

The Dollar

The Constitutional Guarantee of
the Value of our Money & Wealth



“If the American people ever allow private banks to control the issue of their money, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered.”

Thomas Jefferson

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Take-away-points

1. The U.S. monetary system (Federal Reserve System) is unconstitutional and violates the Rule of Law.
2. The U.S. monetary system is dishonest.
3. The U.S. monetary system will blow up.


1. According to the report made pursuant to Public Law 96-389 the present monetary arrangements [i.e. the Federal Reserve Banking System] of the United States are unconstitutional --even anti-constitutional-- from top to bottom.
2. "If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures...which are condemned by the Laws of God and man ..." Since bank notes, such as the Federal Reserve Notes that we carry around in our pockets, can be inflated or deflated at will they are dishonest.
3. The amount of Federal Reserve Notes in circulation are past the historical point of recovery and thus will ultimately lead to a massive hyperinflation that will "blow-up" the current U.S. monetary system resulting in massive social and economic dislocation.


What is One Dollar?


One **Dollar** is a standard unit of measurement

Money:  371 $\frac{1}{4}$ grains of Silver minted  = \$1.00

Analogous

Time:  24 **Hours** = 1 **Day** * 7 = 1 **Week**

Weight:  16 **Ounces** = 1 **Pound** * 2000 = 1 **Ton**

Length:  1 **Inch** * 12 = 1 **Foot** * 3 = 1 **Yard**

The word Dollar is in fact a standard unit of measurement of money; it is analogous to an “hour” for time, an “ounce” for weight, and an “inch” for length.

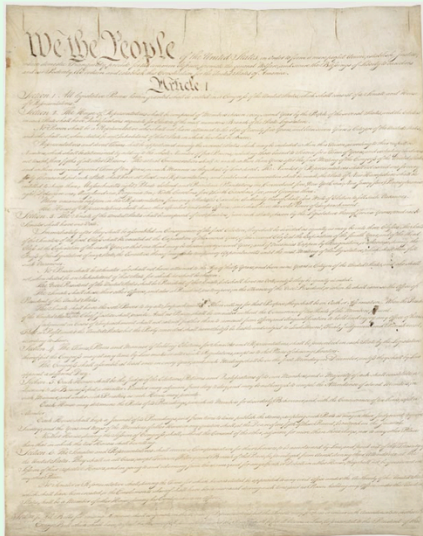
The Dollar is our Country’s standard unit of measurement for money.

- How do you feel when you go to a gas station and pump “15 gallons of gas” into your 12 gallon tank?
- Or you went to the lumber yard and purchased an eight foot piece of lumber, and when you got home you discovered that it was actually only 7 $\frac{1}{2}$ feet long?
- How would you feel if you went to the grocery store and purchased what you believed were 2 lbs. of bananas, but when you got home you found out that you actually only purchased 1 $\frac{3}{4}$ of a pound of bananas?

I bet you would feel ripped off.

- Now what if I told you that the green Federal Reserve Notes that you have in your pocket, which purports to be of some “dollar” value, are currently

The Dollar of the Constitution



Article I Section 8, Clause 5

[The Congress shall have Power] To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

Article I Section 9, Clause 1

... a Tax or duty may be imposed on such Importation, not exceeding **ten dollars** for each Person.

Article I Section 10, Clause 1

No State shall ... **make any Thing but gold and silver coin a Tender in Payments of Debts.**

Amendment VII

In Suits at common law, where the value in controversy shall exceed **twenty dollars**, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

It is rather ironic that during the first 124 years of our Republic's existence (1789 – 1913), it was well understood by the general public that the word "Dollar" means a pure metallic silver coin of a known fixed unit of measurement for money, value and wealth.

Over the next 55 years (1913 – 1968), the definition of the Dollar was slowly removed from public education, dictionaries and our court rooms to the point that in 1968 Congress unconstitutionally eliminated the fundamental and necessary requirement of silver from the "public" definition of the word "Dollar". Hence our constitutionally guaranteed fixed standard unit of measure of money and wealth was hijacked.

Finally, on 15 August 1971, President Richard Nixon unconstitutionally terminated redemption of Federal Reserve Notes in gold internationally, ending the connection between the Federal Reserve System and any "constitutional" money whatsoever.

Congress' Responsibility to Regulate the Value of Coin

Key:

1 troy oz = 480 grains
 1 troy oz = 31.1034 grams
 1 troy oz = 1.09714 oz



1 Cent
(46.3 grains of Copper)

X 100 =
(4,630 grains of Copper)



1 Dollar
(371.25 grains Silver)



1 Dollar
(371.25 grains Silver)

X 10 =
(3,712.5 grains of Silver)



10 Dollar
(247.5 grains Gold)

Congress has the responsibility to regulate the value of all minted coins to the fixed pure metal Dollar standard

By empowering Congress "To coin Money, [and] regulate the Value thereof", Article I, Section 8, Clause 5 of the Constitution of the United States, guarantees a national system of coinage with uniform intrinsic value. By explicitly referring to "dollars", in Article I, Section 9, Clause 1 and the Seventh Amendment of the Constitution of the United States, fixed the silver minted dollar coin as the monetary-unit by which Congress must "regulate the Value" of all other coinage too.

On their face, the monetary powers and disabilities set out in the Constitution are eminently suitable for these goals:

1. By denying the States any power to "emit Bills of Credit" or "coin Money", Article I, Section 10, Clause 1 eradicates the "fallacious Medium" of regional paper currencies and eliminates multiple systems of coinage throughout the country.
2. The Clause also limits the States' legal-tender power to "gold and silver Coin", thereby establishing specie as the sole constitutional medium for governmentally enforced "Payment of Debts".
3. By empowering Congress "To coin Money, [and] regulate the Value thereof", Article I, Section 8, Clause 5 creates a national system of coinage with uniform intrinsic value.
4. By explicitly referring to "dollars", Article I, Section 9, Clause 1 and the Seventh Amendment fix the silver Spanish milled dollar as the money-unit by which Congress should "regulate the Value" of all other coinage.
5. By not including the language "emit bills" that the Articles of Confederation contained, Article I, Section 8, Clause 2 disables Congress from issuing any paper currency. And by limiting Congress's power to punish counterfeiting to "Securities" and "current Coin", Article I, Section 8, Clause 6 confirms that Congress may "coin Money" itself, or raise "Money" by "borrow[ing]", but not "emit", "issue", "create", "make", or "declare what shall be" "Money" in any other way.

Thus, the word "dollar[s]" by its use in the Constitution of the United States has a fixed meaning that can only be changed by Constitutional Amendment. And that meaning is a minted coin containing at least 371 ¼ grains of .99 fine silver. Congress's responsibility is to regulate the value of coins made of other metals, such as a penny made with copper or a nickel made of nickel, relative to the weight of the one-dollar silver coin.

A Bit of History



Silver eight real coin of [Carlos](#) and [Johanna](#) of Spain, dated ca. [1544](#), depicting the [Pillars of Hercules](#) on the reverse.



Silver eight real coin of King [Ferdinand VI of Spain](#), dated [1753](#).



Silver eight real coin of King [Carlos III of Spain](#), dated [1776](#).

The “Dollar” is a fixed standard unit of measurement that was established in 1497 by King Ferdinand and Queen Isabella of Spain. It is a minted coin containing at least $371\frac{4}{16}$ grains of fine (pure) Silver.

The definition of a Dollar goes back to 1497, it was the “royal money” of King Ferdinand and Queen Isabella of Spain, See, e.g., *J. Earl Massey, America’s Money: the Story of Our Coins and Currency (1968), at 33-36; T. Schwarz, A History of United States Coinage (1980), at 29.*

By 1518 the Dollar monetary unit standard became so well accepted that coins were also being minted in the valley of St. Joachim, in Bohemia (now in the [Czech Republic](#))

As a matter of fact:

Webster's 1958 New Collegiate Dictionary defined the Dollar as:

Any of three U.S. Coins: First issued in 1794 and since 1837 weighing 412.5 grains of silver .900 fine [$412.5 * .9 = 371.25$ fine (pure) silver];

A silver coin of 420 grains called a trade dollar containing 378 grains of pure metal and 42 grains of alloy;

A gold coin of 25.8 grains .900 fine;

Webster’s 1913 dictionary defined the Dollar as:

1. A silver coin of the United States containing $371\frac{1}{4}$ grains of silver and 41.25 grains of alloy, that is, having a total weight of 412.5 grains.
2. A gold coin of the United States containing 23.22 grains of gold and 2.58 grains of alloy, that is, having a total weight of 25.8 grains, nine-tenths fine. It is no longer coined.

