivery---say, spot silver---the brokers at their meeting compare their buying and selling orders (which

may mention a specified price or simply "at market") and fix the price at such a level as will effect the greatest number of transactions."

(Scotia Mocatta is currently on the Silver Users Association roster.)

"It is presumably to the brokers interest to do this, because their profit depends upon the volume of business they transact. Precise information on the actual conduct of business at the brokers meetings is not made generally available."

(Sounds familiar to the secrecy shielding the eight largest COMEX silver "traders.")

"What supposedly takes place is that all orders for sale or purchase of silver bullion for spot delivery at the market are compared, then the orders for spot silver with the price specified by the brokers client. The price which will enable the greatest volume of business to be done is usually the price fixed. On a given day it may be possible for the four firms to execute most of the day's business each on its own books. (Start page 846.) A single broker may have a considerable excess of buying over selling orders, and find it necessary to match such orders with the other brokerage firms selling or buying orders. The price of silver for future delivery would depend upon the spot price, the prevailing rate of interest, and other considerations."

(The most important of those "other considerations," and certainly the overriding factor governing prices, was the dumping orchestrated by the British Government over India.)

"The various silver markets are not always competitors. New York, which on balance may be termed essentially a selling market, in the long run does not compete with Shanghai or Bombay, essentially buying markets. New York and Shanghai or Bombay may be regarded as supplementing each other. London's position in the silver bullion market is entirely that of a middleman. In the silver which it buys it is a buying market, supplementing New York and to some extent (demonetized silver), other markets, and as between London and Bombay, the former essentially is a seller of bullion, the latter a buyer. London is Bombay's chief immediate source of silver bullion."

(That could have been the case until a refinery was constructed in Bombay.)

"Speculative transactions involving silver or the Shanghai tael tend to make the world silver market a unit. The existence of almost immediate means of communication makes it possible for a speculator in one part of the world to be a factor in the silver market on the opposite side of the world, to be in and out of that market daily and even more frequently, and to participate in several silver or silver exchange markets simultaneously."

"Of the several advantages London possesses as a silver market, that of being a trade financing center has been of major importance. The silver bullion market first grew to importance in London when silver was much more widely used than now as a standard of value and settler of international trade balances. British capital, being early invested in mines producing silver, there was an added, although lesser, reason why London's silver market developed. In the case of New York, the international trade financing factor, although present, has not been the most important, but it has gained considerable weight in recent years. More important has been New York's trade in silver bullion. As silver became essentially a North American product, and the United States for years the largest producer, New York quite naturally came to play an important part in the marketing of silver. While the United States is no longer the leading silver producer, New York's silver market is more important than ever."

(Yeah we know how important the NYMEX-COMEX market is and how it and the regulators ignore and deny the excessive shorting of the price. Seems like the supply is too finite for this to go on indefinitely.)

"The Silver Centuries" appeared in the Bulletin of the Pan American Union, Washington D.C., December 1932, just following the previous item, on pages 847-852 by Adam Carter of their staff---

"The optimist who said that every cloud has a silver lining would nowadays need all of his optimism to think that such a lining could be profitably employed. ***SILVER HAS COME UPON EVIL DAYS, AND ITS FUTURE IS SURROUNDED BY UNCERTAINTY***. But what a glorious past it has! It played a most important part in making possible those voyages which led to the discovery of new lands and seas, and it was one of the main supports upon which a mighty empire was reared. At its call new cities rose, new nations were born, new life was given to the Old World. Ships were built to carry and to protect the treasured metal, fortresses

appeared to guard the harbors whence it came, and fortress-like buildings were erected to store it."

"The quest for silver and gold sent the Spaniards far into the unknown regions of the new world. That they did not always find the coveted riches, or were disappointed in what they obtained, should not be surprising. But their staunch belief that these metals would be found and the fortitude with which they carried out their explorations are truly amazing. In 1526 Sebastian Cabot spent three years in Rio De La Plata regions in a fruitless search for the white metal. The ornaments he had seen came from barter with inland tribes."

"Cortez was more fortunate in his conquest of Mexico, but the gold and silver he found in the Aztec metropolis whose ruins may still be seen in what is now Mexico City did not come from any nearby mines. The treasure found was so far below expectations that, strange as it may seem, some of the men who had accompanied Cortez died in poverty. So dissatisfied were the soldiers with their share of the booty that they subjected Cuauhtemoc, the last Aztec emperor, and one of his lords to torment by fire, in order to draw from them a confession about a treasure the Indians were supposed to have buried. Nothing was learned because Cuauhtemoc could not be made to talk. When his companion cried out to him---"Confess, I cannot bear this any longer!" the emperor replied, "Dost thou think I am on a bed of roses?"

(Start page 848) "Pizarro, the conqueror of Peru, certainly could not have complained about a scarcity of the coveted metals. He had imprisoned Atahualpa, the last Inca King of Peru, and the ransom, according to some historians, consisted in filling two rooms full of silver and one room full of gold. A glance at the map of Latin America shows clearly the faith the Spaniards had in silver. Argentina, the country of Cabot's Rio De La Plata, derives its name from the Latin argentum. The name La Plata was given to cities, provinces, harbors, islands, mountains, and lakes in Argentina, Bolivia, Colombia, Cuba, the Dominican Republic, Ecuador and Panama."

(La Plata means silver. Even Colorado has a La Plata Peak, elevation 14,336 feet.)

"The first silver mines to be discovered by the conquerors in Mexico, then called New Spain, were at Taxco, a little town in the Guerrero Mountains which was then occupied by Indians. This discovery took place in 1522 and

marked the beginning of the transformation of Taxco, which today is an enchanting relic of colonial times. The existence of silver in the lofty Mount Potosi in Bolivia was known to the Indians in pre-conquest days, but it was not until 1546 that the city of Potosi was founded by the Spaniards and exploitation begun. In a little over a year 14,000 people had congregated in what proved to be the richest place in all the new domains. The Potosi mines are credited with having produced a large part of the silver (start page 849) exported from South America."

(According to http://www.bootsnall.com/articles/00-06/potosis-cerro-rico-bolivia.html Cerro Rico, altitude 15,824 feet---shown below---yielded about 70,000 metric tons of silver over a 400-year period. During the 1600's the population at Potosi exceeded that of London)---

"Today Potosi is decorously conservative; tin means more to it than silver, but the days are not so distant when the city was extravagantly rich, when money overflowed and prices reached fantastic levels. The expression "Eso vale un Potosi" (It is worth a Potosi) is still used in the Spanish language to convey the idea of enormous wealth. The discovery of the amalgamation process in 1557 revolutionized the silver industry and gave it new impetus in Hispanic America. This process consists in applying mercury to silver ores,

in order to eliminate extraneous substances and reduce the metal to a pure state. It is generally agreed that credit for its discovery and employment as a practical method belongs to Bartolome de Medina, a mineralogist born in Seville early in the 16th century, who came to Mexico in 1555."

(Tourists in Colorado encounter a 13,786 foot mountain called Potosi Peak to the West of the city of Ouray---in an old gold and silver mining district. Theater in Pachuca Mexico, completed in 1963, is named after the Mexican ore processor)---

"At first silver was carried to the mother country in single vessels, but as exports increased the need for better protection led to the formation of the treasure fleets. These armadas, teeming with men and bristling with arms, sailed at regular intervals over established routes almost, if not completely, without regard to the operations of enemies. As additional protection, the waters around Andalusia and certain parts of the Indies were policed by war vessels. It was ordered by royal command that the New Spain fleet should leave in April and the Tierra Firma fleet, which served the mainland of South America, in August."

(Admittedly this historical digression departs from the "Britain Against Silver Theme," but these details were presented in 1932, a key year, and the author wanted to refresh the readers minds as to silver's history. At the close he appeared resigned to the final exclusion of silver as money. The

history of fiat money and precious metals is still being written. We shall see which survives all cataclysms.)

"Vera Cruz in Mexico (its full name is "Villa Rica de la Vera Cruz"---Rich Town of the True Cross), Amatique in Guatemala, Trujillo in (start page 850) Honduras, Porto Bello and Nombre de Dios in Panama, and Cartagena in Colombia became the silver ports of the New World. The treasure from Mexico was taken from the highlands to Vera Cruz over trails that began eight or ten thousand feet above the sea. The output of the Peruvian mines was placed at Callao on the Pacific, or South Sea, fleet, taken to Panama City and thence to Nombre de Dios or Porto Bello, where it was transferred to the Tierra Firma, or mainland galleons. These also went to Cartagena, the port of call for silver sent down the Magdalena River, from Colombia, Ecuador, and parts of Peru."

