

## USERS DEMAND 71 CENT SILVER

Presented May 2009 by Charles Savoie

**“SILVER USERS DEMAND THAT THE PRICE OF SILVER BE FIXED AT 71 CENTS AN OUNCE FOR ALL TIME FOR IMPORTS AND SILVER HELD BY THE TREASURY.”**---New York Times, April 20, 1946, page 22



**“IT IS BETTER TO BE AT THE RIGHT HAND OF THE DEVIL THAN IN HIS PATH. AS LONG AS I SERVE HIM I AM IMMUNE!”** ---Line from “The Mummy” (1999), which should have been spoken by Pretty Boy Bart Chilton of the CFTC! See, he does regulate half of the silver market---the long side! The suit and tie guarantees respectability, huh? Covering for a financial crime is accessory guilt! People who have to sell shares or metal into a lowballed market, to address some ordinary or unexpected expense, are being defrauded! Men who could go to work as miners with normal prices prevailing are being screwed! This silver price suppressor recently addressed the notoriously anti-silver Brookings Institution <http://www.cftc.gov/stellent/groups/public/@newsroom/documents/speechandtestimony/opachilton-20.pdf> Bart; we’ll be watching your future employment positions! We know how threatened the United States Government feels by a rising silver quotation, as it shows the synthetic dollar for the sick starved ghost it is! It’s damned paradoxical that Bart would be arrested for shoplifting a 99 cent pack of chewing gum, yet when he tolerates a massive financial crime, he gets to strut free and grin like the spittle faced jackass he is! One again---mining managements---where are you?

Don’t be confused about the wishes of the Silver Assassins Association’s views! Though the opening quotation dates 63 years back, if they could still get it for 71 cents in nominal terms, they’d be doing so. In fact if they could have Uncle Sam seize it from us, and have it dispensed to them for free, that would happen tomorrow. The title of that news item was “Industry Users Hit By Silver Hoarding,” subtitled, “Blame Bloc in Congress and Offer to Pay 71 cents an Ounce for Imports, Idle U.S. Stocks.” Though 1946 was the first documented year of a worldwide silver production to consumption shortage, as we saw here last month, the U.S. Treasury did at that time hold massive amounts of silver acquired (including stolen) mainly via the Silver Purchase Act of 1934. 1946 was the starting point of a deficit that these morons think can go on forever. They think they can borrow from past production forever. They believe the Federal Government will bulldoze and plough under everyone else, if necessary, to take care of them as chosen pets! They feel they have nothing to fear from the judiciary! Why should foreigners

send silver to the United States for 71 cents when they knew they could get better prices elsewhere, and on what rational basis did that constitute hoarding? The article stated---

“Silver flatware plants all through the United States will be forced to curtail operations drastically and in many cases, **SHUT DOWN ENTIRELY** “in the very near future” if supplies of silver hoarded by foreign suppliers and the United States Treasury Department are not made available immediately, Bernard Bernstein, vice president of National Silver Company, warned yesterday. He pointed out that silverware manufacturers will fall short of 1946 requirements by 40,000,000 to 50,000,000 ounces if present legislation is not altered requiring the payment of \$1.29 an ounce for “free silver” held by the Treasury in vaults at West Point which amounts to 225,000,000 ounces over and above that required for coinage purposes.”

(According to the Silver Users Emergency Committee, which was the original name until it was changed in 1947 to the Silver Attackers---I mean, Silver Users **ASS**ociation, people overseas with silver must have been wildly demented like vodka guzzlers in delirium tremens to hold for higher prices, when they could simply do their alleged God-appointed duty to financially immolate themselves for the advantage of the Silver Attackers Association! Friends, this organization outrageously expects people to act contrary to human nature, and against their own best interests, all for the benefit of this self-styled “nonprofit” organization! A comparison---they’re like a jeweler who offers \$10 per point for a 5.555 carat D-internally flawless brilliant with hearts and arrows proportions and “Golconda” limpidity, and is mystified why the owner refuses the thieving criminal lowball offer! As for legislation fixing the price of any commodity---this is a criminal affront to every principle of free market economics! No wonder Salinas-Price refuses to back silver rounds minted with a stated value! Still, the fiat friendly Royal Canadian Mint has stamped who knows how many four-niner silver Maple Leafs with the absurd \$5 Canadian figure on the reverse! They whine about their plants facing shut-downs! How many silver mines have been shut down due to illegitimate government dumping for their benefit? Their view is that no one else’s interests matter.)

“It is understood that the industry is willing to purchase Treasury silver for the OPA ceiling price of 71 cents an ounce but refuses to pay the price fixed by legislation inspired by the silver bloc of Congress upon expiration of the Green Act last December.”

(The Office of Price Administration was another Fascist creation of the dark Franklin Roosevelt years. It dictated prices to many industries. That’s what Benito Mussolini, who was eventually killed by an understandably wrathful mob, did in Italy. The great newspaper saw a “silver bloc,” but never noticed a “silver users bloc” or a “paper money bloc.” The Green Act was a measure put through by Senator Theodore Green, of the silver using state of Rhode Island terms 1937-1961. Yes, silver users were willing to pay 71 cents an ounce, and wanted a “for all time” price cap at that level, while mining costs were rising, courtesy of inflation caused by the Federal Reserve System, which insidiously blamed inflation on silver! Green was a member of the Rhode Island Society for Mental Hygiene. Fighting for chiseling silver users was the “mentally healthy” thing to do; those who fought for fair pricing for miners must have had a “clinical disorder”) ---



“Senators from six Western mining States, according to trade sources, are exerting an all-out effort to have the \$1.29 price established as the price for all silver, whether from foreign or domestic suppliers, instead of the **71 CENT PRICE SET BY LAW FOR SALES BY EXPORTERS TO AMERICAN USERS.**”

(This stupid legislation was causing an import shortage. Naturally, foreign silver producers were going to sell to countries other than the market-rigged United States, because they could do better elsewhere. To relieve the import shortage, the Silver Attackers Association merely proposed to tap more Treasury silver, previously allocated for cert redemption, rather than allow a free market price!)

“Mexico, traditionally the largest foreign silver supplier to American consuming industries, is reported to be holding back, through the Bank of Mexico, approximately 50,000,000 ounces in the expectation of passage of the legislation sponsored by the silver bloc. Among other countries holding back shipments are Canada, Peru and Bolivia.”

(The Bank of Mexico, being modeled after the Federal Reserve System and the Bank of England, was not itself in favor of doing anything to help silver quotes rise. However, the Mexican Congress at that time apparently was able to bring sufficient pressure to bear to halt exports. Mexico experienced many severe traumas from Britain’s attack on silver launched out of British India in 1926---destitute miners forced to turn to banditry as the only alternative to starvation being the worst of it; to give them some relief, the Mexican government fed them a diet of corn! (See “The Greatest Right,” Archives, for documentation.) Mexicans wanted revenge for the silver suppression! The article’s title was “Industry Users Hit By Silver Hoarding.” Gee, if people don’t want to sell below mining cost, or if they are so incomprehensibly bizarre as to gravitate towards better prices, this makes them “hoarders.” All indications are that the Silver Assassins Association believes that it has first claim on all the world’s silver, and that those who mine it are entitled to do so only at losing prices, and expect others to venture forth to mine more in hopes of a price increase, which they insure never comes, and so continue robbing the mining community and successive hapless ventures in perpetuity! They are seriously PO’d at Indians holding savings in silver, and the silver export restrictions in place!)

Let's consider another story 32 months before that item. "Mexico To Combat Sudden Silver Lack" subtitled "Hoarding of Coins, Speculation in Metal Take It Off Market," NY Times, August 15, 1943, page 8---

"Mexico City---Finance Minister Eduardo Suarez announced today that **STRONG MEASURES WOULD BE TAKEN AGAINST HOARDERS OF SILVER** in an effort to stop the widespread speculation that has resulted in a scarcity of the metal. An average of 12,000,000 silver pesos a month has been minted recently to satisfy the popular demand, Senor Suarez reported. Financial circles stress that the pesos, almost as fast as they appear, have been either hoarded or melted down by speculators, **WHO HAVE BEEN GETTING MORE FOR THE SILVER THAN THE NOMINAL VALUE OF THE COINS.**"

(Salinas Price has the obvious answer to the matter of silver coinage being hoarded and melted---place no nominal value on the mintage; rather, state only the silver content and let it be used for trading at floating market quotations.)

"The Mexican Government, it was learned, has obtained from Washington an agreement to set aside temporarily the metal pact signed early last year whereby the United States bought up Mexico's surplus silver, until the current situation can be corrected. Mexico's normal consumption of silver had been about 12,000 kilos a month, with a production of more than 2,000,000 kilos, and exports were formerly very high. Speculators from the United States, buying up silver to melt into ingots; thousands of tourists who purchase silver articles, and the peons, **WHO REFUSE PESO BANKNOTES AND HOARD THE SILVER PESO**, have contributed to the sudden shortages."

(More dumb folks preferring hard metal over flimsy paper trash, flouting the university trained economists, causing them to tilt their heads like confused puppies! It's unfair to call anyone a speculator when governments with typical stupidity create visible opportunities. It was none of those causes that resulted in tight silver supplies! It was price capping and that alone that caused the problem! It was stamping a nominal value on silver peso coins, in the same environment of paper peso inflation that caused people to grab the coins! I still plunk copper cents into a bucket! But the political climate underwent some change in the 32 months leading up to the previous article.)

A thread on the subject of silver hoarding runs through the vast public record, the NY Times being only the most visible source. Its January 10, 1953 edition, page 23 remarked---

"Postwar developments seem virtually to have demonetized silver. To be sure, it is still used for subsidiary coinage about the world less than 100,000,000 ounces a year go into coins but nowhere today does silver have anything like its old prestige. In China the Mexican dollar and the Haikwan tael (a mere weight in silver) enjoyed more "face" than any paper money until the United States raised silver prices for the benefit of American silver states and then bought Chinese silver to help Chiang Kai-shek finance his war against Japan. There was little silver left in China after that operation."

(We will see something about the effect of the Silver Purchase Act of 1934 on China next month in the largest item I have ever presented. It will run for the duration of the summer and I suggest you find

moments to read it as there will be details not to be conveniently found anywhere else, including on-line.)

“The gold bar, the American dollar, the Hong Kong dollar and the rupee became the favorite media for hoarders. Much the same thing happened in India. **MONETARY MANIPULATIONS BY THE BIG NATIONS** made gold so much cheaper than silver that hoarders naturally bought it. The free market price of silver has risen about as much as other prices but output has dropped 40 percent below the level before the war.”

(Another of the infrequent admissions in the press that governments manipulate the money metals; however, according to this orthodox source, the manipulation was to the upside! That’s most ironic, since contrary evidence could make a pile visible from the moon without a telescope. If silver prices were, adjusted for inflation, on the rise, why would production have dropped by two-fifths? Such cutthroat liars!)

