©1994 STAHLER—CINCINNATI POST

'The Official Expose' of the Fort Knox Gold Theft"

Our history is rich with the evil of greed and power. One can look at Pres. Andrew Jackson's time as he fought to keep our financial system true to the founding fathers constitutional intent. Article I Section 8 of our Constitution states:

> *"The Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."*

It also provides in Article I, Section 10 that:

> *"No State shall coin money, emit bills of credit, make any thing but gold and silver coin a tender in payment of debts."*

In Title 12, Section 152 of the United States code we find that:

> *"The term 'lawful money' and 'lawful money of the United States' shall be construed to mean gold or silver coin of the United States."*

The Free Coinage Act of 1792 specified money to be gold or silver coin. The denomination was to based on weight. A dollar and all other coins were to be at least 90% pure. The dollar is specified as:

Gold - 25.9 grains *Silver - 412.5 grains*

These documents are the foundation of what constitutes "lawful money" in the United States, and there has not been any constitutional challenge to change the laws.

In recent times the stealing of wealth from the United States was revealed in the US News and World Report, December 25, 1953 issue. In an article titled, "Transfer of Occupation - Currency Plates, Espionage Phase", by Senator Kare C. Mundt it is quoted as follows:

> *"It was not the purpose of our subcommittee to reopen phases involving the unprecedented transfer of our monetary plates to the Russian Government in so far as these were covered by the 1947 joint hearings which were held by the Senate committees on Appropriations, Banking and Currency, and Armed Services. These joint hearing had developed and documented the fact that our monetary plates, negatives, special paper and ink, as well as other supplies for the printing of Allied military marks by the Russian Government identical to those printed in the United States, were actually delivered to the Russians. They left unanswered the questions, however, as to just how the Communist Government was able to bring about this bizarre transfer of American currency making equipment, just who was responsible for the strange decision to do so, and whether this transfer was in fact the result of a Communist espionage ring embedded in the United States Department of the Treasury."*

Let's first reveal the players of this large scam. The Secretary of the Treasury, Julian Morgenthau authorized assistant Harry Dexter White to participate in practically all of the negotiations

concerning the printing plates, and that policywise, the negotiations fell within the primary jurisdiction of Mr. White.

It is a matter of public information that Harry Dexter White transferred from his position as Assistant to the Secretary of the Treasury to the position of Executive Director for the United States in the International Monetary Fund on January 23, 1946. Shortly prior thereto, V. Frank Coe transferred from his position in the Foreign Economic Administration to the Treasury Department as Director of the Division of Monetary Research, formerly held by White. Harry Dexter White became the first Executive Director for the United States of the International Monetary Fund and was responsible for framing a great portion of its policies and procedures. Coe succeeded White as Executive Director of the U.S. on the International Monetary Fund. Here was a crisscross of the operations of the Soviet espionage ring whereby both of these men were placed in new positions whereby they could become indoctrinated in other policies and procedures and carry with them the experience and information gleaned in the old. It was in effect a continued schooling and an expansion of the Soviet position of influence through its espionage ring without surrendering the old position of advantage.

It is stated in The Naked Capitalist that when Harry Dexter White (Under Secretary of the U.S. Treasury during World War II) was discovered by the FBI to be a Soviet agent, the White House was immediately informed. But instead of being fired or arrested, Harry Dexter White was appointed as the new Executive Director of the U.S. Mission to the International Monetary Fund of the United Nations. He was also given a substantial increase in salary. J. Edgar Hoover was amazed. Attorney General Herbert Brownell, Jr. stated publicly that Pres. Truman knew Harry Dexter White was a Soviet spy when he made the appointment. (Tragedy and Hope by Quigley, pg. 991)

Why would men in charge of the world's massive financial problems want an exposed Soviet agent such as Harry Dexter White to occupy such a highly important position in the World Bank? And why in the name of common sense would the President of the United States approve of such a thing? I heard both Congressmen and intelligence officers quizzically exclaiming, "What's going on?". It was not long after this that the former chairman on the Federal Reserve Board began advocating economic aid and comfort to Communist China. Nevertheless, here was this American capitalist (and former chairman of the Federal Reserve Board) telling a large meeting that the United States should immediately undertake extensive trade with Red China. He said, "*We never fight the people we trade with.*" It didn't seem possible that this famous international banker could forget we had to fight Japan in spite of all the oil and scrap iron we sold her just before World War II.

It is summarized in the testimony of Alvin W. Hall, Director of the Bureau of Engraving and Printing as follows:

1. *That he has been Director of the Bureau of Engraving and Printing since 1924 and as such was associated with the project of delivering negatives and positives of AMM (Allied Military Mark) printing plates to Russia.*

2. *That the Bureau of Engraving and Printing opposed the delivery of the plates to Russia, mainly on the basis of lack of control over the issuance of the currency and accountability by the Russian Government and because of the unprecedented nature of the requests.*

3. *That to his knowledge there has never before been an instance in history where a sovereign government has given its currency plates to another government.*

4. *That facilities were available in this country to print a sufficient quantity of AMM for the use of the Russian Government under conditions where safeguarding records could be kept.*

5. *That he was instructed by the Secretary of the Treasury on April 14, 1944 to give the Russians the printing plates, that we then gave the Russian Government positives and negatives of the printing plates plus full and complete information concerning production of the notes, including paper specifications and formulas for the ink, dry colors, oils, vehicles, and specimens of the notes themselves and specimens of the type face used for numbering the notes.*

6. *That the negatives, positives and specifications for the plates were delivered to the Russian Embassy in an Army truck and that it was considered a military secret, thus avoiding any public notice of the transaction.*

Upon further investigation, Mr. Hall's testimony can be refuted by C.A. Stinnett. He was interviewed by Pastor Strawcutter in 1987 and his interview is summarized as follows:

> In February 1945 C.A. Stinnett, a pilot of a C 46 twin engine plane, was loaded in East London with printing presses, paper and ink bound to Poltam, Russia with a stop over in Germany to add fuel tanks to the plane wings. When landing in Russia he was ordered to turn over the plane. He recounted that his conversation with the Russian baggage handler was that he would immediately leave, as per the order of General Eisenhower, when the plane was unloaded. He left the runway as the last press was rolling out and with cargo doors still open he taxied into safety. When he returned he was sent to Africa where he became ill and was diagnosed with Elephantiasis. He was then transferred to England where he underwent treatment by bombarding his body with x-rays for three solid weeks. He states that the intent of his treatment was to kill him so he could not tell his story. Mr. Stinnett was 74 years old in 1987, suffering from leukemia and died shortly after the interview.

There is a difference of opinion as to how the plates and equipment were transferred. By army truck or flown in by airplane. Using the military plane and airports the U.S. Customs could be by passed. This practice circumvents the customs inspections thus the American public is kept in the dark about such activities.

In 1957 Wickliffe B. Vennard, Sr. in his supplement to the 10th edition of <u>What's Wrong in Washington</u> wrote (page 17, item #39) that Harry Dexter White traitorously sent five plane loads

of money plates, paper and ink to Russia for the printing of our currency in Russia which must be redeemed in the U.S.. Is it not the responsibility of the Federal Reserve System to secure the plates? When we asked the Treasury Department to advise of the whereabouts of same they replied, "They didn't know.".

One needs to understand the significance of Allied Military Currency or Military Script. AMC was intended to meet one or more of the following requirements:

1. It would meet the needs of a currency for immediate use in civil commerce.

2. It was a convenient way to impose the cost of occupation upon the occupied land by having the Allied Military Government issue the currency but requiring local governments to redeem it at a later date.

3. The use of a common occupation currency by the allied powers signified their unity to the occupied lands as well as to the yet unconquered enemies.

There were five distinct issues used, *Schillings* (Austria), *Francs* (France), *Marks* (Germany), *Lire* (Italy) and *Yen* (Korea and Japan). Allied Military Currency is not an issue of the U.S. but of the Allies. AMC is very intimately involved with the U.S. currency though others nations participated in the printing, the bulk of it was done in the U.S. either by the Bureau of Engraving and Printing or by subcontractors. It was used by our troops in foreign service to be used as wages and a means of exchange in those countries. If it was confiscated by the enemy it could not be used in an Allied country for purchasing anything. It is reported that soldiers returning home with this currency found it to be unredeemable. All of this shows there was no need to have Allied Military Marks printed after the war by our enemy!

How many more sources do we need to tell us that Harry Dexter White is a Soviet agent supported by President Harry Truman.

Masters of Deceit by J. Edgar Hoover is the story of Communism in America and how to fight it. He explains the startling facts about Communism, and what loyal Americans citizens must know to protect their freedom. Mr. Hoover tried to inform the public through the House Committee on un-American Activities. There are several publications written by the Committee of their findings and recommendations about the infiltration of socialism into our system. In 1957 ??(year) our United States Supreme Court disallowed this committee and thus eliminated the avenue Mr. Hoover had to get the word out. Mr. Hoover was made out to be a tyrant, power hungry and gay man before his death. The enemy took great pains to ruin his reputation to over shadow the revelations he had uncovered.

need to check out date better.

In 1960-1963 it is recorded in JFK Wants to Know - Memos from the President by Edward B. Claflin, that President JFK was worried about the U.S. gold reserves. On page 110 in a National Security Action Memorandum #81 dated August 28, 1961 to the Secretary of the Treasury we find the following:

I would like to have as soon as the Treasury has made an analysis an up-to-date study of our gold position. How much we are losing. How this compares to other years. Whether we can look for a better result in the next six months. What should we do about it.

I gathered the other day that one of the reasons for the flow of gold was the investment by Americans of dollars in Western Europe. Should I, before Congress leaves, announce that we are going to put this on a must basis of legislation next year that will make it retroactive to September 1st of the year? Would that help discourage a flow in the next four months?

/s/ John F. Kennedy

It can be noted that by October 1964 the U.S. gold supply had dropped to $15.6 billion against the short-term dollar claims of foreign countries that amounted to $20.6 billion.

In a September 8, 1961 National Security Action Memo #92 mention was made of President JFK's concern about the estimated net gold cost per year of the movement of six divisions to Europe and what could be done to reduce it. Given that the international monetary system was gold based, foreign nations could request a transfer of U.S. gold reserves for dollars whenever the balance of payments were in their favor.

There are other mentions of JFK's concerns about our gold reserves with the final one in the book being a memo for the Secretary of the Treasury stating:

I am concerned about the figures that you sent me on the gold drain for 1963. Won't this bring us in January 1964 to a critically low point? What are the prospects that we could bring this under control by 1964? We had thought we could balance it in 1963. Can we do it now in 1964?

An article in the August 20, 1960 issue of Numismatic Scrapbook Magazine states that fifteen tons of gold was recently flown from New York to Toronto. This was said to be the largest shipment ever moved by air. Then, too, it's a rare occasion as the normal practice is to leave gold in the U.S. vaults and just change ownership tags. That's 480,000 ounces of gold!

He felt that something could be done to protect our silver at this point so on June 4, 1963 JFK signed Executive Order 11110, an amendment of Executive Order 10289 which stated:

By virtue of the authority vested in me by section 301 of Title 3 of the United States Code, it is ordered as follows:

Section 1: Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended:

(a) By adding at the end of paragraph one therefore the following subparagraph 'J':

(J) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C. 821 (b)), to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denominations of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption, and

(b) By revoking subparagraphs (b) and (c) of paragraph 2 thereof.

Section 2: The amendments made by this Order shall not effect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.

/s/ John F. Kennedy
The White House
June 4, 1963

One needs to understand some basic information on silver. Numismatic News from Washington by Edward L. Weikert, Jr. gives that understanding and if read closely, the reasons for JFK's Executive Order and possible motive for his murder. The date of article is of utmost importance - November 1954 . . . . (see Appendix A for complete article).

In an article in Business Week Magazine (June 10, 1961 issue), Rep. Wright Patman as chairman of the Joint Economic Committee questioned the Federal Reserve extensively on their 1960 annual report. The Feds did not like JFK messing with their authority or needing to be accountable. Patman was on to the Fed's scam to heist our gold. One can read more of Patman in What's Wrong in Washington by Wickliffe Vennard, Sr..

The big question needs to be asked. Did JFK die trying to put our country back on the gold and silver standard? Thus revealing to the public the Federal Reserve scam and how far the Soviets had actually penetrated our system.

In the book None Dare Call It Treason by John A. Stromer we find lists of the names of the Communist agents used in controlling government, state and independent agencies. The following is an excerpt from that book:

Appendix A

Numismatic News From Washington

By EDWARD L. WEIKERT, JR.

Silver has been the basic unit of account for many centuries throughcut the world. Silver has always been regarded as money in the United States. In 1796 gold came into circulation in this country. Then gold and silver circulated at a parity on a ratio of approximately 16 to 1 from the early days of the nation up until about 1873. At one time, under the administration of Andrew Jackson, the silver dollar was more valuable in terms of property than was the gold dollar. A slight adjustment was made during Andrew Jackson's administration seeking to bring the two species of money, the gold dollar and the silver dollar, to a parity. That was done. Two acts of Congress were passed during Jackson's administration in the effort to bring about the adjustment. Thereafter gold dollars and silver dollars circulated on a parity at a ratio of about 16 to 1 until 1873, when silver was demonetized as money. Silver continued, however, to be recognized as a form of money from that time until the present.

For many years, in our Congress, the issue over money was very acute. Many bills were passed seeking to revitalize and remonetize silver. Silver acts were passed providing for the purchase of silver and the coining of silver into money. In 1900, Congress passed what is known as the present Gold Standard Act, but, notwithstanding the enactment of that act, silver was then in circulation, and silver has continued to be in circulation ever since the enactment of the so-called gold-standard law of 1900.

The fact is that as silver was acquired by the Government the Treasury Department issued silver certificates against such silver, and those certificates were placed in circulation. Back in February, 1933, according to a statement issued by the Treasury Department at that time, we had, of standard silver dollars, $540,007,703 and we had silver certificates in the sum of $482,682,100. Of course, as the silver dollars accumulated in the Treasury, the Secretary of the Treasury in turn issued certificates against them and kept those certificates in constant circulation. As a result of this policy, we have increased the amount of our silver certificates in circulation from the amount just stated of approximately half a billion dollars until April, 1940. We now have silver certificates in circulation to the amount of $1,618,697,732.

Why are the bankers and the Federal Reserve System against silver? The answer is plain. As we get silver and issue Treasury certificates against it, the banks get no interest on that money. The silver is received by the Treasury. The Treasury prints paper money and circulates the paper. It does not necessarily go through the Federal Reserve banks; and neither the Federal Reserve banks nor any other banks, for that matter, get any interest whatever on a silver certificate. The banks do not like that. To the extent that we place in circulation permanent money on which they get no interest, their interest money goes out of circulation. It goes out of existence. If we could put into circulation four, five or six billion dollars of silver certificates or United States notes, there would be little, if any, occasion for

any Federal Reserve notes; and if there were no Federal Reserve notes, the Federal Reserve System, as a system, would fold up and collapse for want of revenue to support the system.

The Federal Reserve System is maintained through interest on the notes it issues, and through the loans it makes; and if we eliminate the Federal Reserve notes, we eliminate the interest the Federal Reserve banks get on these notes. So, to the extent that we have issued silver certificates, we have driven out of circulation Federal Reserve notes; and to the extent we have done that we have diminished the interest which the Federal Reserve banks receive, and which the big banks of the nation receive. So the banks of the Federal Reserve System are against silver. They are against United States notes. They would be against gold certificates. They would like to see gold, theoretically, come back into circulation, because they know it would not actually circulate. It would be in circulation for them to keep in their vaults and to have in reserve, and probably no gold certificates would be issued against it; so they would be for gold coins coming back into circulation, but they are against silver coming into circulation, because silver and silver coins are not now held to be a satisfactory reserve.

In the days of Lincoln, when United States notes were first issued, they had to be issued because there was nothing else to use for money. Gold and silver were hoarded by the citizens of the country. We had to have money; and the so-called Lincoln greenbacks were printed and circulated with which to finance the Civil War. After the war was over, and the country got back on its feet again, and taxes began to come in, the Department of the Treasury began to retire the so-called greenbacks. As the greenbacks were retired, money became scarcer; and as money became scarcer, money became dearer; and as money became dearer, prices began to fall. The Congress in those days was wise enough to understand at least something about the money question; and when Congress saw money becoming scarce, and prices beginning to fall, it passed a law which provided that from the date of its enactment the greenbacks should not be retired.

That law did not have the full effect desired. Congress passed a law providing that the greenbacks could not be retired, but still the banks collected the greenbacks and would not put them in circulation; so the Congress passed a second law providing that not only should the greenbacks not be retired, but when they should be paid into the Treasury for any purpose whatever they should not then be canceled, but should be placed back in circulation, and kept in constant circulation. From that day until this not a single dollar in greenbacks has been canceled, and the law now is that the greenbacks shall be kept in circulation.

