

Is America Broke

Part III

A Solution for the Financial Crisis

*"The rich ruleth over the poor,
and the borrower is servant to the lender." [1]*

Abstract

This is the third and final paper in the Is America Broke series. In the first two articles, several of the contributing factors to today's financial crisis were discussed. Several important questions were asked:

Why is the most advanced economy in the world buckling at the knees, acting like a punch weary fighter? How did the largest creditor nation on earth become the largest debtor nation? Are soaring debt levels consummate with wealth creation or a diminishing standard of living?

In the process of finding answers to these questions, we were led to the root cause of our economic problems: the monetary system itself, and more specifically – the unit of money of that system.

Our present day unit of money is the Federal Reserve Note or dollar bill. A dollar bill is not, however, the same as the dollar of the Constitution. The first is a piece of paper; the latter a weight of silver.

A system of paper fiat debt-money is diametrically opposed to the monetary system of gold and silver coin mandated by the Constitution. Paper money is unsound and unconstitutional.

Such a system allows excess credit and money creation to run amuck, resulting in huge sums of debt that can never be paid off. This reduces the purchasing power of the money-unit (dollar bill).

The more money that is created, the greater is the loss of purchasing power, and the poorer we all become. The solution to the debased condition our monetary system is in is to return to sound money of gold and silver coin. We should never have wandered off the path laid out in the Constitution.

It is too easy to point the finger and say: the system is broke; Wall St. is to blame; there was not enough oversight, etc. These are all valid concerns, but what good does it do to expose them, if a viable solution is not offered?

The following work offers a solution. It does not provide all the answers; it does, however, provide a starting point from which the healing process can begin. The information is from the 18th chapter of [Honest Money](#).

Monetary Restoration

The United State's monetary system requires substantial reform to restore its present state of disrepair to a sound and healthy system, worthy of the greatest nation on earth.

There are four categories of reforms this study suggests:

- Educational Policies
- International & Global Policies
- Abolishment of Unconstitutional Policies
- Constitutional Acts to Restore the Monetary System

National Committee for the Restoration of the Currency

A National Committee for the Restoration of the Currency is to be established. All leading experts in the associated fields, covering all schools of monetary theory and policy are to be included.

The Committee must include representatives of Austrian School Economics and proponents who have advocated monetary reform for years, such as the Foundation for the Advancement of Monetary Education (FAME),

Congressman Ron Paul and Professor Antal Fekete. These visionaries are of the utmost importance.

The United States put a man on the moon four decades ago – we can surely reform the currency if we want to. All that is needed is the will to succeed. Nothing can stop the American Spirit once it decides to take action. Where there is strength of will – action soon follows.

Sub-Committees

This work suggests that multiple sub-committees be formed to focus on the many diverse topics involved in restoring the monetary system. A few of the more important issues are:

- The question as to why the system of gold and silver coin the Constitution mandates is not adhered to.
- The ramifications both domestically and internationally of monetary restoration using a system of gold and silver coin.
- The issue of legal tender laws.
- The subject of fractional reserve lending.
- The constitutionality of the Federal Reserve System.
- The constitutionality of paper money – a/k/a bills of credit.
- A proposal for opening the mint to free gold and silver coinage.
- The determination if a monometallic or bimetallic system is best suited for today's modern world.
- The discussion of a system of electronic storage and transfer of gold and silver, as well as debit cards of gold and silver, etc.
- The error made in the Coinage Act of 1792 that fixed the exchange rate between gold and silver.

- The best course of action to take to implement a new monetary system, while minimizing disruptions to the existing system, both domestically and internationally.

Educational Policy

The discussions and findings of the National Committee for the Restoration of the Currency are to be nationally televised.

Legislation that requires the Constitution and its monetary system to be taught from grade one through grade twelve is recommended.

Free educational classes on the Constitution and our monetary system are to be nationally televised.

