

# THE MONEY MYSTERY

Presented January 2009 by Charles Savoie



*If the Truth About Our Money Were to Become  
Public Knowledge, Chaos Would Result*

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**“LET US BURY THE PHILOSOPHY OF THE ROTHSCHILDS AND THE FEDERAL RESERVE SYSTEM, THE  
BRAIN TRUSTERS, THE COMMUNISTS AND EXPERIMENTALISTS, AND GET BACK TO THE  
CONSTITUTION, WHERE CONGRESS HAS THE RIGHT TO COIN MONEY AND REGULATE ITS VALUE.”---**

Father Charles Coughlin, 1891-1979, controversial radio clergyman who attacked the Roosevelt  
administration, quoted in the New York Times, April 24, 1933, page 2, **“Silver Bloc Votes To Defy  
President”---**



**“AMERICAN BANKERS HAVE SHOWN OVER AND OVER AGAIN THAT THEY HAVE NOT THE SLIGHTEST  
IDEA OF SOUND BANKING, LET ALONE SOUND CURRENCY.” ---Letter, New York Times, October 27,**

1933, page 18

***“REMONETIZATION OF SILVER WOULD BENEFIT CHIEFLY AN INDUSTRY WHOSE ANNUAL OUTPUT IS LESS IMPORTANT IN THE NATIONAL ECONOMY THAN THE MANUFACTURE OF MATTRESSES AND BED SPRINGS.”*** ---New York Times editorial, November 1, 1933, page 20

**“THE PRESENT POLICY OF MONETARY EXPERIMENTATION SHOULD BE ABANDONED IMMEDIATELY. EFFORTS TO DEPRECIATE THE VALUE OF THE UNITED STATES DOLLAR BY MANIPULATION SHOULD BE STOPPED. A DEFINITE POLICY OF RETURNING TO A GOLD STANDARD SHOULD BE ADOPTED IMMEDIATELY. ANNOUNCEMENT OF THE ADOPTION OF THIS POLICY WOULD DISSIPATE THE WIDESPREAD FEAR OF INFLATION AND REDUCE THE FINANCIAL DEMORALIZATION RETARDING RECOVERY.”** ---“Economists Ask Removal Of Fear,” NYT, December 29, 1933, page 16

“The Treasury Department’s contention that Federal Reserve Notes shall be redeemed in themselves is illogical, contrary to the plain meaning of ordinary English, and in fact is ludicrous. It is like saying “green stamps can only be redeemed in green stamps.” ---“Is Your Money Really Money?” ---The American Mercury, Torrance, California, Summer 1973, page 24

***“LIKE COMMUNIST RUSSIA, THE UNITED STATES IS ONE OF THE FEW GOVERNMENTS THAT TRIES TO PREVENT THE OWNERSHIP OF GOLD (AND SILVER MAY BE NEXT!)”*** ---The American Mercury, Summer 1973, page 26

The American Mercury was a national magazine that ran from 1924 into 1981. It became interested in more and more controversial topics since around 1950. I wish to offer a review of one of its last presentations, from its Spring 1979 edition, pages 39-42. The fact that I am presenting this review doesn’t necessarily signify my agreement with every article on every topic The American Mercury ever featured. However, concerning the topics of money, currency, inflation, central banking, and precious metals, it frequently featured significant content. “The Money Mystery” was an editorial by Paul A. Hein Jr., M.D. Some may be quick to point out that expertise in one field is no guarantee of expertise in any other field. That in itself is correct; however, let the reader be the judge. All emphasis, bold and italic, is in the original version. As most of the audience that will view this is hard money oriented, they will be inclined to agree with the doctor’s views---

“Have you ever thought that money was mysterious? I certainly never did---but then, I seldom thought about money. Of course, I was concerned with acquiring enough of it, or keeping what I had gotten, and with spending it wisely, but its ultimate **NATURE** was something I had seldom, if ever, thought about. When I did, I discovered that there is considerable mystery about money!”

(Many economists can confuse and bewilder the public with econometric equations about money, while at the same time, distort the issue of what money is and what it is not.)

“My interest developed innocuously enough. I received a deposit receipt from my bank. As I was entering the numbers in my checkbook, the idea crossed my mind---**what** exactly had I put in the bank? The check I had sent the bank obviously was only a piece of paper. Were the numbers printed on the check, and now added to my bank balance, the “dollars” which I had deposited? I decided to write the president of the bank and ask him. His reply startled me. He said, “With regard to your question,

regarding what a dollar is, I am sure you would get a different answer from most anyone you would ask. I would define it as a unit of measure, except for the fact that it seems to fluctuate. You could define it as a piece of paper issued by the United States Government, except 90% of all dollars are represented by bank deposits.”

“I admired the man’s honesty, but felt myself no closer to knowing what a dollar was. I put the question to another banker. He responded to my letter with a telephone call, and sounded rather suspicious as to my motives. He apparently found it rather hard to believe that someone who had lived nearly half his life should suddenly wonder just what those “dollars” were that he had been dealing with all those years. He reluctantly agreed to put his answer in letter form, and it was simply that the dollar is the unit of our money, just as the yen is the unit of Japanese money, etc. He referred me to various books and to the free publication of the Federal Reserve System. Again, not much satisfaction in response to what I had thought a simple question!”

“By this time, however, I had done some thinking for myself. Both my Webster’s dictionary and Black’s Law Dictionary defined “dollar” as the unit of United States money. That told me two things---that the dollar was not the money itself, but only a measure of it; and that money must be some material thing, since it could be measured in units, or “dollars.” (I have subsequently learned that if a person knows only this much about money, he knows more than most!)”

“Very well---if the term dollar is a unit of measure, then it resembles such terms as “inch” or “pound.” Now when I buy a pound of bacon, I know how much bacon I am getting. Moreover, I know that the merchant who sells a pound of bacon that is less than a pound, may get in trouble with the law! Similarly, when I buy a gallon of gasoline, I know that the pump which measures that gallon is inspected for accuracy. I have heard of an agency of government called the Bureau of Weights and Measures. Indeed, on thumbing through my copy of the Constitution, I find, in Article 1, Section 8, that “Congress shall have power to fix the standard of weights and measures.”

“Interestingly enough, that same sentence reads in full, “Congress shall have power to coin money, regulate the value thereof—and fix the standard of weights and measures.” So it would seem that in determining that the unit of our money was to be the dollar (an act taken on April 2, 1792) the Congress did set the standard for the measurement of money. Is that standard in use today? What is it?”

“I decided to write to the Department of the Treasury to find out. I received a reply from Gertrude K. Mangan, Director, Special Financing Staff. Mrs. Mangan declared that “a dollar is a Federal Reserve or United States Note.” And its worth? She said, “ a dollar is a note---and worth the goods and services which the market will provide for its exchange.” Now I was really confused---and becoming angry. A note, I knew, was a promise to pay money. It was a written promise, and described the payer, the payee, and what was to be paid.”

“I looked at the Federal Reserve Notes in my wallet and found that they bore no promise of payment of anything to anyone by anybody. Moreover, even if they did, how could their promise to pay “dollars” have any meaning, if the notes *were* the dollars? And how could the value of the dollar be determined by what you could get for them, when the Constitution, as quoted above, states that “Congress shall

have power to coin money, **regulate the value** thereof..." And consider again the examples of the gasoline and the bacon. Is every purchase of bacon to be a wrangle between buyer and seller as to how much bacon constitutes a pound?"

"Is the butcher constantly reducing the amount of bacon in a pound, trying to find the smallest amount the traffic will bear? When the filling station attendant puts some gasoline into my automobile does he consider that a gallon of gasoline is any amount that I will accept as such? If I buy twenty acres of land, does the term "acre" have some fixed significance, or is it just a term used to designate any area of ground as agreed upon by buyer and seller? No, it is obvious that when I buy a pound of bacon, or gallon of gasoline, or an acre of ground, I know exactly how much I am getting. There are standards for such things! But what does the seller obtain? Dollars! And what are those? Thank God he never asks!"

("Dollars are shadows in a vacuum" is a suitable definition. They possess no store of value characteristic. They are noiseless nullities, muted ciphers, and impalpable phantoms. Their sole value is in heat combustion or packaging material.)

"I wrote a number of letters, with similar results. All correspondence indicated the same---that Federal Reserve "Notes" are money, and that their value is simply what you can get for them. These government agencies either were ignorant of the Constitutional provision that the value of the dollar be regulated by Congress, or contemptuous of it. The Internal Revenue Service, when asked for the legal definition of the word "dollar" simply replied briefly that the Internal Revenue Code contained no such definition. I wrote again, pointing out that I had not asked what the IRS said, but what United States law declared a dollar to be. I received no answer, despite a Federal regulation that requires the IRS to answer all questions from taxpayers within thirty days. I became increasingly perplexed and angry. I began to consider the second fact revealed by the definition of a dollar---namely, that money must be some material thing in order to be measured out in units, or dollars. Perhaps the answer lay here--- what was the money so measured?"

"I decided to ask the Attorney General of the United States. The questions I put to him were--- "What is the money of account of the United States?" and "What is a dollar?" Mr. Bell referred my letter to the Department of the Treasury, and I received a reply from Henry C. Stockell Jr., Deputy General Counsel. Mr. Stockell answered my two questions with these words, "The dollar is the basic monetary unit of the United States, as the mark is the basic monetary unit of West Germany, the yen in Japan, etc." This does not speak well for Mr. Stockell's intelligence, or his estimate of mine! I answered at once, pointing out that if the dollar is the unit of our money, then the money could not be dollars, any more than milk could be quarts! Were that the case, our money, dollars, would be measured in units called dollars, so that we would have dollars of dollars, which were dollars. Nonsense! My objections were ignored."

(Griffin B. Bell, who was Attorney General at that time, was for many years on the visiting committee of the School of Law at Vanderbilt University, named for one of the richest Pilgrims Society families behind the Federal Reserve System and was co-chairman of President Bush's Committee on Federal Ethics in 1989) ---



“Once again I wrote to the Internal Revenue Service, this time sending a copy of my questions to Senator Thomas Eagleton. I received no response from the IRS, but Senator Eagleton did, which he kindly forwarded to me. In response to my question number four---“What is the money of account of the United States?” Mr. Leon Levine answered, “we are not answering questions 4, 5 and 7, since they do not appear to deal with taxes.” But aren’t taxes to be paid in money? Do not they become due upon receipt of 750 **DOLLARS** of money? How can one compute his tax unless he knows these things?”

(Thomas Eagleton was a Senator from Missouri, 1968-1986. In 1960 he became Missouri attorney general.)

“Are Federal Reserve Notes dollars? By this time I had come to know a number of other persons interested as I was, in the nature of our money. One of them had received a most interesting letter from Mr. John E. Burke, Acting District Director of Internal Revenue, St. Louis. Mr. Burke wrote, “Federal Reserve Notes are not dollars,” which places the IRS in conflict with itself and its parent organization, the Treasury Department, representatives of both of which had written to me precisely the opposite; namely, that Federal Reserve Notes **are** dollars. I also became aware that the IRS had issued a regulation regarding the assessment of silver coins for estate tax purposes which calls for such coins to be assessed at their fair market value, if greater than face value! This means simply that the United States Government regards some of its “dollars” to be worth perhaps five or six “dollars!” Now perhaps you can begin to understand my growing frustration and annoyance with a government which places such a low estimate upon our intelligence as to have us believe that a “dollar” may be worth several “dollars.”

“However, upon reflection, I came to see that the government has no alternative, for if the truth about our money were to become public knowledge, chaos would result. The truth is simply this---there **is** no money! If you challenge that, show me some of it. Remember, we said that if the dollar was to be the unit of our money, then the money had to be some physical substance if it could be measured in dollar quantities.”

“At the time the Coinage Act of 1792 was passed, the money was gold and silver coin. Thus, certain amounts of gold, or silver, in coin form, were to be considered dollar quantities of money. Of course, for convenience, the actual money could be kept in a bank, and bank notes (receipts) or checks, which **represented** the money, could be used in its stead. Gold, however, was taken away from us in 1933 (although it was our gold) and silver in 1968.”

“So what is the money today? Congress has not named a replacement. The Federal Reserve “Notes” cannot be our money, despite the claims to the contrary by various government agencies cited above, because they are all the same. Place a **ONE** “dollar” Fed Note alongside a **TWENTY** “dollar” Fed Note. If the **ONE** is actually a dollar, then how can the **TWENTY** be twenty dollars, since the **TWENTY** is the exact same size, shape, weight, and quality as the **ONE**?”

(The difference, other than the artwork, is only the number; the denomination! But a number of what, the doctor would have asked!)