"Fortifications were erected in all these ports to protect them from all possible enemies, especially against pirates, who never lost a chance to "twist the Spaniard's beard;" Drake played havoc with Nombre De Dios in 1596; Panama City was destroyed by Morgan in 1671, and had to be rebuilt on a better site. But the protection given all these harbors certainly was not to be held in scorn. Cartagena was surrounded by walls so strong that to this day they stand almost intact. The castle of San Juan de Ulua in Vera Cruz, ranked as a first class fortress even in the 19th century. History shows that piracy, in this case, did not pay. It emphatically did not, according to reliable sources, cover what may be termed its cost of production, the amounts of treasure taken from the Spaniards by foreign powers being but a small percentage of what was safely carried over."

"The ultimate goal of all American silver was the Casa de la Contratacion, or House of Trade, in Seville. Here it was weighed by an official and placed in chests in the treasure chamber, whose substantial walls, strong doors, and double iron bars afforded ample protection. The treasure chamber and chests had triple locks, and one of the three keys required to open them was carried by each of the three officials of the House. To increase the protection, in times of unrest special guards were kept on duty at night."

(That's what a Treasury is---a place where treasure is stored. The United States Treasury is currently operated as to ignore the reality that gold and silver are treasure. This is a defiance against natural law and its author, what Andrew Jackson called, "The Eternal.")

"To give an idea of production in the Indies, it may be said that from 1521 to 1660 more than 37,000,000 pounds of pure silver were shipped to Spain. The fortunes made from silver were, for those days, incredible. The Veta (vein) de la Soledad, near Pachuca, Mexico, yielded 6,000,000 pesos in one year, 1774. The owner of the mine, Don Pedro de Terreros, celebrated by presenting King Charles the Third of Spain a 120 gun frigate---the equivalent of a modern ship of the line---and a loan of 1,000,000 pesos without interest."

(Don Pedro Romero de Terreros, 1710-1781, Mexican mining magnate is described at the Texas State Historical Association as having financed expansionism into Texas http://www.tsha.utexas.edu/handbook/online/articles/TT/fte27.html)---

(Eight "Real"---meaning Royal--- coin below, dated 1776, with unskilled image of King Charles III of Spain, was pressed at the Mexico City mint in 1776)---


"The output of the Valenciana mine in Guanajuato, Mexico, has been estimated at more than 800,000,000 pesos. During the lifetime of its first owner, the Conde de Rul, it produced 226,000,000 pesos. The Count built several magnificent churches, each of which cost from 500,000 to 1,000,000 pesos. On an eminence near the mine he (start page 851) erected the Church of San Cayetano, which is one of the most beautiful in Mexico. It has three splendid Churrigueresque altars, and once supported a magnificent service, maintained by contributions from the miners, amounting to 50,000 pesos annually."

(Talk about a stem-winder of a word! Churrigueresque apparently is a reference to a church interior designer from way back.)

"Jose de la Borda, another mining magnate, in gratitude for the benefits derived from his enterprises, in 1757 built a church at Taxco which is considered to be perhaps the most complete monument of ecclesiastical art that exists in the Western hemisphere. Many of the devout people of Taxco still come early every morning to begin their day by kneeling and praying in front of this church. La Borda also endowed the Cathedral at Mexico City and other churches with princely gifts, and to create a retreat for himself spent more than a million pesos on a magnificent garden, in Italian style, located at Cuernavaca. The residence built in connection with this garden was later on occupied during the summer months by Maximilian, Mexico's ill-fated Emperor."

"Mexico, which has produced more than a third of the world's silver supply, managed to hold its own even during the 19th century, (start page 852) when events began to mark the decline of silver. A considerable amount of the metal produced in Mexico found its way to the Far East, and the old

Mexican silver peso is said to hold the honor of having been the most widely circulated coin in the world. In China, prices used to be quoted in dollars "Mex." The future of silver is today undecided, and the empire it once supported is a thing of the past. The treasure chests are empty. The harbors whose waters bore the galleons laden with gold and silver bullion have turned to more prosaic pursuits. Some of the old forts are in ruins; grass grows in the moats and weeds have conquered the crumbling stones. But the walls of Cartagena are as massive as ever; the castle of San Juan de Ulua still keeps watch over the Villa Rica de la Vera Cruz; and the sun still shines on the brilliant tiles of Taxco's church."

(In all this Spanish silver history it needs to be remembered that England raided their shipments on the Atlantic, most especially through Sir Francis Drake, and with the defeat of the Spanish Armada in the English Channel in 1588, the balance of world power shifted to Britain. We've seen that the British export is fiat money---not silver. We would have been better off with the Spanish notion of currency.)

The NYT, December 1, 1932, page 34, "Wheeler To Press Silver Money Bill," subtitled, "Returning From Conference With Roosevelt, He Begins Battle to Line Up Senators"---

"Washington---Senators favoring the remonetization of silver laid plans today to push their project as Senator Wheeler returned to Washington from a conference with Governor Roosevelt. The Senator declared that silver remonetization was the only alternative to the United States leaving the gold standard if all other nations went off it. Senator Wheeler would not discuss his conversation with Roosevelt, but the manner in which he is planning to push for consideration of a remonetization bill was interpreted as meaning that he received at least some encouragement on behalf of the new administration."

"Speaking for the silver advocates, Senator Wheeler said he believed sliver must be made a currency basis with a fixed relationship to gold, but did not advocate currency inflation without a fixed monetary base. Senator Wheeler also replied today to critics of silver remonetization who contend that ***GREAT BRITAIN AND POSSIBLY OTHER MAJOR COUNTRIES WOULD NOT AGREE TO MAKING SILVER A UNIVERSAL CURRENCY BASE OF FIXED VALUE***."

("Britain Against Silver" was easily the most appropriate title for this historical review series.)

"Concurrence by other countries would not be necessary," he said. "If we monetized silver we not only would broaden our money base but we immediately would gain trade from the Orient, with its silver using currencies, ***WHICH WOULD FORCE OTHER NATIONS TO ACQUIESCE***."

(Wheeler's views were a bullseye view of reality. Unfortunately, he didn't have enough support. With Roosevelt coming into power in spring 1933, certain positive measures took place in silver, but mixed with negative actions.)

"A statement by the Senator said in part---"The greatest problem confronting Congress and the administration, whether it be this one or the next, is the question of money and currency. If an international agreement can be reached on the subject, fine. If an international agreement cannot be had, then we ought to take independent action. We have twenty one nations off the gold standard and about twenty others with depreciated currencies while we maintain the gold standard."

"It should be obvious to anyone that no farm relief bill can be propounded which will raise price levels to the American farmer until such time as these countries now off the gold standard are back on or this country itself either goes off the gold standard are back on or this country itself either goes off the gold standard or adopts my bill for the remonetization of silver."

(Next the Senator spoke indirectly of cooperation with the Farm Bloc in Congress)---

"Let us assume that England is the market for wheat. The main producers of wheat are Canada, the United States, Argentina and Russia. Canada's money is depreciated about 10 percent in terms of the United States gold dollars; Argentina's is depreciated 40 percent and the United States is the only one of these three whose currency is on a gold basis."

"The pound sterling is $3.50 in terms of the United States dollar. When England buys her wheat from Canada the Canadian producer receives 55 cents in Canadian currency. When England buys from Argentina the

Argentine farmer receives 70 cents in his currency. When England buys from the United States, the American farmer receives 50 cents in gold currency. In addition to this, the cost of producing in these countries is cheaper than in the United States."

"If Congress passes farm legislation it is going to be extremely difficult if not impossible for us to raise the price of farm commodities in this country when the world market is lower. Even with our tariffs these countries can afford to jump over our walls and sell to us because of their depreciated currencies. On the other hand, they are unable to buy anything from us because of the fact that they have to give so much more of their money for our money. If we could come to some definite understanding on money you would hear no more talk of debt repudiation or of farmers marching on Washington."

(All that was correct. The British attack on silver caused misery on a scale that couldn't be measured. The importance of the Farm Bloc was such that due to its legislative alliance with the Silver States, we were able to hold off the combined assault of the bankers and silver users against coin silver until the mid-1960's.)

