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*Justice
Cairtcase*

December 2, 1974

Dear Mr. Curry:

By this letter, I acknowledge receipt of your letter of November eleventh, concerning a class action lawsuit which is contemplated against certain federal officials.

It is the policy of the White House Counsel's office not to comment on legal matters which may shortly come before a federal court for decision.

Sincerely,

Philip W. Buchen
Counsel to the President

Mr. George L. Curry
181 Poplar Avenue
Hayward, California 94541

PWB:JF:em



Justice

THE WHITE HOUSE

WASHINGTON

December 16, 1974

Dear Mr. Silberman:

The attached civil complaint in the case of Watts, et al., v. Albert, et al., U.S.D.C., Southern District of Alabama, Civil Action File No. 74-401-H, was received by my office on December 13, 1974.

This is to request that the Department of Justice handle this matter on behalf of President Ford. If additional information or assistance is required, please contact William E. Casselman, II, of this office. I would appreciate very much your sending this office copies of any materials that you file with the Court in this matter.

Sincerely,

Philip W. Buchen

Philip W. Buchen
Counsel to the President

Honorable Laurence H. Silberman
Deputy Attorney General
Department of Justice
Washington, D.C. 20530

P.S. How do you deal with oddities like this?



THE WHITE HOUSE

WASHINGTON

December 16, 1974

Dear Mr. Silberman:

The attached civil complaint in the case of Watts, et al., v. Albert, et al., U.S.D.C., Southern District of Alabama, Civil Action File No. 74-401-H, was received by my office on December 13, 1974.

This is to request that the Department of Justice handle this matter on behalf of President Ford. If additional information or assistance is required, please contact William E. Casselman, II, of this office. I would appreciate very much your sending this office copies of any materials that you file with the Court in this matter.

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Counsel to the President

Honorable Laurence H. Silberman
Deputy Attorney General
Department of Justice
Washington, D.C. 20530

P.S. How do you deal with oddities like this?



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12/13
B
United States District CourtFOR THE
SOUTHERN DISTRICT OF ALABAMA

CIVIL ACTION FILE NO. 74-401-H

JOHN WATTS, et al.,

Plaintiffs,

v.

CARL ALBERT, SPEAKER OF THE HOUSE OF
CONGRESS, C/O CONGRESS OF THE UNITED
STATES OF AMERICA, GERALD R. FORD, alias
LESLIE KING, JR., a/k/a FORMER CONGRESSMAN
FROM MICHIGAN, PRIVATE CITIZEN PRIOR TO
BEING APPOINTED BY DEVIOUS MEANS TO THE
OFFICE OF THE PRESIDENT OF THE UNITED
STATES OF AMERICA AND ALL OTHERS WHO HAVE
SOUGHT TO USURP THE POWERS OF THE PRESIDENCY,
NAMELY ALEXANDER HAIG, ALLEDGEDLY,

Defendants.

SUMMONS

To the above named Defendant : GERALD R. FORD, alias LESLIE KING, JR.:

You are hereby summoned and required to serve upon the plaintiff:

JOHN WATTS

who is not represented by counsel, and whose address is:

Route 1, Box 161
Harpersville, Alabama 35078

as amended

an answer to the complaint/which is herewith served upon you, within 60 days after service of this
(SIXTY)
summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be
taken against you for the relief demanded in the complaint.

WILLIAM J. O'CONNOR,

Clerk of Court.

(Mrs.) M. P. Cox
Deputy Clerk.

Date: September 27, 1974.

[Seal of Court]

NOTE:—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.



IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

JOHN WATTS, et al,

Plaintiffs,

vs.

c/o CARL ALBERT, SPEAKER OF THE HOUSE OF CONGRESS,
CONGRESS OF THE UNITED STATES

OF AMERICA, GERALD R. FORD, alias
LESLIE KING, JR., a/k/a/ FORMER
CONGRESSMAN FROM MICHIGAN, PRIVATE
CITIZEN PRIOR TO BEING APPOINTED
BY DEVIOUS MEANS TO THE OFFICE
OF THE PRESIDENT OF THE UNITED
STATES OF AMERICA AND ALL OTHERS
WHO HAVE SOUGHT TO USURP THE POWERS
OF THE PRESIDENCY, NAMELY ALEXANDER
HAIG, ALLEDGEDLY,

Defendants.

U. S. DISTRICT COURT
SOU. DIST. ALA.
FILED IN CLERK'S OFFICE

SEP 27 1974

WILLIAM J. O'CONNOR
CLERK

CIVIL ACTION NO. 74-401-H

AMENDED COMPLAINT

Comes now John Watts, Plaintiff, acting as a citizen of the United States of America, and also as an individual, and also as and on behalf of all the citizens of the United States of America and all its legal possessions, provinces and et al. Further, said Plaintiff acting in the capacity of Chariman of the Whig Party of Alabama, Whig Party of the United States of America, (We Hope In God) does pray that immediate relief be granted by this Honorable Court on the following counts, and that all practical haste be forthcoming in your Majesty's Realm of Jurisdiction.

COUNT ONE

The Congress of The United States of America did without the proper enlightenment of the Electorate on such grave matter, and without due process rob the Electorate by subterfuge pass legislation setting out certain faulty and misleading information or no information readily understandable to the average citizen, and through devious and unholy standards and low means did aid



and abet the culprets of evil doing cause the act of the 25th Amendment to the Constitution of the United States of America. to slip through unnoticed by the majority of the officers of the Courts, the Electorate and the average little guy on the streets of this great and glorious country of ours. Such means and methods are just short of Treason and certainly an act without precedent. The motive is all important to the freedom's threatening position at a time when distrust in Government is rampant, and on the verge of rebellion. In the battlefields of the world lie the sons and husbands of the women of this country who died for your and my freedom and the right to choose our President at the ballot box.

COUNT TWO

I and others have been denied the right to vote for and elect the highest elected officialdom in our country, namely the President and the Vice President of the United States of America. As such victims of the evil doers, we are disturbed, distraught, torn asunder, troubled, weakened from fear of the consequence of such predicate to the dictatorships of the world, and in substance victims by the usurpation of power by an uninformed and trusting public acting in good faith on the assumption a body of trustworthy statesmen had acted in our behalf and in our best interests.

COUNT THREE

I and others like myself have been denied our rights and freedom by the aforementioned acts of disregard for our basic and inalienable civil and Constitutional rights.

REQUESTED RELIEF

An open hearing is absolutely essential in this and all future matters meddling with the rights of all United States citizens. An open hearing is essential to the Plaintiffs' case

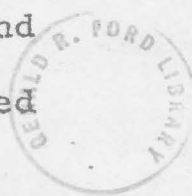


to establish the mood and the concern of every freedom-loving individual in the world, on the airing and the right of the American press and the public, and the rights of the poor and uneducated maligned and misled through the designed omission of the intent to breach the confidence of the public. The press has the right and responsibility to expose all facets of the cover-up and devious means resorted to in sneaking through the dubious legislation by legal mumbo-jumbo and long hard to understand words. All this to try and shove this down our throats in the 25th Amendment to the Constitution of the United States of America. This right to an open hearing has been recognized for many years in American Jurisprudence. As a matter of policy, an open hearing promotes the public interest in a number of ways, for instance: (a) open hearings improve the accuracy and quality of testimony offered; (b) open hearings may produce evidence unknown to the litigants or the trier; (c) the presiding official and other attendants are more likely to carry out their responsibilities in the light of the public scrutiny (d) open proceedings inspire confidence in the Tribunal; (e) the public is given the education, the operation of justice so sorely needed; (f) the beneficial effect of law is more probable if proceedings are widely publicised and (g) the agencies, like the Courts are part of Government and ought to be subject to constant scrutiny;

WHEREFORE, the Plaintiffs prays for the following relief:

1. A Declaratory Judgment that the manner and methods and contents of the 25th Amendment to the Constitution of the United States of America is unconstitutional.

2. An order requiring Congress to thoroughly air all future legislation by sub-committees traveling the width and breadth



of our land immediately be instituted. That relief be extended and offer a substitute bill guaranteeing our right to vote on everyone concerned with the destiny of this great land of ours. Further, that never will anybody be permitted to trample on our rights with such contempt.

3. Such other relief as the Court may deem just and equitable.



John Watts

Pro Se

Route 1, Box 161

Harpersville, Alabama 35078



IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF ALABAMA SOUTHERN DIVISION

JOHN WATTS ET AL PLAINTIFFS

VS

9. CARL ALBERT SPEAKER of House of CONGR.
CONGRESS OF THE UNITED STATES OF AMERICA, GERALD R. FORD
ALIAS LESLIE KING JR. A/K/A FORMER CONGRESSMAN FROM MICH
IGAN, PRIVATE CITIZEN PRIOR TO BEING APPOINTED BY DEVIOUS MEAN
TO THE OFFICE OF THE PRESIDENT OF THE UNITED STATES OF AMERICA
AND ALL OTHERS WHO HAVE SOUGHT TO USURP THE POWERS OF THE
PRESIDENCY, NAMELY ALEXANDER HAIG: ALEDGEDLY.

