

IMPORTANT: States to Financially Break Away from Federal Government

http://beforeitsnews.com/story/1168/277/States_To_Financially_Break_Away_From_Federal_Government---Utah_Monetary_Declaration.html States To Financially Break Away From Federal Government---Utah Monetary Declaration

Sent: Thursday, September 29, 2011 7:34 PM

Subject: IMPORTANT: States to Financially Break Away from Federal Government

John,

This is the most important message I have ever sent. I urge you to read it and to share it with others. There are absolutely no restrictions on this distribution.

Earlier this week I attended the Utah Monetary Summit in Salt Lake City, Utah. As you may know, the state of Utah passed a Legal Tender Act earlier this year authorizing the use of federally minted gold and silver coins as money in the state of Utah. Now, legislators in other states, many of whom attended the Monetary Summit, are evaluating similar legislation.

Among other things, this means the United States is approaching a Constitutional crisis because states are beginning to financially break away from the federal government. This is no less serious than the American War of Independence or the War Between the States. The Utah Monetary Declaration (below) is a financial declaration of independence whereby states are beginning to opt out of the Federal Reserve System. A major confrontation seems inevitable.

The issues underlying this historic development include:

1. The unsound condition of large U.S. banks, which have inaccurate and crumbling balance sheets along with \$250 trillion in high-risk OTC derivatives contracts;
2. The unstable nature of the U.S. and world financial systems, characterized by unworkable levels of sovereign debt and private debt and by over \$600 trillion in OTC derivatives liabilities;
3. The excessive levels of federal government debt and unfunded liabilities combined with falling federal tax revenues prior to the start of the double-dip recession that began in the second half of 2011;
4. The radically inflationary monetary policies of the federal government and of the Federal Reserve, which promise high inflation or hyperinflation in the future;
5. The worsening condition of the real U.S. economy outside of large banks,

multinational corporations, and Wall Street firms, where federal government bailouts and Federal Reserve monetary easing (money printing) transfer wealth from proverbial Main Street to literal Wall Street;

6. The rapidly escalating polarization of the distribution of wealth, which threatens not only the economic stability of the United States but also its social and political stability; and

7. The current, highly inflationary monetary system is plainly unfair and fundamentally immoral.

As a consequence of these grave, ongoing and growing problems, which are being largely ignored by the mainstream news media, state governments must take immediate action to ensure the functioning of local economies and of state governments, should the federal government / Federal Reserve System break down. Specifically, there is an urgent requirement for an alternative currency to the privately issued Federal Reserve Note, which is erroneously referred to as the "U.S. dollar."

Replacing a stable form of money with ever expanding debt and inflation undermines capitalism and destroys jobs. The monopolistic monetary system of the United States today is inherently inflationary because it must continually expand in order to prevent a deflationary collapse. The underlying structure and root cause of the monetary system's inherent and inescapable inflationary bias is the legal construction of money as debt with no direct link to real economic activity. Debt levels in the economy and bank profits are simply out of line with reality.

In addition to the unsustainable and unstable nature of such a system, an inherently inflationary monetary system destroys savings by devaluing the currency. Savings, which are the result of excess production, precisely define the term "capital." Replacing capital with debt, while highly beneficial for banks that create money out of thin air (through lending), is a deeply flawed concept responsible for the systematic and ongoing breakdown of capitalism in America. This deep, structural problem is the absolute root cause of chronic, irremediable unemployment. As a consequence, there will be no genuine economic recovery in the U.S. and jobs will not return unless and until the monetary system is fundamentally reformed.

An ultimately more important issue is also garnering attention among state legislators, prominent (non Keynesian) economists, religious leaders, political activists and voters. Inflation, particularly if it is systematically understated by the federal government or Federal Reserve, robs savers of the proceeds of past labor and robs workers of the spending power of their wages, living standards and financial futures. Inflation robs the elderly of their retirement and robs investors of their capital by facilitating taxes on alleged gains created solely by currency debasement. Legal tender, created as debt, results in ever larger debt burdens thrust upon innocent future generations that will experience progressively lower living standards and

reduced economic opportunity. Generations to come will be born into debt bondage, thus the monetary system is at the center of a profound moral crisis.

The morally and literally bankrupt nature of the current U.S. financial system is transforming America into a dog-eat-dog society where every person seeks to live at the expense of someone else rather than by producing wealth, because production is systematically stolen by the federal government and by banks through the clever device of an inflationary monetary system. The monetary system operates by exchanging fictitious "wealth" (debt based money created out of thin air by private banks) for the real wealth of borrowers, i.e., the proceeds of their labor. In effect, the monetary system is a massive scam purported to be legal but lacking any demonstrable legal authority. Specifically, there is no Constitutional or other legal basis upon which the federal government can force a private monetary monopoly on the states. In fact, the Constitution of the United States explicitly establishes the exact opposite.