● An American soldier, digging for fishing worms in Denmark, uncovered a box containing some 10 pounds of German paper money of the period 1907-23. It totaled 150,509,700 marks!

THANKS TO...

W. G. Couch, A. P. Bertschy, Ed Gengler, Don Lacey, William Hoppe, Dr. L. Churney for newspaper and magazine clippings.

"Stuart Chase, a long time Fabian, in his book, A New Deal, written in 1931, outlined the idea government. He said:

> *Best of all, the new regime would have the clearest idea of what an economic system was for. The sixteen methods of becoming wealthy would be proscribed (punished) -- by firing squad if necessary -- ceasing to plague and disrupt the orderly processes of production and distribution. The whole vicious pecuniary complex would collapse as it has in Russian. Money making as a career would no more occur to a respectable young man than burglary, forgery or embezzlement.*

One year later, FDR used Chase's title as the rallying cry for his Administration. He named Chase to the National Resources Commission where he is credited with authoring FDR's order banning ownership of gold by U.S. citizens, the first step in the destruction of the citizen's independence and U.S. financial strength. Fabians, like Chase, advocate firing squads only when their gradual methods fail.

Chase moved steadily upward in the New Deal hierarchy. He served successively on the Securities and Exchange Commission, the Tennessee Valley authority, and finally settled in UNESCO, the United Nations agency charged with the re-education of the United States to accept a one-world socialistic state.

Thousands of others like Chase swarmed in to Washington to join holdovers strategically placed during World War I and the ensuing ten years. They played the ego of FDR and the economic plight of the nation like the stings on a violin. Congress was induced and coerced to transfer its Constitutional powers to the new bureaus, agencies, boards, and commissions which sprung up almost overnight. George N. Peek, appointed by FDR as the first head of the Agricultural Adjustment Administration, described it this way:

> *A plague of young lawyers settled on Washington -- in the legal division were formed the plans which eventually turned the AAA from a device to aid the farmers to a device to introduce the collectivist system of agriculture into this country.*

The "young lawyers" eventually drove Peek to resign from his position. He opposed their collectivist schemes for agriculture, the New Deal's first farm program, the successors to which still plague America today. Among the "young lawyers" were Alger Hiss, Adlai Stevenson, John Abt, Nathan Witt, Nathaniel Weyl, and Charles Kramer. All of them, except Stevenson, were to be identified 15 years later as secret community agents. Before they were exposed, they completed their dirty work in the Agriculture Department and spread out to capture other branches of government.

In 1952, the Senate Internal Security Subcommittee published results of hearing which showed the communist net of control, which started with this group in the Agriculture Department, had extended over the Labor, Treasury, State and Commerce Departments, the independent agencies and cabinet offices concerned with national defense, and later, the Central Intelligence Agency and United Nations agencies.

The persons mentions in the book previous authored Public Law No. 422, chapter 11 dated January 27, 1938. The act reads as follows:

To make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that any statistical information furnished in confidence to the Bureau of Foreign and Domestic Commerce by individuals, corporations, and firms shall be held to be confidential, and shall be used only for the statistical purposes for which it is supplied. The Director of the Bureau of Foreign and Domestic Commerce shall not permit anyone other than the sworn employees of the bureau to examine such individual reports, nor shall he permit any statistics of domestic commerce to be published in such manner as to reveal the identity of the individual, corporation, or firm furnishing such data.

Sec. 2. Any employee of the Bureau of Foreign and Domestic Commerce violating any of the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1000. or imprisoned not exceeding one year or both.

This law enables all commerce to take place without the American public knowing of it. The moving of gold is commerce. Therefore this law enabled communists to steal our gold. They did this by using unauthorized $5,000. and $10,000. bills printed on the presses, using the technology given to them in February 1945. They were laundered through the Chase Manhattan Bank.

The following is one of the ways that the $5,000. and $10,000. bills were manufactured to carry out this dastardly deed. $5,000. & $10,000. bills are printed for use in inter-bank transactions only they are not for public use. Some of the authorized $10,000. bills were laundered through gambling casinos all over the world. These were all subject to seizure by the U.S. Treasury because they were only to be used for inter-bank transactions.

In an article in Coin World April 20, 1992 it was reported:

More than $200,000. worth of United States and world coins and paper money confiscated by federal law enforcement agencies and in the custody of the U.S. Marshals Service in San Francisco is scheduled to be offered for sale May 13 by the General Services Administration.

One numismatic item seized by the FBI in a 1989 case was removed for the sale -- a United States $10,000. "note', Harper said. Harper said the numismatic consultants who appraised the items to be offered, but did not consult one another, both relayed to GSA officials that the "note" is illegal to own.

The "note" is actually from a series of gold certificates first issued in the last year of the 19th century and last issued in 1925. The "note" is actually a check which was used to transfer ownership of large amounts of gold in Treasury vaults without the laborious task of physically moving the gold itself.

The receiving bank could transfer the certificate to another bank or alternatively, "cash" it in at the treasury for $10,000. in gold coin. Once received at the Treasury, the check was punch-canceled and filed in numerical order according to its serial number as a modern check is, rather than being reissued as a note would have been.

The exact means by which these "notes" left the government's possession in the first place are highly questionable. The certificates circulated among banks until gold was demonetized in the 1930's. In 1935 during a fire in the building where the certificates were stored, a number of the certificates were pitched by firemen into the streets, and in the resulting confusion, the certificates were picked up by passers by.

Since the government's restrictions on gold ownership were completely removed on December 31, 1974, a number of the $10,000. certificates surfaced in the numismatic community, albeit underground. All are subject to seizure by the U.S. Treasury.

To start the investigation of this mess one needs to understand that all the paper money catalogs are written by people who may or may not be connected to the ones getting into our gold. Some of the materials we have compared are Hewitt-Donlon Catalogs, The United States Paper Money Catalog, The Standard Handbook of Modern United States Paper Money, and U.S. Paper Money by Gene Hessler. In Hewitt's 10th Edition of 1974 it shows what each Federal Reserve Bank printed. It gives the first and last serial numbers printed, and first and last not e delivered. The actual serial numbers printed in Hewitt's are the baseline of our research.

In Exhibit A notice San Francisco first serial number is L00-000-001A, the last is L00-001-224A. That means 1224 $5,000. bills were printed in the 1928 series. Staying with series 1928 series look at Exhibit B and notice the San Francisco line stating that 51,300 $5,000. bills were printed. One must understand these bills were redeemable in gold as stated on the front of each Federal Reserve notes.

Exhibit B was compiled by Gene Hessler, curator of Chase Manhattan Bank Numismatic and Syngraphic Collection. It shows 50,076 more $5,000. bills printed in San Francisco. How can more bills be printed after the last note is delivered?

Exhibit A's compiling was from 1974 10th edition Exhibit B was written in 1977. How could more bills be printed in three years when the series was retired by law in 1969 and removed from circulation.

Compare Exhibit C and D in the $10,000. bills. The same comparison will be found in all those banks. This same phenomenon happens in all denominations of money. This shows what we have caught them printing and when turned into gold it adds into the billions! What about the bills we don't have proof of printing? Federal Reserve has the right to print money and destroy money at will by burning it. This fact was obtained in an interview with Bob Snow at the U.S. Treasury Department in 1989. (A copy of this interview is available.)

Exhibit A Exhibit

Hewitt Numismatic Information Series

HEWITT–DONLON CATALOG OF UNITED STATES SMALL SIZE PAPER MONEY

Text by

WILLIAM P. DONLON

JAMES GREBINGER

LEE F. HEWITT

NATHAN GOLDSTEIN II

Columnist "Coin World"

Co-ordinator of pricing

10th ANNUAL EDITION

—1974—

First Printing November 1973

Published by

HEWITT BROS., 7320 MILWAUKEE AVENUE, CHICAGO, ILLINOIS 60648

LEE F. HEWITT, NUMISMATIC EDITOR

PRINTED IN U.S.A.

FIVE THOUSAND DOLLAR FEDERAL RESERVE NOTES

Face Design $5000.00, James Madison

F5000-28 **Woods-Mellon.** Large letter in seal denoting bank of issue. Not issued by Philadelphia, St. Louis or Minneapolis.

$5,000 FEDERAL RESERVE NOTES—SERIES 1928 (12 Subject)

Secretary-Treasurer—Mellon-Woods

Federal Reserve Bank	First Serial Number Printed	Last Serial Number Printed	First Note Delivered	Last Note Delivered
Boston	A00 000 001A	A00 000 960A	11-19-29	7-26-33
New York	B00 000 001A	B00 002 400A	1-20-29	1-20-29
Philadelphia	None Printed	None Printed	No Deliveries	
Cleveland	D00 000 001A	D00 002 400A	11-19-29	8-25-31
Richmond	E00 000 001A	E00 003 192A	11-21-29	7-20-32
Atlanta	F00 000 001A	F00 001 032A	8- 5-30	7-29-31
Chicago	G00 000 001A	G00 004 440A	3- 4-30	3- 8-33
St. Louis	None Printed	None Printed	No Deliveries	
Minneapolis	None Printed	None Printed	No Deliveries	
Kansas City	J00 000 001A	J00 000 480A	11-21-29	11-21-29
Dallas	K00 000 001A	K00 000 240A	3- 4-30	3- 4-30
San Francisco	L00 000 001A	L00 001 224A	11-19-29	7-23-30

F5000-34 **Julian-Morgenthau.** Letter in seal. Not issued by Minneapolis. No $5000.00 notes have been printed or released since Oct. 18, 1943.

$5,000 FEDERAL RESERVE NOTES—SERIES 1934 (12 Subject)

Secretary-Treasurer—Morgenthau-Julian

Federal Reserve Bank	First Serial Number Printed	Last Serial Number Printed	First Note Delivered	Last Note Delivered
Boston	A00 000 001A	A00 006 000A	12-19-35	7-26-40
New York	B00 000 001A	B00 007 800A	12-19-35	5- 7-40
Philadelphia	C00 000 001A	C00 000 600A	12-19-35	7-26-40
Cleveland	D00 000 001A	D00 001 200A	12-19-36	No record
Richmond	E00 000 001A	E00 001 200A	2-17-36	No record
Atlanta	F00 000 001A	F00 001 200A	2-17-36	No record
Chicago	G00 000 001A	G00 004 800A	2-17-36	3-15-43
St. Louis	H00 000 001A	H00 002 400A	2-17-36	10-18-43
Minneapolis	None Printed	None Printed	No Deliveries	
Kansas City	J00 000 001A	J00 001 200A	2-17-36	No record
Dallas	K00 000 001A	K00 001 200A	2-17-36	No record
San Francisco	L00 000 001A	L00 003 000A	2-17-36	1-16-41

Remarks: No $5,000 notes have been printed or delivered since 10-18-43.

Exhibit B

$25.00

THE COMPREHENSIVE CATALOG OF U. S. PAPER MONEY (revised)

Gene Hessler

Foreword by Bob Medlar
President, Society of
Paper Money Collectors

This complete and authoritative catalog, which appears now in a fully revised and updated edition, is the definitive work on U.S. paper money. Besides being an illustrated history of paper money, it includes all of the official U.S. notes printed since 1861.

With the aid of some 700 photographs, Gene Hessler catalogs more than 1,800 types of U.S. notes—including many unissued designs—giving indications of value and quantities issued, with additional historical comment. Included are:

- Demand notes
- Legal tender notes
- Gold and silver certificates
- Interest-bearing notes
- National Bank notes
- Federal Reserve notes
- Error and freak notes
- Counterfeit notes

The author also recounts the history of the Bureau of Engraving and Printing and discusses the Currency Overprinting and Process Equipment (COPE), which has streamlined the production of U.S. bank notes. There is also a chapter on the cleaning, housing, and care of paper money.

Experts and novices, investors and amateurs alike will find *The Comprehensive Catalog of U.S. Paper Money* an indispensable reference work.

Gene Hessler, Curator of the Chase Manhattan Bank Numismatic and Syngraphic Collection, is the author of *Buy and Sell Price Guide to U.S. Currency* and *Buy and Sell Price Guide to U.S. Coins.*

**NOTE AT WHICH BANK THE CONTERFEIT MONEY SHOWED UP!

304/ FIVE THOUSAND DOLLARS

Federal Reserve Notes

SMALL SIZE

Face Design: Portrait of James Madison.

Back Design

1928 Series, signatures of Woods-Mellon

No.	Bank	Notes Printed
1,462A	Boston	1,320
1,462B	New York	2,640
1,462C	Philadelphia	No record
1,462D	Cleveland	3,000
1,462E	Richmond	3,984
1,462F	Atlanta	1,440
1,462G	Chicago	3,480
1,462H	St. Louis	No record
1,462I	Minneapolis	No record
1,462J	Kansas City	720
1,462K	Dallas	360
1,462L	San Francisco	51,300

1934 Series, signatures of Julian-Morgenthau

No.	Bank	Notes Printed
1,463A	Boston	9,480
1,463B	New York	11,520
1,463C	Philadelphia	3,000
1,463D	Cleveland	1,680
1,463E	Richmond	2,400
1,463F	Atlanta	3,600
1,463G	Chicago	6,600
1,463H	St. Louis	2,400
1,463I	Minneapolis	No record
1,463J	Kansas City	2,400
1,463K	Dallas	2,400
1,463L	San Francisco	6,000

1934A Series, signatures of Julian-Morgenthau

No.	Bank	Notes Printed
1,463aH	St. Louis	1,440

1934B Series, signatures of Julian-Vinson

No.	Bank	Notes Printed
1,463bA	Boston	1,200
1,463bB	New York	12

Exhibit C

Exhibit C

Hewitt's Numismatic Information Series

HEWITT–DONLON CATALOG OF UNITED STATES SMALL SIZE PAPER MONEY

Text by

WILLIAM P. DONLON

JAMES GREBINGER

LEE F. HEWITT

NATHAN GOLDSTEIN II

Columnist "Coin World"

Co-ordinator of pricing

10th ANNUAL EDITION

—1974—

First Printing November 1973

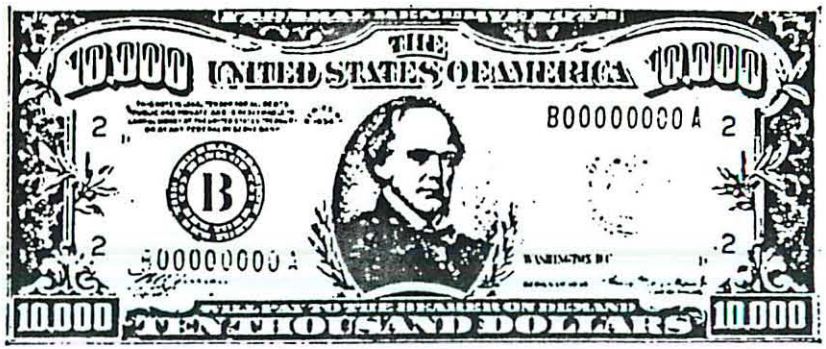
Published by

HEWITT BROS., 7320 MILWAUKEE AVENUE, CHICAGO, ILLINOIS 60648

LEE F. HEWITT, NUMISMATIC EDITOR

PRINTED IN U.S.A.

TEN THOUSAND DOLLAR FEDERAL RESERVE NOTES



Face Design $10,000.00, Salmon P. Chase

F10000-28 Woods-Mellon. Large letter in seal denoting bank of issue. Not issued by Philadelphia, St. Louis or Minneapolis.

$10,000 FEDERAL RESERVE NOTES—SERIES 1928 (12 Subject)
Secretary-Treasurer—Mellon-Woods

Federal Reserve Bank	First Serial Number Printed	Last Serial Number Printed	First Note Delivered	Last Note Delivered
Boston	A00 000 001A	A00 000 960A	11-22-29	7-26-33
New York	B00 000 001A	B00 002 400A	1-18-30	12- 6-33
Philadelphia	None Printed	None Printed	No Deliveries	
Cleveland	D00 000 001A	D00 000 600A	4- 7-30	4- 7-30
Richmond	E00 000 001A	E00 001 992A	11-22-29	3- 8-33
Atlanta	F00 000 001A	F00 001 032A	8- 5-30	7-29-32
Chicago	G00 000 001A	G00 002 400A	3- 8-33	3- 8-33
St. Louis	None Printed	None Printed	No Deliveries	
Minneapolis	None Printed	None Printed	No Deliveries	
Kansas City	J00 000 001A	J00 000 240A	11-22-29	11-22-29
Dallas	K00 000 001A	K00 000 240A	3- 4-30	3- 4-30
San Francisco	L00 000 001A	L00 001 224A	11-22-29	7-23-30

F10000-34 Julian-Morgenthau. Letter in seal. Not issued by Cleveland, Richmond, Atlanta, Minneapolis, or Dallas. Records indicate last release July 8, 1944.