NOTE: Previous to 1837 the silver dollar had a larger amount of alloy, but only the same amount of silver as now, the total weight being 416 grains. The gold dollar as a distinct coin was first made in 1849. The eagles, half eagles, and quarter eagles coined before 1834 contained 24.75 grains of gold and 2.25 grains of alloy for each dollar.

(<http://machaut.uchicago.edu/?resource=Webster%27s&word=Dollar&use1913=on&use1828=on>)

Today’s dictionary definition of the word “Dollar” is:

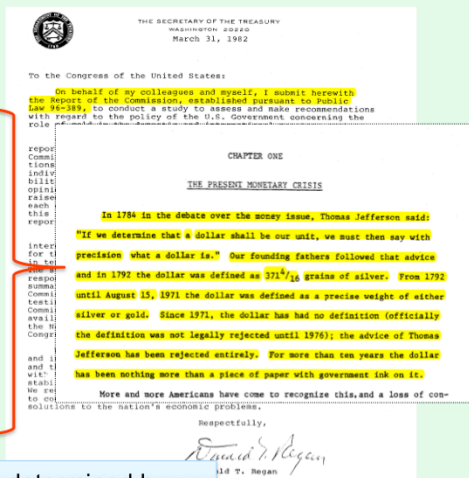
A Dollar bill. A paper note printed by the Treasury, or by the Federal Reserve Banks under authority of the treasury, having the purported value of one dollar. Prior to 1964 such notes could be redeemed for the equivalent dollar value of silver coins, but in that year the backing of the currency with

The Dollar of the Constitution: A coin containing 371¼ grains of Silver

In 1784 ... Thomas Jefferson said:

"If we determine that a dollar shall be our unit, we must then say with precision what a dollar is." Our founding fathers followed that advice and in 1792 the dollar was defined as 371 ¼ grains of silver. From 1792 until August 15, 1971 the dollar was defined as a precise weight of either silver or gold."

Technically the Dollar unit was determined by historical fact to be a coin containing 371 ¼ grains of fine silver.



During the period from 1775 through 1779, Congress authorized numerous emissions of Continental Currency and other bills of credit, ostensibly redeemable in silver Spanish milled dollars (or their equivalent in silver or gold), with the Colonies on "the faith of the United States" pledged for their eventual redemption. In total, Congress emitted some 241,500,000 in Continental Currency—a production elephantine in comparison to the 10,000,000 in silver and gold estimated to have comprised the money supply in early 1775.

By the time 1784 came around, the phrase "Worthless as a Continental" was so popular that Thomas Jefferson said: "If we determine that a dollar shall be our unit, we must then say with precision what a dollar is."

By the time the Constitution of the United States of America was formally adopted in 1789, the Dollar standard unit, a minted coin containing 371 ¼ grains of silver, was adopted as the fixed standard monetary unit of the United States with the following constitutional requirements: "No State shall ... make any Thing but gold and silver Coin a Tender in Payment of Debts" (*Article 1, Section 10, clause 1 of the Constitution of the United States of America*)

<p>246 SECOND CONGRESS. Sess. I. Ch. 14, 15, 16. 1792.</p> <p>STATUTE I. March 28, 1792. [Obsolete.] 1790, ch. 44, sec. 15. President of the U. S. may appoint not more than four more than four B. Gentiles.</p> <p>STATUTE I. April 2, 1792. [Obsolete.] Secretary of Treasury to finish the lighthouse on Baldhead in North Carolina.</p> <p>STATUTE I. April 2, 1792. Mint established at the seat of government. Director to employ workmen, &c.</p>	<p>248 SECOND CONGRESS. Sess. I. Ch. 16. 1792.</p> <p>for the said mint, the President be authorized, and he is hereby authorized to cause to be provided and put in proper condition such buildings, and in such manner as shall appear to him requisite for the purpose of carrying on the business of the said mint; and that as well the expenses which shall have been incurred pursuant to the said resolution as those which may be incurred in providing and preparing the said buildings, and all other expenses which may hereafter accrue for the maintenance and support of the said mint, and in carrying on the business thereof, over and above the sums which may be received by reason of the rate per centum for coinage herein after mentioned, shall be defrayed from the treasury of the United States, out of any monies which from time to time shall be therein, not otherwise appropriated.</p> <p>Sec. 9. <i>And be it further enacted</i>, That there shall be from time to time struck and coined at the said mint, coins of gold, silver, and copper, of the following denominations, values and descriptions, viz. EAGLES—each to be of the value of ten dollars or units, and to contain two hundred and forty-seven grains and four eighths of a grain of pure, or two hundred and seventy grains of standard gold. HALF EAGLES—each to be of the value of five dollars, and to contain one hundred and twenty-three grains and six eighths of a grain of pure, or one hundred and thirty-five grains of standard gold. QUARTER EAGLES—each to be of the value of two dollars and a half dollar, and to contain sixty-one grains and seven eighths of a grain of pure, or sixty-seven grains and four eighths of a grain of standard gold. DOLLARS or UNITS—each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver. HALF DOLLARS—each to be of half the value of the dollar or unit, and to contain one hundred and eighty-five grains and ten sixteenth parts of a grain of pure, or two hundred and eight grains of standard silver. QUARTER DOLLARS—each to be of one fourth the value of the dollar or unit, and to contain ninety-two grains and thirteen sixteenth parts of a grain of pure, or one hundred and four grains of standard silver. DIMES—each to be of the value of one tenth of a dollar or unit, and to contain eighteen grains and nine sixteenth parts of a grain of pure, or twenty grains and four fifth parts of a grain of standard silver. CENTS—each to be of the value of one hundredth part of a dollar, and to contain eleven penny-weights of copper. HALF CENTS—each to be of the value of half a cent, and to contain five penny-weights and half a penny-weight of copper. (c)</p> <p>Sec. 10. <i>And be it further enacted</i>, That, upon the said coins respectively, there shall be the following devices and legends, namely: Upon one side of each of the said coins there shall be an impression emblematic of liberty, with an inscription of the word Liberty, and the year of the coinage; and upon the reverse of each of the gold and silver coins there shall be the figure or representation of an eagle, with this inscription, "UNITED STATES OF AMERICA" and upon the reverse of each of the copper coins, there shall be an inscription which shall express the denomination of the piece, namely, cent or half cent, as the case may require.</p> <p>Sec. 11. <i>And be it further enacted</i>, That the proportional value of gold to silver in all coins which shall by law be current as money within</p> <p>expense how to be defrayed. Species of the coins to be struck. Eagles. Half Eagles. Quarter Eagles. Dollars or Units. Half Dollars. Quarter Dollars. Dimes. Half Dimes. Cents. Half Cents. Act of May 8, 1792. Of what devices.</p> <p>CHAP. XIV.—<i>An Act supplemental to the act for making further and more effectual provision for the protection of the frontiers of the United States.</i> <i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled</i>, That it shall be lawful for the President of the United States, by and with the advice and consent of the Senate, to appoint such number of brigadier generals as may be conducive to the good of the public service. Provided the whole number appointed or to be appointed, shall not exceed four. APPROVED, March 28, 1792.</p> <p>CHAP. XV.—<i>An Act for finishing the Lighthouse on Baldhead at the mouth of Cape Fear river in the State of North Carolina.</i> <i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled</i>, That the Secretary of the Treasury, under the direction of the President of the United States, be authorized, as soon as may be, to cause to be finished in such manner as shall appear advisable, the lighthouse heretofore begun under the authority of the state of North Carolina, on Baldhead at the mouth of Cape Fear river in the said state: And that a sum, not exceeding four thousand dollars, be appropriated for the same, out of any monies heretofore appropriated, which may remain unexpended, after satisfying the purposes for which they were appropriated, or out of any other monies, which may be in the treasury, not subject to any prior appropriation. APPROVED, April 2, 1792.</p> <p>CHAP. XVI.—<i>An Act establishing a Mint, and regulating the Coins of the United States (c)</i> SECTION 1. <i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, and it is hereby enacted and declared</i>, That a mint for the purpose of a national coinage be, and the same is established; to be situate and carried on at the seat of the government of the United States, for the time being: And that for the well conducting of the business of the said mint, there shall be the following officers and persons, namely,—a Director, an Assayer, a Chief Coiner, an Engraver, a Treasurer. Sec. 2. <i>And be it further enacted</i>, That the Director of the mint shall employ as many clerks, workmen and servants, as he shall from time to time find necessary, subject to the approbation of the President of the United States. Sec. 3. <i>And be it further enacted</i>, That the respective functions and</p> <p>(c) The acts establishing and regulating the mint of the United States, and for regulating coins, have been: An act establishing a mint and regulating the coins of the United States passed April 2, 1792, chap. 16; an act regulating foreign coins, and for other purposes, February 9, 1792, chap. 5; an act in alteration of the act establishing a mint and regulating the coins of the United States, March 3, 1794, chap. 4; an act supplementary to the act entitled, "An act to establish a mint and regulating the coins of the United States," passed March 21, 1795, chap. 47; an act respecting the mint, May 27, 1796, chap. 33; an act respecting the mint, April 21, 1809, chap. 24; an act concerning the mint, March 3, 1831, chap. 21; an act to prolong the continuance of the mint at Philadelphia, January 14, 1818, chap. 4; an act further to prolong the continuance of the mint at Philadelphia, March 3, 1822, chap. 42; an act to continue the mint at the city of Philadelphia, and for other purposes, May 19, 1828, chap. 67; an act concerning the gold coins of the United States, and for other purposes, June 30, 1834, chap. 50; an act to establish branches of the mint of the United States, March 2, 1835, chap. 37; an act supplementary to an act entitled, "An act establishing a mint, and regulating the coins of the United States," January 18, 1837, chap. 2; an act to amend an act entitled, "An act to establish branches of the mint of the United States," February 13, 1837, chap. 14; an act amendatory of an act establishing the branch mint at Dan-bergs, Georgia, and setting the duties of the assayer and coiner, February 27, 1842, chap. 46.</p> <p>(c) The acts regulating the gold and silver coins of the United States, are: An act establishing a mint and regulating the coins of the United States, April 2, 1792, chap. 16, sec. 9; an act concerning the gold coins of the United States, and for other purposes, June 25, 1834, chap. 51; an act supplementary to the act entitled, "An act to establish a mint, and regulating the coins of the United States," January 18, 1837, chap. 2, sec. 5, 9, 10.</p>
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Congress's first Coinage Act – the Act of 2 April 1792, ch. 16, § 9, 1 Stat. 246, 248, decreed that the "DOLLAR or Unites" -- "each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four sixteenth parts of a grain [371-1/4 grains (troy)] of pure * * * silver

