

SILVER AND GOLD GUARANTEE FREEDOM
an address presented by EDWIN VIEIRA, JR.
at The GATA Gold Conference, Washington, D.C., 18 April 2008

Silver and gold are not merely valuable commodities, investments, and media of exchange. More importantly, they are key “checks and balances” in America’s legal and political institutions. The fight against the use of silver and gold as money that has been waged by bankers and rogue politicians since the 1870s as to silver and the 1930s as to gold—and will intensify as *fiat* currencies collapse throughout the world—is ultimately directed against America’s national independence, her constitutional government, and every common American’s individual liberty and prosperity.

The Constitution of the United States adopted a monetary system consisting of silver and gold coin, in which the standard is the “dollar”, containing 371-1/4 grains (Troy) of fine silver, with the values of gold coins to be measured in “dollars” according to the free market’s rate of exchange between silver and gold. Neither the General Government nor any State is authorized to emit paper currency. These restrictions prevent rogue public officials from turning public debts into currency, as a means for redistributing wealth from society to political elitists and their clients in special-interest groups. Furthermore, although the Constitution does not mention banks, either public or private, its only correct construction requires separation of bank and state—extirpation of all inherently fraudulent fractional-reserve banking schemes—and rigorous regulation of all other fractional-reserve arrangements that might operate fraudulently. See Edwin Vieira, Jr., *Pieces of Eight: The Monetary Powers and Disabilities of the United States Constitution* (Second Revised Edition, 2002).

Since the early 1800s, however, rogue politicians and bankers have steadily subverted the Constitution by forging an increasingly tight relationship between bank and state. Through the grant of one abusive special privilege after another, politicians have immunized fractional-reserve banking against the just economic and legal consequences of its own inevitable failures, so that public officials and bankers could turn both public and private debts into currency—thus separating the supply and the purchasing power of currency from the economic discipline of the free market, and rendering those matters largely political in nature. Under the Federal Reserve System, Americans no longer enjoy “money” in the economic sense, but are subjected to what must be denoted as “*political* currency”, with emphasis on the adjective. *Political* currency is emitted on the basis of *political* debts—that is, either (i) public debts or (ii) private debts for the payment of which the creditors expect public bail-outs if their debtors default.

Unfortunately, the Federal Reserve System is inherently unstable, and must lurch from one self-generated crisis to another, each increasing in severity, until its house of financial cards self-destructs. Having separated society’s medium of exchange from the production of real goods and services in the free market—and instead linked the currency to creating, packaging, marketing, servicing, and eventually salvaging political debts—the Federal Reserve System encourages, facilitates, and rewards irresponsibility on the part of both lenders and borrowers, in the private as well as the public sector.

In order for those who benefit from the System to continue to loot society, the supply of political currency must expand. For that supply to expand, political debts must increase. True enough, political debts can increase, even geometrically, because political currency can be created (as the saying goes) “out of nothing” to float them. *But real wealth cannot be generated simply by the emission of paper promises. Neither can new paper promises pay off old ones.* So, avarice being unlimited, insatiable, and imprudent, the whole operation must cumulate and culminate in an unsustainable bubble of debts that either implodes in a depression or explodes in hyperinflation.

Although the Federal Reserve System is fatally flawed, the wealth and power of elitists in high finance, big business, and the political class depend upon maintaining it—or replacing it in a timely fashion with something of equal serviceability for their ends. As it cannot long be maintained, it must and will soon be replaced. But with *what* remains a matter for speculation. Not open to the slightest doubt, however, is that, as crises have rocked the System, the Establishment has always moved farther away from the Constitution—deeper into the sump of lawlessness—to shore up the banking cartel, and always at common Americans’ expense. In the 1930s, in response to the collapse of the fractional-reserve racket, rather than reforming the banks’ operations the Roosevelt Administration and a pliant Congress seized the American people’s gold and outlawed almost all public and private contracts promising to pay in gold. In the 1950s and through the 1960s, until the Nixon Administration terminated redemption of Federal Reserve Notes in gold in 1971, the inflationary policies of the Federal Reserve System drained off more than half of America’s national stock of gold to foreign banks and the profiteers operating through them. And, during the last few decades, surreptitious manipulation of the precious-metals markets has kept the price of gold (measured in Federal Reserve Notes) suspiciously low, even as this country’s financial structures have become increasingly shaky.

The price of gold has been manipulated for two reasons, one being the suppression of evidence, the other the throttling of monetary evolution. First, an ever-increasing price of gold reflects the breakdown of the Federal Reserve System—just as an ever-increasing temperature reveals that the human body is sick, and when it reaches a critical point that death is imminent. Second, those who fatten off of political currency need to prevent ordinary people from realizing that only a return to silver and gold as common media of exchange can stabilize America’s economy, and especially from actually employing silver and gold in preference to Federal Reserve Notes in their day-to-day transactions. As the Federal Reserve System experiences ever-more-frequent, ever-more-serious, and ever-less-tractable problems, however, downward manipulations of the prices of gold and silver will become impossible. And that the System is beyond repair will become apparent to all. At that point, the question will arise—and behind the scenes doubtlessly already has arisen among bankers and politicians—as to how and with what to replace the banking cartel.