“Suspense on Silver” was a NY Times editorial, February 21, 1965, section 4, page 8---

“If gold is not enough of a problem, there also is silver. A strong and consistent expansion in world demand for silver has raised the specter of a coin shortage. Treasury officials have just informed Congress that they averted a serious coin crisis by a huge step-up in production at the mints. In doing so, however, the Treasury is eating into its stockpile of silver; **THE DAY IS APPROACHING WHEN IT WILL RUN OUT OF SILVER FOR COINAGE.**”

(Silver coinage could have been maintained with a different approach comprised of several blended aspects! First, do as Salinas-Price suggests in Mexico---coin silver pieces stamped only with the weight, fineness and date, and let them circulate at floating rates. But the Federal Reserve System intended to do away with all but its synthetic currency. Second, discard the view that the Federal Government has any obligation to source and supply a commodity to any coalition of industrial users and do so with great harm to its producers and subsidized by taxpayers! Is there a Petroleum Users Association anywhere on the scene, calling for the Government to source and supply it with related distillates? Is there a Beef Users Association, made up of restaurants and grocers, relying on the Federal Government to source and supply it with cattle products? Or an Electricity Users Association; a Water Users Association; or any other association representing a “black hole” into which is attempted to be sucked a preponderance of world production---at suppressed rates---of any other commodity? To repeat the question Ed Steer asked last fall about the Silver Users Association---“Why is this organization allowed to exist?”)

“Although the Treasury had plenty of warning about the coming shortage, it was slow to react. It finally got a study group to examine the problem, but its report, originally due this month, has been postponed until April. Meanwhile, it is being bombarded by pressure groups---mining interests, vending machine operators, **SILVER USERS---AND ALSO HAS HAD TO COPE WITH A BIG INCREASE IN ACTIVITY BY HOARDERS AND COLLECTORS WHO ARE REMOVING SILVER COINS FROM CIRCULATION.**”

(Gee, that’s remarkable---someone outside the metals long community ever admitted the Silver Attackers Association to be a “pressure group.” As for bombarding people in government, the Silver

Assassins Association does that to a “ne plus ultra”---Latin, “nothing more can be added” extent--- just tour their website [www.silverusersassociation.org](http://www.silverusersassociation.org) just be sure you haven’t had a meal in several hours because you may have reading it! Yes, people and not only numismatists removed silver coins from circulation as fast as they could, because the Government provided them with clear reasons for so doing!)

“The solution lies in changing the silver content of the coinage or removing it altogether. But the Treasury is not helping matters by keeping everyone in suspense on silver. It says it is concerned about what may happen when a change takes place; yet it is ignoring what is happening while it makes up its mind. The rumors abounding about its proposals have induced a scarcity, particularly of the Kennedy half dollar.”

(The Government’s record of planning for contingencies in advance of need is poor. They prefer to wait till a crisis strikes, then zero in on some innocent group of citizens to use as scapegoats, and sacrifice them to “solve” the problem. Banks rationed the 1964 Kennedy halves because so many people wanted them! I have a dim recollection of that time, with a faint memory of that fact. Kennedy halves, the 90 percenters, saw relatively little circulation, because people knew cheaper coinage was impending.)

“With the silver now on hand, the Treasury is in a position to get over the transition to a new coinage plan. The important thing is to make public a comprehensive plan, one that can furnish the needed coinage and offer permanent protection against a shortage. Once the suspense is ended, the threat of a silver crisis will fade away.”

(44 years out from that time, we are entering what must prove to be the most severe silver crisis ever. People who own physical will be blamed. They will be faulted for not sacrificing their self-evident monetary survival interests to the devouring locusts of the Silver Attackers Association and the bastard money promoter of all time, the United States Government!)

“Successor to Douglas Dillon Must Make Coin Decision,” NY Times, March 14, 1965, section 3, page 1---

“One of the first problems to confront the man who succeeds Douglas Dillon as Secretary of the Treasury will be the drain on silver---a problem that seems to have been overshadowed by the drain on gold.”

(By capping gold and silver prices, our Government induced greater scarcity, and by continuing to print more Federal Reserve Notes, not redeemable in gold by our own citizens, but by foreigners, people overseas, most notably the French, increasingly demanded dollar conversion into gold, showing they indeed were no dummies!)

“On or about April 1 the Treasury will be asked whether it favors leaving the silver content of dimes, quarters and half dollars at its present 90 percent level, reducing this amount to a smaller percentage or whether it favors eliminating silver from coins entirely. **THE PROBLEM IS THIS---IN 1964 THE TREASURY SUPPLIED 151 MILLION OUNCES, OR 43 PERCENT OF THE WORLD’S DEMAND FOR SILVER. THIS DID NOT INCLUDE THE 203 MILLION OUNCES CONSUMED BY THE BUREAU OF THE MINT FOR NEW COINS.**”

(Can you picture the logistics of any Federal agency today supplying 43 percent of the entire world demand for petroleum, for example? I believe even as lunatic as our Congress and Government officials are, they would laugh at the suggestion. However, the fact that this once happened in silver, does give the thoughtful inquirer reason for pause. The Government's only legitimate role in commodities markets, other than to create and maintain stockpiles of strategic, military related commodities, relating exclusively to defense of our own shores---is to prevent fraud and violence in the marketplace! That the Government ever acted as supplier of a commodity to a parasitical users association is a filthy, nasty scandal. As for coins dated 1964, some are aware that many of these dates were actually stamped early in 1965! While the Treasury pretended uncertainty as to coinage changes, they already knew that coins dated 1965 were to be clad---other than the 40 percent Kennedys. In that they did us a favor. Having to winnow through batches of dimes and quarters stamped 1965, with some 90% and others clad, would render more tedious the chore of filtering out cheapened coins. I did encounter a renegade 1966 dime in the last dime batch I spent hours poring over before purchase. Thankfully, most were Mercs with the same ID characteristics as Franklins!)

"Industrial users and suppliers of silver need only present the Treasury with silver certificates, of which there are still \$1.1 billion outstanding, and the Government will redeem them with 0.77 ounce of silver for each dollar. This works out to \$1.292929 which, in fact, sets the market price of silver. Therefore there is no need for users of silver to pay more, and although suppliers could charge less, they can sell all the silver they have at this fixed price."

"Unless there is some reallocation of the Treasury's use of silver or some unusually large mineral discovery it has been estimated that the Federal Government's 1.2 billion ounce stock of silver will be gone in three years."

(Identifiable silver stocks were gone from Treasury by fall 1970, except for the 165.5MOZ military reserve Congress established which, as we all know, is long gone, courtesy of lobbying by the Silver Abusers Association and the sellout Senators and Congressmen who functioned as their spearcarriers.)

"Because coinage represents such a significant drain on Treasury silver reserves, "there is little doubt," Miss Eva Adams, Director of the Mint said, "of the need for a change in the content of coins." Assuming then, that this rules out the possibility of leaving the silver content as it is, the alternatives are either a reduction of the content or its complete elimination. On one side are the silver producers who support the reduction theory. Their arguments are these---Silver in coin has historical, psychological and intrinsic value; It is protection from counterfeiters; The elimination of silver would upset the vending machine industry since their coin devices will accept only coins with silver content."

(Why didn't the producers argue for the obvious points I made earlier for retaining 90% silver coinage minting?)

"On the other side are the silver users such as the photographic, electronic, tableware and jewelry industries---**WHO SUPPORT THE COMPLETE ELIMINATION OF SILVER FROM COIN.** Their principal arguments are the following---Partial elimination would only prolong the ultimate decision; There are

substitutes for silver in coin, but none as yet for the industrial uses; It would eliminate the speculative interest in hoarding coin; Reduction would drive up the monetary value of silver.”

“In between these opposing interests is the vending machine industry, which uses about 30 billion coins a year to sell \$3.5 billion worth of cigarettes, sandwiches, combs and even nylon stockings. These figures do not include coins fed into pay telephones, parking meters and tollgates. A spokesman for the National Automatic Merchandising Association summed up his group’s stand this way---“We frankly don’t care what kind of metal they use in coin, just so long as it works in our present machines.”

(Today as prices for “vend bars”---candy bars slightly smaller than those bought in supermarkets---move towards their first \$1 per item pricing, we have bill acceptors more in use. This Government intends to eliminate all minted coinage of all metals, and all printed paper currency, checks and drafts within the next few years! No wonder I also became a “nickel hoarder” in addition to a “copper penny hoarder” though with the swarm of 90% coins I own, I am a qualified “copper hoarder” also! Story continues on page 14 of the original issue, subtitled, “Drain on U.S. Silver Will Be a Headache for Dillon’s Successor”)

---

“He said, “Our only requirement is that the coin have **THE SAME ELECTRICAL RESISTIVITY AND DENSITY PROPERTIES AS THE PRESENT SILVER COINS.**”

(They had to know what any junior high school age kid should know---that all metallic elements vary in their physical properties---otherwise, what would there be to distinguish one metal from any other? This was either sarcasm or foolishness talking.)

“To design and install new coin devices in the nation’s 4.5 million vending machines, he added, “would involve a cost in excess of \$115 million.” Again, this does not include the cost of changes that would be needed in other coin operated machines. The ultimate decision does not belong to the producers, the users, the vending machine people or even the Treasury. Any change in the content of coin must be legislated by Congress. “All we can do” Miss Adams said, “is send a recommendation up to the hill.” Here is where the real problem may be. **EVER SINCE THE CLOSING DAYS OF THE CIVIL WAR, SILVER HAS BEEN A WHIPPING BOY FOR POLITICIANS.**”

(Eva Bertrand Adams, born in Wonder, Nevada, was administrative assistant to Nevada Silver Senator Patrick McCarran, 1940-1954, who was as intense a gold and silver advocate as anyone you could find in all the pages of history. I have long intended to present an essay on the Senator, who paper money advocates fiendishly called “an embarrassment to the United States,” but so extensive is the history of silver, I have so far left him on the shelf. But that’s my deficiency, not his! Unlike Nevada Senator Harry Reid, no way would Pat McCarran have ever backed for Federal office anyone like Gary Gensler of Goldman Sachs, Obama’s choice to head the Commodity Futures Treasonous Conspiracy agency! Eva Adams was also a licensed attorney and a member of the American, Federal, District of Columbia and Nevada Bar Associations, page 21, Who’s Who, 1966.)

“Today, silver’s political appeal is that it is an important economic factor to the northwest states and when the world’s largest consumer of silver, the U.S. Treasury, runs out, the demand for the metal will



rise that much more. The problem for the Treasury would not be so difficult if the nation were not in the midst of its worst coin shortage. Though the problem has eased, it is still estimated the Mint will consume as much as 300 million ounces of silver this year. As one sympathetic industry spokesman put it---“They’re damned if they do and damned if they don’t. Unless they change the silver content of coin, how can they increase coin production without further hurting the silver situation?”

