PRESIDENT GARFIELD ON MONEY

Presented February 2009 by Charles Savoie

<u>"A BANKNOTE IS NOT MONEY---AND NO POWER ON EARTH CAN MAKE IT MONEY."</u> ---President James A. Garfield

James Garfield as a robust young man of 16 in Ohio, circa 1848.

This month let's look at the monetary views expressed by Union General and later President, James A. Garfield (November 19, 1881 through September 19, 1881.) Named after him is Mount Garfield, 13,074 feet, rising very steeply from the Animas River in Colorado along the Durango & Silverton Narrow Gauge Railroad. As a Brigadier General in the Civil War he created a formidable reputation for himself as not trifling with the enemy, and of showing no clemency to the defeated. In that respect, he was somewhat similar to Nathan Bedford Forrest, Confederate cavalry leader and a tough as railroad spikes military man who would have put the typical Green Beret to shame as soft and a lover of comforts. General Garfield in full uniform during the War Between the States ---

Image of the typical settler's cabin in Ohio where Garfield was born during the Andrew Jackson administration ---

Of course, the bronze monument to the left and the brick walkways aren't original to the structure. Visible is the stone chimney connected to a fireplace that warmed the cabin in the cold Ohio wintertime. James Garfield had the distinction of being the President who had the second shortest term (after Harrison) and the second President to be assassinated. If you don't already know who the first President to be assassinated was, blame it on sports or computer games. On July 2, 1881, at 9:30 AM at the railroad station in Washington, D.C., Garfield was shot in the presence of his sons, James and Harry. Garfield was accompanied by James Gillespie Blaine when gunfire rang out.

Blaine (January 31, 1830 through January 27, 1893) was born in Pennsylvania and moved to Maine. He was a Republican member of the United States House of Representatives from March 4, 1863 through July 10, 1876. He served as Speaker of the House, March 4, 1869 through March 4, 1873 and again, December 1, 1873 through March 4, 1875. He was a Senator from Maine, July 10, 1876 through March 5, 1881. On March 7, 1881, President Garfield appointed Blaine Secretary of State, in which office he served through December 19, 1881. Blaine was the Republican candidate for President in 1884, and again served as Secretary of State, March 7, 1889 through June 4, 1892. Blaine circa 1885---

The 1941 Who's Who, page 341, listed James Gillespie Blaine as born in New York City, January 10, 1888, the son of James Gillespie and Mary Nevins Blaine. This is a genealogical quirk I have no time to trace; however, apparently there was more than one James Gillespie Blaine. Twins, perhaps? Probably not. Maybe the Blaine family had more than one person by that name.   Perhaps his father was the same Blaine as in the Garfield cabinet. My instincts suggest there was some familial connection for sure. Or named after someone who provided service to the cause. The James Gillespie Blaine in the 1941 Who's Who was a Pilgrims Society member, president of the Netherlands Chamber of Commerce in New York (probably a connection to the House or Orange-Nassau, linked to the British Crown) and president of the Bankers Club. His second marriage was on June 20, 1936 to Countess Irina Woronzow-Daschkow, Polish nobility. In 1921 through 1927 Blaine was vice president of New York Trust Company, identified with the Astor family of the second United States Bank and largest landowners in Manhattan. In 1930 Blaine assumed the presidency of Marine Midland Trust Company, and was a director of Fidelity Safe Deposit Company; Great Northern Railway; Remington Rand; 10 East 40th Street Building; Central Savings Bank; Gulf, Mobile & Northern Railroad; Studebaker Corporation; 612 Park Avenue Corporation; New York World's Fair (1939 and 1940); Welfare Council of New York City; Federation of Protestant Welfare Agencies; and others. He was a trustee of Roosevelt Hospital and treasurer of the Museum of the City of New York and the Republican Senatorial Committee. He was chief of the Economic Cooperation Administration mission to Belgium and Luxembourg, 1948-1949 (Who's Who, 1961, page 266.)

To return to James Garfield---Ferdinand Lundberg in "America's 60 Families" (1937), stated on page 54--

"The Standard Oil Company was conniving with the chieftains of both parties before 1880. John D. Rockefeller habitually contributed large funds to the Republicans in return for lucrative concessions; Colonel Oliver H. Payne, his partner, gave liberally to the Democrats, and did not hesitate to call upon them peremptorily for delivery of the political quid pro quo. James A. Garfield, the successful candidate for the presidency in 1880, anxiously asked an associate "if Mr. Rockefeller would be willing to assist." Rockefeller gave heavily for the Garfield campaign, and Mark Hanna, the statesman of Standard Oil, sent four checks for $1,000 each to the Ohio State Republican Committee."

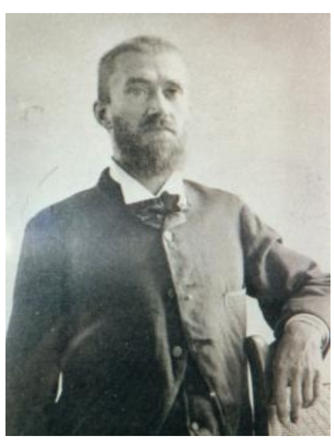
According to Robert R. Doane in his 1933 book, "The Measurement of American Wealth," page 120, speaking of Rockefeller's Standard Oil Company---

"It was the settled policy of the company to use its money everywhere and anywhere, in state and national councils, to produce results."

