

violating citizens civil and property rights, all without due process of law for the citizens. Why then do governments leave good money and go to bad? One reason is that it enables them to effectively eliminate (assuming a 10% inflation rate) 10% of their obligations annually and to pay off long term bonds with severely devalued dollars, except as offset by excessive interest.

The purpose of the Constitution provisions is to protect the right of private property including contract rights, not to impair them.

The Grand Jury finds that--

The founding fathers interpreted the Constitution as requiring the use of gold and silver coin as the only legal tender which could be used in the nation.

It is a fact that for the first seventy years of its existence, the nation was on a silver and gold standard. This is all the evidence one would ever need as to the type of monetary system intended for this nation by those who drafted and adopted the United States Constitution. It was not until the great crisis brought on by the Civil War that the North, in an attempt to provide additional financing, for the first time issued "bills of Credit" and made them a tender in payment of debts.

An irredeemable currency is directly contrary to the spirit of the Constitution which was designed to protect contract rights. There is a specific provision contained in the Constitution which says: "No state shall . . . pass any law . . . impairing the obligation of contract." This same law should apply to the federal government. By printing worthless currency and compelling state courts to use it as a legal tender in payment of debts, it forces them to disobey the prohibition. Recognizing the danger of allowing state governments to pass laws destroying contract rights and also desiring that states should act honorable, this prohibition was adopted. Morally and legally, it is equally applicable to the Federal.

If this matter was so plain to those who drafted the Constitution, how did it happen that we use neither gold nor silver today but only an irredeemable paper and a debased coinage? The answer is found in the fact that when a nation gets into serious trouble, those in government tend to ignore the restraints of the Constitution, and the people, under the stress of the times tend to permit it.

Thus it happened that in the desperate days of the Civil War, a sorely beset Congress first authorized the issue of paper money by the Federal Government. The term "greenbacks" was used to describe this issue and they were made a legal tender in payment of debts both public and private. Of course the constitutionality of this act was tested in the United States Supreme Court which held in a five to three decision that paper money was unconstitutional.

This victory for sound money did not last long however because shortly thereafter when the personnel of the Court had been changed by the addition of two new members, another case involving essentially the same issue was brought before it, and this time in a five to four majority reversed the prior decision. It is a matter for reflection that the decision of a single Court Justice can affect the destiny of an entire nation.

Eventually the issue of greenbacks was redeemed in gold and silver coin as was always intended, and the nation returned to a hard money system which continued