If the "dollar[]" to which the Constitution refers in Article I, Section 9, Clause 1 and the Seventh Amendment is not the Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four sixteenth parts of a grain [371-1/4 grains (troy)] of pure * * * silver; then what is it?

Remember – "Congress cannot by any definition it may adopt conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives its power to legislate, and within whose limitations alone that power can be lawfully exercised." *EISNER V. MACOMBER*, 252 U. S. 189, 206 (1920)

Does the Constitutional Dollar standard exist today?

- Yes! How do we know?
- The number \$1.292929292. It is derived from the constitutional dollar unit.

Title 31 U.S.C. §5116(b)(2):
 The Secretary shall sell silver under conditions the Secretary considers appropriate for at least \$1.292929292 a fine troy ounce.

$$\begin{array}{l}
 1 \text{ Troy ounce} = 480 \text{ grains} \\
 \text{One Dollar (\$1)} = 371\frac{1}{16} \text{ grains of Silver} \\
 \hline
 \$1.292929292 = \frac{480 \text{ grains}}{371\frac{1}{16} \text{ grains of Silver}}
 \end{array}$$

SHORT TITLE OF 2002 AMENDMENT Pub. L. 107-201, Sec. 1, July 23, 2002, 116 Stat. 736, provided that: "This Act [amending section 5116 of this title and enacting provisions set out as notes under sections 5112 and 5116 of this title] may be cited as the 'Support of American Eagle Silver Bullion Program Act'."

The Dollar is still statutorily recognized today as being a silver coin contain three hundred and seventy-one grains and four sixteenth parts of a grain [371-1/4 grains (troy)] of pure * * * silver as evidenced by the use of the irrational number 1.292929292 in Title 31 U.S.C. §5116(b)(2), which is derived from the mathematical equation shown above.

The Dollar (Silver) coin guarantees citizens a fixed measure of value

Report to the Congress

of the
Commission
on the
Role of Gold
in the
Domestic

Prov 20:10

10 Divers weights, and divers measures, both of them are alike abomination to the LORD.

March 1982



1794 Silver Dollar America's
First Silver Dollar Struck

The constitutional Dollar – a minted Coin containing 371 ¼ grains of silver – guarantees value:

"It is significant that this power of coining money is mentioned in the same sentence in the Constitution as the power to "fix the standards of weights and measures," **for the framers regarded money as a weight of metal and a measure of value.** Roger Sherman, a delegate to the Constitutional Convention, wrote that **"If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures...which are condemned by the Laws of God and man ..."**.

Roger Sherman (<http://www.constitutionfacts.com/constitution/Signers.htm>), the Connecticut delegate to the Constitutional Convention, believed so strongly in the necessity of coined metallic money that he said **"If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures...which are condemned by the Laws of God and man ..."** and he and the majority of other delegate only gave their vote for the ratification of the Constitution after the dollar (*a minted coin containing at least 371 ¼ grains of silver*) was agreed to be the official unit of currency and money for the United States of America.

As Madison's notes record:

Mr READ, thought the words: "and emit bills on the credit of the United States", if not struck out or forbade from practice as specifically required by the ratified constitution, would be as alarming as the mark of the Beast in Revelations.

Hence Article 1, Section 10 of the Constitution of the United States of America states:

"No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility"

Unjust weights and measures...are condemned by the Laws of God and man

- **31 U.S.C. §5119(a)**
“the Secretary shall ... maintain the equal purchasing power of each kind of United States currency”
- **31 USC 5112(e)**
 - (e) Notwithstanding any other provision of law, the Secretary shall mint and issue, in quantities sufficient to meet public demand, coins which -
 - (1) are 40.6 millimeters in diameter and weigh 31.103 grams;
 - (2) contain .999 fine silver;
 - (3) have a design -
 - (A) symbolic of Liberty on the obverse side; and
 - (B) of an eagle on the reverse side;
 - (4) have inscriptions of the year of minting or issuance, and the words "Liberty", "In God We Trust", "United States of America", "1 Oz. Fine Silver", "E Pluribus Unum", and "One Dollar"; and
 - (5) have reeded edges.
- When a Federal Reserve Note doesn't have the equal purchasing power of the Lawful Money Dollar (see 31 U.S.C. 5119(a) and 5112(e)) this is condemned by God and man.

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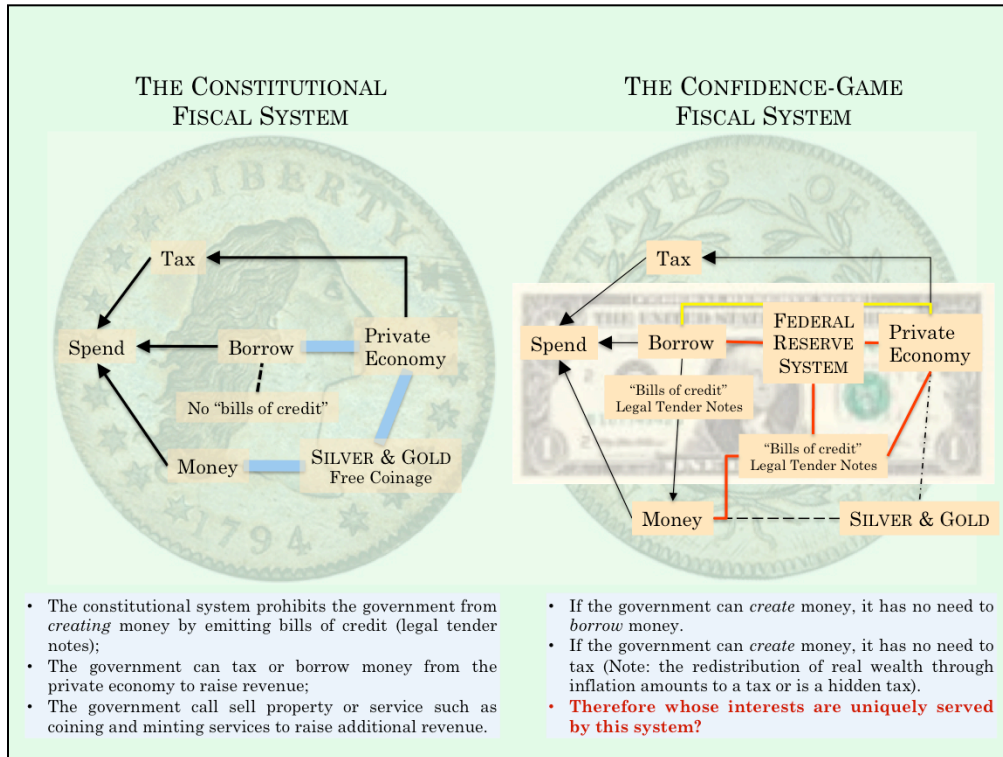
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The Federal Reserve System