Possibly what was going on with Garfield was that he was willing to do deals with the devil to win the Presidency. At any rate, we are going to confirm that his actual monetary views were in discord with those of rich such as the Rockefellers. That most likely is what got Garfield snuffed out!

The 1929 Who's Who, pages 838-839, listed Harry Augustus Garfield, as born on October 11, 1863, in Portage County, Ohio, son of the 20th President. Harry practiced law as a member of Garfield, Garfield & Howe of Cleveland, 1888-1903, and since that city was a base for Standard Oil, it would be interesting if the firm did work for them. Harry was a "professor of contracts," 1891-1897 at Western Reserve University Law School and a professor of politics at Princeton, 1903-1908. Harry assumed the presidency of Williams College in 1908 and became chairman of the Institute of Politics in 1920. In 1917 President Wilson appointed Harry United States Fuel Administrator, probably another link to Standard Oil. Harry additionally was president of the Cleveland Chamber of Commerce in 1898-1899. He was president of the American Political Science Association in 1923. He held memberships in the National Municipal League; National Institute of Social Sciences; American Historical Association; League of Nations Non Partisan Association (one-worlders); American Bar Association; American Society for International Law; and the anti-silver American Economic Association.

Essentially all of the entities Harry Garfield was associated with have had invisible strings running upwards to The Pilgrims Society. The 1971 Who's Who, page 305, listed Hugh Bullock, chairman of the United States Pilgrims, as a life trustee of Williams College and president of the National Institute of Social Sciences, 1950-1953. Elihu Root, known as the most brilliant administrator in United States history, was founder and president of the American Society for International Law, 1907-1924, and a member of The Pilgrims Society. There is no need to provide exhaustive examples. Apparently President Garfield flirted with the devil for political help. However, when his sympathies for honest currency threatened to manifest in presidential policy, he had to be dispensed with. The lesson wasn't lost on one or more of his sons, who affiliated with the power brokers. Charles Julius Guiteau, September 8, 1841 through June 30, 1882, assassin of President Garfield, executed by hanging in Washington DC---



http://www.deadohio.com/garfieldmonument.htm is interesting.

Now we will evaluate James Garfield's document, "Money And False Promises," reprinted on pages 20-24 of The American Mercury, Winter 1979 ---

SUPPRESSED DOCUMENT

Money and False Promises

By JAMES A. GARFIELD

ABOUT THE AUTHOR

The author was a New York-born Ohioan who at times showed great strength of character and other times surrendered to blind hatred. That he understood money and its nature is evident from these paragraphs.

Garfield was a Union general who did not succumb to the passions of Engels and Marx, but who nonetheless sought severe punishment to the white people of the Southern United States. He was bitterly opposed to Lincoln's program of reconciliation with white Southerners, and was amongst those who unleashed savage rapine upon the vanquished.

It is difficult to comprehend how a mind that was so much captive of emotionalism and blind hate could also be so analytical and logical in the comprehension of money.

Garfield became president of the United States. He was assassinated. Some believe his assassination was presaged by these bold statements on the nature of money.

THE STATESMEN OF the Civil War period, the leaders of public thought, and the people of all political parties were substantially unanimous in the opinion that the only safe instrument of exchange known among men was standard coin, or paper convertible into coin at the will of the holder.

I will not affirm that this opinion was absolutely unanimous; for doubtless there was here and there a dreamer who looked upon paper money as a sort of fetish, and was ready to crown it as a god...

There may have been followers of William Lowndes and of John Law among our people, and here and there a philosopher who dreamed of an ideal standard of value stripped of all the grossness of so coarse and vulgar a substance as gold. But they dwelt apart in silence, and their opinions made scarce a ripple on the current of public thought...

The Doctrine of Hard Money

Hard money is not to be understood as implying a currency consisting of coin alone (though many have held, with Benton, that no other is safe), but that coin of ascertained weight and fineness, duly stamped and authenticated by the government, is the only safe standard of money; and that no form of credit-currency is safe unless it be convertible into coin at the will of the holder.

Money As An Instrument of Exchange

It is necessary to determine the functions which money performs as an instrument of exchange. As barter was the oldest form of exchange, so it was and still is the ultimate object and result of all exchanges. For example: I wish to exchange my commodities or services for commodities or services of a different kind. I find no one at hand who has what I want, and wants what I have. I therefore exchange, or, as we say, sell, my commodities for money, which I hold until I find some one who wishes to sell what I want to buy. I then make the purchase.

The two transactions have, in fact, resulted in *a barter*. It amounts to the same thing as though, at the start I had found a man who wanted my commodities, and was willing to give me in exchange the commodities I desired. By a sale and a purchase I have accomplished my object. *Money* was the instrument by which the transactions were made.

The great French economist, J.B. Say, has justly described a sale as *half a barter*, for we see, in the case above that two sales were equivalent, in effect to one act of simple barter.

