

COUNTY OF SCOTT

FIRST JUDICIAL DISTRICT

First National Bank of Montgomery,

Plaintiff,

vs.

Affidavit of Jerome DALY

Jerome Daly

Defendant.

STATE OF MINNESOTA
SS
COUNTY OF SCOTT

Jerome Daly, being first duly sworn deposes and states that he is Defendant in the above entitled action.

That I was not served with, nor was the application for an Order nor were the Order to Show cause served upon Justice Mahoney dated June 24, 1969 served upon me. I therefore make a special appearance in the above entitled action and object to the Jurisdiction of the Court to proceed in any way, shape or manner in the proceedings set down for June 27, 1969 at Glenco, Minnesota.

That attached hereto are issues of Myer's Finance Review of May 27, June 4 and June 9, 1969. That this is only an example of the World Wide publicity given the Credit River decision by this International Publication and numerous other International Publications seen by me.

That the decision has recieved World wide approval by correct thinking people every where. The only exigency that exists now is that the mob bungled; they have now set the scene for a World wide depression so that they (the Bankers) can steal the property of the people with a Banker caused depression by 8 1/2 to 15 % interest rates and tight money, but the Credit River Decision, now known as "JUDGMENT AT CREDIT RIVER", has ripped a hole in their hull that they can never repair. Mahoney should be cited for bravery and not for contempt.

Jerome Daly

Jerome Daly
Defendant

Savage, Minnesota.

Subscribed and sworn to before me
this 26th day of June, 1969

Martin V. Mahoney

Martin V. Mahoney
Justice of the Peace
Credit River Township

This letter goes to all U.S. Senators and House of Reps; and all members of the Canadian House of Commons -- compliments of MFR. I consider this to be the biggest scoop I have ever had, or even seen in a lifetime of journalism. Lay you a silver dollar it will not be published by the W.S.J. or the N.Y.T.

THE MINNESOTA BOMBSHELL

U.S. COURT RULES

FEDERAL RESERVE NOTES ARE NOT MONEY

Under a TRIAL BY JURY a Federal Reserve Bank has foreclosed on a mortgage, but was unable to obtain possession of the property. The mortgage is null and void.

RESULT -- All mortgage paper held as a result of the creation of credit (money) by Federal Reserve banks are void. Bonds arbitrarily created by bookkeeping entries also are without legal consideration -- also null and void. As this works its way back up the system the results are beyond comprehension.

* * *



A U.S. court has refused to accept Federal Reserve notes as payment for fees for an appeal by a Federal Reserve Bank -- Declared the notes NOT MONEY under the constitution. Appeal denied.

RESULT -- The Federal Reserve Act #432 is unconstitutional -- null and void -- and U.S. paper currency is void.

Unless the Minnesota court is forced to break precedent and reopen the case, the reverberations will be interesting.

* * *

THE STORY

The story -- like all great stories -- is simple. On May of 1964 Jerome Daly, an attorney in Savage, Minnesota received \$14,000, gave the bank a note, and secured the note with a mortgage on real property in Scott County, Minnesota. In Spring 1967 the mortgagee being in arrears \$476, the bank foreclosed by advertisement and bought the property in at a sheriff's sale June 26, 1967. The mortgagee did not pay within the allotted 12 month period following the sale and so the bank brought action for the possession of the property.

Two justices were disqualified by affidavit of prejudice; the first by the mortgagee, the second by the bank. A third justice refused to have anything to do with the case. So it went to trial by jury before Martin V. Mahoney, Justice of the Peace, Credit River Township, Scott County, Minnesota.

On December 7th, 1968 the jury found both the note and the mortgage to be void for lack of a lawful consideration given by the bank. And the U.S. constitution plainly states that there must be a lawful

consideration.

The bank applied for appeal to the big court -- the DISTRICT Court of Minnesota, and offered two \$1

A confrontation exists between the Constitution of the United States and the Federal Reserve System. The confrontation crystallized when all gold and silver backing was withdrawn from U.S. money. The constitution forbids the settling of debts with fiat money. Continuation of fiat money nullifies the constitution of the United States of America.

bills which the State of Minnesota turned over to Justice Mahoney as the required fee for the appeal. Justice Mahoney refused to accept the bills because they could not be converted as required under the U.S. constitution.

Mahoney invited the bank to a hearing to "show cause" how they could consider the \$1 bills as being money. The bank did not appear at this hearing. The appeal was denied. The time expired. Under the laws of the United States the case is closed.

THE JUDGMENT

The judgment was as straightforward as the story. Like all great judgments it was simple. In part it reads as follows:

"The issues tried to the jury were whether there was a lawful consideration... Mr. Morgan (president of the bank) admitted that all the money or credit which was used as a consideration was created upon their books, that this was standard banking

In the U.S. the constitution is SUPREME. The judiciary, the executive, and the Congress itself hold office only by virtue of and through the constitution. The first thing a new president swears is to UPHOLD THE CONSTITUTION -- not to change it, subvert it, evade it -- but to be the CHAMPION of the constitution. The Federal Reserve says that the fiat Federal Reserve notes must be accepted in settlement of debt. The constitution says "NO".

practice exercised by their bank in combination with the Federal Reserve Bank of Minneapolis... Further he (Mr. Morgan) knew of no United States Statute or Law that gave the plaintiff (the bank) the authority to do this.

"At 12:15 on December 7, 1968 the jury returned its unanimous verdict for the defendant.

"It is hereby ordered, adjudged and decreed:

(1) The plaintiff (the bank) is not entitled to recover possession of Lot 19 Fairview Beach...

(2) That because of failure of a lawful consideration the note and mortgage dated May 8, 1964 are null and void.

(3) The sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.

(4) That the plaintiff has no right, title or interest in said premises or lien thereon, as is above described."

The judgment was written on December 9, 1968 by Justice Martin V. Mahoney and followed by a memorandum:

"The bank admitted... that it did create the entire \$14,000 in money or credit upon its own books by bookkeeping entry. That this was the consideration for the mortgage. The money and credit first came into existence when they created it. Mr. Morgan admitted that no United States Law or Statute existed which gave him the right to do this.