CIVIL ACTION NO. 74-401-H

COMES NOW JOHN WATTS COMPLAINANT, ACTING AS A CITIZEN OF THE
UNITED STATES OF AMERICA, AND ALSO AS AN INDIVIDUAL, AND ALSO
AND ON BEHALF OF ALL THE CITIZENS OF THE U.S.A. AND ALL ITS LEGA
POSSESSIONS, PROVINCES AND ET AL. FURTHER SAID COMPLAINANT ACT
ING THE CAPACITY OF CHAIRMAN OF THE WHIG PARTY OF ALABAMA,
WHIG PARTY OF THE UNITED STATES OF AMERICA; (We Hope In God)
DOEZ PRAY THAT IMMEDIATE RELIEF BE GRANTED BY T IS HONORABLE
COURT ON THE FOLLOWING COUNTS, AND THAT ALL PRACTICAL HASTE
BE FORTH COMING IN YOUR MAJESTIES REALM OF JURISDICTION:

COUNT I

THE CONGRESS OF THE UNITED STATES OF AMERICA DID WITHOUT THE
PROPER ENLIGHTENMENT OF ~~OR~~ THE ELECTORATE ON SUCH GRAVE
MATTER, AND WITHOUT DUE PROCESS ROB THE ELECTORATE BY
SUBTERFUGE PASS LIGISLATION SETTING OUT CERTAIN FAULTY AND
MISLEADING INFORMATION OR NO INFORMATION READILY UNDERSTANDA
TO THE AVERAGE CITIZEN, AND THROUGH DEVIOUS AND UN HOLY STAND
AND LOW MEANS DID AID ABET THE CULPRETS OF EVIL DOING CAUSE
THE ACT OF THE 25th AMMENDMENT TO THE CONSTITUTION OF THE
U. S. A. TO SLIP THROUGH UNNOTICED BY THE MAJORITY OF THE
OFFICERS OF THE COURTS, THE ELECTORATE AND THE AVERAGE LITTL
GUY ON THE STREETS OF THIS GREAT AND GLORIOUS COUNTRY OF OURS.
SUCH MEANS AND METHODS ARE JUST SHORT OF TREASON, AND CERTAIN
LY AN ACT WITHOUT PRECEDENT. THE MOTIVE ISA ALL IMPORTANT TO
THE FREEDOM S THREATENING POSITION AT A TIME WHEN DISTRUST IN
GOVERNMENT IS RAMPANT, AND ON THE VERGE OF REBELLION. IN THE
BATTLEFIELDS OF ALL THE WORLD LIE THE SONS AND HUSBANDS OF
OF THE WOMEN OF THIS COUNTRY WHO DIED FOR YOUR AND MY FREEDO
AND THE RIGHT TO CHOOSE OUR PRESIDENT AT THE BALLOT BOX.

U. S. DISTRICT COURT
SOU. DIST. ALA.
FILED IN CLERK'S OFFICE

SEP 27 1974

WILLIAM J. O'CONNOR
CLERK



IDENT AND THE VICE PRESIDENT OF THE U.S.A., AS SUCH VICTIMS OF THE EVIL DOERS WE ARE DISTURBED, DISTRAUGHT, TORN ASUNDER TROUBLED, WEAKENED FROM FEAR OF THE CONSEQUENCES OF SUCH PREDICATE TO THE DICTATORSHIPS OF THE WORLD, AND IN SUBSTANCE VICTIMS BY THE USURPATION OF POWER BY AN UNINFORMED AND TRUSTING PUBLIC ACTING IN GOOD FAITH ON THE ASSUMPTION A BODY "OF TRUST WORTHY STATESMEN HAD ACTED IN OUR BEHALF AND IN OUR BEST INTERESTS.

COUNT III

I AND OTHERS LIKE MYSELF HAVE BEEN DENIED OUR RIGHTS AND FREEDOM BY THE AFOREMENTIONED ACTS OF DISREGARD FOR OUR BASIC AND INALIENABLE CIVIL AND CONSTITUTIONAL RIGHTS.

REQUESTED RELIEF

AN OPEN HEARING IS ABSOLUTELY ESSENTIAL IN THIS AND ALL FUTURE MATTERS MEDDLING WITH THE RIGHTS OF ALL U.S. CITIZENS. AN OPEN HEARING IS ESSENTIAL TO THE PLAINTIFFS CASE TO ESTABLISH THE MOOD AND THE CONCERN OF EVERY FREEDOM LOVING INDIVIDUAL IN THE WORLD, ON THE AIRING AND THE RIGHT OF THE AMERICAN PRESS AND THE PUBLIC, AND THE RIGHTS OF THE POOR AND UNEDUCATED MALIGNED AND MISSED THROUGH THE DESIGNED OMISSION OF THE INTENT TO BREACH THE CONFIDENCE OF THE PUBLIC. THE PRESS HAS THE RIGHT AND RESPONSIBILITY TO EXPOSE ALL FACETS OF THE COVER-UP AND DEVIOUS MEANS RESORTED TO IN SNEAKING THROUGH THE DUBIOUS LEGISLATION BY LEGAL MUMBO JUMBO AND LONG HARD TO UNDERSTAND WORDS. ALL THIS TO TRY AND SHOVE THIS DOWN OUR THROAT IN THE 25th AMMENDMENT TO THE CONSTITUTION OF THE U.S.A.

THIS RIGHT TO A OPEN HEARING HAS BEEN RECOGNIZED FOR MANY YEAR IN AMERICAN JURISPRUDENCE AS A MATTER OF POLICY AN OPEN HEARING PROMOTES THE PUBLIC INTEREST IN A NUMBER OF WAYS, FOR INSTANCE (a) OPEN HEARINGS IMPROVE THE ACCURACY AND QUALITY OF TESTIMONY OFFERED: (b) OPEN HEARINGS MAY PRODUCE EVIDENCE UNKNOWN TO LITIGANTS OR THE TRIER: (c) THE PRESIDING OFFICIAL AND OTHER ATTORNEYS ARE MORE LIKELY TO CARRY OUT THEIR RESPONSIBILITIES IN THE LIGHT OF THE PUBLIC SCRUTINY (d) OPEN PROCEEDURES INSPIRE CONFIDENCE IN THE TRIBUNAL. (e) THE PUBLIC IS GIVEN THE EDUCATION IN THE OPERATION OF JUSTICE SO SORELY NEEDED. (f) THE BENEFICIAL EFFECT OF LAW IS MORE PROBABLE IF PROCEEDINGS ARE WIDELY PUBLICISED AND (g) THE AGENCIES, LIKE THE COURTS AS A PART OF GOVERNMENT OUGHT TO BE SUBJECT TO CONSTANT SCRUTINY:

WHEREFORE THE PLAINTIFFS PRAY FOR THE FOLLOWING RELIEF:

1. A DECLARATORY JUDGEMENT THAT THE MANNER AND METHODS AND CONTENTS OF THE 25th AMMENDMENT TO THE CONSTITUTION OF THE U.S.A., IS UNSTITUTIONAL:

2. AN ORDER REQUIRING CONGRESS TO THOROUGHLY AIR ALL FUTURE LEGISLATION BY SUB COMMITTEES TRAVELING THE WIDTH AND BREADTH OF OR LAND BE IMMEDIATELY INSTITUTED. THAT RELIEF BE EXTENDED

Page 3

and offer a substitute bill guaranteeing our right to vote on every one concerned with the destiny of this great land of ours. further that never will any body be permitted to trample on our rights with such contempt.

3. Such other relief as the court may deem just and equitable.



John Watts
JOHN WATTS

PRO SE

Rt. 1, Box 161

Harpersville, Ala. 35078

THE WHITE HOUSE
WASHINGTON

Bill Casselman:
Kindly let
me have your
views on this
matter.

P.





UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated
and Refer to Initials and Number

EBC
90-1-23-1679

MEMORANDUM FOR THE SOLICITOR GENERAL

Re: Sun Oil Company, et al. v. United States,
No. 806-71 (Ct. Cls., April 16, 1975).

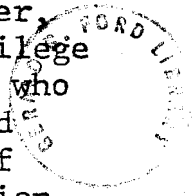
RECOMMENDING AGAINST CERTIORARI. (The General
Litigation Section concurs in this recommendation).

Time: To petition for a writ of certiorari expires
July 15, 1975.

DISCUSSION

The attached memorandum of the General Litigation Section, dated June 9, 1975, accurately sets forth the facts and issues in this case. For the reasons there stated, we agree that the Government should not seek Supreme Court review of the Court of Claims' en banc decision.

As noted therein, the United States withdrew all claims of privilege on its own behalf. Having done so, we question whether the Department of Justice has been in any way aggrieved by the Court of Claims' decision. Moreover, since the incumbent President has not asserted his privilege with respect to these documents, it is not at all clear who we are representing. In the Court of Claims, the United States did not support former President Nixon's claim of absolute privilege; instead, we argued for the proposition that was in fact adopted by the court, stating that it was proper for the court to engage in a balancing process between the claims of privilege and the plaintiffs' need for the material.



Finally, we note that the court has only ordered in camera inspection of the four documents, with stringent safeguards against unwarranted publication. For this reason, and because the documents do not involve any sensitive matters of national security, we recommend compliance with the court's order.

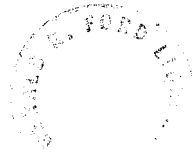
CONCLUSION

For the foregoing reasons, I recommend against petitioning for a writ of certiorari.

