

## PRE-FEDERAL RESERVE HISTORY

"I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance."

"All the perplexities, confusion and distress in America arise not from defects in the Constitution or Confederation, not from a want of honor or virtue so much as from downright ignorance of the nature of coin, credit and circulation."

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

These were adopted by a permanent rule excluding the use of a perishable medium of exchange, such as of certain agricultural commodities recognized by the statutes of some States as tender for debts,

had firsthand experience with bankers and paper money. They absolutely detested the notion that any man could issue notes based upon fractional reserves, thereby creating wealth for himself out of thin air. Most of the Founders were men of wealth, and they came upon that wealth by working hard for it, not by fraud, deceit, and plunder. Gold and silver are recognized around the world for their tangible wealth, because someone has to work very hard to get it out of the earth. How much effort does a banker expend in applying ink to paper to create a fractional reserve note?

Continental Note was trading 8 to 1 against the Spanish milled Dollar, and by November of that year, it was trading 38 to 1. In January 1781 it was trading 100 to 1, and by May of that year they ceased to pass as currency and quietly died in the hands of their bearers. The phrase, "Worthless as a Continental" was widely heard in these times.

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(371.25 grains of fine silver), based upon the Spanish milled Dollar of silver, then widely in circulation in the sovereign States. The Coinage Act dramatically simplified the

process of issuing a standard coin into circulation. At no cost, the individual could take his silver or gold dust, shavings, or bullion to the mint, and have it melted down and pressed into coin. Now it was guaranteed to be a standard weight and purity.

The Coinage Act specifies the weight and substance of the Dollar to be:

- ☐ **Silver— 412.5 grains, 90% pure, 10% alloy added for strength and durability.**
- ☐ **Gold— 27.5 grains, 90% pure, 10% alloy added for strength and durability.**

Have you ever wondered just exactly what money is? Let's look at some legal definitions:

"The terms 'lawful money' and 'lawful money of the United States' shall be construed to mean gold and silver coin of the United States."

USC Title 12 § 152

"Coins and paper currency used as circulating medium of exchange, and does not embrace notes, bonds, evidence of debt..."

Black's Law Dictionary, 6 Ed.

What we readily see from these definitions is that paper notes cannot be real money. What we carry in our pockets, Federal Reserve Notes, would be disqualified as money, even if they were notes. A note is an IOU — a promise to pay — an evidence of debt. Even the Fed itself does not refer to FRNs as money. Their own publications, however, often refer to FRNs as *forms* of money. Other possible *forms* of money might include: credit cards, bank drafts, checks, electronic funds transfer, etc. None of these, however, can in any way be construed as "money," and it is arguable whether they are even a legitimate promise to pay money.

## LEGAL TENDER

Look at a Federal Reserve Note, and you will find the statement:

**THIS NOTE IS LEGAL TENDER FOR ALL DEBTS PUBLIC AND PRIVATE**

The Fed has been careful so as not to perpetrate an outright fraud (Congress did that for them), at least in so far as what they state on their "notes." They have never asserted that their currency is "lawful money," for that would be a direct violation of the Constitution and the Coinage Act. Instead, they have called it "legal tender." One is a noun (money = substance); the other a verb (tender = action).

**Legal.** The form of law; Posited by the courts as the inference or imputation of the law, as a matter of construction, rather than established by actual proof.

**Tender.** An offer of money. The act by which one produces and offers to a person holding a claim or demand against him the amount of money which he considers and admits to be due, in satisfaction of such claim or demand, without any stipulation or condition. As used in determining whether one party may place the other in breach of contract for failure to perform. The actual proffer of money, as distinguished from mere proposal or proposition to proffer it. Hence, mere written proposal to pay money, without offer of cash is not tender.

Black's Law Dictionary, 6 Ed.

Was the Constitution amended? Have the laws been changed? What happened to all the money? Many who study Biblical prophesy say we are living in the "latter days," and speak of the day when we will live in a "cashless society," one in which every person must take "the mark of the Beast, without which one cannot buy or sell." Government would argue that no person has the right to financial transactions which are private in nature — only criminals, like drug dealers, care about privacy. The argument goes, "If you don't have anything to hide, why do you care about privacy?" However, my right to privacy supersedes my government's right to know! Privacy is a Constitutionally-protected Right; not so that real criminals will go unpunished, but because governments have historically demonstrated a propensity for using information gained against its citizens as a means of control and intimidation. The real objective of implementing an electronic cashless society is not at all about the elimination of real and legitimate crime; it is about seizing control of every imaginable area of our lives!

-ATTACH # 7A