The NYT, December 4, 1932, page 2, "London Group Offers Barter Plan for Trade With 35 Nations Having Curbs on Exchange"---

"London---Associated Press---Back to barter---but on a giant scale---is the plan of the London Chamber of Commerce to rebuild British trade. Broken monetary systems, exchange restrictions instituted by thirty-five nations, and increasing trade stagnation have caused the chamber to advocate this return to the simplicities of bygone centuries. Coining the word "bartex" to describe its plan, the chamber is backed by the Association of British Chambers of Commerce, the Federation of British Industries and the National Union of Manufacturers."

(Let's add "bartex" to our vocabulary, though it is disturbingly suggestive of "Comex.")

"It proposes that the government shall create barter exchange clearing houses and immediately extend invitations for a conference in London to all countries with exchange restrictions. Such clearing houses would be set up in the United Kingdom and in the countries with which business may be

done. Checks, vouchers or some similar documents would be issued, involving for their liquidation the passage of goods. The risk of exchange fluctuation would be the only one involved, it is argued, and the insular position of Britain makes the adoption of such a plan simple, as it is necessary here to use shipping documents (bills of lading and so on) and these would be the instruments controlling clearing houses."

"As worked out by the chamber and described by Sir Stanley Machin, the senior vice president, the plan would work like this---Assuming legal sanction and agreements reached through the central banks of each country, the internal value of an external trade barter unit to be known as "bartex" would be fixed within each, and negotiable only between Britain and the specific country."

(Maybe his name was really Stanley Machination! He was president for 1928 of the Confectioners Benevolent Fund. It would be interesting to see 15 tons of candy bartered out of London for 200 carats of harlequin opal from Andamooka, Australia.)

"The only procedure then necessary would be for the seller in say, Denmark, to draw through his bank on the English buyer for the invoice value of goods in "bartex." The English buyer would take up the documents in sterling, the Danish sellers would be paid in kroner. Certificates of origin would accompany shipments, and British ships would receive their pay in "bartex," thus stimulating the use of British shipping. Existing frozen credits, the chamber suggests, could be released at once under this system if the foreign governments undertook to issue "bartex" ten year guaranteed bonds, payable one-tenth each year and covered by an agreed excess of exports over imports to such value."

The December 4, 1932 NYT, page 2, "Silver is Linked to Debts in New Yorker's Plan"---

"Washington---President Hoover concentrated today on preparations for submitting the war debts problem to Congress, along with the notes of the debtor governments appealing for relief. Eager for swift action, he is reported hopeful of presenting the issue Monday, although his advisers say there may be a delay of a day or two. No new debt notes were submitted to the State Department today, but Ferdinand Veverka, the Minister of Czechoslovakia, called on Under Secretary Castle and said that one would

come from his government early next week. Similar communications are expected shortly from Poland and probably Belgium."

"Since the delivery of the British note there have been important visitors in Washington from New York, bankers intimately acquainted with the resources of that nation and particularly with the amount of its gold on foreign deposit."

(Important visitors? Pilgrims Society members from Wall Street atop the big banks and financial firms!)

"They have urged Secretary Mills and perhaps the President, that the administration should, ***REGARDLESS OF CONGRESS ATTITUDE***, stand squarely for a continuation of the moratorium policy, asserting flatly that otherwise Great Britain would be obliged to default."

(The Society naturally focuses on controlling the President, since he alone represents one branch of the government. Why not just ignore Congress, the elected representatives of the people, when convenient? Which isn't to say that many key seats in both houses aren't under Money Power control.)

"It is believed by many here that Mr. Mills is sympathetic with their recommendations as to what the President's debt message should say. At the State Department it was said tonight that no report had been received from Ambassador Mellon of a conference today with Stanley Baldwin and that Mr. Mellon had not received any message of instructions which would require such a meeting. Secretary Stimson devoted most of his day to the debts problem, and this noon went over various phases of it with Mr. Hoover for an hour at the White House."

"They were understood to be framing the President's statement, ***BUT INQUIRIES MET WITH COMPLETE SILENCE."***

(Next Pilgrims Society meeting---site unknown---secret---One World!)

"Notwithstanding the speculation as to the possibility of a recommendation for extending the moratorium, the expectation most widely held was that Mr. Hoover would restate the attitude that he has made known already to the foreign governments themselves---that the best way for revision would be to make their payments on December 15. It is believed he will deny, as he

repeatedly has in the past, that the United States is bound by the Lausanne agreements or that he has made any commitments, real or implied, linking debts and reparations."

"Whether or not he will take notice of hints in the British note of trade reprisals if suspension of payments and debt revisions are not granted, or object to the French suggestion that he is obligated to recommend debt reduction to Congress, remained unanswered today. Cabinet officers when asked about such possibilities only laughed and remained noncommittal. Some other government officials, speculating on the tone the President would adopt, make no secret of their belief that the time has come for positive assertions which will leave no question as to the American position."

"Republican leaders would welcome a stingingly sharp statement to Congress. They feel that it would strengthen their position, where they encountered during the Presidential campaign strong opposition to foreign debt concessions. However the President presents the debt question, it is a foregone conclusion that Congress members will utter their views in unmistakable terms during debate. This prospect is causing concern among administration officials, who feel a tension in foreign relations caused by the appeals for debt relief. Officials refer to the situation as a mess."

"The Congressional attitude, instead of relaxing today, showed signs rather of a continued stiffening of opposition to suspension of the December 15 payments. Hopes for future revision were confined mostly to negotiations yielding concessions in trade. The silver question became associated with debts in developments today. Representative Somers of New York suggested in a statement that Great Britain be allowed to make her debt payment in silver rather than in gold. He argued that this would help restore the price of silver and benefit the whole world."

(That was exactly what the British wanted nothing to do with! As badly as they had damaged monetary silver, it was still not obliterated, and they continued marching towards that goal. As currencies round the world sink in 2008, people start remembering historic money---precious gold and silver.)

"***NINETY PERCENT OF THE WORLD'S POPULATION IS FUNCTIONING ON DEPRECIATED CURRENCIES***," he said.

"***THESE DEPRECIATED CURRENCIES HAVE BROUGHT COMMODITY PRICES SO LOW THAT THERE IS NO LONGER A PROFIT IN PRODUCTION. THIS, OF COURSE, ACCOUNTS FOR THE TREMENDOUS AMOUNT OF UNEMPLOYMENT THROUGHOUT THE WORLD."***

(Create the monetary firestorm then offer the world the "Rex" was the British conspiracy. The Crown and its financiers must rule!)

"India has a reserve of silver amounting to about 300,000,000 ounces. Let us see what would happen if England were to pay her debt in silver at, we will say, thirty-five cents an ounce. Such an arrangement would be a good deal for the debtor because the value of silver is now twenty-five cents an ounce and the suggestion is tantamount to a reduction of the amount due. But as soon as we make such an agreement with Great Britain, silver would go to thirty-five cents an ounce. We would receive payment in full and Great Britain would be relieved of a part of her debt by the increased value of her instrument of payment."

"The transfer of the metal from Britain to the United States would be a physical and not an exchange operation, so there could be no disturbance. The utilization of India's reserve stock would reduce the disparity between the dollar, on one hand, and the silver currencies on the other, ***AND BY ELIMINATING ONE OF THE GREATEST INSTRUMENTS OF PRICE DESTRUCTION*** it would raise the world price level. What is more important is the fact that through this experiment we would once and for all, at a negligible cost, determine the value of silver as a lever on commodity prices. If it succeeded, ***WE WOULD HAVE THE KEY TO THE SOLUTION OF ALL FUTURE DEPRESSIONS***. If it failed, the silver advocates would be answered forever."

(Somers proposal naturally received the expected opposition. The Anglo-American banking community was intent on destroying silver as a means of payment.)

"House Of Lords Blocks Bimetallism Move," NYT, December 4, 1932, page 7, subtitled, "Blocks Attempt to Put Issue Up to World Parley"---

"London---An attempt to get bimetallism placed in the forefront of the agenda of the World Economic Conference was resisted by the House of

Lords today. While bimetallism might make some difference, it is argued, the increase in the world's monetary stock would be so small as not to be worth bothering about."

(So here we are back to the central theme of this series---"Britain Against Silver." The last dozen and a half words of that sentence are infuriating, mendacious, maddening, exasperating, galling and despicable. For China and India to recover their silver's buying power was "not worth bothering about," according to the lordly House of Lords! What a way to control planet Earth! Destroy silver and gold as money then get central banks rigged and running everywhere belching out fiat currency! If any nation resists having a central bank, it must be invaded!)