Respectfully,

Wallace H. Johnson

Wallace H. Johnson
Assistant Attorney General
Land and Natural Resources Division





UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

June 9, 1975

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RECEIVED
CLERK OF COURT

Address Reply to the
Division Indicated
and Refer to Initials and Number

FLF:MEF:AFW
90-1-23-1679

MEMORANDUM FOR MR. EDMUND B. CLARK
CHIEF, APPELLATE SECTION

Re: Sun Oil Company, et al. v. United States,
Court of Claims No. 806-71

RECOMMENDING NO REVIEW OF ORDER OF COURT OF CLAIMS
DIRECTING IN CAMERA INSPECTION BY TRIAL JUDGE OF FOUR
DOCUMENTS FOR DETERMINATION OF ADMISSIBILITY AND RELEVANCY

Time To Petition Supreme Court
For Review Expires July 15, 1975

Statement

On May 16, 1974, Trial Judge Lydon, in response to an attempted assertion of executive privilege for documents from the Executive Office of the President by J. Fred Buzhardt, Counsel to the President, ordered the United States to either properly assert executive privilege by having the President personally assert the privilege or produce the documents which were subject to the discovery motion. The United States sought review of that order by the Court of Claims.

President Nixon resigned his office prior to Court of Claims review. Thereafter, the United States filed a Statement of Position with the Court on November 7, 1974 withdrawing "all claims of privilege" as to documents in Schedule D. Schedule D listed four documents, designated as "presidential documents," one of which was dated March 27, 1969 and the remaining three April 1, 13 and 15, 1970. These were the only documents of the original group of 34 not



released to the plaintiffs. In that statement of position, the United States supported the claim of privilege asserted by former President Nixon.

A further statement of the United States regarding the assertion of presidential privilege for documents of a former president was filed on November 22, 1974. The United States asserted, at page 5:

We do not question that the Court must undertake a balancing process, for the Government does not assert that the presidential privilege regarding these papers is inviolate. If the plaintiffs are able to show that the documents are relevant to this litigation and that they have a need for such documents to establish facts, the Court must consider whether such a showing overcomes the need for confidentiality embraced within the presumptive privilege afforded presidential documents. (Footnote omitted)

We further stated that the validity of any claim of privilege may be determined by the court on the basis of the affidavit before it and the further procedures set forth in the cases of EPA v. Mink, 410 U.S. 73 (1973) and United States v. Nixon, 418 U.S. 683 (1974).

On November 26, 1974, former President Nixon filed a formal claim of privilege as originally mandated by the order of Trial Judge Lydon on May 16, 1974. The issue was thereby shifted from the mechanics of claiming privilege to whether a former President may claim an absolute privilege to protect presidential papers of his administration. The opinion of the court thus centered on the motion for a protective order filed by Nixon's attorneys on November 7, 1974.



Opinion of the Court of Claims
dated April 16, 1975

After full review of the contentions of not only the plaintiff oil companies and the United States but also of Mr. Nixon, the court held that, "assuming, without deciding, that there is a presumptive privilege he [the former President] can invoke", such claim of privilege "cannot be absolute". The court then ordered the case remanded to the Trial Judge for "in camera" inspection of the four contested documents." Attempting to guide the scope of the question before the Trial Judge, the court acknowledged defendant's admission that disclosure of the documents would not be against the public's interest provided, however, that "plaintiffs can show to the court's satisfaction that they are needed to establish facts relevant to the litigation." If such a showing is made by plaintiffs, the Trial Judge is to consider whether such a showing "overcomes the need for confidentiality embraced within the rule of presumptive privilege afforded presidential papers as an encouragement to candor."

Recommendations

Counsel for the Executive Office of the President has made no recommendation for review of the Court of Claims decision. Attorneys for former President Nixon have urged that the United States seek certiorari for review by the Supreme Court. No further review is recommended.

Discussion

Prior to the hearing before the full court, the United States had withdrawn its claim of privilege, but supported Nixon's claim of privilege because of the government's "strong institutional interest in the protection to be afforded Presidential matters once the President leaves office." The Court of Claims has recognized, in its own way, that although it need not decide whether there is a



presumptive privilege that attaches to papers of a former president, if there is, it is not absolute. The Trial Judge is now placed in the odd position of reviewing documents for relevancy and admissibility and a showing of need by plaintiffs to overcome "the need for confidentiality embraced within the rule of presumptive privilege afforded presidential papers as an encouragement to candor," the applicability and existence of which privilege is expressly avoided in the court's opinion.

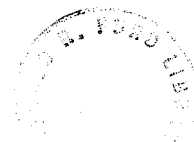
Whether a former president may assert privilege on presidential documents is not addressed by the court, for the holding of the court seems to be premised on the inherent quality of presidential documents to be presumptively privileged. See, United States v. Nixon, 418 U.S. at 708. This determination by the court is not in conflict with the position taken in court by the United States that there is no absolute privilege and that the court must balance the needs of plaintiff versus the requirements of confidentiality in determining whether full or partial release must be made.

To seek review of this court's holding would, in our opinion, require the Department to adopt the stance of Mr. Nixon's attorneys that the subject papers are absolutely privileged. In view of the decision in United States v. Nixon, supra, we do not consider such a position by the Department either defensible or wise.

Future Proceedings

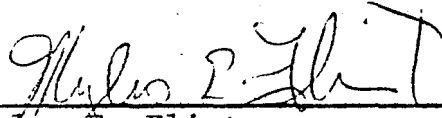
If no further review of the court's decision is undertaken, the United States may either withhold the documents and face sanctions by the court, (see Trial Judge Lydon's letter of June 5, 1975) or submit to the procedures outlined in United States v. Nixon, 418 U.S. at 713-716.

Assuming the latter, the documents must be turned over to the Trial Judge forthwith for his consideration. However, the Trial Judge's in camera inspection must provide



"for scrupulous protection against any release or publication of material not found by the court, at that stage, probably admissible in evidence and relevant to the issues of the trial for which it is sought." 418 U.S. at 714-715. We would expect Trial Judge Lydon to adhere to these strictures and require a high degree of relevancy of factual material as justification for release. The United States, having waived its claim of privilege, can hardly ask for more.

Respectfully submitted,



Myles E. Flint
Attorney

APPROVED FOR TRANSMISSION

June 11, 1975

Floyd L. France
Floyd L. France
Chief, General Litigation Section

Justice

THE WHITE HOUSE
WASHINGTON

January 6, 1975

Dear Mr. Silberman:

The attached civil complaint in the case of Thrift v. President Gerald Ford, U.S.D.C., Southern District of Alabama, Civil Action File No. 74-536-H was received by my office on January 2, 1975.

This is to request that the Department of Justice handle this matter on behalf of President Ford. If additional information or assistance is required, please contact William E. Casselman II of this office. I would appreciate very much your sending this office copies of any materials that you file with the Court in this matter.

Sincerely,

Philip W. Buchen

Philip W. Buchen
Counsel to the President

The Honorable Laurence H. Silberman
Deputy Attorney General
Department of Justice
Washington, D.C. 20530

Enclosure

*P.S. Sorry we have to pass along such a atrocious
misuses of the Court system as this and a
second one of this date.*

P.

United States District Court

FOR THE

SOUTHERN DISTRICT OF ALABAMA

CIVIL ACTION FILE NO. 74-536-H

JESSIE L. THRIFT,

Plaintiff

v.

PRESIDENT GERALD FORD and the DEPARTMENT
OF THE OFFICE OF EQUAL OPPORTUNITY,
H. E. W.,

Defendant s.

SUMMONS

To the above named Defendant : PRESIDENT GERALD FORD:

'You are hereby summoned and required to serve upon the plaintiff,

MR. JESSIE L. THRIFT

not represented by counsel,

~~XXXXXXXXXXXX~~, whose address is:POST OFFICE BOX 202
SEMMESE, ALABAMA 36575

an answer to the complaint which is herewith served upon you, within 60 days after service of this
(sixty)
summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be
taken against you for the relief demanded in the complaint.

WILLIAM J. O'CONNOR,

(Mrs.) M. J. Cox
Clerk of Court.
Deputy Clerk.

Date: December 20, 1974.

[Seal of Court]

NOTE:—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

In The United States District Court For The Southern District Of

Alabama, Southern District

U. S. DISTRICT COURT
SOU. DIST. ALA.
FILED IN CLERK'S OFFICE

DEC 20 1974

Jessie L. Thrift,
Plaintiff,

Vs.

President Gerald Ford and
the Department of the
Office of Equal Opportunity,
H. E. W.
Defendants.

WILLIAM J. O'CONNOR
CLERK

Civil Action 74-536-H

Now comes a demand of I, Jessie L. Thrift; White Anglo-Saxon Christian, to be appointed Secretary of State of the United States of America. My demand is based on the fact that the Jews are 2% of the population but at this time they are holding 98% of all of the decision making positions and the policy making positions in the Executive Branch for our United States Government. Listed below are the names.