“If money is some substance, as it must be, then twenty units of it must surely be twenty times as much of it as one unit. So the paper “money” obviously is not money at all---and it never was, although when it could be redeemed for money, that distinction was perhaps academic. Today it is crucial. If there is no money available to us, then there can be no dollars of it! What, then, do you receive in return for your labors? If the term “dollar” has become meaningless, inasmuch as it denotes a quantity of a substance no longer available to us, then how can you make comparisons? Is your “income” greater or less than it was X number of years ago? What is the standard for comparison? Is food, clothing, shelter, more expensive now than ten years ago or not? When a dollar was 412.5 grains of standard silver, comparisons were easy. Today how does one compare?”

(Clearly, while a \$1 bill and a \$100 bill have the same innate substance---fancy printed paper---and weigh the same---a substantial difference is seen between a 1 ounce silver round or wafer, and a 100 ounce ingot. Paper beguiles; metal is straightforward.)

“One can, of course, talk about the “buying power” of the “dollar,” but that is based, as the Federal Reserve System freely admits in its publications, upon public confidence. Indeed, any discussion of monetary affairs in the U.S. today will involve the word “confidence” as a litany! But to obtain the services or goods of another, by offering him something worthless in which he has been persuaded to place his confidence, is known as a confidence game, isn’t it?”

“If the people of the United States are content to use worthless bits of paper as “money” wouldn’t they be better off to use Monopoly money, which can be purchased for a few cents, than Federal Reserve “Notes” which are borrowed at interest, which interest may often exceed the principal? Isn’t it as easy to have confidence in one piece of paper as another? When you fill out a 1040 form, you do so because you believe you have received more than 750 dollars of money as “income” during the year. Are you willing to make that statement, under penalty of perjury, knowing what you do about “dollars?”

“Ask your public servants---these are questions you might want to ponder. If you find the subject confusing, turn to your public servants and ask their help. Most of them have given no more thought to the nature of money than you had. Ask them to look into the matter. Demand that they tell you what money is, and how much of it is a dollar. Ask them if our money is a tangible substance, and if so, to describe it to you. Isn’t that a perfectly simple question? Therefore it should be simple to answer, shouldn’t it? Try it and see what answers you get!”

“The nature of government being what it is, the use of money will not be allowed you unless you make it known, loud and clear, that our present system is intolerable, and that a return to the use of money should be forthcoming.”

“As long as you accept worthless bits of paper in lieu of money, you are the slave, in fact, of the money printer! And as long as the “government” allows such a situation to exist, the money printer *is* the government. But not the government of the United States Constitution. That document states quite simply that “No state shall make any thing but gold and silver coin a tender in payment of debts.” Is it asking too much of our officials that they adhere to the Constitution to which they swore an oath of allegiance?”

“The Curious Thing About Money” by Robert Muncaster appeared in The American Mercury, Fall 1975 issue, pages 10-12 (excerpts) ---

“Many a modern American can tell you in conversational tones that he would like to have more money than he does, but seldom will he pursue the subject of money any further than that. Perhaps because the economists, politicians, lawyers and international bankers attempt to surround the money question with an air of mysticism, the average person is inclined to dismiss the subject from his own curiosity sphere and forget it, leaving those “money” matters to the self-styled experts in our “Government.”

“Although some of us might think that talk of gold or silver coin or “specie payment” belong entirely to America’s romantic past, the more sophisticated money people have surely heard the shocking details in the legal money case of gold and silver coin which rocked the bank and money markets of the world. Observers marked the beginning of fantastic runaway inflation with its high prices, energy “shortages,” unemployment and cheap dollars as December 7, 1968. That was the day a simple Minnesota justice court decision first shook and then, brought down the paper money house of cards we call “Federal Reserve Notes.”

“This modern day fiscal sage began when the First National Bank of Montgomery, Minnesota---a member of the vaunted Federal Reserve Banking System---sued a country lawyer named Jerome Daly because he happened to fall a few months behind in his mortgage payments. Daly was not a man to be lightly pushed around, so he pursued the case on a matter of principal. Here’s how it went”---

“May 8, 1964, Daly signed a note and mortgage to the Bank. The Bank gave him “credit” on its books in Federal Reserve Notes---the things which we carry around in our pockets and call “money.” June 26, 1967, the Bank foreclosed on the note which was in arrears and bought the property at a Sheriff’s sale. Daly maintained possession and refused to vacate for twelve solid months. The Bank then sued in Court to have Daly ousted and the case went to Jury trial December 7, 1968. The Jury found the note and mortgage *to be void* for lack of any lawful consideration. They said that the Bank *had not given Daly anything of value* in exchange for his note and mortgage. The only thing they gave him for the note was “credit” in “Federal Reserve Notes”---**NOT LAWFUL MONEY**---Gold and Silver Coin. So, Jerome Daly kept his house and the Bank kept the unpaid mortgage---for its souvenir file.”

“The Bank dared not appeal the legal case to higher courts for fear it would overthrow the entire Federal Reserve Banking System which, as independent students know, is owned entirely by private banks and bankers for private profit. The Government of the United States does not own a dime’s worth of stock in the Federal Reserve “System.”

“During the course of the Jury Trial the president of the First National Bank of Montgomery testified under oath that he had not given Daly gold and silver coin or any Thing of Value at the time Daly made his original loan at the Bank for which Daly gave the Bank a Mortgage in return. The president admitted to the Court that when Daly made the loan *the Bank had created the credit and the money on its own books with the stroke of a pen*, and he further testified that this was “standard banking practice.” He also stated that so far as he knew the credit first came into existence when he himself created it and *that he knew of no United States law which gave him the right to do so.*”

(President Van Buren, 1837-1841, called credit creation “unsubstantial wealth.”)

“Once the news of the decision hit the International Monetary circles, the misnamed “American Dollar,” more precisely known as the Federal Reserve Bank Note, started its steady downward slide leading to oblivion. The Paper Money Madness called inflation then began in earnest. ***NONE BUT A FOOL OR A THIEF CAN LONG PRETEND THAT WORTHLESS GREEN PAPER CAN MAGICALLY BE TURNED INTO MONEY WHEN IT IS REDEEMABLE IN NOTHING BUT MORE GREEN PAPER.***”

“Soon perhaps, even our own Congressmen might view the serious state of America’s financial situation with a little bit of new found candor, and exercise enough intellectual honesty, courage and natural curiosity to seek out the simple but explosive facts which you and I now know--- 1.) *The cause of inflation is printing press money---redeemable in nothing.* 2.) *Inflation cannot be “controlled”---it must be cured!* 3.) *The cure for inflation is honest money---issued by the U.S. Government and the Government alone in exactly the manner prescribed by our Constitution---fully redeemable in gold and silver coin.*”

“Informed observers have long since concluded that the Federal Reserve Act of 1913 must be repealed by Congress---NOW! The flood tide of printing press money they issue---swamping our people’s prosperity---must be stemmed---NOW! The privately owned Federal Reserve Banking monopoly must be legally destroyed---NOW!”

(The author recommended buying “food and guns as well as gold and silver coin---for your own survival and prosperity. Conceal and protect them from the spying eyes and ears of our “Government” in Washington.”)

“Live Free or Die,” which is the state motto of New Hampshire, was the title of an American Mercury feature by James Phelan that appeared in the Fall 1974 issue, pages 12-14. The article was prefaced with this warning--- “A dictatorship is coming unless our money system is reformed.” Herewith a few excerpts---



“Money is our master, and we the servants of the money conspirators who are propelling us hell-bent into a socialist dictatorship. It is interesting to note that N.M. Rothschild is issuing a “new composite European currency” equal to one Special Drawing Right, often called paper gold. I have no additional details, but it appears that it is the objective of the Rothschilds to further strengthen their control over the European nations in the agreement. The King is dead! Long live the King! Paper Gold.”

(The Rothschilds were discussed in the August 2008 Silver Investor Essay of the Month, “Rothschilds And Silver.”)

“In the original draft of the Federal Reserve Act, Senator Robert Owen inserted a provision for stable money, but it was stricken out at the insistence of Paul Warburg who was the chief architect of the Act. The Senator charged that Warburg was an agent of the Rothschilds. The truth about money is hard to come by, and even harder to believe because of the expertise of global bankers in the technique of promoting the “Big Lie. I look upon the Federal Reserve Act as a national tragedy, and I am in complete agreement with former Congressman McFadden, Chairman of the House Banking and Currency Committee for several years, who called the Federal Reserve one of the most corrupt institutions the world has ever known.”

(Paul Warburg, Pilgrims Society, was father of James Warburg, “financial advisor” to the American delegation to the summer 1933 World Economic and Monetary Conference in London, where the “Pilgrim Partners,” the British and Americans, gave the shaft to both gold and silver. They refused to agree with what the press contemptuously termed the “gold bloc” countries, led by France.)

“In my judgment our whole rotten money system is in violation of the Constitution. Every dollar of money created by the Federal Reserve is predicated on fictitious debt. This fictitious debt money of the Federal Reserve has provided the medium by which the world’s most powerful money manipulators have controlled our nation’s destiny for most of this century. The Federal Reserve Act internationalized America, and was a written guarantee of our participation in the blood baths that followed.”

(That’s correct---without the Federal Reserve, the two World Wars may not have happened, or would have involved far fewer casualties. The link between fiat money and warfare and the obstacles posed by gold, are well known to sharp money minds.)

“Restoration of our Sovereignty would require repeal of the Federal Reserve Act, and our withdrawal from the International Monetary Fund, the World Bank and the United Nations. No help from Congress is to be expected because the money power controls Congress, and the minds of the majority which is the only possible reason for the existence of these monstrosities. We have reached the point of no return. An enlightened America is a revolutionary America.”

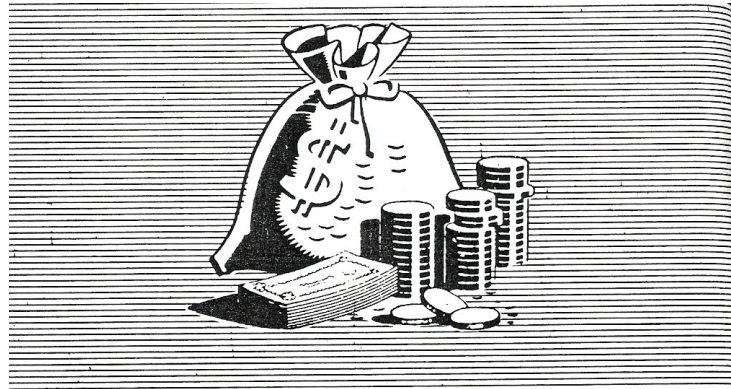
“The overthrow of government by God fearing Americans is our only hope to save our country from becoming a socialist dictatorship. To read the Declaration of Independence is to be advised that the overthrow of government is the Right of the People. It is more than the Right of the People. It is their duty. This should come as no surprise to those who are aware of the famous dictum of Thomas

Jefferson that the people should revolt every 20 years to straighten out the proper balance between government control and individual rights.”

(Here he sounded somewhat like the National Rifle Association, perhaps. This is an aspect none of us wish to entertain. Why did Americans revolt against the Crown over two centuries ago? Their rights weren't being respected. Today, as I have documented, we have an organization calling itself The Pilgrims Society, composed of the topmost financiers, whose patron is the British Crown, and that always has the United States President, Secretary of State and Ambassador to Great Britain as members. We are still under Crown influence. This organization must be rendered publicly nude---the identities of every one of its members, and its “waiting list” must be made public knowledge, and no anti-government revolt will be necessary. This includes dissolving its main subsidiary organization, the Council On Foreign Relations.)

“In the name of Freedom let the truth about money conspirators be broadcast across the entire nation every week via radio, and let the patriotic organizations everywhere stand up and be counted. For God and Country fight to save our Constitution. Live free or die.”

(We don't have much of the radio waves, but we do still have the Internet. Many fine websites stand for the facts as to Constitutional, non-fraudulent money.)



## Is Your Money *Really* Money?

The American Mercury ran a feature similar to this in its Summer 1973 edition, pages 24-26 by Henry Duval, entitled, “Is Your Money *Really* Money? ---

“A San Diego lawyer is trying to get the federal government and the Federal Reserve System to redeem a \$50 Federal Reserve Note for lawful money. His demand is rocking the foundation of our money system, but the newspapers are assiduously neglecting to report on his efforts.”

(Napoleon said he feared one newspaper more than a thousand bayonets. The Money Power understood centuries ago that to remain entrenched, it must dominate information sources. I have offered numerous letters on various subjects unrelated to honest money, to a local newspaper. It never

accepts my submissions, because they would tend to destabilize belief in myths upon which assorted special interest groups depend upon the public in order to be able to gouge them.)

