

Non-POM and the U.S. Constitution

Is a non-POM form of money Constitutional?

In regard to the U.S. Constitution, in the Article 1, Section 8 - the Powers of Congress it States:

"Congress shall have Power... To coin Money,..."

Later in Section 10 of Article 1 it States:

"No State shall... coin money,..."

Therefore, the Constitution clearly assigns the power to determine the nature of the nation's money to Congress and not the individual States.

Point two is that the framers of the U.S. Constitution never imagined (so far as we know) that there could be a money which had no physical representation and which was non-transferable. Therefore they could not have attempted to ban such a money. They could not have had the intent to make such a money impossible for the United States.

The third point is that the Constitution speaks of "To coin Money" and of "foreign Coin" and otherwise refers to specie or monetary coins. It does not refer to paper money nor to money in computer accounts. Yet Congress of these United States every year passes laws that regulate and allocate and disperse these non-coin forms of our current physical object money. Therefore, it is clear that Congress does have the authority to create a money that is not in the form of coins.

The fourth point is that many years ago Congress created money that was not backed by any metal, neither gold nor silver. The money we use today is a "fiat" money, money that is money just because Congress says it is money. Therefore, the fact that the proposed money does not represent a physical object cannot be a valid objection since our current money does not *really* represent a physical object either.

The fifth point is that these *powers* "to coin Money" do not have to be exercised. There is no provision that Congress *must* coin money.

The conclusion is that the new form of money is quite Constitutional and in no way violates the spirit or the letter of the Constitution.