

REGINALD H. HOWE
SUITE 2200, ONE BEACON STREET
BOSTON, MASSACHUSETTS 02108
TELEPHONE (617) 227-4400

May 7, 1986

The President
The White House
Washington, D.C.

Dear Mr. President:

Welcome back. While you've been in Japan, I've been reading Dave Stockman's book. He says you're looking for a pony in all that horse manure around Washington. The purpose of this letter is to bring to your attention a horse of a different color--a pending lawsuit that could force Congress to curtail its free-spending ways. Let me explain.

- Last December I filed suit against the United States to claim my birthright under the Constitution: an honest government that doesn't try to cheat me by depreciating my money. In short, I claim that I am entitled under the Constitution to the use and benefits of lawful money, and that lawful money means a dollar that is legally and credibly defined with reference to gold or silver. Not surprisingly, I lost at the district (trial) court level, and thus am now in the process of perfecting my appeal to the Court of Appeals for the First Circuit. A copy of my draft brief is enclosed for your information. If you ask the Solicitor General to review it, I am confident that he will advise you that purely as a matter of law and logic, I should win. Nevertheless, the odds are against me because the

courts are basically afraid of the money issue. Even though our monetary system has now passed far beyond the contours of what is constitutionally defensible, the courts are reluctant to intervene in so important an economic matter with such far-reaching consequences.

A restoration of the gold dollar is the logical conclusion to the Reagan/Revolution. Indeed, it is the necessary conclusion if that revolution is to be an enduring achievement. Many assume that a return to gold is first and foremost an international issue. It is not; it is fundamentally a domestic issue. With unlimited paper money, the fiscal excesses of Congress will in time always overpower the monetary policies of the Federal Reserve. A gold standard, by requiring Congress to set the dollar price of gold, confronts Congress with its own monetary policy, not that of a so-called independent agency. The clash between overspending and a sound dollar must then be faced in Congress, as it should be, and the price for fiscal imprudence is a formal devaluation requiring a congressional vote. Like Gramm-Rudman and the proposed balanced budget amendment, but more effectively than either, a gold dollar requires Congress to discipline itself. It is the fundamental constitutional restraint on government overspending.

My suggestion, Mr. President, is simply this: Take the courts off the horns of their dilemma. Assure them that the money question can and should be decided on its legal and constitutional merits, and that if the legal decision requires restoration of the gold dollar, the government under your administration can and will implement it. Then, with your tacit blessing, the courts will in all likelihood do what you alone cannot: take the

The President

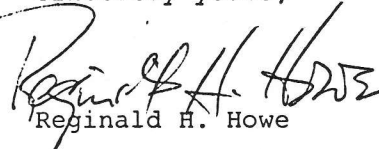
- 3 -

May 7, 1986

congressional punch bowl away permanently. Moreover, now is just the time to do so. With inflation down, thanks to you and Mr. Volcker, and with many believing that inflation is permanently licked, which it isn't, the stage is set for a return to gold with the least possible disruption of existing financial relationships and expectations. The circumstances will never be more favorable. If not now, when? If not you, who?

I am available at your convenience to discuss this matter further, and would be honored to be given the opportunity. But in any event, I plan to carry on with my suit. I may lose, but at least I shall have the comfort of having done my best to try to avert the economic catastrophe that continued deficit spending and fiat money inflation are sure to bring.

Sincerely yours,


Reginald H. Howe

RHH/blb

THE WHITE HOUSE

WASHINGTON

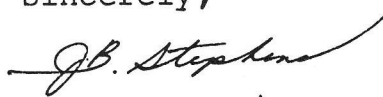
January 7, 1987

Dear Mr. Howe:

Your recent letter to the President regarding your suit challenging the constitutionality of the monetary system has been referred to this office for response. This Administration follows the long-standing policy of other Presidents of not involving the White House in pending litigation. I am sure you will understand the importance of this policy to the impartial administration of justice.

Thank you for bringing your views to our attention.

Sincerely,

A handwritten signature in dark ink, appearing to read "J.B. Stephens", with a stylized flourish extending from the end.

Jay B. Stephens
Deputy Counsel to the President

Mr. Reginald H. Howe
Suite 2200, One Beacon Street
Boston, Massachusetts 02108