There are even those who would, if they could, create a classless society. If such a society were possible it would be as useless as a rankless army and as dull as a wine-list that gave neither the names of the vineyards nor the dates of the vintages. Class is an inevitable adjunct of human nature.

GOLD AND SILVER COIN
continued from page 3

1700's containing 371 1/4 grains (troy) of fine silver, and to which Art. I, Sect. 9, Cl. 1 and Amendment VII refer. The legally-declared "Value" of all silver coins must be proportional to the weight of silver they contain, in comparison to the dollar; and the legally declared "value" of all gold coins must be proportional to the weight of gold they contain, in comparison to the dollar, at the prevailing freemarket exchange ratio between gold and silver. All silver and gold coins may be legal tender for their intrinsic "Value(s)" in dollars: that is, for the dollar "Value(s)" of the silver or gold they contain. It is the Congress which has exclusive authority, as against the States, to "coin Money" and "regulate" its "Value" and legal-tender character according to these principles. (Art. I, Sect. 8, Cl. 5 & Art. I, Sec. 10, Cl. 1).

- The Constitution prohibits the emission of any form of paper money ("Bills of Credit") by the States, and grants no such power to the national government. And the States may not impose on unwilling creditors "any Thing but gold and silver Coin" as a "Tender in Payment of Debts"—re-emphasizing that Congress may declare only "gold and silver Coin" a legal tender. (Art. I, Sect. 8, Cl. 2, Sect. 8, Cl. 5; & Art. 1, Sect. 10, Cl. 1).
- The Constitution denies Congress and the States any power to levy forced loans on the people, to seize their "Money" (or the silver and gold of which that "Money" consists) except through proper modes of taxation, and to prevent specific performance of private contracts payable in silver, gold, or any other monetary medium. (Art. I, Sect. 8, Cl. 1, Sect. 8, Cl. 2 & Cl. 5; Art I, Sect. 10, Cl. 1; and Amendments V, IX, X & XIV).
- The Constitution guarantees individuals free entry into private banking; ensures that private banks may issue their own (non-fraudulent) notes and other securities, and deal in deposits or loans of silver, gold, foreign currencies, or any other monetary medium; and outlaws any governmentally-sponsored banking monopoly or banking cartel. (Art. I, Sect. 8, Cl. 3; Art. IV, Sect. 2; and Amendments V, IX, X, and XIV).

Taken together, these constitutional provisions define a monetary system that relies on free-market principles as much as any governmentally-based system could, for these reasons:

— The Constitution adopted the TYPE of "Money" the world market historically favored: commodity money, "Money" capable of being "coin(ed)" or tendered as "Coin," pursuant to Art. I, Sect. 8, Cl. 5, and Art. I, Sect. 10, Cl. 1.

— The Constitution adopted as "Money" the very commodities the QUALITY of which the international market historically recognized as pre-eminent: **silver and gold.**

— The Constitution adopted the exact UNIT of "Money" the American market had found most convenient during the 1700's: the dollar of 371 1/4 grains of silver.

— The Constitution left the ultimate SUPPLY of "Money" to the market, too, by implicitly incorporating in Art. I, Sect. 8, Cl. 5 the system of "free coinage" embodied in English common law.

Beginning in 1862, the national government began to deviate from these Constitutional principles.

- **1862**—Congress emitted legal-tender paper currency (the so-called Civil War "greenbacks"). The Supreme Court, in 1871, conceded that the "greenbacks" constituted "Bills of Credit" (paper money, rejected by the Founders), but upheld their legality, notwithstanding, on the theory that their emission amounted to a forced loan that the government would repay by redeeming the paper for its full face value in gold and silver coin. *Knox v. Lee,* 79 U.S. (12 Wall.) 457 (1871).
- **1913**—Congress created the Federal System, a quasi-public, quasi-private banking cartel, which asserts independence from supervision by the Judiciary, the Congress, the Executive, or the electorate. The Federal Reserve is specially privileged to emit its own paper currency called Federal Reserve Notes. Although Congress declared these notes to be "obligations of the United States," it never enacted a single "Law" mandating (or limiting) the dollar amount of such "obligations" the Federal Reserve System could create out of nothing for which the Treasury of the United States (and,

continued on page 5

I never liked an order less. Courage is half a matter of health and energy and I was feeling worn out and not at all brave.

GOLD AND SILVER COIN
continued from page 4

ultimately, the American people as taxpayers) would be liable—in complete disregard of Art. I, Sect. 9, Cl. 7. The Supreme Court has never heard a case challenging the constitutionality of the banking cartel, although the Court in 1935 outlawed quasi-public, quasi-private industrial cartels structurally equivalent to the Federal Reserve System as violative of the Fifth Amendment. *A.L.A. Schechter Poultry Corp. v. United States,* 295 U.S. 495 (1935).

- **1933**—Congress declared Federal Reserve Notes legal tender for all debts, and, further, removed the requirement in force from 1913 that the notes be redeemable in gold coin for United States citizens. Federal Reserve Notes remained redeemable in other forms of "lawful money," however, including the constitutional silver dollar. The Supreme Court has never heard a case challenging the constitutionality of the legal-tender character of Federal Reserve Notes, or that they may not be redeemed in gold or silver.
- **1933 & — 1934** Congress permitted the President to seize all gold coin held by American citizens, and nullified provisions in all private and public contracts that called for payment in gold (the so-called "gold clauses"). The Supreme Court sustained the prohibition of private gold-clause contracts, although in the late 1800's it had upheld the validity of such clauses in a series of cases. The Court ruled **un**constitutional the attempted Congressional repudiation of gold clauses in U.S. government bonds; but in 1937 Congress interposed "sovereign immunity" to prevent creditors of the government from suing to collect the gold owed them. The Court simply avoided altogether deciding whether the government's seizure of privately-held gold was constitutional. *Gold Clause Cases,* 294 U.S. 240, 317, 330 (1935).
- **1965**—Congress terminated coinage of constitutional silver dollars and began issuing debased coinage.
- **1968**—Congress terminated redemption in silver of any form of U.S. money, including Federal Reserve Notes. The Supreme Court has never heard a case challenging the constitutionality of this action.
- **1973**—Congress permitted Americans to own gold and to make private "gold-clause" contracts but 1977 continued to refuse to honor the "gold clauses" in pre-1933 U.S. bonds, or to pay any other U.S. obligations in silver or gold.
- **1985**—Congress authorized the minting of new gold coins, but because the dollar denominations on the coins are so far below the market value of the gold content, the new coinage does not re-establish a constitutional monetary system.

Since 1968, the money of the United States has consisted of two things:

— Legal-tender Federal Reserve Notes, not redeemable in silver or gold coin.

— So-called "clad" coins composed of base metal with **NO** silver or gold content whatsoever, and zinc cents.

As the "supreme Law of the Land," the Constitution requires that any change in its provisions be made only by the process of amendment. No amendment has ever been proposed, let alone made, in any of the monetary provisions of the Constitution since the Framers drafted them. Yet the government operates as if drastic alterations have taken place:

— The standard unit of money, the "dollar," no longer contains any precious metal at all, though the constitutional "dollar" was defined as 371 1/4 grains fine silver.

— Gold and silver coins have been withdrawn as the base of the monetary system, although the Constitution provides that "No State shall *** make any Thing but gold and silver Coin a Tender in Payment of Debts."

— Irredeemable Federal Reserve Notes (what the Framers would have called "Bills of Credit") have become the nation's currency, although the Constitution explicitly provides that "No State shall *** emit Bills of Credit," and delegates no power to Congress to emit such "Bills" either.

continued on page 6