Free study courses are to be offered at all State Universities on the Constitution and the monetary system it mandates. Private universities are invited to participate and help promote the pursuit of higher education.

The book that would be an excellent model for such education is the unrivaled masterpiece by Dr. Edwin Vieira: Pieces of Eight. Dr. Vieira is a world renowned expert on Constitutional Law and money.

Another educational work is Edward Griffin's book: Creature from Jekyll Island, the complete story of the Federal Reserve. The courses on money that Professor Antal Fekete has taught over the years would be an invaluable guide, as would be the tireless works of Dr. Larry Parks and FAME.

If implemented and acted upon, the above recommendations will result in a well informed populace, capable of thinking on their own. The future will be in their hands, as free and sovereign individuals.

It will take approximately ten years to educate society in both monetary and constitutional matters using the above methods. Think of the changes that would be possible in just one decade. Knowledge is power – the power to change. This is true empowerment.

International Monetary Policies

Review all international monetary agreements, especially in regards to their pursuance of the Constitution. This includes the BIS, IMF, World Bank, and the United Nations.

Determine if rule 4-2b of the International Monetary Fund that states that no member nation may have a currency backed by gold conforms to the Constitution of the United States.

Determine if the Bretton-Woods Agreement Act, Public Law 94-564 and Section 5 of the Bretton-Woods Agreement Act, 22 U.S.C. 5 286c, is in accord with the Constitution of the United States.

Determine if gold transferred and deposited by the U.S. to the IMF, BIS, and other international organizations conforms to the Constitution.

Abolish all Unconstitutional Policies

- Repeal the Federal Reserve Act of 1913.
- Repeal and repudiate Federal Reserve Notes as "obligations of the United States" under 12 U.S.C. section 411.
- Repeal all gold certificates held by the Federal Reserve System, in favor of a trusteeship over the gold to be executed by the United States on behalf of the people.
- Abolish all legal tender laws in any way, shape, or form, as advocated by Congressman Ron Paul in HR 2779 presented to Congress in 2003.

<http://www.house.gov/paul/congrec/congrec2003/cr072503.htm>

- Repeal all Supreme Court decisions that support legal tender laws and state that they are unconstitutional.

- Repeal all legislation that allowed for the seizure of gold coin in 1933, including the War Powers Act & the Trading with the Enemy Act, as discussed in the appended Letter to Congress.
- Abolish all gold confiscation laws and pass new laws making it impossible to confiscate gold and silver at any time, under any circumstance, including national emergencies and acts of war.
- Return all gold unconstitutionally seized in 1933 that is in the custody of the United States, and or the Federal Reserve, or other entities. All such gold should be given back to the American people on a per capita basis.

The Failure of Central Banking

The dollar has lost 95% of its purchasing power since the Federal Reserve was established in 1913. Within twenty short years of its creation the worst depression to visit our shores occurred; yet the main reason given for a central bank was that it was needed to prevent depressions.

The Federal Reserve's track record is one of complete failure. For most mortals, a job resume that contained such dismal performance would insure that one would not get a job, let alone one that pays so well.

The Fed's control over the nation's money and banking system should be eliminated, especially the power to conduct open market operations, which is the antithesis of free market dynamics. They are nothing more than market intervention. The moral hazard and conflict of interest that exist are beyond belief. They have been fully covered in previous chapters.

Overhaul the Banking System

The Federal Reserve is to be abolished. This need not take place immediately in order to prevent any disruptions to the existing domestic and global financial system. A transition phase is recommended.

This is not a new idea. Congressman Ron Paul has submitted legislation seeking the same redress:

"Mr. Speaker, I rise to introduce legislation to restore financial stability to America's economy by abolishing the Federal Reserve.

I also ask unanimous consent to insert the attached article by Lew Rockwell, president of the Ludwig Von Mises Institute, which explains the benefits of abolishing the Fed into the record.

Since the creation of the Federal Reserve, middle and working-class Americans have been victimized by a boom-and-bust monetary policy.