$10,000 FEDERAL RESERVE NOTES—SERIES 1934 (12 Subject)
Secretary-Treasurer—Morgenthau-Julian

Federal Reserve Bank	First Serial Number Printed	Last Serial Number Printed	First Note Delivered	Last Note Delivered
Boston	A00 000 001A	A00 003 600A	12-18-35	7-25-40
New York	B00 000 001A	B00 007 800A	12-18-35	4-23-40
Philadelphia	C 00 000 001A	C00 000 600A	7-26-40	7-26-40
Cleveland	None Printed	None Printed	No Deliveries	
Richmond	None Printed	None Printed	No Deliveries	
Atlanta	None Printed	None Printed	No Deliveries	
Chicago	G00 000 001A	G00 003 600A	2-18-36	7- 8-44
St. Louis	H00 000 001A	H00 001 200A	2-18-36	10-18-43
Minneapolis	None Printed	None Printed	No Deliveries	
Kansas City	None Printed	None Printed	No Deliveries	
Dallas	None Printed	None Printed	No Deliveries	
San Francisco	L00 000 001A	L00 001 800A	2-18-36	1-18-41

Remarks: No records found which would indicate this denomination and series were ever printed after the above dates.

**NOTE PLATES NOT ISSUED; NOTE SERIAL NUMBERS OF BILLS PRINTED OFF PLATES ISSUED!

Exhibit D

312/ TEN THOUSAND DOLLARS

Federal Reserve Notes/Green Seal

SMALL SIZE

Face Design: Portrait of Salmon P. Chase.

Back Design

1928 Series, signatures of Woods-Mellon

No.	Bank	Notes Printed
1,494A	Boston	1,320
1,494B	New York	4,680
1,494C	Philadelphia	No record
1,494D	Cleveland	960
1,494E	Richmond	3,024
1,494F	Atlanta	1,440
1,494G	Chicago	1,800
1,494H	St. Louis	480
1,494I	Minneapolis	480
1,494J	Kansas City	480
1,494K	Dallas	360
1,494L	San Francisco	1,824

1934 Series, signatures of Julian-Morgenthau

No.	Bank	Notes Printed
1,495A	Boston	9,720
1,495B	New York	11,520
1,495C	Philadelphia	6,000
1,495D	Cleveland	1,480
1,495E	Richmond	1,200
1,495F	Atlanta	2,400
1,495G	Chicago	3,8[illegible]
1,495H	St. Louis	2,040
1,495I	Minneapolis	No record
1,495J	Kansas City	1,200
1,495K	Dallas	1,200
1,495L	San Francisco	3,600

1934A Series, signatures of Julian-Morgenthau

No.	Bank	Notes Printed
1,495aG	Chicago	1,560

1934B Series, signatures of Julian-Vinson

No.	Bank	Notes Printed
1,495bB	New York	24

** PLEASE NOTE: PLATES NOT ISSUED ARE NOW PRINTING MONEY. NOTE SERIAL NUMBERS OF BILLS ARE NOW MUCH LARGER!

THIS INFORMATION WAS VERIFIED BY THE SECRET SERVICE AS BEING CORRECT TO THE SARGENT OF THE HILLSDALE CITY POLICE WHEN HE BROUGHT THEM TO MY HOUSE.

$25.00

THE COMPREHENSIVE CATALOG OF U.S. PAPER MONEY (revised)

Gene Hessler

Foreword by Bob Medlar
President, Society of Paper Money Collectors

This complete and authoritative catalog, which appears now in a fully revised and updated edition, is the definitive work on U.S. paper money. Besides being an illustrated history of paper money, it includes all of the official U.S. notes printed since 1861.

With the aid of some 700 photographs, Gene Hessler catalogs more than 1,800 types of U.S. notes—including many unissued designs—giving indications of value and quantities issued, with additional historical comment. Included are:

- Demand notes
- Legal tender notes
- Gold and silver certificates
- Interest-bearing notes
- National Bank notes
- Federal Reserve notes
- Error and freak notes
- Counterfeit notes

The author also recounts the history of the Bureau of Engraving and Printing and discusses the Currency Overprinting and Process Equipment (COPE), which has streamlined the production of U.S. bank notes. There is also a chapter on the cleaning, housing, and care of paper money.

Experts and novices, investors and amateurs alike will find *The Comprehensive Catalog of U.S. Paper Money* an indispensable reference work.

Gene Hessler, Curator of the Chase Manhattan Bank Numismatic and Syngraphic Collection, is the author of *Buy and Sell Price Guide to U.S. Currency* and *Buy and Sell Price Guide to U.S. Coins.*

**NOTE AT WHICH BANK THE CONTERFEIT MONEY SHOWED UP!

There is an accounting on a man stumbling on a crate of $10,000. bills . . . . John must get permission and write this story to put in here.

The next aspect of this scam that needs to be studied are how the major players have helped remove the gold from Fort Knox. We learned before that JFK was concerned about our gold leaving the country. After his assassination Johnson revoked Executive Order number 11110. This halted the issuing of the silver certificates that would have broke the Federal Reserve Banks. Thus eliminating the control of the Feds over our money. We find in Numismatic Scrapbook Magazine, November 1954, why the bankers and the Federal Reserve System was against silver . . . .

> *As we get silver and issue Treasury certificates against it, the banks get no interest on that money. The silver is received by the Treasury. The Treasury prints paper money and circulates the paper. It does not necessarily go through the Federal Reserve banks; and neither the Federal Reserve banks nor any other banks, for that matter, get any interest whatever on a silver certificate. The banks do not like that. To the extent that we place in circulation permanent money on which they get no interest, their interest money goes out of circulation. It goes out of existence. If we could put into circulation four, five or six billion dollars of silver certificates or United States notes, there would be little, if any, occasion for any Federal Reserve notes; and if there were no Federal Reserve notes, the Federal Reserve System, as a system, would fold up and collapse for want of revenue to support the system.*
>
> *The Federal Reserve System is maintained through interest on the notes it issues, and through the loans it makes; and if we eliminate the Federal Reserve notes, we eliminate the interest the Federal Reserve banks get on these notes. So, to the extent that we have issued silver certificates, we have driven out of circulation Federal Reserve notes; and to the extent we have done that we have diminished the interest which the Federal Reserve banks receive, and which the big banks the nation receive. So the banks of the Federal Reserve System are against silver. They are against United States notes. They would be against gold certificates. They would like to see gold, theoretically, come back into circulation, because they know it would not actually circulate. It would be in circulation for them to keep in their vaults and to have in reserve, and probably on gold certificates would be issued against it; so they would be for gold coins coming back into circulation, but they are against silver coming into circulation, because silver and silver coins are not now held to be satisfactory reserve.*

Under the cover of the Watergate Fiasco the perfect circumstances put the right persons in charge to carry out the plot. Nixon had signed the law that took effect on December 31, 1974 to put gold back into circulation. Nixon's currency controller had resigned. We've got OPEC oil embargo happening. The government is still telling the people through the controlled media that OPEC is causing the rampant inflation and the people are believing it. Gerald Ford the man who supported House Concurrent Resolution 64 to "seek development of the U.N. into a world Federation", introduced June 7, 1949. Gerald Ford was also chairman of the Warren Commission and now in 1974 he had gained the presidency with Nelson Rockefeller as his unelected Vice President. We had a history making situation. neither president or vice president had been elected by the people. Rockefeller has connections with Chase Manhattan Bank, the Counsel of Foreign Relations and involved in decision making for developing the United Nations. All of these organizations are

committed to one world government. This all provides the cover needed for Chase Manhattan to launder the $10,000. bills used to steal the gold out of Fort Knox and sending those bills back to Federal Reserve to be destroyed without detection.

Under PL91-508 commonly known as the Bank Secrecy Act, it states:

> *"The Secretary of the Treasury has determined that in addition to U.S. coin and currency, all foreign coin and currency which circulate and are customarily used and accepted as money in the issuing country must be reported when the amount being transported exceeds $5,000. Based on information currently available, gold coins do not at this time customarily circulate as money anywhere in the world; and, therefore, they do not have to be reported under 31 CFR 103."*

It states further that:

> *"While not subject to the currency reporting requirements, gold coins and other coins imported for non-monetary purposes must be declared and are subject to customs entry requirements as merchandise. Commercial shipments exported from the United States should be accompanied by the filing of a Shipper's Export Declaration."*

One can see that the Treasury wants it both ways. It does not recognize gold as money, yet wants gold declared at a port of entry because other countries recognize gold as money. If the Treasury is forced to recognize its own inconsistencies it may be another small step towards a rational monetary system.

U.S. banks have found a major loophole to skirt federal regulations requiring them to keep idle reserves behind deposits. On official of the Federal Reserve warned that banks using the loophole may be in violation of a request made by the Fed last August as part of its program to help defend the U.S. dollar in foreign exchange transactions.

Here's how the loophole works: a U.S. bank holding company sells commercial paper or corporate IOU's to investors domestically. It then uses the proceeds to make deposits in a foreign branch of its subsidiary bank. That branch then relends the funds to its head office in the U.S. Holding Company and foreign branches of U.S. banks are exempt from reserve requirements.

In the book Trilaterals Over Washington we are introduced to Gordon Tether, a very well known journalist of London's Financial Times. He writes:

> *While this surfacing of suppressed information is quite sufficient to turn Establishment heat onto Tether he may have sinned further by refusing to accept the party line for the condition of the U.S. gold reserves -- although Tether's Fort Knox articles were not banned.*
>
> *Tether was probing the "Fort Knox gold mystery," that is, the possibility that U.S. gold reserves are not as reported. On 11 February 1975 Tether wrote an article raising questions on the quality and quantity of U.S. gold reserves, and he presented his grounds for believing that a gigantic "cover-up" is in progress -- that the U.S. gold (if any) is at least of inferior quality (and Washington acts as if an inventory might reveal some unpleasant secrets).*

There is no doubt that the Establishment is sensitive on this issue. In November 1977 this author made the observation (at the Monetary Conference in New Orleans) that four-fifths of the gold in U.S. stocks is .85 coin melt, not acceptable for "good delivery." Commodities Journal picked this up and asked pro-Establishment Charles R. Stahl of Greens Commodity Reports about this statesmen. Stahl immediately, as if stung by a bee, responded, "This is nonsense." Yet a telephone call to the Treasury Department will confirm the coin melt nature of U.S. stocks. On the other hand, the alloy-grade quality of the reserves is a fact that the elite wishes to be kept invisible.

In brief, we know there is a knee-jerk reaction to hide two facts;

a) The quantity of inventoried gold in U.S. reserves,

b) The quality of this gold, i.e. 80 percent is alloy "coin melt".

The assault on Tether may well stem in part from his willingness to tackle this potentially explosive scandal.

The amounts involved are large. An analysis of the financial statements of Chase Manhattan Corporation (David Rockefeller), for example, indicated the company had more than $1.5 billion on deposit at midyear. 1981 with foreign branches of its chief subsidiary, Chase Manhattan Bank.

One must remember that through all this the Soviets still had, and still have our formulas, presses and plates, delivered in 1945, to print our currency on foreign soil as perfect counterfeit to also drain the great country of her wealth.

It was recorded in The Congressional Record, November 30, 1944 Senator Norris's speech, as introduced by Senator Langer.

See Appendix B

The book Ex America by Garet Garrett was also on the track of using inflation as a revolutionary weapon, Lennin said the best way to destroy the capitalist system was to debauch its currency.

Writing in 1920, John Maynard Keyness said: "Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. by a continuing process of inflation, governments can confiscate secretly and unobserved an important part of the wealth of their citizens. By this means they not only confiscate, but confiscate arbitrarily, and while the process impoverishes many it actually enriches some."

(John Maynard Keynes was the brilliant John Law of modern finance. He gave the New Deal the scientific jargon for deficit spending and managed inflation, probably because he wanted to see how it would work here before England tried it.)

The American who speaks most clearly on the political evils of deliberate inflation is Professor Walter E. Spahr.

Appendix 8

THE POWER OF THE BIG EIGHT BANKS

(*Congressional Record,* November 30, 1944, Senator Norris's speech, as introduced by Senator Langer.)

MR. NORRIS. I desire at this point to give a list of eight leading banks in New York City, as follows:

Bank of America National Association, Bank of Manhattan Trust Co., Bankers' Trust Co., Chase National Bank, Chemical Bank & Trust Co., Guaranty Trust Co., National City Bank Co., New York Trust Co.

Almost any list of the large banks of Wall Street could be taken and the result would be about the same, but I have selected this list, because to take all the banks and gather the facts in regard to them would mean a job that would require months of toil.

The 8 banks on the list I have given have 287 directorships in insurance companies; they have 301 directorships in other banks. That shows how they are interlocked with other banks. They have 521 directorships in public-utility companies. That shows how they reach out over the country and handle the public-utility business of the country. These 8 banks have 585 directorships in railroad, steamship, and airplane transportation companies. So we cannot eliminate or reduce an appropriation for airplanes without treading on the toes of the money power of Wall Street. . . . .

These 8 banks—and they are only a part of the great combination of wealth represented by banks in Wall Street, which are operating through interlocking directorships—have directorships in 846 manufacturing companies. So, there are 846 corporations engaged in all lines of manufacturing that these banks, either directly or indirectly, control, because the man who controls or the men who control the money of the country also control the country, as the Senator from Oklahoma [MR. THOMAS] so well said yesterday. Let a combination of men control the finances of the United States, and they control all the activities of all the people of the United States. These 8 banks have 1,201 directorships in other corporations, making a total of 3,741 directorships held by the 8 banks in various corporations. . . .

MR. NORRIS. Mr. President, what does all this show? It demonstrates very clearly, in my judgment, that the control of all the business of the United States is drifting rapidly toward corporations. Especially when we consider the development and the advance that has been made in this control, as shown by me a short time ago, it demonstrates, it seems to me, that all of us soon will be hired men, working for some corporation.

When we look over the public-utility field and see how the house of Morgan is gradually and rapidly getting control, as shown by the figures and the statistics I put into the RECORD, can we reach any other conclusion than that any of these organizations, any of these operating companies, any of these holding companies, will find it impossible to do anything contrary to the wishes of the men who control the money strings in Wall Street? In that case it has almost reached the point now when it is one man, J. P. Morgan.

J. P. Morgan, with the assistance and cooperation of a few of the interlocking corporations which reach all over the United States in their influence, controls every railroad in the United States. They control practically every public utility, they control literally thousands of corporations, they control all of the large insurance companies.

Mr. President, we are gradually reaching a time, if we have not already reached that period, when the business of the country is controlled by men who can be named on the fingers of one hand, because those men control the money of the Nation, and that control is growing at a rapid rate. There is only a comparatively small part of it left for them to get, and when they control the money, they control the banks, they control the manufacturing institutions, they control the aviation companies, they control the insurance companies, they control the publishing companies; and we have had some remarkable instances of the control of the publishing companies presented before a subcommittee of the Committee on the Judiciary.

These corporations forget nothing. We had illustrations given us where a magazine would start out on a particular line, but would find itself called on the carpet by some one from one of these great institutions. They were told what the policy must be. Absolute failure stared them in the face unless they obeyed. Through the control of advertising, which, incidentally, to a great extent, is handled by corporations which this money trust controls, they control the avenues of publicity.

Mr. President, the tramp on the street who munches a crust of bread somebody has given him is very likely eating something which came from a corporation controlled by this great Money Trust. Bread is manufactured by corporations, and shipped all over the country, and the price is kept up, while the price of wheat goes down. We have to pay practically the same price for a loaf of bread when wheat is 25 cents a bushel in the Western States, as we paid when wheat was $2.50 a bushel. It is all controlled by corporations. The clothing we wear, the food we eat, the automobiles, in the main, that we use, the gasoline and the oil we buy to operate them, to a great extent are controlled by this financial center represented by this spider. . . .

Mr. Norris. Of course, Mr. President, a beautiful theory can be woven, and it can be said that if we get a big corporation that covers everything we will be able to reduce the prices of products to the consumers. But human nature is just the same now as it was a hundred years ago. Give to a man the power, especially if he has in his heart the greed that comes with great financial power as a rule, and when he gets the power the consumer will not get any benefit—the man will get it. When the power is all in the hands of one or a few men, the consumer will be bled white. That has been the lesson of history.

