JFK and the Federal Reserve

Was he assassinated because he opposed the Fed?

This is in reply to an e-mail I received pointing out the views of the Christian Common-Law Institute regarding an alleged conflict between JFK and the Federal Reserve. It also suggested that this could have been the reason he was assassinated. On their website, the CCLI stated:

On June 4, 1963, a virtually unknown Presidential decree, Executive Order 11110, was signed with the authority to basically strip the Federal Reserve Bank of its power to loan money to the United States Federal Government at interest. With the stroke of a pen, President Kennedy declared that the privately owned Federal Reserve Bank would soon be out of business. President Kennedy's Executive Order 11110 gave the Treasury Department the explicit authority: "to issue silver certificates against any silver bullion, silver, or standard silver dollars in the treasury."... Perhaps the assassination of JFK was a warning to all future presidents not to interfere with the private Federal Reserve's control over the creation of money.

This is what I refer to on page 569 of my book, The Creature from Jekyll Island, as "The JFK Rumor." I cannot accept this interpretation of history because of the following facts:

THE EXECUTIVE ORDERS

If you look at a copy of EO 11110 you will find that it does not order the issuance of Silver Certificates. It orders an amendment to EO 10289.

If you then look up EO 10289, you will find that it says:
The Secretary of the Treasury is hereby designated and empowered to perform the following-described functions of the President without the approval, ratification, or other action of the President.

Those functions did not include the power to issue Silver Certificates. The purpose of EO 11110 was to add that power to the list. The exact wording of the Order was:

Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended (a) By adding at the end of paragraph 1 thereof the following subparagraph (j): (1) "The authority to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury

Therefore, my statement in The Creature from Jekyll Island is correct. EO 11110 did not order the printing of Silver Certificates. It ordered the amendment of a previous executive order so that the United States Code would authorize or "empower" the Secretary of the Treasury to issue Silver Certificates if the occasion should arise.

The occasion did arise between January 1963 and October 1964 with the issuance of 768 million of the 1957B Series, which carried the signatures of Kathryn O'Hay Granahan and C. Douglas Dillon. This was the smallest issuance since 1935, and it was the last. (See "Silver Certificate" athttp://en.wikipedia.org/wiki/Silver_Certificate.)

Please remember that EO11110 did not order the issuance of these certificates. It merely authorized the Secretary of the Treasury to do so, which is what happened. They were ordered into existence, not by the President, but by the Secretary of the Treasury.

The following additional explanation was contained in a 1996 report from the Congressional Research Service at the Library of Congress:

What E.O. 11110 did was to modify previous Executive Order 10289, delegating to the Secretary of the Treasury various powers of the President. To these delegated powers, E.O. 11110 added the power to alter the supply of Silver Certificates in circulation. Executive Order 11110, therefore, did not create any new authority for the Treasury to issue notes; it only affected who could give the order, the Secretary or the President.

The reason for the move was that the President had just signed legislation repealing the Silver Purchase Act. With this repeal, the Treasury Secretary could no longer control the issue of Silver Certificates on his own authority. However, the issuance of certificates could be controlled under the President's authority. Hence, for administrative convenience, President Kennedy issued Executive Order 11110.

Ironically, the purpose of the order and the legislation was to decrease the circulation of Silver Certificates, with Federal Reserve Notes taking their place. As economic activity grew and prices rose in the 1950s and early 1960s, the need for small-denomination currency grew at the same time that the price of silver increased. The Treasury required silver for the increasing number of Silver Certificates and coins needed for transactions. But the price of silver was rapidly approaching the point that the silver in the coins and in reserve for the certificates was worth more than the face value of the money.

To conserve on the silver needs of the Treasury, President Kennedy requested legislation to bring the issuance of Silver Certificates to an end and to authorize the Fed to issue small denomination notes (which it could not do at that time). The Fed began issuing small denomination notes almost immediately after the legislation was passed. And in October 1964, the Treasury ceased issuing Silver Certificates altogether. If anything, E.O. 11110 enhanced Federal Reserve power and did not in any way reduce it. [See "Money and the Federal Reserve System: Myth and Reality," by G. Thomas Woodward, Specialist in Macroeconomics, Economics Division, Congressional Research Services, Library of Congress, CRS Report for Congress, No. 96-672 E, July 31, 1996.]

Let's put this issue into perspective. The proponents of the JFK Myth assert that Kennedy was assassinated because he was about to issue Silver Certificates, thereby denying the bankers their customary interest payments on the nation's currency. However, the reality was just the opposite. Previously, the President could issue Silver Certificates on his own authority; but, with the signing of EO 11110, he delegated that authority to the Secretary of the Treasury. At that time, the Secretary of the Treasury was Douglas Dillon from a well-known and powerful banking family. That means Kennedy surrendered the power to issue Silver Certificates and gave it to a member of the banking fraternity who could do with it as he pleased "without the approval, ratification, or other action of the President." Dillon, of course, would have strong motive to preserve the dominance of Federal Reserve Notes. The theory that Kennedy was getting ready to issue Silver Certificates is without evidence or logic.

The CCLI makes this additional claim in its report:

The Christian Common Law Institute has exhaustively researched this matter through the Federal Register and Library of Congress. We can now safely conclude that this Executive Order has never been repealed, amended, or superseded by any subsequent Executive Order. In simple terms, it is still valid.