In addition, most Americans have suffered a steadily eroding purchasing power because of the Federal Reserve's inflationary policies.

This represents a real, if hidden, tax imposed on the American people.

From the Great Depression, to the stagflation of the seventies, to the burst of the dotcom bubble last year, every economic downturn suffered by the country over the last 80 years can be traced to Federal Reserve policy. The Fed has followed a consistent policy of flooding the economy with easy money, leading to a misallocation of resources and an artificial "boom" followed by a recession or depression when the Fed created bubble bursts.

With a stable currency, American exporters will no longer be held hostage to an erratic monetary policy. Stabilizing the currency will also give Americans new incentives to save as they will no longer have to fear inflation eroding their savings. Those members concerned about increasing America's exports or the low rate of savings should be enthusiastic supporters of this legislation.

Though the Federal Reserve policy harms the average American, it benefits those in a position to take advantage of the cycles in monetary policy. The main beneficiaries are those who receive access to artificially inflated money and/or credit before the inflationary effects of the policy impact the entire economy.

Federal Reserve policies also benefit big spending politicians who use the inflated currency created by the Fed to hide the true costs of the welfare-warfare state. It is time for Congress to put the interests of the American people ahead of the special interests and their own appetite for big government.

Abolishing the Federal Reserve will allow Congress to reassert its constitutional authority over monetary policy. The United States Constitution grants to Congress the authority to coin money and regulate the value of the currency. The Constitution does not give Congress the authority to delegate control over monetary policy to a central bank. Furthermore, the Constitution certainly does not empower the federal government to erode the American standard of living via an inflationary monetary policy.

In fact, Congress' constitutional mandate regarding monetary policy should only permit currency backed by stable commodities such as silver and gold to be used as legal tender. Therefore, abolishing the Federal Reserve and returning to a constitutional system will enable America to return to the type of monetary system envisioned by our nation's founders: one where the value of money is consistent because it is tied to a commodity such as gold. Such a monetary system is the basis of a true free-market economy.

In conclusion, Mr. Speaker, I urge my colleagues to stand up for working Americans by putting an end to the manipulation of the money supply which erodes Americans' standard of living, enlarges big government, and enriches well-connected elites, by cosponsoring my legislation to abolish the Federal Reserve." [2]

Transition

Although a transition period is recommended, during this time *no new Federal Reserve Notes are to be issued*. Legislation must be passed banning any further note issue.

Federal Reserve Notes are to be allowed to circulate side by side with gold and silver coin. None of the mediums are to be under legal tender laws. People can continue to use Federal Reserve Notes if they so choose.

Fractional reserve banking policy is to be exposed for what it truly is. This will require a strong educational program to inform the general public. A combination of all forms of media is to be utilized, including State Universities, television, radio, newspapers, and the internet.

Separation of Bank & State

Separation between banking and state should occur just as the division between the state and religion evolved. The state has no business in interfering with its citizen's choice of religion. The same holds true for banking and money.

The public is the market – not the government. It is We the People whose energy and life's work stands behind the market and produces all of the goods and services traded.

Only market participants have the sovereign authority and unalienable right to choose what form of money is to represent THEIR purchasing power – not the government, and definitely not some private cabal of bankers.

It is time for the people to take back their freedom and liberty – to reclaim their unalienable rights to life, liberty, and the pursuit of happiness; including the *right to private property ownership in all particulars*.

Retirement of Federal Reserve Notes

It is of the utmost importance that the transition from paper currency to gold and silver coin is done in a gradual manner to minimize disruptions to the existing monetary system.

Because the transition from gold and silver coin to paper money has occurred slowly, the same is recommended for the return to honest money, except that the changes will take place in the opposite direction.

Many writers have suggested that existing Federal Reserve Notes be exchanged for gold and silver coin at a fixed rate of exchange. This is not a sound idea, as it is nothing more than the present nemesis of honest money – legal tender laws and fixed exchange rates.