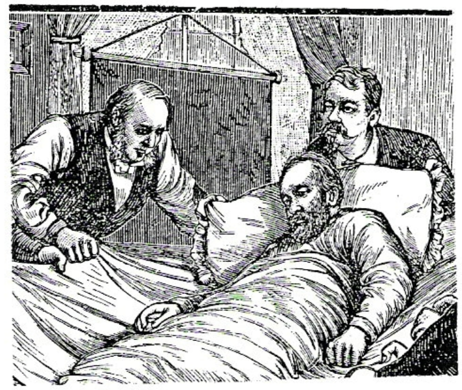
Some time may elapse between my sale and the subsequent purchase. How are my rights of property secured during the interval?

That which I sold carried its value in itself as an exchangeable commodity; when I had exchanged it for money, and was waiting to make my purchase, the security for my property rested wholly in the money resulting from the sale. If that money be a perfect instrument of exchange, it must not only be the lawful measure of that which I sold, but it must, of itself, be the actual *equivalent* in value. If its value depends upon the arbitrary acts of government or of individuals, the results of my transaction depend not upon the value of that which I sold nor of that which I bought, nor upon my prudence and skill, but upon an element wholly beyond my control—a medium of exchange which varies in value from day to day...

It is not possible to ascertain when and by whom the precious metals were first adopted as money; but for more than 3,000 years they have been acknowledged as the forms of material wealth best fitted to be the measure and instrument of exchange. Each nation and tribe, as it has emerged from barbarism, has abandoned its local, non-exportable medium, and adopted what is justly called *the money of the world.*

"Coinage was a later device, employed for the sole purpose of fashioning into a convenient shape the metal to be used as money, and of ascertaining and certifying officially the weight and fineness of each piece.

And here has arisen the chief error in reference to the nature of money. Because the government coins it, names



Comtemporary woodcut shows President Garfield dying from assassin's bullett.

its denomination, and declares its value, many have been led to imagine that the government *creates* it, that its value is a gift of the law.

The analogy of other standards will aid us at this point. Our constitution empowers Congress to fix the standard of weights and measures, as well as of values. But Congress cannot create extension, or weight, or value. It can measure that which has extension; it can weigh that which is ponderable; it can declare and subdivide and name a standard; but it cannot make length of that which has no length; it cannot make weight of that which is imponderable; it cannot make value of that which has no value. *Ex nihilo nihil fit.*

The power of Congress to make anything it pleases receivable for taxes is a matter wholly distinct from the subject now under discussion. Legislation cannot make that a measure of value which neither possesses nor represents any definitely ascertained value...

Statutes Cannot Repeal The Laws of Value

The oldest and perhaps the most dangerous delusion in reference to money is the notion that it is a creation of law; that its value can be fixed and maintained by authority. Yet no effort has been more frequently refuted by experience. Every debasement of the coin, and every attempt to force its circulation at a higher rate than the market value of the metal it contains, has been punished by the inevitable disasters that always follow the violation of economic laws.

A large number of members of Parliament believed that if, by law, they raised the name of the coin, they would raise its value as money. As Macaulay puts it, "He was not in the least aware that a piece of metal with the king's head on it was a commodity of which the price was governed by the same law which governs the price of a piece of metal fashioned into a spoon or a buckle; and that it was no more in the power of Parliament to make the kingdom richer by calling a crown a pound than to make the kingdom larger by calling a furlong a mile. He seriously believed, incredible as it may seem, that if the ounce of silver were divided into seven shillings instead of five, foreign nations would sell us their wines and their silks for a smaller number of ounces. He had a considerable following, composed partly of dull men who really believed what he told them, and partly of shrewd men who were perfectly willing to be authorized by law to repay 100 pounds with 80." (Quote from History of England, Chapter 21.)

Paper Money An Instrument Of Credit

In discussing the use of paper as a representative of actual money, we enter a new branch of political science, namely, the general theory of credit. We shall go astray at once if we fail to perceive the character of this element. *Credit is not capital. It is the permission given to one man to use the capital of another.* It is not an increase of capital; for the same property cannot be used as capital by both the owner and the borrower of it, at the same time. But credit if not abused, is a great and beneficent power. By its use the productiveness of capital is greatly increased. A large amount of capital is owned by people who do not desire to employ it in the actual production of wealth. There are many others who are ready and willing to engage in productive enterprise, but have not the necessary capital. Now, if the owners of unemployed capital have confidence in the honesty and skill of the latter class, they lend their capital at a fair rate of interest, and thus the production of wealth will be greatly increased. Frequently, however, the capital loaned is not actually transferred to the borrower, but a written evidence of his title to it is given instead. If this title is transferable it may be used as a substitute for money; for, within certain limits, it has the same purchasing power. When these evidences of credit are in the form of checks and drafts, bills of exchange and promissory notes, they are largely used as substitutes for money, and very greatly facilitate exchanges. But all are based upon confidence, upon the belief that they

Guiteau, The Assassin

represent truly what they profess to represent—actual capital, measured by real money, to be delivered on demand.

