

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 – soon.

The U.S. Monetary System is Unconstitutional

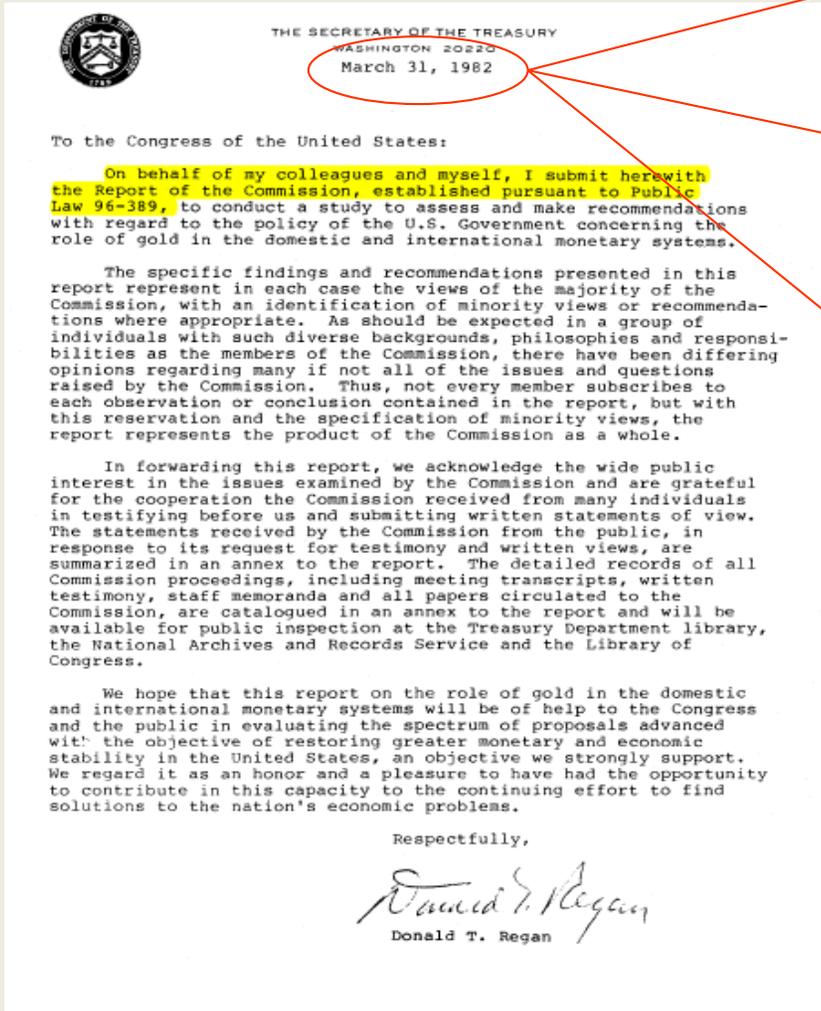
- ***United States v. Marigold***, 50 U.S. (9 How.) 560, 567-568 (1850): “the trust and the duty of creating and maintaining a uniform and pure metallic standard of value throughout the Union”
- ***A.L.A. Schechter Poultry Corporation v. United States***, 295 U.S. 495 (1935): “Such a delegation of legislative power [to institutions such as the Federal Reserve] is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress.

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)

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.



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

(e) Notwithstanding section 5111(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

TITLE II—LIBERTY COINS Liberty Coin Act.

SHORT TITLE

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

MINTING 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 .999 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 [S. 1639]

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".

MINTING 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 32.7 millimeters in diameter, weighs 33.931 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 22.0 millimeters in diameter, weighs 8.483 grams, and contains one-fourth troy ounce of fine gold.
- "(10) A five dollar gold coin that is 16.5 millimeters in diameter, weighs 3.393 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: "i(1) Notwithstanding section 5111(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—

Ante, p. 115. 31 USC 5111.

The Federal Reserve System violates the Rule of Law

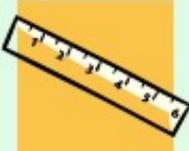
One **Dollar** is a standard unit of measurement

Money:  371 ¼ 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**

Take-away-point

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The U.S. monetary system is dishonest.

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”

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

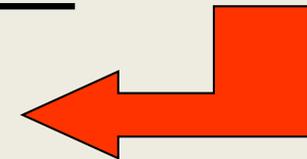
No Gain No Tax Due

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.

