The above law delegates the power to issue money as stated in Art. 1, sec. 8, cl. 5 to the privately owned Federal Reserve Banks. The Constitution nowhere permits Congress the authority to delegate its power. The Supreme Court has held that Congress cannot delegate their power.

The above act declares the Federal Reserve Notes to be obligations, (debts) (bills of credit) of the United States. But, in spite of this fact, declare that the worthless slips of paper shall and must circulate as money, (gold and silver) and must be received for all taxes, customs and other public dues. The last sentence of the above act reads: "They shall be redeemed in lawful money." This sentence confirms the fact that Federal Reserve Notes are an obligation (debt) (bills of credit). Federal Reserve Notes are worthless. The Banks can buy them for one cent. They are not gold or silver, they cannot do that which the Constitution says money can do in Art. 1, sec. 10, cl. 1, which was adopted in Convention. This section of the Constitution states that only gold and silver can pay debts. Congress cannot change the Constitution nor can the Supreme Court change it. The change can only be made by following Art. V and VII.

12 U.S.C. 420 reads in effect that Federal Reserve Banks shall be allowed to buy Federal Reserve Notes for the cost of paper and printing. A brochure mailed to me by the Bureau of Engraving and Printing states, on page 8: "The cost of producing United States currency is less than one cent a note."

The above section and the last sentence of that section tie together certain laws. These laws allow the privately owned banks to buy a $10,000.00 Federal Reserve Note for 1 cent. This is the reason why they are bills of credit, an (obligation.) Valuable bonds or other collateral are needed to make the worthless slips of paper redeemable in lawful money.

12 U.S.C. 444 reads: "The Federal Reserve Banks purchasing such bonds shall be permitted to take out an amount of circulating notes equal to the par value of such bonds." What did Congress say in the above section? Did they say that Federal Reserve Banks be required to buy a $10,000.00 government bond with $10,000.00 worth of gold or silver? What kind of money did Congress intend that the banks use? Does Congress mean after the banks buy a $10,000.00 government bond that the banks by showing that bond to the Bureau of Engraving and Printing or some other government agency be allowed to take out a $10,000.00 Federal Reserve note, which cost them the price of paper and printing, or 1 cent. Why are the rest of us denied the privilege of buying $10,000.00 pieces of currency for 1 cent? Why does the law make us redeem them?

12 U.S.C. 531 reads: "FEDERAL RESERVE BANKS, INCLUDING THE CAPITAL STOCK AND SURPLUS THEREIN AND THE INCOME DERIVED THEREFROM, SHALL BE EXEMPT FROM FEDERAL, STATE AND LOCAL TAXATION, EXCEPT TAXES UPON REAL ESTATE." (Dec. 23, 1913.)

WE MIGHT BE CONFUSED ABOUT 12 U.S.C. 411, 420 and 444, BUT EVEN A CHILD CAN UNDERSTAND THAT 12 U.S.C. 531 EXEMPTS THE PRIVATELY OWNED FEDERAL