These evidences of credit have become in modern times the chief instruments of exchange. The bank has become as indispensable to the exchange of values as the railroad is to the transportation of merchandise. It is the institution of credit by means of which these various substitutes for money are made available. Money is now the small change of commerce. It is perhaps owing to this fact that many are *so dazzled by the brilliant achievements of credit as to forget that it is the shadow of capital*, not its substance; that it is the sign, the brilliant sign, but not the thing signified. Let it be constantly borne in mind that the check, the draft, the bill of exchange, the promissory note, are all evidences of debt, of money to be paid. If not, they are fictitious and fraudulent. If the real capital on which they are based be destroyed, they fall with it, and become utterly worthless. If confidence in their prompt payment be impaired, they immediately depreciate in proportion to the distrust.

We have mentioned among these instruments of credit the promissory note. Its character as an evidence of debt is not changed when it comes to us illuminated by the art and mystery of plate-printing. Name it national bank-note, greenback, Bank of England note, or what you will; let it be signed by banker, president, or king, it is none the less an evidence of debt, a promise to pay. *It is not money, and no power on earth can make it money.* But it is a title to money, a deed for money, and can be made equal to money only when the debtor performs the promise—delivers the property which the deed calls for, pays the debt. When that is done, and when the community knows, by actual test, that it will continue to be done, then, and not till then, this credit-currency will in fact be the honest equivalent of money. Then it will, in large measure, be used in preference to coin, because of its greater convenience, and because the cost of issuing new notes in place of those which are worn and mutilated is much less than the loss which the community suffers by abrasion of the coin.

To the extent, therefore, that paper will circulate in place of coin, as a substitute and an equivalent, such circulation is safe, convenient, and economical. And what is the limit of such safe circulation? Economic science has demonstrated, and the uniform experience of nations has proved, that the term which marks that limit, the sole and supreme test of safety, is the exchangeability of such paper for coin, dollar for dollar, at the will of the holder. The smallest increase in volume beyond that limit produces depreciation in the value of each paper dollar. It then requires more of such depreciated dollars to purchase a given quantity of gold or merchandise than it did before depreciation began. In other words, prices rise in comparison with such currency. The fact that it is made a legal tender for taxes and private debts does not free it from the inexorable law that increase of volume decreases the value of every part.

A banknote "is not money, and no power on earth can make it money."
—President Garfield

Before June, 1968 banknotes in the U.S., including the Federal Reserve Notes, had the **authority** of money because they were redeemable in specified amounts of silver or gold. The U.S. Treasury repudiated all printed promises in that month.

It is equally true that an increase of the precious metals, coined or uncoined, decreases their value in comparison with other commodities; but these metals are of such universal currency, on account of their intrinsic value, that they flow to all parts of the civilized world, and the increase is so widely distributed that it produces but a small increase of prices in any one country. *Not so with an inconvertible paper* *money*. It is not of universal currency. It is national, not international.

But we need not go abroad to obtain illustrations of the truth that the only cure for depreciation of the currency is convertibility into coin. Our American colonies, our Continental Congress, and our State and national governments have demonstrated its truth by repeated and calamitous experiments. The fathers who drafted our constitution believed they had "shut and bolted the door against irredeemable paper money;" and, since then, no president, no secretary of the treasury, has proposed or sanctioned a paper currency, in time of peace, not redeemable in coin at the will of the holder. Search our records from 1787 to 1861, and select from any decade twenty of our most illustrious statesmen, and it will be found that not less than nineteen of them have left on record, in the most energetic language, their solemn protest and warning against the very doctrines we are opposing.

The limits of this article will allow only the briefest statement of the evils that flow from a depreciated currency, evils both to the government and to the people, which overbalance, a thousand to one, all its real or supposed benefits. The word "dollar" is the substantive word, the fundamental condition of every contract, of every sale, of every payment, whether at the treasury or at the stand of the apple-woman in the street. The dollar is the gauge that measures every blow of the hammer, every article of merchandise, every exchange of property. Forced by the necessities of war, we substituted for the dollar the printed promise of the Government to pay a dollar. That promise we have not kept. *We have suspended payment, and have compelled the citizen to receive dishonored paper in place of money*. The representative value of that paper has passed, by thousands of fluctuations, from one hundred cents down to thirty-eight, and back again to ninety. At every change, millions of men have suffered loss. In the midst of war, with rising prices and enormous gains, these losses were tolerable. But now, when we are slowly and painfully making our way back to the level of peace—now, when the pressure of hard times is upon us, and industry and trade depend for their gains upon small margins of profit, the uncertainty is an intolerable evil. That uncertainty is increased by doubts as to what Congress will do.

Men hesitate to invest their capital in business, when a vote in Congress may shrink it by half its value. Still more striking are the evils of such a currency in its effects upon international commerce.

Daniel Webster never uttered a more striking truth than when he said: "Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's face."

"No State shall make anything but gold and silver coin a tender in payment of debts."