(Lord Stanhope was the 13th Earl of Chesterfield whose father in law was the 6th Marquess of Sligo, Ireland. Stanhope was leader of the House of Lords, 1938-1940 and bitterly opposed to monetary silver. The entire history of British nobility is a virtual can of worms and of amazing worldwide influence, though certainly of an unspeakable nature!)

"Ohio Area Thrives On A Scrip System," NYT, December 6, 1932, page 6, subtitled, "Joint Stock Exchange Has $1,000 Worth in Circulation---Irving Fisher Endorses Plan"---

"Yellow Springs, Ohio---Scrip is in successful operation in this farming area and business is thriving on it. The "substitute currency" is provided by a joint stock corporation, and the principles involved are so intriguing to economists that Dr. Irving Fisher of Yale University recently visited Yellow Springs to study the system, and gave it an endorsement."

(We've heard about Fisher off and on in this series and his bigoted anti-silver stance.)

"It works like this---a farmer having 100 bushels of potatoes, but no cash, wants a carpenter to repair his barn. The carpenter, perhaps otherwise unemployed, is willing to take his pay in commodities, rather than cash, but does not want only potatoes. So the farmer sells his potatoes to the exchange, which pays him in scrip, the farmer then hires the carpenter, paying wages with this scrip, and the carpenter spends the scrip at the exchange, buying potatoes or other things he needs. If either the carpenter

or the farmer has some scrip left over he can keep it indefinitely and spend it any time he wants to."

"Scrip of the Yellow Springs Exchange is issued on parchment bond paper in denominations of 10 cents, 25 cents, 50 cents, $1 and $5. So popular has the store become that it has had to enlarge its space twice in the last two months. It now has about $1,000 worth of scrip in circulation and is doing about $1,000 worth of business a week, about one-third of which is in regular cash."

(Some of you may recall the historic story of "colonial scrip." That is a whole other study. I don't know when this Ohio experiment failed, except that it was by mid-1933. You see the problems associated with this system. Goods must be transported to an exchange that must continually be expanded in size. Gold and silver, being inherently money, are "master commodities" by which all other commodities---and services---should be purchased. There is then no need for a warehouse where persons wishing to take place in a thinly disguised barter system must transport goods. Instead, persons with coined money may spend it wherever they go. It's much easier to transport than a load of shingles, 35 bushels of wheat or three cords of firewood.)

The Times, London, December 8, 1932, page 7, featured some discussion in the House of Lords---

"It appeared to be sterling and not gold which ruled prices and moreover, ruled the exchanges of all nations whose currency was not based on gold. That seemed to mean that any lead which this country should have in currency matters would be largely followed. Lord Desborough said that if this country had remained on the gold standard it would have been in a more lamentable plight than it was at present. Britain and other countries had taken sterling as their standard. ***HE HOPED THAT THE GOVERNMENT WOULD THINK MANY TIMES BEFORE THEY RETURNED TO THE GOLD STANDARD, WHICH HAD PROVED SUCH A LAMENTABLE FAILURE***."

(Or was gold mismanaged so that it would appear to have failed as money? Lord Desborough chaired the executive committee of The Pilgrims in London, 1919-1929, and was affiliated with Morgan, Grenfell & Company, London operations of J.P. Morgan & Company. Lord Sanderson, whoever

he was---nonexhaustive search found nothing--- expressed being "doubtful" as to the world returning to bimetallism and made the following shocking declaration)---

"He urged the Government to work out some new plan ***AND TO STOP THINKING IN TERMS OF THE PRECIOUS METALS***."

"Lord Stanhope, replying for the Government, said while bimetallism might make some difference the difference would, in the opinion of the Government, be very small. The Government was prepared to consider anything which might be put forward, ***BUT THEY DID NOT THINK THAT BIMETALLISM WAS OF SUFFICIENT IMPORTANCE TO BE PLACED IN THE FOREFRONT OF MATTERS TO BE CONSIDERED AT THE WORLD ECONOMIC CONFERENCE***."

(Lord Stanhope, 1880-1967, Pilgrims of Great Britain, was leader of the House of Lords and president of the Board of Education. How convenient a post for a synthetic money advocate to hold! He descended from a lengthy line of English aristocrats, including James Stanhope, who died in 1721, who married Lucy Pitt, daughter of Thomas Pitt, Governor of Madras in British India, and for whom a world famous diamond was named. James, who became Viscount Stanhope of Mahon, was himself the son of the first Earl of Chesterfield, and was foreign minister for King George I who commanded British forces in Spain in 1708-1710 and became first Lord of the Treasury in 1717. It appears definite that totally apart from any concern over the Rothschilds, with whom British nobility is allied, they are unalterably opposed to monetary silver in any century!)

The Times, London, December 9, 1932, page 22, "Progress Of Gold Mining Interests" was a report on Consolidated Gold Fields of South Africa. We'll look at a paragraph titled "Need Of A Second Metallic Currency"---

"It seemed as clear as daylight that there was insufficient gold in the world to serve as a basis to currency and the payment of War debts and reparations, and that ***A SECONDARY METALLIC CURRENCY WAS REQUIRED TO MAINTAIN STABILITY, WHICH NO MANAGED CURRENCY COULD DO***. The insufficiency of gold was directly responsible for the fall in the price of commodities from which the world was suffering."

(It should have said, "the insufficiency of gold in the absence of silver.")

"The fluctuation of currencies resulting from gold shortage constituted an intolerable burden on debtors, whether individuals or nations. President Hoover had assured the Western producers that the whole silver question would be fully dealt with at the World Economic Conference---in fact, he stated that he made the consideration of silver an essential condition of the participation of the United States in that Conference. The President elect had done the same."

(This was a reference to Franklin Delano Roosevelt, elected President in fall 1932. Hoover was a lame duck. I see no credible evidence that Hoover really supported monetary silver. As for FDR---I almost wish we could overlook him!)

"Were these mere electioneering promises and would the Conference ever be held?"

(I assume the Paper Money Mob hoped the silver advocates would hold their breath while the Mob stalled off a conference, only to finally stage a rigged summit in London in June 1933!)

"There was no idea of out and out bimetallism. The supporters of silver asked only that the debased silver coinage should be withdrawn and that the prewar standard of fineness should be restored. They would ask that the banks of the world should carry something between 15 percent and 35 percent of their metallic reserves in silver, a harmless method of inflation, for it would be controlled and limited not by the operation of the printing press but by the output of the mines."

(Bankers aren't predisposed to favor silver as money since they can't create silver. As for silver causing inflation, it can no more do so than can gold. Only fiat money causes "inflation." But we can quickly agree---money is the output of the mines, not of the printing press.)

"Hitherto one of the chief arguments of the opponents of silver had been the suggestion that silver, being largely byproduct, would flood the world; now the Chancellor of the Exchequer took the other tack and stated that there would be too little silver produced to be of any use as an assistant to gold. Once silver was stabilized he believed he would find that the 300,000,000oz produced in 1929 would be largely exceeded by the producers of the British

Empire alone without having any regard to the vast stores of uncoined metal which the East had not produced but had accumulated."

(Silver never flooded the world from mining, but from governments dumping accumulated stores from decades of acquisition. Neville Chamberlain, Pilgrims Society member, could weave as well as any snake and change direction whenever rhetoric required. I believe that over 80% of world silver output in 1932 came from Western hemisphere mines. Those weren't part of the British Empire, excepting the Canadian subset, but in any case his allegation that British territories could exceed the figure of 300MOZ per annum was hokey.)

"The remonetizing of silver was not panacea, but many good judges were convinced that it would go far in the direction of alleviating trade stagnation. In any case, it was better than mere folding of Governmental hands and hoping that something might turn up."

"Seven Countries Plan Wider Use Of Silver," NYT, December 12, 1932, page 27, subtitled, "Germany, France, Cuba, Mexico, Peru, Colombia and Rumania to Increase Coins"---

"Washington---Some of the foreign countries in the last two years have made provisions for the more extensive use of silver in their monetary systems as a result of the shortage of gold reserves, according to a survey by H.M. Britter of the Finance and Investment Division of the Department of Commerce."

(This was Herbert M. Bratter. The misspellings continued.)