He says: "It should not be surprising that apparently all who would socialize our economy are opposed to the restoration of a redeemable currency in the United States. Either because they understand the relationship between an irredeemable currency and the processes of socialization or because they simply note that Socialist, Communist, and Fascist governments employ irredeemable currencies as a means of controlling and managing the people, advocates of government dictatorship seem invariably to defend irredeemable currencies with the utmost vigor. The evidence seems overwhelming that a defender of irredeemable currency is, wittingly or unwittingly, an advocate of socialism or of government dictatorship in some form."

What the New Deal planners tried to do was strange and sudden. What the government will do in the next crisis in pre-determined.

And when this end has come to pass not only will we be through with the fiction of free prices, free markets, free contracts, and free enterprise; we shall probably be through also with inflation. A government that has arrived at the ultimate goal of total power may dispense with inflation. The power to command obedience enables it to achieve directly what formerly it could only achieve indirectly by inflation.

The final cards are now being played. The players behind the One World Order set as their final goal to sell IRA's, 457K retirement plans, 401K retirement plans, and life insurance policies with retirement clauses all with a plan to make them worthless; thus looting the people of this nation over a 40 year period. Their eye is on the prize - - total submission of the world into the New World Order.

By John Stepehenson, Tom & Kim Reif

file name "treason"

UNDER EXECUTIVE ORDER OF THE PRESIDENT

Issued April 5, 1933

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

FORBIDDING THE HOARDING OF GOLD COIN, GOLD BULLION AND GOLD CERTIFICATES.

By virtue of the authority vested in me by Section 5(b) of the Act of October 6, 1917, as amended by Section 2 of the Act of March 9, 1933, entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", in which amendatory Act Congress declared that a serious emergency exists, I, Franklin D. Roosevelt, President of the United States of America, do declare that said national emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purposes of this order:

Section 1. For the purposes of this regulation, the term "hoarding" means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term "person" means any individual, partnership, association or corporation.

Section 2. All persons are hereby required to deliver on or before May 1, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, professions or art within a reasonable time [illegible] of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificates to an amount not exceeding in the aggregate $100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.

Section 5. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 2) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 501 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.

Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever wilfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE
April 5, 1933.

For Further Information Consult Your Local Bank

GOLD CERTIFICATES may be identified by the words "GOLD CERTIFICATE" appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Be careful not to confuse GOLD CERTIFICATES with other issues which are redeemable in gold but which are not GOLD CERTIFICATES. Federal Reserve Notes and United States Notes are "redeemable in gold" but are not "GOLD CERTIFICATES" and are not required to be surrendered

Special attention is directed to the exceptions allowed under Section 2 of the Executive Order

CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER
$10,000 fine or 10 years imprisonment, or both, as provided in Section 9 of the order

W. H. Woodin
Secretary of the Treasury.

HOW HARRY DEXTER WHITE PULLED WIRES FOR RUSSIA

Money Plates Given to Reds Cost U. S. 255 Millions

Here is another chapter in the running story of spies in wartime Washington.

This story, officially recounted, tells how Russians got U. S. plates for making money to be used in Germany and how U. S. taxpayers were nicked for 255 millions as a result.

The Treasury group headed by Harry Dexter White figured in this case. Senator Karl Mundt of South Dakota, headed the subcommittee of the Committee on Government Operations that brought the full story to light.

Senator Mundt now tells what he found.

Following is the text of Senator Karl E. Mundt's report on "Transfer of Occupation-Currency Plates, Espionage Phase," as released Dec. 15, 1953:

It was not the purpose of our subcommittee to reopen phases involving the unprecedented transfer of our monetary plates to the Russian Government in so far as these were covered by the 1947 joint hearings which were held by the Senate Committees on Appropriations, Banking and Currency, and Armed Services. These joint hearings had developed and documented the fact that our monetary plates, negatives, special paper and ink, as well as other supplies for the printing of Allied military marks by the Russian Government identical to those printed in the United States, were actually delivered to the Russians. They left unanswered the questions, however, as to just how the Communist Government was able to bring about this bizarre transfer of American currency-making equipment, just who was responsible for the strange decision to do so, and whether this transfer was in fact the result of a Communist espionage ring embedded in the United States Department of the Treasury.

Our recent investigation and the hearings held in Washington, D. C., during October of 1953 provide the answers to these questions. It is clear from the evidence adduced by our subcommittee that the Communists were able to establish and operate a high-level espionage and subversive cell within our Department of the Treasury. Part of the purpose of this Communist cell was to bring about the transfer of our American monetary plates to the Russian Government so that its occupation of Germany and a portion of the payments made to Russian troops in the drive westward in Europe would be without cost to the Communists, and so that the United States would be compelled to redeem the currency so printed which was indistinguishable from that used by the American Government in Germany. This objective was successfully achieved.

Our investigation disclosed that in their efforts to attain their objective of procuring unlimited amounts of this occupation currency for which they would be required to make no accounting or redemptions, the Communist Government in Russia employed a double-edged tactic which for the first time was revealed during this investigation. That entirely unscrupulous tactic was to utilize the members of a hidden Communist cell in an American department of Government to help produce decisions favorable to objectives which at the same time they were seeking to procure through top-level diplomatic negotiations. Thus, what their diplomatic salesmen were attempting to win through negotiations and high-level conferences, their subversive agents were directed to promote through obtaining positions of authority and importance wherein they could influence the American decisions to conform with the Communist requests.

It is believed that in this "over and under" tactic of planting their foreign agents high in the American departments and attempts to induce success through diplomatic conversations, is a standard operating procedure which the Russian Communist Government endeavors to employ in every free capital of the world and which they have also used in the past and may well try to utilize in the future in other Government offices of the United States. Thus, our Department of State, our various intergovernmental and United Nations commissions, and other offices important to our American peace and security would do well to be alert to the possibility that emphatic and persistent Russian demands for concessions and decisions may well serve as "index tabs" to the fact that their Communist agents have been able to penetrate and infiltrate the offices charged with making decisions on behalf of the American people. A restudy of the Hiss case, of our unfortunate Asiatic foreign policy during the fall of China to the Communists, and the events leading up to the Korean war is recommended with this possibility in mind.

WHO WAS INVOLVED—

The transfer of our monetary plates to the Russian Government was officially approved by the Department of the Treasury after the theft of sample specimens of the currency had failed to satisfy the Communist desires. The success of the Russians in this fantastic episode was made easy by the fact that the evidence before our subcommittee clearly indicates that not only had a notorious Communist agent, Harry Dexter White, worked his way up to the high position of Assistant Secretary of the Treasury at this time, but that through the efforts of White and others he had at least four important Communist accomplices working with him in his plots to influence Treasury Department decisions so as to advance Russian interests and to impair the solvency and security of the United States. These other Communist agents were: Nathan Gregory Silvermaster, reported by Miss Elizabeth Bentley to be the leader of the Communist cell through which Russian demands were transmitted to White; William Ludwig Ullmann, a professional photographer who lived—and still dwe

ith Silvermaster; Harold Glasser, a man whose Commu- t connections won him quick promotions in the Treasury partment which he could not otherwise have earned; and rginius Frank Coe, the man White trained to understudy n when he became Executive Director for the United tes of the International Monetary Fund, and who ulti- tely succeeded White to that highly sensitive and power- position when White resigned from the Fund.

Each of the four foregoing Communist functionaries was fore our subcommittee in October. Each was given an op- rtunity to deny under oath his part in this great conspiracy. ch took refuge in the Fifth Amendment and declined to tify about his part in the transactions. None elected to ay under oath his functions as part of this espionage ring, to challenge the clear-cut testimony of Miss Bentley and ers concerning the strategic position he held and the serv- he rendered in either stealing the specimen currency or nging about the ultimate transfer of the plates themselves successfully pressing for favorable action on the Russian uest for the currency plates.

HE EVIDENCE—

The details of this sordid situation are as follows:

Testimony and exhibits indicate that from the inception of gotiations, Harry Dexter White, Harold Glasser and V. ank Coe were conferees representing the United States overnment on the questions of design, rate of exchange and e place of printing.

The picture depicted in the hearings established inter- king positions of White, Glasser and Coe in phases of the cial negotiations. All of them were involved in both the nting-plate and rate-of-exchange matters. In addition, se three employes of the Treasury Department, together h William Ludwig Ullmann, a former Treasury employe o during the negotiations was an officer in the United tes Army stationed at the Pentagon, and Nathan Gregory vermaster, a Government employe who later joined the easury Department, were identified as members of Com- nist espionage groups.

Harry Dexter White, during the course of these negotia- s, was the assistant to the then Secretary of the Treasury, ry Morgenthau, Jr. Testimony and exhibits indicate that ite attended many top-level conferences and received re- ts of conferences in memorandum form and conferred h the Secretary of the Treasury regarding all of the above tters. All of the correspondence and meetings, dealing h the demands of the Russian Government for the delivery the printing plates, were under the direct supervision of rry Dexter White, in whom the Secretary of the Treasury d placed the responsibility of representation and reporting.

Harold Glasser was Assistant Director of the Division of onetary Research of the Treasury Department. Testimony d exhibits indicate that Glasser attended various confer- ces dealing with the question of the rate of exchange for e Allied military mark and in such conferences discussed e view of this Government with representatives of the Rus- n Government. In addition, Harold Glasser participated in tain phases of the delivery of the printing plates to the ssian Government.

William Ludwig Ullmann, prior to the negotiations and de- ery of the printing plates to the Russian Government, had en an official in the Division of Monetary Research of the easury Department. He was an officer in the headquarters the Materials and Service Division, United States Air rce, and assigned to duty in the Pentagon in Washington, C., during the period involved in this inquiry. During that me period he resided with Nathan Gregory Silvermaster d knew White, Glasser and Coe. Ullmann was the go-be- een of the espionage group in carrying messages, orders d papers to and from Harry Dexter White and the courier Russian espionage agent.

Nathan Gregory Silvermaster was employed in 1943 and part of 1944 in the Department of Agriculture in Washington, D.C. He transferred to the Treasury Department in Washington, D.C. He was identified as the head of the Communist espionage group involved in the attempted forgery and counterfeiting of the Allied military currency and in the pressure methods used to obtain the printing plates.

V. Frank Coe, during the course of negotiations dealing with all phases of the Allied military mark, was Assistant Director of the Foreign Economic Administration. Thereafter he succeeded Harry Dexter White as Director of the Monetary Research Division of the Treasury Department. Testimony established that Coe was a member of a Communist espionage group during the period of negotiations involving the delivery of the printing plates. Coe did not deny the statements made in that regard and upon specific questioning took refuge in the constitutional protection afforded by the Fifth Amendment. Documentary evidence indicates that, subsequent to the delivery of the printing plates, he was involved in the question of supplying additional paraphernalia to the Russian Government.

It was developed that White, Glasser, Ullmann, Silvermaster and Coe were known to each other and that they were members of the Communist Party and members of an espionage ring getting their orders from a Russian agent in the United States who had received orders direct from Moscow. Miss Elizabeth Bentley was the admitted Communist courier between them and the Russian agent . . .

From the testimony of witnesses and the exhibits, it appears that the Russian Government through diplomatic channels formally demanded the delivery of the printing plates for its use. These demands ultimately were the subject of discussion within the Treasury Department, State Department and the Combined Chiefs of Staff. . . .

ORDERS FROM RUSSIA—

It was established that White, Ullmann, Glasser, Coe and Silvermaster were also members of the Communist Party and participants in Russian espionage. The evidence indicates that, while they were involved in the processing of the Russian diplomatic demand, they were also subject to Communist and Russian discipline and they were directed to indulge in an espionage operation regarding the occupation currency, designed to insure success of the Russian Government's desire to print and distribute unlimited occupation currency without liability or accountability therefor. These same conferees at the diplomatic level were instructed to secretly procure samples of the occupation currency for delivery to a courier between the espionage ring and a representative of the Soviet Government.

There was no doubt in the minds of all of those people that the procurement was for the purpose of counterfeiting or forgery in the event the same became necessary for the accomplishment of the Russian Government's desires . . .

Harry Dexter White, upon advice from Ullmann and Sil-

Denial by V. Frank Coe

In a statement to the press, V. Frank Coe denounced as "completely false" the "statement or insinuation" by Senator Mundt that he had some part in the wartime decision to give Russia plates for printing U. S. money. Mr. Coe said the decision was made before he joined the Treasury Department in 1945. After joining the Department, he said he strongly opposed "the system of occupation currency which allowed huge leaks of dollars through United States Army perso ..."

vermaster, secretly procured copies of the currency and delivered it to Ullmann and Silvermaster, who in turn delivered it to the courier for the Russian agent. The courier testified that the currency was photographed and it was determined by the Russian agent and photographic technicians that, because of the four colors used on the face and the two colors used on the back of the Allied military mark, the same could not be photographed in a manner conducive to successful counterfeiting and forgery . . .

It was thus established that these trusted officials of our Government were indulging in two moves pursuant to instructions of a foreign government; one move was designed to insure delivery through diplomatic channels and the other to insure by theft, forgery, espionage or any unlawful method contrary to the interest of our Government, accomplishment of the same ends contemplated in diplomatic demands.

Harry Dexter White, the Communist agent involved in espionage, was a trusted official of the Treasury Department responsible directly to the then Secretary of the Treasury. He was held in high regard by that official and his suggestions, recommendations, and responsibilities were relied upon . . . In such position he could overtly, while wearing the cloak of confidant and adviser, press for favorable consideration of policies, decisions, and dispositions designed to fulfill the desires of his foreign masters. He was also in a position by advancing theories and suggestions to test out the soundness of argument or bargaining position under consideration by that foreign government for later use in formal conferences and to report back the results of his operations in that regard. He could and did betray the confidences of these inner-circle operations via the espionage group to a foreign government. Diplomatic discussions designed to establish bargaining positions and advantages and the strength in which such bargaining positions were regarded by our own Government were made known to the agents of the Russian Government prior to the formal conferences thereon, all of which placed our Government in a position of extreme disadvantage.

White was also in a position to assist in the espionage effort to subvert the interests of the United States. It was he who procured the samples of the Allied military mark in direct compliance with orders from his Russian superiors. This was done with full knowledge that the Russian Government contemplated resorting to counterfeiting and forgery if necessary to accomplish their desires.

In this inner-circle position White served as a daily barometer of the shifting lines of thought, confidential to our own Government and as such daily barometer could indicate the need for increased espionage activity where necessary. Conversely, wherever technical difficulties were encountered in the accomplishment of the Russian Government's desires through unlawful means, he was in a position to further the goal of Soviet diplomatic success. He was a willing pawn in a game which he knew was played with a two-headed coin and whether the coin fell on the table or below it, the result would be the same.

Harold Glasser was a member of the Ad Hoc Committee on Financial Planning and participated in the discussions of the rate of exchange and the liability of the Russian Government with respect to Allied military marks. He was a friends of White's, and the substance of the conferences in which Glasser participated was made known to White. The minutes of these meetings indicated that these discussions were prolonged by the representatives of the Soviet Union. These minutes indicate a planned pattern of reluctance on the part of the Russian conferees to dispose of the questions of rates of exchange and liability. Glasser, as a member of this espionage group, was in a position, through these tangent negotiations affecting the Allied military mark and the indicated attitude of the Russian conferees, to delay the disposition of the question until after the delivery of the printing plates. In fact, the reluctance of the Russian Government to participate in any discussion culminating in the final disposition of its views on liability and the rate of exchange w more strongly indicated subsequent to the delivery of th printing plates. Once those plates were delivered, control o our Government of the currency printed and used by th Russian Government was nil. All subsequent discussions o that regard for all intents and purposes were meaningless.

REDS GAVE NO ACCOUNTING—

The Russian Government has never rendered an accoun ing of or payment for any of the marks issued by it and a considerable number of the marks so issued were redeeme by our military finance officer in the occupied zones. It w established for example that in the German occupation at on period our finance officers had redeemed, for American dol lars, 255 million dollars in Allied military marks in excess o the amount appropriated by the Congress.

The delivery of these plates was finally accomplished afte a meeting by the then Secretary of the Treasury, Harr Dexter White, Alvin W. Hall and Soviet Ambassador Gromyko in the Secretary's office on April 14, 1944. Prior to this meet ing, Alvin W. Hall, the Director of the Bureau of Engravin and Printing, had been advised of the Russian's request fo the printing plates.

Mr. Hall orally and in writing made known his objections He set forth substantial reasons based upon technical ex perience of the industry and the inevitable lack of accoun ability and control, in memoranda on March 3, April 15, an March 7, 1944. These memoranda and testimony set forth technical reasons, precedents of governments and world-re nowned security printing organizations supporting the posi tion of the objectors to the granting of the Russian demand His views were subscribed to by D. W. Bell, a career em ployee of the Treasury Department who had risen to the posi tion of Under Secretary. No evidence could be adduced o similar weight and authority to support the opposite position taken by Harry Dexter White in his conference with the Se retary of the Treasury as borne out in the documentary ev dence.