What is the effect of using unconstitutional legal tender?

$$\text{Stock} = \# \text{ Egg Cartons (Brown Eggs)} = \# \text{ Lawful Money } \$ / \# \text{ Legal Tender } \$$$

1962



4 Share IBM Stock

=



~5,424

=



\$1,942.00

=



U.S. Silver Certificate

\$1,942.00

1982



75 Shares IBM Stock after splits

=



~4,266

No Lawful Money Available



Fed. Res. Bank Note

“\$4,884”

2007



300 Shares IBM Stock after splits

=



~6,571

=



\$2,338.56

≠



Fed. Res. Bank Note

“\$30,501.00”

It Creates an Illegal Hidden Tax!

Stock = # Egg Cartons (Brown Eggs) = # Lawful Money \$ / # Legal Tender \$

Buy
1962



=



=



=



U.S. Silver Certificate

IBM Stock

~5,424

\$1,942.00

\$1,942.00

Sell
2007



=



=



≠



Fed. Res. Bank Note

IBM Stock

~6,570

\$2,338.56

“\$30,501.00”

17% Gain in Eggs Cartons

17% Lawful Money Gain

Federal Reserve Note
“94% Gain” of \$28,559

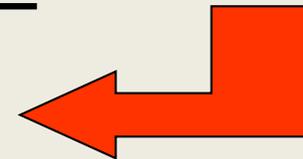
Tax Due ~172 Egg Cartons

Tax Due \$59.48

Alleged Tax Due (15%)
~FRN\$4283.85

After FRN Tax results in a
Physical Egg Carton Loss of
923 Cartons of Eggs

FRN Inflation results in a
83% tax rate or \$328.45 of the
\$396.56 of the purported gain



The purported Federal Reserve Note “Gain” is actually a “quiet theft” in that it results in an 83% tax rate with the perception of 15% tax rate.

Take-away-points

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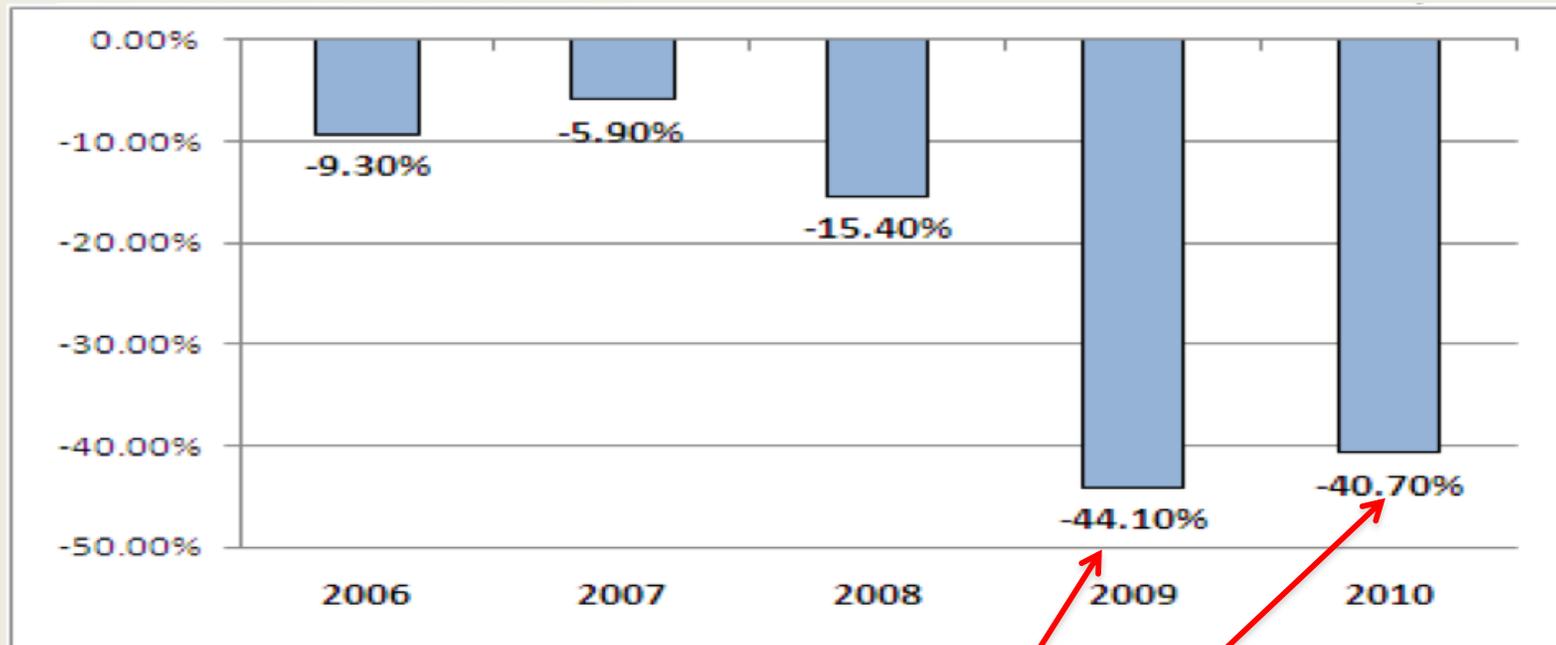
Is the United States Bankrupt?