“United States industrial consumers, the largest of which is Eastman Kodak, used 123 million ounces of silver last year, or 43 percent of the non-Communist world’s consumption. New production of silver, most of which comes from the Coeur d’ Alene district of Idaho, was only 36 million ounces, which placed the United States in the number 3 position, behind Mexico’s 41 million ounces and Peru’s 37 million. Those that argue for the elimination of silver in coin believe this would bring the world’s supply and demand for the metal into approximate balance.”

(Although no country today is minting silver coins for circulating medium, investor demand has started filling that vacuum.)

“Otherwise, the Silver Users Association said, **THERE WILL BE A WORLD DEFICIT OF 440 MILLION OUNCES IN 1965, WHICH WILL HAVE TO BE MADE UP FROM THE TREASURY’S STOCK.** The association, whose members account for about 75 percent of industrial usage, estimated that at that rate the nation’s silver stock of slightly more than 1.2 billion ounces would be used up in two and three-quarters years.”

(Is an investor demand of 440 million silver ounces per annum possible in coming times? Very assuredly, and it could soar to over one billion ounces but fast. And I mean silver they can hold in their hands and feel its weight. Not that so much would be available; matching supply with demand could result in Mount Everest prices!)

“Simon Strauss, a leading silver spokesman and vice president of American Smelting and Refining Company, countered the usage argument this way---“Over the next four years,” he said, “silver producers are going to expand production by 18 percent. This is not a guess, but projections based on specific projects.” (At present, **SILVER PRODUCTION HAS BEEN INCREASING AT 1 PERCENT A YEAR.**) “If the Treasury were to reduce the silver content from 90 percent to 30 percent,” he added, “then by retiring present coin and melting it down, they could make three new coins from every old one. Thirdly, we cannot consider silver usage in coin during 1964 as a typical year.”

(What can you say to that? For someone allegedly on the side of silver coinage to propose that it be so watered down, cheapened, debased and bastardized, you have to consider him suspect. Even the war nickels were 35% silver! Strauss was a governor of the COMEX, 1947 to 1963 and a director of Revere Copper & Brass since 1951---Who’s Who, 1967, page 2069. He was also a director of General Cable Corporation and a member of the executive committee of the American Zinc Institute since 1953 and a director of Southern Peru Copper Corporation and a director as of 1962 of the International Copper Research Association and became president of the Lead Industries Association as of 1964. Clearly he was interested in metals other than silver. Suggesting the basis of his stance for cheapening the coinage was the fact that he listed himself as a member of the Bankers Club in Manhattan!)

“Strauss added that “not only did the psychological fear and publicity given to the coin shortage inflate the situation, but also the minting of the Kennedy half dollar absorbed 70 million ounces alone.”

(I admit I did some swearing while examining, coin by coin, a big load of silver Kennedys I took delivery of several years ago, while finding the occasional 1965-1970 forty percenter, and worse, the occasional clad, the dealer was overflowing with personal integrity, and accepted my word as to the degraded items, promptly replacing them with acceptable coins.)

“Many producers and users felt it was a mistake to issue the Kennedy coins so soon after the President’s death because of the emotional reaction of people here and abroad. One of the strongest arguments of the users group was that to partially reduce the silver content in coin would be to raise its monetary value and drive more coin out of circulation. For example, if the silver content in coin were lowered to 50 percent from the present 90 percent, the price of the metal would have to rise to \$2.282 an ounce to maintain the same relation between the value of the silver content and face value that exists with the present \$1.38 an ounce monetary value.”

(People holding 40 percenters will find upon resale that the silver content, weight for weight, brings less than an equal silver weight in fewer 90% coins. The reason is smelting costs are similar, but metal value recovered is lower.)

“The Kodak Company estimated that for every 1 cent per ounce increase in the price of silver, its costs would rise by \$200,000 a year. Market analysts believe that neither Kodak nor any of the other silver users could absorb the higher cost without passing it on to their customers.”

(Why is silver singled out as the **ONLY** commodity that lots of people think should **NEVER** rise in price? Why do they insanely disregard the fact of price increases in all commodities, and want to focus mainly on silver? Are they like schoolboys who burn a hapless ant alive by holding a magnifying glass over it under the blazing sun? Evidently so! If beef prices rise, do restaurant operators complain to the Federal Government that they cannot absorb the costs without passing them along to diners? When will the Silver Whiners Association stop whining against the facts of life? Better yet, when will Congress and the Courts be compelled to view them in the same light as De Beers, and refuse to allow them to maintain an office on United States soil?)

“A spokesman for Sunshine Mining Company, one of the nation’s largest silver producers, said that at the present market value of \$1.2929---the price at which Treasury will sell silver---**IT IS UNECONOMICAL TO MINE SILVER ORE THAT HAS LESS THAN 25 OUNCES OF SILVER PER TON. DEPOSITS OF THIS CONTENT ARE SCARCE.** However, if the price were allowed to rise, said a spokesman for Hecla Mining Company, another large producer, “we would be able to mine more silver.” (At present, the Department of Interior picks up the tab for 75 percent of new silver exploration.)”

(Sunshine Mining was run into bankruptcy by the silver shorts on the COMEX in the year 2000  
[http://geology.isu.edu/Digital\\_Geology\\_Idaho/Module7/mod7pg2.htm](http://geology.isu.edu/Digital_Geology_Idaho/Module7/mod7pg2.htm) )

“Much of the blame for the coin shortage and the subsequent demands on silver has been placed on coin collectors and vending machines. The fact is, the Mint’s Miss Adams stated, “vending machine people have been extremely cooperative in keeping coin in circulation.” Richard Yeoman, an authority on coins and editor of “A Guide Book of United States Coins,” noted that, “For a coin collector it doesn’t really matter what it is made of.” Mr. Yeoman, vice president of Whitman Publishing Company, which markets coin collector publications, **PINNED THE BLAME ON “THE MONEY MERCHANTS---THOSE WHO SELL BULK COIN TO HOARDERS. THE HOARDERS, HE SAID, “ARE WILLING TO PAY A PREMIUM NOW AND WAIT FOR THE PRICE OF SILVER TO GO UP SO THEY CAN MAKE A KILLING.”**

(Really? It makes no difference to a numismatist what a coin is made of? Do they equate gold coins with aluminum pieces? Would silver dollars be worth as much had they been minted in copper instead? Why do people stick their neck out by making idiotic declarations? If a private mint coined 100 aluminum coins, would any of those be worth more than an 1885-CC Morgan dollar, of which 238,000 were originally minted, simply because the aluminum “issue” was scarcer? But of course we’re mostly speaking of all Government issued coins. Still, the point is to the contrary, coins of silver, and traditionally more so of gold, are worth more just because it does make a difference what they’re made of. These “money merchants” he criticized are still with us today, providing a valuable service to investors of sourcing and distributing specie money, so superior to the Government sponsored funny money. A hoarder has a negative connotation, suggesting people are doing something they have no right to do. What? People don’t have a right to take steps to shield themselves from Government sponsored currency debasement? They have the same type of right to protect themselves from debasement as a right to step out of the way of any other sort of harm! As far as making a killing in silver goes, clearly most of that has stubbornly remained on the short side for decades. We will witness otherwise in coming days.)

“Donald J. Ramsey, spokesman for the Silver Users group, **ESTIMATED THAT THERE WERE 70 MILLION OUNCES OF SILVER TIED UP IN SILVER HOARDING, COIN AND OTHERWISE.”**

(Again we sense the implication on the part of the Silver Aggressors Association that they alone have rights to be in possession of silver! They’re like a gang who sees a convenience store as theirs to take! From August 1934 inclusive through early 1937, 113,002,993.47 ounces of silver was confiscated from Americans under FDR’s nationalization, or condemnation, order. This included only bullion silver as coin silver wasn’t called in. In any proposed silver grab in coming times, be assured the Silver Aggressors Association will remain the Siamese twin it is with whoever the Treasury Secretary happens to be at the time, and will be bending his ear with their “estimates” as to how much argentum we outside their “nonprofit” ranks are holding as “hoarders” and “speculators!”)

**“THE ACTIVITIES OF THE HOARDERS WERE MOST VIVIDLY DEMONSTRATED JUST A YEAR AGO, WHEN THE TREASURY EXPERIENCED A RUN ON SILVER DOLLARS. PEOPLE WERE SEEN PUSHING WHEELBARROWS OF \$1,000 BAGS OF SILVER DOLLARS FROM THE TREASURY.”**

(Always Government and the industrial users express mystification and shock when any citizens act on opportunities to protect themselves!)

“Assuming the Treasury decides to make a change, what metal or substance does it use? **“WE’VE LOOKED AT EVERYTHING FROM NYLON TO WOOD,”** Miss Adams said.”

(I would have thought that due to her 14 year association with the great Patrick McCarran, she would have resigned her Mint post rather than utter a word about using seriously debased substances for coinage!)

“The vending machine spokesman for the N.A.M.A. felt that “aside from a silver coin alloy coin or a silver clad coin, the only other metal that seems to hold out hope for us is a cupronickel clad, copper core coin.” A spokesman for the Automatic Canteen of America Company, commented however, that “this cupronickel coin is not yet completely successful.” No matter what action Treasury recommends to Congress, the silver industry was agreed it would probably take three years to implement.”

(It is almost surprising that the Government didn’t order a three day bank freeze to stop so-called hoarders from withdrawing silver coin, and on top of that, issue an Executive Order similar to the abomination by FDR on August 9, 1934, seizing silver from Americans, and require citizens to surrender their silver coins to the Treasury. One thing that served as a buffer against that happening in 1965 was the agitation of the vending machine industry. Had the Government immediately seized all silver coin from citizens, the vending sector would have been immediately paralyzed till the rush of debased clad coinage could be churned out!)

“Erskine N. White Jr., vice president of Gorham Corporation, warned that because of the time it would take to get a bill through Congress and the mechanics involved in a change-over, “to prevent a crisis, the Treasury must act now.” Another point on which all seem to be agreed is that the Treasury will have to continue to support the \$1.2929 market price in order to maintain a stable silver market. This would preserve the value of present coins until new coin went into circulation. One nostalgic silver producer said that “to drop silver from coin would break one of the nation’s oldest traditions.” The use of the present ratio of silver in American coinage dates from 1792.”

(White’s father was a director of John Hancock Mutual Life and Hewlett Packard and a trustee of the Committee for Economic Development, heavily interlocked with the Council on Foreign Relations--- Who’s Who, 1967, page 2283.)

“Coins Are Melted To Retrieve Silver,” same page, March 14, 1965, section 3, page 14---

“While the Government was debating a possible change in the silver content of its coinage, a New Jersey company was smelting down **55 TONS OF COINS FROM ECUADOR TO GET THE SILVER.** Spiral Metal Company said it had extracted \$1.5 million of silver from the coins. Ecuador requested the processing because the silver content was worth nearly twice the face value of the coins, the company said. Spiral said it took a year to process the coins, which were transported by ship from Ecuador and stored by the Chase Manhattan Bank.”

(The \$1.5 million was probably the company’s refining fee.)