On occasion, when the views of men of experience an integrity as set out in their own personal memoranda an memoranda of conference were about to produce a rejection of the Russian request, the position of Harry Dexter Whit was disclosed. His position was to the effect that we should reconsider the proposed rejection and suggested that there might be an alternate solution. Documentary evidence in dicates that on March 8, 1944, a proposed cablegram to the Russian Government rejecting the demand for delivery of the plates was actually prepared. The cable was never sent an a memorandum attached to that cablegram indicates that Mr White participated in a discussion with the Secretary of the Treasury and a decision was reached not to send the cable gram.

The United Kingdom and French Governments did not re quest delivery of the printing plates to them, but on the con trary willingly agreed to the printing and distribution of the occupation currency by our Government, so that recorde would be kept and accounts tallied.

There is no record in history of any other delivery from one sovereign government to another of plates for the print ing of currency. Mr. A. W. Hall, the Director of the Bureau of Engraving and Printing since 1924, who is well versed in the security printing field, testified that to his knowledge this action was unprecedented in the history of security printing.

It is a matter of public information that Harry Dexter White transferred from his position as Assistant to the Secre tary of the Treasury to the position of Executive Director for the United States in the International Monetary Fund on Jan. 23, 1946. Shortly prior thereto, V. Frank Coe trans ferred from his position in the Foreign Economic Administra tion to the Treasury Department as Director of the Division

of Monetary Research, formerly held by White. White became the first Executive Director for the United States of the International Monetary Fund and was responsible in framing a great portion of its policies and procedures. Coe succeeded White as Executive Director for the United States of the International Monetary Fund. Here was a crisscross of the operations of the Soviet espionage ring whereby both of these men were placed in new positions whereby they could become indoctrinated in other policies and procedures and carry with them the experience and information gleaned in the old. It was in effect a continued schooling and an expansion of the Soviet position of influence through its espionage ring without surrendering the old positions of advantage.

Harry Dexter White had gone a step higher in the top echelon of the policy-making group of our Government in international affairs. His position of influence and pressure was thereby enhanced. His opportunities to injure the United States and to advance Russia were strengthened and increased.

The staff of the subcommittee has researched the legislative history of the printing and issuance of our currency. It appears that in various sections of title 31 of the United States Code, legislative authority is granted for the printing of various denominations of notes and other securities of the United States.

In addition, title 31, section 415, United States Code, specifically provides that all printing of Government obligations and securities is to be performed by the Treasury Department in the Bureau of Engraving and Printing; provided, however, that the same can be done there as cheaply as elsewhere.

The Secretary of the Treasury has authority under section 427 to provide for rules and regulations dealing with the preparation and issuance of obligations of the United States.

Title 18, section 8, United States Code, defines the term "obligations" or other security of the United States. Accordingly, the provisions of title 18 and title 31, United States Code, are not applicable to military-occupation currency.

Research did not develop any legislation either specifically authorizing the action of the Secretary of the Treasury in the delivery of the printing plates to the Russian Government, or a prohibition in that regard. Apparently no such surrender of our plates was even remotely envisioned.

Research was conducted on the constitutional powers of the legislative and executive branches of the Government. The legislative branch has specific power to coin money, raise and support armies, make rules for the Government's land and naval forces and to make laws for the carrying into execution such powers. These powers are set forth in Article II, section 8, of the Constitution. These powers appear to be specific and without limitation.

The powers of the President as the Chief Executive of the Nation are set forth in Article II of the Constitution. The only power which seems related to the authority of our armies to issue occupation currency stems from the general authority of the President as Commander in Chief of the Army and Navy of the United States.

Accordingly, title 18, section 8, United States Code, should be amended to include within the definition of "obligation or other security of the United States" descriptive language sufficient to embrace occupation currency. Such amendment would be omnibus in nature in that all of the provisions of the laws of the United States, including but not limited to those set forth in titles 18 and 31 of the United States Code, would thereby become applicable to occupation currency with the same forces and effect as those laws are applicable to currency and other obligations of the United States.

SUMMARY OF TESTIMONY—

The subcommittee deems it material to set forth a summary of the testimony of each of these witnesses.

I. Alvin W. Hall, Director of the Bureau of Engraving and Printing, Department of the Treasury, testified substantially as follows:

(1) That he has been Director of the Bureau of Engraving and Printing since 1924 and as such was associated with the project of delivering negatives and positives of AMM [Allied military mark] printing plates to Russia.

(2) That the Bureau of Engraving and Printing opposed the delivery of the plates to Russia, mainly on the basis of lack of control over the issuance of the currency and accountability by the Russian Government and because of the unprecedented nature of the requests.

(3) That to his knowledge there has never before been an instance in history where a sovereign government has given currency plates to another government.

(4) That facilities were available in this country to print a sufficient quantity of AMM for the use of the Russian Government under conditions where safeguarding records could be kept.

(5) That he was instructed by the Secretary of the Treasury on April 14, 1944, to give the Russians the printing plates; that we then gave the Russian Government positives and negatives of the printing plates plus full and complete information concerning production of the notes, including paper specifications and formulas for the ink, dry colors, oils, vehicles, and specimens of the notes themselves and specimens of the type face used for numbering the notes.

(6) That the negatives, positives and specifications for the plates were delivered to the Russian Embassy in an Army truck and that it was considered a military secret, thus avoiding any public notice of the transaction.

II. Daniel W. Bell, former Under Secretary of the Treasury, testified substantially as follows:

(1) That Harry Dexter White, assistant to Secretary Morgenthau, participated in practically all of the negotiations concerning the printing plates and that, policywise, the negotiations fell within the primary jurisdiction of Mr. White.

(2) That Harry Dexter White reported directly to the Secretary of the Treasury who had a high regard for his judgment and advice.

(3) That Bell opposed turning the plates over to the Soviet Government and that he concurred in the views of Alvin W. Hall in discussions with the Secretary of the Treasury.

(4) That a cable was drafted for dispatch to the Soviet Government listing objections largely set out by Alvin W. Hall as to why this Government could not comply with the Soviet demand for the printing plates and that this cable was not approved and not sent.

(5) That Harry Dexter White did everything he could to keep the negotiations open for further consideration.

(6) That the French and British Governments did not receive printing plates from this Government and made no requests for them.

III. Elizabeth Bentley, former Russian espionage courier, testified at follows:

(1) That in 1943 and 1944, her activities were principally those of an espionage courier, delivering instructions from high-level espionage agents to various spy rings and individuals engaged in the same function.

(2) That she also collected information which she turned over to her Russian contact who relayed it to Moscow.

(3) That in late 1943 or early 1944 she received instructions from her Russian espionage superior to have Nathan Gregory Silvermaster and William Ludwig Ullmann obtain samples of AMM occupation currency through Harry Dexter White.

(4) That William Ludwig Ullmann obtained samples of this currency from Harry Dexter White and gave them to her, which she in turn gave to her Russian contact.

(5) That her Russian superior returned the notes to her and he advised he could not successfully photograph them for counterfeiting purposes.

(6) That on instructions from her Russian contact, she orally notified Nathan Gregory Silvermaster and told him that he must put pressure on Harry Dexter White to arrange to have the AMM printing plates made available to Russia on an official basis.

(7) That she reiterated these instructions to Silvermaster on subsequent trips to Washington, D. C.

(8) That Nathan Gregory Silvermaster was head of a spy ring in Washington, D. C., and that William Ludwig Ullmann and V. Frank Coe were members of the Silvermaster ring and that Harold Glasser and Harry Dexter White were espionage agents.

IV. Nathan Gregory Silvermaster testified as follows:

(1) That in 1943 and 1944 he was a Government employe and was acquainted with Harry Dexter White, Harold Glasser, V. Frank Coe and that he resided with William Ludwig Ullmann.

(2) That he was born in Odessa, Russia.

(3) That he sought refuge in the protection afforded him by the Fifth Amendment and refused to answer questions regarding his part in the printing-plate transaction and his espionage activities.

V. William Ludwig Ullmann testified as follows:

(1) That he was employed in the Treasury Department from 1939 to 1947 with the exception of a period when he was in the Army.

(2) That he was acquainted with Harry Dexter White, Harold Glasser, V. Frank Coe, and resided with Nathan Gregory Silvermaster in 1943 and 1944.

(3) That he availed himself of the protection afforded by the Fifth Amendment and refused to answer questions concerning the printing-plate transaction and his Communist and espionage activities.

VI. Harold Glasser testified as follows:

(1) That in 1943 and 1944 he was Assistant Director of the Division of Monetary Research in the Department of the Treasury.

(2) That he was acquainted with Harry Dexter White, Nathan Gregory Silvermaster, V. Frank Coe and William Ludwig Ullmann.

(3) That he participated in discussions regarding various rates of exchange in connection with the occupation of Germany.

(4) That he refused to answer questions regarding his Communist and espionage activities on the grounds of the protection afforded him by the Fifth Amendment.

VII. V. Frank Coe testified as follows:

(1) That he was former Director of the Division of Monetary Research in the Treasury Department.

(2) That he refused to answer questions regarding his Communist and espionage activities on the grounds of the protection afforded him by the Fifth Amendment.

VIII. Howard R. Sacks, Office of the Department Counselor, Department of the Army, and Edward K. Shultz, Chief of the Foreign Financial Affairs Office, Office of the Comptroller of the Army, testified that at one period United States Army finance officers had redeemed, for United States dollars, 255 million dollars in Allied military marks in excess of the amount paid to troops.

FINDINGS—

Upon hearing the testimony of all witnesses and studying the documentary evidence submitted, your subcommittee advises:

1. That the unprecedented act of our Government in actually shipping some of its currency printing plates to the Soviet Union was at least in part, and perhaps primarily, the result of pressure on high officials of our Treasury Department by a Communist spy ring operating within the United States Government;

2. That a graphic analysis of the duplicity of the Russians and a case history of a Communist tactic have been de here, in that at the same time they were conducting matic activities to attain their objectives they were ope underground espionage agents to help accomplish the which they sought to achieve diplomatically;

3. That there was a failure to establish adequate and cient controls regarding the currency printed by the Union from our printing plates as well as the failure to arrangements for any accountability thereof. This fail sulted in the United States Government assuming "a position" of at least 225 million dollars in Allied m marks, not appropriated for by Congress.

4. That there is no legislation either specifically au ing or prohibiting the delivery of printing plates to a f government for use in printing occupation currency l Armed Forces.

CONCLUSIONS—

This particular operation clearly indicates the need tighter security in all the free capitals of the world cause of freedom and the peace of the world is not jeopardized by the infiltration of Communist agents int level positions in our Government and that of friendly n where they directly influence decisions to the direct tage of Soviet imperialistic Communism.

RECOMMENDATIONS—

1. It is recommended that title 18, section 8, United Code be amended by adding additional language to th nition contained in that section of the term "obligat other security of the United States" sufficient to include such term, military currency, occupation currency, bills, certificates of indebtedness and other instrume exchange or indebtedness issued by the Armed Forces United States.

2. It is recommended that as a precautionary measu appropriate committee of Congress should make a st the transactions engaged in by International Monetary while Harry Dexter White and Virginius Frank Coe connected with it in influential capacities, to det whether actions were taken injurious to the best inter the United States which can now be corrected in view conspiratorial connections of these two faithless Ame

3. It is our understanding that under President Eise er, all new appointees to Federal positions or to serv American representatives on any of our international missions or United Nations posts are first given a fu complete check by the Federal Bureau of Investigation recommended that, in addition to making a comple curity check on all such new appointees before the office, that the Federal Bureau of Investigation should thorized and requested to complete a full security chec all present federal employes, especially those in an connected with such important security, solvency and preserving services as the Treasury Department, the Department, the Foreign Service, the various intern commissions and officers, and all positions connected w maintenance and development of our national d establishments.

4. Our humiliating and hazardous experience wit like Hiss, White, Coe, Glasser, Silvermaster, Ullman others should serve to warn all Americans, before it late, that eternal vigilance is still the price of liberty may never know the full extent of the direct and i costs to the American taxpayer growing out of the transfer of our monetary plates to Communist Russia. we learn the proper lessons from past experiences lik we can fortify the cause of freedom both at home and to the end that traitors and spies may never again tyranny while posing as the servants of good governm

THE NAKED CAPITALIST

by

W. Cleon Skousen

7th Printing, 1971

WHO IS TRYING TO TAKE OVER THE WORLD?

"I think the Communist conspiracy is merely a branch of a much bigger conspiracy!"

The above statement was made to this reviewer several years ago by Dr. Bella Dodd, a former member of the National Committee of the U. S. Communist Party.

Perhaps this is an appropriate introduction to a review of Dr. Carroll Quigley's book, *Tragedy And Hope.*

Dr. Dodd said she first became aware of some mysterious super-leadership right after World War II when the U. S. Communist Party had difficulty getting instructions from Moscow on several vital matters requiring immediate attention. The American Communist hierarchy was told that any time they had an emergency of this kind they should contact any one of three designated persons at the Waldorf Towers. Dr. Dodd noted that whenever the Party obtained instructions from any of these three men, Moscow always ratified them.

What puzzled Dr. Dodd was the fact that not one of these three contacts was a Russian. Nor were any of them Communists. In fact, all three were extremely wealthy American capitalists!

Dr. Dodd said, "I would certainly like to find out who is really running things."

This reviewer had also observed a number of strange developments which seemed to point to a conspiratorial control center higher and stronger than either Moscow or Peiping. For example, when Harry Dexter White (Under-Secretary of the U. S. Treasury during World War

DR. BELLA DODD

II) was discovered by the FBI to be a Soviet agent, the White House was immediately informed. But instead of being fired or arrested, Harry Dexter White was appointed as the new Executive Director of the U. S. Mission to the International Monetary Fund of the United Nations. He was also given a substantial increase in salary. J. Edgar Hoover was amazed. Attorney General Herbert Brownell, Jr. stated publicly that President Truman knew White was a Soviet spy when he made the appointment. (Quigley, *Tragedy And Hope,* p. 991)

Why would men in charge of the world's massive financial problems want an exposed Soviet agent such as Harry Dexter White to occupy such a highly important position in the World Bank? And why in the name of common sense would the President of the United States approve of such a thing? I heard both Congressmen and intelligence officers quizzically exclaiming, "What's going on?"

It was not long after this that the former chairman of the Federal Reserve Board began advocating economic aid and comfort to Communist China. His speech was all the more shocking because the American people had just been jolted by a Congressional hearing in which it had been shown with sworn testimony that the U. S. State Department had either recklessly allowed or deliberately propelled six hundred million Chinese allies into the grip of the Communist Chinese leaders. Nevertheless, here was this American capitalist (and former chairman of the Federal Reserve Board) telling a large meeting (where the reviewer was present) that the United States should immediately undertake extensive trade with Red China. Said he, "We never fight the people we trade with." I thought to myself, "Well, we certainly had to fight Japan in spite of all the oil and scrap iron we sold her just before World War II." It did not seem possible that this famous international banker would have forgotten such an elementary lesson

Rep. Wright Patman leads foray on Fed as head of Joint Economic Committee.

Foreign witnesses—Alan Day of London School of Economics (left), Jurg Niehans of University of Zurich, Ettore Lolli of Rome bank—are called to score a point.

THE MARKETS

Congress' guns turn on Fed

Easy money group led by Patman launches subtle attack on Fed policies through committee hearings and leaking of secret deliberations of Open Market Committee

Talk of a tax cut faded this week (page 31) and, with it, the threat of a new round of tighter money. To celebrate, bond prices staged a modest little rally, and interest rates fell.

But the passing of the sinking spell in bonds did little to silence easy money enthusiasts in Congress who regard low interest rates as gospel and the policies of Federal Reserve Chmn. William McC. Martin, Jr., as heresy. Fed policy has been "easy" for two years, but a small group of Democrats stoutly insists that high interest rates are hurting economic recovery. They attack the idea that higher rates are necessary to protect against short-term dollar outflows and drains on the U. S. gold stock.

The leader of this group is a doughty Democrat from East Texas, Rep. Wright Patman (picture above, left). Patman is current chairman of the Joint Economic Committee (he alternates with Sen. Paul Douglas (D-Ill.) when the Democrats control Congress), and next year he is expected to succeed to the far more powerful position of chairman of the House Banking & Currency Committee, which has jurisdiction over the Fed.

Preview. This week Patman, Douglas, Sen. William Proxmire (D-Wis.), and Rep. Henry Reuss (D-Wis.)—all JEC members—gave a preview of what's in store for the Fed in the 88th Congress.