- | | |
|---|--------------|
| 1. Vice President Rockefeller | A Racial Jew |
| 2. Secretary of State
Henry Kissinger | A Racial Jew |
| 3. Secretary of Defense
James Schlesinger | A Racial Jew |
| 4. Chairman of Federal Reserve Bd.
Arthur Burns | A Racial Jew |
| 5. Secretary of Treasury
William Simon | A Racial Jew |
| 6. Head of H.E.W.
Casper Wineberger | A Racial Jew |
| 7. Head of Economic Council
Alan Greenspan | A Racial Jew |
| 8. President Ford's Financial
Advisor, William Seidman | A Racial Jew |
| 9. Federal Insurance Administrator
George K. Bernstein | A Racial Jew |
| 10. President Ford's Press Secretary
Ron Nesson | |



11. President's Senior Speech
Writer Milton Friedman A Racial Jew
12. Betty Ford's Press Secretary
Sheila Rabb Weidenfeld A Racial Jew
13. Energy Czar
Zorbe A Racial Jew
14. Attorney General Designate
Levy A Racial Jew
15. Internal Revenue Service
Cohen A Racial Jew

All of these are Racial Jews and the list of Jews in the Executive Branch is endless.

My qualifications for the office of the Secretary of State are as follows: Widely traveled, a military background, an absolute authority on International Jewry and the havoc they are playing with our Christian Republic, a student of History, and a student of Our Christian Constitution. I am also acutely aware of the warning by George Washington, Benjamin Franklin, Thomas Jefferson, and Abraham Lincoln, of what would happen if we ever let these Anti-Christ Jews gain control of it: which is exactly what has happened as prophesied by our Founding Fathers.

I demand an immediate redress of this whole situation and immediate relief.

For King of this Nation, Jesus Christ, and Country

Jessie L. Thrift
Jessie L. Thrift

CC: The American Constitutional Rights Protective Association

CC: to others.

Jessie L. Thrift

P.O. Box 202

Semmes, Ala. 36575

THE COMMITTEE TO ESTABLISH THE GOLD
STANDARD vs. UNITED STATES

January 11, 1975

Justice

Dear Mr. Silberman:

The attached civil complaint and Order of the United States District Court for the Southern District of New York in the matter of The Committee to Establish the Gold Standard, et al. v. United States of America, et al., was received by my office on January 10, 1975.

This is to request that the Department of Justice handle this matter on behalf of President Ford. If additional information or assistance is required, please contact William E. Casselman II of this office. I would appreciate very much your sending this office copies of any materials that are filed with the Court in this matter.

Sincerely,

Philip W. Buchen
Counsel to the President

Enclosure

Honorable Laurence H. Silberman
Deputy Attorney General
Department of Justice
Washington, D. C. 20530

BR:pk/WC:for PWB
1/11/75



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

27 R
1/10

THE COMMITTEE TO ESTABLISH THE GOLD
STANDARD, HOWARD S. KATZ, MARIA MARTINS,
CHARLES BLOOD, MORRIS J. MARKOVITZ and
HOWARD SAMARA, both as individuals and
as members of THE COMMITTEE TO ESTABLISH
THE GOLD STANDARD,

Judge Duffy

75 Civ. 7

Plaintiffs,

PB
-against-

THE UNITED STATES OF AMERICA, GERALD
FORD as President of THE UNITED STATES
OF AMERICA, THE UNITED STATES TREASURY,
WILLIAM E. SIMON as Secretary of the
Treasury, and THE GENERAL SERVICES
ADMINISTRATION,

ORDER TO SHOW CAUSE WHY
PRELIMINARY INJUNCTION
SHOULD NOT ISSUE and
TEMPORARY RESTRAINING
ORDER

Defendants.

Upon the affidavit of HOWARD S. KATZ and upon the Complaint
and Brief hereto annexed, it is

✓
✓
ORDERED that the above named defendants show cause before
this Court on the 24th day of January at 10 o'clock in the
fore noon at Room 1566, United States Court House, Foley Square, in the
City, County and State of New York why a preliminary injunction should not
be issued pursuant to Rule 65 of the Federal Rules of Civil Procedure
enjoining defendants from selling the gold now in the possession of the
U.S. Treasury, and it is further

✓
~~ORDERED that pending plaintiffs' application for a preliminary
injunction defendants are temporarily restrained from selling the gold now in
the possession of the U.S. Treasury, and it is further~~
AND SECURITY UNDER R. 65C FRCP BE WAIVED

✓
~~ORDERED that the temporary restraining order shall expire
within ten days unless extended for good cause shown, or on consent, and it
is further~~

✓
ORDERED that service of this order by certified mail TO THE
ABOVE NAMED DEFENDANTS BE MADE ON OR BEFORE JANUARY 10 1975,
- 5 P.M. -
BY THE U.S. ATTORNEY

✓ FOR THE SOUTHERN DISTRICT OF NEW YORK, ON JANUARY 3

✓ before 5:30 PM be deemed sufficient.

Dated: New York, New York
Jan. 2, 1975

SO ORDERED:

Kim Thomas
U.S.D.J.

✓ Jan 3, 1975
ISSUED PM



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE COMMITTEE TO ESTABLISH THE GOLD
STANDARD, HOWARD S. KATZ, MARIA MARTINS,
CHARLES BLOOD, MORRIS J. MARKOVITZ and
HOWARD SAMARA, both as individuals and
as members of THE COMMITTEE TO ESTABLISH
THE GOLD STANDARD,

Civil Action No. _____

Plaintiffs,

-against-

VERIFIED COMPLAINT

THE UNITED STATES OF AMERICA, GERALD
FORD as President of THE UNITED STATES
OF AMERICA, THE UNITED STATES TREASURY,
WILLIAM E. SIMON as Secretary of the
Treasury, and THE GENERAL SERVICES
ADMINISTRATION,

Defendants.

Plaintiffs COMMITTEE TO ESTABLISH THE GOLD STANDARD and
HOWARD S. KATZ residing at 85 4th Ave. #6M, New York, N.Y. 10003, MARIA
MARTINS residing at 90-27 138th Pl., Jamaica, N.Y., CHARLES BLOOD re-
siding at 30 E. 9th St., New York, N.Y. 10003, MORRIS J. MARKOVITZ residing
at 10-02 Deer Creek Dr., Plainsboro, N.J. 08536, and HOWARD SAMARA residing
at 344 97th St., Brooklyn, N.Y. 11209 complaining of the defendants say:

1. On Dec. 3, 1974 William E. Simon as Secretary of the
Treasury announced that on Jan. 6, 1975 two million ounces of gold would
be put up for public auction to be sold to the highest bidder, and
2. The General Services Administration would act as agent
for the Treasury and conduct the auction, and
3. The gold in the Treasury's possession was illegally and
unconstitutionally taken from the people in 1933 and therefore the Treasury
has no right to sell it, and
4. Gerald Ford and William E. Simon as President of the
United States and Secretary of the Treasury respectively have the
obligation to uphold and abide by the Constitution, and

5. If the auction takes place on Jan. 6, 1975 as scheduled the gold will be gone, and irreparable injury will be done to plaintiffs.

Wherefore, plaintiffs demand judgement against defendants:

1. Permanently enjoining them from selling the gold, and
2. Holding them liable for the costs of this action, and
3. Other and further relief to which plaintiffs may be entitled or which the Court may deem just.

Howard S. Katz, pro se
85 4th Ave. #6M
New York, N.Y. 10003

STATE OF NEW YORK)
COUNTY OF NEW YORK) S.S.: AFFIDAVIT

Howard S. Katz being of full age and duly sworn upon his oath deposes and says:

1. I am a plaintiff in the above entitled matter.
2. The allegations of the Complaint are true.

Signed and sworn before me
this 2 day of Jan,
1975.

Howard S. Katz
Howard S. Katz

WALTER G. BRANNON
Notary Public, State of New York
No. 240504800
Qualified in Kings County
Cert. Filed in New York County
Term Expires March 31, 1975

TO:

President Gerald Ford
The White House
Washington, D.C.

Secretary William E. Simon
Department of the Treasury
Washington, D.C.

General Services Administration
Washington, D.C.



NEWS REPORT OF U.S. TREASURY'S DECISION TO SELL GOLD ON JAN. 6, 1975.

2 Million Ounces of U.S. Gold To Be Sold at Auction Jan. 6

Prices Drop in Europe

By EDWIN L. DALE Jr.

Special to The New York Times

WASHINGTON, Dec. 3, Sec.

Debate on Investing Grows

By MICHAEL C. JENSEN

Banks and brokerage houses

THE COMMITTEE TO ESTABLISH THE GOLD
STANDARD, HOWARD S. KATZ, MARIA MARTINS,
CHARLES BLOOD, MORRIS J. MARKOVITZ and
HOWARD SAMARA, both as individuals and
as members of THE COMMITTEE TO ESTABLISH
THE GOLD STANDARD,

Civil Action No. _____

Plaintiffs,

-against-

THE UNITED STATES OF AMERICA, GERALD
FORD as President of THE UNITED STATES
OF AMERICA, THE UNITED STATES TREASURY,
WILLIAM E. SIMON as Secretary of the
Treasury, and THE GENERAL SERVICES
ADMINISTRATION,

PLAINTIFFS' MEMORANDUM OF
LAW IN SUPPORT OF THEIR
COMPLAINT

Defendants.

WHEREAS, the United States Treasury has recently announced
its intention to sell two million ounces of gold from the stockpile
presently in the custody of the U.S. Government, plaintiffs demand a per-
manent injunction to prohibit the Treasury, and the General Services
Administration acting as its agent, from selling the gold on the grounds
that the Treasury does not have legitimate title to the gold and that
selling the stockpile of gold would prejudice against the establishment
of a hard money standard, which plaintiffs contend is the only money
system in accord with the Constitution.