“The price of silver shot up to \$1.293 an ounce from 91.38 cents between 1960 and 1963 on strong demand for industrial and coinage purposes and dwindling supplies, particularly in Treasury Department stocks. Treasury sales on the open market prevent a further rise but there is a question as to how long this policy can last.”

“Silver Traders Fear End of Market” appeared on the same page---

“A large cloud is rolling toward the silver futures trade. If the worst fears of the trade are realized, it could mean the end of dealings here in silver for future delivery. It is the possible imposition again of the Treasury “transfer tax,” which caused silver futures trading to be suspended from August 9, 1934 until June 12, 1963.”

(Scandalously, for almost 29 years the Government interfered in the silver market in so many ways. However, they were readying to hide behind alleged restoration of an ostensible free market in silver at the COMEX!)

“Several dealers interviewed here last week revealed a growing fear that the Treasury’s report on the silver situation, due April 1, or as soon as a new Secretary of the Treasury is appointed by the President, **WILL RECOMMEND SOME FORM OF RESTRAINT ON THE FREE SILVER MARKET.**”

(Give Government power, or allow it to acquire it by encroachment, and the temptation to use it is an ever present danger!)

“The old transfer tax, they pointed out, required that one-half of any trading profit be paid to the Government, and that the usual taxes on the rest be applied. If such a tax is added to the ordinary risks involved in silver futures trading it could easily kill the market on the Commodity Exchange, they assert.”

(Looks like unregulated short selling is about to kill the COMEX market.)

“This is one reason that trading in silver futures on the Montreal Stock Exchange was re-established there last February 8, after having been suspended in the spring of 1963. Another reason, dealers here said, is the increasing interest of European traders in the market on this side of the Atlantic, who wish a more “cloistered atmosphere in which to deal.”

(Yeah that COMEX atmosphere is “cloistered,” meaning “covered,” as in “not transparent.”)

“As the trade waits for the Treasury’s report, **IT IS SURE THAT IT WILL TAKE ACTION TO STOP OR AT LEAST CURB THE GROWING TREND TOWARD HOARDING THE METAL, PARTICULARLY BY ORDINARY CITIZENS.**”

(Yes the Treasury, run by Wall Streeters, is against Americans being able to hold savings in gold or silver. The elite’s view of “ordinary citizens” is that they must be stripped of their standard of living, turned out of houses and into communes called apartments, experimented on without their knowledge by addition of fluoride and chlorine to water supplies and by other unpublicized chemical means, and shipped overseas to die in banker fomented wars.)

“It is equally certain the Treasury will not raise the price at which it sells silver from the present level of \$1.2929 an ounce. This would complicate the gold situation, it is explained, among other things.”

(Douglas Dillon, Pilgrims Society member, handed over Treasury to Henry Fowler, a CFR member, of Goldman Sachs. Fowler is remembered, among other things, for having commented that the new clad coins had an “appealing orange color” when viewed rim side. There wouldn’t be much corruption in Government if we could rid it of everyone known to be a CFR member, or member of a higher organization!)

“The commercial users of silver such as the photography industry would be among those adversely affected by any curb on futures trading. **THE FUTURES MARKET IS A SORT OF WAREHOUSE FOR THEM.** Each contract of 10,000 ounces is backed by an equal amount of the metal that under Commodity Exchange rules must be stored in registered banks. Among these are Bankers Trust Company, Irving Trust and Chase Manhattan Bank.”

(The article saw no need to state the natural proclivity of users to prefer low priced silver.)

“Silver Decision At Hand,” NYT, April 4, 1965, section 2, page 24 noted the certainty of lowering silver content of coins and also stated---

“The House committee also made a recommendation that is highly significant in view of the fact that **COIN HOARDERS AND BULLION SPECULATORS ARE EXPECTED TO STEP UP THEIR ACCUMULATION OF OLD 90 PERCENT SILVER COINS IF THE ALLOY IS DEBASED.** It called for legislation to “**PREVENT, MINIMIZE OR REGULATE THE HOARDING OF OR SPECULATION IN, LARGE QUANTITIES OF COIN, AND THE EXPORTATION AND MELTING DOWN OF COIN.**”

(Coin melting was imposed, but later rescinded when the interests of the Silver Assassins Association were being impeded by the prohibition.)

“Most observers are positive that the immediate object of this proposal is the widespread melting of wartime silver nickels. But it is a bit late to close this barn door, for the experts estimate that **HUNDREDS OF MILLIONS OF THESE 35 PERCENT SILVER COINS HAVE ALREADY BEEN SIPHONED OUT OF CIRCULATION INTO SMELTERS POTS.**”

(I was around 8 when I saw my first silver war nickel. I noticed the different surface complexion of the coin, and was amazed at the large “P” over the Monticello dome. It’s hard to believe, but there are some people who take little notice of obvious differences when they appear.)

“Following a thorough analysis of the workable solutions for the silver shortage, coin shortage problem, the committee’s report put into words a belief that has long been held by serious numismatists---“The bubble of wild speculation in ordinary coins at ever increasing prices is expected to break, **WITH LARGE LOSSES TO SPECULATORS.**”

(Silver speculators have been given so many scalping by the powers that be, that many of them have been “cured” of COMEX “investments,” and turned instead to the sounder strategy of buying and

holding hard metal! Alan Ladd's 1957 film "The Big Land" concerned his battle with a corrupt cattle dealer named Brog who relied on scare tactics to chase all other bidders away, so he could take herds by theft. There was a line in this film, something to the effect, "We don't want any of your fifty cent bids" to which Brog countered, "I guess a man can bid whatever he wants to!")

"Consensus Coinage" appeared in the June 4, 1965 NYT, page 34 and also complained about "hoarders"---

"President Johnson has finally approved a plan to break most of the links between silver and the nation's coinage. The proposal, which was dictated by **THE CHRONIC WORLDWIDE SHORTAGE OF SILVER**, calls for eliminating silver in dimes and quarters and reducing the silver content in half dollars. It is clearly intended to please everybody---silver users, silver producers, vending machine operators and the public---but this plan for a new coinage by consensus is full of perils."

(Why was there such a big shortfall in silver? Mostly because the United States Government fought for so many years to hold silver prices officially at capped levels. There were proposals in the Commercial & Financial Chronicle for doubling the purchasing power of 90% coinage---to credit a dime as 20 cents, quarters at 50 cents, and halves at \$1. But of course the Government wouldn't hear of it.)

"Unquestionably, the coinage had to be changed. Industry's appetite for silver has been growing enormously; in addition, increased use of vending machines and a boom in coin collecting---**AND HOARDING**---have been absorbing coins faster than the Treasury could produce them. A coin crisis was inescapable if the silver content remained unchanged. The most sensible solution would have been to cut all ties with silver. Political expediency led Mr. Johnson to preserve the link with silver in the dollar and half dollar. What is more, he recommends the Treasury be given the authority to buy silver at \$1.25 an ounce, thus providing insurance to silver producers if the price drops."

(How generous of Lousy Bum Job---LBJ---to offer a price guarantee so low as to be a joke.)

"These measures are obviously intended to placate the representatives of silver producing states, who count on the nation's sentimental attachment to silver to help boost its price. The decision to continue using some silver in coinage will not only keep prices high; **IT WILL ALSO ENCOURAGE HOARDING AND SPECULATION**. The likelihood is that the new composite Kennedy half dollar will never be generally circulated; like the silver Kennedy half dollar, **IT WILL BE SNAPPED UP AND DISAPPEAR AS SOON AS IT IS MINTED**. Putting a floor under silver prices will encourage speculation and make goods using silver more costly for consumers. Congress has an opportunity to override its own silver bloc and cut ties that, sooner or later, will have to be severed anyway."

(In monetary history, a sentimental attachment to silver has guided people to safer harbors than any questionable Government sponsored campaign to foster sentimental attachment to unfunded paper currency! Indeed, many people believe that our "currency" is its own funding. Many of those who believe this aggravated fable are otherwise intelligent people---PhDs, MDs and so forth.)

"In The Wake Of Silver," NYT, January 16, 1966, section 2, page 31 commented---

“The Government reported last week that **HOARDING** had accounted for most of the \$1 billion of gold mined throughout the world in 1965. United States gold reserves failed to gain; in fact, they actually declined during the period. **AND YET THE OFFICIAL GOVERNMENT SUPPORTED PRICE OF \$35 AN OUNCE WAVERED NOT ONE WHIT.**”

(For an account with details on gold suppression rarely found elsewhere, refer to “The Conspiracy Against Gold,” Archives.)

**“THIS OFFERS A CLEAR LESSON FOR WOULD-BE SILVER HOARDERS IN THIS COUNTRY. THE GOVERNMENT HAS PROVED AGAIN THAT IT CAN AND WILL RESIST ANY PRESSURE TO RAISE THE PRICE OF GOLD, AND IT HAS ANNOUNCED EMPHATICALLY THAT IT WILL DO THE SAME WITH SILVER FOR AN INDEFINITE PERIOD.** To do this, it can continue to call on its silver bullion stockpile of some 800 million ounces. **IT CAN ALSO MAKE USE OF MANY FEDERAL REGULATORY POWERS.**”

(Many times the Treasury has denied that it has acted to suppress gold and silver prices, yet here however is another reference in which it’s admitted to be doing just exactly that. Meanwhile, the inflation it sponsors with the Federal Reserve results in an ever upward spiral in mining costs, while metals are capped. No wonder shortages have been building to extreme levels for so long.)

**“THE KENNEDY HALF DOLLAR IS STILL THE OUTSTANDING EXAMPLE OF MISGUIDED HOARDING.** Allowing one specimen of the coin for every American, plus a great many millions used in ornaments and shipped abroad and a few scattered millions in circulation across the country, **A SUBSTANTIAL PORTION OF THE NEARLY 400 MILLION MINTAGE STILL REMAINS IN THE HANDS OF SMALL AND LARGE SCALE HOARDERS.**”

(Okay, I admit to be swimming in those ’64 Kennedys. But I am a silver saver, not a silver hoarder. There’s as much use in holding savings in dollars as in having a water canteen with an ice pick gouge in the bottom, and thinking there will be water there when I need it.)

**“HOARDERS SPIN HALF-DOLLAR WEB”** was a NYT story dated March 19, 1967, section 2, page 36---

“Approximately 70 million Kennedy half dollars have been minted since the first of this year. This means that a total of about 200 million of these “sandwich” coins of 40 percent silver have been produced during 1966 and 1967. Since the older, **90 PERCENT SILVER HALF DOLLARS ARE NOT RECOMMENDED FOR HOARDING AS BULLION**, these 40 percent silver coins should, logically, be even less desirable. However, **THEY ARE STILL RARELY FOUND IN CIRCULATION AND ARE APPARENTLY BEING HOARDED ALMOST AS FAST AS THE MINTS TURN THEM OUT.** Although many people are asking why this practice continues, nobody has as yet come up with a satisfactory answer. Repeated discussion of this problem, especially in Congress, may result in the complete elimination of silver from the half dollar.”