- Created in 1913 under the Owen- Glass Act
- Consists of: 12 private banks and 1 quasi-gvmt board
- Monetizes debt out of thin air
- It's setup to Privatize Gains and Socialize Losses
- It's organizational structure and power have been deemed unconstitutional (see: *A.L.A. Schechter Poultry Corp. v. U.S.*, 295 U.S. 495)
- It's dependent on the income tax system
 - It uses income tax to control inflation
 - Income tax revenue is used exclusively to pay interest on the "public" debt
 - It uses income tax revenue to create more debt in order to collect more interest

100% of what is collected is absorbed solely by interest on the Federal debt and by Federal Government contributions to transfer payments. In other words, all individual income tax revenues are gone before one nickel is spent on the services which taxpayers expect from their Government. [Source: Grace Commission Report]



THE CONSTITUTIONAL MONETARY SYSTEM

- The constitutional system prohibits the government from *creating* money by emitting bills of credit (legal tender notes);
- The government can tax or borrow money from the private economy to raise revenue;
- The government call sell property or service such as coining and minting services to raise additional revenue.

THE CONFIDENCE-GAME FISCAL SYSTEM

- If the government can *create* money, it has no need to *borrow* money.
- If the government can *create* money, it has no need to tax (Note: the redistribution of real wealth through inflation amounts to a tax or is a hidden tax).
- **Therefore whose interests are uniquely served by this system?**

Federal Reserve Notes are NOT Dollar\$ or Lawful Money



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**Federal reserve notes shall be
redeemed in lawful money on
demand.**

-CITE-
12 USC Sec. 411 01/03/05

-EXPCITE-
TITLE 12 - BANKS AND BANKING
CHAPTER 3 - FEDERAL RESERVE SYSTEM
SUBCHAPTER XII - FEDERAL RESERVE NOTES

-HEAD-
Sec. 411. Issuance to reserve banks; nature of
obligation; redemption

-STATUTE-
Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They **shall be redeemed in lawful money on demand** at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

As we have discussed, there is a specific constitutional prohibition to emit paper money; hence why Federal Reserve Notes cannot be nor have ever been lawful money of the United States. They are simply a form of fiat currency forced upon the citizens of the United States of America in their ignorance.

However, Title 12 sec. 411 of the United States Code gives us a remedy to demand constitutionally lawful money from the Federal Reserve Bank and we need to start making our demand.

What is a Federal Reserve Note?



- **It is a Private Bank Note**
 - (It is a promise from the bank to pay real lawful money)
- It is Redeemable for Lawful Money on Demand
 - (Pursuant to Title 12 U.S.C. § 411)
- **It is NOT Constitutionally Authorized Money**
 - (Constitution only authorizes gold or silver Coin as Tender in Payment of Debts within the 50 states of the Union, see Article I Section 10, Clause 1)

*“The Federal Reserve Bank is no more ‘Federal’ than Federal Express”,
G. Edward Griffin (Author)*

Federal Reserve Banks are quasi-private banks that are part of the Federal Reserve System.

(http://www.stlouisfed.org/news/speeches/2006/03_30_06.htm)

What are Federal Reserve bank notes?

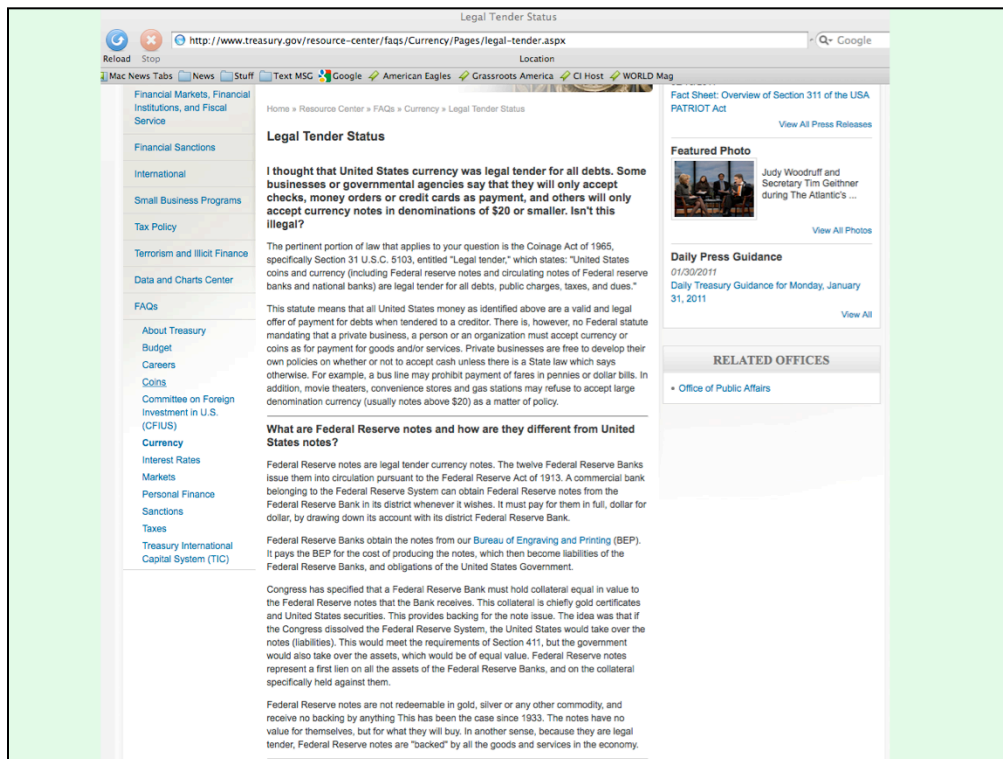
1. Federal Reserve bank notes are promissory notes issued by the Federal Reserve Banks.
2. The Federal Reserve bank notes, by law – Title 12 U.S.C. 411, are [supposed to be] redeemable for lawful money on demand, which Constitutionally speaking are minted coins containing 371 ¼ grains of pure silver or its gold equivalent as regulated by Congress pursuant to Article I Section 8, Clause 5.

The United States Supreme Court stated – *United States v. Marigold* – a still valid opinion:

“[Congress has the] obligation to fulfill that trust on the part of the government, namely, the trust and the duty of creating and maintaining a uniform and pure metallic standard of value throughout the Union. The power of coining money and of regulating its value was delegated to Congress by the Constitution for the very purpose, as assigned by the framers of that instrument, of creating and preserving the uniformity and purity of such standard of value ... If the medium which the government was authorized to create and establish could immediately be expelled, and substituted by one it had neither created, estimated, nor authorized -- one possessing no intrinsic value -- then the power conferred by the Constitution would be useless -- wholly fruitless of every end it was designed to accomplish. ...” *United States v. Marigold*, 50 U.S. (9 How.) 560, 567-68 (1850)

Federal Reserve Notes are UNCONSTITUTIONAL:

1. **They are not a pure metallic standard of value;**
2. **They have no intrinsic value;**
3. **They are not created by Congress;**
4. **They expelled constitutional money from regular use in commerce.**



Legal Tender Status

I thought that United States currency was legal tender for all debts. Some businesses or governmental agencies say that they will only accept checks, money orders or credit cards as payment, and others will only accept currency notes in denominations of \$20 or smaller. Isn't this illegal?