I ECONOMIC INTRODUCTION:

The basic issues of this action depend on two different
concepts of money, which are here set forth: fiat money and hard money.

Fiat money is money which derives its value from the fiat
(declaration) of a higher authority. Fiat money originated when an ancient
king took the gold coins which had been paid into his Treasury as taxes,
melted them down and mixed them with an equal amount of copper to form
twice as many coins. When the king's fraud was discovered, people refused

to accept the new coins at the same value as the old since they contained only half as much gold. The king's answer to this was: You must accept the new coins as equal in value to the old because I say they are equal in value, and I am the king. If you don't accept these coins, you don't get paid.

Hard money is money which derives its value from the people. In the normal development of commerce people will gradually agree on some good to serve as money. Many goods have served as money at different times: cattle, copper, even cigarettes. But each of these things is valued because people can put it to some use. Its value does not derive from the proclamation of a king.

The Committee to Establish the Gold Standard does not advocate gold money in the same sense in which paper money supporters advocate their system. We do not advocate that gold be made official money by the declaration of the government. We simply note that history shows that of all the hard goods which could serve as money, for reasons of convenience, gold (and to a lesser extent silver) is repeatedly chosen by the people. We advocate simply that people be given a free choice as to what they will use as money.

The crucial legal issue between fiat money and hard money is the issue of legal tender. To give fiat money value the king had to pass legal tender laws; he had to declare his fiat money a legal tender in payment of debts. Hard money will normally become a legal tender because people value it and contracts are made in terms of it, but it needs no special legal tender enactments to give it value. It is one of the contentions of plaintiffs that in America such enactments are unconstitutional.

II JURISDICTION:

The Court's jurisdiction is founded on §1331 of Title 28,

U.S. Code:

"(a) The district courts shall have original jurisdiction of all civil actions wherein the matter in controversy exceeds the sum or value of \$10,000 exclusive of interest and costs, and arises under the Constitution, laws, or treaties of the United States."

Whether or not the United States is on a hard money system is a matter of great economic concern to every citizen. If the U.S. Treasury sells the gold which was wrongfully taken from the people, then it will prejudice the establishment of a hard money system in the United States. This affects the economic well being of every American, including plaintiffs, by an amount far greater than \$10,000 apiece. This occurs in three ways.

A. The present U.S. fiat money system is based on paper. Paper notes are issued by the Federal Reserve and made current by legal tender laws. Using Federal Reserve notes as a reserve, the banks, in the process of making loans, issue approximately six times the amount of demand deposits; In 1974 the banks issued approximately \$14 billion of new money. Assuming a 10% prime rate (and most loans are made above the prime) the banks thus profited by \$1.4 billion from this privilege of issuing paper money. Since 1933 the banks have created 260 billion dollars of paper money. At an interest rate of 10% this is an annual profit of approximately \$26 billion or \$125 for each man, woman and child in the country. Thus, even if no additional paper money is issued (an unlikely prospect), every person in the country will lose, over a 70 year lifetime, $70 \times \$125 = \$8,750$ to the banks.

B. When paper money is issued, its value depreciates. When you increase the supply of money without increasing the supply of goods for the money to buy, then each unit of money buys fewer goods. Taking the value of the

U.S. dollar as 100¢ in 1933 its value at the end of 1974 was 22¢. This depreciation causes a shift in wealth from creditor to debtor.

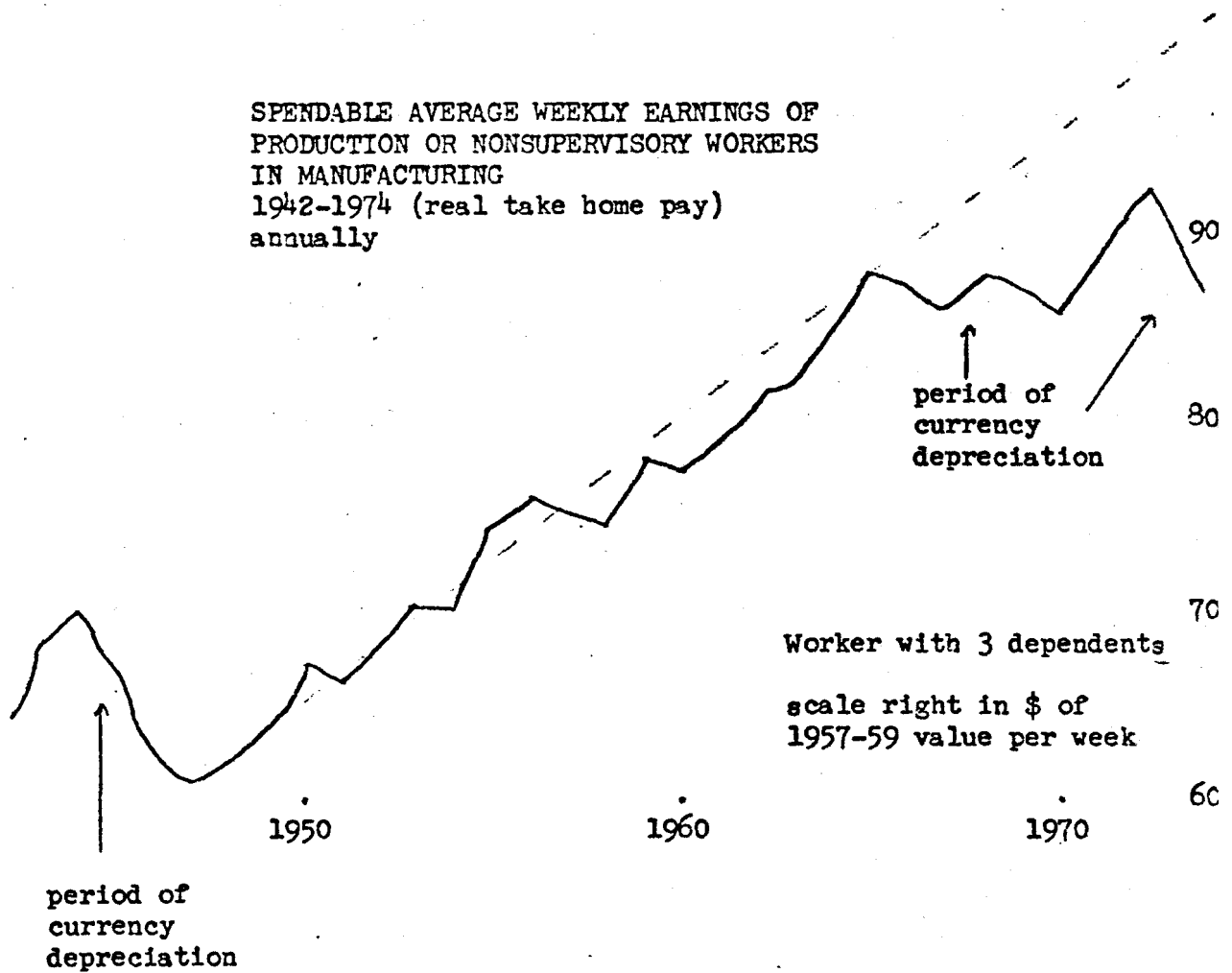
Someone who borrowed \$1000 in 1933 and paid it back in 1974 is in reality only repaying 22% of his debt because the dollars he pays back have lost 78% of their value. When he repays the nominal \$1000 value, he is in reality profiting by 4/5 of the loan. In this way a depreciation of the currency transfers wealth from the creditor to the debtor.

Total credit in the U.S. is approximately \$2 trillion. The currency over the past year has depreciated over 10%. This computes to a \$200 billion transfer of wealth from creditor to debtor in 1974.

Contrary to naive opinion it is not the poor who are principally in debt. Banks do not lend to poor people, and they do not lend very much to middle class individuals or small businesses. They lend primarily to big businesses. It is these latter who gain from the depreciation of the currency by being enabled to pay off their debts in cheap money. The major creditor class in the country are the elderly, who are living off their savings, savings which can buy less and less each year. C. In addition a depreciating currency has an effect on wages. Wages tend to be inelastic; which is the economist's term for saying that they are slow to change in response to the forces of supply and demand. Because prices are quick to change, when the currency is depreciating, prices will race ahead faster than wages. This means a fall in the real buying power of wages.

The following chart shows real buying power of the wages of the average American working man from 1942-1974. When the currency was stable, real wages rose, as has been the case for most of American history due to the increasing productivity of the country. But for the past 10

SPENDABLE AVERAGE WEEKLY EARNINGS OF
PRODUCTION OR NONSUPERVISORY WORKERS
IN MANUFACTURING
1942-1974 (real take home pay)
annually



Source, U.S. Bureau of Labor Statistics,
"Employment and Earnings Statistics for
the United States 1909-67"
Bulletin 1312-5

years, since the start of the current depreciation, wages have been stagnant. If we project the trend of 1950-1965 forward to 1975 we see that wages should be 15% higher than they actually are (in real terms). Thus the average worker is cheated of 15% of his salary.

Total wages in the U.S. are approximately \$700 billion.
 $15\% \times \$700 \text{ billion} = \105 billion , which is approximately \$1200 per year for every working person in the country. Over a 50-year working life span this equals \$60,000 per worker.

Clearly the total taken from the average person, including each of plaintiffs, by a paper currency over the period of his life from these three factors is greater than \$10,000.