Who shall choose and what "price" or number of gold and silver coins shall be chosen to redeem paper money in? Either debtors will be hurt or creditors will be hurt. Cui Bono?

Others have advocated exchanging Federal Reserve Notes for gold and silver determined by the market on a daily basis. This is a fairly sound policy and one that could work; however, as stated above, the devolution of our money from gold and silver took place gradually.

The global financial system is fragile at best, including the U.S. dollar, which is the Reserve Currency of the world. Recent events bear this out all too well. The best approach is the simplest, one that is not antagonistic to the existing system. Disruptions to the world's financial system must be minimized and prevented if at all possible.

We must make sure the cure is not worse than the disease. Let gold and silver coin be allowed to circulate side by side with Federal Reserve Notes, and let the market decide which medium it prefers: go out into the free market and let it make the final choice.

The following transition phase and policies will most likely be needed for a period of from 3-5 years, but this is not written in stone. The market will be the final arbiter, with time frames adjusted accordingly.

Legal Tender Laws

The Constitution states that no State can make anything but gold and silver coin a tender in payment of debt. One of the most important pieces of legislation to be enacted would be to repeal all legal tender laws according to legislation that Congressman Ron Paul has submitted to Congress:

<http://www.house.gov/paul/congrec/congrec2003/cr072503.htm>

Such unjust laws force creditors to accept Federal Reserve Notes in payment of debts and for labor and services rendered, only because the government mandates them as legal tender.

The absurdity that a one ounce gold eagle coin that is selling in the market place at a "fair value" price of over \$800, while it has stamped on its face the legal tender value of \$50 is testament to the unjust coercion that legal tender laws hold over the public.

Sound money does not need legal tender laws to insure that it is used as the currency. Honest money circulates as a sound medium of exchange because it retains its purchasing power.

Gold as money needs no backing, no propping up, or laws for support. These are nothing more than crutches for dead men walking. Freedom is had where legal tender laws end, and gold and silver return to their rightful place, as the sovereign of sovereigns.

As we saw in chapter eight, Congress crossed the constitutional line when it passed the Legal Tender Act of 1862, and issued paper money. The Greenbacks were said to be an emergency act to fund the Civil War. Their printing was supposed to end when the war ended; yet they are still issued today, now they are called Federal Reserve Notes. Cui Bono?

Redeeming a government bond in irredeemable currency (FRN) merely replaces interest-bearing debt with non-interest-bearing debt. All this does is to *insure that total debt increases exponentially*. Debt cannot be paid off with debt – it is simply transferred.

This is why the U.S. has gone from the world's largest creditor nation to the world's largest debtor nation. Paper money is wealth transference from the many to the few. It is the destruction of capital and the common man's possession of private property and wealth.

Fractional Reserve Banking

It is imperative to note that this study does not advocate a gold standard or fractional reserve banking. Both are unsound monetary policies. This work recommends the system mandated by the Constitution: *gold and silver coins* circulating as the currency – not paper money backed or redeemable in gold and silver coin, which is the gold standard system of old.

The difference between the two is the same as the difference between night and day, and has been explained in earlier chapters. The promise to pay or redeem paper money, in gold and silver, is not the same, as a system that uses gold and silver coin as money. It is akin to making love by proxy.

Fractional reserve banking is to be allowed *only* under full disclosure and education of the people in all particulars. The people should be free to choose fractional reserve banking if they so desire, *as long as they understand what they are getting themselves into. No misrepresentation is to be allowed.*

It is recommended that fractional reserve banking be allowed to function *only during the transition phrase* from paper money to gold and silver coin. This topic needs to be fully studied and examined to determine its viability.

The present study recommends that the U.S. Mint should be removed from the control of the U.S. Treasury and the Executive Branch, and placed under the sole authority of the Legislative Branch, specifically under the direct control of the U.S. House of Representatives.