"Plaintiff's act of creating credit is not authorized by the constitution and laws of the United States, is unconstitutional and void, and is not a lawful consideration in the eyes of the law to support anything or upon which any lawful rights can be built.

"No complaint was made by plaintiff that plaintiff did not receive a fair trial. From the admissions made by Mr. Morgan the path of duty was made direct and clear by the jury. Their verdict could not have reasonably been otherwise. Justice was rendered completely and without denial, promptly and without delay, freely and without purchase, comfortable to the laws in this court on December 7, 1968."

"Note: It has never been doubted that a Note given on a consideration which is prohibited by law is void."

THE APPEAL

The bank then appealed the case to the District Court and offered two \$1 Federal Reserve notes. Justice Mahoney wrote:

"Subdivision 4 thereof requires that \$2.00 shall be paid within ten days to the Clerk of the District Court for the use of the Justice before whom the cause was tried.

"U.S. Constitution Article 1 Section 10 provides 'No state shall make anything but gold and silver coin a tender in payment of debts.'

"These Federal Reserve notes are not lawful money within the contemplation of the constitution of the United States and are null and void. Further, the notes on their face are not redeemable in gold or silver coin nor is there a fund set aside anywhere for the redemption of said notes. The notes were without any lawful consideration and therefore void."

The court offered the plaintiff a full and complete hearing to present evidence why it considered that the Federal Reserve notes were lawful money. The defendant did not show up.

* * *

The defendant appealed to the District Court in

the State of Minnesota, and the District Court ordered Justice Mahoney to appear to show cause why he should not file in the District Court a transcript of all the entries, etc. -- which he had refused to do.

In order to show cause Mahoney upon motion of Daly ordered a hearing for the purpose of making Findings of Fact and Conclusions of Law.

Citing the constitution of the United States Mahoney concluded 'This creation of money or credit upon the books of the bank constitutes the creation of fiat money by bookkeeping entry. The first time that money comes into existence is when they create it on their bank books. The banks create it out of nothing.'

The Federal Reserve Bank of Minneapolis obtains Federal Reserve notes (your paper currency)... for the cost of printing of each note, which is less than 1¢. The Federal Reserve Bank must deposit with the Treasurer of the U.S. a like amount of bonds for the notes it receives. But the bonds are without lawful consideration too, as the Federal Reserve Bank created the money and credit upon their books by which they acquired the bond. With their bookkeeping creating credit National banks obtain these notes from the Federal Reserve Banks.

"The net effect of the entire transaction is that the Federal Reserve Bank... obtains Federal Reserve notes (your paper money) for the cost of printing only.

"The Federal Reserve notes in question are unlawful and void on the following grounds:

(a) Said notes are fiat money.. There is no mode provided for the enforcement of the payment of the notes in anything of value.

(b) "The notes are obviously not gold or silver coin.

(c) "The sole consideration paid for the notes is in the neighbourhood of 9/10ths of 1¢, and therefore, there is no lawful consideration behind said notes.

(d) ... "Title 31 USC Section 462 which attempts to make Federal Reserve notes... a legal tender for all debts, public and private, is unconstitutional and void in contrary to Article 1 Section 10 of the constitution."

THE CONSTITUTION

Some other pertinent observations by Justice Mahoney were as follows:

Justice Mahoney claimed that the Federal Reserve money, even if backed by an Act of Congress is in violation. He says:

"An Act of Congress in violation of the constitution confers no rights or privileges. See 16AM JUR 2D 'Constitutional Law' Sections 177 through 179."

Also he cites 36AMER JUR on money. Section 9 ... "When the inability of a bank to redeem its notes is openly avowed they instantly lose their character as money and their circulation as currency ceases."

* * *

Of the activities of the Federal Reserve banks Justice Mahoney states:

"No state can make these notes a legal tender. Congress is incompetent to authorize a state to make these notes a legal tender.

"The constitution is the supreme law of the land. Section 432 (requiring creditors to accept paper money as lawful payment) is unconstitutional and void and I so hold.

"The two Federal Reserve notes are not a valid deposit of \$2.00 with the Clerk of the District Court for the purpose of effecting an appeal from this court to the District Court.

"The common law requires a lawful consideration

for any contract or note."

The Justice contended that whenever there is not a lawful consideration -- that is someone gave up something to make a contract -- there is no contract. Since the Federal Reserve Bank gave up nothing in creating \$14,000, it had no contract. He says:

"The Federal Reserves notes are acquired through the use of unconstitutional statutes and fraud."

Justice Mahoney also branded as illegal the silver sandwich coins quoting the constitution to state that only Congress has the authority to coin money, regulate the value thereof, and fix the standard of weights and measures. The last time the Congress did this was on February 28, 1878 when it fixed the silver \$ at 412.5 grains troy weight of silver. "The Congress cannot abdicate or delegate these legislative powers."

Usurpation by the executive or his agents is void. Thus the silver clad coins are a debasing of the coin when once the standard has been fixed. They also are not a legal tender and are unconstitutional and void.

Justice Mahoney says that the question whether the U.S. government has the power to incorporate a bank is immaterial to the issue in any case.

"Such a corporation certainly cannot have any more rights than a natural person. The emission of bills of credit upon their books, without consideration and the issuance of Federal Reserve notes without consideration, to circulate as a legal tender for the payment of debts is not permitted, expressly or implied by the constitution of the United States."

THE MEANING

Regardless of what pro and con arguments there may be about jury theory, we have here a precedent of fact. A bank has a mortgage. The person who borrowed the money has not paid it back. The bank is not able to get it back. The bank is not able to seize the property. Why?

* * *

Because the bank gave up nothing in the first place except some ink. And this is against the constitution. And there is no law anywhere in the United States which gives the bank the right to make money out of nothing and then to seize a man's property because he does not pay that money back.