The oversized banking system and federal government have grown in an unholy alliance in lock-step and now consume so much of the U.S. economy that, together, they not only pillage the real economy but threaten to kill, once and for all, what is left of the free country founded by the Declaration of Independence. The moral precedent and example set at the highest levels of the federal government and of the banking cartel is that profit, fame, success and wealth are (either directly or indirectly) rewards for immoral acts rather than for honesty in business. Moral corruption at the top-embedded in the very structure of the monetary system-has slowly spread its gangrenous effect, undermining totally the founding principles of the United States of America, enshrined in the Constitution of the United States and in the Bill of Rights. Rather than liberty, America's legacy is fast becoming one of moral turpitude enshrined in financial injustice and oppression.

The challenge before our nation today-our moment in history-is not merely a financial or economic or political or legal / Constitutional crisis. It is also, and primarily, a moral crisis that could literally destroy the United States of America and all that it has stood for in more than two centuries. A stable society requires sound principles. A moral society requires sound money. Today, the United States of America has neither.

This message is a call to action. In the words of poet Dylan Thomas, let us say for America "Do not go gentle into that good night / Rage, rage against the dying of the light."

I am personally asking you to read the Utah Monetary Declaration (below), which I, among many others, signed on Monday evening, September 26, 2011, in the Post Chapel on the University of Utah campus at Salt Lake City, and to forward it to all, especially to your state officials. Time is of the essence. Although its duration and pace are as yet unclear, the crisis is already upon us. Please act now and do not delay.

Ron

Utah Monetary Declaration

WHEREAS, money, as a medium of exchange, a store of value, and a unit of measure promotes economic activity, growth and productivity by facilitating specialization and trade, the accumulation of wealth and its long-term investment, as well as accountability in setting prices, tracking progress, and settling accounts;

WHEREAS, natural money - precious metal coin - by virtue of its inherent qualities of recognizability, measurability, uniformity, divisibility, durability, portability and scarcity has reliably retained its purchasing power, notwithstanding periodic fluctuations, over the centuries and millennia of human history, serving as an effective medium of exchange and store of value often without any governmental declaration to require, legitimize or perpetuate its adoption and operation as such;

WHEREAS, sound money, by retaining stable purchasing power over time, best serves societal needs by substantially reducing the uncertainty of inflation risk for creditors and deflation risk for debtors as well as encouraging saving and investment among the general populace and benefiting the economic zone in which it circulates by stimulating the economy and by attracting foreign capital and commerce to the region;

WHEREAS, history attests that monopolistic monetary systems frequently engender currency debasement, resulting in serious consequences such as lost purchasing power, inequitable wealth redistributions, misallocation of productive resources, and chronic unemployment, and that, as the cornerstone of a free market and society, the right to choose, whether between suppliers of goods and services, political parties and candidates, or between alternative media of exchange, effectively promotes the general welfare;

WHEREAS, for the equal protection of all people, rich and poor, the open circulation of complementary and competing currencies should be fostered and promoted by every sovereign state, including those of The United States of America pursuant to their monetary powers (expressly reserved in article 1, § 10 and in the 10th amendment of the United States Constitution) to monetize gold and silver coin as an alternative, voluntary medium of exchange, and as an effective check and balance against debasement of the national currency by the national government which is constitutionally precluded from demonetizing state legal tender, through disparate tax treatment, discriminatory regulation, the threat of suppression and seizure, or otherwise;

NOW THEREFORE, we the undersigned hereby declare and affirm that:

1. As an essential element of true liberty and of the pursuit of happiness in a free society, all people enjoy the inherent and unalienable right to lawfully acquire, hold and use as a medium of exchange whatever form or forms of money they may prefer, including especially gold and silver coin.

2. All free and sovereign states bear the moral, political and legal obligation not only to refrain from debasing their own currencies (except under the most exigent circumstances) and from erecting barriers to the unfettered circulation of monies issued under the authority of their sovereign trading partners, but also to affirmatively defend and protect against fraud, counterfeiting, uttering, passing off, embezzlement, theft or neglect by requiring full transparency and accountability of all state chartered financial institutions.

3. No tax liability nor any regulatory scheme promoting one form of money over another should apply to: (a) the holding of any form of money, in a financial institution or otherwise; (b) the exchange of one form of money for any other; or (c) the actual or imputed increase in the purchasing power of one form of money as compared to another.

4. Except in the case of governmentally assessed taxes, fees, duties, imposts, excises, dues, fines or penalties, the authority of government should never be used to compel payment of any obligation, contract or private debt in any specific form of money inconsistent with the parties' written, verbal or implied agreement, or to frustrate the intent of contracting parties or impair contractual obligations by invalidating the application of a discount or surcharge agreed to be dependent upon the particular medium of exchange or method of payment employed.

5. The extent and composition of a person's monetary holdings, including those on deposit with any financial institution, should not be subject to disclosure, search or seizure except upon adherence to due process safeguards such as requiring an adequate showing of probable cause to support the issuance by a court of competent jurisdiction of a lawful warrant or writ executed by legally authorized law enforcement officers.

We hereby urge business leaders, educators, members of the media, legislators, government officials as well as judicial and law enforcement officers to use their best combined efforts to reinstate and promote the legal and commercial framework necessary to establishing and maintaining well-functioning, sound monetary systems based on choice in currency.

The signatories hereto concur in the general principles expressed in the foregoing declaration notwithstanding specific reservations some may have as to how such principles should be interpreted and applied in practice.

Ron Hera