This would place control of the money power directly into the hands of the representatives of the people, and thus much closer to the people themselves. By being able to vote our representatives out of office, if they do not represent the wishes of the people, We the People would regain *control over the money power*. The importance of this point should not be dismissed nor its significance misunderstood. This is a crucial issue that goes to the heart of the matter.

Acts to Reform the Monetary System

- Enact legislation to change the existing fixed exchange rate between gold and silver, per the Coinage Act of 1792, allowing the metals to float according to free market principles. Make the juristic rate of exchange (legal tender) the same as the market rate of exchange (free).
- Perform an independent audit of the United State's holdings of gold and silver, and have the findings fully disclosed to the people.
- Open the mint to the free coinage of gold and silver coin.

- Allow gold and silver coins to circulate as currency along with existing Federal Reserve Notes. Let the people choose the medium of exchange they wish to use.
- Pass legislation that all silver and gold coin is to be according to honest weights and measures and *no other name*.
- Begin coinage of silver and gold coins, with a unit of 371-1/4 grains (troy) fine silver as the silver standard; and one ounce gold as the gold standard.
- Begin coinage of silver coins in fractional denominations of one troy oz. of fine silver by weight and no other name.
- Begin coinage of gold coins in fractional denominations of one troy oz. of fine gold by weight and no other name.
- Adopt or allow all monetarily viable foreign silver and gold coins as "money" of the United States by weight and weight alone.
- "Regulate the Value" of domestic and foreign silver and gold coins relative to the weight of one ounce of silver and one ounce of gold with the silver-to-gold exchange ratio set daily by the free market.
- Provide disclosure as to the ownership of the Federal Reserve Banks.

Reopen the Mint to Free Coinage

The mint should be open to the free coinage of gold and silver coin. All gold confiscated by Roosevelt is to be returned to the people. It is this author's opinion that the gold and silver in Fort Knox and other depositories belongs to the people of the United States; at the least it is held in trust for the people, as the Constitution is a trust between the people and their ordained government, whose main purpose is to protect the people's unalienable rights. The government has a fiduciary responsibility to the people.

If such is determined to be the case, all reserve holdings should be returned to their rightful owners – We the People, on a per capita basis.

The Constitution states that foreign coin is to pass current as money in the United States. If practiced this would open the country to the world's supply of gold and silver coin, and is highly recommended.

Circulation of Gold & Silver Coin

Gold and silver coin must be introduced into the system as quickly as possible. This is the first step of actual monetary policy that should be implemented after all studies have been exhausted and the proper course of action determined.

The purchasing power of the U.S. dollar bill or Federal Reserve Note has been debased to such an extent that it does not deserve to be bailed out by gold and silver.

Once gold and silver coin begin to circulate as currency, it would be best to leave the fate of Federal Reserve Notes in the hands of the market, where buyers and sellers will cast their votes daily, for the preferred medium of exchange.

This will help minimize any disruptions to the existing system that is built upon a house of cards – of paper money. The free market will decide which system it prefers. Let Federal Reserve Notes and gold and silver coins circulate alongside one another. Let the people choose between the two.

There is presently about 167,000 metric tonnes of above ground gold reserves. At \$1000 per ounce this equates to \$5.2 trillion dollars.

The United States holds approximately eight thousand one hundred tonnes of gold or two hundred and sixty-one million ounces that has a market value of \$261 billion dollars. This is about one thirteenth of the existing money supply, which is currently about *\$3.3 trillion dollars or Federal Reserve Notes*.

These figures must be verified by a publicly disclosed audit performed by an independent third party. The President, Treasury Secretary, and Federal

Reserve Chairman must sign off on the audit, the same as any private CEO and CFO is required to do.