“His name is Mobley M. Milam, a partner in a San Diego law firm and a former Chief Assistant U.S. Attorney for the Southern District of California. The mild mannered criminal lawyer is waging a battle to establish the principle that money has to be worth *something*, something more tangible than a piece of paper, or the whole system of exchange on which the country exists is a shambles. Having been unsuccessful in getting the \$50 note redeemed, the matter is now in the courts.”

“Financial observers note that his action strikes at the root cause of our basic problems of inflation, the public debt, and loss of our freedom to big government. The international monetary gadfly, Dr. Harry Schultz, who publishes an influential newsletter on the world’s monetary situation out of Switzerland, calls Milam’s suit “the biggest financial story of the century.”

(Such a story could still rank so highly, but it would be in competition with the efforts of Salinas-Price to remonetize a one ounce silver coin in Mexico. No wonder the media blackout such issues. They understand that the common people would have their eyes opened, and the exploitation would crash to a halt.)

“The law specifically states that Federal Reserve Notes shall be redeemed in lawful money (Title 12, United States Code, Section 411). The Treasury Department’s contention that Federal Reserve Notes shall be redeemed in themselves is illogical, contrary to the plain meaning of ordinary English, and in fact is ludicrous. It is like saying “green stamps can only be redeemed in green stamps.”

“Until recently changed by bureaucratic fiat, Federal Reserve Notes specifically promise to pay to the bearer on demand so many dollars. A “dollar” has throughout our history been defined by statute as so many grains of silver or gold and nothing else. It is still so defined by law (Title 31, U.S. Code, Section 314 and 316). Milam’s campaign started in the fall of 1969 when he walked into the Federal Reserve Bank of San Francisco’s branch office at Los Angeles and asked to have a \$50 Federal Reserve Note redeemed. He was offered “redemption” in the form of other Federal Reserve Notes in smaller denominations. *Paper for paper!*”

(Recognizing the perils of paper currency, President Jackson expressed his desire to entirely rid the nation of it. The Civil War, which Jackson’s protégé Sam Houston warned against, took the country farther away from specie money.)

“To the cashier on duty, Milam pointed out that the bill bore the legend---“This note is legal tender for all debts, public and private, and is redeemable in lawful money at the United States Treasury, or at any Federal Reserve Bank.” How, Milam asked, can one piece of paper be redeemed for nothing but other pieces of paper (with smaller face value) bearing exactly the same legend? A pretty piece of paper, with naught behind it, Milam contends, is not “lawful money.”

(If you check your wallet or purse, as the case may be, you will confirm what your gut feeling just told you---the inscription reads merely, "This note is legal tender for all debts, public and private." The redeemable feature is long gone.)

"The lawsuit is potentially embarrassing to the federal government and some experts say the government will never permit the case to reach higher courts. If it were tried on merit, it would reveal the part that the Federal Reserve System plays in *legalized robbery of every American*. Most Americans are not aware that the Federal Reserve System is a privately owned banking cartel and that its owners are not only getting rich at our expense but also creating the huge public debt which is the basic cause of inflation which is now tearing this country apart."

"The "money-making" fraud is so obvious that anyone who can read English should be able to see it. It goes like this--- suppose the federal government needs two billion dollars to rebuild North Vietnam or for some other emergency purpose but does not have the funds from tax receipts or from the sale of government bonds to individuals. The government then turns to a Federal Reserve Bank and asks for a two billion dollar loan. The Federal Reserve Bank agrees and requests the government to issue bonds to evidence this loan."

"The bank takes the bonds and opens a two billion dollar checking account for Uncle Sam. Then the bank turns around and requests the United States Treasury to issue the bank two billion dollars in Federal Reserve Notes, giving the Treasury the two billion in bonds as collateral for the Notes. These notes only cost the bank around a penny apiece (the cost to the government for printing), so now the bank has two billion dollars at a cost of a few cents and gets \$80 million in interest per year on the bonds (assuming 4% interest.) This is how the system works. Under the Federal Reserve Act the privately owned Federal Reserve Banks got \$80 million for nothing."

"Abraham Lincoln saw through this type of lending operation (although the Federal Reserve System was not set up until 1913) and when he needed money to fight the Civil War, he had "greenbacks" issued directly by the government rather than through banks with interest bearing bonds. This angered the bond bankers who later slipped the Federal Reserve Act through Congress during the Christmas holidays of 1913 when most Congressmen were home for the holidays."

"Milam asserts that "any system of fiat money, that is money unbacked by silver or gold, is eventually disastrous; however, in time of emergency, such as the Revolutionary War, the Civil War or World War II, fiat money may become necessary as a temporary measure, but if so, why should people run up a fantastic public debt for the benefit of the big bankers on top of paying for the fiat money through inflation? Inflation for fiat money is bad enough, but increasing the public debt adds insult to injury."

"Paper currency should be backed by gold or silver, not government bonds. In any emergency where fiat money must be used for our survival, we should follow Abraham Lincoln's example. Paper currency should never be backed by interest bearing bonds as in reality, that is merely a form of *legalized robbery of the American people*."

“Actually, the American people will never be able to maintain their freedom, control inflation and their government unless the right to redeem paper currency in gold or silver is revitalized. And that’s what lawyer Milam’s lawsuit is all about. It is an attempt to revitalize that basic and important right. Like Communist Russia, the United States is one of the few governments of the great commercial countries that tries to prevent the ownership of gold (and silver may be next!) At the same time, the Treasury Department attempts to downgrade gold as a “useless barbaric relic” which should be replaced with SDR’s (Special Drawing Rates), the so-called “Paper Gold.” If gold is so useless and unimportant then why, one may ask, is it necessary to make it illegal to own? Actually, the bureaucrats dislike gold because when we can own it, they cannot control us.”

“When paper currency is backed by gold or silver and must be redeemed on demand, the people can force the government to stop spending their money by the simple expedient of going to any bank, demanding redemption and thereby reducing the government supply of money. Then the government would only have the money that we voluntarily vote through taxes or provide by the voluntary purchase of bonds. With a fully redeemable currency, the people control their government, but with fiat money the bureaucrats control us.”

“Favorable decision unlikely---there is doubt that the federal government will allow Milam’s case to be tried. A ruling in his favor would throw open the flood gates of demand for redemption of paper money in hard metal and challenge the constitutionality of such legislation as the Agriculture Adjustment Act of 1933, the Gold Reserve Act of 1934, President Eisenhower’s executive order forbidding the ownership of gold, overseas, by Americans, the elimination of silver in our coinage, the phasing-out of the Silver Certificate and the elimination of the 25 percent gold backing that our currency had until 1965.”

(Eisenhower, Pilgrims Society member, was hosted by The Pilgrims Society in London on August 14, 1962, for doing such a fine job for the World Money Power, which today runs the Eisenhower Exchange Fellowships for training world government activists then installing them in positions of influence, just like the Rhodes scholars! Recall that the October feature here at Silver Investor concerned Pilgrims Society member Henry Clay Alexander of JP Morgan & Company calling for the outlawing of Americans owning gold in foreign countries. Soon afterwards, President Eisenhower---seen here with Kennedy in 1962--- did just that!) ---



(At [http://eisenhowerfellowships.org/about/eisenhower\\_fellowships\\_board.php](http://eisenhowerfellowships.org/about/eisenhower_fellowships_board.php) you see the same Pilgrims Society names like Drexel, and links to the Du Ponts, Mellons and Rockefellers. Pilgrims Society officials John C. Whitehead and Henry Kissinger, Rockefeller agents, are trustees. The Eisenhower dollar, beginning in 1971, was the first U.S. dollar coin to not contain silver---except for lower mintages of 40% coins for collectors.)

“Most important of all, it would reveal for all Americans to see the fraud perpetrated by the Federal Reserve System banks and how the national money system operates for the benefit of these private bankers and not for the American citizen.”

(<http://www.silvercoinstoday.com/silver-calculators/us-silver-coin-calculator/> is a worthwhile page for figuring silver content values---just keep in mind that it’s based on the stupid lowballed COMEX daily quote. To that you add premiums to adjust for real market prices.)

“More Aggression by the International Money Trust” appeared in The American Mercury, Summer 1970, by Mary M. Davison, who stated on page 42---

“As Elmo Roper stated the proposition---“Our goal is government of all the world.” They mean it. And, the “Paper Gold” and “Special Drawing Rights” of the United Nations International Monetary Fund are clear evidence that the goal is in sight. The unelected self-styled “intellectuals” who have ruled this country for their masters in Wall Street for years have come to the end of the road. One of the most proficient destroyers now heads the World Bank which intends to redistribute the wealth of the world. Congress could yet defeat this if the people will command Congress to assert the power of the people.”

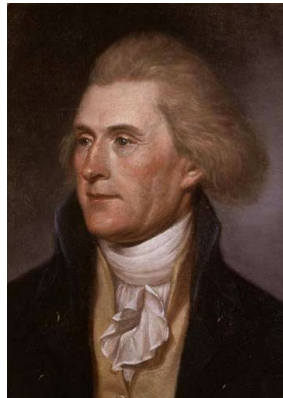
(Elmo Roper appeared in the 1969 leaked list of The Pilgrims, New York. According to the 1971 Who’s Who, page 1938, he headed Roper Research Associates, an opinion polling organization. His membership in The Pilgrims was omitted from the otherwise extensive listing, which also showed him on the boards of Encyclopedia Britannica; Elba Corporation; The Value Line Funds; International Research Associates; Home Life Insurance Company; Thomas Y. Crowell Company, a scholastic publisher; Tiffany & Company, Silver Users Association members; and the Atlantic Council of the U.S., a Pilgrims

Society front advocating amalgamation of the United States and Great Britain. Roper was a member of the anti-monetary silver American Economic Association and was a trustee of the American University in Cairo.)

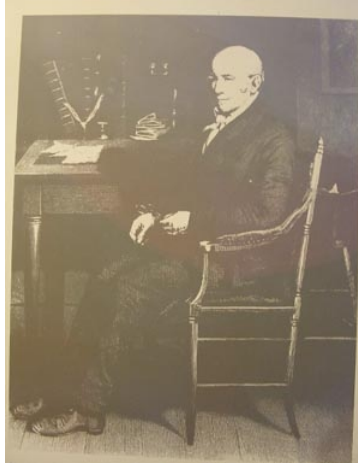
The Spring 1968 issue of The American Mercury had an item, "European Money Lenders Corrupt Our Money" by Paul Stevens, pages 27-30, herewith some highlights for those new to the study of monetary history---

"Over the strong objections of Thomas Jefferson, Alexander Hamilton ("Hamilton" was not his real name---he was financed to come here from the British West Indies) succeeded in persuading Congress to issue a federal charter in 1791 to the first Bank of the United States."

(Jefferson's well founded hostility towards banks is well known)---



(Stephen Girard, richest man by far in America at that time, was the main domestic power in that bank, fronting for the London Money Power. He was well known as a British sympathizer. I was unfamiliar with the allegation as to Hamilton's origin and if true would make a fascinating investigation. According to [http://en.wikipedia.org/wiki/Alexander\\_Hamilton](http://en.wikipedia.org/wiki/Alexander_Hamilton) he was born on the island of Nevis in 1755 or 1757. When Congress refused to renew the bank's charter in 1811, the War of 1812 followed. The pattern is familiar; nations without central banks are more liable to outside military attack! The only reason Britain didn't invade America again when Jackson destroyed the bank's successor, was that they were readying to launch the Opium War against China, deemed the more profitable, and feasible target, considering Jackson's earlier humiliation of their finest troops. "History of the Great American Fortunes" commented---"During the British occupation of Philadelphia he was charged by the revolutionists with extreme double-dealing and duplicity in pretending to be a patriot, and taking the oath of allegiance to the colonies, while secretly trading with the British. None of his biographers deny this. Merchant after merchant was being bankrupted from disruption of trade." Girard, 1750-1831) ---



“Though the bank was one-fifth owned by the government it was in reality under private management, and as a bank of issue it usurped the Constitutional prerogative to administer the nation’s money system. That was Hamilton’s real aim! Said William Pitt, the brilliant English statesman---“The American Colonies have won their independence, but it will do them no good because they have adopted the private banking system.”

“Within a short time it became clear the Bank was under control of, and being operated for the benefit of, foreign banking interests, so when the Bank’s 20 year charter came up for renewal in 1811, it was refused by Congress, and the bank which Hamilton set up to thwart the intent of the Constitution had to go out of business.”

(Hamilton married Elizabeth Schuyler on December 14, 1780. Schuyler is one of the names that surfaces occasionally in a genealogy of The Pilgrims Society. This is also true of Van Rensselaers, who held 700,000 acres, with whom the Schuylers were related by marriage. According to “History of the Great American Fortunes,” Royal Colonial Governor of New York Lord Fletcher granted Peter Schuyler a 50 mile tract of land that represented a “towering fortune that ranked as a power of transcending importance.”) ---



“In 1816 a second Bank of the United States was given a federal charter by Congress. Like its defunct predecessor it was a “bank of issue” and also was largely controlled by foreigners through such front



men as John Jacob Astor, Stephen Girard and David Parish. Parish was New York agent for the Vienna branch of the Rothschild outfit during the War of 1812.”