At hearings before the JEC—called officially to inquire into the state of the economy and the pros and cons of a tax cut—the easy money group launched a subtle attack on both the policies and the institution of the Fed.

Foreign visitors. A group of three foreign economists and bankers testifying on special invitation from the committee—Alan C. L. Day of the London School of Economics, Ettore Lolli of Rome's Banca Nazionale del Lavoro, and Jurg Niehans of the University of Zurich (picture above, right)—all recommended, with only minor variations, that the U. S. government issue gold-guaranteed certificates to foreign central banks.

The foreigners would not go along with Patman's plea for low rates. But the theory behind the gold proposal, which set off sharp protests within the Fed and on Wall Street, is that if foreigners were completely protected from any threat of U. S devaluation, their objections to building up dollar balances would be minimized. Thus, drains on the U. S. gold stock would drop, and U. S. interest rates would no longer have to be held at as high levels to protect the dollar as would be required otherwise.

Dear diary. Far less obvious—but over the long run infinitely more significant—was the leaking to the press of a 100-page summary of the secret deliberations in 1960 of the Federal Open Market Committee, which has responsibility for day-to-day Fed policy in the buying and selling of government securities. The full minutes of the FOMC for 1960 were supplied to the JEC "on a strictly confidential basis" over a year ago, and Fed officials are muttering "double cross" now that the behind-the-scenes work of the FOMC has been exposed to public view for the first time.

Actually, there's little in the summary to give comfort to advocates of low money rates. Fed officials—in particular Martin, Alfred Hayes, president of the Federal Reserve

Bank of New York, and Robert G. Rouse, his top policymaking lieutenant—emerge as quite willing to experiment with new policy to meet changing economic conditions.

However, the very nature of the FOMC's work demands privacy, and there's little question in the financial community that periodic public scrutiny, even at a comfortable distance, could weaken what Patman likes to call "the most powerful group on earth."

Curiosity. If nothing else, the FOMC minutes have sparked some curiosity about one of the Fed's key policy arms.

The membership of the Federal Open Market Committee is set by law—the seven members of the Federal Reserve Board, and five of the 12 presidents of the regional Federal Reserve banks. The bank presidents rotate regularly in their committee assignments, except for the president of the New York Fed (which carries out FOMC policy), who by law is the permanent vice-chairman of the committee. Martin is the chairman.

However, the base of the FOMC is far broader than this description might suggest. Though only five of 12 Fed banks have a vote at any one time, all 12 presidents, usually accompanied by their top economic advisers, come to Washington every three weeks for FOMC meetings.

Allan Sproul, former president of the New York Fed and violent critic of those who would reduce the FOMC's functions, describes the committee this way: "The Federal Open Market Committee has become the heart of the Federal Reserve System . . . It observes the cardinal principle of central banking that those who determine monetary policy should not only coordinate their actions with the general economic policies of the government, but also should have direct contact with the private money market—a contact that comes from living in the market, operating in the market, knowing the people in the market, and being able to feel the pulse of the market by hand from day to day, and not by random telephone calls or by reviewing cold statistics."

As its name implies, the FOMC is concerned with Fed operations in the open market—the daily buying and selling of government securities in order to adjust the reserves of the banking system.

Diary of decision. The JEC chose well when it asked the Fed for the minutes of the FOMC during 1960. It was a crucial year in the history of the Fed, and of the economy as well.

As the year opened, business was running full blast, in the first surge of recovery after settlement of the long 1959 steel strike. The Fed was pursuing a policy of extreme restriction, and interest rates were at their highest levels since 1929.

But policy shifted toward easier money almost at once, net borrowed reserves of the banking system—one of the best indicators of the impact of FOMC actions—moved rapidly toward the vanishing point, and the discount rate was twice reduced before the year was out.

Even more important, after the gold crisis in 1960 the Fed finally abandoned its cherished policy of "bills only," of confining its open market operations to the shortest-term, most readily marketable government securities.

Behind the scenes. On the surface, it appears that Fed policy went through a smooth transition from restriction toward ease throughout the year. Behind the scenes, though, the progression was anything but that.

In January, the talk at the FOMC was of tightening credit, and there was even discussion of a possible increase in the discount rate from 4% to 4½%. Martin, however, held off, citing the attitude of then Treasury Secy. Robert B. Anderson.

The committee followed Martin's view, but within a month all talk of an increase had disappeared. Instead, the discussions centered on the desire for greater ease, with the Washington contingent in favor, but the Fed bank presidents from around the country opposed. The shift came in March.

During this period, and later in the year, committee members displayed impatience and frustration at not being able to achieve what they had set out to do. For instance, at the March meeting Rouse—as manager of open market operations—was criticized for permitting credit to tighten more than the committee desired.

The committee moved toward ease during the spring of 1960, but it did not become convinced of the onset of a recession until July. By that time, the mounting outflow of gold stirred the belief that short-term interest rates, at least, must be kept from falling too far, lest more attractive yields abroad stimulate a further flight of gold.

Martin, returning from a summer vacation in Europe, said he did not think the Fed wanted to ease credit too much, in the light of the gold flow, "for the sake of a few kudos from the easy money people who were not going to be friendly in any event." **End**

Chmn. Martin of Federal Reserve says he'll pass Rep. Patman's ideas along.

Alfred Hayes, of New York, is vice-chairman of Open Market Committee.

Robert G. Rouse testified as manager of the Fed's open market account.

On open market operations

Don't nudge too far, Fed warns Kennedy

William McC. Martin and other Fed officials tell Congress they must reserve independence of action despite Administration ideas about level of interest rates

The nation's money managers are cooperating with the Administration in Operation Nudge—the plan to reduce long-term interest rates while holding short-term rates stable. But they make plain that there are limits to their cooperation.

A polite warning was voiced during two days of testimony by Federal Reserve Chmn. William McC. Martin and other officials of the Fed's 12-man Open Market Committee (pictures) before the Joint Economic Committee of Congress last week. The Fed's policymakers have serious reservations about Pres. Kennedy's recent call for a continuing decline in interest rates. They left no doubt that if the economy continues to recover, the present easy-money policy geared to Operation Nudge would be junked.

First opportunity. The extraordinary sessions, called by Rep. Wright Patman (D-Tex.), this year's chairman, ostensibly were to discuss the Fed's 1960 annual report, but they had been billed as a wide-ranging examination of the Fed's policies during the late recession and the gold outflow period.

It was the legislators' first opportunity to question Martin since the change of administration and the Fed's own decision to abandon its "bills only" policy, which Martin himself had long favored.

Axiomatic. "If business rises, interest rates rise; if business remains stable, the rates are stable; if business declines, interest rates decline," Martin said, reciting a central banking axiom. He stressed that he was not forecasting a rise now; he also emphasized the dangers of inflation that would exist in "artificially low rates."

Martin said open market operations could mitigate the expected rise but not reverse it. His testimony on this point was brought out by committee members in seeking his reaction to the following passage from Pres. Kennedy's message to Congress on May 25:

"The full financial influence of the government must continue to be exerted in the direction of general credit ease and further monetary growth while the economy is recovering. Some further downward adjustments in interest rates, particularly those which have been slow to adjust in the recent recession, are clearly desirable; and certainly to increase them would choke off recovery."

Martin replied that the Open Market Committee carefully considers anything that the President says, that it welcomes his views, but that forecasting must consider many imponderables. He said the committee's obligation is to supply reserves to the banking system—not to fix a particular level of interest rates.

Effect of operation. The Fed's Open Market Committee (composed of all seven members of the Fed board in Washington and five of the Fed's 12 regional bank presidents) oversees the Fed's portfolio of government securities. This gives it a major influence over the nation's money supply—and the level of interest rates. When it buys, it adds to the reserves of the banking system, thus helps to lower interest rates; when it sells, it shrinks the reserve base, which tends to drive rates up.

From 1953 until late last year, the Open Market Committee followed a "bills only" policy of dealing solely in 91-day Treasury bills. This was abandoned just before the November election; since then, the Fed has also been trading in intermediate and long-term securities. In effect, it has been using its powers to reduce long-term rates while holding short-term rates on an even keel.

On the spot. Patman pressed Martin to say specifically what he proposes to do about the Kennedy statement. Martin said he would see that every member of the Open Market

Committee gets a copy of the President's statement. He observed that Kennedy's ideas would be considered "in the light of all the circumstances," adding: "I want interest rates to be related to the flow of money into the economy."

Martin affirmed his belief in "as low interest rates as you can have without inflationary pressures." But he stressed that the Fed would not "peg" interest rates at any given level—something that the Administration has not suggested—and warned of the inflationary perils in using bank credit instead of savings in financing economic growth.

Points of difference. The careful wording of Martin's reply, and his purposeful omission of any explicit endorsement of Kennedy's stated low-interest-rate goals, underlined his differences with Administration policies. Martin is clearly reserving to himself a degree of independence about Federal Reserve policy over the next few months, while the vigor of the business upturn is being tested. There's an implication that he will leave if the Administration puts too much pressure on him.

The big problem the Fed has to deal with as a central bank, Martin said, is establishing an "equilibrating" interest rate—one that provides for savings as well as bank credit. "By and large, we have not done too bad a job in keeping in the middle of this money stream," he commented.

He said that the economy, partly because of the influences exerted by the Open Market Committee, has been experiencing a period of credit ease for more than a year. To prove his point, he cited a shift in bank reserves from minus $500-million to plus $500-million.

When Rep. Henry S. Reuss (D-Wis.) sought to establish a relationship between high unemployment and low bank reserves, Martin commented, "I think it is a mistake to claim that interest-rate policy alone will cure unemployment."

Public posting. Patman pressed Martin and other Fed officials to reveal Open Market Committee decisions at the time they are made, instead of many months later in the Federal Reserve's annual report.

He maintained that "sophisticated" Wall Street bond traders could quickly determine Open Market Committee decisions by close observation of the government bond market, thus had the opportunity for personal profit. He also raised the question of a similar opportunity for "insiders" who participate in Open Market Committee operations, but hastily added that he knew of no actual occurrences.

Alfred Hayes (picture), president of the New York Federal Reserve Bank and vice-chairman of the Open Market Committee; Robert G. Rouse (picture), manager of the Open Market account, and Martin himself all politely rejected the idea. Committee members, Rouse said, are "dedicated persons" working in the public interest; employees are aware of a code of ethics calling for instant dismissal for speculative use of information.

The officials warned that immediate disclosure of the committee's operating policy would incite unwanted speculation in the government bond market, and in some instances would seriously disrupt the Federal Reserve's operations.

Patman won a concession when Martin promised to convey his request for the 1960 minutes of the Open Market Committee, and Patman said he would not press his demand until after the committee's next meeting.

Martin also said he would lay before the committee Patman's request for reports on open market decisions every three months, instead of annually as at present.

Political flavor. Republicans virtually boycotted the hearings. Sen. Prescott Bush (R-Conn.) chose one of his intermittent appearances to question Patman closely about his advocacy of immediate publicity for open market operating decisions. At one time or another, one or two Republicans were present, but they asked few questions.

Democrats attended fairly regularly, with the notable exception of Sen. Paul H. Douglas (D-Ill.), the group's vice-chairman, who alternates with Patman as chairman during Democratic control of Congress. Douglas, a former professional economist, has often disagreed with Patman's views on money and banking.

The most persistent questioning came from Patman and Reuss, with some support from Sen. William Proxmire (D-Wis.). Their line of inquiry clearly demonstrated their political convictions in favor of utilizing the Open Market Committee to push interest rates down.

At times, their view clashed markedly with that of the money managers, but the exchanges were polite and, in most instances, ended with a promise by the witnesses to pass the legislators' views along.

At other times, it seemed as if the legislators and the Fed officials were talking about two entirely different conceptions of open market operations—how they are performed, what they accomplish, and what their goals are.

Rep. Wright Patman (on dais under picture) conducted committee hearings.

Numismatic News From Washington

By EDWARD L. WEIKERT, JR.

Silver has been the basic unit of account for many centuries throughcut the world. Silver has always been regarded as money in the United States. In 1796 gold came into circulation in this country. Then gold and silver circulated at a parity on a ratio of approximately 16 to 1 from the early days of the nation up until about 1873. At one time, under the administration of Andrew Jackson, the silver dollar was more valuable in terms of property than was the gold dollar. A slight adjustment was made during Andrew Jackson's administration seeking to bring the two species of money, the gold dollar and the silver dollar, to a parity. That was done. Two acts of Congress were passed during Jackson's administration in the effort to bring about the adjustment. Thereafter gold dollars and silver dollars circulated on a parity at a ratio of about 16 to 1 until 1873, when silver was demonetized as money. Silver continued, however, to be recognized as a form of money from that time until the present.

For many years, in our Congress, the issue over money was very acute. Many bills were passed seeking to revitalize and remonetize silver. Silver acts were passed providing for the purchase of silver and the coining of silver into money. In 1900, Congress passed what is known as the present Gold Standard Act, but, notwithstanding the enactment of that act, silver was then in circulation, and silver has continued to be in circulation ever since the enactment of the so-called gold-standard law of 1900.

The fact is that as silver was acquired by the Government the Treasury Department issued silver certificates against such silver, and those certificates were placed in circulation. Back in February, 1933, according to a statement issued by the Treasury Department at that time, we had, of standard silver dollars, $540,007,703 and we had silver certificates in the sum of $482,682,100. Of course, as the silver dollars accumulated in the Treasury, the Secretary of the Treasury in turn issued certificates against them and kept those certificates in constant circulation. As a result of this policy, we have increased the amount of our silver certificates in circulation from the amount just stated of approximately half a billion dollars until April, 1940. We now have silver certificates in circulation to the amount of $1,618,697,732.

Why are the bankers and the Federal Reserve System against silver? The answer is plain. As we get silver and issue Treasury certificates against it, the banks get no interest on that money. The silver is received by the Treasury. The Treasury prints paper money and circulates the paper. It does not necessarily go through the Federal Reserve banks; and neither the Federal Reserve banks nor any other banks, for that matter, get any interest whatever on a silver certificate. The banks do not like that. To the extent that we place in circulation permanent money on which they get no interest, their interest money goes out of circulation. It goes out of existence. If we could put into circulation four, five or six billion dollars of silver certificates or United States notes, there would be little, if any, occasion for

any Federal Reserve notes; and if there were no Federal Reserve notes, the Federal Reserve System, as a system, would fold up and collapse for want of revenue to support the system.

The Federal Reserve System is maintained through interest on the notes it issues, and through the loans it makes; and if we eliminate the Federal Reserve notes, we eliminate the interest the Federal Reserve banks get on these notes. So, to the extent that we have issued silver certificates, we have driven out of circulation Federal Reserve notes; and to the extent we have done that we have diminished the interest which the Federal Reserve banks receive, and which the big banks of the nation receive. So the banks of the Federal Reserve System are against silver. They are against United States notes. They would be against gold certificates. They would like to see gold, theoretically, come back into circulation, because they know it would not actually circulate. It would be in circulation for them to keep in their vaults and to have in reserve, and probably no gold certificates would be issued against it; so they would be for gold coins coming back into circulation, but they are against silver coming into circulation, because silver and silver coins are not now held to be a satisfactory reserve.

In the days of Lincoln, when United States notes were first issued, they had to be issued because there was nothing else to use for money. Gold and silver were hoarded by the citizens of the country. We had to have money; and the so-called Lincoln greenbacks were printed and circulated with which to finance the Civil War. After the war was over, and the country got back on its feet again, and taxes began to come in, the Department of the Treasury began to retire the so-called greenbacks. As the greenbacks were retired, money became scarcer; and as money became scarcer, money became dearer; and as money became dearer, prices began to fall. The Congress in those days was wise enough to understand at least something about the money question; and when Congress saw money becoming scarce, and prices beginning to fall, it passed a law which provided that from the date of its enactment the greenbacks should not be retired.

That law did not have the full effect desired. Congress passed a law providing that the greenbacks could not be retired, but still the banks collected the greenbacks and would not put them in circulation; so the Congress passed a second law providing that not only should the greenbacks not be retired, but when they should be paid into the Treasury for any purpose whatever they should not then be canceled, but should be placed back in circulation, and kept in constant circulation. From that day until this not a single dollar in greenbacks has been canceled, and the law now is that the greenbacks shall be kept in circulation.

● An American soldier, digging for fishing worms in Denmark, uncovered a box containing some 10 pounds of German paper money of the period 1907-23. It totaled 150,509,700 marks!

THANKS TO . . .

W. G. Couch, A. P. Bertschy, Ed Gengler, Don Lacey, William Hoppe, Dr. L. Churney for newspaper and magazine clippings.

Numismatic News From Washington

By EDWARD L. WEIKERT, JR.