(While 90% coin isn’t industrially pure as three-niner, it can always be tossed in a jewelers crucible along with some three niner to make sterling .925. But to allege that 90% silver isn’t really equal to bullion with other advantages, is only a con job to attempt to prevent folks from holding 90%. The 90% pool shrinks at least five days a week, every week, through smelting into three niner, probably mostly 1,000



ounce ingots. Correlating a 90% supply, most of which, possibly 93% or more of the originals, have been melted, to an increasing demand, insures increasing scarcity value. Additionally, a half dollar weighs just over a third ounce of silver content, giving it greater divisibility than even a half ounce three niner round, which we see relatively few of. This is even more emphatic for quarters and most of all for dimes. As Franklin Sanders said, a bag of dimes allows 10,000 possible transactions! It's important to hold some of both forms. As far as the 40 percent halves being hoarded in the "web" spun by "hoarders," those 1965-1970 coins still had a significant silver content, whereas clad coinage has zero. People who aren't simpleminded still value scarcity over more common substances.)

"Several Senators and Representatives have spoken out on this subject in recent weeks. One of the most vociferous is Representative Silvio O. Conte, Republican of Massachusetts. The Treasury's stockpile of silver, he points out, is steadily shrinking. It is not inconceivable that it may fall to the figure of 165 million ounces that the Office of Emergency Planning has set as the minimum required for a national defense stockpile in case of a world crisis."



(Silvio Conte, member of Congress from 1959 to 1991, helped silver users in his home state of Massachusetts. Baroness Boothroyd, Speaker of the British House of Commons, 1992-2000, was on Conte's staff in the early 1960's while the silver coinage controversy raged [http://en.wikipedia.org/wiki/Silvio\\_O.\\_Conte](http://en.wikipedia.org/wiki/Silvio_O._Conte) )

"In the face of this critical situation, Mr. Conte says, the use of silver in a coin that does not circulate seems indefensible. To support his claim, he cites the fact that some 32 million ounces of silver were used last year in producing the clad, or "sandwich" half dollars, almost all of which never entered circulation."

(Had none of these characters ever heard about Gresham's Law?)

"The Treasury," Mr. Conte says, "estimates that at the present rate of minting, another 30 to 35 million ounces will be poured into the 40 percent half dollars this year. We simply cannot afford this rate of waste, especially in view of the mounting industrial demand for silver and the relatively static situation in silver mining."

(Conte then went on to complain about LBJ being too slow to appoint members to the Joint Commission on Coinage. But LBJ did his hatchet job on silver without undue delay, as related in "LBJGWB Silver," Archives.)

"Calm Returns to Silver Trading With Frantic Price Rise Ended," NYT, May 23, 1967, page 63---

"Stability returned---at least temporarily---to most world silver markets yesterday, after two days of confusion, hectic activity and soaring prices at the end of last week. The price of the metal to industrial users at New York was unchanged from the figure set late Friday. Silver futures were only moderately active at New York and London. Prices failed to match their spectacular leaps of last week. Shares of silver mining companies were mixed in slower trading. **SPECULATIVE INTEREST IN SILVER SUDDENLY BECAME FEVERISH THURSDAY AFTER THE UNITED STATES TREASURY ANNOUNCED MOVES TO RESTRICT AVAILABILITY OF THE METAL.** Authorities said silver futures and mining stocks apparently ran into some immediate profit taking yesterday. At New York, distant contracts all rose the five cent limit. But the high for the current contract---on which there is no maximum increase---was only \$1.53 an ounce. This contract rose as high as \$1.67 an ounce on Friday."

"Handy & Harman, the silver dealer and fabricator that traditionally has set the price of silver in New York, said it had no difficulty quoting a level of \$1.301 an ounce by yesterday. This was the price the concern set late Friday afternoon, after finally reaching Treasury officials for clarification of Thursday's announcement. It was the first change from (continued on page 72) \$1.293 an ounce since September 1963. For more than three years, the Treasury had been holding the price down to \$1.293 an ounce in order to protect United States coinage---by selling silver bullion at that level to all buyers."

(While at \$1.2929 silver coin wasn't profitable to melt, people knew the Treasury couldn't hold back the tide forever, so they held coins. Next they imposed a ban on melting about which we will read more.)

"The action taken by the Treasury last week had been expected, but not so soon. Officials announced that silver would be sold at the Treasury price **ONLY TO "LEGITIMATE, DOMESTIC INDUSTRIAL USERS," EXPORTS WOULD BE PROHIBITED AND MELTING OF COINS TO EXTRACT THEIR SILVER CONTENT WOULD BE ILLEGAL.**"

(That really sounds great---"legitimate industrial users!" No one in the USA should be allowed to be in receipt of hard silver other than "legitimate industrial users," right? And who are the most legitimate users of all? Why, the members of the Silver Absorbers Association, of course!)

“An executive of Handy & Harman remarked, however, that “life would go on as before” for American industrial users. The concern’s price rise of 0.8 cents an ounce merely reflected the fact that supplies would now have to be shipped from California instead of West Point, New York.”

(It was a shipping cost increase only! Maybe it was Mexican silver coming from the Pacific port of Manzanillo, or Red Chinese silver being dumped, or Philippine central bank lease silver, or a stash in the San Francisco Mint building.)

**“SOURCES IN THE METALS MARKET SAID THE BAN ON MELTING COINS WOULD PROBABLY BE LIFTED EVENTUALLY. EXTENSIVE HOARDING OF SILVER COINS IS BELIEVED TO HAVE TAKEN PLACE SINCE 1965,** when the Government began making dimes and quarters of copper and nickel and reduced the silver content of half dollars to 40 percent. **THESE HOARDS PRESUMABLY ARE CONSIDERED ONE EVENTUAL SOURCE OF INDUSTRIAL SILVER THAT WOULD BE UNLOCKED WHEN THE PRICE OF THE METAL ROSE TO A GIVEN LEVEL.** Asked what this level might be, market authorities declined to hazard a guess.”

(The hoarder most feared by the Silver Absorbers Association is the one who has other means of support and meets with no necessity of dumping his silver so long as price management remains active!)

“As the world price (distinguished from the Treasury price to United States industry) continues to rise, **AS IT PROBABLY WILL,** silver probably will be coaxed from a number of sources. These include---Foreign coinage and, if melting them again becomes legal, coins in United States hoards; Other silver above ground, including an estimated 5 billion ounces in art objects, religious symbols, jewelry and similar articles in India alone; Silver below ground, either in the few mines that are worked primarily for silver or in mines where it is a byproduct of zinc, lead and copper production.”

(Silver in art and religious objects and Indian heirlooms is an unreliable source because people prefer to pass these down to younger generations. Sentiment is priced into these objects. However, millions of such silver objects were melted in late 1979 into the early 1980’s.)

“Generally, authorities believe that holders of above ground silver would come forward and ease the supply problem before it became economic to put idle silver mining capacity to work. In general, mining operators would want to be convinced that price levels were adequately high and were going to remain stable for a long time. Degrees of reluctance to go into production would vary from mine to mine, depending on several factors---mainly whether a mine produced mostly silver or a high proportion per ton of base metals or only a few ounces per ton of base metals.”

(Did you digest the first sentence in that last series of three sentences? Before idle silver capacity is activated, we are supposed to ditch our silver so dealers can ship it to smelters so the users and shorts can get all the help they need to continue price-capping!)

The June 25, 1968 NYT, page 53, was an account of the last day for conversion of silver certificates into hard silver---

“Until a year ago when the Government decided to remove the bullion backing for silver certificates, a ceiling of \$1.29 an ounce was kept on silver because the Government sold at that price from its reserves. However, since last May, **THE GOVERNMENT ABANDONED THAT POLICY AND ALLOWED SILVER TO SEEK ITS GOING MARKET PRICE**, even though it redeemed certificates at the old rate. Silver for immediate delivery was quoted at \$2.47 an ounce yesterday on the Commodity Exchange. Silver certificates remain legal tender, but now they are not redeemable for silver.”

(In San Francisco over 500 people were waiting in line for conversion at the Assay Office of the Mint. Let’s see a little later what the Government did to the silver price after it initially rose in response to natural free market forces! Silver certs were frequently redeemed in silver granules rather than standard bullion or coin. These granules assayed .8995 fine, forcing people to sell at a discount to dealers due to the slightly substandard purity. The article referred to “hoarders” twice. Hey, someone flying over a packed sports stadium intending to release poison gas isn’t public enemy number one---it’s someone trying to protect himself with silver from Government caused inflation!)

“The Half Dollar Growing Scarcer,” subtitled “Fewer Circulate as Output Dips and Hoarding Rises,” February 9, 1969 NYT, page 92 contained this---

“Washington---The half dollar---the largest and most comforting coin to jingle in American pockets and change purses---is becoming increasingly scarce. But Government officials assure that cries of “save the specie” are premature. They say the four-bit piece is not in danger of following the silver dollar into virtual extinction. There are indeed fewer 50 cent coins in circulation, however.”

(One of the top metals dealers in the country told me several years ago that most of the Franklin and Walking Liberty halves were melted for sterling tableware!)

“Production of the coin by the mint for the current fiscal year will be less than half that of earlier years. **PRIVATE COLLECTORS---FOR SEEMINGLY SENTIMENTAL, PATRIOTIC, AND MERCENARY REASONS---ARE HOARDING THEM.**”

(Kennedy halves dated as late as 1970 were still 40% silver. Quarters and dimes had no silver nominally for almost 5 years as of then. I say nominally, because the fact is, an unknown number of millions of silver quarters stamped 1964 were actually pressed in early 1965! Why should people hoard metals of lesser worth when for the same face amount they could hold some silver? If a steak dinner was offered for the same rate as a cheap hot dog, someone expects us to go for the hot dog and professes to not understand why! Asinine media and Government officials carried on as if these citizens were going against human nature by storing silver away. Now we’ve finally encountered a reference to silver savers as motivated by “mercenary reasons.”)

“The decimation of the half dollar began with the appearance of the John F. Kennedy half dollars in 1964 and the passage of the Coinage Act a year later. Although the Treasury Department attempted to discourage collectors by flooding the market with coins bearing a 1964 date, numismatic demand for the Kennedy half dollar was great. The Coinage Act of 1965 set off a large rash of hoarding. The law was passed in deference to the silver shortage.”

(No, the law was enacted in deference to the Silver Takers Association and the Federal Rapist System. While there was a production shortage at suppressed prices, had the price been allowed to seek a natural level, much more silver would have been mined. However, silver was showing the poor “value” of trashy Federal Reserve Notes and had to be suppressed.)

“As a result, the Treasury says, amateur speculators began hoarding the 50 cent piece in large volume. They apparently believed that its now unique status as the only silver alloyed coin gave it greater value, and hoped also that the price of silver would go up. Then, beginning with the current fiscal year, production of the half dollar itself was limited because of the continued silver shortage.”