Can this be changed? Only by an ammendment to the constitution. This can be done as follows:

The ammendment which would allow fiat money and which would allow people to take over rights without giving up anything is in its face ridiculous. But even if it were not, it would have to pass both Houses of Congress by a two-thirds majority. After that it would have to receive the approval of the legislatures of three-quarters of the states of the United States of America.

Meanwhile the constitution of the United States is in direct conflict with Federal Reserve Law.

If you have a rule book, and if someone can break a rule in the rule book for the convenience and what seems to be common sense, then you must conclude that any other rule in the rule book can be broken -- and that you must throw the whole rule book away -- because there is not one rule which you can depend upon.

If this part of the constitution can be negated by the judiciary, by the executive, or by anyone, then any part of the constitution of the United States can be broken when deemed advisable by the judiciary or the executive.

If this part of the constitution can be breached there is no constitution in the United States of Amer-

ica. All is lip service. Guaranteed rights, privileges, and freedoms are a forgotten dream.

Mr. Nixon and the judiciary have sworn to UP-HOLD the constitution. Let's see if they will.

DISTRIBUTION

Besides the legislators already mentioned, this letter is going out to the following:

IN CANADA -- Prime Minister Trudeau, Foreign Min. Sharpe, Fin. Min. Benson -- to the financial editors of the Calgary Albertan, Toronto Globe and Mail, Financial Post, Toronto Star, Montreal Gazette, Ottawa Citizen, Winnipeg Free Press, Vancouver Sun, and others.

IN THE U.S. -- Financial editors of the Wall Street Journal, New York Times, Time Magazine, U.S. News & World Report, Newsweek, Readers Digest, Business Week, Los Angeles Times, San Francisco Chronicle, Seattle Post, Denver Post, Washington Post, Houston Chronicle, Chicago Tribune. Secretary Kennedy, McChesney Martin, Jr.

ABROAD -- It goes to Rt. Hon. Harold Wilson, Edward Heath, Enoch Powell, and the finance ministers Strauss of Germany, Belgium, Netherlands, Italy, France. To Blessing of the Bundesbank and to the presidents of the Swiss Big Three -- Swiss Credit, Union and Swiss Bank Corp. It goes to S.A. Finance Minister Diederichs and to the financial editors of London Financial Times, La Monde and N.Y. Herald Tribune in Paris.

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For a full reproduction of the judgment, Findings of Fact, Precedent, etc. these are contained in a publication called The Daly Eagle, Savage, Minnesota, at \$2.00 per copy. This information is offered without either approval or disapproval by the Daly Eagle.

THE BIG PICTURE

If the banks cannot collect real property on their mortgages, their mortgage paper becomes worthless. However, their obligations to their depositors remain the same. What happens to your cash money deposited with these banks?

The question is too big for me and I leave it as an exercise for your imagination.

If you don't have to accept Federal Reserve notes in payment of debt -- and the constitution says you don't -- and if you demand gold or silver, how many debts will be paid? Can you demand real property?

I don't know any of these answers. But I know that the Federal Reserve law came into confrontation with the constitution when Johnson and Fowler persuaded Congress to take all backing from behind the American \$ so that gold could be paid out to foreigners.

THAT MADE U.S. MONEY ILLEGAL AND THAT IS WHY JEROME DALY STILL HAS HIS PROPERTY IN MINNESOTA AND THE BANK CANNOT COLLECT IT.

Does this mean you don't have to pay your mortgage? Again, I don't know. One man didn't.

The thing for you to recognize is that the U.S. money system is in DEEP, DEEP trouble.

SILVER-Going-Going-GONE

In 1941 the U.S. Treasury had 3000 mm oz.
In 1961 the U.S. Treasury had 1900 mm oz.
In 1969 the U.S. Treasury has 1 mm oz? NO.
One-sixth of 1 mm oz.
Last year U.S. industry used 145 mm oz. U.S.

produced 35 mm oz. Did that mean imports of 110 mm oz? It did not. The U.S. was a net exporter.

The U.S. exported the entire 35 mm oz. it produced. It exported 20 mm oz. besides that; and the entire 145 mm oz. used by industry came out of the shrinking Treasury storehouse.

Today with approximately NOTHING left the sales go on. Indeed they are accelerating. Because now coinage can be melted into bars and shipped out of the country.

In 1968 net silver export was about equal to the net export of the previous three years combined. Now the Treasury has thrown open its meagre resources for the world to bid on.

YET the U.S. Navy must be rebuilt as a nuclear fleet which means strategic use of a small mountain of silver.

The world uses 200 mm oz. more each year than it produces. There is NO storehouse of silver anywhere.

THE SILVER PRICE

Handy & Harman last week estimated publicly that the break even point for coinage holders -- considering transportation, refining, etc. -- would be \$1.65 to \$1.75 per oz. Recognizing the source as the greatest of all silver bears it seems reasonable to accept this price range as an absolute FLOOR. One might quite reasonably call \$1.75 the absolute floor.

This confirms my opinion expressed in the last month or so that we are at the bottom of the silver market and that there is really no foreseeable circumstances under which we can decline from the \$1.70 to the \$1.80 range. People don't sell to break even.

THEREFORE it seems to me that the downside risk on silver from here on is small and the upside potential is unknown unlimited. But in the wide blue yonder.

If the constitution is to hold, or even if the question of the legality of paper money increases -- the scramble for silver and gold will be unimaginable. There are only a few ounces left of silver for each of the people of the U.S., and there is no gold.

When fiat money ceases to convert into serious and wide-spread doubt we are at the beginning of the end. The doubt at this time is serious but it is not widespread.

HERE WE STAND

In the first issue of MFR on March 3, 1967 I said: "The monetary systems of the world are directly over a time bomb -- which is at this moment ticking in Washington." I recommended heavy purchases of silver and predicted the Treasury would be forced to surrender the silver price of \$1.29 per oz. It did surrender on May 17th.

In November of 1967 I stated "It is now time to buy gold and gold stocks." In March of 1968 the world gold pool fell apart.