(Five Astors appeared in the leaked list of The Pilgrims of Great Britain, circa 1969. Perhaps reflecting their greater secrecy, only one Rothschild appeared.)

“During the next 20 years, the second Bank of the United States was an unchained monster in American life. It had been put under management of Nicholas Biddle who ran it according to the wishes of its foreign owners and in defiance of the welfare of Americans. The Bank of the United States probably did more than anything else to stir bitterness and hostility between the North and the South.”

(It has often been charged that England was the main agitator fomenting the Civil War. As newspaper and literature accounts from the period 1830-1865 are reviewed, suspicion grows that is exactly what happened. The Crown never gives up retaking these “Colonies!”)

“In 1836 Andrew Jackson vetoed the bill which would have renewed the Bank’s charter which expired that year. In his veto message Jackson said, among other things--- “The bold efforts the present bank has made to control the government, the distress it has wantonly caused, are but premonitions of the fate which awaits the American people should they be deluded into a perpetuation of this institution or the establishment of another like it.”

“The policies of prudence and thrift which characterized the administrations of Jefferson and his successors, including Jackson, were so beneficial---**IN SPITE OF THE DEVILTRIES OF THE BANK**---that during Jackson’s administration the last of the debt of the United States was paid off. From then until the Civil War the United States was without the curse of a centralized system of bank control. Though some debts were incurred---particularly in connection with the Mexican War---the nation was sound, progressing, and prosperous.”

(Things weren’t exactly as good as that, because this was the so-called “free banking period,” in which paper notes and fractional reserve banking excesses harmed the public by minimizing specie conversion. The fact of absence of a central bank did however, help the situation.)

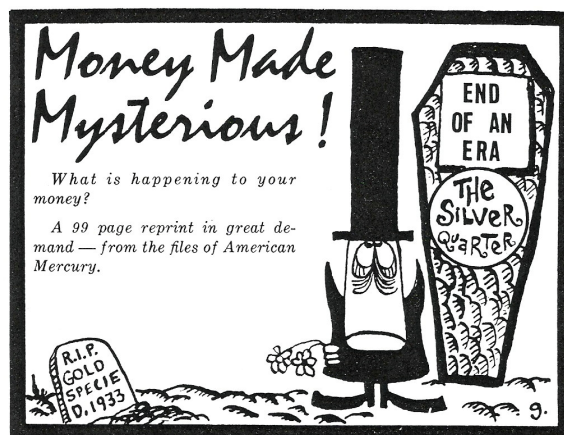
“In 1837 the Rothschilds sent one of their “bright young men,” under an assumed name, August Belmont, to America where he soon was running a bank under that name (but as a Rothschild agent) in New York City and sponsoring numerous other banks in other parts of the country, particularly in the South.”

(“The Pilgrims Of Great Britain,” 2002, page 181, listed August Belmont among the members of The Pilgrims in New York at its opening in 1903) ---



("Who's Who In America," 1916-1917, pages 174-175, has biographical details supplied by Belmont himself. Those details blacked out his membership in The Pilgrims Society. However, here's an excerpt of what he provided--- "Married Elizabeth Hamilton Morgan. Head of August Belmont & Co., American representatives European banking firms of Rothschilds; chairman board of directors Interborough Consolidated Corporation, Interborough Rapid Transit Company, Rapid Transit Subway Construction Company; president, Boston, Cape Cod & New York Canal Company, First National Bank of Hempstead, Long Island; trustee Bank for Savings; director L & N Railroad, Long Island Railroad Company, Chatham & Phenix National Bank, American Asiatic Steamship Company, Audit Company of New York, National Park Bank, Metropolitan Opera & Real Estate Company, **AND MANY OTHER CORPORATIONS.**" He was chairman of the Jockey Club and president of the American Kennel Club. More from this American Mercury article)---

The American Mercury, Summer 1968, page 64, ran an ad for a reprint of some of their monetary commentary---



Who can predict what stunning value the surviving 90% silver coins will have as monetary catastrophe and cataclysm forces the world to return to precious metals? A letter to the New York Times, June 30, 1933, page 16, stated---

"May I suggest that world prices can be raised honorably and safely only one way---by increasing the supply of money metal. This means adding the world's stock of silver to that of gold at a fixed ratio by international agreement. This does not involve abandonment of the gold standard. The gold content of

the dollar or pound sterling will remain fixed and governments will be obliged to pay out gold in exchange for silver, or vice-versa, at all times at the international ratio permanently agreed upon.”

(Ratios must be subject to change reflecting demand for both metals.)

“The Money Fraud” by Clarence S. Martin, M.D., appeared in The American Mercury, Fall 1967, pages 41-43---

“It is becoming common knowledge among the common people in the United States of America that we are being victimized by the biggest money fraud in the history of civilization by the so-called Federal Reserve System, which is in reality an international privately owned corporation not owned or even subject to the control and tax laws of our government. This fraud, which makes the monies involved in the million dollar Brink’s robbery and the activities of Al Capone, mere chicken feed by comparison, is being extorted from the American citizen.”

“To understand how much money this really is, we may note that the total cost of government in the United States from George Washington to Franklin D. Roosevelt, including the Civil War and the other wars fought during that time was only approximately 80 billion dollars. The international bankers, the Class A stockholders of the Federal Reserve Corporation have not been satisfied with illegally mortgaging this nation to themselves, but are involving every nation they can in this scheme for one world government. Are we to stand idly by, when the proceeds of 6 months or more of an industrious working man’s year is illegally confiscated to feed this monster?”

“We have violated Article IV of the Bill of Rights---the right of the people to be secure in their persons, houses, papers, and affects through our personal property and income tax raids. Our Constitution clearly limits the federal government to the narrow areas of mail, money (money now relegated to the internationalists), and the military (now relegated to the U.N.) and Article X of our Bill of Rights, clearly states---that those powers not delegated to the federal government by the Constitution nor prohibited by it to the states are reserved to the states respectively or to the people.”

“Quoting the late Senator Louis T. McFadden, when he was chairman of the Congressional Banking Committee---“The truth is the Federal Reserve Board has usurped the Government of the United States. I charge them, jointly and severally, with the crime of having treasonably conspired and acted against the peace and security of the U.S. and with having treasonably conspired to destroy Constitutional government in the United States.”

(Senator McFadden was an adamant advocate of the gold standard.)

“Shortly after Senator McFadden made these statements, first, two unsuccessful attempts were made on his life---shooting and poisoning---then he was promptly sent to Ireland as Ambassador and within a half year was reported dead of a heart attack. **STRANGELY ENOUGH THE SIX OTHER MEN WHO WORKED WITH HIM ON HIS INVESTIGATION OF THE PEOPLE BEHIND THE FEDERAL RESERVE SYSTEM ALSO “DIED” WITHIN THAT HALF YEAR.**”

(There were quite a few personalities linked to the JFK assassination who died under mysterious conditions. And everyone always “acted alone!”)

“The All-American Pickpocket” appeared in The American Mercury, Winter 1966, pages 42-45. The author, Curtis Dall, was one of Franklin Roosevelt’s son in laws! The intro read---

“After watching the shaping of history at its source, a former Wall Street investment banker and son in law of FDR reveals, through an imaginary conversation between a father and his young daughter, how vested world interests plan stock fluctuations, create depressions, stage major world events and plot assassinations.”

(The staged conversation started in reference to the Federal Reserve System) ---

“Is that the name of the pickpocket, daddy?” “Yes, it is.” “Does our Government own it, or own part of it?” “No, Jane, it owns no part of it. The bank is *privately owned*. Uncle Sam, meaning you and myself, and all our neighbors, do not own a share of its stock. The *real owners* of that bank, the *managerial shares*, or Class A shares, comprise a closely guarded *secret group of people* whose names have never been revealed to the American people.”

“But doesn’t the word Federal mean that the bank is a part of *our government*, daddy?” “The word Federal could mean that Jane, but the name Federal Reserve Bank is a most carefully created misnomer, aimed to deceive you and me to thereby set up a sort of smokescreen, to hide what is actually a privately owned, fractional reserve, central bank of money issue. That is what it is, and it really runs the government in Washington from behind the scenes. No Congressman or Senator on Capitol Hill dares touch the subject of money. No independent audit has ever been made the Federal Reserve in its entire history!”

“Daddy, would you write that---write what you have just said, on a piece of paper? I want to show it to my American History teacher, Miss Weston, at school. She never told us that in class, when we talked about money. She said the Federal Reserve Bank was set up to reduce bank failures and to help the farmer, and aid in the circulation of money.” “Jane, your history teacher can’t or won’t tell you what I’ve just said. She might lose her job if she did. Furthermore, it’s *not* in your history book.”

(In my second year of college a friend told me of the emotional paroxysm his economics professor displayed on seeing such views of the Federal Reserve in a term paper. This man was red faced with hysteria and blood vessels were standing out like ropes on his temple! I went to visit him after he seemed more relaxed. Upon showing him a silver dollar, I was told to leave at once “or I’ll summon the campus police!” Maybe he was a member of the American Economic Association!)

“Does the President *have* to do what they tell him to do, about our money?” “Yes Jane, *he does!* He was placed in office by them. You see they control *both* the major political parties of this country by means of money, and they carefully select both Presidential candidates. The Election is largely pageantry to make you and myself think we have something to say about the really important matters. The emotional and unimportant matters are played up and we have a big wing-ding over them, while

the big, behind the scenes money managers of the world look on, and smile at all the hub-bub and tell the Press to say, sic 'em!"

(A three ring circus of personalities is presented to mesmerize the public. I voted a straight Libertarian ticket since the Democrats and Republicans just come from different areas of the underworld.)

"The reacquisition of power to control the creation and issuance of our money, to save the great profit involved, is the *most important single item today*, before the people, if they but knew it! Various plausible "see the birdie" acts, enumerated below, are now going on, to *divert* our attention, so as to divide racial groups and create animosities here and abroad. The issuance of our own money by ourselves, for ourselves, is *more important* than Vietnam, Berlin Wall, Civil Rights, Great Society, Red China, Poverty Program, Foreign Aid---*all rolled up in one package!* The Council on Foreign Relations/Federal Reserve Bank lobby in Washington, will certainly not agree with that statement, but they would not dare to openly debate the subject fairly in a public forum, for fear of being unduly *exposed!* They will continue therefore to operate quietly behind the scenes, against the solvency of the people! But when the people get aroused, the story will be different!"

(Photo of David Rockefeller, circa late 1964 or early 1965, from the cover of Financial World magazine, February 17, 1965. A founder of the Bilderberg conferences in 1954, this Pilgrims Society member still controls the Council on Foreign Relations through agents and has stood atop the American establishment for over sixty years. His membership in The Pilgrims Society is the only internationalist organization he didn't mention in his memoirs. That should suggest either it's unimportant, or all-important. Can you imagine Rocky belonging to anything unimportant? Stop worrying about Bilderberg and focus on the one group we cannot get a list into the public domain for) ---



"The Tricks Of Manufacturing Money" by Congressman Wright Patman from Texarkana, Texas, appeared in The American Mercury, June 1958, pages 15-27---

"The greatest Manufacturers in the United States are manufacturers of money. The biggest manufacturers in the United States are manufacturers and creators of money. The Open Market Committee is the most powerful committee on earth. The Open Market Committee has more power over our economy than Congress has. We gave it that power. We should look over that power now and then; we should audit their reports; we should investigate what they have done. But there has never

been an investigation of the Federal Reserve Banking System or of its Open Market Committee. It has handled hundreds of billions of dollars and yet we have had no audit.”

(Any Federal Reserve banker at any of the twelve branches can locate any number of “mental health professionals” who would designate calls for an outside independent audit of the Fed as a “mental disorder” and the same goes double for precious metals “hoarders” needing “clinical treatment” after we’ve been stripped of everything!)

“A great deal of that paper money---in fact, most of it---has been returned because it was soiled and unfit for circulation and has been destroyed. But there is no proper audit made of the destruction of that money. Imagine that! As members of Congress, we have permitted this to go on. Not only is Congress responsible, but each and every individual member of Congress, including myself, is responsible.”