It is obvious from the above statistics that the gold held by the United States is not adequate to replace our money supply of Federal Reserve Notes on a 1 to 1 basis. ***However, it is not imperative, or needed, or even desirable to do so.***

The quantity of money is not what matters; it is the quality or purchasing power of money that matters. To price gold and silver in Federal Reserve Notes is to accept the unacceptable; it is turning the honest money system of the Constitution upside down.

Gold and silver defined the dollar – the dollar did not define gold and silver. Any tie between Federal Reserve Notes or dollar bills and the dollar of the Constitution is accepting black as white and white as black.

This is why it is not imperative that existing Federal Reserve Notes be replaced by the "same" notional "value" of gold, as the "valuing" of gold in terms of numbers of dollar bills or Federal Reserve Notes is an error of the highest order.

There is NO connection between the two. To say otherwise is delusional thinking meant to cast shadows across the land – no different than the owl, as he flies overhead, in search of his prey, his silhouette reflected on the ground below. Minerva knew all too well: quote the Raven – nevermore, from the misty mid-region of Weir.

Trillions of Federal Reserve Notes presently slosh around the world, yet they have lost 95% of their purchasing power – what value do they have or provide?

How Much

When the entire world's gold holdings are factored in, however, there is more than enough gold to exchange for the existing supply of Federal Reserve Notes on a 1 to 1 basis, although as stated, this is *not* imperative.

The above 1 to 1 exchange does *not* need to take place; it has simply been offered to show that there is more than enough gold to supply a hard money currency for the United States.

Remember – it is not the number or units or quantity of money that matters, what matters is the quality or purchasing power that each unit of money has. The bottom line is that there is more than enough above ground supplies of precious metals to function as money.

Also, the above statistics do not take into consideration silver. The proven above ground supply of silver bullion is approximately 500 million ounces, and the above ground supply of silver coins and medallions is estimated at another 500 million ounces. Combined this equals 1000 million ounces of silver.

At the current price of \$11 per ounce the above ground supply of silver is valued at \$11 billion dollars. China is rumored to have huge holdings of silver, none of which are officially reported.

The above does not include all of the “plate silver” that is quite considerable and in most likelihood surpasses the listed totals. It is this author’s opinion that there are huge hoards of silver and gold that are not reported or published. See the book: Gold Warriors by Sterling and Peggy Seagrave.

Electronic Transfers

It is recommended that an electronic deposit and exchange system of gold and silver be established for all private, commercial and government transactions, both domestically and internationally.

All gold and silver must be held 100% on reserve with no lending of the deposits possible. People will be able to buy goods and services in the market place by using a debit card that simply transfers the gold and silver from their account to the merchants account.

This would work equally as well on the international level between transnational corporations and governments. There is no need to carry around pounds of gold and silver needed for large transactions in today’s modern world. However, before such a system can function properly, honest

money of gold and silver coin must first be minted and used. As stated, a slow and easy transition period is recommended.

Pricing of Goods & Services

The second step needed for gold and silver to function as money **is that goods and services must be priced in weights of gold and silver:** grams, ounces, pounds, and decimal denominations thereof.

This is **imperative** and will not be as hard to implement as it appears.

Within a year's time it will become second nature for market participants to price goods accordingly. If the ancients could do it, modern man surely can; especially with computers and technology being what it is.

Gold & Silver Banks

Gold and Silver Banks are to be established that can extend credit only on existing deposits of gold and silver. The banks would offer two types of deposits: demand deposits and time deposits.

Demand Deposits

Demand deposits consist of gold & silver that has been deposited with the bank and is available at all times to be redeemed or withdrawn from the bank. All demand deposits are to be kept segregated with **title remaining with the depositor.**

Demand deposits cannot be loaned out by the bank. The bank charges the depositor for the safe keeping and storage of his gold and silver.

Demand deposits can also be used for the electronic transfer of gold and silver by the use of debit cards and wire transfers. The above regulations apply.