D. However, if it is deemed that the sums involved are less than \$10,000 per person, plaintiffs fall back on Title 28 §1346 (b):

"The district courts shall have original jurisdiction, concurrent with the Court of Claims, of: ...

(b) Any other civil action or claim against the United States, not exceeding \$10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States...."

Plaintiffs' action is against a regulation of the Treasury Department and is founded upon the Constitution.

III PLAINTIFFS' GENERAL CONTENTIONS:

Plaintiffs contend that the only monetary system in accord with the U.S. Constitution was the system which existed between 1788 and 1862. Under this system the Government coined money, gold and silver coin -- that is, shaped the metal into the form of a coin with the appropriate stamp -- regulated the value between gold coin and silver coin -- that is, determined what quantity of silver was equal in value to a given quantity of gold -- and fixed the standard of weights and measures -- that is, defined the standard unit of money (the dollar).

Under this system people took their gold and silver coin to banks for safekeeping and were issued bank notes, which were promises to pay quantities of gold and silver coin. These bank notes had the convenience of paper, and although they circulated as money, they were merely tickets or tokens for money, deriving their value from the specie into which they could be converted.

This was truly a people's money. It had been chosen by the people in the early 1780's during the monetary chaos of the Revolutionary War. During that war the Government issued a paper currency, the continent which was depreciated to the point where it lost all of its value. In 1784 Congress commissioned Thomas Jefferson to undertake an investigation to establish a currency for the new country. Jefferson reported that the people had already chosen a currency, the thaller (which they mispronounced dollar), a silver coin imported from the Spanish colonies.

"As to the Dollar, events have overtaken and superseded the question. It is no longer a doubt whether the people can adopt it with ease; they have adopted it, and will have to be turned out of that, into another tract of calculation, if another Unit be assumed."

Thomas Jefferson
"Notes on the Establishment of a
Money Unit and of a Coinage for
the United States" (Apr. 1784)

-8-

He recommended that Congress ratify this situation by establishing the dollar as the official unit. This was done, the dollar being defined as 365 grains of silver or 24.3 grains of gold.

Between 1862 and 1879 legal tender laws were enacted and paper circulated as money. Plaintiffs contend that all legal tender laws are and have been unconstitutional.

In 1879 a hard money system was resumed, this time as a pure gold rather than a gold/silver system. But there had been a subtle change. In the 1879-1933 era it was the Government which assumed the responsibility for redeeming paper certificates for gold, rather than the private banks. Plaintiffs contend that this arrangement whereby the U.S. Government assumed the function of a banker and pledged to redeem paper notes in gold exceeds the constitutionally enumerated powers of: coining money, regulating the value of money (which of course could not apply after the demonitization of silver) and fixing the standard unit.

Having unconstitutionally usurped the responsibility of redeeming paper notes in gold, the U.S. Government proceeded in 1933 to violate that responsibility by refusing to redeem in gold. It seized the gold which had been entrusted to it for safekeeping and gave the owners legal tender paper, which it declared to be of the same value as the gold to which they had a right. In other words the U.S. Government acted like the medieval king who first asserted that copper was as good as gold.

Plaintiffs contend that this violation of a trust was unconstitutional, that the gold in the possession of the U.S. Treasury does not legitimately belong to the United States, that it belongs to the people in proportion as they now possess Federal Reserve legal tender notes and that this gold should be returned to the people (in proportion as they turn in their Federal Reserve notes) as part of a process of establishing a hard money system.

A distinction should be made between the legal tender of the Civil War period and that of the present period. In the Civil War it was notes of the Government itself which were made legal tender; but in the period since 1933 it has been the notes of the Federal Reserve, the nation's central bank, which have been legal tender. The Federal Reserve must be understood on three levels. On the first level the Fed. is a private corporation, a bank for bankers, with stockholders who receive a dividend from the profits of the organization. On the second level the Fed. is a government agency whose highest officials are appointed by the president and which operates in the public interest. Both of these levels are generally understood, and if you ask an average informed person about the Federal Reserve, he will tell you that the Fed. is technically a private corporation but is actually a government agency. What is not understood is that there is a third level. Monetary theory is so complicated that there are few people other than the bankers who understand it. When a president, who understands nothing about monetary theory, chooses an appointee for the Federal Reserve Board, he has few options beyond those who are bankers or sympathetic to the bankers. Thus on the third level the Fed. is closer to what it is on the first level, an organization of bankers devoted to the interest of bankers.

If we look at the actions of the Federal Reserve, we find that ever since its founding it has acted in the interest of the banks. That is, it has expanded the supply of paper money so that the bankers can make more loans. This depreciates the currency and takes from the people. By giving the legal tender privilege to the bankers our present system sets up an aristocracy which conflicts with the democratic nature of the Constitution.

In summary:

1. Plaintiffs contend that paper money creates an aristocratic class -- the bankers.
2. Plaintiffs contend that the legal tender enactments are unconstitutional.
3. Plaintiffs contend that the system whereby the United States began to act like a bank and assume the responsibility for redeeming paper certificates in gold was unconstitutional.
4. Plaintiffs contend that the abrogation of this responsibility via the seizure of the people's gold which had been held in trust was unconstitutional.
5. Plaintiffs contend, therefore, that the U.S. Treasury has no right to sell that which it does not legitimately own and demand that the court enjoin the U.S. Treasury and the General Services Administration from selling the gold.

IV PAPER MONEY CREATES AN ARISTOCRACY:

Even if Congress had the legal tender power, plaintiffs contend that it would be an unconstitutional delegation of this power to confer it on the Federal Reserve System. This is because this allows the power to be used by private parties for private gain. It thus sets up a privileged class.

When the first and second central banks were created, a major controversy developed over their constitutionality. The Jeffersonians charged that the bank created an aristocracy, a special class endowed with privileges by the government. Plaintiffs are not at this time raising that issue, but we note that the first and second banks did not have the legal tender power and were limited in their note issue by the fact that they had to redeem their notes in gold.

The Federal Reserve System, our third central bank, does have the legal tender power and can issue notes in unlimited quantities. Every time it issues a note a private bank in which the note is deposited can create six times (approximately) the quantity of money in the process of making a loan. Private parties are thus the direct beneficiary of the legal tender power.

In answer to this it is claimed that the Federal Reserve is a government agency and uses its power for the public interest. It is true that the members of the Federal Reserve Board are appointed by the president but this is not an effective means of control. The independence of the Fed. from democratic control is secured by 14 year terms. It is secured even more by the fact that neither the president nor Congress has the slightest understanding of monetary matters. There are few people to appoint to these positions but bankers because few have the requisite knowledge.

Congress has lost control of the Federal Reserve. If it does have the legal tender power, it has no authority to transfer it to the benefit of private parties.

V LEGAL TENDER IS UNCONSTITUTIONAL:

The Treasury's action in announcing it will sell gold has caught plaintiffs off guard. Plaintiffs had intended to institute a suit later in 1975 challenging the legal tender power. This is our strongest point and was to receive our major effort. There can be little doubt that the Constitution imposes a flat and total prohibition on paper money. In the words of Daniel Webster:

"Most unquestionably there is no legal tender and there can be no legal tender in this country, under the authority of this government or any other, but gold and silver, either the coinage of our mints or foreign coin at rates regulated by Congress. This is a constitutional principle perfectly plain and of the very highest importance. The States are prohibited from making anything but gold and silver a tender in payment of debts, and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts."

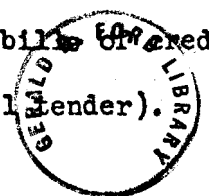
Daniel Webster,
Webster's Works, 271, 280.

C.S. Rafinesque noted in 1837:

"The Constitution of the United States has forbidden the resort to paper money, owing to the evils that arose in the Revolutionary War;"

C.S. Rafinesque,
Safe Banking Including the
Principles of Wealth,
Philadelphia, 1837.

It was not only the advocates of hard money (which included all of the great names of the era, Washington, Madison, Hamilton, Jefferson, Jay...) who believed that the Constitution prohibited paper money; the paper money advocates understood this also. During the Constitutional Convention of 1787 a measure was introduced to delete the power to issue bills of credit (which were commonly used at the time as a vehicle for legal tender).



This was understood by both sides as a prohibition of paper money. Madison's notes report a typical argument in the debate:

"Mr. Mercer was a friend to paper-money, though in the present state and temper of America, he should neither propose nor approve of such a measure. He was consequently opposed to a prohibition of it altogether."

The Madison Papers, Vol. 3 (1840),
Aug. 16.

Despite the objections of Mercer and others the Convention approved the prohibition by an overwhelming majority. Luther Martin, another paper money advocate, wrote a famous dissent to the Constitution in which he urged its defeat because it prohibited legal tender. John Jay noted:

"In truth, the Constitution had many foes to meet....There were the paper money men...who saw in the Constitution a prohibition of bills of credit."

John Jay,
Correspondence and Public Papers,
III, 215.

When the Civil War legal tender law came up for a test in the Supreme Court (Hepburn vs. Griswald, 1869) legal tender was struck down by a vote of 5-3. But the Republican Party had an interest in validating the paper money they had issued under the duress of the war both because of the natural reluctance to admit a mistake and because they were beholden to the railroad interests. The big railroads were heavily in debt and, like all debtors, were anxious to pay their debts in a depreciated paper currency.