Laurence J. Kotlikoff - Boston University Economics professor

July/August 2006-Federal Reserve Bank of St. Louis Review

“This partial-equilibrium analysis strongly suggests that the US government is indeed bankrupt, in so far as it will be unable to pay its creditors, who, in this context, are current and future generation to whom it has explicitly or implicitly promised future net payments of various kinds”

Hyperinflation is a Statistical Inevitability!



Peter Bernholz (*Professor Emeritus of Economics in the Center for Economics and Business at the University of Basel in Switzerland*) has spent his career studying the causes and impacts of inflation, especially as it relates to money creation.

There have been several episodes of national economies in the 20th century, with 20 occurring in total. Bernholz identifies the 12 largest episodes of hyperinflation and finds that all were caused by public budget deficits through money creation.

We are here!

The conclusion of his work: the tipping point for hyperinflation occurs when the government's deficit exceeds 40% of its expenditures.

*Source: Monetary Regimes and Inflation: History, Economic and Political Relationships by Peter Bernholz

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	Yugolasvia	1990	58.82
Hungary	1945/46	1.295E+16	Zimbabwe	2007/09	231,000,000

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

Fiat money systems always fail!

Fiat money systems always fail. There is no historical record of a country with a fiat money system which survived the ages.

History is littered with fiat systems that failed, including our own **“Continental” note during the American Revolution and greenbacks during the Civil War.**

This picture of a Weimar Republic woman burning German fiat money after WWI is not a joke. It was literally more efficient to burn the currency than the wood it would buy after the fiat currency hyper-inflated.

“There is no means of avoiding the final collapse of a boom brought about by credit (debt) expansion. The alternative is only whether the crisis should come sooner as the result of a voluntary abandonment of further credit (debt) expansion, or later as a final and total catastrophe of the currency system involved.”
Ludwig von Mises



Without a gold standard, governments can print as much money as they want, destroying wealth through inflation. A German woman in 1924 feeding a stove with currency notes, which burn longer than the amount of firewood they can buy.

The Constitution was supposed to protect our wealth!

Since the federal constitution has removed all danger of our having a paper tender, our trade advanced fifty percent. Our moneyed 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, Printed in the December 16, 1789 edition of the Pennsylvania Gazette.

“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

THE END

False Myths about Money

- ① There is not enough Gold and Silver available for either commodity to be used as money;
- ② It is illegal to use Gold and Silver as money in the United States;
- ③ Federal Reserve Bank notes are lawful money of the United States;
- ④ The Supreme Court has declared the Federal Reserve System to be Constitutional; and
- ⑤ The 12 Federal Reserve Banks are part of the general government of the United States

Facts – Commodity Availability

- Gold - 65 year supply above ground
- Silver - 10 year supply above ground
- Platinum - 6 month supply above ground
- Oil - 6 month supply above ground
- Gasoline - 3 month supply above ground

U.S. Gold & Silver Coins are Legal Tender and Lawful Money of the U.S.

- Title 31 U.S.C § 5103
 - United States coins and currency ... are legal tender for all debts, public charges, taxes, and dues.
- Title 31 U.S.C § 5112(a)(7)-(10)
 - 7) A fifty dollar gold coin ... contains one troy ounce of fine gold.
 - 8) A twenty-five dollar gold coin ... contains $\frac{1}{2}$ troy ounce of fine gold.
 - 9) A ten dollar gold ... contains $\frac{1}{4}$ troy ounce of fine gold.
 - 10) A five dollar gold coin ... contains one-tenth troy ounce of fine gold.
- Title 31 U.S.C § 5112(e)
 - “One Dollar” contains .9999 fine silver
- Title 12 U.S.C § 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.

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 end in catastrophe for her Citizens by creating social and economic dislocation that has not been seen since the “Articles of Confederation” days,

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 the **Constitution**, and to 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. 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



Supreme Court: Congress cannot delegate its monetary duties to the Federal Reserve

- *A.L.A. Schechter Poultry Corporation v. United States*, 295 U.S. 495 (1935):

Would it be seriously contended that Congress could delegate its legislative authority to trade or industrial associations or groups so as to empower them to enact the laws they deem to be wise and beneficent for * * * their trade or industries? Could trade or industrial associations or groups be constituted legislative bodies for that purpose because such associations or groups are familiar with the problems of their enterprises?

* * * The answer is obvious. **Such a delegation of legislative power is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress.**