(We have all had worn out, tired paper money notes handed to us by cashiers, and we accepted them with dismay. Sometimes I have requested a substitution and received it. Cashiers comply to avoid argument and because they are aware that most people will simply accept beat up currency and palm it off elsewhere as fast as possible. In this sense, currency velocity is a principle everyone practices, and Gresham’s Law isn’t limited to driving out specie! When the weakened bills reach the bank, they’re sent to the area Federal Reserve branch for replacement. Why not, asks the upper management of the area Federal Reserve banks, spend these dilapidated notes into circulation one more time, as they will again be returned here within one week? Why not get an additional stipend, benefit, bonus or emolument from our privileged position? If a cashier or individual experiences receipt of an unusual number of “geriatric” paper notes, realize that the person “paying” them may be with the Federal Reserve System, the greatest thieves of all time!)

“The private Federal Reserve Bank commercial banking system has the same system of issuing money and creating money and manufacturing money that the European goldsmiths of old had. The goldsmith found out that on a dollar’s worth of gold he could give out receipts for several. These receipts came to be used as money, and the goldsmith could make loans of several dollars for every dollar he actually had deposited with him. If all the holders of these receipts came in and demanded their gold, the goldsmith would not have it. But, knowing that very few of the people would ever come back and demand the gold, he was more or less safe.”

(This discussion is old hat to most readers here and is being mentioned for benefit of newcomers, from whom monetary history was withheld in economics classes they attended.)

“There are things about this system today that should be looked into, to determine whether or not it is being used in the public interest. The federal government prints all the paper money and someone else gets the benefit of this money. Those who get the benefit of it should be accountable to Congress, because Congress is charged with that duty. We should look into the way the Federal Reserve banks have handled this trust.”

“The Federal Reserve Banks should be audited, and I believe that the Comptroller of the Currency should also be audited. The Federal Deposit Insurance Corporation should be audited by the General Accounting Office.”

(Over a half century after this was written, we have **STILL** not had any independent audit of the Federal Reserve, nor of United States gold allegedly held at Fort Knox, Kentucky!)

“There is a growing monopoly in the banking business that is extending out all over the Republic. Thirty five years ago we had 30,000 banks in this country. Today we have fewer than 14,000 banks. The tendency is towards fewer banks owned by fewer bankers. We must break that up; in the interest of the public it should be stopped.”

(Wow! What would this Congressman have said about consolidation by late 2008? The trend in banking consolidation has mirrored the trend of reduction of members of The Pilgrims Society---from 1,000 members in 1955 to perhaps 800 today. It consists of the real kingmakers and the majority of members who are their operatives exercising delegated power.)

“The Federal Deposit Insurance Corporation has only \$1.44 to protect every \$100 liability. Do not forget that---\$1.44 to protect every \$100 liability. That is not enough. The Federal Reserve is not serving the public interest as was intended under the original act or under the act of 1935.”

(Congressman Patman was in a position to be fully informed that at no point in its history and origins was the Federal Reserve ever intended to serve the public interest as was claimed. While this Congressman did some good even in his repeated failed attempts to have the Fed audited, and in his attempted probes of the Mellon family holdings, he appeared to have a blind side concerning some aspects of the monetary landscape. He also sided with the Silver Users Association in their campaign to seize and consume our silver coinage!)

“The Federal Reserve System is not now under public audit control, nor is it under any budget control or supervision, by the President or Congress. The System never has been audited by the General Accounting Office or any other auditor which is independent of the System itself. It exists and operates on a “delegation” of a power which is reserved to Congress by the Constitution. This is the power to create money and to regulate the value thereof.”

“Here are some odd things about the Federal Reserve System---the officers, directors and employees of the Federal Reserve System are not government employees. Their salaries are fixed without reference to civil service or any other salary scale. The salary of the President of the Federal Reserve Bank of New York is \$60,000 a year, which makes him the highest paid official in the government, except for the President of the United States---although he is not, strictly speaking, a government employee.”

(Patman was referring to Alfred P. Hayes of The Pilgrims Society, profiled here in summer 2007 in “Paper Money Mobster Speaks.”)

“These federal banks have their own salary scales. They have thought up their own retirement systems, and they have extremely generous systems. They pay for hospitalization and surgical insurance for their

employees. They subsidize their cafeterias and dining rooms to the extent of 50 percent. They pay for amusements, entertainment of all kinds, and banquets. They pay for gifts to people who are not even employees of the bank; they send employees to school and pay for their training. There seems to be no limit to the things that the Federal Reserve banks pay for with government money.”



HERE'S ONE ANSWER TO THE COIN SHORTAGE:  
NEW NICKELS — 750,000,000 OF THEM

(Advertisement by the Anaconda Company appeared on page 6 of Financial World magazine, October 28, 1964. Behold the lowly five cent piece, the nickel! Some nickels dated 1942 contained 35% silver and all dated 1943-1945 had 35% silver content---the “war nickels.” Today with zero silver the nickel, nominally worth a mere five cents, is intrinsically more valuable than a \$100 Federal Reserve Note!)

John Witherspoon (1723-1794), Presbyterian minister who signed the Declaration of Independence and was mentor to President Madison declared concerning paper note currencies and legal tender laws necessary for forcing acceptance---

**“THE MEASURE CARRIES ABSURDITY IN ITS VERY FACE. WHY WILL YOU MAKE A LAW TO OBLIGE MEN TO TAKE MONEY WHEN IT IS OFFERED THEM? ARE THERE ANY WHO REFUSE IT WHEN IT IS GOOD? IF IT IS NECESSARY TO FORCE THEM, DOES NOT THIS DEMONSTRATE THAT IT IS NOT GOOD?”**

“It has been demonstrated, by the long experience of ages, that if any prince or state debase the metal, it is utterly impossible to make it succeed. **HOW THEN CAN IT BE POSSIBLE TO MAKE THAT SUCCEED WHICH HAS NO VALUE AT ALL?**”---John Witherspoon

**“THE TASK OF FURNISHING A CORRECTIVE FOR DERANGEMENTS OF THE PAPER MEDIUM WITH US IS ALMOST INEXPRESSABLY GREAT.”**---President John Tyler, annual message to Congress, December 7, 1841

“The promise written upon the face of bank paper is a mere fiction, and the theory of its having a metallic basis is an exploded humbug. There is plainly a radical, inherent, and incurable defect pervading the entire system, beyond the reach of medicine, and dissolution seems inevitable. Perhaps the moral as well as the fiscal atmosphere may become more pure when the rotten mass is groveling to the earth. From every feature of their organization they are impotent of good. Literally “lock-ups”---I know no plainer term of that material which is the sole medium of exchange, in the absence of which



one may be possessed of value an hundredfold exceeding his indebtedness, yet be unable to cancel the smallest obligation from the absence of the only material by which he would be enabled to do so. Chartered for the accommodation and benefit of the community, they appear to have reversed the intent of their creation, and absorb both elements of circulation. With criminal complacency, they aver their innocence and mock at the writhing pangs of business, struggling to accommodate itself to a contraction, unnatural and agonizing." ---page 302, Merchants Magazine & Commercial Review, New York, March 1852

"There is a kind of illegitimate medium afloat and in general use in circles of business, in the form of promissory notes, other than required for a legitimate credit business---checks, due bills, accepted orders and the like, all substituted for a medium of exchange, because of the insufficiency and absence of the legal tender from the thoroughfares of trade. I know of no available statistics from whence could be gleaned the proximate quantity, in numerals, of these "promises to pay," but if they could be counted in the volume of currency, the swelling figures might puzzle the accountant to cipher their denomination. This private emission generally makes the circuit of the locality from whence it is issued, answering the end of money. Far greater detriment results to the community from the circulation of this bastard currency than would follow a realization of (start page 303) the fears regarding a redundant circulation arising from legitimate issues. Give to owners of capital facility to procure its representation in the currency, and such illegal and irresponsible issues would not be resorted to. Do away with this host of money-makers, and confer upon the State the exclusive attribute of creating equivalents; and to guard against redundancy, restrict the proposed issues to a percentage on values truthfully assessed. I would remark in this connection that an expanded credit system is the inevitable tendency of this illegal issue."

(Freeman Hunt, the editor, titled his article "A National Currency---Real Estate Its Basis." This idea was enacted in Germany under the Dawes Plan after the collapse of the mark in the 1923 hyperinflation and was called the "Rentenmark." Allegedly the currency was "backed" by all the land in Germany. Land titles and deeds to buildings and houses are necessary; however, real estate, unlike gold and silver, is not transportable. It is additionally not fungible. A parcel in North Carolina containing gemmy emerald crystals has a superior value to a toxic waste site. How would a national currency based on real estate be "redeemed?" If a saver accumulated enough notes, could he force sale of a house when the resident didn't want to sell? Next Hunt referred to Louis Chitti, an attorney with land dealings in Virginia and Kentucky) ---

"His is a money of paper issued by the State, possessed of value in itself, intrinsic, and ultimate, and not convertible. Ours is a paper money issued by the State upon bond and mortgage on real property, the medium itself being of no value, but the representative merely of other values, and convertible, not to gold and silver, but to the farm and homestead which they represent." (page 302)

(So everyone with clear title to property could have the State issue notes allowing the owner to use them as currency! Another drawback---no one in these United States actually owns any property! Tax appraisal districts "own" all the land! You must pay an annual tribute on what you "own" or you will be dispossessed by armed gunmen sent by the State! Services? Only those who consume services should have to pay for them!)

"It is scarcely necessary for us to point out the errors of an irredeemable money of paper, though its paternity be the State. An indefinite issue must be the result of such a system, as there is neither limit nor bound to its creation. To make population the standard of its issue, without a specific pledge to justify its increase, would be vitally wrong; and the bitter past is too fresh upon the records to expect for

it a moment's consideration. **I CANNOT CONCEIVE THE POLICY OR THE WISDOM IN ENDOWING BITS OF PAPER WITH AN INTRINSIC ATTRIBUTE, AND THE WORLD WILL NEVER CONFER AN ESTIMATION UPON THEM NECESSARY TO THEIR BECOMING ULTIMATES.** Let gold and silver continue to be the standard of value, but not the basis of circulation. But let values, the result of labor, as measured by the standard of gold and silver, be that basis, and let the Government, in its sovereign right, create the medium with which to represent those values, in the manner proposed."

(Freeman Hunt, 1804-1858, was a prominent New York publisher. See an 1844 photo of him at <http://www.old-picture.com/daguerreotypes/Freeman-Hunt.htm> )

"The Constitution of the United States, in forbidding the States to make anything but gold and silver coin a legal tender for the payment of debts, seems to define money, and to express the will of the people to *make a distinction between money and the promise of it*. Paper money cannot be as good as coin as a legal tender for deferred payments, unless it can be made absolutely certain that it can be converted into as much coin at the maturity of the debt as it passed for at the inception. And it is equally true that on no other condition can it as well perform the function of coin as a storehouse of purchasing power. ***The proper material for money is determined by the nature of things, a law higher than any government.***"---"The Relations of Debt and Money," North American Review, May 1877, pages 421-422, 431, article by Elizur Wright (1804-1885) who developed actuarial tables and is known as the "father of life insurance."

"Without gold creation of banking credit is futile." ---letter, The Times, London, July 13, 1933, page 10

"There seems to be no doubt that the severe coin shortage that has plagued the country for the last three years stems in large part from the hoarding of silver currency by the public. Even at this vastly stepped up rate of production, it appears that no real dent has been made in the chronic coin shortage. The Treasury intends to boost output sharply again this year, **AND IT IS STILL STAMPING THE 1964 DATE ON 1965 COINS** in the hope of discouraging collectors. This may be more wishful thinking on the part of the Treasury. There is a new breed of numismatist who seems more interested in a possible rise in the value of silver than anything else. **IN FACT, IT IS BECOMING OBVIOUS TO JUST ABOUT EVERYBODY THAT THE TREASURY CANNOT CONTINUE MUCH LONGER TO MAKE UP THE DEFICIT BETWEEN DEMAND AND SUPPLY.** Free world countries last year consumed more than 500 million ounces. About half of this was for coinage, most of it in the U.S. The rest went to private industry which in recent years has found growing uses for the metal in photography, space sciences and electronics. New production last year was in excess of 200 million ounces, hardly enough to begin to satisfy demand which accordingly had to be met by drawing on existing hoards, of which the Treasury's is still the biggest. The problem is that most of the world's silver is byproduct from mines worked for lead, copper and zinc content. In every year since 1956, industrial use of silver alone has amounted to more than annual world production. Although some increase in output can be expected over the next few years from new base metal projects currently underway, it is not likely to be sufficient to close the gap. **COINS CURRENTLY IN CIRCULATION ARE LIKELY TO DISAPPEAR. IT MIGHT BE NECESSARY TO OUTLAW HOARDING.**" ---"Crisis In Silver," Financial World magazine, April 21, 1965, pages 9 & 10.