This is the ONLY letter which has consistently recommended 100% investment in gold and silver and gold and silver stocks. Not 10%; not 20%; not 30% -- BUT 100%.

I am at a considerable loss of patience with those letters which continually point out the weakness of the monetary system, the strength of gold and the strength of silver, and predict a stock market debacle -- and at the same time recommend 20% investment in gold and silver.

Why should we take an 80% risk?

All of the silver stocks and all of the gold stocks

combined come nowhere near total capital of one big company on the New York board -- IBM or GM. Imagine then the indescribable scramble for silver and gold if paper currency crumbles.

But 99% of the public still crowd the board rooms, still talk of a great new bull market, still see no danger in the paper money system. That is the reason why no big move has until this time developed in silver, gold or the stock market.

Your full appreciation of this letter will only arrive when the stampede begins. And you must imagine this stampede yourself because I am not going to try to envision it for you.

This letter has stood and still stands on this simple dictum: 100% investment in gold and silver and gold and silver stocks -- out of the stock market completely -- bonds may be good but may be worthless. A debt moratorium enters the picture for the first time as a possibility.

CASH

Until now I felt that the next best thing to gold and silver was cash. This case in Minnesota casts grave doubts. I do not know if cash will lose its value but I KNOW that gold and silver and gold and silver stocks will not.

You are privileged to be ahead of the big stampede. To avoid it you have to be early.

THE CURRENCIES

The U.S. suffered its greatest quarterly loss since 1950. France on May 14th suffered its second greatest weekly loss since the big strike in May 1968. The Lb. has seen no revival -- no remedy is in sight. Germany took in between \$4 and \$5 billion, and \$3 billion has stayed tight.

The June 1st French election is near. Keisinger of Germany visited Japan last week. Strauss, economic minister, visited Harold Wilson.

S. Africa has disposed of nearly \$150 million in gold -- whether on the free market or to monetary authorities we do not know.

The currencies are vulnerable to tidal events which will come in a series. If the upcoming tide in June does not sweep them away, the next one will.

This is enough for you to know. You can't expect to pinpoint timing of this historical development to the day or the week, and you can't expect an \$80 a year letter to tell you which day you should buy silver so it will go up the next. Or an \$8000 letter either.

I have told you to buy silver and gold. When you look back in a year or two whether you bought on the high or the low will be of little consequence. Whether you sold out of the stock market at D.J. 890 or 950 will be of little consequence.

What will count is that this was a matter of financial life or death. The big thing will be that you did it.

RECOMMENDATIONS

If you have not done so, by all means go and do it now.

OFFER

Resulting from new doubts about paper money MFR makes this offer -- 50% of the subscription price for any term if delivered in U.S. silver coinage.

C. V. Myers, Editor

This letter goes to all U.S. Senators and House of Representatives -- compliments of MFR.

MINNESOTA CONSTITUTION -- ARTICLE 9 SECTION 13.

THE LEGISLATURE HAS (1) "NO POWER TO PASS ANY LAW SANCTIONING IN ANY MANNER, DIRECTLY OR INDIRECTLY, SUSPENDING 'SPECIE' PAYMENTS BY ANY PERSON, ASSOCIATION, OR CORPORATION ISSUING BANK NOTES OF ANY DESCRIPTION."

In the English language this means the Minnesota legislature shall have no power to pass any law sanctioning Federal Reserve notes.

This means that if you receive a \$1000 cheque in payment of debt and you take it to a state bank in Minnesota you can demand silver coinage. If they refuse to give you silver coinage they forfeit their charter under the laws of the state of Minnesota.

I do not know how many other states have this same provision. It does not matter. Big money can come into the state of Minnesota and demand millions of \$'s in silver coinage. If the banks do not comply they would have to close their doors under the laws of Minnesota. The state banks are all tied up with the Federal Reserve system.

Such a move might put out the fire under the melting pots in a hurry.

THE WORLD'S GREATEST DOCUMENT

GUARANTEES GOLD AND SILVER
IF DEMANDED

U.S. CONSTITUTION UNASSAILABLE



The U.S. constitution is unassailable. This is the first thing to remember.
"This constitution and the laws of the United States which shall be made in pursuance thereof... shall be the supreme law of the land, and judges in each state shall be bound thereby... All executive and judicial officers... shall be bound by oath or affirmation to support this constitution." -- Article VI.

* * *

The meaning is clear -- laws enacted by Congress must be pursuant to the constitution --
16AM JUR 20 #177 -- "The construction of a statute which brings it in conflict with the constitution will nullify it... an unconstitutional statute though having the form and name of a law is

in reality no law, but is wholly void.

"Such a statute leaves the question that it purports to settle just as it would be had the statute not been enacted."

THEREFORE -- if the Federal Reserve Act (now that it has been amended in fact with fiat money) contravenes the constitution, then according to the same AM JUR reference "it imposes no duties, confers no rights... bestows no power or authority on anyone, affords no protection and justifies no acts performed under it. Insofar as a statute runs counter to the fundamental law of the land it is superseded thereby."

* * *

Your money (Federal Reserve notes) issued under the Federal Reserve legislation contends on the face of the money "This note is legal tender for all debts, public and private."

The constitution says (Article I Section 10) "No state shall make anything but gold and silver coin a tender in payment of debts."

* * *

An argument arises that while the states don't have the right to make anything but gold and silver legal tender, that the Federal government does.

But nowhere does the constitution give the federal government this right. Indeed Article X plainly states "The powers not delegated to the United States... are reserved to the states respectively or to the people."

Thus the constitution clearly in effect restrains the federal government from making fiat money compulsory legal tender.

* * *

Earlier Federal Reserve notes had promised to pay off in silver, and the \$ was defined as 1/35th of an ounce of gold. Current Federal Reserve notes don't promise to pay anything -- a \$1 note today does not even promise to pay \$1.

But even if the note did promise to pay, the constitution plainly forbids that it be forced on anyone as payment. WHOEVER demands gold and silver may

under the constitution so collect.