—From Secton 10, Paragraph 2, Article I, United States Constitution

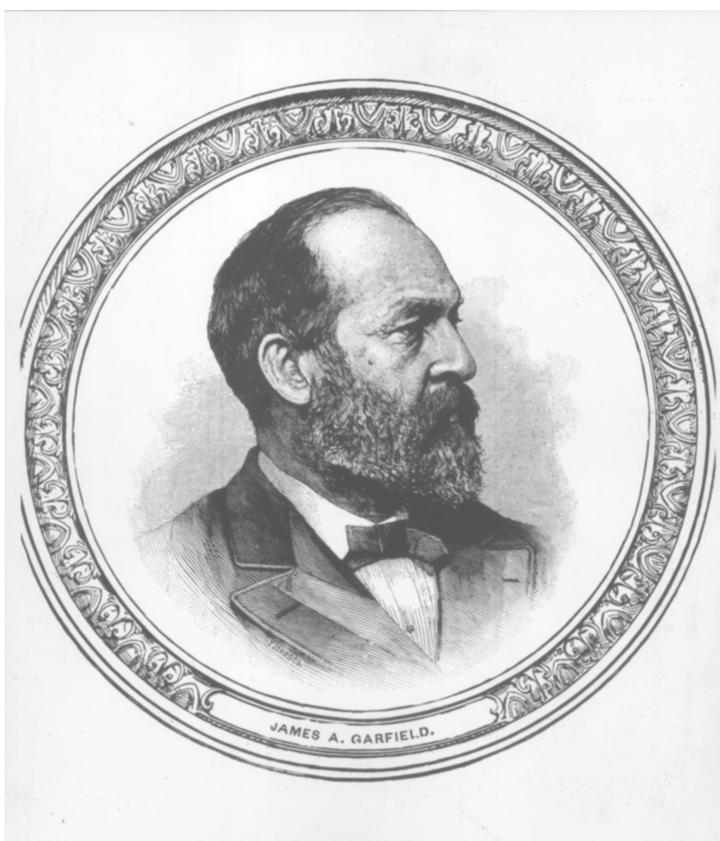
State governments continue to accept nonredeemable Federal Reserve Notes as payment for taxes and to make purchases with unbacked notes. The practice is forbidden by the Constitution. States have the right to amend the Constitution but most legislators probably do not realize that this prohibition is part of our national law.

Garfield received a request from Guiteau, probably by a letter, that he be appointed to a position at the U.A. Embassy in Paris. The request went unanswered. This is the usual reason cited for his motive for shooting Garfield. For discussion of the link of Alexander Graham Bell and his technological attempt to save Garfield's life, go to http://www.historybuff.com/library/refgarfield.html . At http://conspiracyrealitytv.com/secrets-of-american-history-timeline-of-assassinations-presidents-in-opposition-of-central-banks-and-the-rothschilds/ you can see what the universal resource link suggests.

The greatest motive for Presidential assassination is the prevent a sound monetary system, operated for the benefit of the citizenry, from being instituted according to Constitutional mandate http://answers.yahoo.com/question/index?qid=20081214214303AASGmRt

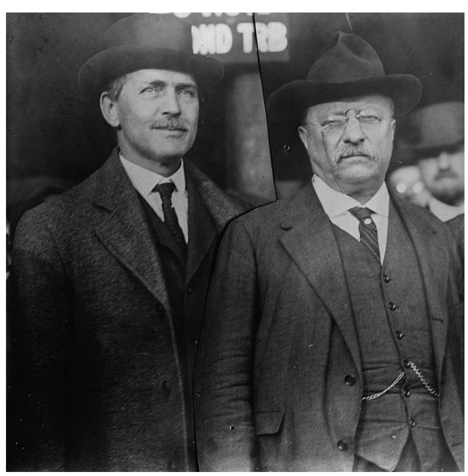
Garfield's wife Lucretia, circa 1866---

Side portrait view of President Garfield, paper money opponent---



Garfield estate in Lawnfield, Ohio, followed by President Garfield and family at dinner in the White House---

James Garfield (1865-1950) with President Theodore Roosevelt, who was personally acquainted with a rogue's gallery of Pilgrims Society members---



It's almost as if Teddy was thinking, "We fixed his father, he knows to stay in line." Garfield on his death bed on September 19, 1881, who died of infection caused by the bullet, and by doctors probing with unsterilized instruments---

Garfield's view---correct to the nth degree---that paper notes aren't money, if practiced by the Federal Government, would be a truly potent force against inflationary depreciation. It would prevent many wars, as the link between paper money unbacked by gold, and war finance, is well known among the cognoscenti. Garfield's view on money would have prevented massive transfer of wealth from the citizenry to the money creators. Garfield's views would have prevented the 1923 German currency debacle. Communist leaders occasionally suggested that they were in the forefront of efforts to destabilize our finances. In that they flattered themselves! It is also known that an arcane conspiracy, backed by finance capitalists in Britain and America, was back of the Reds from the beginning. Surprisingly for a man whose orders resulted in the death of so many combatants, Garfield was an ordained Disciples of Christ minister! Herewith an interesting illustration, showing the opposite monetary view, from over a half century ago---

Garfield was a talented and educated person who could write an answer to a question with one hand in ancient Greek, and in Latin with the other. His actions in the Civil War probably sprang from concepts of necessity---no ruthlessness, no victory. Garfield's likeness appeared on the 1886 series $20 gold certificate. He likely would have preferred to have had his image stamped on actual gold pieces! In having Jackson's image on the $20 bills, it is as if the central bankers are insulting his memory, inasmuch as his stated objective was just to end paper currency entirely and rely on hard gold and silver coinage, so that no bait and switch trickery could eventually be resorted to. To close, let's read a shorter article from The American Mercury. Few of you will learn anything new from it, other than about the Gold Redemption Act of 1954; however there are some humorous statements (yes, the coin sketch appears to read 1954, but it was probably an indistinct "3")---

Paper Is Not Money

BY PHILIP M. McKENNA

WHAT is money? "Congress shall have the power — to coin money and regulate the value thereof —" says the Constitution. By *regulate* was meant to establish the weight of the coin and the grains of precious metal in it.