"Among such countries, Mr. Britter says, is Germany, which last July raised the legal maximum for silver coinage from 20 to 30 reichmarks per capita. "As a result," the survey added, "the German Government has made heavy purchases of silver in recent months, notably from Russia, and the stock of that metal in use as currency has increased from 915,500,000 reichmarks in 1929 to 1,672,000,000 reichmarks in August 1932. Inasmuch as German law requires no gold reserve to be held behind the silver coins, the substitution of silver for paper money serves to relieve the pressure on the country's gold stocks."

(I find it amazing---and offensive---when suggestions are encountered that silver needs gold backing. Silver is its own backing. It is absolute payment, like gold. It is likely to outrank gold at times as money, since industry starves without it.)

"Mr. Britter names France, Cuba, Mexico, Peru and Rumania as among other countries in which the monetary use of silver is being increased. "The French monetary law of June 1928," the survey said, "provides for the replacement of Bank of France notes of denominations up to 20 francs with silver coins, 0.68 fine. The law names December 31, 1932, as the date when this substitution should be completed, but application of this law will have to be postponed, as not enough silver has been minted to replace the approximately 3,000,000,000 francs paper money in question."

(Only .68 fine? The debasers were in the background of that 1928 law.)

"Silver at the present time plays a relatively minor role in the currency system of the United States, representing in March last only 12 percent of the total money in circulation. Standard silver dollars and silver certificates formed about 7 percent of the total, while standard silver dollar coins, taken by themselves, were less than six tenths of 1 percent. More than 90 percent of the silver dollars in the United States are held in government vaults."

(Which wasn't the best place for them---where the bankers could use them to jerk silver around. Speaking of percentages, if half the so-called "money supply" of the United States started chasing hard silver, and the other half, gold---what percent of one silver dollar would a $100 paper note buy?)

***"THIS COUNTRY HAD IT IN ITS POWER TO TAKE A LEAD AND IMPOSE ITS WILL ON THE WORLD. OUR POLICY MUST BE DIRECTED TO HELPING THE WHOLE WORLD, INCLUDING AMERICA. WE SHOULD USE THE GREAT POWER WE POSSESSED TO PUSH FRANCE AND AMERICA OFF THE GOLD STANDARD AND DO ALL WE COULD TO IMPOSE STERLING ON THE WORLD AS THE INTERNATIONAL MEDIUM OF EXCHANGE*."**---Speech in British House of Commons by a Mr. Smithers, The Times, London, December 22, 1932, page

(This is all the British wanted---to run the world financial system with fiat currencies. As of August 1971, they essentially had most of what they were after. But it appears to want to unravel, this synthetic finance system.)

The NYT, December 27, 1932, page 1, "Scientists Get Plea For Electric Dollar" with subtitles "Dr. J.P. Norton Offers It as a New Standard in Currency Supplementing Gold," and "Kilowatt Hour As A Basis" and "Unit's Stability Over Periods of 5 Years Cited in Address at Economists' Meeting"---

"Atlantic City, New Jersey---Adoption of the "electric dollar," based on units of electrical energy as an optional standard while retaining the gold standard, was advocated here tonight before a joint session of the Econometric Society and the economic section of the American Association for the Advancement of Science, which opens its ninety-first winter meeting here tomorrow morning."

(John Pease Norton---Yale 1899---was a member of the anti-Constitutional Academy of Political Science, a banker front---Who's Who, 1940, page 1949.)

"The electric currency proposal was made before a number of leading economists by Dr. John Pease Norton, economist, of Suffield, Connecticut. Professor Irving Fisher of Yale University, president of the Econometric Society, presided at the meeting. Others who presented papers included Carl E. Thomas of the Federal Reserve Bank of New York and H.T. Davis of the Cowles Commission for Economic Research, Colorado Springs; Dr. E.B. Wilson of Harvard University, Dr. Harold Hotelling of Columbia University, Dr. J.A. Shohat of the University of Pennsylvania and Dr. Norbert Wiener of Massachusetts Institute of Technology took part in the discussion."

(Irving Fisher was a widely known anti-silver economist. He was vice president of the Third International Commission on Eugenics---recommending who should and who should not be allowed to have children! He was a member of the Royal Economic Society, the League to Enforce the Peace---which urged America joining the League of Nations; and was a director of Automatic Signal Corporation; Remington-Rand; and Buffalo Electric Furnace; Check Master Plan Incorporated; Sonotone Corporation; and Euthenics Products. Fisher founded the Stable Money Association, which featured no place for silver!)

(The Cowles Commission was named for Gardner Cowles, born in 1861, who dominated the newspaper business in Iowa out of Des Moines. His son Gardner became a Pilgrims Society member. Wilson was president of the Social Science Research Council, another Wall Street front, in 1929-1931. Hotelling was a member of the Royal Economic Society. Shohat was a member of the American Academy of Arts and Sciences, today heavily interlocked with the familiar Council on Foreign Relations. Wiener was a member of the National Academy of Sciences, also interlocked.)

"The new electric dollar would be known as the "Edison dollar," Dr. Norton declared, and would be measured in terms of kilowatt hour units. Forty kilowatt hours would be equivalent to one "Edison dollar." Since the cost of kilowatt hour production varies but slightly in five year periods, the new standard could be revalued but once every five years."

(Sounds like a nice banker proposal. With a flick of a switch, they could say due to the power failure, our net worth was reduced to zero!)

"The kilowatt hour, Dr. Norton explained, is an electrical unit which is the same in quality and quantity everywhere in the United States."

(How neat! Electricity is "fungible!" By what means other than copper transmission wire did they propose to transport it? How would average people "hoard" it?)

"The average cost of production of a kilowatt hour for all the kilowatt hours produced in the United States does not vary greatly in any limited period of five years, but it has decreased considerably in value with the progress of the industry."

(Uh-oh!)

"***TO START THE SYSTEM INTO OPERATION LEGISLATION WOULD BE NEEDED, DR. NORTON ADDED, "DEFINING THE STANDARD OF VALUE WITHIN THE UNITED STATES AS THE ELECTRIC DOLLAR, LEGAL TENDER FOR ALL TRANSACTIONS OR CONTRACTS WITH DURATIONS OF LESS THAN FIVE YEARS***."

(An electrifying proposal! And of course the dynastic families sponsoring these economists already had working control of all the big electric utilities in the nation.)

"The electric dollar or the "Edison dollar," might be defined as forty kilowatt hours, valuing the average kilowatt hour as 2.5 cents. By doing so we will have a real, useful electric measure of value, extremely uniform throughout the United States. Forty kilowatt hours by the definition of the standard of value would become for five years the electric dollar in which rents, wages and prices would be quoted."

(Let's hope the bankers wouldn't leave any live wires dangling around!)

"Corporations would pay wages and dividends in electric dollars."

(Would that not confer unfair advantage on electric utility corporations, upstream as they were at the source of power?)

"The volume of currency necessary to do the country's business would come about in this way. The source of "Edison dollars," Dr. Norton suggested, would be the electric light and power companies."

(So I wasn't far-fetched in my assumption.)

"The present bond secured bank notes," he said, "arise by banks (continued page 6) depositing gold bonds (the specified government issues) with the United States Treasury against which bank notes are issued to the banks and pass into monetary circulation. Government bonds are futures in gold, a promise by the government to pay gold at a future date. In a similar way the electric light companies would deposit with the United States Treasury futures in kilowatt hours, that is, their promise to deliver kilowatt hours in the future to an amount fixed in certain manner, against which the United States Treasury would deliver "electric dollars." The bond held by the government for performance of the ultimate redemption would be a lien ahead of all obligations on the property of the electrical corporations."

(Could we trust the Secretary of the Treasury to properly oversee this plan without fear or favor? What if he came from an investment bank that had underwritten securities offerings for such companies?)

"The electric dollars would go to the electrical companies instead of to the banks, as now, to be paid out in wages, dividends and in payment of supplies, everywhere in the general circulation, just as banknote currency is paid out by the banks. Banks would keep checking accounts in electric dollars and the gold paper substitutes would be retired gradually."

(This was no scheme to destabilize banking control by diverting it from banks to electric utilities. You must suspect that the utilities were far more regionally consolidated than the banks, and that this was a veiled scheme to drive all non-aligned banks out!)