Precedents in court are plentiful. AM JUR 2D #8 says "the term dollar means money. Since it is the unit of the money of the country... it cannot mean promissory notes or other evidences of debt.

"Bank notes... are a good tender as money unless specifically objected to.

"Money includes only such bank notes... in actual and general circulation at par with coin as a substitute for coin, interchangeable with coin."

"Bank notes circulate as such only by general consent and usage.. consent and usage is based on the convertibility of such notes into coin at the pleasure of the holder upon presentation to the bank for redemption. But... upon the failure... or inability of the bank to redeem its bills they instantly lose their character as money... the notes become the mere dishonoured and depreciated evidences of debt."

Under Article 1 Section 10 the several states are prohibited from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debt.

YOU AND THE CONSTITUTION

If you sell 1000 shares of General Motors through Merrill Lynch in Minneapolis for \$80,000 -- Merrill Lynch owes you \$80,000. They will offer you a cheque. You will take this to a state bank and demand \$80,000 in silver coinage of face value. The bank either pays or loses its charter, and closes its doors.

The next day you may buy 1000 shares of General Motors and issue a cheque. Nothing prevents anyone from accepting paper money. Bankers and brokers love paper money and credit. Give it to them. Accept your stock.

The next day you may sell your new General Motors and again demand gold and silver -- under the constitution.

This gives you silver at \$1.29 per oz. on face value of coin and gold at \$35 per oz. on the standards set earlier by the Congress. Of course they would have the right to pay in either silver or gold since both are legal tender.

If many do this of course, Merrill Lynch will go crazy. Soon Merrill Lynch would refuse to buy any stocks unless paid in gold and silver.

The result is the INTERNAL COLLAPSE OF THE AMERICAN PAPER \$.

* * *

If you have money on deposit in the bank you can demand the bank pay you in gold and silver. It seems to me this is true, under your inalienable rights under the United States constitution.

CAN A JUDGE STOP IT?

Will your court judges nevertheless deny you these rights? Here is a precedent.

L. O. Cooke V. Samuel G. Iverson -- 108 Minnesota Report.

"When the language of the constitution is positive and free from all ambiguity, all courts are not at liberty by a resort to the refinement of legal learning to restrict its obvious meaning and to avoid the hardships of particular cases. We must accept the constitution as it reads when its language is unambiguous for it is the mandate of the sovereign power."

Well, it reads "No state shall make anything but gold and silver coin a tender in payment of debt."

The constitution Article VI -- "The Senate and Representatives.. all executive and judicial officers, both of the United States and the several states shall

be bound by oath or affirmation to support the constitution.

CONCLUSION -- No judge or group of judges under his oath can logically rule against Article I Section 10 of the constitution and it is not his business in any way to consider the consequences which may result from his sworn duty to rule for the constitution.

The Edwards V. Kearzey -- Supreme Court of the United States -- "Policy and humanity are dangerous guides in the discussion of a legal proposition. He who follows them far is apt to bring back the means of error and delusion. The prohibition (here) contains no qualifications and we have no judicial authority to interpolate any. Our duty is simply to execute it."

* * *

Likewise it is clear that Article I Section 10 of the constitution contains no qualification, and no judge has any right to interpolate any. His duty is simply to execute it.

The Supreme Court reference above also says this: "Anything that is forbidden by the constitution is void."

I believe it is quite clear and it is my interpretation that the Henry Fowler paper money is strictly and specifically forbidden -- and must therefore be void according to the U.S. constitution and precedent in law.

* * *

16AM JUR 2D #219 -- "When a court is created the judicial power is conferred by the constitution."

The only power the court has is therefore to affirm the constitution.

F.D.R. AND GOLD

From the constitution it becomes crystal clear that Franklin Delano Roosevelt never did have the authority to prohibit U.S. citizens from owning gold. It was and remains their fundamental right under their constitution.

16AM JUR 2D #212 -- "No arbitrary and unlimited power is vested in any department; such power is regarded as a condition subversive to the constitution, and the chief character and evil of tyrannical and despotic forms of government."

Justice Mahoney -- "There is no such thing as the idea of a compact between the people on one side and the government on the other. The compact is that of the people with each other to produce and constitute a government.

"The only instance in which a compact can take place between the people and those who exercise the government, is that the people shall pay them, while they choose to employ them."

USURPATION

Franklin Delano Roosevelt forgot that he was an employee. He usurped the power of the U.S. constitution, defied it and abolished the fundamental guarantee. The U.S. constitution, Article V, says that no person shall be "deprived of... property, without due process of law..."

Roosevelt could legally have deprived people of their gold only by AMENDING the constitution. He would have had to secure two-thirds majority in both houses and the approval of three-quarters of the legislatures of the various states. Of course, he never could have succeeded, so he circumvented the constitution and took and assumed the power of a despot.

The usurpation of this authority, and the despotism continued for 35 years, and still exists in defiance of

the constitution under Mr. Nixon, the newest presidential servant of the constitution of the United States. By continuing to allow this usurpation Mr. Nixon condones and becomes a party to it.

I refer you to your historical DECLARATION OF INDEPENDENCE.

"When a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them (the people) under absolute despotism, it is their right, it is their duty to throw off such government and to provide new guards for their future security."

The usurpations were as follows:

Your paper money first lost its gold convertibility.

Your paper money next lost its 100% gold backing -- reduced to 40%.

Your paper money next lost gold backing -- reduced to 25% gold cover.

Your paper money next lost its silver convertibility.

Your paper money which promised to pay the sum of one dollar lost even that promise and is now simply entitled "one dollar".

All this amounts to, and qualifies as a "long train of usurpations."

Of course, your guaranteed authoritative right exists in the constitution. It is already there and should not have to be fought for. The wonder of it is that 200 million Americans would stand still like docile sheep in a slaughterhouse.