The framers of the Constitution did not have any idea that they should presume to say how many bushels of potatoes, or bales of cotton, or pounds of iron, or yards of cloth should be exchanged for a dollar. Nor were they pursuing that will-o'-the-wisp of some of our modern economists who propose that the standard of value of our dollar be a list of commodities that would have the same value indefinitely.

They were to provide the people with coins in dollar denominations, of monetary metal. Nor did they intend, by coining money, to mean printing paper. They were providing a convenient unit of value by which free men might exchange goods and use money as a store of value.

In fact, they were so opposed to paper money experiments that the Constitution further forbids any state of the union to make anything other than gold or silver a legal tender for payment of debt. That's the law today. Only a devious course of legalistic rationalization has permitted denial of that plain intent.

What's wrong with paper currency and checkbooks? They are fine and dandy when we have an ultimate standard into which paper currency and checkbook dollars can be converted on demand.

But, wittingly or unwittingly, in 1933, the people were taken down the Communistic path, Lenin having been reported as saying that the best way to take over a country for Communism was first to debauch the currency. We proceeded to lay the groundwork for debauching the

AMERICAN MERCURY MARCH 1955

currency of the American people just after we had elected Franklin D. Roosevelt on his campaign statement that "a sound currency is to be maintained at all hazards."

Roosevelt, in his campaign speeches in 1932, had given no inkling of his later course. In fact, he had referred to the magnificent speech of Carter Glass at that time, who had denounced the immorality of any government which would break its covenant with the people by issuing promises, in the sale of bonds which they did not intend to pay back in the same standard of value in which the borrowing was made. Foreign economists advocated the abandonment of specie payments to American citizens to further the interests of their own countries.

There was no valid reason for the action on March 6, 1933, taking us off the gold standard. There was more gold in the U.S. Treasury January 1, 1933, than there had been in September, 1929, when a very great amount of credit existed, in fact too much. It was described by the then Secretary of the Treasury Woodin as "a suspension of specie payments, for the time being, to meet an emergency." Since then, apparently we've had nothing but emergencies.

We continue, under the laws hastily enacted by a rubber-stamp Congress April 6, 1933, to deny to the American citizen the right to redeem currency in our standard of value, gold at $35 per ounce, while making good, any business day in the week, to foreign central banks, shipping gold from our Treasury at $35 per ounce in exchange for dollar credits they may present for redemption. During the week of November 15, 1954, foreign interests drew out $50 million in gold. During 1953, and down to June, 1954, $1,247,000,000 of gold was transferred to foreign interests from our Treasury. Foreigners own it now. That amount is about 5 per cent of our total stock of gold.

To remedy that discrimination against the U.S. citizen by his own Treasury in favor of foreign central bankers, the Senate this spring in its Committee on Banking and Currency heard the witnesses who testified regarding the Gold Redemption Act of 1954 and other bills which would take off the deadly hand of government from the people's money by requiring that currency be redeemed in gold coin on demand when wanted by any holder of it.

Testimony showed that there is in the U.S. Treasury sufficient coverage to meet any expected demand from U.S. citizens, provided the government's actions meet with general approval as to their fiscal soundness. Foreign interests can take out gold now, so that the Treasury would be exposed to no more hazard from them than it is today. Students of the facts about redemptions know that gold tends to flow to countries where there is no doubt about the currency being redeemable.

When already swimming, the danger of a shower making you wet is not worth considering. We now have in our Treasury about 10 per cent of gold reserves to all currency outstanding, plus all demand bank deposits (your checking accounts and everybody else's) in the U.S.A. That's more than was found necessary in 1926, for example, when it was 8.4 per cent and nobody thought it dangerous. It averaged 8.6 per cent from 1915 to 1932.

WHY, THEN, all this fuss about a redeemable currency? Because of the threat that an irredeemable currency implies to every holder of life insurance, savings accounts, bonds and pensions payable in dollars, and because government has the power to deteriorate still further the value of the dollar by issuance of bonds and notes which it doesn't promise to pay back in anything better than irredeemable currency.

Such mere threats cause people to do queer things, wasteful to the country as a whole. Testimony showed that since 1940 the dollar has lost on the average 5 per cent of its remaining value every year. As people become aware of that fact, they seek what they call hedges against inflation. Lacking a sound currency, people resort to barter instead of money. That is the beginning of the road which, once taken, leads to financial disorder by rapid deterioration of the dollar.

The burden falls on the trustful holder of dollar obligations; the thrifty citizen; the endowment fund of the college; the trust fund of the widow and the children; the savings of the rank and file citizens whether in bonds, savings account or pension fund. Slowly and unobtrusively the value of his savings is taken away by the sly process of monetary inflation.