After the Hepburn decision President Grant appointed two additional members to the Supreme Court both of whom he knew to favor paper money. This was possible because one of the 5 man majority of Hepburn had resigned from old age and Congress had created a ninth position on the court. These two paper money advocates joined with the minority of the Hepburn decision and voted to reconsider the legal tender question -- an unprecedented legal step. Then by a straight "party line" vote they overturned Hepburn 5-4.

Plaintiffs contend that this decision in what have come to be called the legal tender cases (Knox v. Lee and Parker v. Davis, 12 Wall 457) should be and easily can be reversed as there was no merit to the argument, merely a paying of political debts. As the N.Y. World commented at the time:

"The decision provokes the indignant contempt of thinking men. It is generally regarded not as the solemn adjudication of an upright and impartial tribunal, but as a base compliance with executive instructions by creatures of the President placed upon the Bench to carry out his instructions."

N.Y. World, as quoted in
"Was the Supreme Court Packed by
President Grant?"
by Sidney Ratner,
Political Science Quarterly,
Sept. 1935, 343-58.

Plaintiffs were not quite prepared to make their full case when the Treasury announced that it would sell gold on Jan. 6, 1975. The above remarks are merely to give some historical background to show that there is well considered opinion and good historical precedent for a case that the legal tender laws are invalid. Plaintiffs will be happy to develop this argument at length if the Court will give us additional time. However, we believe that our fourth contention, that the seizure of the people's gold which occurred in March 1933 was unconstitutional, is sufficient to uphold our case for an injunction and can be made in simple terms.



VI THE GOLD DOES NOT BELONG TO THE U.S. GOVERNMENT:

Plaintiffs contend that the Banking Bill of 1933, passed into law on March 9, is unconstitutional because it relies on the concept of emergency powers. All of the powers relating to the seizure of the gold were given to the president under the guise of a concept of emergency powers, i.e., that the Constitution somehow allowed the government more powers in an emergency than in a normal situation. Title 1 of the Banking Bill of 1933, now Title 12 §95a of the U.S. Code, states:

"Subdivision (b) of Section 5 of the act of Oct. 6, 1917 (40 Stat L. 411), as amended, is hereby amended to read as follows:...(b) During time of war or during any other period of national emergency declared by the President, the President may...prohibit...export, hoarding, melting or earmarking of gold or silver coin or bullion or currency by any person within the United States or any place subject to the jurisdiction thereof;"

An emergency was immediately declared by President Roosevelt which has continued in existence to the present day. Notwithstanding this emergency three additional emergencies have been declared, one by President Truman and two by President Nixon, although previous emergencies were never terminated. (A move is now underway by Sen. Mathias for Congress to terminate all four emergencies.)

Plaintiffs have four arguments against the concept of an emergency or emergency powers: the absence of any such power or powers in the Constitution, the conception of the Constitution as propounded by its most famous authors, the repeated rulings of the Supreme Court and the impropriety of the delegation of powers.

A. The burden of proof in asserting any power of Congress or the president must lie with the assertor. The powers of these two branches are set forth



in Articles I and II of the Constitution in a detailed enumeration. The Ninth and Tenth amendments make it clear that the powers of the government were intended to be limited to this enumeration. The only other powers available to the government are those which Hamilton defined as implied powers. If defendants wish to contend that emergency powers are implied powers, then we await their argument. However, it should be pointed out a priori that it is hardly plausible that, after such a careful and detailed enumeration of powers as one finds in Article I, section 8, the Founding Fathers intended to open a door to such a general and vague grant of powers as may be claimed by the expedient of merely declaring an emergency.

B. At the time of the adoption of the Constitution there was a debate between those who wanted a strong Federal Government and those who wanted a weak one. Hamilton was in the lead of those who wanted a strong government, and it was essentially his point of view which triumphed. It is therefore significant to understand Hamilton's position on emergency powers because this represents the extreme strong government view of the time.

Hamilton's position was that the government ought to be given all of the powers in explicit form which it might need in any emergency. Speaking of the powers connected with raising armies he said:

"These powers ought to exist without limitation, because it is impossible to foresee or to define the extent and variety of national exigencies, and the correspondent extent and variety of the means which may be necessary to satisfy them."

Alexander Hamilton,
Federalist #23 (his emphasis).



"The government of the Union must be empowered to pass all laws, and to make all regulations which have relation to them. The same must be the case in respect to commerce, and to every other matter to which its jurisdiction is permitted to extend.... Not to confer in each case a degree of power commensurate to the end would be to violate the most obvious rules of prudence and propriety, and improvidently to trust the great interests of the nation to hands which are disabled from managing them with vigor and success."

Ibid.

Arguing against a prohibition on standing armies, Hamilton said:

"...nations pay little regard to rules and maxims calculated in their very nature to run counter to the necessities of society. Wise politicians will be cautious about fettering the government with restrictions that cannot be observed, because they know that every breach of the fundamental laws, though dictated by necessity, impairs that sacred reverence which ought to be maintained in the breast of rulers towards the constitution of a country, and forms a precedent for other breaches where the same plea of necessity does not exist at all, or is less urgent and palpable."

Alexander Hamilton,
Federalist #25.

Hamilton's view prevailed. The Constitution he argued for was adopted. It contained in explicit form all the powers which the strong government advocates thought necessary for any emergency.

If we add an additional concept of undefined emergency powers we would allow our government to become a totalitarian state seizing any power it desires; this would render superfluous the careful enumeration of powers spelled out by the Constitutional Convention of 1787.

The Founding Fathers knew that emergencies would arise. They explicitly gave the Federal Government all the powers that it would need for any emergency. There is no additional grab-bag of powers which can be brought into operation by simply declaring an emergency.

C. This has been the consistent opinion of the Supreme Court. In 1867 the Court declared: in Ex Parte Milligan, 4 Wall 2:

"The Constitution of the United States is a law for rulers and people, equally in war and peace, and covers with the

-19-

shield of its protection all classes of men, at all times, and under all circumstances. No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the government, within the Constitution, has all the powers granted to it, which are necessary to preserve its existence;"

In 1934 this was reaffirmed in Home Building & Loan Association v.

Blaisdell et al., 290 U.S. 398:

"Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the Federal Government and its limitations of the power of the States were determined in the light of emergency and they are not altered by emergency."

In 1935 the Court reiterated in A.L.A. Schechter Poultry Corp. et al. v.

United States, 295 U.S. 495:

"Extraordinary conditions do not create or enlarge constitutional power. The Constitution established a national government with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the national government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary."

In 1951 Justice Jackson in a concurring opinion to Youngstown Sheet &

Tube Co. et al. v. Sawyer, 343 U.S. 579 stated:

"The appeal, however, that we declare the existence of inherent powers ex necessitate to meet an emergency asks us to do what many think would be wise, although it is something the forefathers omitted. They knew what emergencies were, knew the pressures they engender for authoritative action, knew, too, how they afford a ready pretext for usurpation. We may also suspect that they suspected that emergency powers would tend to kindle emergencies. Aside from suspension of the privilege of the writ of habeas corpus in time of rebellion or invasion, when the public safety may require it, they made no express provision for exercise of extraordinary authority because of a crisis. I do not think we rightfully may amend their work, and, if we could, I am not convinced it would be wise to do so,...."

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In short the Supreme Court has always upheld the position contended for in this brief and has never allowed the legal concept of a state of emergency or emergency powers.

D. Plaintiffs are contending that the power to create an emergency does not lie anywhere in the government, not in the executive, not in Congress, not in the courts; it lies only with the people in their capacity to amend the Constitution. But we argue further that, if Congress did have the power, it would be an unconstitutional delegation of power to give it to the President; it would upset the balance of powers.

Since there is no emergency and never was the powers given to the president by the Banking Bill of 1933 never became operative. The people who turned in their gold for Federal Reserve Notes did so under an unconstitutional duress.

E. As indicative of the propaganda and the hysteria engendered at the time the front page of the New York Times on the day after passage of the Banking Bill is quite instructive.

There is one headline:

"HOARDERS IN FRIGHT TURN IN \$30,000,000"

N.Y. Times, March 10, 1933, p. 1.

and indeed "hoarders" (i.e., those who owned gold) had been doing so for several days even though there was not a shred of statutory authority for it. This is because these regulations had been declared by the President and the Secretary of the Treasury on March 4, 1933. "Authority" for the regulations was enacted in Title I, Section 1 of the Banking Bill on March 9:

"The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made or issued by the President of the United States or the Secretary of the Treasury of the United States since March 4, 1933 pursuant to the authority conferred by subdivision (b) of Section 5 of the Act of Oct. 6, 1917, as amended, are hereby approved and confirmed."

The above, as well as the following report on the passage of the Banking Bill, may serve as a measure of the respect for law in operation at this time.

"SPIRIT OF CONGRESS GRIM IN BANK TASK
(from Wash. March 9)

"Congress hardly knew what was in the bill it passed today. In the House there were no copies of the measure, and it was read and explained on the floor by Representative Steagall. There was no time to study the implications and ramifications.

"In the Senate copies had been printed by the time consideration began, and members followed the clerk's reading with an attention seldom devoted to a measure offered for their action.

"In both chambers, with slight differences, the members gave the impression of men who like poker players, throw in some of their last chips in the belief that they will win.