THE CONGRESS

The case in Minnesota (MFR #67) where Justice Mahoney refused to accept Federal Reserve notes as lawful money, and where he thereby denied an appeal by a Federal Reserve Bank is a break-through back to the constitution. Like the ghost of the murdered king, it will continue to haunt Macbeth (the money managers) -- unless someone can reverse Mahoney.

The fact that Jerome Daly of Savage, Minnesota defied a Federal Reserve Bank -- refused to pay his mortgage -- and has rendered the bank impotent to recover real property with unconvertible credit is a ghost that will not rest -- unless someone can take Daly's land away.

Now the U.S. Congress all know about it, and each one knows that the other one knows. I know they know, and you know they know, because I have told them. And I also KNOW that a considerable readership of this letter exists in Washington.

The BIG PRESS has withheld from you the truth about your money which your servants have squandered.

But now the press knows about the Minnesota case -- and they know that each other knows.

Since the Minnesota story is hard news of COMPLETE FACT (not opinion) they have no excuse not to publish this news.

Failure to tell you that a U.S. court* has rejected U.S. currency as money, and made the rejection stick, would amount to strong evidence of press censorship, if not complicity with the BIG money interests.

Now the Congress knows. What are they going to do to support their solemn oath of office to UPHOLD their constitution and yours?

* It has been objected that a Justice of the Peace Court is not a court of record. It IS a court of record in Minnesota -- indeed the oldest court.

WHAT CONGRESS CAN DO

Gold and silver must back the U.S. \$. This is inherent in the constitution. Congress must set the measure -- say how much. Congress has not said how much since 1878. Now there isn't enough silver and gold to support the previous standards set by Congress. Article I of the constitution says Congress is to "coin money... and fix a standard of weights and measures." Making a new set of standards for the amount of gold and silver in a United States \$ is mandatory. Whatever that amount is set at, will be the new convertible AMERICAN \$. Unless Congress does this -- there is no constitution in the United States -- AND YOUR COUNTRY HAS BEEN DESTROYED!

WHAT YOU CAN DO TO PRESERVE THE U.S.A.

Write Congressmen and Senators.

Claim your right under the constitution and choose a decision by jury. If you have a G.I. insurance policy which you intend to cash in, DEMAND gold and silver coin and show them Article I Section 10 of the constitution.

If you do not claim, indeed DEMAND the rights granted you in your constitution, there will be no United States of America for your children.

THE SILVER PRICE

Now it is plain to see why U.S. authorities were so desperate to hold the price of silver; to sell off hundreds of millions of oz. -- all of its stockpile -- and then the melted coins besides.

BECAUSE of the inseparable siamese attachment "gold and silver specie" in the constitution. The silver price of \$3 for example, in the light of the developments shown in this letter, would have been capable of bringing down the whole \$ structure in short order. People could demand silver specie in payment of debt at \$1.29 and sell later at \$3!

Even at current prices the paper \$ is in peril.

Last spring MFR made the accusation that the U.S. Treasury was selling silver short on the New York Commodity Exchange, and this came from a source in the N.Y.C.E. The Treasury denied this. That does not preclude the probable cooperation of the Treasury with Engelhard Industries and perhaps others to suppress the silver price on the N.Y.C.E. Engelhard obtained half of the dumped Treasury silver and was in a position to sell short on the commodity exchange.

This suppression of the silver futures market in conjunction with the superfluous sales of silver each week successfully kept the price under control, and even at a depressed level.

BUT TODAY YOU CAN GO TO THE MINNESOTA BANKS AND DEMAND SILVER COINAGE AND CLOSE ALL THE STATE BANKS OF MINNESOTA IN A MATTER OF DAYS. This probably exists in other states as well. It may not happen. But it CAN.

GET RID OF SILVER

It seems to be the plan to get all of the silver out of the country as soon as possible. The criminal export of strategic silver from the U.S.A. last year, the complete depletion of Treasury reserves at low prices, and now the encouragement of the export of melted coinage would seem to indicate a plan to rid the country of silver. Under such circumstances the constitution obviously could not be enforced for very real reasons of non-existent silver.

The U.S. executive branch too has mortgaged all

the gold belonging to the citizens under the constitution and refuses to give the citizens an account of the public financial condition. It is your money. It does not belong to Mr. Nixon or to Mr. Kennedy, but they will not tell you the TRUTH on how much is pledged to the I. M. F., Canada and Germany in Roosabonds.

YOUR LOYALTY

Your only loyalty is to the constitution of the U. S. For since when does the owner enthrone the servant? It is your duty to claim and assert your rights under the constitution and to demand from your servants that they honour and obey your constitution. They have no right to ask for your cooperation which in any way helps them to carry out acts contrary to the provisions of the constitution.

The executive branch have usurped the power of the people on money. They are imposters in contradiction of your rights. Their despotic powers have deprived you and your country of all the gold and silver which your constitution says is the only real money. By the usurpation of authority these despots under the cloak of philanthropy have ruined your nation and denuded it of all real money.

When they asked you not to hoard silver they were asking you to turn loose of it so they could melt it, thus deny the banks, and thus sabotage the specie payment section of your constitution. When they ask you not to own gold, they ask you to become an accomplice in subverting your own rights.

If a thief enters your house, can he ask your loyalty? Your help in stealing your own goods?

When your executive branch sells off your Treasury silver coins hot out of the melting pot but keeps them out of the banks they thwart the constitution which tells you that silver is your real money. When they say that gold is no good they sneer at your constitution.

For 35 years they have worked toward the monetary destruction of this great country, admired by all the world -- the U.S.A. Surreptitiously in the night they have bored holes in the monetary foundation.

History tells us no great empire has ever yet survived the implementation of fiat money.

* * *

That is why the founding fathers in their wisdom made gold and silver the basis for all U. S. money forever.