He thus becomes an easy prey to the claims of any leader who says that he will correct all by rent fixing, by controls, and by a managed economy in which the government will take over his affairs. That's the essence of Communism.

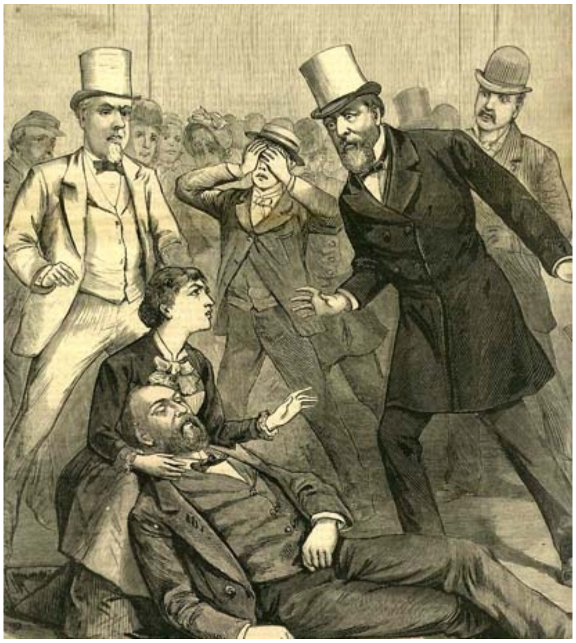
One government official said that now is not the time for resumption of specie payments — the dollar would not stand the test. Another testified that, in his opinion, the dollar was very strong, that not until confidence in the dollar got a great deal worse would it be necessary to restore faith in it by making it redeemable to the U.S. citizen. Like the Arkansas settler who couldn't fix the leak in the roof now because it was raining, and when it wasn't raining the roof didn't need fixing, there is a tendency to procrastinate on the matter of the immediate restoration of the gold standard for the U.S. citizen. It can and should be done — without devaluation, and without delay.

Remember that Lenin, founder of Communism, told J. M. Keynes that the best way to soften a country for Communism was first to debauch the currency.

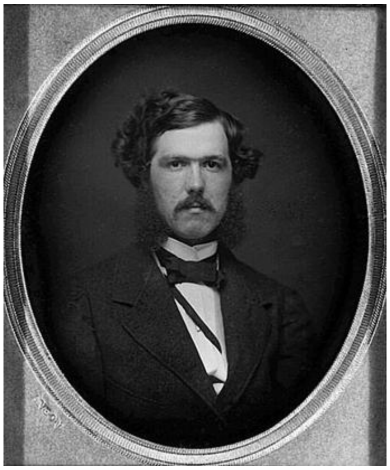
In "Solvency and Sovereignty" by Robert Rasmussen (American Mercury, April 1955, page 46) concluded---

"WITHOUT SOLVENCY SOVEREIGNTY IS A HOLLOW PRETENSE."

The United States is insolvent; so are most, if not all, State governments. The fiat currency hell hole has set ablaze the entire financial forest. We who own real assets that stand as money outside the contrived system will not be dragged down to the extent the unprotected will be. If you have opportunities to successfully trade any shares, place the proceeds into more hard assets. In the event these metals become unobtainable, go for other forms of wealth such as water, food production and energy, including photovoltaic (solar power) equipment. Atmospheric water generators are available that produce gallons daily from humidity. A disaster account could include the most concentrated, portable and concealable forms of wealth such as diamonds and colored stones. However, be mighty careful to not buy too far downstream and be educated to avoid synthetics, simulants, and enhanced stones that are undisclosed as to color and clarity treatments. Knowing full well that fighting with the pen, or rather today---with the keyboard---could place any of us in the same predicament as James Garfield---we must nevertheless follow the dictates of conscience---



Replacing Garfield as President was Chester A. Arthur (October 5, 1829 through November 18, 1886, term fall 1881 through March 1885. Seen here is an image of Chester Arthur circa 1859 about age 29 and a half---



According to the New York Times, June 1, 1986, Denis Frelinghuysen, an executive with L.F. Rothschild, recently got married and noted his great-great grandfather, Frederick T. Frelinghuysen, was Secretary of State under Chester A. Arthur, 1881-1885 http://query.nytimes.com/gst/fullpage.html?res=9A0DE2D9103EF932A35755C0A960948260

About two weeks before being gunned down, James Garfield declared---

"Whoever controls the volume of money in our country is absolute master of all industry and commerce. When you realize that the entire system is very easily controlled by a few powerful men at the top, you will not have to be told how periods of inflation and depression originate."

The Frelinghuysens and the Havemeyers were heavy owners in the old "Sugar Trust," with extensive plantations in Cuba, operating under the name of American Sugar Company (later Amstar Corporation). Pilgrims Society member James M. Beck was general counsel to the company in this 1911 item http://query.nytimes.com/gst/abstract.html?res=9C04E3DA1E31E233A25751C1A9649D946096D6CF . During that time Beck was a partner in Shearman & Sterling at 53 Wall Street, which today continues as an important Pilgrims Society connected law firm. He was Solicitor General of the United States, 1921-1925 and author of "War And Humanity" (1916); "The Passing of the New Freedom" (1920) and "The Vanishing Rights of the States" (1926). Under the corrupt influence of the Money Power states rights have indeed been declining. I am currently seeing predictions on the Internet that civil war could again return to this country, not linked to a slavery issue, but because monetary catastrophe will compel the phenomenon. We certainly would not be confronting the dangers we face today had persons of good will remained vigilant and politically active.