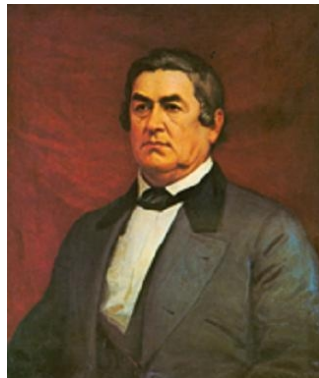
(The silver deficit traces to 1950 or 1949. Some silver coins stamped 1964 were actually minted in 1965 with no way to differentiate. That's the second confiscation reference I found in 1965---the other came from the American Bankers Association! So keep no metals in their safe deposit boxes!)

“Anyone who takes a strong position in gold is expressing a lack of faith---the kind of faith that is further undercut every time a shah is overthrown or the Soviets funnel more troops into Africa.” ---Financial World magazine, June 1, 1979, page 23

The North American Review, New York, October 1852, pages 403-404, quoted statements delivered in the United States Senate by Senator Robert Mercer Taliaferro Hunter of Virginia, known as R.M.T. Hunter, on the then pending Coinage and Seigniorage Bill---

“In May 1837 all the banks in the United States suspended specie payments; and the immediate consequence was a depreciation of their paper, or a rise of specie to a premium, differing in amount in the various States according to the various degrees of solvency of their respective banks, but of which the average for the whole country was at least 12 percent. The inevitable result followed, that specie disappeared from circulation, and all obligations were discharged in paper---that is, by the payment of 88 cents on the dollar. If a person lent \$1,000 in April of that year, to be repaid in June, he lent what was in fact 1,000 silver dollars, each worth 100 cents, and received back 1,000 paper dollars, each worth only 88 cents. **THE EVENT WAS AN ACT OF NATIONAL AND UNIVERSAL BANKRUPTCY.** The United States Government alone, in the exercise of its prerogatives as sovereign, refused to submit to this loss, and obliged all its debtors to pay specie.”

Our magnificent President Martin Van Buren, who had just taken the helm of government from the still more magnificent Andrew Jackson, for whom he had served as vice president, refused to allow any form of “payment” to enter the United States Treasury other than gold and silver, and would have died if necessary to prevent it! Van Buren detested bank notes, regarding them as trash! Senator Hunter of Virginia, 1809-1887, hard money man---



I have some friends I can count on when all government promises fail---silver coins. I am certain 2009 will see their power expand. As currencies reel and totter and degenerate, may we see the poetry fulfilled ---

\*\*\*\*\*

For silver, a mad rush and an incredible craze!

Screaming for silver wherever you see the sun’s rays!

\*\*\*\*\*

“Restoration of some stable international monetary standard is all important from the point of view of world trade.” ---Letter, The Times, London, January 27, 1933, page 18

Jonathan Allan, in a letter titled "Silver Remonetization Urged" to the New York Times, February 5, 1933, section IV, page 5, stated ---

"Is it a credit to our intelligence when we adhere to an inadequate money system that has brought us to the verge of starvation in a land of plenty? Or that we permit bankers to control credit to the advantage of themselves and to the disadvantage of the rest of us? Shall we adhere to a system that demands double indemnity from the debtor when his ability to pay has been reduced 50 percent or more? Or shall we all return to Stone Age methods of barter and exchange, as many have already done? **RETURN TO THE BIMETALLIC STANDARD WOULD DO MORE TO BRING ABOUT A NORMAL REFLATION THAN MERE ADDITIONS TO PAPER CURRENCY.** It does appear to be safer and more conservative than resorting to the printing press method."

"Associated Gas and Electric Will Pay Interest in Scrip," NYT, February 15, 1933, page 29---

"Interest due today for three months on convertible obligations of the Associated Gas and Electric Company will be paid in five year 7 percent scrip. Previous payments were in cash."

"Bankers Frame Inquiry To Berlin on Scrip Plan," NYT, August 26, 1933, page 15---

"An informal meeting of representatives of New York investment houses that have distributed German bonds in recent years was held yesterday in the Federal Reserve Bank to discuss the framing of a cable dispatch to German authorities in the matter of assuming liability in the registration of scrip which will be issued in connection with payments of service on German issues. As the scrip, which is to be issued for 50 percent of the payments, is characterized as a new security under the Federal Security Act, bankers are reluctant to assume the liability."

"Denounces Inflationary Moves" subtitled "Urges President to Stand Firm Against Monkey Money," New York Times, September 21, 1933, page 2 remarked---

"Inflation would mean not only financial ruin for whole classes of the community but it would be followed by profound political changes. The German middle class, ruined by inflation, became the backbone of the Hitler movement. All through history inflation has proved to be not a noble, but a very dangerous experiment."

"The Inflation Menace" was an item from the Chicago Daily News, quoted in the NYT, September 24, 1933, section IV, page 4---

"At this moment radical members of Congress are exerting tremendous political pressure on the White House to procure the printing by the government of unsecured greenbacks. This demagogic demand, which shuts its eyes to all human history, constitutes the gravest menace to the future welfare of the country encountered since the beginning of the depression. No country anywhere in the world at any time has ever embarked upon a policy of unrestricted, uncontrolled inflation without ending the experiment in bitterness and disaster."

"Sound Money Advocates," a letter to the NYT signed by John W. Laird, September 25, 1933, page 14, quoted Daniel Webster---

"A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system and encourages propensities destructive to its happiness. Our own history has recorded for our instruction more than enough of the demoralizing tendency, the injustice, and the

intolerable oppression on the virtuous and well disposed of **A DEGRADED PAPER CURRENCY, AUTHORIZED BY LAW, OR ANY WAY COUNTENANCED BY GOVERNMENT.**”

“Nazis Use Printing Press To Get Funds, Paris Hears” ran in the NYT, October 6, 1933, page 27---

“Paris---The newspaper Liberte professes tonight to see proof of considerable monetary inflation in Germany in the latest statement of the Reichsbank. It says that circulation increased 449 million marks in one week, indicating that **THE NAZIS ARE FINANCING THEMSELVES THROUGH PRINTING PRESSES**. It also states that it has no knowledge that within the last few weeks the Reichsbank has repatriated gold deposits which had been kept in various French banks. That Liberte’s fears regarding the mark are shared in financial circles was demonstrated by the continued weakness of German currency in trading here.”

“Use Of German Scrip Planned By The Swiss---Reported Deal With Reich Looks to Payment for Goods With Proposed Issue,” NYT, October 8, 1933, section II page 11 ---

“Wall Street received reports yesterday from several sources in Europe that Germany and Switzerland are about to reach an agreement whereby the scrip to be issued by Germany for 50 percent of the value of the interest on corporation and municipal external bonds will be used by Switzerland at par to purchase coal and many other commodities from Germany. **OTHER NATIONS ARE FACED WITH THE PROSPECT OF RECEIVING NO MORE THAN 50 PERCENT OF THE VALUE OF THE SCRIP FROM THE GERMAN CONVERSION BANK IF THEY ATTEMPT TO CASH IT**. Reports also indicated that Holland might make similar arrangements so that the scrip could be used at par. These reports are in line with a dispatch from Berlin last week which indicated that Germany would use the scrip as an instrument to further her foreign trade at the expense of the bondholders. It was indicated in financial circles here yesterday that the British Corporation of Foreign Bondholders is prepared to vote a strong protest against this discriminatory treatment. The point was stressed yesterday that German exporters continue to aid in the practice of buying up German dollar bonds at depreciated prices and returning them to Germany so that, with the forcing up of German exports by means of the scrip, Germany at the same time will be enabled to reduce her foreign debts appreciably. The only German issues which do not come under the scrip plan are the government 7 series and 5.5 series of the Dawes and Young Plan loans.”

(Charles Dawes of The Pilgrims Society created the “Rentenmark” allegedly backed by all the land in Germany, and Owen D. Young of National Broadcasting and General Electric, another Pilgrims Society member who was a director of their front organization, the Council on Foreign Relations, further manipulated German finance and was a director of the New York Fed Bank. Public utilities magnate Dawes was profiled in “The Greatest Right,” Archives of Silver Investor.)

“Continent Buys In London,” NYT, November 3, 1933, page 8---

**“NO OFFICIAL INTERVENTION BY AMERICA IN THE LONDON BULLION MARKET COULD BE TRACED TODAY.”**

(Ahh, an admission that governments intervene in the gold market!)

“Roosevelt Faces Attack On Money” subtitled “Plea for Stabilized Currency by Advocates of Return to Gold Basis Expected.” New York Times, November 3, 1933, page 13, reflected ---

“The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their government has no right to injure them by financial experiments opposed to the policy and practice of other civilized States, nor is it justified in permitting an exaggerated and unreasonable reliance on our national strength and ability to jeopardize the soundness of the people’s money.”

“There is abundant evidence in our own history and that of other nations demonstrating that currency inflation is the great destroyer of savings and all forms of income, whether derived from wages or return on invested capital. As long as the investor---the loaner of capital---fears that the dollar he is to get in return for his investment may be worth only a fraction of the dollar he is asked to invest or loan, he will not risk his capital.” ---Commercial & Financial Chronicle, November 11, 1933, page 3422

Edwin J. Schlesinger in a NYT letter entitled “Depreciated Dollars” published on November 23, 1933, page 20, reflected ---

“It might be well to read the pamphlet “Fiat Money Inflation in France.” It speaks of the situation in which France found itself in 1789 when, because of general lack of confidence in business circles, capital retired out of sight and irredeemable paper money was resorted to. The first result of issuing paper money was to relieve the French Treasury to pay a portion of the public debt and to revive credit. Before long, when the government had spent all the paper money originally issued, **IT WAS AGAIN CONFRONTED BY GRAVE PROBLEMS.** French merchants soon found that the purchases of their customers were decreasing rapidly, with the result that **COMPLETE CESSATION OF BUSINESS FOLLOWED.** Daniel Webster said that “of all contrivances for cheating the laboring classes of mankind, none has been more effective than that which deludes them with paper money.”

“The flight from the dollar about which we hear so much should give people an inkling of what may be expected if inflation dominates. Should America ultimately come to inflation, it must be realized that **HARD MONEY, SUCH AS COPPER, NICKEL AND SILVER, WILL BE HOARDED JUST AS GOLD** was prior to and shortly after March 1, 1933. **HISTORY TEACHES THAT UNSOUND CURRENCY IN ADDITION TO THIS ALSO BRINGS ABOUT SERIOUS UNEMPLOYMENT.”**

“Inflation Crisis Feared,” New York Times, November 28, 1933, page 17 ---

“Monetary history emphasizes the grave dangers attending the issue of fiat money. In its financial effects and economic consequences the inflation of credit is quite as dangerous as that of the currency. Portfolios of commercial banks will be related more to speculative transactions than to those of a commercial character. **THE SOLVENCY OF THE BANKING SYSTEM IS MADE CONTINGENT UPON THE CONTINUANCE OF THE INFLATIONARY BOOM.**”

Matthew Woll, vice president of the American Federation of Labor, in “Inflation Victims,” letter to the NYT, December 3, 1933, section IV, page 4, asked---

“Why should the white collar workers, the man working for a daily wage, whether in public or private service, the widow living on a pittance, the old couple with a few thousand dollars in the savings bank, the industrious citizen who has scrimped to retire on a modest annuity or to make possible a pension return, the millions of holders of insurance policies, the moderately well to do who put their faith in the honesty of the government and bought its bonds, seeking safety of funds before anything else---why

should they be made to suffer principally and most grievously by a policy of currency inflation designed to relieve a small part of our possessing class?"

"German Scrip Issue Is Filed With Board," NYT, December 17, 1933, section II, page 9---

"Washington---Filing for registration under the Securities Act of a statement by the Conversion Office for Foreign German Debts of Berlin, covering certificates of indebtedness or "scrip" of the corporation amounting to 45,000,000 Reichsmarks, was announced today by the Federal Trade Commission. The scrip will be issued in lieu of about \$13,500,000 face amount of interest payments on instruments of indebtedness publicly distributed in America and an estimated 5,000,000 Reichsmark of other payments required by the law of June 9, 1933, to be made into the Konversionskasse."

(Sounds somewhat like bonds, but with what guarantee?)

"The corporation is authorized to receive from German debtors with foreign creditors payment of the Reichsmark equivalent of the interest payments and certain other classes of payments which they are obligated to make. It will transmit to paying agents or directly to creditors funds in foreign exchange for the payment of 50 percent of the interest items due from July 1, 1933, to December 31, 1933, and will forward its scrip in payment of the balance of such interest items."

"The date at which the scrip will be redeemed at full value in favor of scrip holders is not determined, but the Golddiscountbank has definitely announced that it will, until December 31, 1933, buy the scrip through an American agency at 50 percent of par. The Golddiscountbank will then make the scrip available to German exporters under certain conditions. The Konversionskasse may buy the scrip from such exporters at par."

(Friends, which do you prefer? Scrip, or precious metal?)

