



Written by [Joe Wolverton, II, J.D.](#) on March 6, 2017

## Ron Paul to Hold Rally in Arizona in Support of Sound Money Bill

On Wednesday, March 8, Dr. Ron Paul will testify before the Arizona State Senate Finance Committee in support of a state bill that would restore the status of sound money within the sovereign borders of the Grand Canyon State.

The measure — HB2014 — would “exempt from gross income the exchange of one kind of legal tender for another” and redefines legal tender to include “specie,” that is to say, “coins having precious metal content.”



In plain English, this proposal would provide a way for Arizonans to buy and sell gold and silver without having to treat it as a capital gain, thus reducing the reach of the Federal Reserve inside the state of Arizona.

In a statement published by the Ron Paul Institute for Peace, Dr. Paul lauds the bill for “ensuring that people are not punished by the taxman for rejecting Federal Reserve notes in favor of gold or silver. Since inflation increases the value of precious metals, these taxes give the government one more way to profit from the Federal Reserve’s currency debasement.”

“HB 2014 is a very important and timely piece of legislation. The Federal Reserve’s failure to reignite the economy with record-low interest rates since the last crash is a sign that we may soon see the dollar’s collapse. It is therefore imperative that the law protect people’s right to use alternatives to what may soon be virtually worthless Federal Reserve notes,” the former presidential candidate and constitutionalist icon added.

Over the past several years, *The New American* has chronicled the efforts of many states to enact some version of a sound currency bill. Others are debating proposals aimed at abolishing or auditing the Federal Reserve.

By placing the lion’s share of the blame squarely at the feet of the federal government, particularly its unrepentant, unchecked, and (most importantly) unconstitutional manipulation of the monetary system of the United States through the creation and perpetuation of the Federal Reserve system, bills to restore the value of sound money such as Arizona’s HB 2014 reassert the sovereignty of the states and re-enshrine the 10th Amendment to the Constitution wherein the Founding Fathers intended to erect an impregnable barricade, one that would protect the people from the usurpations they knew would be attempted by the general government.

In 2011, then-Chairman of the Federal Reserve Ben Bernanke weighed in the issue of restoring gold and silver as legal currency. “You need to be attentive to where the economy is and not move too quickly to reverse the policies that are helping the recovery,” Bernanke said, apparently without being purposefully facetious.

The only hope of a recovery lies where hope for liberty has always lain: with the people and the states.



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If any state authorizes gold and silver as an alternative to Federal Reserve notes, economists say that the economy of such a state would stabilize and increase. A happy side effect of such a system would be the weakening of the Federal Reserve notes and a strengthening of the appeal of gold and silver.

This genuine recovery (as opposed to the “boom and bust” pseudo-recovery espoused by Bernanke) would obliterate the fiat money monopoly exercised by the Federal Reserve. The history of that monstrosity was described most ably in G. Edward Griffin’s *The Creature From Jekyll Island*. Griffin writes:

The American Heritage Dictionary defines fiat money as “paper money decreed legal tender, not backed by gold or silver.” The two characteristics of fiat money, therefore, are (1) it does not represent anything of intrinsic value and (2) it is decreed legal tender. Legal tender simply means that there is a law requiring everyone to accept the currency in commerce. The two always go together because, since the money really is worthless, it soon would be rejected by the public in favor of a more reliable medium of exchange, such as gold or silver coin.”

And that is the key to restoring fiscal soundness to the once-enviable economy of the United States.

In 2008, Ron Paul, then serving as a congressman from the state of Texas, echoed Griffin’s predictions:

Gresham’s Law states that bad money drives out good money. Meaning, if someone is forced to accept your bad money, it is to your advantage to pass it off, like a hot potato, in exchange for something of value. Any good money you have, you will hoard. Eventually, real money is driven out of circulation and under people’s mattresses, so to speak. In the absence of legal tender laws, people are free to accept the medium of exchange of their choice, and are likely to insist on payment in something of real value.

Of course, despite the obvious benefits of a return to sound money, the federal government will not sit idly by and watch its monopoly be rendered irrelevant by state governments. In a host of issues, the plutocrats on the Potomac have demonstrated that they will go to any length to maintain their monolithic economic status.

There is some precedence, though, for support of sound money from one branch of the federal government.

Here’s a brief recitation of the facts of the U.S. Supreme Court’s opinion in the case of *Lane County v. Oregon* (1868):

At the end of the 19th century in Oregon, the state was collecting its taxes in gold, requiring payments of taxes in gold. There was a taxpayer who claimed they could pay in Greenbacks, because Greenbacks were “legal tender for all debts.” The Supreme Court gave two reasons why the taxpayer was wrong:

- 1) A tax is not a debt, a tax is an involuntary contribution to the government.
- 2) But even if that weren’t true, a State is a quasi-sovereign entity. It does not have all the sovereign powers it had at the War of Independence, because some powers have been limited by the Constitution. But it retains sovereign powers in the areas of taxation, borrowing, spending, eminent domain and judgements in the courts.

Regardless of past decisions and sound reasoning, the federal government will not back down, and Americans should not rely on the federal courts to sustain state sovereignty, principally as they have shown that they will not commit political suicide by weakening the power of those that give them



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power.

When it comes to the central bank and its machinations, the fix is in. The Fed — ostensibly a non-profit organization — owns the mint, the money, and sets the terms of the loans it makes to the federal treasury. What's more, there is no product; there is nothing being loaned other than worthless paper that can never be traded in for anything of value because all that is used to secure the worth of the currency is now owned by the very bankers who control the Federal Reserve.

The fact is that since that day in 1913 when the Fed was created, the dollar has lost over 95 percent of its purchasing power. Most, if not all, of this precipitous decline was caused by the monetary policy of the Federal Reserve.

And the Fed will continue to accumulate power. There is no limit to the lengths global bankers will go to in order to control the economic policies that affect the entire population of the world. There is no hope of regulating restraint. Power of this magnitude operates beyond the reach of regulations.

As it has since 1958, The John Birch Society offers Americans a well-established, experienced, and influential way of organizing with like-minded constitutionalists who demand the Federal Reserve be not only audited but also abolished. A statement from The John Birch Society declares the group's position:

The powers of Congress are described in Article I, Section 8 of the Constitution, and the creation of a central bank like the Federal Reserve is not listed as one of those powers. The Federal Reserve is charged with protecting the value of the dollar through managing our nation's monetary policy. However, since its inception in 1913, the dollar has lost 95 percent of its value under the Federal Reserve's monetary oversight. The John Birch Society advocates abolishing the Federal Reserve.

The key to restoring sound money in the manner prescribed by the Constitution is for the people to call on Congress to abolish the Federal Reserve and to elect state legislators (all of whom took an oath to "support the Constitution") committed to busting up the Fed's fiat money monopoly by enacting gold and silver currency bills such as Arizona's HB 2014.

In support of sound money and Arizona HB 2014, Dr. Paul also will speak at the state capitol at a rally scheduled for noon on March 8. "I hope every supporter of sound money in the Phoenix area joins me to show their support for ending the Fed's money monopoly," Paul said in his statement.



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