THE STORY

The trigger story to repeat briefly is this:

The case was in Justice Court, Township of Credit River; Martin V. Mahoney, Justice. In the State of Minnesota, County of Scott; plaintiff First National Bank of Montgomery, and defendant Jerome Daly. The bank had loaned \$14,000 to Jerome Daly, which had not been paid, and it moved to secure possession of the property in a trial by jury. The jury unanimously rejected the plaintiff on the grounds that it admitted it had created the money out of nothing, and that it knew of no law that allowed it to create money. Therefore there was no consideration. The mortgage was declared null and void - Dec. 9, 1968.

The bank went to appeal in the DISTRICT Court and offered two paper dollars as the standard fee to the Justice of the Peace to transfer the case. Justice Mahoney refused the two dollar bills on the grounds they were not money and he was not required under the State of Minnesota to accept them. However, he invited the bank to a hearing to show cause how they could claim the two paper dollars was

money under the law. The bank didn't show up.

The strongest point of this case is that the bank would rather give up \$14,000 than be required to prove that Federal Reserve notes are money. They dropped the case, undoubtedly hoping the news would go no further. Appeal was denied Feb. 4, 1969. The story was further brought to light by MFR #67 last week. It is no secret now.

They may claim the Justice of the Peace Court is a low court and carries no precedent in law. But here we have the greatest PRECEDENT IN FACT. Jerome Daly has defied the Federal Reserve system of the U.S. to claim real property on a mortgage. They have not been able to claim it. Justice Mahoney has defied the Federal Reserve system to force him to accept Federal Reserve notes as money under the constitution of the U.S. and they have abdicated and run away from this challenge.

THE CREDIT

The credit for this goes to two patriotic Americans, Jerome Daly and Justice Mahoney, who have the courage to stand up for the constitution. For whatever may be the immediate hardship, these men recognize that if the constitution is gone, the whole country is gone. If you don't protect and claim your rights, eventually they disappear, and your liberties die from lack of use. Your liberties are very sick.

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THE GOLD PRICE

The gold price has been dropping rather dramatically the last few days. No apparent reason. Obviously there is a concerted move afoot to depress gold. It would not be surprising to find that certain monetary authorities are themselves dumping gold on the free market to push down the dangerous price level contrary to their own Washington agreement of 1968. It has been fully established that the world monetary authorities are not to be trusted. Clandestine and secret agreements are rampant. They can be recognized only by their results. Despite all the manipulations, the situation continually worsens.

* * *

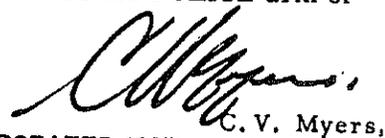
It is surprising how people purposefully disregard solid evidence served up for them on a platter.

For the most part they shrug it off or laugh. The Harry Schultz Letter hits this pretty good when it says: "They laughed at Noah every day it didn't rain."

RECOMMENDATIONS

1. Demand silver whenever possible.
2. Buy silver coinage - all you can get. At 10% to 20% premium, it's a steal. Buy silver bullion in Switz. or buy near month futures - TAKE DELIVERY.
3. Hold silver and gold shares; buy S.A. golds.
4. For those brave enough to withstand the onslaught of the Internal Revenue Service, test constitutionality of FDR's dictatorial removal of your right to own gold.

Note: Nearly all Americans fear the Internal Revenue Dept. They regard it as the POLICE arm of a despotic government.


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No. 68-X

LET THE TRUTH BE TOLD

June 9, 1969

This letter goes to all U.S. Senators and House of Representatives.

This letter is written as a special service and is not charged against your subscription. It is not within the power of a newsman to give any greater GIFT to his readers than the TRUTH. For that reason I want this short letter to stand out as my GIFT to my subscribers. It is the greatest and most NEEDED truth that I will ever be privileged to publish.

Not only can you own gold, you can go to the bank and DEMAND gold COIN at face value for paper money. Not Mr. Nixon, not Mr. Kennedy, not Mr. McChesney Martin -- not all of these combined -- have the power to deny you this right -- for they are the servants of the constitution, not its master.

You are agreed, the government is agreed, all of the judges are agreed, and all are universally AGREED that the constitution is supreme. Let them read this and shiver.

YOUR CONSTITUTION SAYS THAT IF YOU CAN'T OWN GOLD, NEW YORK STATE CAN CREATE NOBILITY AND TEXAS CAN JOIN MEXICO



ARTICLE I SECTION 10 -- "No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts or grant any Title of Nobility."

Remember the constitution was made for PEOPLE. Not for Chief Justices, not for bankers, not for politicians, presidents or Treasury secretaries. It was made for 200 million people who are born and live out their lives and die in the country that is called the United States of America. It was made to guarantee unalterably their freedom, and their rights.

It was made because of the oppression that the forefathers had suffered under despotic regimes. It was the banner of FREEDOM. It is epitomized in the Statue of Liberty outside of New York.

THE CONSTITUTION OF THE UNITED STATES IS THE UNITED STATES. It has been the hope of free men all over the world. It is the monumental document of mankind. If it is trampled, if any of its cornerstones can be arbitrarily removed -- these hopes of mankind must perish.

Its language is clear and simple. It was made for the workers, the farmers, the businessmen, the bulk of all the people to understand and read. It's language is so plain that legal learning is not needed in the interpretation of most of its articles and sections.

Please refer back to Article I Section 10: Notice that the founding fathers capitalized certain words for emphasis. In the section "make any Thing but gold and silver Coin a Tender in Payment of Debts" they didn't use the word "anything". They said any "Thing". This is the most positive statement possible that no "Thing" whatsoever shall be substituted for gold and silver coin. Not bullion silver, not bullion gold, not paper dollars -- but absolutely and irrefutably coin. Now coin is marked with a face value.

And so this says you can go to the bank and collect

the face value marked on gold and silver coin.

* * *

Now please examine this whole section. All items are of equal importance. If a state can make any Thing but gold and silver Coin a Tender in Payment of Debts then it follows as night follows day that Illinois can make a treaty with Canada, Texas can enter into confederation with Mexico, and New York state can create nobility.

CONVERSELY if New York State cannot create nobility and if Texas cannot join Mexico, then every bank in the United States of America is obligated and must pay you gold and silver coin on face value.