W.E.D. Stokes Jr. in "Fiat Money And The Law," New York Times, December 18, 1933, page 18, commented---

"A little investigation should convince interested persons that **FIAT MONEY CANNOT LAWFULLY BE ISSUED WITHOUT A CONSTITUTIONAL AMENDMENT**, requiring the affirmative action of thirty six States. The United States Constitution reads as follows---

"Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures. No State shall make any thing but gold and silver coin a tender in payment of debts."

"Daniel Webster, in an analysis of this section, said---

"I am certainly of opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of values in this country, **AND THAT NEITHER CONGRESS NOR ANY STATE HAS AUTHORITY TO ESTABLISH ANY OTHER STANDARD OR TO DISPLACE THIS STANDARD.**"

"This view appears to have been consistently followed by Constitutional authorities, so that the present government's effort to reflate our currency structure **MUST CONFINE ITSELF TO REVALUATION OF GOLD AND SILVER AND GIVE NO THOUGHT WHATEVER TO CURRENCY WITHOUT THIS METALLIC BACKING.**"

Page IV of the Index to the Commercial & Financial Chronicle, New York, for the year 1933, contained these entries ---

“Abandonment of Gold Standard an Abject Act of Folly (page 2653)”

---And---

“Administration of President Roosevelt Takes a Step Backwards Toward the Darkness of the Middle Ages in Refusing to Pay Interest in Gold on U.S. Securities Expressly Payable in Gold (page 3023)”

The Mining Congress Journal editorial, “Silver And Permanent Prosperity” (May 1934, page 29) remarked---

“We do believe that there is need for a larger amount of real money and a severe limitation of the abuse of credit which has frequently wrecked the prosperity of the nation. No one can intelligently defend bank deposits of fifty three billions of dollars with only eleven billions of money in existence. An effort to withdraw those deposits at any particular time would result in universal bank failures. The speculators and money sharks, who will see these conditions in advance, would get the eleven billions and the business man would get nothing but grief. We need, and to prevent future business depressions, **MUST HAVE MORE REAL MONEY.**”

“Money is a creation of government. No government can be trusted with power to create an unlimited amount of money. Its power must be limited by some fixed substance, the amount of which cannot be rapidly increased. Gold for 50 years has been accepted as that substance. **IT HAS BEEN FOUND WANTING.** Silver is equally limited in amount of possible production. Its use as a basis of money would make possible a necessary and proper increase in the amount of currency and furnish a defense against the growing number of those who believe in unlimited inflation. The concentration of gold by a few countries, if continued a few years longer, will destroy the gold standard. **SILVER’S USE AS A BASIS OF MONEY ISSUES IS A WORLD NECESSITY BOTH TO BUSINESS AND AS A PROTECTION TO THE GOLD STANDARD.**”

(President Jackson proposed a guarantee that paper money issues wouldn’t ever again run wild--- eliminate them entirely and rely on gold and silver coinage!)

In 1935 the United States Mint produced 43,922,000 of 90% silver Washington quarters. That’s 10,980 and a half bags. How many silver investors can amass even one roll of 1935’s from buying regular bags and rolls? The farther back in time, the fewer of each year’s silver coin issue still exists. Much of it went to make sterling tableware, then got smelted again starting in fall 1979 into 1982. As a monetary investment the 90% coins will outperform bullion in most cases. They have better divisibility, greater scarcity, and never need assaying as some lesser known bullion hallmarks. We could see a situation unfold in which metals buying gets so frenzied that gold and silver jewelry vanishes from display cases as inventory cannot be replaced. I suggest with your metals savings you hold other savings including storable food <http://survivalacres.com/wordpress/?p=1187> and personal protection devices and some crummy FRN’s. Get a solar power setup if you can. In a severe crisis including banking system nationalization, the government may move to impose drastic censorship on the Internet. Our Congress who has allowed us to sink into a “Star Wars” pit where we’ll be digested by a monster for 1,000 years doesn’t want to be blamed.

Gold remonetization could become a nightmare if parallels to 1933-1935 are enacted, including seizure and a new Federal entity along the lines of the perverted Reconstruction Finance Corporation, agent of

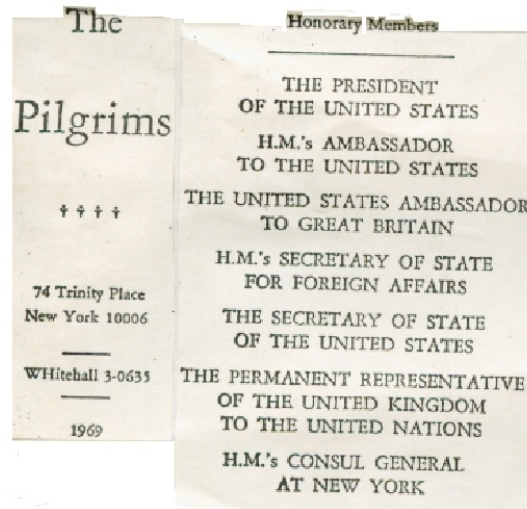


the Federal Reserve System in cornering the gold supply. I have much information on the RFC's gold buying and manipulating operations and will organize it when or if time allows.

I have started accumulating information concerning the silver nationalization (confiscation) that started in August 1934 under FDR. I state for the record that certainly I oppose any confiscation of precious metals. I have made statements on this subject in an attempt to prevent this from happening---lawsuits and boycotts of the Silver Users Association companies. While it would be boundlessly pretentious to claim that I personally (or everyone in metals combined) have the necessary influence to avert confiscation, there are others whose weight should not be discounted---the Users Association. Ted Butler and I [http://www.silverusersassociation.org/news/January\\_2006.pdf](http://www.silverusersassociation.org/news/January_2006.pdf) are the only commentators in the silver bull community they have ever cited in their monthly reports, and they doubtless monitor everything our community discusses, so we know they monitor what is said in the silver community. Since I am sponsored by Silver Investor, they know all that is said there and at similar sites. They know what we will do to drag them down should confiscation take place. It is therefore in their interest to lobby against it.

The main issue is not the silver users---it is the Money Power. **These people are out to break everyone else into the direst poverty if they can and they will stop at nothing. By controlling government policy, they control the distribution of wealth. That's why we've seen so much financial catastrophe, and why more is coming. Everyone not important to their plans is "useless eaters."** So, we have already had a silver confiscation in these United States, as a matter of indisputable historical fact, and someone wants to cite it as precedent for a repeat. Over 113 million ounces were confiscated! In presenting the documented findings by spring 2009, I hope to arm the metals community with the facts as to what took place in 1934-1936 as an information resource on which to draw for political action. We should contact our State government officials on up to Congress---to include appointed judges, and appeal to their conscience that they not allow Wall Streeters to use the Federal Government to strip us of what we lawfully acquired, and this also applies to protecting mining companies. Government must not be in the business of determining purchasing power of gold and silver nor in the Socialist/Fascist business of dispensing metal to industrial users at taxpayer, miner, and military servicemen's expense.

Those who've stayed with these monthly presentations for several years have seen the image below before. I offer it again for the benefit of those who haven't seen it. With the stroke of a pen, President Obama could act for the financiers in this organization of synthetic money mobsters and strip us of absolutely everything including mining shares. Since we know who they are in terms of an organization, we must ready for legal battles to protect our rights. The Attorney General and various Supreme Court Justices and several Senators are usually members ---



I have never found any textbook on government or political science that mentions this organization. The members are old-line aristocratic intermarried East coast wealthy inheritors who control trusts concealing the extent of their worth, much of which has likely been moved offshore; top Wall Street lawyers, bankers and media figures; key diplomats; admirals and generals; corporation executives and directors; foundation and university trustees; Presidential cabinet members; and the directors, trustees, and steering committee members and founders of major internationalist organizations including Trilateral, Bilderberg and Council on Foreign Relations.

William Borah, Idaho Senator from 1907 to 1940, who opposed the Pilgrims front known as the League of Nations and was known as "The Great Opposer," declared (NYT, April 24, 1933, front page) ---

**"LET'S GO AHEAD AND DO OUR DUTY BY REMONETIZING SILVER"**

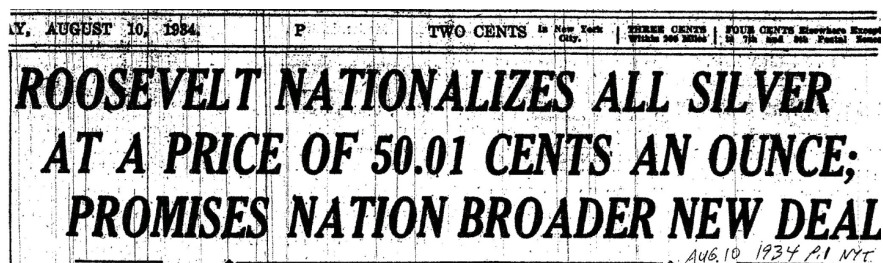


When the United States government says it needs to remonetize gold to stabilize the money system, it may likely say, "be patriotic and turn in your gold, don't be naughty like the Arab countries!" Silver would follow. "Don't worry," we'll hear, "Everyone will be assigned a universal digital code for transactions." While the Mint's Silver Eagle program was legislated by Congress to allow Americans to own government minted silver, don't kid yourself---they can change their minds but fast! Yet the only rational gold and silver system is that which has the citizenry circulating precious metals among its members as payment for goods and services. The NYT, April 24, 1934, page 2 stated---

"The Treasury began the collection of its information on silver hoarding by requesting brokers in New York and elsewhere to make available the names of holders of the metal. Secretary Morgenthau, when

asked if any silver advocates were included in the lists, said that some had been found among the holders. This caused a stir in Congress. He refused to discuss the nature of the information received, or any other phase of the silver controversy. Mr. Morgenthau said "I will let the list speak for itself."

Morgenthau was a second generation Pilgrims member. **You can count on the fact that its current members aspire to exceed the accomplishments of past members.** So, will we prepare to defend our rights in court, and by ripping the shroud of secrecy away from this British Crown organization? From the front page of the New York Times, August 10, 1934 ---



This is what we will consider in depth when I have time to complete the research---

#### "SILVER CONFISCATION---FACTS AND PROSPECTS"

If a metals seizure happens, gold likely will be targeted first. However, I wouldn't expect any 17 month interim between a gold seizure and a silver seizure this time. The Planners have schemed how best to approach the goal of busting us flat. Not to sound overly religious, but it seems that more and more there's an "antichrist" spirit in national leadership. We have to consider our options and alternatives and be ready, same as having any insurance policy. I wouldn't blithely assume that there won't be another metals grab. I know diamonds aren't money and aren't fungible but they are wealth. So one strategy could be to trade your metal to some diamond dealer just after the Federal Government issues any assurance that metals won't be seized. Insist that the dealer show you Polygon Cert Net without the Trade Lock feature on. Make them trade you stones at their cost to get your metal, as sourcing metal will be harder than sourcing stones. Just be sure before you do that diamond prices have bottomed due to reduced demand unless the timing of Federal announcements disallows it. Or, be ready to go into the jewelry business yourself and hide behind trade exemptions from metals confiscation. However, on 14<sup>th</sup> Amendment principles, jewelers should not have any more secure right to possession of gold and silver than anyone else, but it has played out that way in the past. Specific documented examples will be referenced. There's no use butting our heads on a stump as regards history. The future is in question, but only slightly so. The makeup of the Obama administration has been drawn from the same dismal sources as previous administrations. Why should these organizations suddenly turn benevolent towards us when they've never been so in the past?

The Commercial and Financial Chronicle, September 7, 1935, page 1530 said---

"Official reports disclose silver purchases by the Treasury Department in excess of 500,000,000 ounces since the adoption of the Government's new silver policy. Together with silver held prior to the passage of the Silver Purchase Act, the newly purchased metal brings the total American silver stocks up to more than 1,159,000,000 ounces. More than 1,300,000,000 ounces of silver still must be purchased if the Treasury carries out the provision in the Silver Purchase Act requiring silver reserves one third as large as the gold reserves. Publication of reports showing the newly mined silver received by the Treasury last week made certain the fact that the silver purchases had passed the 500,000,000 ounce mark. At least

509,000,000 ounces of silver having a monetary value of \$657,000,000 have been bought, the official figures show, while **OTHER PURCHASES NOT YET MADE KNOWN** probably will push the actual total well up towards 600,000,000 ounces.”