When a political currency has failed, the bankers’ and politicians’ traditional trick has been to introduce a new, supposedly more stable currency—often within a new, supposedly more stable banking apparatus. This was the sleight of hand that moved America from the independent State banks in operation prior to the Civil War, through the partially cartelized National Banks created in the 1860s, to the fully cartelized Federal Reserve System established in 1913. Throughout this

devolution, the progression of illegality became increasingly stark. The State banks violated Article I, Section 10, Clause 1 of the Constitution; but at least they operated only regionally. The National Banks violated Article I, Section 8, Clause 2, and operated throughout the country; but at least their emission of paper currency was limited by the amount of public debt a generally thrifty Congress was willing to incur. The Federal Reserve System, though, is a corporative-state (or fascist) structure that purports to delegate Congress's supposed monetary powers to private interests; and the System's bubble of both public and private debts will expand to the limit of the avarice of the cartel's operators, their clients, and their political henchmen. Nonetheless, as unconstitutional and economically unsound as they were and are, all of these schemes operated and even now operate under color of the national sovereignty and laws of the United States, subject in principle to overarching control by the American people. Indeed, Section 30 of the Federal Reserve Act still explicitly reserves to Congress the right to repeal, alter, or amend the System at will.

But, with the Federal Reserve System, the bankers and politicians have gone about as far as they can go *within the economic and political institutions of the United States*. And they have separated paper currency from the discipline of free markets about as far as possible, *while still pretending to maintain some semblance of a connection to free markets*. So, as the Federal Reserve System shakes itself to pieces, the likelihood is that: *first*, a new currency will arise outside of the United States in some regional *supra*-national entity such as the proposed North American Union; and, *second*, the value of this new currency will not be controlled by free financial markets—but, instead, propping up the currency's value will be the excuse for extensive governmental intervention in and manipulation of the markets.

This plan is so alien to the experiences and desires of most Americans that its implementation will probably require a controlled meltdown of the Federal Reserve System to bludgeon them into accepting the North American Union as the only way to obtain a new, supposedly stable currency and to return to something approaching economic normalcy. Yet even a controlled meltdown, along with the accompanying absorption of the United States into a new Northern-Hemispheric political order, will unavoidably generate extensive economic, social, and political unrest that will surely threaten the financial Establishment's power. Even dumbed-down Americans will not long suffer conditions of depression akin to those of the 1930s, let alone South-American levels of inflation as well. Desperate people will ask questions and assign blame. Perhaps not just a few will abandon debt currency altogether and substitute silver and gold as their media of exchange. They and others will conclude that the Federal Reserve System is unconstitutional—and therefore its operations are arguably a complex of criminal offenses. *See* 18 U.S.C. §§ 241 and 242. Many will realize that the Establishment's scheme for replacing Federal Reserve Notes with a *supra*-national currency is a political crime on a more stupendous scale yet, because it depends upon destroying *both* the Constitution *and* the Declaration of Independence. Then an aroused people will take political action against the institutions and individuals responsible for foisting the funny-money scheme on their country.

On the other side, the Establishment will not be idle. It will do anything and everything possible to maintain its position. Obviously the Constitution and the Declaration of Independence

will be expendable, because the Establishment has been trying to whittle away the former on a piece-by-piece basis over the years, and intends to do away with the latter at one fell swoop in the near future. So this country, as an independent nation, will be expendable, too. And if this country, why not the freedom and prosperity of common Americans as well?

Will ordinary Americans—at least eighty to ninety million of whom are armed—meekly put up with a program aimed at their own country's assisted suicide? Why should they, when they have nothing to lose economically or politically? If they refuse to knuckle under, the Establishment's only recourse will be to attempt to lock down the whole country under a *para*-militarized police state, perhaps with the assistance of “peacekeepers” from Canada and Mexico (for the employment of which negotiations are apparently already in progress). That is why careful observers conclude that the paranoia being generated by politicians and the big media over “homeland security”—and the frenetic *para*-militarization of law-enforcement agencies at the National, State, and even Local levels in the name of “homeland security”—are not caused by or aimed at foreign “terrorists” at all, but instead target ordinary Americans in their own home towns. The Establishment is preparing to force justifiably angry Americans into line when its financial house of cards comes tumbling down, either in a controlled demolition or otherwise.

Americans will not be the only victims of such repression. The Establishment must prevent other peoples, in other parts of the world, from jumping off the financial treadmill of political currency. That will require the use, not only of economic and political pressure, but also—indeed, especially—of military coercion. For the provision of which the Establishment will attempt to force common Americans to pay, and to send their sons, and even their daughters, off to fight, die, and be maimed and sickened in foreign lands.

Little good, then, will it do for an ounce of gold to soar to \$2,000, \$3,000, or higher—and for silver to increase in value proportionately, too—if the ultimate consequences are a police state in America, then a *supra*-national regime replacing the United States, accompanied by endless military conflicts throughout the world. In the grand scheme of things, gold and silver are far less important as economic investments or hedges against hyperinflation or depression than as guarantors of individual freedom—and then to the fullest extent only when they are actually used as media of exchange throughout society. Silver and gold as currencies supply the foundation necessary for economic democracy and limited government; whereas *fiat* currencies inevitably function as the tools of fascism, socialism, and every other form of financial imperialism. Thus, the fight over gold and silver as media of exchange is about more than mere money, let alone making money. For it is a fight with only two possible outcomes: either control of their own lives by the people themselves, or control of the people and their lives by political and economic elitists. To achieve the first and avoid the second no price will prove too great to pay.

Copyright 2008 by Edwin Vieira, Jr.