The pertinent portion of law that applies to your question is the Coinage Act of 1965, specifically Section 31 U.S.C. 5103, entitled "Legal tender," which states: "United States coins and currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues."

This statute means that all United States money as identified above are a valid and legal offer of payment for debts when tendered to a creditor. **There is, however, no Federal statute mandating that a private business, a person or an organization must accept currency or coins as for payment for goods and/or services.** Private businesses are free to develop their own policies on whether or not to accept cash unless there is a State law which says otherwise. For example, a bus line may prohibit payment of fares in pennies or dollar bills. In addition, movie theaters, convenience stores and gas stations may refuse to accept large denomination currency (usually notes above \$20) as a matter of policy.

A Federal Reserve Note is not a Dollar - they have no value

U.S. Dept of Treasury web site states:

Federal Reserve notes are not redeemable in gold, silver or any other commodity, and receive no backing by anything. This has been the case since 1933. The notes have no value for themselves ...

<http://www.treasury.gov/resource-center/faqs/Currency/Pages/legal-tender.aspx>



A screenshot of the U.S. Department of Treasury website. The page is titled "FAQs: Currency" and "LEGAL TENDER STATUS". It contains several questions and answers regarding the legal tender status of Federal Reserve notes. A sidebar on the left lists various topics such as "Home", "Direct Links", "Key Topics", "Press Room", "About Treasury", "Offices", "Bureaus", "Education", "Duties & Functions", "History of the Treasury", "Tomb in Treasury Building", "Frequently Asked Questions", "Coins", "Currency", "Personal Finance", "International", "Taxes", "Financial Markets", "Accounts & Budget", "Treasury Department", "Fact Sheets", "Exhibits", "Office of Executive Secretary", and "Site Policies and Notices".

The Department of Treasury web-site under it's frequently asked questions (FAQ) section states that:

“**[Federal Reserve notes] are not redeemable in gold, silver or any other commodity**, and receive no backing by anything. This has been the case since 1933. **The notes have no value for themselves ...**”

Hence, **Federal Reserve notes** are unconstitutional, and therefore unlawful. They have no value and as a result, they have been used by Federal Reserve Banks, in cooperation with the government, to perpetrate a “quiet theft” on the citizens of this great country, which we will discuss in more detail shortly.

Supreme Court - Coin Money is a Constitutional Requirement

- [United States v. Marigold](#), 50 U.S. (9 How.) 560, 567-568 (1850):

"They [Congress] appertain rather to the execution of an important trust invested by

Marigold was recently cited in: *International Bancorp Llc v. Societe Des Bains De Mer et Du Cercle Des*, 329 F. 3d 359, May 19, 2003 for a different reason but still stands affirming congressional responsibility to maintain a pure metallic monetary standard;

the uniformity and purity of such standard or value

"If the medium which the government was authorized to create and establish could immediately be expelled, and substituted by one it had neither created, estimated, nor authorized -- one possessing no intrinsic value -- then the power conferred by the Constitution would be useless -- wholly fruitless of every end it was designed to accomplish. Whatever functions Congress are, by the Constitution, authorized to perform, they are, when the public good requires it, bound to perform; and on this principle, having emitted a circulating medium, a standard of value indispensable for the purposes of the community, and for the action of the government itself, they are accordingly authorized and bound in duty to prevent its debasement and expulsion, and the destruction of the general confidence and convenience"



1792 Penny



Let's take a moment to review the Constitutional lawful money requirements of the United States:

The Supreme Court understood that our Constitution was ratified with the understanding that the legislature was bound in duty to maintain a pure metallic standard of value and to prevent our monetary unit's debasement and expulsion. Federal Reserve Notes have done just the opposite and have now caused us great harm.

Marigold was recently cited in: *International Bancorp Llc v. Societe Des Bains De Mer et Du Cercle Des*, 329 F. 3d 359, May 19, 2003;

Federal Reserve Notes are UNCONSTITUTIONAL:

1. They are not a pure metallic standard of value;
2. They have no intrinsic value;
3. They are not created by Congress;
4. They expelled constitutional money from regular use in commerce.

"If the American people ever allow private banks to control the issue of their

The Legislature Knows The Truth

- From the Report of the Commission, established pursuant to Public Law 96-389
“In addition to the compelling economic case for the gold standard, a case buttressed by both historical and theoretical arguments, there is a compelling argument based upon the Constitution. **The present monetary arrangements of the United States are unconstitutional --even anti-constitutional-- from top to bottom.**” (vol II, pg. 243)

On March 31, 1982, Donald T. Regan, the then Secretary of Treasury, delivered the Report from the Commission established pursuant to Public Law 96-389 to the Legislature informing them that the present monetary arrangements [i.e. the Federal Reserve Banking System] of the United States are unconstitutional --even anti-constitutional-- from top to bottom.

The Legislature Reinstated Monetary Law

Within 6 Months of the Gold Commission Report, the Legislature reinstates lawful Silver Dollar money followed by Gold money in 1985.

THE SECRETARY OF THE TREASURY
 MARCH 31, 1982

To the Congress of the United States:

On behalf of my colleagues and myself, I submit herewith the Report of the Commission, established pursuant to Public Law 96-389, to conduct a study to assess and make recommendations with regard to the policy of the U.S. Government concerning the role of gold in the Domestic and International monetary systems.

The specific findings and recommendations presented in this report represent in each case the views of the majority of the Commission, with an identification of minority views or recommendations where appropriate. As should be expected in a group of individuals with such diverse backgrounds, philosophies and responsibilities as the members of the Commission, there have been differing opinions regarding many if not all of the issues and questions raised by the Commission. Thus, not every member subscribes to each observation or conclusion contained in the report, but with this reservation and the specification of minority views, the report represents the product of the Commission as a whole.

In forwarding this report, we acknowledge the wide public interest in the issues examined by the Commission and are grateful for the cooperation the Commission received from many individuals in testifying before us and submitting written statements of view. The statements received by the Commission from the public, in responses to its request for testimony and written views, are summarized in an annex to the report. The detailed records of all Commission proceedings, including meeting transcripts, written testimony, staff memoranda and all papers circulated to the Commission, are catalogued in an annex to the report and will be available for public inspection at the Treasury Department library, the National Archives and Records Service and the Library of Congress.

We hope that this report on the role of gold in the domestic and international monetary systems will be of help to the Congress and the public in evaluating the spectrum of proposals advanced with the objective of restoring greater monetary and economic stability in the United States, an objective we strongly support. We regard it as an honor and a pleasure to have had the opportunity to contribute in this capacity to the continuing effort to find solutions to the nation's economic problems.

Respectfully,
Donald T. Regan
 Donald T. Regan

PUBLIC LAW 97-258—SEPT. 13, 1982
 96 STAT. 982

Notwithstanding section 5112(a)(1) of this title and subsections (a) and (b) of this section, the Secretary may mint and issue not more than 150,000,000 dollar coins that—
 (1) are 1.5 inches in diameter and weigh 24.592 grams;
 (2) have 2 identical outer layers of an alloy of 80 percent silver and 20 percent copper that are metallurgically bonded to an inner layer of an alloy of silver and copper.

PUBLIC LAW 99-61—JULY 9, 1985
 99 STAT. 115
 LIBERTY COIN ACT

SHORT TITLE
 Sec. 201. This title may be cited as the "Liberty Coin Act". 31 USC 5112 note.

MENTING OF SILVER COINS
 Sec. 202. Section 5112 of title 31, United States Code, is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following new subsections:
 "(e) Notwithstanding any other provision of law, the Secretary shall mint and issue, in quantities sufficient to meet public demand, coins which—
 "(1) are 40.6 millimeters in diameter and weigh 31.103 grams;
 "(2) contain 399 fine silver;
 "(3) have a design—
 "(A) symbolic of Liberty on the obverse side; and

PUBLIC LAW 99-185—DEC. 17, 1985
 99 STAT. 1177

Public Law 99-185
 99th Congress

An Act
 To authorize the minting of gold bullion coins. Dec. 17, 1985 (98 Stat.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. Gold Bullion Coin Act of 1985. 31 USC 5101 note.