“The Treasury has reported that through July 31 it had acquired 417,909,900 ounces of silver under the program. On August 14 alone the Treasury bought in world markets more than 25,500,000 ounces, Secretary Morgenthau announced. In addition, receipts of newly mined silver since July 31 amount to 11,500,000 ounces. These two blocks of silver boost the total reported on July 31 to 509,000,000 ounces. Since the Treasury was buying heavily in world silver markets during the middle of August, the actual total of silver bought may be close to 600,000,000 ounces. Of the 471,909,900 ounces of silver bought by the Treasury through July 31, approximately 326,100,000 ounces had been bought in world markets, 33,500,000 ounces represented newly mined domestic silver **AND 112,300,000 HAD BEEN SEIZED UNDER THE NATIONALIZATION ORDER. THESE TOTALS DO NOT INCLUDE SILVER HELD BY THE STABILIZATION FUND, WHICH IS KEPT SECRET.**”

If there is 150MOZ silver held in America by investors---outside COMEX warehouses (which metal would be first to be seized due to quantity and ease of theft) and this 150MOZ is dispersed among 100,000 holders, that yields an average of 1,500 ounces of metal per investor. As Hommel pointed out, if anyone holds over one half ounce of silver, the Silver Users Association might reckon such a person has more than his “fair share.” As far as silver held in secret by a Treasury supervised stabilization fund, there is probably little of any of that today. All the Feds need do to seize silver is to declare that no silver can be sold or otherwise disposed of to any source other than to a select list of coin and bullion dealers; that these dealers must remit the purchased metal to the Treasury Department; and that the offering of silver in exchange for goods and services is henceforward criminalized, with severe penalties, and with rewards paid for “whistleblowers.” There is no need to develop confiscation scenarios further until the specific essay is presented. In view of prospects of nationalization of the banking, automotive, airline and other industries, and Obama’s proposed massive public works program, he may view himself as another Franklin Roosevelt, and by Executive Order declare private ownership of gold and silver treasonous and illegal. Any dirty tricks could be resorted to, including giving police departments a percent of any metal they storm in and seize. The courts seem to be our best hope for protection, and we must be prepared as a class action to seek injunctive relief against forfeiture. My purpose isn’t to throw cold water on anyone’s party as I long for a free market in silver as much as anyone else, but to outline and document what already happened, and how we may better shield ourselves as the next 4 years unfolds. Responses to this forthcoming presentation are invited; however, please be factually based; make no attempt to deny what took place during August 1934 through March 1936 (the period to be covered) as the documentation is historically set in stone and what happened cannot be refuted; be constructive and offer feasible suggestions if I overlook any useful approach.

The main risk regarding silver nationalization is the absence of the former strategic defense stockpile. Those who will call for silver forfeiture will to their utmost decline to mention the matter of how the Silver Users Association made away with most of that metallic reserve. If we bring it up, we have already broken someone’s slanted rules. Paul Miller, are you reading this?

Much statistical information regarding gold confiscation will also be presented. A separate highly detailed item titled “Fiat Gold Grabbers 1933” is in the mill.

Under the Silver Purchase Act of 1934, all metal mined domestically had to be sold to the Treasury Department. Yes, the miners were able to operate at a modest profit, but it was in a price-capped Fascist-Socialist system. If we allow this regimen to be implemented again, once the Treasury amassed a

huge quantity of metal, the Silver Users Association would start lobbying for silver disposals below cost of mining, looting the taxpayers again and causing mine shutdowns because silver “sales” would take place below production cost. Politically active! We must become politically active! Those who wish to strip us of our wealth, and to prevent wealth transfer to us, are politically active!

The hellish truth about silver is that financial circles (Royalty) in Britain have been manipulating it and suppressing its use as money since the middle of the 16<sup>th</sup> century---some 450 years! That’s since the time Sir Francis Drake raided Spanish silver shipments on the Atlantic. Old-line American inheritors---virtually all British sympathizers--- from the dark days of the “robber baron” era, their wealth surreptitiously concealed by a labyrinthine maze of trusts and offshore entities, have been in on the silver suppression scheme since at least the time of Stephen Girard of the first United States Bank in the late 18<sup>th</sup> century. This perverse genealogical pool of silver and gold suppressors continues to the present. Government sponsored confiscation is their ace in the hole. Just as we win, they plan to pillage our assets under guise of “national emergency.” Wall Street lawyers like James D. Zirin and second generation member Norris Darrell Jr. (whose father married into the Churchill family) know their precise identities. Watch out for David Rockefeller Jr. Watch out for Timothy Mellon.

Zirin, who has represented the Rockefeller Foundation, worked as a United States Attorney years ago under Robert Morgenthau. Morgenthau’s father was a second generation Pilgrims Society member and the man who knocked China off its silver standard as of November 3, 1935, by sucking some 565,855,000 ounces out of China under the Silver Purchase Act of 1934. Treasury Secretary Morgenthau presided over Roosevelt’s silver nationalization here, under which over 113MOZ was looted from American citizens. Zirin is currently on the executive committee of The Pilgrims Society, where at Wikipedia you will see “page does not exist” [http://en.wikipedia.org/wiki/James\\_D.\\_Zirin](http://en.wikipedia.org/wiki/James_D._Zirin) We must ready to protect our interests. David Morgan has expressed that the existence of the Internet or World Wide Web might by itself be adequate insulation, as by this medium we are able to post facts the controlled media cover up. Timothy Geithner, 9<sup>th</sup> president of the New York Fed Bank, spent three years with Kissinger and Associates. Kissinger is a V.P. of The Pilgrims in New York. Geithner has all manner of lousy internationalist connections and is almost certainly a Pilgrims member also.

The original Morgenthau (big in real estate, bonds, trusts, typewriters, and married into the Guggenheim copper mining fortune), born in Mannheim, Germany, April 26, 1856, was a member of the Order of the British Empire and Ambassador to Turkey. When the Obama Administration starts mulling over silver nationalization, realize it’s just another British Crown move to impose serfdom on everyone here in “the colonies,” which it still regards as its property. Section 6 of the Silver Purchase Act of 1934 stated—

“Whenever in his judgment such action is necessary to effectuate the policy of this Act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto; and to require the filing of reports deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any license, order, rule, or regulation issued pursuant to the authorization contained in this section shall, upon conviction, be fined not more than \$10,000 or, if a natural person, **MAY BE IMPRISONED FOR NOT MORE THAN TEN YEARS**, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.”

We will reprint the text of the Silver Purchase Act of 1934 and other relevant data in the forthcoming research. No fact referenced from the period of House Resolution 9745 inclusive through March 1936 is

subject to the slightest dispute, as the documentation will be like the Amazon River. Only the future is in question. Past precedent is a great menace to all our rights. FDR was a Democrat; Obama is a Democrat, and he will use the perversions of the Bush Republican years to wreck the Bill of Rights. If I cannot have the presentation ready by February or March I will offer items of interest in the interim, such as contrasts between the coffee and diamond cartels with the silver cartel. I will depend on the top tier of bright lights of the metals community such as Avery Goodman; Ron Paul; Ted Butler; David Morgan; Jason Hommel; Edwin Vieira; Ed Steer; Franklin Sanders; Hugo Salinas Price; Bob Chapman and others to formulate plans to protect our rights, in addition to proposals I've already made ("Message To Miners And Silver Users," Archives) to enlist a reluctant Silver Users Association to protect their interests by seeing to it that we don't get confiscated.

<http://seekingalpha.com/article/111852-will-comex-default-on-gold-and-silver> Avery Goodman's recent interesting comments on COMEX delivery obligations overlooked one aspect---the possibility of a Presidential Executive Order attempting to relieve short sellers of contractual obligations. Certainly JPMorganChase is more than well enough connected for that! Then let the court challenges commence!

In closing let's consider some advice from Howard H. Buffett (1903-1964), four term Nebraska Congressman. He appeared to have been on our side. However, his son Warren, a known Bilderberg participant and probably a Pilgrims member, did the sub rosa deal with Barclay's, run by a Rothschild son in law, Marcus Agius, so the ETF could jerk around us silver longs and prolong the low price reign. The American Mercury, July 1958, pages 122-126, featured an essay by Howard Buffett, "Inflation and Economic Survival." Some excerpts---

"Inflation is here. It has been here for 20 years, and it will be here for another 20 to 40 years. The time factor depends on **THE RATE OF OUTPUT OF PRINTING PRESS MONEY**, bonds and the credit of the government, and the reaction of the people to the continuing rotting of the dollar from these policies. But why does the government bring about inflation, you ask? Aren't the leaders in both parties continually declaring their opposition to inflation? Certainly they are, but it is their actions, not their words, that determine our financial future. And both parties are hell-bent for inflation because they have learned that the easy way to stay in power, or get in power, is via gigantic political spending. **THE CORRUPTION OF THE MAJOR PARTIES THAT HAS BROUGHT ABOUT THIS CONDITION IS ONE OF THE GREAT TRAGEDIES IN THE HISTORY OF THE REPUBLIC.**"

"Those who invest in forms of cash have a uniform fate. They all get poor. Inflation is redistribution of wealth with a vengeance---because the humble and innocent folks who trust their government and hold its promises to pay take the worst beating. Certainly the day will come when the consequences of inflation will have hurt enough people to make massive resistance possible."

"Bipartisan foreign policy has made military, economic and political commitments all over the world, commitments that are immeasurable in terms of money, men and resources. The result is that the United States Treasury is financing part of the budgets of most of the non-Communist governments of the world, and even contributing hundreds of millions to Communist governments. How does this policy affect inflation in America? The answer can be found in another question. Can an elective government play Santa Claus to a multitude of foreign nations and be Old Scrooge at home?"

"United States Senators and Representatives are elected by citizens who, in the aggregate, are paying the highest taxes in the world. Is it fair or reasonable to expect these taxpayers to tighten their belts so that gigantic spending overseas is offset by penny-pinching economy at home? Evidently Congressmen do not think so. Again and again they will explain their loose-spending votes by saying in effect, "If we

can send billions overseas, we can afford to spend adequate funds for our own people's wants." The ballot box logic of this conclusion is inescapable. So long as we try to police the world, there seems no way to bring this spending under control."

"In 1933 President Franklin Roosevelt repudiated the gold clause of U.S. money and bonds. By that act **HE ABANDONED REDEEMABLE MONEY**, and substituted for it what its advocates call a "managed money system." **IN THIS ACTION THE PRESIDENT WAS FLAUNTING THE FINANCIAL HISTORY OF WESTERN CIVILIZATION.** That history records that nations rose and prospered as they preserved sound and redeemable money, and that their decline began when they diluted and destroyed the value of their money. America has seen how managed money has worked in Germany, France, Russia, China, Italy, and a host of other nations. But those in charge of our financial policies declare they can avoid the consequences that followed elsewhere."

"Will they? **ALL HISTORY IS AGAINST THEM**, and the record here since 1939 is a 50 percent plus decline in the purchasing power of the dollar **MANY STUDENTS OF FINANCE DECLARE THAT IT IS IMPOSSIBLE TO RESTRAIN INFLATIONARY POLICIES IN A GOVERNMENT WHERE THE PRODUCTIVE CITIZEN IS DENIED THE RIGHT TO RECEIVE GOLD REDEEMABLE MONEY.** The astute citizen will stand ready to support leaders who will make an honest fight against inflation. Until that day he will face up to the solemn warning uttered by General Douglas MacArthur in 1952 when he declared--- "As we continue these wastrel policies without promise or hope of regaining normalcy, it becomes increasingly clear that the pattern of American fiscal policy is being brought into consonance with the Karl Marx Communist theory. Such policy is leading us toward a Communist state with as dreadful certainty as though the leaders of the Kremlin themselves were charting our course."

Howard Buffett referred to the Commercial & Financial Chronicle. We will rely heavily on that solid resource in documenting the Roosevelt silver (and gold) theft from the American citizenry. If Obama becomes another FDR, and our efforts to defend our rights fail, we will be stripped of all our metallic security as the nation is shoved ever more distant from Constitutional principles. Lead, brass and copper are not incompatible with gold and silver.

According to The American Enterprise, July/August 2003, page 48 ---

"Foreign aid was a Buffett bugaboo. The story is told that as the family drove past the British Embassy late one night, Howard, seeing the lights still on, quipped, "They even stay up late to think of ways to get our money."

I submit that attempts to confiscate gold and silver stem from the alliance of British-American financiers calling themselves The Pilgrims Society, whose patron is The Crown. FDR assuredly ran with them in a wolf pack---as we shall see. One of the various think-tanks run by The Pilgrims Society, like the Brookings Institution in the District of Columbia, may have already worked out the mechanics of metals forfeiture. Douglas Dillon, Treasury Secretary who presided over the demise of silver coinage, was a Brookings trustee and on the executive committee of The Pilgrims. This organization today has some 700 United States members plus a waiting list of probably 50 to 100 highly placed people. **THERE IS NO OTHER SOURCE TO BLAME IF CONFISCATION TAKES PLACE. THAT'S WHY THEIR IDENTITIES MUST ALL BECOME KNOWN SO THEY CAN BE PURSUED JUDICIALLY.** Pray, my friends, pray!