This is not supported by the facts. The power granted to the Secretary of Treasury to issue Silver Certificates was rescinded on September 9, 1987, by Executive Order 12608, signed by President Reagan. The official purpose of the Order was stated as "Elimination of unnecessary Executive orders and technical amendments to others." It did not affect EO 11110 directly but did affect the parent EO 10289 – along with 62 other executive orders. That is how paragraph (j) was amended to remove the power in question. This Order can be found in its entirety in the Federal Register 52 FR 34617.

The picture is blurred by the fact that the Treasury did issue United States Notes in the same year as EO 11110 (1963) but, as discussed further along, U.S. Notes are not the same as Silver Certificates. Furthermore, their issuance had nothing to do with EO 11110. It was mandated by an 1868 act of Congress, which required the Secretary of the Treasury to maintain the amount of U.S. Notes outstanding at a fixed level. This did not originate with JFK and, in fact, he probably had no deep understanding of it. It was a routine matter initiated by the Treasury merely to replace worn and damaged specimens of older Notes in order to comply with the 1868 law. Apparently some of these new Notes did get into circulation but were quickly snapped up by private collectors. They never became a significant part of the money supply and, in fact, were not intended to.

THE SPEECH THAT NEVER WAS

The persistent rumor regarding the bankers' role in JFK's death was reinforced by several books circulated in conservative circles. They contained an ominous passage from Kennedy's speech at Columbia University just ten days before his assassination. He is quoted as saying: "The high office of President has been used to foment a plot to destroy the Americans' freedom and, before I leave office, I must inform the citizen of his plight." [Quoted by M.L. Beckman, Born Again Republic, Billings, Montana, Freedom Church, 1981, p. 23; also by Lindsay Williams, To Seduce A Nation, Kasilof, Arkansas: Worth Publications, 1984, p. 26.] However, when Columbia University was contacted to provide a transcript of the speech, it was learned that Kennedy never spoke there – neither ten days before his assassination nor at any other time!

Ronald Whealan, head librarian at the John Fitzgerald Kennedy Library in Boston, provides this additional information: "Ten days prior to the assassination he was at the White House meeting with, among others, the ambassador to the United States from Portugal." [Source: Hollee Haswell, Curator at the Low Memorial Library, Columbia University.]

It is possible that the President did make the remarks attributed to him on a different date before a different audience. Even so, it is a cryptic message that could have several meanings. That he intended to expose the Fed is the least likely of them all. Kennedy had been a life-long collectivist and internationalist. He had attended the Fabian London School of Economics, participated in the destruction of the American money supply; and engineered the transfer of American wealth to foreign nations. [See page 109 of The Creature from Jekyll Island for details.] There is little reason to believe that he had suddenly "seen the light" and was reversing his life-long beliefs and commitments.

SILVER CERTIFICATES VS. U.S. NOTES

These facts alone should be enough to settle the matter, but there is yet one more point of confusion to be cleared up, and that involves the difference between Silver Certificates and United States Notes. In monetary terms, a Note means a promissory note. A Note is any financial instrument that states in clear and unambiguous terms who is to pay what to whom on what date. All four elements must be included. [See Ewart, James E., Money (Seattle, Principia Publishing, 1998), pp. 27-29.] Therefore, any paper currency that displays a statement such as "The United States Treasury will pay to the bearer on demand twenty dollars in silver coin" is a Note. A Silver Certificate is just one form of a Note. Other forms existed in the past and included Bank Notes, United States Notes, Gold Certificates, and even Federal-Reserve Notes in those by-gone days when they were backed by gold.

Earlier issues of U.S. Notes displayed printed statements to the effect that (1) the bearer could redeem them (2) at the Treasury (3) on demand (4) either for dollars or a specified weight of gold or silver. During those years, a dollar was defined by law as 371.25 grains of pure silver, which was the amount contained in a one-dollar silver coin. The law also provided that the metal could be in the form of coins, dust, nuggets, plate, or bullion. Therefore, whether the phrase printed on the currency promised dollars, silver, or gold, it ultimately meant precious metal in one form or another - usually coin. Since there was nothing ambiguous about that, those U.S. Notes were true Notes in the legal sense because they contained all four elements of a promissory note.

This tradition began to change in the late 1960s and, since about 1971, U.S. Notes have become very ambiguous, indeed, about what can be redeemed for them. The former clearly written contracts have been replaced by random, unconnected phrases such as The United States of America; Twenty Dollars: This note is legal tender for all debts, public and private. These words look official and impressive but, in terms of a contract to redeem the currency for something of intrinsic value, they have no meaning at all. Silver Certificates once were promises to deliver silver. U.S. Notes in later years became promises to deliver taxes and inflation.

Even in 1963 when EO 11110 was issued, there were legal and technical differences in the regulations that governed the issuance of Silver Certificates and U.S. Notes. Technically, they both were Notes, but the words Silver Certificate and U.S. Note were not used interchangeably. Regulations pertaining to the issuance of Silver Certificates could not be applied to the issuance of U.S. Notes, and vice versa. When EO 11110 authorized the issuance of Silver Certificates, it said nothing about U.S. Notes. The subsequent issuance of U.S. Notes, therefore, had nothing to do with EO 11110. And that is the point of this analysis.

I do not claim to have the final answers on these issues, but this is where our research has led so far. I am open to additional information or interpretation. I would especially welcome a response from the Christian Common Law Institute.

G. Edward Griffin

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