SHORT TITLE
 SECTION 1. This Act may be cited as the "Gold Bullion Coin Act of 1985".







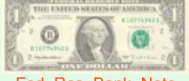



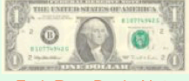
MENTING GOLD BULLION COINS
 Sec. 2. (a) Section 5112(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraphs:
 "(7) A fifty dollar gold coin that is 32.1 millimeters in diameter, weighs 32.581 grams, and contains one troy ounce of fine gold.
 "(8) A twenty-five dollar gold coin that is 27.0 millimeters in diameter, weighs 16.966 grams, and contains one-half troy ounce of fine gold.
 "(9) A ten dollar gold coin that is 22.6 millimeters in diameter, weighs 8.483 grams, and contains one-fourth troy ounce of fine gold.
 "(10) A five dollar gold coin that is 18.5 millimeters in diameter, weighs 3.259 grams, and contains one-tenth troy ounce of fine gold."
 (b) Section 5112 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:
 "(K) Notwithstanding section 5112(a)(1) of this title, the Secretary shall mint and issue the gold coins described in paragraphs (7), (8), (9), and (10) of subsection (a) of this section, in quantities sufficient to meet public demand, and such gold coins shall—

In less than 6 months after Donald T. Regan delivered the Report from the Commission, Congress enacted its first law, Public Law 97-258 on September 13, 1982 restoring the semblance of constitutionally lawful money. Then in 1985, Congress enacted Public Laws 99-61 and 99-185 that reinstated constitutionally lawful gold and silver money.

Take-away-point

1. The U.S. monetary system (Federal Reserve System) is unconstitutional and violates the Rule of Law.
2. The U.S. monetary system is dishonest.
3. The U.S. monetary system will blow up.

What is the effect of using unconstitutional legal tender?

	Property	=	# Egg Cartons (Brown Eggs)	=	# Lawful Money (\$)	/	# Legal Tender \$
1957	 1,600 Sq. Ft. Home	=	 ~37,700	=	 (\$) 13,500	=	 U.S. Silver Certificate \$13,500
1982	 1,600 Sq. Ft. Home	=	 ~37,700	=	No Lawful Money Available		 Fed. Res. Bank Note "\$85,400"
2007	 1,600 Sq. Ft. Home	=	 ~37,700	=	 (\$) 13,500	≠	 Fed. Res. Bank Note "\$175,000"

So now lets look at the effects of using unconstitutional legal tender Federal Reserve Notes.

1. Because Federal Reserve Notes have no value in or of themselves and no intrinsic value, they can be inflated in such a manner to make you believe that you made a gain or an accession to wealth, when in fact you had no such gain at all.
2. Because Federal Reserve Notes have no set fixed value, they can be used to "quietly" steal your wealth with the perception that you had a gain.
3. Because Federal Reserve Notes have no known or calculable value, they can be used to deceive the citizens into believing they will receive future benefits, such as social security, at today's purchasing power.

Quiet Theft!

	Property	= # Egg Cartons (Brown Eggs)	= # Lawful Money (\$)	/ # Legal Tender \$
Buy 1957	 1,600 Sq. Ft. Home	 ~37,700	 (\$) 13,500	 U.S. Silver Certificate \$13,500
Sell 2007	 1,600 Sq. Ft. Home	 ~37,700	 (\$) 13,500	 Fed. Res. Bank Note \$175,000
		No Cartons of Eggs Gain	No Lawful Money Gain	Federal Reserve Note "Gain" of \$161,500
		No Gain No Tax Due	No Gain No Tax Due	Alleged Tax Due ~FRN\$55,000
		After FRN Tax results in a Physical Egg Carton Loss of 11,922 Cartons of Eggs	After FRN Tax results in a Lawful Money Property Loss of (\$) 4,269	

The purported Federal Reserve Note "Gain" is actually a "quiet theft" in that it results in a physical property loss with the perception of an actual gain.

So now let's look at an example.

What are the effects of using unconstitutional legal tender notes?

1. An unrealized loss of capital and property;
2. A loss of real value;
3. The loss of the full economic impact of automation.

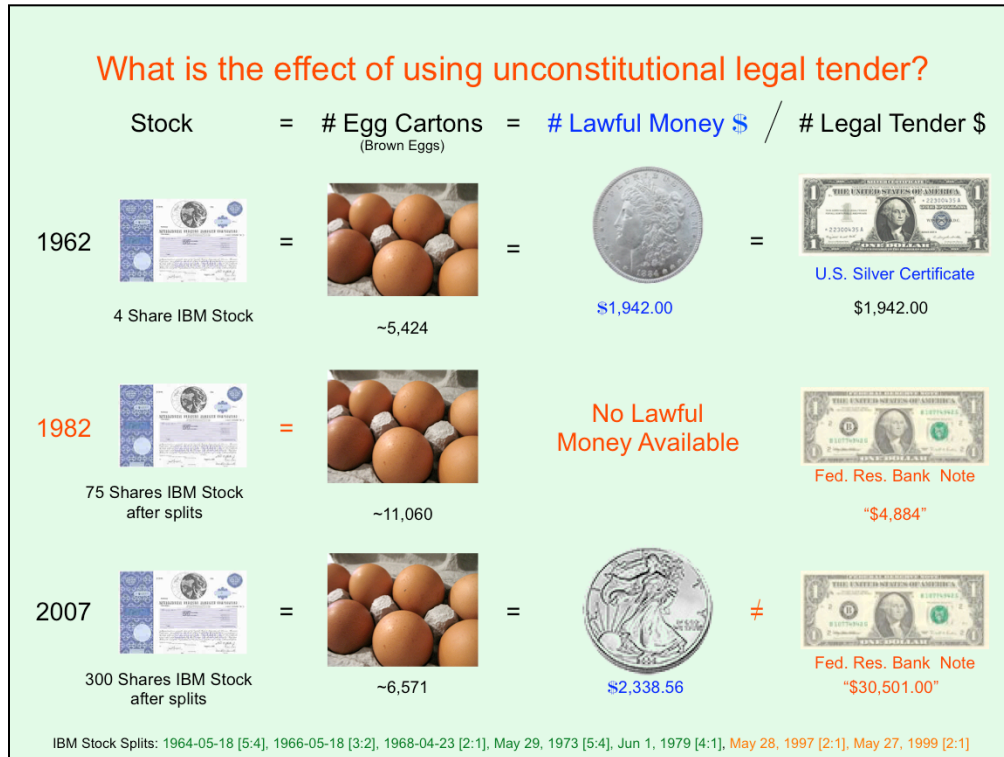
Brown Egg Data:

EGG ECONOMICS UPDATE reports by Donald Bell, Poultry Specialist (emeritus), University of California , Riverside, CA 92521

<http://www.ams.usda.gov/poultry/mncs/ShellEgg/USDAEGGMARKETNEWSREPORT.html>

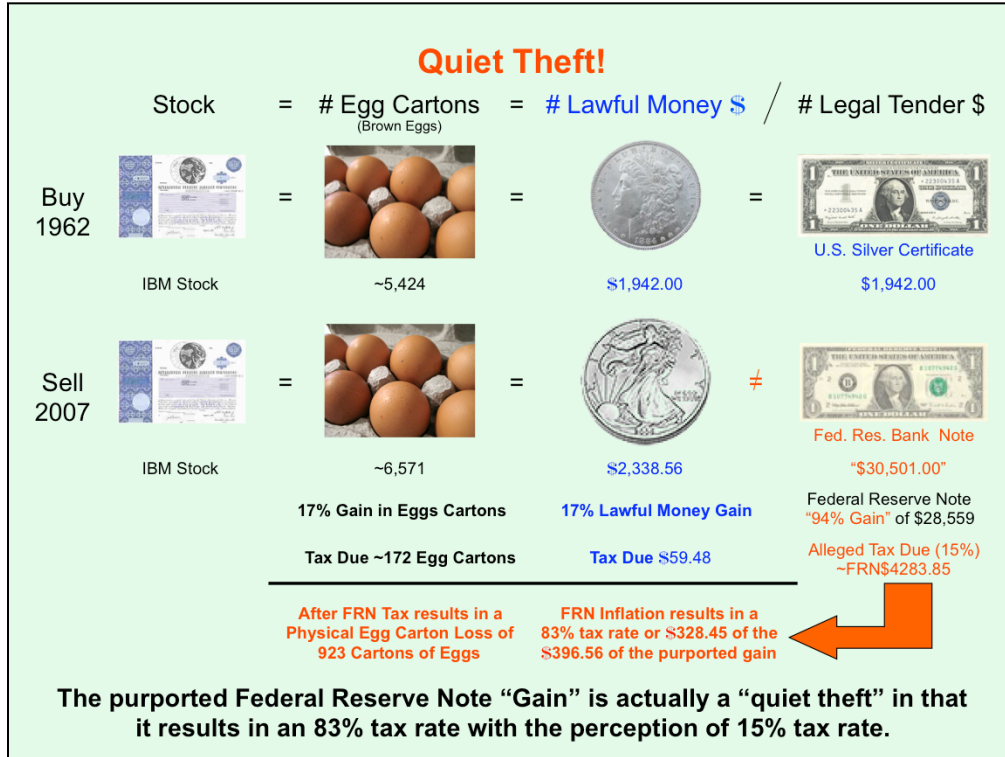
http://www.pathtoinvesting.org/interactive/inflation/simulation_inflation.htm