"Long term contracts longer than five years could be made in "Edison dollars" or in gold dollars, at the option of the parties. Gold currency would fluctuate in price with reference to the electric currency standard just as foreign exchange rates do now. The electric dollar would not fluctuate, inasmuch as ***IT WOULD BE THE COUNTRY'S LEGAL STANDARD OF VALUE."***

(Ben Franklin flying the kite in a lightning storm should have suspected as much, huh? Too bad all the Constitutional framers missed that point.)

"Gold currency probably would go to a discount as the intrinsic value of gold would be cheapened, particularly if other nations followed our salutary example."

(Have any of you ever heard of this bizarre plan to exclude gold? It's the first I ever saw it.)

"The "Edison dollar" could be made stable in purchasing power. Stability of value would be measured by the standard deviation of the average prices of commodities expressed in the electric standard. Index numbers indicate how widely the purchasing power of the gold standard fluctuates. This fluctuation is determined to a considerable extent by the quantity of paper substitutes for gold issued."

(A tricky bunch, these banker-sponsored economists. There was truth and falsity in what they offered. Gold was often as manipulated as silver. They must have been crazy insane about wanting to exclude gold. This proposal wasn't offered as a comedy item.)

"Therefore if the United States Treasury is directed along the lines of the Goldsborough bill to maintain the index number at a given level, it is simply necessary to declare, when the index number rises in the electric dollar standard, a proportionate contraction in the volume of currency, thereby restoring the average price level. The permissible unit of fluctuation might be 2 percent of the daily index number, at which expansion or contraction of currency could be ordered as needed. This is a responsive system, since all electric dollar currency in a short time could be extinguished by payment of customers bills to the electric companies."

(So anyone not using electricity would be excluded from the money and payments system! Just a touch like the "mark of the beast?")

"Having started the Edison dollar system as public service money, we could extend the currency through the railways and by providing for the issue and redemption of an allotment to the railways at a fixed ratio of average ton-mile rate to average kilowatt-hour rate."

(The scheme became progressively more outlandish. But maybe it was plausible from the financiers' viewpoint since they also controlled the railroads!)

"If for purposes of illustration, the total property value of railways and electric companies amounted to $5,000,000,000, $5,000,000,000 would be a 10 percent lien on the property, offset by the currency allotted. If the size of the lien was spread over the net worth of banks and the value of the postal plants of the government, the percentage of the lien would be less. Issues could be redeemed through the post office by a fixed ratio of postage to kilowatt hour."

(To electric dollars they added railroads, next they factored in post office buildings. Why not also add the Rocky Mountains to this mix of derivative basis? They could rely on the widely varying ratios of the altitude of numerous distinct peaks for adjustments when necessary! Anything to prevent the citizenry from transacting affairs in gold and silver!)

"Such redemption ratios are important only when it is desirable to extend or contract the volume of currency in order to maintain a standard price level."

(To the money creators, redemption is never important except for their tiny parasitical circle.)

"Dr. Norton listed five distinct points of advantage in the adoption of the Edison dollar---(1) The security of the electric currency is impregnable; (2) It can be expanded and contracted automatically to control the index number; (3) The kilowatt hour is a unit standard and uniform throughout the United States, ideal for a short term standard of value; (4) For a given period, the legal ratios of average ton-mile rates as well as of postage of kilowatt hour unit can be fixed with ease and justice; (5) Gold is left free for all to use as a standard of value in long term contracts, or as an international money, or again, for whatever other purposes Homo Sapiens may deem proper."

(It takes a weirdly bizarre mind to suggest that how many tons per mile of cargo a railroad system transports has in itself anything to do with a payments system to be used by all Americans. Steel bolts never belong in any fruit salad!)

"Let us assume for the moment," Dr. Norton added, "that the electric dollar system is now in successful operation and that the gold and silver no longer needed amounted to $5,000,000,000, wherever located in the United States. The sum of $5,000,000,000 would represent the advance that would have been gained by adopting the electric dollar system, a sum equivalent to one quarter of the national debt."

(Germans had electric power in 1923 when their currency became valueless. The electric power was certainly necessary, but it didn't stop their payments system from failing. This Norton ended up suggesting what we sensed all along---that gold and silver were no longer needed in the money system! With transocean cables, we could have sent electric dollars to Europe, huh, to send or receive payments! But how would their railroads and post offices have been factored in? But as I suggested, since we have the Rocky Mountains, and they have the Alps, possibly Norton could have suggested a means to make use of those facts!)

"It is no small price we pay to preserve the sanctity of the gold standard, particularly when we consider how disastrous may be the outcome, as evidenced by the present depression."

(Gold wasn't to blame for the monetary turmoil that was intentionally and very conspiratorially ignited by the British. These economists rely on the fact that there are segments of society they are capable of awing with nomenclature and terminology, and proposals that have little or nothing to do with natural monetary law.)

"Visible and audible manifestations of cosmic rays, three dimensional X-ray images of the skeleton of the human body, a new type of dinosaur with dermal plates which roamed the plains of southern Montana, 125,000,000 years ago, are among the exhibits to be shown to the 4,000 scientists attending the meeting. The X-rays in three dimensions are produced by an apparatus known as a stereofluoroscope. It was developed at the California Institute of Technology by Dr. J.W. DuMond, Dr. Archer Hoyt and C.H. Brandmayer."

(Apparently this meeting had more on the agenda other than the proposed electric dollar. Since they were interested in accreting so many tangential factors to it such as railroads and postage, why not add dinosaur bones as well to the sinister effort to shove precious metals out of the payments system?)

The NYT, December 27, 1932, page 16, "Urges Using Silver In Debt Payments," with subtitles, "Senator Hayden Says We Should Accept 100,000,000 Ounces From England In Lieu of $100,000,000" and "Arizonan Would Exact Pledge of Replacement of Metal in Coin and Restrictions on Its Sale"---

"Washington---Acceptance of silver in payment of a part of the British debt as a prelude to a wider and more permanent monetary use of the white metal was urged by Senator Hayden of Arizona, in an address broadcast tonight over a nationwide network of the National Broadcasting Company. Contending that the demonetization of silver had reduced the purchasing power of many peoples, particularly those of the Far East, and that anything done to raise the price of silver would improve foreign trade and be reflected in improved commodity prices at home, Senator Hayden declared that Great Britain, "which started silver on the downward path, and India, which sold silver down to half its former price, should lead the way back to recovery."

(Carl Hayden was sheriff of Maricopa County, Arizona, 1907-1911 and Arizona Senator Carl Hayden, whose service in Congress from 1912 through

1969 (amazing) was called “The state’s most important historical figure”
(Arizona Republic, February 10, 2002)---

"Let the United States, Great Britain and India," he said, "make their intergovernmental debts a reason for the transfer of 200 million ounces of silver to show that powerful governments still have use for that metal. Let the dominions of the British Empire join in a greater utilization of silver as money. When the world economic conference meets there will then be no groping about for a plan. A plan will be made." ***SENATOR HAYDEN RECALLED THAT BOTH THE DEMOCRATIC AND REPUBLICAN NATIONAL PLATFORMS PLEDGE AMERICAN COOPERATION IN AN INTERNATIONAL EFFORT TO RESTORE THE USE OF SILVER AS MONEY."***

(Carl Hayden, Arizona Congressman, 1912-1927; Senator from Arizona, 1927-1969, captured train robbers during his tenure as county sheriff)---

“Senator Hayden added---“The quickest and most effective international cooperation that the American Government can extend toward the

rehabilitation of silver is to accept 100,000,000 ounces of silver in full settlement of $100,000,000 due from Great Britain, upon two conditions--- First, that the British Government acquire an equal number of ounces of silver to restore its coinage to its former silver content. Second, that satisfactory assurances be obtained from the British Government for India that no silver owned by it will be sold except to other governments for coinage purposes."

(These ideas stood no chance of acceptance or even of contemplation by the British Empire, hell bent as it was on destroying silver as money.)

"This transaction will take off the market 200,000,000 ounces of silver and utilize the same for coinage. Certainly there should be some favorable effect on the price of silver if an amount equivalent to a whole year's world production is thus legitimately disposed of and the fear of future governmental dumping by Great Britain and India is ended. He contended that the United States could now absorb over a billion dollars of silver into its monetary system and still have less silver in proportion to gold than we had in 1900."