Time Deposits

Time deposits are gold and silver that a depositor loans to the bank *only* if they have received full disclosure and explanation as to how the loan works in all situations and particulars. ***The depositor still holds title to the gold and silver***, but agrees to loan the metal out to the bank for the specified time of the contract. In return the bank pays the depositor a rate of interest.

The bank can only loan out the exact amount of gold and silver money deposited, for the exact amount of time it was deposited for.

The bank must require collateral by all borrowers and said collateral is to be assigned to the depositor as collateral put up by the bank to the depositor for the loan he has extended to the bank. Banks no longer get a free ride – they must put up collateral just as they require others to do, and this collateral must *not* be U.S. Treasury Bonds as presently exists.

For a masterful work on banking see Money, Bank Credit, and Economic Cycles by Jesus Huerta De Soto. This is the most modern and thorough treatise on banking, however, the gold standard recommended at the end of the book is not considered by this author to be a valid monetary system, as has been previously explained (gold standard system).

The Budget

Gold and silver money is not compatible with a government that continually incurs deficits and lives beyond its means. Growing governments have always sought to be rid of the discipline of gold. Historically they have abandoned gold during wars in order to finance them with paper dollars, and during other periods of massive government growth.

Gold and silver coins are honest money; as such they are not looked kindly upon by dishonest men. Paper money has always been a friend to the merchants of death and the dogs of war. It funds their ravenous appetites.

Gold and silver does not bend to their ways, or to deficit spending. The precious metals prefer the company afforded by a balanced budget. This

must be done by cutting back on spending. Government spending should be minimized. Fiscal restraint and monetary discipline are required.

What is needed to solve today's financial problems is not more spending, but less spending.

Reign in the dogs of war and bring the boys home; stop funding a needless policy of war that lines the pockets of those who profit by building the war-machine. What kind of world do we live in when the largest business on earth is war? Cui Bono – the merchants of death, or We the People?

All that is needed is the defense of the homeland. Congressman Ron Paul's recommendations on this issue constitute sage advice that would greatly help in curing our financial ills and in bringing peace to the world.

Taxes

The Constitution states that gold and silver coin is money. This means that the government should make all payments in gold and silver coin, such as social security benefits, payments to vendors and contractors, and the payment of interest on Treasury Bonds.

Gold and silver coin should be accepted by the government in payment of all taxes, duties and other payments and debts. The collection of taxes in gold and silver would provide the government with a supply of the precious metal to be used in payment of its bills and debts.

Legislation should be passed that eliminates capital gain taxes on the precious metals and the elimination of all transaction taxes, such as excise and sales tax.

Gold and silver coins are presently valued at market prices in the assessment of taxes, while valued at face value for the collection of taxes. This is a gross injustice of the highest order and must be changed.

Because legal tender laws are unfair and unjust, coins should circulate by weight and weight only. All coins are to be priced according to the prevailing

market rates of exchange and **valued both in the assessment and payment of taxes in the same manner.**

The above is not a cure-all for the present state of our paper money system. It is, however, a good place from which to start. There are plenty of wise people out there who are more than capable of determining the best course of action to take and how to implement it.

The subprime debacle, the collapse of the real estate market, the improper issuance of credit and debt, the use of derivatives and other exotic gimmicks to try to turn a quick dime, and the many other problems with our monetary and financial system, clearly shows that **something is seriously wrong with the present system of paper fiat debt-money.**

It is obvious from what is going on in the world that something needs to be done, and done soon, as time is running out, like so many grains of sand through the hour glass.

"And that no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name." [3]

The above is an excerpt from chapter 18 of the new book [Honest Money](#) that can be accessed on the [Honest Money Gold & Silver Report](#) website. Just made available is an audio version of the book.



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[Honest Money Gold & Silver Report](#)

Notes:

1. Bible
2. Congressman Ron Paul
3. Bible

About the author: Douglas V. Gnazzo writes for numerous websites and his work appears both here and abroad. Mr. Gnazzo is a listed scholar for the Foundation for the Advancement of Monetary Education (FAME).

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