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Old Case – New Law

***Thompson v. Butler*, 95 U.S. 694, 696 (1877)**

- A coin dollar is worth no more for the purposes of tender in payment of an ordinary debt than a note dollar. **The law has not made the note a standard of value any more than coin.** It is true that in the market, as an article of merchandise, one is of greater value than the other; but **as money**, that is to say, as a medium of exchange, **the law knows no difference between them.**

Title 31 USC §§5119(a) and 5117(b)

§5119 However, the Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary to maintain the equal purchasing power of each kind of United States currency

§5117 The Secretary may prescribe the form and denominations of the certificates. The amount of outstanding certificates may be not more than the value (for the purpose of issuing those certificates, of 42 and two-ninths dollars a fine troy ounce) of the gold held against gold certificates.

31 USC Sec. 5119 (a): Except to the extent authorized in regulations the Secretary of the Treasury prescribes with the approval of the President, the Secretary may not redeem United States currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) in gold. However, **the Secretary shall** redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary **to maintain the equal purchasing power of each kind of United States currency.** ...

Thompson v. Butler was recently cited in: *Crummey v. Klein Independent School District* (Unpublished Opinion, U.S. Ct. App. for the 5th Circuit, No. 08-20133, 2 October 2008). However there was no mention by the Petitioner, Crumme, of the Secretary's duty to maintain the equal purchasing of each kind of United States Currency. Nor was there any mention of the responsibility of the Secretary to maintain gold bullion at 42 and two-ninths dollars a fine troy ounce, which with minting, assaying and distribution costs is equal to the 50 dollar coin defined at Title 31 U.S.C. §5112(a)(7).

The Supreme Court in *Thompson v. Butler*, 95 U.S. 694 (1878) stated:

A coin dollar is worth no more for the purposes of tender in payment of an ordinary debt than a note dollar. The law has not made the note a standard of value any more than coin. It is true that in the market, as an article of merchandise, one is of greater

Secretary of Treasury's has failed in his duty under Title 31 U.S.C. §5119(a)

- [T]he Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides **are necessary to maintain the equal purchasing power of each kind of United States currency.**



The legal tender \$50 dollar gold coin has significantly more purchasing power than the \$50 Federal Reserve Note.

The Secretary of the United States Treasury has broken the law and failed in his duty to maintain the equal purchasing power of each kind of United States currency as required by law pursuant to Title 31 U.S.C. Sec. 5119(a).

Difference in Monetary Law between 1878 & 2011

	<i>Thompson v. Butler</i> , 95 U.S. 694, 696 (1878)	Today (1985 – 2011)
Legal Tender Coins (Gold and Silver)	✓	✓
Legal Tender Notes (U.S. or F.R.N.)	✓	✓
Notes are obligations of the U. S.	✓	✓
Coin & Notes declared equal value	✓	✓
Notes (by 1878) were redeemable at face value	✓	
Notes (in practice) are irredeemable		✓
Sec. of Treasury has a duty maintain equal purchasing power		✓

- *Crummey v. Klein Independent School District* (Unpublished Opinion, U.S. Ct. App. for the 5th Circuit, No. 08-20133, 2 October 2008);
- Title 12 U.S.C. 411 states that Federal Reserve Notes shall be redeemable for lawful money on demand.
- Title 31 U.S.C. 5119(a): The Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary to maintain the equal purchasing power of each kind of United States currency

When the initial suit of *Thompson v. Butler* was brought to the district court, redemption in specie for Notes for Dollars [coin money] had been temporarily suspended, but by the time the case had reach the Supreme Court in 1877, THE RESUMPTION OF SPECIE PAYMENTS ACT OF 1875 had become effective making the disparity between the purchasing power of the Dollar coin and the Note, moot. However, to prevent that problem from ever occurring again congress enacted law, now codified at [Title 31 U.S.C. 5119\(a\)](#), requiring the Secretary of Treasury to maintain the equal purchasing power of each kind of United States currency.

Relevant Law & Cases

- 31 USC 5119(a)
 - “the Secretary shall ... maintain the equal purchasing power of each kind of United States currency”
- 12 USC 411
 - “Federal reserve notes ... shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.”
- 31 USC 5112(a)(7)-(10), (e)
 - These sections define the size weight and pure metal content of each lawful money coin.
- *Thompson v. Butler*, 95 U.S. 694 (1877)
 - A dollar is a dollar
 - See 5th Cir. Opinion Crummy v. Klein ISD, No. 08-20133, Oct. 2, 2008
- *Eisner v. Macomber* 252 U.S. 189, 206 (1920)
 - *Congress cannot by legislation alter the Constitution, from which alone it derives its power to legislate, and within whose limitations alone that power can be lawfully exercised.*
- *United States v. Marigold*, 50 U.S. (9 How.) 560 (1850)
 - Constitutionally coined money is a pure metallic standard of value; a coin with known intrinsic value.

31 USC Sec. 5119 (a): Except to the extent authorized in regulations the Secretary of the Treasury prescribes with the approval of the President, the Secretary may not redeem United States currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) in gold. However, **the Secretary shall** redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary **to maintain the equal purchasing power of each kind of United States currency.** ...

The Supreme Court in *Thompson v. Butler*, 95 U.S. 694 (1878) stated:

A coin dollar is worth no more for the purposes of tender in payment of an ordinary debt than a note dollar. The law has not made the note a standard of value any more than coin. It is true that in the market, as an article of merchandise, one is of greater value than the other; but as money, that is to say, as a medium of exchange, the law knows no difference between them.

However, this decision was rendered prior to the creation of the Federal Reserve System and the enactment of 31 USC 5119(a).

Take-away-points

1. The U.S. monetary system (Federal Reserve System) is unconstitutional and violates the Rule of Law.
2. The U.S. monetary system is dishonest.
3. The U.S. monetary system will blow up.

Where we are headed:

Without exceptions, the history of irredeemable legal tender paper & electronic money is that its purchasing power always approaches its cost of production: **ZERO**



A lifetime's worth of savings –
literally down the sewer!

“The process by which banks create money is so simple that the mind is repelled.”