(Again, there need not have been a shortage except for official price suppression! Things are different in 2009; huge amounts of silver have been extracted and used at suppressed rates. Unless someone can start refining massive amounts of silver from seawater, or polymetallic nodule recovery from the deep sea floor and seamount mining, we are headed into a serious silver shortage no matter what altitude prices reach.)

“A resurgence of the half dollar may occur before very long, according to Roy C. Caheen, of the Bureau of the Mint. But if it is again to circulate freely, **IT WILL HAVE TO UNDERGO FURTHER METALLURGICAL DEBASEMENT**. Removal of the silver content would, while denying its shiny surface, allow the half dollar the freedom of manufacture and distribution it has lacked in recent years.”

(Now they’re talking about debasing the penny from its 97.5% zinc and 2.5% copper content! Other countries have had aluminum coinage for many years; coin dealers sell it by the pound to small scale hobby collectors. Some enormous changes are coming, friends! Are you holding some authentic specie money that stands outside the system?)

“Silver Futures Close With Gains,” NYT, October 9, 1969, page 66, featured this---

“Political sound and sometimes fury continued to swirl over the silver futures market yesterday. Prices opened a little lower than the previous day. Later during the trading session the news came that the Senate Banking Committee had approved the minting of a non-silver coin---a dollar---honoring President Eisenhower. Ordinarily this would have been construed as bearish news sufficient to force prices downward. However, prices moved upward, and after the close there was a discernable reason. Some Western Senators, perennially interested in silver, insisted that the Eisenhower dollar must contain silver, **EVEN IF THE TREASURY SELLS THE COINS AND THEY GO INTO HOARDERS HANDS**. All this turmoil kept traders guessing.”

(Other than some 40% silver Eisenhowers for collectors, this was a cupronickel series.)

“Silver Is Exempted From Price Curbs; **HOARDING A FACTOR**,” NYT, August 11, 1972, page 30---

“Washington---The Nixon Administration today exempted silver from price controls. It acted in response to a request by three Idaho mining companies.”

(Those who never knew this will be eager to read more. The only comment I wish to make is a question---why is it that silver mining managements will only complain about price suppression when the Government has openly admitted it? When it's taking place on a denied basis, why are they silent and letting Ted Butler fight for their shareholders? When bullies confronted these execs during their schoolboy days, did they just take it?)

“The Cabinet level Cost of Living Council said it had granted the exemption **BECAUSE NEWLY MINED SILVER WAS BEING HOARDED OR DIVERTED TO THE INTERNATIONAL MARKET, WHERE THE PRICE IS HIGHER**. Companies that use silver for products ranging from flatware to photographic products and electronic equipment were being forced to import increasing amounts, the Council said.”

(What did Rumsfeld and Cheney, the unprincipled two bureaucrats who continued to infest Government with their noxious presence into early 2009, expect would happen? Did they think that price capping wouldn't lead to a shortage, when in the entire history of economics it had never, ever failed once to cause a shortage? Why should the mining companies have sold into the domestic market when they got a better price internationally? Not only private individuals, but also mining corporations, can be defamed as “hoarders” who don't cheerfully go along with the Money Power in its insistence on holding silver prices low. You can be certain that before this criminal, Fascist price ceiling was raised, high level discussions were held to reach an opinion as to whether they could just continue enforcing the ceiling, and relieve the artificial shortage by moving in with armed Federal thugs to seize the stockpiled ore and concentrate. Apparently it was decided that to so seriously aggravate the outrage against mining concerns might cause enough people to turn against the silver suppressors, and force Congress to **STOP** them once and for all, with a Constitutional amendment, if necessary! Yes, you want to know what the ceiling price was; read on!)

“Officials said they had heard that some silver was being purchased by foreign buyers and then sold to United States users without the metal ever leaving the United States. **EXPORTS AND IMPORTS ARE EXEMPT FROM PRICE CONTROLS, BUT THE MERCHANDISED COMMODITIES MUST PHYSICALLY LEAVE OR ENTER THE COUNTRY**, a Council legal expert said.”

(Silver suppressors have a herd of legal experts with what George C. Scott said in 1967 as “The Flim-Flam Man,” a BSCSDD degree---back stabbing, cork screwing and dirty dealing.)

“The Council said it was responding to a recent rise in international silver prices from levels at or below the domestic **CONTROLLED PRICE OF \$1.61 FOR AN OUNCE OF SILVER** to \$1.81. That happened three weeks ago, the Council said, creating “**CONDITIONS WHICH ENCOURAGE EXPORTING AND HOARDING OF DOMESTIC SILVER**.”

(We already saw that on June 24, 1968, COMEX silver was quoted at \$2.47. About 13 and a half months later, the manipulators, with help from all over the world map, sent silver down to \$1.81; but this criminally illegal Council pushed silver still lower!)

“As domestic production is not sufficient to meet domestic demand,” the Council said is a statement, “domestic users of silver will be forced to rely increasingly on international sources. **THEY MAY BE FORCED TO PAY PRICES HIGHER THAN WOULD EXIST IF SILVER WERE EXEMPT FROM CONTROLS.**”

(The last people anywhere to acknowledge economic realities are always Washington bureaucrats! This should have been acknowledged beforehand and this “Council” never been assembled! Rumsfeld later headed Searle, a pharmaceutical, and never had to deal with suffocating Federal price denial!)

“The Council also said that the \$1.61 price, **ABOVE WHICH PRODUCERS MUST JUSTIFY INCREASES ON THE BASIS OF COST**, “reflects the depressed market that existed” during the 1971 price freeze or base period, and ‘IS **DISCOURAGING DOMESTIC PRODUCTION AND JEOPARDIZING THE HEALTH OF THE U.S. SILVER INDUSTRY.**”

(Bet Rumsfeld had a laugh while lunching at the Cosmos Club in DC with Arthur Burns, Pilgrims Society member at the helm of the Fed, while the rising tide of paper “money” was causing mining expenses to rise, while the miners had to submit elaborate proofs to the sickening Federal bureaucrats so they could beg for a tiny price increase just to hang on by their fingernails while the users were hollering against it! Just let unemployed miners explain to their kids why armed men came to enforce a foreclosure and their home was taken because they were laid off due to suppressed silver rates! That last sentence shows the CLC was like a serial arsonist who just realized his incendiary chemicals were causing damage!)

“The three Idaho companies that applied for the exemption were Hecla Mining, Day Mines and Bunker Hill. In April, the Cost of Living Council turned down a request for exemption by the American Smelting & Refining Company.”

(Wouldn’t we all like to turn down bureaucratic requests for breathing air, if we could? Stamping them “**DENIED**” would be a hell of a rush! Richard Cheney is known to have a weak ticker. Without apology, I hope it quits.)

“Silver Is the Glint in a Speculator’s Eye,” NYT, February 10, 1974, section 3, page 9---

“Silver bulls are stampeding through the futures markets. Like the soybean herds of last spring, silver speculators are bidding prices up to record levels **AND LURING GROWING NUMBERS OF INNOCENTS TO THEIR RANKS EACH DAY.**”

(There has long been noted a link between soybean and silver patterns. It’s something I’ve read about but never investigated. Anyone care to step up? The paper’s slant seemed obvious---well intending people wanting to make a buck were being enticed into going long by wicked silver speculators! Never mind that the Government allowed silver’s fundamentals to divorce it from our currency system.)

“And like thousands of other speculators in commodity futures during the last year of soaring raw materials prices, a few will make handsome profits. The rest will gain experience and tax deductible losses. The lure of silver futures is understandably attractive. The March 1974 contract has gone from \$1.93 an ounce one year ago to \$4.66 last week. And \$1.50 of the gain came in the last few weeks.

While contracts to buy or sell silver for future delivery (futures) attracted record numbers of speculators, **OTHER PEOPLE HAVE BEEN PURCHASING BAGS OF SILVER COINS, SILVER MEDALLIONS OR BARS OF THE METAL IN VARIOUS SIZES.**"

(Hard silver was and remains usually the safest way to invest, unless you start bragging about how much you're holding, in which case don't be surprised if someone tries to relieve you of it! It should be stored in at least three different locations.)

"As for salvage, most of the silver coins minted before 1965 are either in the hands of **HOARDERS OR HAVE BEEN MELTED DOWN IN MANY LANDS. MANY OF THE PART SILVER COINS MINTED BETWEEN 1965 AND 1970 ARE ALSO VANISHING.** In 1969, the United States legalized the melting down of its coins, which before 1965 contained 90 percent silver. The biggest silver stockpile in the nation is held by the Government, some 117 million ounces. But there is a debate over whether to sell some of it or keep it for defense needs. Another silver hoard is the estimated 50 million ounces controlled by the sons of H.L. Hunt, the Texas oil baron, in the form of futures contracts. Brokers with European connections have been reporting increased sales to Mideast oil interests. Last week the open interest in New York was 644 million ounces, and in Chicago it was 587 million."

"Bull Market In Silver Shapes Up," NYT, April 9, 1979, section D, page 5---

"Fundamentalists cited the fact that industrial use of silver was far outstripping supplies. One leading silver fundamentalist, Paul Sarnoff, director of research at ContiCommodity Services, a major brokerage house, said last week that this nation alone would again consume 160 million ounces while producing 43 million ounces of the metal. "Even if the Treasury sold off the nation's silver hoard of 139.5 million ounces, which is unlikely, **IT WOULD BE EASILY ABSORBED BY USERS IN A SHORT PERIOD,**" Sarnoff said. Global silver output is estimated at 250 million ounces a year, **WHILE CONSUMPTION IS PUT AT 400 MILLION OUNCES.**"

"The imbalance in supply and demand has been the case for years. Sarnoff explained much of the shortfall was until recently covered by melting down silver coinage around the world. Now these supplies are gone. Equally important, he said, "the silver market has been beset by money managers who have become attracted to precious metals and swing both ways as if they were trading securities. **THEIR LARGE TRADES ARE INCREASINGLY INFLUENCING PRICES DESPITE BASIC SUPPLY-DEMAND CONDITIONS.**"

(Sounds like a forerunner to Ted Butler, in a way! Next they mentioned Michael J. Burke of Smith Barney, Harris Upham & Company) ---

"The Smith Barney executive tended to dismiss one recently strong bullish indicator followed by many traders---the plunge in silver stocks on the COMEX and the smaller commodity exchanges. "There are ample supplies of silver available to deliver against outstanding contracts," he said. "The metal may not all be on the exchanges, but sufficient amounts are in vaults and readily available."



(It sounds like what we hear today. It must have been true then, but today? The leaked 1969 list of The Pilgrims, New York, featured the names George Upham Harris and Henry Upham Harris as principals in that firm. Henry Upham Harris was on the boards of Southern Pacific; Texaco; Chemical Bank; Stone & Webster; Great American Insurance; American National Fire Insurance; First Insurance Company of Hawaii and others.)

“Commodities---U.S. Sale Of Silver---Users Set,” NYT, October 12, 1981, section D, page 2---

“Christmas will arrive this Wednesday for silver users, hoarders and speculators. October 14 is when the General Services Administration, complying with a Congressional mandate, will begin selling most of the nation’s remaining hoard of silver in minimum lots of 8,000 ounces. It will be the first such Federal sale since 1970.