(The numerical discrepancy is reconciled by Mint seigniorage and credit addition to the monetary base. Arizona, whose state seal depicts a miner with a Latin motto meaning "God enriches," is a great silver, copper and gold state)---

"Study Of Defaults In Colombia Asked," NYT, December 28, 1932, page 25 with subtitles, "State Department Considers Making Inquiry Requested by Creditors," "Cities Owe $100,000,000," and "Ex-Senator Owen Seeks Data on Effect of Exchange Control and Finances of Departments"---

"Washington---Secretary of State Stimson was requested in a letter today by former Senator Robert L. Owen of Oklahoma, as chairman of the Independent Bondholders Committee for the Departments and Municipalities of the Republic of Colombia, to investigate the condition of those departments and municipalities which are in default on their bonds. It is Senator Owen's intention to show that they are able to pay and to require payment."

(Robert Latham Owen, 1856-1947, became a member of the bar in 1880. He was a federal Indian agent for the "Five Civilized Tribes" 1885-1889, member of the Democratic National Committee, 1892-1896, and organized the First National Bank of Muskogee in 1890 and was its president for ten years. He was a Senator from Oklahoma, 1907-1925. He was a member of the Chevy Chase and Cosmos Club in the District of Columbia, where he could have easily been inducted into the orbit of the Money Power. He drafted the Farm Loan Act and the Federal Reserve Act, proving that a man need not reside in Manhattan to be a dangerous monetary conspirator)---

"Several of the departments and municipalities defaulted last Spring, the total sum amounting to about $100,000,000. Nearly all the bonds are held in the United States. Late last week the former Senator in a letter to Secretary Stimson, asked for translations of the executive decrees issued by President Olaya of Colombia in connection with the defaults, including placing an embargo on gold. The national government of Colombia is not in default on its obligations."

(Colombia has long had huge funds from the narcotics trade---it would be interesting to know if Owen knew something about it.)

"The requests of former Senator Owen have been taken under consideration by the State Department. In his letter to Secretary Stimson today, Mr. Owen said---"May I not request that you cause a report to be made of the present condition of the departments and municipalities of the Republic of Colombia which are now in default to American bondholders and a record of which is in the department? If not I shall immediately send you a copy of these defaults. It is very important to have a thorough knowledge of the resources, revenues and expenditures being made by the departments and municipalities in default, so as to lay proper foundation for an adjustment of this matter."

(This matter wasn't a tangential issue from goings on in silver. Britain's attack against silver caused fantastic distortions in the world monetary structure. Then they started in against gold. Owen's letter resumed)---

"For that reason there should be a thorough investigation by the department of these conditions and of the reasons why there is default. Permit me to urge upon your attention the importance of having this information fully obtained---so that the American bondholders may be advised and so that a foundation may be laid for an adjustment of this matter as speedily as possible."

The item, "Default and Gold Control Linked"--- followed this story---

"Washington---A request for a public report on the condition of Colombian departments and municipalities with defaulted bonds made by former Senator Owen refers back to a Colombian decree of September 1931, establishing the exchange control commission in Colombia, an emergency measure of President Olaya to stop the flow of the national gold reserve from the country."

(While many today act puzzled at the idea that gold is money, people in earlier generations were more familiar with reality.)

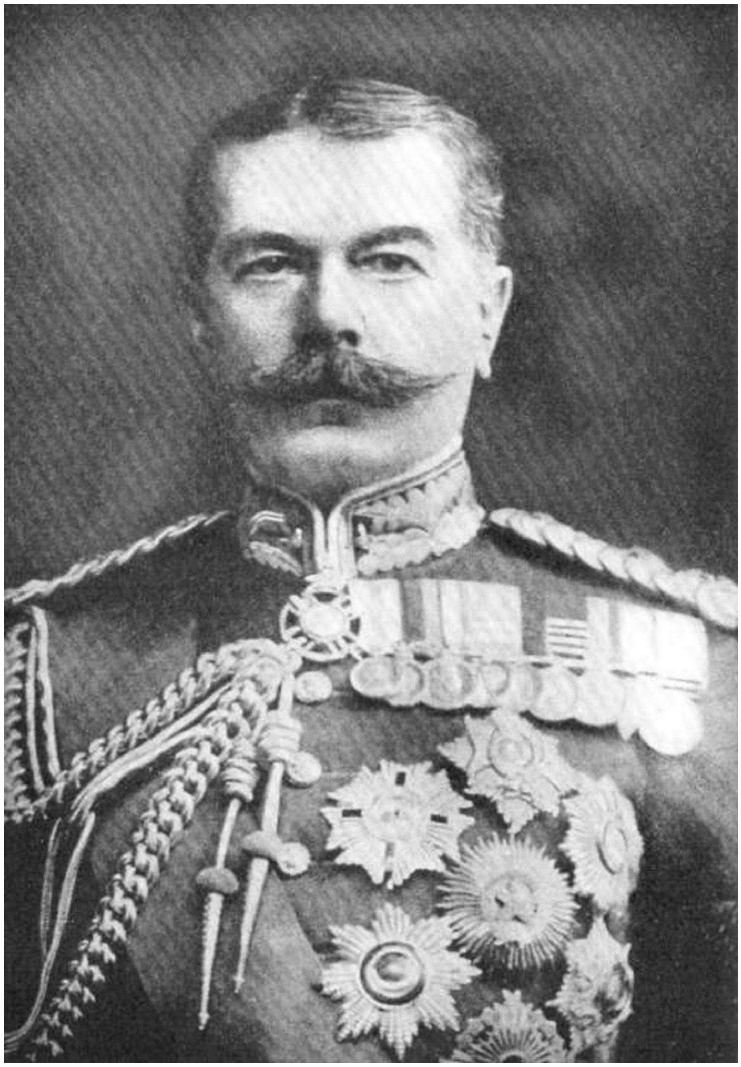
"While interest payment on the national indebtedness was not affected, service on bond issues of departments and municipalities totaling about $100,000,000, all held by United States investors, came under the regulatory control of the commission. Interest default on these bonds began in December 1931, when the municipal authorities of Medellin were unable to gain permission of the commission to remit payment of interest due on the cities securities. Since that time all issues of this category have been in default, despite the fact that charges are being met on national debentures."

"Senator Owen's complaint has its origin in the control commission's concession to individual debtors, who have been allowed to export a monthly total of $150,000 for payment of debts abroad and to pay up to 50 percent of indebtedness in defaulted bonds at Colombian banks. Colombian national bonds have been bought through banks in New York by private debtors. These are accepted at face value by United States creditors."

The December 28, 1932 NYT, page 25, also featured, "South Africa Notes Off Gold Standard," with subtitles, "Treasury Gives Reserve Banks Right to Refuse to Redeem in Sovereigns" and "Gold Export Is Curbed" and "Restrictions Will Seek to Prevent Further Hoarding and Flight of Country's Capital"---

"Pretoria, South Africa---***SOUTH AFRICA, THE GREATEST GOLD PRODUCING COUNTRY IN THE WORLD HAS VIRTUALLY ABANDONED THE GOLD STANDARD***. This was the purport of an official statement issued by the Treasury tonight relieving the Reserve Bank from responsibility for redeeming notes in gold. Powers for this action were taken under emergency financial regulations passed by Parliament last year."

(Ever since the British defeated the Dutch settlers for control of South Africa in 1902, they intended to extend their funny money there also. According to Wikipedia, the Dutch settlers were held in British run concentration camps in which "food was often poisoned and glass pieces and hooks were found in many rations. The death toll reached 26,370 of which 24,000 were children." The British were there with their Pilgrims Society members, Lord Alfred Milner, Lord Roberts and Viscount Kitchener of Khartoum with his embellished egomaniac decorations)---



(You think the British ruling class doesn't have a lofty opinion of itself? Have another look at this dude and be convinced! Too bad those decorations he was festooned with weren't pinned directly onto his hide!)

"Although the government protests its adherence to the gold standard, the effect of these regulations is much the same as if it had been abandoned. The export of gold by South African banks will be controlled, gold sovereigns will be withdrawn from circulation and exchange quotations must be made by banks on this basis."

"The official statement says that because of the political situation there have been abnormal purchases of foreign exchange and withdrawals of gold coin for hoarding. These purchases and withdrawals are likely to continue, it says, on an abnormal scale with the result that credit and the banking position, which is sound, would be greatly endangered. "It has been represented to the government," the statement proceeds, "that in order to avoid a crisis it is essential that immediate steps be taken to protect the country's gold and exchange resources."

"The government in the circumstances agreed to relieve the Reserve Bank of its obligation under the currency and banking act of redeeming notes in gold. The section of the act applicable is suspended."