Gold and Convertible Currency

Gold is the oldest and only generally accepted money known to mankind. God made gold before he made man and money changers. Gold is mentioned in the 12th verse of the second chapter of Genesis. From gold's origin told us in the Bible and history, there is every reason for gold's value in the minds of men. Gold was given to us and has been used as a measure of wealth and for protection against governments. Because man accepted God's gift of gold there has always been comparison of other values to it.

Gold is honest and is trusted by all the world as the basis of exchange and measure of currency value not even approached by any other thing. Gold is rightly regarded as better security than paper promises, notes, and currency issued by governments. Gold is a commodity in unfailing demand, with wide acceptibility. It exists in sufficient quantities to meet exchange needs, but it is not so abundant as to lose its desirability; it is so durable it will not lose its exchange power through decay or deterioration; it can be divided into small units and used in transactions involving small or large amounts; it is homogenous, and all parts or units have a uniform value and can be equally divided; it can be transported and is easily recognized; it has value stability so when contracts are made involving future payment of money, both parties can have reasonable assurance that payments made in the future in gold will have the same absolute and relative position at the end of the contract as at the beginning.

So, it is no accident that gold alone for more than 5,000 years has possessed and still possesses more completely than any other commodity all characteristics of sound currency. Through the centuries no other medium has been found which as completely fits all monetary standards demanded by the world.

History records that, since the beginning of civilization, the nation possessing, at any given period, the greatest gold stock, if it has used that gold as hard money and in trade, during that period, always led the rest of the world in progress, achievement and advancement. Chronologically, Portugal, Spain, Holland, France, and after the Napoleonic Wars, England, each in turn enjoyed great leadership while each had used gold.

To restore convertibility, the first need is the will to do it. An American statesman, after the Civil War, discussing a return to gold convertis is to resume." In the present environment the way to make currencies viroment the way to make currencies convertible is to make them convertible. A return to free convertibility will create stability for our economy. First, it will hold to a large degree the economic gains our nation has achieved; second, it will prevent a further decline in our dollar and our savings, and when this is done the purchasing power of the dollar will become greater; third, it will take away from modern money managers, politicians, and bureaucrats the power to tax us in hidden ways by the use of irredeemable paper money and credit; fourth, it will help us to cut and control the expenditures of all branches of our Government; and fifth, it will expedite all trade. Moreover, if, as, and when our American dollar is stabilized, made fully convertible into gold, the example will help the rest of the world to stabilize its currencies, to stop further debasement, and allow us to retain our constructive American influences. We can have peace, trade, and real prosperity. We can replace the hidden seizure of goods during the war through inflation by orderly processes if each and every one of us insists upon hard money and sound currency.

In modern times currency debasement means that people involuntarily gave their gold to the Government in exchange for paper money and a lot of promises. This happened to us. Some may ask how and when was our currency debased. This is what happened:

(1) On March 6, 1933, the President proclaimed the banking holiday and authorized gold to be used during that period only under license. The Treasurer of the United States was prohibited from making payments in gold during that period unless licensed to do so by the Secretary of the Treasury.

(2) On March 9, 1933, by an Act of Congress, all people were required to deliver their gold to the United States Treasury.

(3) On March 10, 1933, the exportation of gold was prohibited except as authorized by the Secretary of the Treasury.

(4) On April 5, 1933, the President issued an order forbidding the holding of gold coins, gold bullion, and gold certificates with a few minor exceptions.

(5) On May 12, 1933, provision was made for fiat money, devaluation of the dollar, and for a variety of other forms of currency depreciation. All newly created paper money was declared full legal tender for all debts, and the President was authorized to alter the weight of the gold and silver dollar by proclamation with the provision that he could not reduce it more than 50 per cent.

(6) By Public Resolution No. 10, approved June 10, 1933, all gold clauses in contracts were abrogated. In fact, gold clauses in contracts were declared to be against public policy.

(7) On August 28, 1933, another order was issued requiring the people to relinquish their gold.

(8) On August 29, 1933, the sale of gold to the arts and industry was restricted and regulated; and finally

(9) On January 30, 1934, the Gold Reserve Act of 1934 was approved by the President. It required the President to fix the weight of the gold dollar at not more than 60 per cent and not less than 50 per cent of the then existing weight. On January 31, 1934, the President devalued the gold dollar by approximately 41 per cent.

THANKS TO . . .

Herbert R. Grossman, S. H. Lloyd, Harold Klein, Don Lacey, Earl C. Brown, Ed Schuman, Jack Heuser, Bill De Rade, W. L. Gates, Ed Gengler, Ray Skrentny, Gordon Vanson for newspaper and magazine clippings.

If Your Letter Was Returned

To those who answered the adv. of Lee T. Long, page 994, August and had them returned: His correct address is "4806 E. Washington, Indianapolis," not "4006" as printed. Sorry!

fulfillment of the conditions laid down by the Soviets. He expresses the idea succinctly in his interview with Radek on the topic of Bolshevik propaganda in the U.S.A., published in his *Present Day Russia* (p.123). He pointed out that Communist propaganda could not make headway against the high wages and the automobiles of the American workers; but better results could be expected if there were depression and trouble in the land.

It was not long before the conditions for which Lee wished, were brought about. The stock-market crash of 1929 was skillfully engineered by huge withdrawals of gold from the Treasury. The first shipment of gold, by the Chase National Bank to France, preceding the break, was reported to be $500,000,000 in gold bars, withdrawn at the prevailing rate of $20 an ounce. The Rockefeller-dominated banks reimported it in 1934 and redeemed it at $35 an ounce after they had profited hugely from currency manipulation in France and England and had arranged its revaluation here.

The depression that was such a horror for the country and the capitalist world was an era that was tremendously profitable for the Rockefeller-Soviet Axis, in many directions; and they did their utmost to prolong it and profit from it in the fullest measure. The misery and grinding poverty of the period, as Radek and Ivy Lee had foreseen, turned the unthinking to acceptance of the quack remedy of Marxism and its progressive slavery, that parades as "managed economy", and that was offered them by the Rockefeller-subsidized "social scientists". The relatively unknown consequences of Communism, equal poverty for all except the overlords, that were misrepresented to the people through every avenue of Rockefeller Red propaganda, through numerous agencies and "philanthropies" and later through the Government itself, lured the moronic mob. The mob lacked the intellectual capacity to discern that both the prevailing order and Communist totalitarianism are identical, both of them scarcity economies; that for the rank and file it merely meant jumping from the frying pan of depression and deflation into the fire of war and inflation. It became a simple matter to sell the "peasants" on recognition of the Soviets abroad and a "Popular Front", New Deal, "progressive" dictatorship at home.

to Rest: No 'Greenbacks' Order

necessary executive orders. Truman had given the Secretary of the Treasury authority to investigate silver sales in that paragraph.

EXECUTIVE ORDER 11110
AMENDMENT OF EXECUTIVE ORDER NO. 10289, AS AMENDED, RELATING TO THE PERFORMANCE OF CERTAIN FUNCTIONS AFFECTING THE DEPARTMENT OF THE TREASURY

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, it is ordered as follows:

SECTION 1. Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended—

(a) By adding at the end of paragraph 1 therefore the following subparagraph (j):

"(j) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C. 821 (b)), to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denominations of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption," and

(b) By revoking subparagraphs (b) and (c) of paragraph 2 thereof.

SEC. 2. The amendments made by this Order shall not affect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.

JOHN F. KENNEDY
THE WHITE HOUSE,
June 4, 1963

So there you have it. EO 11110 deals with silver certificates, not greenbacks, not Federal Reserve notes, not an international conspiracy, but simply issuing silver certificates.

JFK used EO 11110 to issue silver certificates.

We're sorry if we squashed any theories, but we're here to tell the truth.

The original Truman EO 10289 has been amended several times since it was originally enacted in 1951. In 1954, for example, Dwight Eisenhower, imposed a tax on anyone in the Canal Zone who dealt narcotics.

Eisenhower also used this money-and-finance executive order to grant the postmaster general authority to print postage stamps.

Kennedy used the EO 11110 to issue silver certificates.

Reagan knocked Kennedy's amendment off the books in 1987 with an executive order aimed at the "Elimination of Unnecessary Executive Orders and Technical Amendments to Others."

As a result, several references were updated and EO 11110 and an original section from EO 10289 dealing with bond regulation were taken off the books.

Some immediate good came from The SPOTLIGHT investigation. Not only were we allowed to warn our readers of phony disinformation making its rounds, but we were able to help the federal government correct history.

Somewhere between the issuance of Truman's original order on September 17, 1951 and the time the government codified this and thousands of other EOs in 1989, an editor changed an 8 to a 3.

Big deal, you say.

With this inadvertent change, the government has erroneously referred to an entirely different law for at least three years—probably longer, possibly as long as 38 years.

Section 1 paragraph (f) of Truman's order EO 10289, refers to "The authority vested in the President by section 4228 of the Revised Statutes . . ."

A government editor, or lawyer, however, changed it to read "The authority vested in the President by section 4223 of the Revised Statutes . . ."

A spokesman for the Office of the Federal Register was pleased to have the mistake pointed out by a SPOTLIGHT editor.

Our Washington sources further advise us: "New money will not be issued next month, Soviet nukes are not in American harbors, and Red Chinese troops are not in Mexico waiting to invade." ●

Hard Economic Truth: Service

Despite all the campaign happy talk, the Bush Recession will deepen, unless drastic changes are made. Here's why.

EXCLUSIVE TO THE SPOTLIGHT

BY DAVID HUDSON

This paper has often stated an obvious economic truth—that services are ancillary to production.

As America lost manufacturing capacity—shoes, autos, electronics, textiles and so much more—to foreign countries in the name of free trade, the countries that acquired our manufacturing capacity understandably sought to provide ancillary services themselves.

He who pays the piper calls the tune. Accounting, legal support, marketing, general administration and other services are now being provided by European, Asian and Latin American firms to manufacturing firms newly located there.

During the Reagan administration and the first 18 months of the Bush administration, a vast borrowing binge sustained service jobs despite the fact that our manufacturing base was eroding. For 10 years, many economists and politicians believed we could get rich by taking in one another's laundry, cutting one another's hair, selling one another insur-

ment was not being made. The result is, no American company makes VCRs, fax machines or TV sets, and American shoemakers make only 15 percent of the shoes Americans wear.

By 1995, General Motors, America's largest automaker, will employ only half the people it employed a decade earlier. Industries that serve the (formerly) "booming service economy," like Xerox and IBM, are likewise "down-sizing." Airlines and banks are down-sizing, merging or simply going out of business. Hotels and office buildings are suffering chronic low occupancy rates and are increasingly going bankrupt as the service economy contracts.

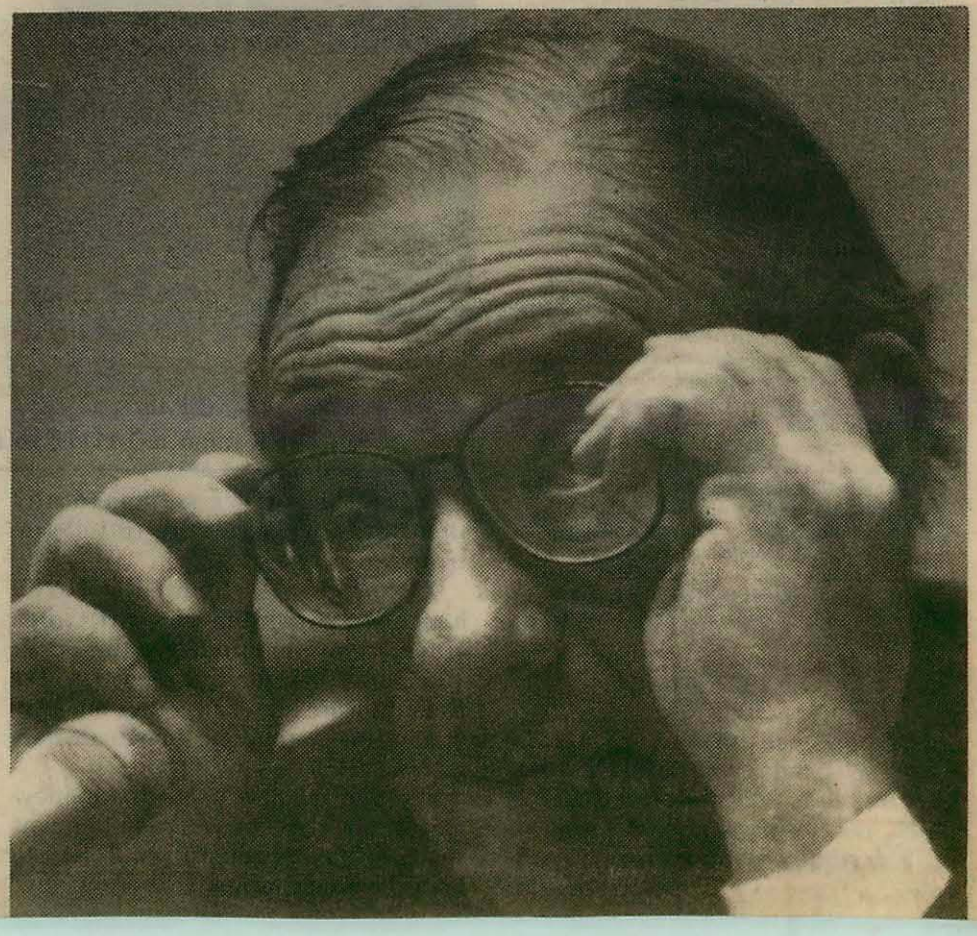
Now, Republican politicians and those economists who believe "wishing will make it so" tell us the current recession is actually much milder than the previous, Reagan Recession (1981-82). Unemployment, as this is written, is 7.3 percent, compared with 10.8 percent in 1982. The 1990-91 decline in production was much less severe than in the previous recession.

The difference is the structural damage done to the American economy during the 12-year Reagan-Bush continuum. Federal Reserve Board Chairman Alan Greenspan, while agreeing the current recession is statistically relatively mild, nonetheless noted that he had not seen so much fear for the future of the economy

class Americans who remained employed and prosperous. It is a commentary on our times that the *Journal* thinks this is front-page news.

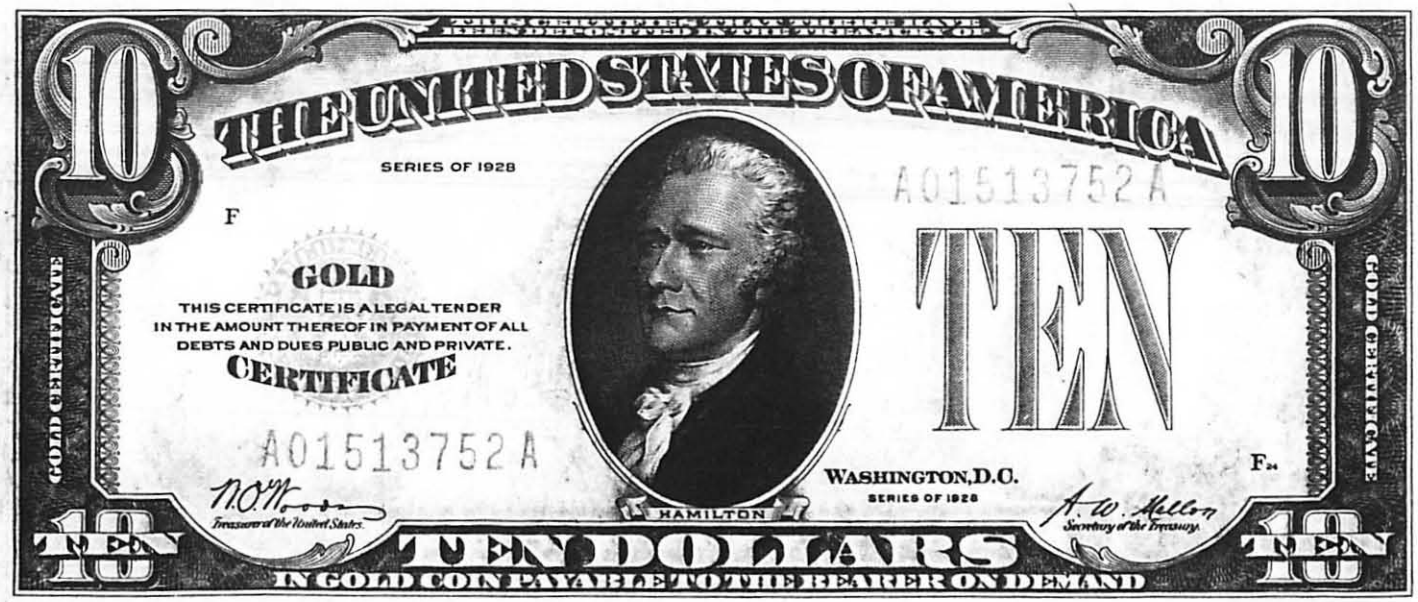
The real point the *Journal* was trying to make was that these people were all cutting back on their spending. It hypocritically applauded their thrift, but then attacked it as deleterious to the economy.