(Or maybe the first publicized Federal sale since then.)

“If all goes according to plan, the GSA will sell 1.25 million ounces at each monthly auction, or 46.5 million of the remaining 139.5 million ounces in the vaults of the West Point and San Francisco depositories, in the fiscal year ending next September 30. In all, 105 million ounces should be auctioned during a three year period.”

(Many of us have some 10 ounce bars stamped 1981 and U.S. Strategic Stockpile.)

“For the makers of photographic materials, who used almost 50 million of the 125 million ounces of silver consumed in the nation last year, it should be a short term bonanza. The electronics industry, which used 28 million ounces, should also benefit temporarily, along with flatware manufacturers and lesser consumers of silver. As for domestic and foreign producers, their big day is expected to come after the price depressing stockpile is largely depleted, although many market analysts of the metal think it will arrive sooner because **THERE IS SOME QUESTION ABOUT THE QUALITY OF THE NATION’S SILVER HOARD. IF THESE RUMORS ARE TRUE, THE SILVER CONTAINS VARIOUS AMOUNTS OF MERCURY AND LEAD**, and costly refining will be needed to remove these troublesome metals, especially for makers of flatware. This group consumed 9 million ounces last year.”

(This reference is the first time I’ve heard of possibly corrupted metal in the former stockpile.)

“The nation used 158 million ounces of silver in 1980, of which 39 million came from domestic mines. **THE REST CAME LARGELY FROM MELTING DOWN OLD SILVER COINS AND SILVERWARE.** This heavy meltdown also accounted for much of last year’s exports of 80 million ounces.”

(Only 24.68% of domestic silver demand in 1980 came from American mines. The great price spike, culminating just after mid-January 1980, resulted in many tons of silver going to refineries, creating a glut that took time to work off. It also eliminated a great deal of “overhang” silver---metal owned by individuals that sold out.)

“Silver hoarders and speculators are expected to be the biggest gainers from the auctions, for it was Washington’s sales of some 2 billion ounces of silver in the 1960’s, **AT AN AVERAGE PRICE OF \$1.69 AN OUNCE**, that set the stage for a surge in prices.”

(Leave it to the Government to fritter away national resources at giveaway rates to greedy industrial users.)

“Even more senseless are the GSA’s terms for sale, **WHICH ARE GUARANTEED TO PRODUCE GIVEAWAY PRICES**,” declared Charles R. Stahl in a telephone interview last Friday. Mr. Stahl’s Economic News Agency in Princeton, N.J., publishes a market letter devoted to precious metals. Under the GSA’s auction rules, Mr. Stahl noted, every bidder is limited to 40 percent of the amount offered. “That means that if a bid of \$10 an ounce, for the entire \$1.25 million ounces should prove the highest, the winner can get only 40 percent of the bullion. The next highest bidder who bid \$9.50, would also get 40 percent at that price and so on,” he said, “it is ridiculous.”

(Nothing in history has ever been the focus of such price limiting efforts as silver!)

“What also amuses Mr. Stahl---who was a leading silver bull, then converted to a bear early this year, and is now bullish again---is another auction rule that restricts the sale to American users only. He observed---“There is nothing to prevent an American user who is awarded silver from exporting or otherwise disposing of metal in inventory and replacing it with bullion won at the auction. In fairness to the GSA, there is a law on the books requiring that stockpiled goods be sold only to domestic users, if Congress does not specify otherwise. It was Congress, in its wisdom, that forgot to stipulate that the silver auctioned could be sold to the highest bidders, regardless of whether for export or domestic use.”

(Congress forgot nothing. It did what the Silver Takers Association wanted!)

“Stahl added that, while he had no clue about the results of this Wednesday’s auction, it would prove to be a floor under silver prices,” he said, “because 8,000 ounce lots will prove to be the cheapest way to buy. Paul Sarnoff, research director at Rudolph Wolff Commodity Brokers and a steadfast silver bull for many years, agreed in a telephone interview. “Even at \$20 an ounce,” he said, “it would take only \$160,000 to pick up a minimum lot, and \$160,000 is pocket money for many Middle East metal speculators and hoarders.”

(At <http://www.tradersbrain.com/WebStore/ProductDetails1.asp?ProductID=9&VisID=> you find profiled Paul Sarnoff’s 1980 book, “Silver Bulls---The Great Silver Boom And Bust” concerning which the publisher said ---

“This book is the fascinating saga of the facts behind the explosive rise and fall in the price of silver during the seven-month period from August 1979 to March 1980. Written from firsthand knowledge of the wheelings and dealings of the silver longs and shorts, Paul Sarnoff spins and weaves a tale of high risk, bewildering strategy and silent treachery.”

I admit to not having read this 199 page volume, but considering Sarnoff’s reputation with his Metals Consultancy, I highly recommend it. He passed on in 1999 at age 80.)

“Mr. Sarnoff, called before a Congressional panel as an expert witness last June, noted at the time that he would support the sales of silver by the Government only if the proceeds were used to stockpile other strategic materials but **“NOT FOR PAYMENT IN DEPRECIATING PAPER MONEY.”**”

(What do you want to bet that Sarnoff got some of those 8,000 ounce lots?)

“He asked, “Don’t the people in Washington know that China, long a seller of its old silver coins, turned around for the first time and actually bought 169 metric tons of the metal, or roughly 5.5 million ounces, in the first nine months of this year?” Sarnoff said China’s per capita use of silver last year was estimated at half an ounce, compared with three-quarters of an ounce in this country. He added---“The Chinese and Russians are like us---they enjoy taking pictures of their children and grandchildren. They also want all the electronic gadgets we crave. And silver is still the top conductor of electricity.”

**MEANWHILE, SHORT SELLERS KEPT THE PRICES OF SILVER FUTURES UNDER PRESSURE.”**

To consider the future it’s usually appropriate to consider the past. “The Rise Of Silver” was a NYT editorial, May 7, 1916, section 7, page 2 (excerpts) ---

“Two years ago it took forty pieces of silver to buy one piece of gold; today twenty seven ounces of silver will buy an ounce of gold. **THIS RISE IN THE VALUE OF SILVER IS ONE OF THE MOST EXCITING FINANCIAL EVENTS OF THE TIME.** The causes are known. The effects have hardly begun to be felt. **THEY MAY PROJECT THEMSELVES FURTHER INTO THE FUTURE THAN ANYONE NOW CAN SEE.** Owing to the revolutions in Mexico---that country being the largest one source of supply---additions to the world’s stock of silver for several years have been diminishing. At the same time, owing to economic and financial phenomena arising from the war in Europe, the demand for silver has in the last two years become suddenly greater and more insistent than was ever the case before. Coinage of silver money in all the principal belligerent countries, especially France, England, Germany and Russia, has rapidly increased since the beginning of the war.”

(Don’t be overly concerned as to the recent turmoil in Mexico. My belief is that it’s a managed situation, intended to be used as pressure to launch the North American Union, which I in no way believe to be a dead movement---especially when some of its backers have claimed it to be defunct.)

“Certain questions naturally arise. Why should a Government in which the people have unlimited confidence go to the trouble and expense of buying silver for coinage? Why not go on issuing paper money for circulation? Is not the fact that a Government is able to buy silver proof enough of its solvency? And if it is solvent, why isn’t its paper good with its own people? The answer is that money must be related to people. Theory alone will not suffice. Traditions, habits and prejudices have to be considered. **THERE IS A LIMIT TO THE AMOUNT OF PAPER MONEY ISSUED ON THE CREDIT OF THE GOVERNMENT THAT PEOPLE WILL FREELY ACCEPT.** With any people there is a more or less definite ratio which metal money should bear to paper money.”

“Paper money has been increased enormously in Europe. That circumstance alone would call for a greater coinage of silver. But it is probable that at the same time **PEOPLE HAVE BEEN HOARDING SILVER.** That would be only natural. Gold they are forbidden to hoard; silver they may. If they save at

all, they would be at liberty to put silver aside and spend the paper money. Silver has an intrinsic value and always will have. **PAPER MONEY, NO MATTER HOW MUCH CONFIDENCE YOU HAVE IN IT, IS OPEN TO RISK.** Silver in hand would not be changed in value by the outcome of war, whereas some of the paper money now appearing in Europe may be greatly depreciated by the conditions of peace.”

“So with a decreased output, an extraordinary demand for purposes of immediate coinage, **AND THE INCLINATION OF PEOPLE TO VALUE IT MORE AS MONEY, SILVER WAS BOUND TO GO UP. THE EFFECT ON THE FORTUNES OF MEXICO WOULD BE ALMOST MAGICAL IF THE PEOPLE OF THAT DISTRACTED COUNTRY COULD ONLY TAKE FULL ADVANTAGE OF THEIR OPPORTUNITY.**”

(If you look at the map of Mexico, it resembles a cornucopia---an object overflowing with abundance. Let silver values shine, and benefit Mexico and its mining partners!)

The September 17, 1917 NYT, page 12, “Gold, Silver And Paper” offered these views---

“**DEMAND FOR THE SECONDARY MONEY METAL HAS RAISED THE PRICE TO SUCH AN EXTENT THAT IT IS THE PHENOMENON OF A GENERATION.** Silver currency is wanted not alone for use but also for hoarding, and is wanted most where there is most currency already. In Germany, for example, the **UNCOVERED CURRENCY** in 1913 was \$262,000,000, and this year is \$1,613,000,000. This month Germany has issued more currency and lost more gold. The more gold Germany loses the more currency it must issue, and the less the mark will be worth. **THE PEOPLE WILL HOARD SILVER AS CLOSELY AS THE GOVERNMENT HOARDS THE GOLD.** They distrust intuitively the currency which is losing value outside Germany, and want something of intrinsic worth. **SILVER DISAPPEARS IN INDIA FOR REASONS SUBSTANTIALLY SIMILAR.** They know that silver has its ups and downs, for reasons which they do not understand, but they also know that **IT NEVER BECOMES WORTHLESS** and recovers from depressions. **SILVER IS NOW WANTED TO HIDE.**”

(If you mention “uncovered currency” to most folks, they think you heard about some paper money that was dug up, or otherwise found under some object like a mattress! The currency crisis is the best reason to put away some hard metal! Apparently when gold and silver get tight, people are interested in hoarding any hard asset with innate value. The NYT, March 8, 1933, page 4, “Flurry in Diamond Trading” reported) ---

“There was a short flurry of trading in the diamond market when wholesale merchants withdrew their goods from sale. **PUBLIC DEMAND FOR DIAMONDS DEVELOPED IMMEDIATELY AFTER THE BANK HOLIDAY WAS DECLARED AND HAD REACHED SUCH MAJOR PROPORTIONS MONDAY NIGHT THAT WHOLESALERS DECIDED TO SUSPEND FURTHER DEALING IN ORDER TO PROTECT THEIR FUTURE POSITION IN THE FACE OF UNSETTLED FOREIGN EXCHANGE.**”

(Though precious stones suffer from lack of fungibility, they have been hidden in hollowed out furniture and used as a “God forbid” account during wartime and national disaster, especially in Europe and India; and have been the target of far less government confiscation worldwide, than metals.)