American Opinion Magazine, February 1965, page 94 featured this letter ---

"CBS News reported on January 17, 1965 that France has announced it will take $150 million in gold from the U.S.A. in exchange for the 150 million in paper U.S. dollars France is now holding. Under the newspaper headline "LBJ TO ASK END TO GOLD STANDARD," the Associated Press reported, 1/7/65, on an obscure inside page that "The plan would leave unchanged the 25% gold backing on U.S. currency."

"An inch farther down, out of the other side of its mouth, the A.P. reported "The plan called for elimination of the legal requirement for a 25% gold backing on the reserves which form the basis of the U.S. banking system." In its January 11, 1965 issue, U.S. News & World Report said that U.S. gold stock on hand has dwindled to 15.5 billion dollars and that foreign claims against U.S. gold amount to 26.1 billion dollars. This means that if all foreign holders of U.S. paper dollars were to follow France's example and demand gold, the U.S. would be short by 10.6 billion dollars worth of gold. And there would not be one ounce of gold to redeem any paper dollars held by Americans."

(The letter writer had to have known that Americans couldn't redeem dollars for gold since March 1933.)

"On January 4, 1965 President Johnson told Americans he intended to protect the value of the U.S. dollar In the same speech he outlined plans to continue the long-standing policy of more and more red ink spending by the Federal Government, i.e., more and more grinding out of "printing press" Federal Reserve Notes, not redeemable in gold and silver by Americans, to further inflate our money supply."

"Many years ago, the father of Communism, Karl Marx, said "The surest way to overturn the social order is to debauch the currency." About thirty years ago, an American Communist, Harry Dexter White, got himself into the position of Assistant Secretary of the Treasury of the U.S. As chief U.S. delegate to the International Monetary Conference held at Bretton Woods, New Hampshire, he laid plans for the exodus of gold from the U.S.A. to foreign treasuries. Five U.S. Presidents, with the approval of Congress, have been carrying out Communist White's plans ever since."

"The U.S. is on the verge of bankruptcy. The mortgage on all U.S. gold stock is held by foreigners. When will they foreclose? All this happened while Americans slept. **WHO IS AND HAS BEEN DOING WHAT AND TO WHOM**?"

The letter was sent by W.I. Van Buren. Martin Van Buren, subject of "Silver President II," Archives of Silver Investor, had four sons---this person could easily have been a direct descendant.

In closing consider three items from National Geographic Magazine, September 1933, "Pieces of Silver" by Frederick Simpich, who was U.S. Consul at Baghdad (1909); Ensenada, Mexico (1911); Nogales, Mexico (1912); and with Army Intelligence (1918), pages 271, page 288 and page 278---

"In the early history of Arabia, silver was worth ten times as much as gold, because of meager communications with lands that had more silver than Arabia."

Illustration from page 288. Naturally Government vaults are essentially barren of silver today. They have never forgotten the confiscation option for replenishing silver, but it would be for warfare, not monetary purposes---

Photograph by Charles Martin

SILVER DOLLARS MAY LIE UNDISTURBED FOR YEARS IN GOVERNMENT VAULTS

Meanwhile, smaller coins are in constant circulation. To-day there are only about 28,000,000 silver dollars in circulation, but 540,000,000 more are held in the United States Treasury. Street cars, soda fountains, the "five-and-ten" stores, vending machines, and countless other small change demands require more than $255,000,000 worth of smaller silver coins in circulation.

Quotation from page 278---

"Upon the death of the Duke of Albuquerque, six weeks were needed to make inventory of his gold and silver services."

Albuquerque, New Mexico, was founded by the Viceroy of New Spain (Mexico), the eighth Duke of Albuquerque, Francisco Fernandez De La Cuerva, Spanish nobleman, diplomat, explorer and soldier, on February 7, 1660---

The Duke's activities spanned all the way westward to the Philippine islands, and history records that he was keen on minting gold coins and silver pieces. He would probably have regarded proposals for paper currency as ravings from an unhinged lunatic!   When Garfield slipped into eternity, it is certain he found others of like mind. Commenting on the repudiation by the United "Snakes" Government of the gold clause backing contracts, the Commercial & Financial Chronicle, New York, February 2, 1935, page 723, concluded---

"**GOVERNMENTS, AS WELL AS INDIVIDUALS, SHOULD LIVE UP TO THEIR OBLIGATIONS, NO MATTER IF THE HEAVENS FALL**."

Speaking of Heaven, the following dialogue took place on June 8, 1845, concerning the greatest champion of gold and silver money ever recorded, upon the death of the military hero and two-term President---

"Do you think General Jackson has gone to Heaven?"

"If he wants to go there---<u>WHO'S GOING TO STOP HIM?"</u>