ANY JUDGE THAT RULES AGAINST GOLD AND SILVER COIN AS THE FINAL SETTLEMENT OF DEBT RULES FOR THE DESTRUCTION OF THE CONSTITUTION OF THE UNITED STATES AND RULES FOR THE PERMISSION OF STATES TO SEPARATE AND TO CREATE FOREIGN TREATIES.

NO FEDERAL POWER

The federal government has no power whatsoever to decide what is or what is not money.

ARTICLE X -- "The powers not delegated to the United States by the Constitution, nor prohibited by

it to the States, are reserved to the States respectively or to the people."

Now please follow me closely and think hard:

Article X says that the powers that have not been given to the federal government are to be reserved to the States respectively, or to the people. The meaning of reserved is "to be kept back".

THEREFORE each and every power not specifically granted to the federal government is KEPT BACK from the federal government.

Your constitution declares and ordains that YOUR FEDERAL GOVERNMENT HASN'T GOT A LEG TO STAND ON IF IT TRIES TO FORCE YOU TO ACCEPT FEDERAL RESERVE NOTES AS LEGAL PAYMENT FOR DEBTS. It cannot force you to accept platinum, diamonds, feathers, shells, or anything whatsoever.

THE RESULT

IF YOU ARE OWED A DEBT -- IF SOMEONE WRITES YOU A CHEQUE FOR \$100 -- AND IF YOU TAKE THIS TO THE BANK, THE BANK MUST GIVE YOU GOLD AND SILVER COIN. If they refuse you, the judiciary must enforce payment, or must seize the bank and its premises and offer for sale.

GOLD EQUALLY WITH SILVER

Now you will notice that the constitution says gold AND silver coin. It does not say gold or silver coin.

The result is that you can demand both gold and silver coin. And your case to demand gold is on an absolutely equal status with silver. The "And" makes the one to the other, no less or more important than the other -- or the one or the other, no less your right than the other.

The truth is that the constitution of the United States unquestionably and in complete ultimacy gives you the right not only to own gold coin but to demand gold coin in payment when you collect, and at face value.

* * *

They will tell you that there are laws to prevent this -- but if there are laws to prevent it, such laws conflict with the constitution. Since this part of the constitution has not been ammended it is the supreme law -- regardless of any other law of Congress. See 16AM JUR 2d #77 -- "The construction of a statute which brings it in conflict with the constitution will nullify it."

* * *

NEWSPAPERS will soon be forced to pick up this story because it is spreading underneath. When they do you will face complications that stagger the mind. For instance, you are required to file income tax returns if you make 600 DOLLARS. But money as defined by your ultimate law must be convertible to gold and silver coin. Therefore your currency is not money. How can a judge rule that you have made money if the constitution says "NO"?

Earle Guy was arraigned on a counterfeit charge on \$20 bills in Credit River, Minn; defended by Jerome Daly. Justice Mahoney ruled: "It is not possible to make, counterfeit, forge and pass what is commonly known as Federal Reserve notes as they are already a forgery, are counterfeit, unconstitutional and void, and are in contemplation of law the same as if they never existed." Earle Guy was released.

The ramifications of the forbidden fiat money are devastating.

Yet any judge who rules against mandatory gold

and silver convertibility, rules for the disintegration of the U.S.A. by ruling against Article I Section 10 which binds the states together.

With interest rates up 1% again today and Euro-\$ interest at 12% the GALLOP has started.

As I see it we will be faced very soon with an emergency meeting of Congress to pass a new standard of weights and measures redefining the dollar.

Since the Treasury has got rid of most of the silver it would appear that the remaining 150 mm oz. would have to be valued at somewhere between \$6 and \$10 per oz., and gold (if they have \$5 billion left at about \$200 an oz.

Silver will have to come back into the coinage. No other coinage material is allowed by the U.S. constitution. An ammendment to the constitution -- 2/3 of both Houses, and 3/4 of all states -- would take months in order to kick out silver. Meanwhile current coinage is unsupported in law.

As soon as the newspapers pick up these facts -- as soon as the public becomes informed -- we will be faced with a paper currency crisis greater than the MISSISSIPPI BUBBLE.

Lawyers and judges studying these matters this week are unable to come up with comforting answers

* * *

JEROME DALY SAYS: The Congress can only legislate. The executive can only execute laws. The judiciary can only referee the law. When these three powers are vested in one branch, that is the definitic of a dictatorship.

* * *

CAN YOU OWN GOLD BULLION? The Roosevelt law prohibiting the ownership of gold COIN is obviously not worth the ink it took to write it. Does this mean you can own gold bullion? Logically, the answer seems to be YES, because gold is the raw material of coins. If you are allowed to have bread, can wheat be prohibited; if you are allowed to own a car, can steel be forbidden; if allowed to wear a dress, can you be denied cotton?

THE KERNEL

FIAT MONEY IS FORBIDDEN IN THE U.S.A. IF IT SURVIVES THE U.S.A. DOES NOT.

FOREIGNERS BEWARE

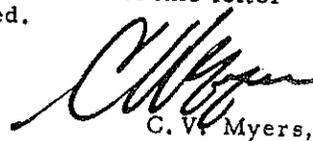
Foreign governments should beware of U.S. Treasury negotiators on money. You face a danger that the grandiose scheme for \$10 billion of paper gold could blow right out from under you within domestic America. Don't underestimate the American PEO-
PLE if they get their dander up.

If they ever start to assert rights, which they already have, you face two grave developments.

- (1) The American Treasury will be forced to stop sending foreigners any more gold or silver.
- (2) A drastic revaluation of the American domestic \$ commensurate with the amount of gold and silver left.

DISTRIBUTION

This letter follows MFR No. 68 in going to all cabinet members of Canada, Japan, Mexico, England Germany, France, Netherlands, Belgium, Italy, Israel, Saudi Arabia and South Africa in addition to news media. Unlimited reproduction of this letter (with credit) hereby permitted.


C. V. Myers,
Editor.