Last month we mentioned the fact that what started The Great Depression was Britain's attack on silver---not the Crash of October 1929. In case anyone missed it, here's another reference (NY Times, April 23, 1933, section 2 page 7) ---

"The chaotic condition in the monetary systems of the world is due largely to the decreased use of silver and the greater demand for gold as a medium of exchange. This trend which has resulted in a steady decline in the price of silver to the lowest level in history and a substantial appreciation in the value of gold **IS HELD TO BE RESPONSIBLE FOR THE UNPRECEDENTED SHRINKAGE IN INTERNATIONAL TRADE IN THE LAST FEW YEARS.**"

The silver/gold ratio reached 84.36 to one in February 1931. Along the lines of Bart Chilton's image appearing at the start of this offering, I wish to point out an item from the Commercial & Financial Chronicle, New York, September 12, 1936, page 1640, "Kansas City Judge Denies Injunction To Restrain Enforcement of Commodity Exchange Act"---

"Federal Judge Albert L. Reeves yesterday refused to grant a temporary injunction to prohibit the enforcement of the Commodity Exchange Act. The injunction was sought by the Kansas City Board of Trade. "It must be ruled that the Act challenged by the plaintiffs is constitutional, and that the plaintiffs are not entitled to any order predicated upon the invalidity of the Act."

The same edition, page 1641, reported a similar legal challenge was filed against enforcement of the Commodity Exchange Act, by several individuals on the Chicago Board of Trade. These suits had to do with the grain futures market. The CEA altered existing commodity statutes so as to allow the same regulatory oversight in futures as in securities trading. Plaintiffs attempted to reason the Commodity Exchange Act was in violation of the Tenth Amendment to the Federal Constitution in that it interfered with the rights of the States to regulate futures trading. The point I wish to make is that whereas in 1936 a Federal Judge ruled the provisions of the Commodity Exchange Act, as then extant, were lawful, who do we have today to enforce commodity law? Why, first of all, the Federal regulatory agency---the Commodity Futures Trading Commission. But in gold, and far more so in silver, the CFTC's interest in enforcing commodity law **EXTENDS ONLY TO THE LONGS!**

According to the Engineering and Mining Journal, January 9, 1909, page 55, the U.S. Mint bought 19,879,800 ounces of silver for coinage during 1907 and 1908. I have a few Barber dimes minted from that silver. Most of the coins remaining from that time are collector grade, "fillers" (worn culls) and a few average circulated. While silver prices are held very low, silver above ground is being chased towards nonexistence. The incendiary nature of this situation will display itself as a financial Krakatoa and Stromboli. People who complain to Congress about the CFTC allowing the short(s) to create a famine of physical silver are told "Our office spoke with the CFTC. They know of no malpractice in the pricing of silver." Every decision maker at the CFTC belongs in a penitentiary---for life! As for Congressmen and Senators, they call to mind the medieval Italian "castrati" choir boys, singing whatever tune the Money Power assigns!

I suggest you brace for the June item, which will be designated Summer 2009 and run for three months---"Precious Metals Confiscation---Facts & Prospects." This is the most detailed documented

item I will ever present, and in many ways, the most important, for it concerns our property rights and the potential return to sound money systems in the world. Let's ready all defenses against another Roosevelt style gold and silver confiscation! There are more specific, detailed facts than you could believe till you see it; such as, for the week of October 3, 1934, \$48997.44 in gold coin was surrendered while in silver, 811,561 ounces were surrendered in San Francisco while Seattle was quiet at 3,594 ounces. However, activity at Seattle was more brisk the week of December 28, 1934, when 29,780 silver ounces were given up by intimidated citizens! Most of the metals forfeited were surrendered, as you might anticipate, in New York. The Commercial & Financial Chronicle, which ceased publication in 1987, is an unparalleled source for financial historians, founded in 1865 at the close of the Civil War by William B. Dana. Handling these huge bound volumes is, by the way, an excellent test of grip strength! Included is a verified account of four people executed in Stalinist Russia for hoarding silver!

It's only because something is wrong with our minds---a biochemical imbalance, perhaps---that we don't fall all over ourselves in a Government loyal patriotic stampede to send our silver for free to the Treasury Department, so they can start feeding it to the Silver Absorbers Association---right? The plan seems to be to hold silver low as long as possible, then when the supply crisis hits industry, have the President declare a national emergency and a second silver seizure. Please make use of the Summer 2009 Essay of the Month at Silver Investor, which will run for three months, as a tool against this plan. We are silver users also. We use it as a store of value and as a currency that cannot become void of worth. We use it as a sound alternative to the inflation ravaged trash the Fed spits out.

Let's use the Internet to best advantage in getting the message out as to what happened, who was behind it; and who will be behind any repeat attempt to put through the same theft! Specific details will appear! If it happens not only will we wreck every Silver Absorbers Association concern by appealing to the public to boycott them; we will also have basis for Congressional probe into the current identities of The Pilgrims Society, of which the President is an honorary member! Only the President can issue an Executive Order, based on FDR's "precedent" and the old Trading With The Enemy Act of 1917. FDR's Executive Order 6102 outlawed citizen ownership of gold, and was not reversed until January 1, 1975! Two generations of American citizens were illegally denied gold ownership rights! There is also the International Emergency Economic Powers Act of 1977 that expands on those dangerous powers! If the President issues a gold and silver condemnation, seizure, nationalization or eminent domain order forcing citizen forfeiture of their metals, it will have come down to him by their executive committee and leadership, which currently includes Rockefeller flunkies Henry Kissinger, James Zirin (stepfather of Margaret Hess of the Amerada Hess\*\*\* oil and gas fortune); and John Whitehead ex-of Goldman Sachs; Whitehead, former chairman of the overseers of Harvard University, is chairman emeritus of the anti-monetary silver Brookings Institution, also chaired the Andrew Mellon Foundation. Whitehead is apparently a liaison between the Mellon and Rockefeller fortunes, as he is frequently seen with Pilgrims Society kingpin David Rockefeller. See a photo of Zirin, who has worked for the Rockefeller Foundation,

here [http://www.sidley.com/zirin\\_james/](http://www.sidley.com/zirin_james/) The Times, London, February 2, 1933, page 10, was one of the rare mentions of The Society---

## THE PILGRIMS AND MR. MELLON

The hon. secretary of The Pilgrims makes the following announcement:—

Mr. Mellon, who is expected to relinquish his post as American Ambassador early next month, will be the guest of The Pilgrims at a dinner to be given in his honour on Tuesday, February 21, at the Hotel Victoria. Lord Derby will occupy the chair, in the absence of the Duke of Connaught, the President of The Pilgrims, who is abroad.

Three time Treasury Secretary Mellon's fortune was estimated as "equal to the entire value of all the property in the state of Texas" by Congressman Wright Patman, Texarkana. His son Paul, who "controlled thousands of companies," was "constantly entertaining heads of state and royalty," according to biographer William Hoffman, who didn't know about their Pilgrims Society memberships, though he was aware of Bilderberg.

Zirin worked with Robert Morgenthau in the Federal Attorney's office in New York. Morgenthau's father was second generation Pilgrims Society member Henry Morgenthau, FDR's Treasury Secretary who presided over most of the gold and all of the silver confiscation of 1933-1937. This organization constitutes the major obstacle to free markets in these United States; it is superintending the North American Union; planning the next World War; and scheming how it can reduce all of us to feudalism. *It is the only internationalist organization which refuses to release a membership roster. See "This Is The Center Of The Web---Meet The Pilgrim Society" <http://logisticsmonster.com/2009/04/01/this-is-the-center-of-the-web-meet-the-pilgrim-society/>*

\*\*\*Pilgrims Society member William S. Renchard of Chemical Bank was a long time Amerada Hess board member. These Crown operatives have their hands on so many levers of power, those they don't control are of relatively small consequence. This is the Inner Circle and their lieutenants.

**"EXPECTATIONS AS TO OUR GOVERNMENT'S INTENTIONS REGARDING SILVER AS A MONEY METAL CAN SCARCELY BE OTHER THAN DISTURBING."---**Commerce & Finance Journal, New York, October 24, 1934, page 861

*Contact the Ambassadors of Mexico & Peru---*

Ask them to consider Ted Butler's analysis of the silver short problem on the Commodity Exchange plus his being stonewalled by the Commodity Futures Trading Commission. Point out to them the apparently incestuous relationship of James Newsome, NYMEX official and ex-CFTC chief, with the Silver Users Association. Ask them why they tolerate this situation of their sovereign states being remorselessly robbed of export revenue on silver and gold, plus the problem of more mining jobs that are not being allocated due to these fraudulently low metals prices. Ask Hugo Salinas-Price to send a communiqué to the Provincial Governors of Mexico who are in sympathy with him as to a restored use of a one ounce Silver Libertad coin, to inquire if they are willing to issue a joint statement condemning the illegal pricing conspiracy against silver and gold <http://www.plata.com.mx/mplata/> sanctioned by the United States Government and its "regulatory" agencies, who regulate only long speculators.

The Ambassador of Mexico to the United States, the Honorable Arturo Sarukhan

Embassy of Mexico 1911 Pennsylvania Avenue, Washington DC 20006 USA Telephone: (202) 7281600

From the Mexican Embassy website---

"He has been a member of various organizations, among them the Mexican Council on Foreign Relations (COMEXI); the International Institute for Strategic Studies of London (member of the 1991 "New faces" group) and the Task Force for Inter-American Security of the Woodrow Wilson Center in Washington, D.C. He is also a fellow of the Foreign Policy Association in New York."

You might inquire as to how does Mr. Sarukhan intend to answer outrage on the part of the people of Mexico when the COMEX short corner fails, a price storm follows, and it becomes undeniable that there was a severe problem of low price rigging, and the revenue Mexico has been cheated of in consequence. Will he be sued or prosecuted for negligence? Butler and others have warned of this for over a decade and officialdom has been silent or dismissive!

\*\*\*\*\*

The Ambassador of Peru to the United States, the Honorable Luis V. Montano, Embassy of Peru

1700 Massachusetts Ave., N.W

Washington D.C. 20036

Telephone: (202) 833-9860 to 9869

Fax: (202) 659-8124

To write to the Ambassador please e-mail his Assistant [emoscoso@embassyofperu.us](mailto:emoscoso@embassyofperu.us)

Ms. Eliana Moscoso

Phone: (202) 261-0271

Phone: (202) 833-9860 Extension 206



&

ECONOMIC DEPARTMENT Peruvian Embassy

Department Head

Miguel Samanez

Telephone: (202) 261-0265

Fax: (202) 659-8124

Email: [msamanez@embassyofperu.us](mailto:msamanez@embassyofperu.us)