Money: Whence it came, where it went
John Kenneth Galbraith

How banks create money out of nothing

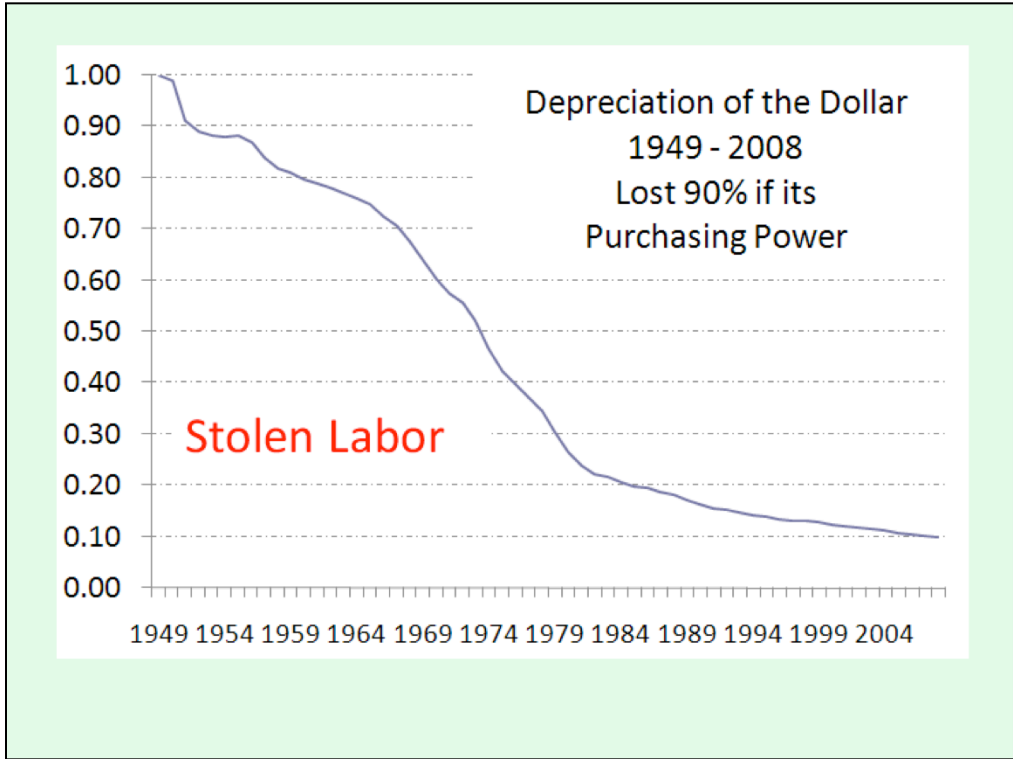


“Money exists simply as a bookkeeping entry
at a bank.”

The Story of Money, 8th Printing, 2005
Federal Reserve Bank of New York, page 17

“If the bank makes a loan, it credits the checking account
of the borrower. This creates new money in the form of
additional checkable deposits for the borrower.”

The Federal Reserve Today, 15th Edition
Federal Reserve Bank of Richmond, page 16.



Bankers are gambling with your savings
and promises of future payment



Hyper-Inflation History

Country	Year(s)	Highest inflation per month %	Country	Year(s)	Highest inflation per month %
Argentina	1989/90	196.60	Hungary	1923/24	82.18
Armenia	1993/94	438.04	Kazakhstan	1994	57.00
Austria	1921/22	124.27	Kyrgyzstan	1992	157.00
Azerbaijan	1991/94	118.09	Nicaragua	1986/89	126.62
Belarus	1994	53.40	Peru	1988/90	114.12
Bolivia	1984/86	120.39	Poland	1921/24	187.54
Brazil	1989/93	84.32	Poland	1989/90	77.33
Bulgaria	1997	242.70	Serbia	1992/94	309,000,000
China	1947/49	4,208.73	Soviet Union	1922/24	278.72
Congo(Zaire)	1991/94	225.00	Taiwan	1945/49	398.73
France	1789/96	143.26	Tajikistan	1995	78.10
Georgia	1993/94	196.72	Turkmenistan	1993/96	62.50
Germany	1920/23	29,525.71	Ukraine	1992/94	249.00
Greece	1942/45	11,288.00	Yugoslavia	1990	58.82
Hungary	1945/46	1.295E+16	Zimbabwe	2007/09	231,000,000

Source: *Monetary Regimes and Inflation*, by Peter Bernholz

Thomas Paine

- "The laws of a country ought to be the standard of equity and calculated to impress on the minds of the people the moral as well as the legal obligations of political justice. But tender laws, of any kind, operate to destroy morality, and to dissolve by the pretense of law what ought to be the principle of law to support, reciprocal justice between man and man; and the punishment of a member who should move for such a law ought to be DEATH."

We have a Constitutional Crisis Article I Section 10, Clause 1

No State shall make any Thing but gold and silver Coin a Tender in Payment of Debts

- *What does Texas declare is legal tender?*
- *Does Texas enforce payments of taxes, fines and other debts in anything other than gold in silver coin?*

Since the federal constitution has removed all danger of our having a paper tender, our trade advanced fifty percent. Our monied people can trust their cash [throughout the country], and have brought their coin into circulation.

Benjamin Franklin, Publisher and Signer of the Constitution of the United States The Pennsylvania Gazette, December 16, 1789.

Quote from Penn Gazette pg 4. middle column, Dec. 16, 1789.

History shows us the solution!

- 1786 – Paper Money
(Articles of Confederation period)

Blood running in the streets. Mobs of rioters and demonstrators threatening banks and legislators. Looting of shop and liotne. Credit ruined. Strikes and unemployment. Trade and distribution paralyzed. Shortages of food. Bankruptcies everywhere. Court dockets overloaded. Kidnappings for heavy ransom. Sexual perversion, drunkenness, lawlessness rampant.

America, 1786: George Washington to James Madison

“If anyone had predicted that our economic and social ills could have been solved by simply making nothing but gold and silver coin our money, he would have been call crazy” paraphrase George Washington taken from MOMS 7th Edition pg. 60

- 1791 – Coin Money
(Constitutional Law reigns)

Tranquility reigns among the people with that disposition towards the general government which is likely to preserve it. Our public credit [with its foundation on solid money] stands on high ground which three years ago it would have been considered as a species of madness to have foretold.

July 20, 1791, George Washington to David Humphreys

What should we do?

1. Don't Panic!

- Lawful money (silver and gold) coins exist. Start using them!
- Viable economic transition models exist (i.e. the Euro).

2. Implement a dual monetary system

- Price goods and services throughout the state in both Federal Reserve note (FRN)\$ and Lawful Money \$.
- Use the European model to transition all prices, taxes, fines and other debts to Lawful Money \$ units over 24 – 36 months.

3. Implement Lawful Money State Banks

- All deposits and interest are paid in Lawful Money silver or gold coin.

This legislative body should give serious consideration to passing legislation that would require all financial transactions within 36 month from the date of enactment to be made in constitutional lawful money of the United States (American Eagle coins) or in sound monetary units of silver, gold, gold and silver coin, or electronic gold currency.

Further, for the period between the 90th day after enactment to the end of the 36th month all financial transactions shall be indicated in both Federal Reserve Note units as well as the chosen sound money unit.

Furthermore all financial transactions between the state and other persons involving certain taxes, fees, and charges on cigarettes and tobacco products be conducted in the chosen sound money unit; requiring the state treasurer to adopt rules for the administration of payment by and receipt by the state and political subdivisions in gold, gold and silver coin, or electronic gold currency.

This can be done and done successfully! Look at Europe; it went from 16 independent currencies to one currency in 36 months by implementing a dual pricing system to facilitate a smooth transition to the new monetary unit over a 36 month period.

What else can be done?

- Use specific Lawful Money language in all sales and licensing contracts to avoid the conflicts created by new laws and old opinions.
- Pay appropriate taxes in Federal Reserve notes and let the Secretary of Treasury worry about redeeming them at face value.
- Press both Federal and State Legislators to pass statutes ensuring the the rights of all persons to receive all forms of United States coin and currency and to exchange some forms thereof for others without discrimination or burden...

Conclusion

- Start using lawful money [Gold and Silver Clause] contracts when buying, selling or licensing property.
- Minimize tax liabilities by using lawful money as the basis in all transactions
- Minimize intrinsic value loss by using Federal Reserve note to pay all taxes, duties and imposts.
- Write your State and Federal Representatives and send them copies of the Monetary Unit Protection Act and ask them to enact them.

For more information

- Presentations and Other Resources
 - <http://www.npn.net>
- Videos
 - <http://www.heritageresearchinstitute.org/PurseSwordPage.htm>
- Articles
 - <http://www.EdwinVieira.com/>
 - <http://www.devy.com/>
 - <http://www.newswithviews.com/>
- US Law
 - <http://uscode.house.gov>
- Organizations:
 - <http://www.usbor.org>
 - <http://www.andrewjacksonsociety.org>
 - <http://www.gawtp.com/>
 - <http://www.committeesofsafety.org/>

Final Thoughts

- The current financial crisis is the inevitable result of the current fiat monetary system.
- Only a constitutionally sound monetary system can protect the States and its citizens from the devastating effects of a fiat currency.
- It's time for the State legislatures to take action and implement sound money legislation to protect her citizens from the unconscionable effects of the private fiat banking system.