A single 38-year-old woman earning $65,000 per year was concerned about her future prospects. She was officially complimented for no longer



KEY IS IN CHANGE
OF WORDING

BE SHURE TO CHECK TO SEE WHAT SIZE BILL HAS TO BE TO BE PRINTED - BILL SHRUNK TO LEGAL SIZE ARE TO SMALL TO READ -



THE
INTERNATIONAL YEAR BOOK
AND
STATESMEN'S WHO'S WHO
1984

Research

Mervyn O. Pragnell (Countries Section)

Sheila Alcock (Biographies Section)

REAGAN, Ronald. President of U.S.A. *B.* 1911. *Educ.* Eureka, Ill. (AB). *M.* (1) 1940, Jane Wyman (*div*. 1948). *S.* 1. *Dau.* 1. (2) 1952, Nancy Davis. *S.* 1. *Dau.* 1. *Career:* Sports Announcer, WHO, Des Moines 1932–37; Motion Picture and T.V. Actor 1937–66. (Served as Captain, USAAF 1942–43.) Gov. State of California 1967–74; Chmn., Republican Governors' Assn., 1969; Former Member, Screen Actors' Guild (Pres., 1947, 1952, 1959); Mem. Pres. Comm. on CIA Activities within the United States 1975; Candidate for Republican nomination for the Presidency 1976; President U.S.A. 1981—. *Publication:* Where's the Rest of Me? *Films include:* Love is on the Air (1937); Accidents Will Happen (1938); Dark Victory (1939); Brother Rat and a Baby (1940); Santa Fe Trail (1940); International Squadron (1941); Nine Lives Are Not Enough (1941); Kings Row (1941); Desperate Journey (1942); This is the Army (1943); Stallion Road (1947); That Hagen Girl (1947); The Voice of the Turtle (1947); Night Unto Night (1948); Hasty Heart (1949); Louisa (1950); Storm Warning (1951); Hong Kong (1952); Prisoner of War (1954); Law and Order (1954); Tennessee's Partner (1955); Hellcats of the Navy (1957); The Killers (1964). *Address:* The White House, Washington D.C., U.S.A.

BUSH, George Herbert Walker. American politician. *B.* 1924. *Educ.* Phillips Acad., Andover, Mass.; Yale Univ. *M.* 1945, Barbara Pierce. *S.* 4. *Dau.* 1. *Career:* Pilot USNR 1942–45; Co-founder, Dir. Zapata Petroleum Corp. 1953–59; Pres. Zapata Off Shore Co. 1956–64; Chmn. Board 1964–66; Mem. House of Reps. from 7th District of Texas 1966–70; US Perm. Rep. to U.N. 1971–73; Chmn. Republican Nat. Cttee. 1973–74; Head, U.S. Liaison Office, Peking 1974–75; Dir. Central Intelligence Agency 1976–77; Republican candidate of the Vice-Presidency 1980. Vice-President U.S.A. 1981—. *Address:* 111 N. Post Oak Lane, Houston, Texas 77024, U.S.A. *and* The Vice Presidents' House, Washington D. C. 20501, U.S.A.

Old outmoded legislation Kennedy had to deal with, concerning greenbacks issued during the Civil War now called Red Seals!

After the war, there were many arguments for and against the further issuance of Legal Tender notes. Finally, in 1875, Congress passed an act under which the Legal Tenders would be retired and paid in gold by 1879. Later, in 1878, part of this act was cancelled so that the wartime Legal Tender notes were not completely redeemed and abolished, but were to be re-issued with a limit of the value ($346,681,016.) then in circulation. This old outgrown legislation is still with us today.

You are invited to the

FIFTH ANNIVERSARY FAITH PROMISE BANQUET

with the theme
"The Chopstick Challenge"

to be held on

Friday, March 20, 1991

at

6:30 p.m.

in the Fellowship Hall of the

Hillsdale United Brethren Church
128 South Hillsdale Road
Hillsdale, MI 49242

The Oriental theme involks the Oriental food, decor and speaker of the evening to be Chinese in nature.

our speakers will be

weapons with a piece of writing, which says a German warship shall not exceed ten thousand tons. All they did was to stimulate German inventiveness, for under this limitation she had made a sea weapon in ten thousand tons that was probably equal to any 25,000-ton warship in the world. I saw that in 1931 she would be strong enough to dare say officially, 'Reparations are tribute,' which was notice that she was almost strong enough to repudiate them. And I saw that meanwhile, during six years, she had borrowed much more from her enemies than she had paid them as reparations, which meant that she herself had paid no reparations at all. I saw that in 1931 she would be strong enough, without weapons, to threaten the political peace of Europe and strong enough to threaten the economic rhythm of the world by letting loose the full power of her industries and laboratories. There the vision ended. I imagined I had been asleep. It was a dream. What a fabulous dream! And yet all of it has come true."

"It has come true," said the Germans, with not the slightest rift in their gloom. It was deeper than ever. "Such things as you mention are true," they said. "But you are not a German. You cannot imagine what it is like. The situation of Germany is desperate."

What were they thinking of then? Their lost colonies? The French empire? The new French fortifications? Their isolation? The guilt phrase in the Versailles Treaty? You will never know. It may be they were thinking how awkward it was for the stream of American money out of which they had been paying reparations to dry up suddenly. Unless it rises again they may have to decide whether actually to pay something by way of tribute or repudiate reparations before they are quite ready to risk it.

OPERATING THE GOLDEN GOOSE

(POST MORATORIUM)

"The Federal Reserve System has been threatened with raids upon its gold supply by foreign nations, notably by France. There has been that threatening situation, the conjecture—and it is a conjecture—being that that country wanted to affect our situation with respect to reparations and with respect to her indebtedness to the United States. I do not make the assertion. I say that it is conjecture. The officials of the Bank of France have simply outwitted the officials of the Federal Reserve System of this country."

—SENATOR CARTER GLASS, Formerly Secretary of the Treasury, moving in the United States Senate, February 17, 1932, the Glass-Steagall bill, an emergency act to protect the American gold reserve.

To the further education of American credit abroad enter these autumnal sights and experiences, *videlicet:*

1. The gold honor of the American dollar impugned in Europe, where our lending of it had been so prodigal. Our credit impugned by our debtors! And for what reason? For the reason that we had been too free with it; precisely for the reason that our debtors knew they had borrowed too much on poor security.

2. The rationally impossible spectacle of debtor nations raiding the gold reserves of a creditor nation while the

WIN! WIN! WIN!

MONEY

FOR JUST $20 YOU CAN HAVE HUNDREDS OF CHANCES TO WIN CASH PRIZES TOTALING $42,700!

DAILY DRAWINGS OF $25.
MONTHLY DRAWINGS OF $250, $150, $100.
GRAND PRIZES DRAWING TOTALING $6,250!

WINNING HAS NEVER BEEN THIS EASY!

PURCHASE YOUR FRATERNAL ORDER OF POLICE RAFFLE CALENDAR TODAY!!!

DON'T WAIT!
CONTACT YOUR REPRESENTATIVE TODAY!!

ATTENTION

FRATERNAL ORDER OF POLICE
MONEY CALENDARS
NOW ON SALE!

The Fraternal Order of Police sponsors a raffle calendar program that gives the calendar owner a chance to win 3-$25.00 cash drawings 365 days of the year. You also have an opportunity to win 2-$250.00, 1-$150.00, and 1-$100.00 cash prize every month. In December you have the opportunity to win $2,500.00 - $1,500.00 - $1,000.00 - $750.00 - $525.00! A Grand Total of $42,700.00 will be given away! Keep in mind that your calendar number is entered for every drawing -- you are never eliminated. Should you be lucky a check is sent directly to you!

These calendars make good gifts for those people that are hard to buy for and make great Christmas gifts!

The cost of the calendar is only $20.00.

To order your calendar, please fill out the form below and return it to JACK CRAWFORD 1160 RICHARDSON RD.. I will be in to deliver your calendar to you on OWOSSO MICHIGAN 48867 FIRST WEEK IN JULY 1993.

THANKS FOR YOUR SUPPORT!

Jack D. Crawford

NAME: _____

STREET: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____

NUMBER OF CALENDARS_____ X 20.00 = _____

FRATERNAL ORDER OF POLICE
STATE LODGE OF MICHIGAN

Dear Brothers and Sisters:

As a member of the Fraternal Order of Police State Lodge of Michigan, I have participated in their raffle calendar program for the past nine years. This is a fundraiser sponsored by this organization wherein members offer for sale a calendar costing $20.00. When you buy the F.O.P.'s raffle calendar, you have a chance to win your share of $42,700.00 in cash prizes which are given away for each day of the year. In addition to the daily winnings, there are monthly drawings and a Grand Prize at year's end. By spending only 5.4 cents a day, your official F.O.P. calendar number is entered in every raffle drawing -- all 1,143 prize drawings. This year, I have been authorized by the State Lodge of Michigan F.O.P. to afford you the opportunity to join us in selling these calendars to raise funds for your organization.

Your organization can purchase calendars from the F.O.P. for sale or to use as prizes at one of your functions. For every calendar purchased by you, the F.O.P. will donate up to $5.00 per calendar (this amount is dependent upon sales by you of 100 calendars or more -- if sales are less than 100, the return is $3.00 per calendar). Your organization can realize up to a 25% profit! Upon receipt of your payment, the F.O.P. will process your order and forward a check to you. In addition to this, $1.00 per calendar sold will be donated to the District E.P.A. Post of the Boy Scouts of America.

This has been a proven fundraiser for the Michigan F.O.P. It could prove to be an important source of revenue for you! Won't you consider joining us? Your participation will also support Michigan's finest -- the Fraternal Order of Police, a professional and public service organization which represents more than 8,000 of Michigan's law enforcement officers. Our members, in turn, conduct many community service programs where you live and our members work.

Attached is an order form for your use. Please note that the calendars must be paid for when placing the order. The reason for this is to cover the cost of printing, shipping and handling. The calendars will be ready for delivery approximately July 1, 1993.

Jack Crawford

Jack Crawford
1160 Richardson Road
Owosso, MI 48867

FRATERNAL ORDER OF POLICE
STATE LODGE OF MICHIGAN

March 16, 1993

Mr. Jack Crawford
1160 Richardson Road
Owosso, MI 48867

Dear Jack:

RE: Inter-Organizational Calendar Sales

Per our discussions this date, I made contact with the Bureau of State Lottery to obtain answers to our questions. I am pleased to report that we have affirmative responses which will enable us to proceed with the program.

Organizations with non-profit fraternal status in our state such as the Brotherhood of Eagles and the Veterans of Foreign Wars are allowed to purchase our calendars and use them as door prizes or any other such prizes in drawings they choose to conduct within their organizational activities.

In response to the question if these same organizations can sell our calendars directly, the answer is yes. However, it must be kept in mind that individual members cannot profit by the sale of the calendars. We may be restricted in that the F.O.P. would have to make a direct donation to the sponsoring organization such as a local aerie of the Eagles or a V.F.W. post.

It appears, Jack, that we have the "go ahead" with your plans. Please note, however, that we have to have a firm commitment no later than June 1, 1993, in order to place a print order and to allow maximum sales time to the organizations.

Fraternally yours,

Jack Brown, Executive Director
State Lodge of Michigan
Fraternal Order of Police

cd

1640 AXTELL ROAD • STE 200 • TROY, MI 48084-4431 • (313) 649-8777 • FAX (313) 649-8785

War of the poses; Kennedy vs Rockefeller.
D. J. Stewart. Nat R 13:437-8 D 4 '62

War of the poses; Kennedy vs Rockefeller.
D. J. Stewart. Nat R 13:437-8 D 4 '62

1975 Extension

Congress in 1975 extended Ford's Council on Wage and Price Stability for two more years and gave it broader powers to probe business price decisions. The extension measure (S 409—PL 94-78) gave the council authority to force large companies to file reports on prices, wages, costs, profits and productivity and break those figures down by product line.

The Senate had written those expanded powers to require reports and subpoena records into S 409 (S Rept 94-84) on May 6, adopting by a 49-39 vote an amendment by Adlai E. Stevenson III (D Ill.). Before passing the measure, the Senate also approved another amendment requiring that the Senate confirm future nominations for council director.

In the House, the Banking, Currency and Housing Committee added a provision to give the council explicit power to intervene in proceedings by other federal agencies on proposals that had inflationary consequences. The full House passed its version (HR 8731—H Rept 94-389) by a 235-188 vote on July 31 after adopting by voice vote an amendment by Stewart B. McKinney (R Conn.) to exempt firms with annual gross revenues of less than $5-million from being subject to the council reporting and subpoena powers.

With the approaching August recess leaving little time for completing action on the measure before the council expired on Aug. 15, the Senate Aug. 1 cleared S 409 by accepting the House revisions.

Provisions

As signed into law, S 409 (PL 94-78):

- Extended the Council on Wage and Price Stability through Sept. 30, 1977.
- Gave the council power to require reports and subpoena records from businesses with gross incomes of more than $5-million a year. The council could require information to be broken down by product line or other categories.
- Prohibited public disclosure of product line or other information broken down into categories collected from a single firm.
- Gave the council explicit authority to intervene in ratemaking, rulemaking, licensing and other proceedings by other federal departments and agencies.
- Authorized appropriations of $1.7-million in each of fiscal 1976 and 1977 for council operations.

International Policy

The economic shocks of 1973-76 underscored the growing interdependence of the U.S. economy with other nations. While congressional policy debates inevitably focused on the domestic consequences of rising prices and unemployment, especially after the precipitous 1974-75 recession, Congress was forced to deal with complex and little understood international market forces.

International economic concerns were prominent in 1973, when Congress approved the second dollar devaluation in two years and began working on the wide negotiating authority that President Nixon requested for upcoming talks among industrial nations on reducing trade barriers. Congress took two years to approve the trade powers, however, distracted by intense concern about Nixon's trade agreement with the Soviet Union and that country's harsh constraints on Soviet Jews.

Aside from such highly emotional foreign policy issues, most members remained content to leave the handling of complex and sensitive international economic relationships to the President and his advisers

1973

Dollar Devaluation

Congress Sept. 7 ratified the second U.S. dollar devaluation in two years, part of a continuing struggle by major industrial nations to stabilize their financial relations. By clearing legislation (HR 6912—PL 93-110) authorizing a higher official price for gold, Congress affirmed the 10 per cent devaluation that the Nixon administration had negotiated in February.

That adjustment in the dollar's value in terms of other nation's currencies, like an 8.57 per cent devaluation put into effect in December 1971, tried to peg the U.S. currency at a level that more realistically reflected the nation's underlying economic strength. Before 1971, the dollar's official value in gold had been held constant since 1934; and the U.S. currency had been the standard base for monetary exchange rates under the post-World War II international monetary system shaped by 44 nations at the 1944 Bretton Woods, N.H., conference. *(Background on Bretton Woods system, Congress and the Nation Vol. III, pp. 126-127)*

Those devaluations had major consequences for the United States. By making U.S. exports less costly in other currencies—and imports more expensive to U.S. consumers—they helped cut the U.S. trade deficit that appeared in 1971. While encouraging U.S. production, that development raised the cost of imported manufactured goods such as cars and televisions that were increasingly popular in the United States.

In approving the 1973 devaluation, Congress resisted the temptation to write broad economic and foreign policy directives into the measure. Congress did add one significant amendment, one consistent with the eventual reduction in the role of gold as an international monetary asset, that authorized repeal of a 1934 ban on private ownership of gold by U.S. citizens.

Devaluation Announcement

Treasury Secretary George P. Shultz announced the 10 per cent devaluation in a late night news conference on Feb. 12. The step was the result of a round of hurried negotiations by Paul A. Volcker, under secretary of the Treasury for monetary affairs, with the finance ministers of Japan, West Germany, France, Italy and Great Britain. The objective was to quell a wave of currency speculation, involving sale of U.S. dollars for West German marks and Japanese yen, on international financial markets by bankers, corporations, some Middle Eastern nations and private individuals. In converting their holdings into stronger currencies, financial experts in effect were betting that the dollar's value would fall relative to those currencies, making the yen and mark worth more in U.S. currency.

Those speculative pressures undercut the realigned currency exchange rate, based on the 8.57 per cent dollar devaluation accepted under the Dec. 18, 1971, agreement