(Currency not convertible into any precious metal has always been the primary British means of stealing from the world.)

"The Christmas holidays have opportunely stemmed speculation and the withdrawals of gold from banks for hoarding or export which began to develop last week. While declaring adherence to the gold standard, the government may adopt a gold bullion standard under an emergency act which authorizes the withdrawal of sovereigns from circulation."

(The war on silver and the war on gold come from the same source--- London and its Wall Street allies in created "money." This item was followed by)---

"Much Bullion Produced---South African restrictions against the export of private capital will not affect the large exports of gold from mines of that country, according to interpretations in Wall Street yesterday. Gold bullion constitutes South Africa's most important export. Of the total of about $257,000,000 exported in the first nine months of this year, about $182,500,000 consisted of gold. South Africa produces more than half the

gold mined throughout the world each year. In 1931 the South African production was $224,863,000 out of the world total of $440,518,000 and in the first nine months of this year produced $188,464,000 of gold. Most of this bullion is shipped to London and sold in the open market there. To interfere with the export of gold mined in South Africa would be to throw the country's export trade out of balance, it was pointed out here yesterday."

(As long as gold was treated as a mere commodity and not as money backing paper currency, this didn't cause the British any indigestion!)

"Scrip Dollars Circulated in Evanston, Illinois; Merchants Back Issue and New Aid to City," NYT, December 29, 1932, page 20---

"Chicago---Five thousand dollars in new scrip, or certificate money, began to circulate today in Evanston, a suburb of Chicago where ex-Ambassador Dawes lives. It was in the form of dollar bills stamped with a picture of ex-President Roosevelt and bearing the name of the Evanston Independent Retail Merchants Association as guarantor of its purchasing power."

(That was of course a reference to Theodore Roosevelt as FDR wasn't yet elected in 1932. Charles Dawes was the Pilgrims Society member who concocted the "Rentenmark" that was foisted on Germany following the Weimar hyperinflationary burnout in 1923 as described here in "The Greatest Right." You mean to tell me that a retail merchants association has any Constitutional authority---and any natural powers---to invest mere scrip with the qualities of real money? The way people embrace deception is a commentary on grasping at straws!)

"This is the beginning of a scheme to restore prosperity to the merchants of Evanston and sell tax anticipation warrants to hold the credit of the city. If it is successful it may be extended to the Evanston school system and to other cities. It is already being discussed in Chicago, and Milwaukee is on the verge of adopting a similar plan at a special meeting of its City Council Friday."

(It sure was a scheme. It was a scheme attempted at other times and places by equally misguided persons whose hopes were temporarily raised until the grim facts slapped them in the face and woke them up to the light of day.)

"The new money is known as Eirma dollars, the initials of the Merchants Association. For each of the 5,000 Eirma dollars a gold dollar is on deposit in an Evanston bank vault, ***PROTECTING THE SCRIP DOLLAR***."

(At an official gold price at that time of $20.67 per ounce, it would require 241.9 ounces of gold to back up each 5,000 Eirma units. They really trimmed the ratio so far down to such a token amount it was bordering on meaningless, or like lotto tickets without any potential payoff.)

"Where its expansion and forcing process comes in is in the stamp plan that goes with it. When an Eirma dollar is presented at a store in payment of goods, the merchants have agreed to affix in a space provided on the back of the dollar a two cent trade discount stamp, cancel the stamp and send the dollar into circulation again. The money received for these trade discount stamps must equal the amount of Eirma dollars sold and is invested in City of Evanston tax anticipation warrants. The warrants are placed in trust and can be disposed of only upon resolution of the Merchants Association."

(Harebrained schemes! Convoluted methods! They still had United States silver coins; why not place usual confidence in them?)

"Eventually the warrants or the proceeds from their sale will be distributed to merchants in proportion to their purchases of trade discount stamps. Alderman Herbert S. Simpson, chairman of the finance committee, said today that the plan had been examined by the board of directors of the Evanston Merchants Institution, local bankers and Professor F.E. Clark and associates at Northwestern University before its approval by the City Council."

(According to the 1941 Who's Who, Fred Emerson Clark was a member of the American Association of University Professors. The AAUP has received Ford Foundation grants over the years. He was also a member of the American Economic Association, which is probably why he thought the super-diluted currency was okay!)

The December 31, 1932 NYT, page 14 featured a letter, "Energy In Tablet Form" subtitled, "Electric Dollar" Proposal Recalls Interesting Scheme of 1920"---

"Although the electric dollar as urged by Dr. John Pease Norton before the Econometric Society, may be the first workable proposal of that nature to be made public, it cannot be said that the conception of an ultimate standard of value to be based on energy is entirely novel."

"A social evening of the Toronto Section of the American Institute of Electrical Engineers, on March 19, 1920, took the form of an inventions

night, at which various members presented for discussion inventions more or less visionary and not necessarily justifying serious consideration. As my contribution to the evening's entertainment I described a system of power storage which had long impressed me, an electrical engineer, as highly desirable and wanting but a few chemical details to make it entirely practical. These details, so far as I can learn, have not yet been worked out by chemists."

"The scheme was to develop a storage battery, in which the charge, instead of residing on the plates, resides in the electrolyte so that an exhausted cell might be quickly recharged by draining off the old electrolyte and replacing it with new. The next step in the development was to evaporate the liquid from the charged electrolyte and furnish the active material in a dehydrated form which, it is presumed, would be compressed into tablets of various sizes. It would then only become necessary for the user to carry a supply of this material, known as "dynaloids," and dissolve the required amount in water at any time he might wish to recharge an exhausted battery, whether it be in a pocket flashlight, the motive power of an automobile or an electric locomotive."

"It was then assumed that the skill of the chemist should be such that "dynaloids" could be produced in a form which, if dissolved in an inert oil instead of water, would add an equivalent calorific value to the oil and make it available as a fuel for use under boilers or in internal combustion engines. With these problems solved it should be but a step to formulate the substance so that when blended with edible solvents, with suitable seasoning added, we should have a new article of food, with its energy content exactly controllable and made suitable to the individual and to his demands for physical energy."

(Any of you who ever dabbled in bodybuilding, or track, or high altitude mountaineering, ever hear of dynaloids for energy? Perry Borden signed the letter; maybe he put dynaloids in his milk.)

"With dynaloids so provided, it would seem that the principal needs of mankind were to be served by the one substance which, becoming the most useful of all substances, ***MIGHT BE MADE THE BASIS OF VALUES MUCH BETTER THAN ONE OF THE LEAST USEFUL OF ALL SUBSTANCES---GOLD***. Therefore it would be logical that the dynaloids tablets, formed in various sizes, should be stamped with their intrinsic values, ***MAKING THEM A UNIVERSAL CURRENCY***, and furnishing

mankind with a form of money which he might use as a source of electrical energy, a fuel, a food ***OR A BASIS OF EXCHANGE***. Thus is the fantasy of yesterday become the problem of today's economists!"

(These fantasy tablets---how vulnerable would they be to crushing if stacked in ingot form say, 10 feet high? Would their qualities of tenaciousness match with that of silver and gold coins, or would they chip, crack or crumble if used as tender for goods and services? In the bottom of dynaloids counting machines, would there be a removable pan for saving dynaloids dust and fragments? How would they store in humidity? We know that precious metal recovered from centuries of burial at sea is still precious. Could dynaloids pass such tests? While dynaloids, electric dollars, gaudy paper scrip and other schemes like "bartex" were proposed, these were only seriously considered by anyone due to the extreme nature of the Great Depression. Gold and silver remain true money forever, and easily the best money any of us ever knew.)

Starting next month we'll review a series of separate monetary categories pertaining to the pivotal year 1933. That of course set the stage for the dramatic events of 1934 leading up to 1937 when the drift towards World War II became inevitable due to the ongoing destruction of monetary silver. The historical enlightenment is fascinating. Frighteningly, the same transatlantic circle of people has been guiding our direction for generations. It's also useful to know since that which has been before, may be seen again as the desperate masses of the world, reeling from the crash of a money system devoid of stable gold and silver foundation, grasp at such hopeless straws as scrip, sometimes termed "prosperity coupons" in 1933. Just as I finished this on February 26 I noticed silver spiking towards $19 as Butler's warnings, routinely issued over the last 11 years, are coming true. The dealer who sold me a load of high graded quarters (love the scarce 1955's) the previous Friday said, "There's more paper money than God! Why am I trading real money for paper money? It's crazy!"