"They were glad to place the responsibility for action in the hands of one man, happy that a man had offered to assume that burden, and showed in their demeanor their hope that the revolutionary means they were adopting would bring to the country some surcease from growing economic casualties.

"Representative Steagall voiced this feeling when, with arms widespread and voice ringing through the large chamber of the House, he said:

'We rely on leadership whose fate is lifted to the skies.'

"It was a declaration of faith, almost a prayer, and in it there was an unmistakable note of optimism. Whatever the outcome of today's action may be, it was taken with the belief that by that way, and no other, could confidence and economic peace return, even though slowly, to the people of the United States."

N.Y. Times, March 10, 1933, p 1.

The effect of that hysteria is still being felt today. The U.S. dollar has depreciated from 100¢ (in 1933 value) to 22¢. The elderly have been robbed of the value of their savings, and some of them are living on dog food. But the stock market, even at current depressed levels, has, since 1933, seen its biggest rise in history, dwarfing even the great bull

The New Deal was set up on the principle of robbing from the rich to give to the poor. Whether one agrees with this idea or not, one thing is certain; the very first measure it enacted has led to the opposite result.

The men who rammed the Banking Bill through a frightened and subservient Congress knew that what they were doing was illegitimate and unconstitutional. This is why they acted so quickly and engendered such a mood of hysteria.

VII CONCLUSION:

There is no national emergency; there never was. The act establishing it did so in violation of the supreme law -- the Constitution. The gold taken from the people "in fright" was taken illegally. The U.S. Treasury has no legitimate title; it gave in exchange worthless pieces of paper which it declared to have value by legal tender enactments (also unconstitutional). The Treasury has no right to sell this gold; they do not own it.

Plaintiffs demand a permanent injunction prohibiting the U.S. Treasury and the General Services Administration as its agent from selling any of the gold in its possession.

Respectfully submitted,

HOWARD S. KATZ, pro se
85 4th Ave. #6M
New York, N.Y. 10003
254-4791

ADDENDUM: Report on injury to the workers due to the depreciation of the currency.

N.Y. Times
Jan. 1,
1975

REAL FACTORY PAY SHRINKS 5.1% HERE

1974 Earnings Are Reduced
by Inflation and Taxes

By MICHAEL STERN

The real spendable earnings

Real Factory Pay Here in 1974 Cut 5.1% by Inflation and Taxe

Continued From Page 1, Col. 8
locally was a third above the national increase.

The picture that emerges from Mr. Bienstock's array of statistical analyses is that the economy of New York, like the economies of other older cities, is shrinking as business and industry expand into newer suburban and rural areas, and that the shrinkage is leaving

declines of 48,000 in 1972, 13,000 in 1971 and 53,000 in 1970.

Measuring from October 1969, to October, 1974, the city had a cumulative loss of 33,000 jobs. The level of employment last October was 3,480,000, which was 69,000 fewer than in the previous October.

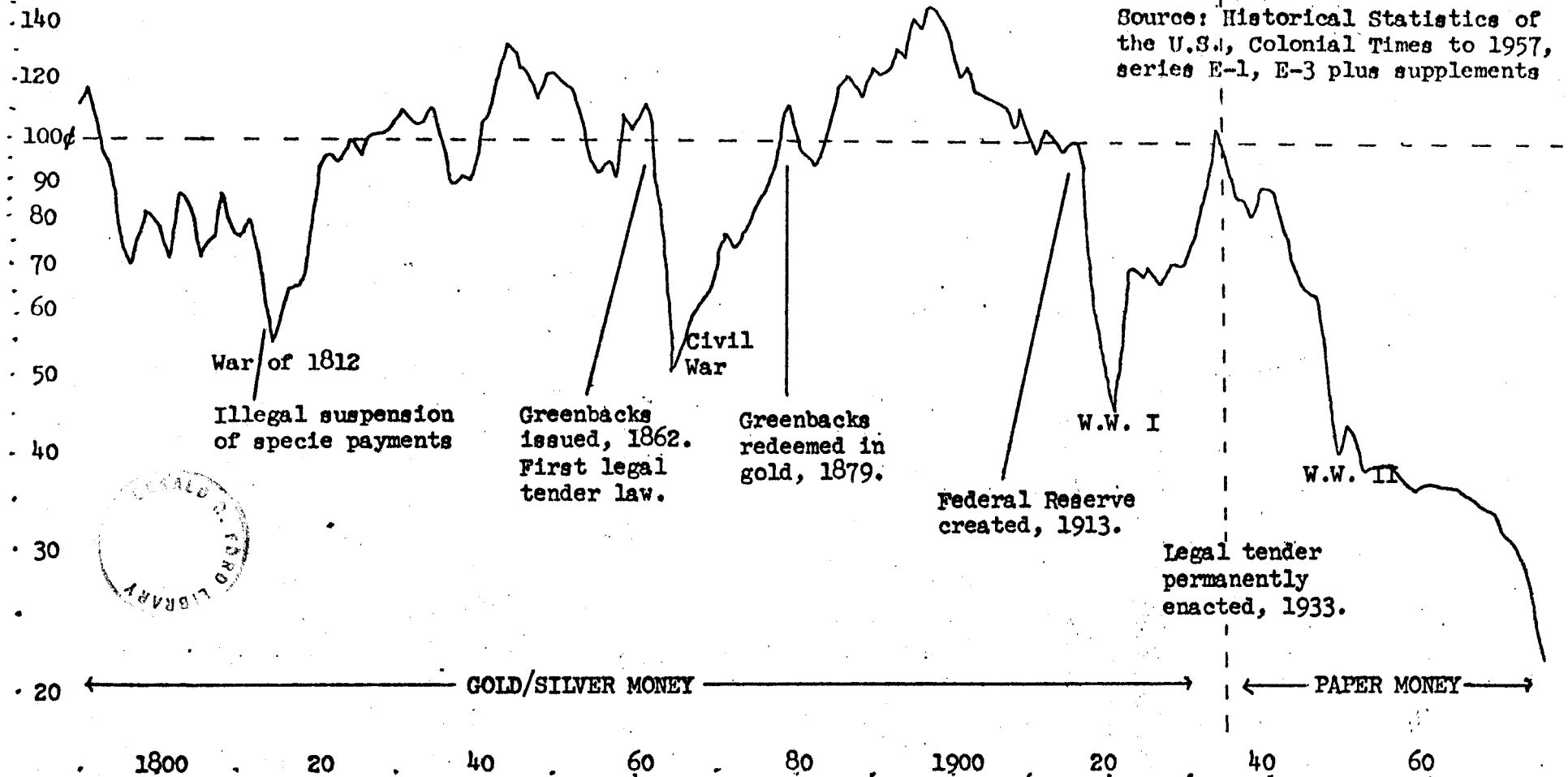
While employment here was declining 1.1 per cent last year, it was rising 2.3 per cent in the nation as a whole, 2.7 per cent in Nassau and Suffolk Counties and 1.0 per cent in Westchester County.

VALUE OF THE U.S. DOLLAR 1790-1974

(in terms of ability to buy basic raw materials)

Reciprocal of Wholesale Price Index, 1910-14 = 100

Source: Historical Statistics of the U.S., Colonial Times to 1957, series E-1, E-3 plus supplements



APPENDIX: Value of the U.S. Dollar under hard money and paper money.

Sir:

Please take notice that the within is a true copy of a this day duly made and entered herein in the office of the Clerk of on the day of 19

DATED: New York, New York

Yours, etc.

TO:

Attorney for

Sir:

Please take notice that an order of which the within is a true copy will be presented for settlement and entry herein to Mr. Justice of

This Court at in the Borough of New York on the day of City of at O'Clock in the , or as soon thereafter as Counsel can be heard. DATED: New York,

Yours, etc.

TO:

Attorney for

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE COMMITTEE TO ESTABLISH THE GOLD STANDARD, HOWARD S. KATZ, MARIA MARTINS, CHARLES BLOOD, MORRIS J. MARKOVITZ and HOWARD SAMARA, both as individuals and as members of THE COMMITTEE TO ESTABLISH THE GOLD STANDARD,

-against- Plaintiffs,

THE UNITED STATES OF AMERICA, GERALD FORD as President of THE UNITED STATES OF AMERICA, THE UNITED STATES TREASURY, WILLIAM E. SIMON as Secretary of the Treasury, and THE GENERAL SERVICES ADMINISTRATION, Defendants.

ORDER TO SHOW CAUSE WHY PRELIMINARY INJUNCTION SHOULD NOT ISSUE and

VERIFIED COMPLAINT and MEMORANDUM OF LAW

HOWARD S. KATZ
Plaintiff, pro se
85 4th Ave. #6M
New York, N.Y. 10003
254-4791

- TO: (1) President GERALD FORD
(2) Secretary WILLIAM E. SIMON
(3) GENERAL SERVICES ADMINISTRATION

Attorney for In Person

Due and proper service of a copy of the within is hereby admitted.
Dated, New York

day of

Sworn to before me this

the state designated by h for that purpose upon the preceding papers in this action, or the place where h then kept an office, between which places there then was and now is a regular communication by mail. Dependent is over the age of years.

No. the attorney for the within named by depositing a true copy of the same securely enclosed in a post-paid wrapper in the Post-Office Box regularly maintained by the United States Government at said attorneys for the N. Y., that being the address within

day of he served the within That on the upon

COUNTY OF

being duly sworn deposes and says,

That on the

upon



Department of Justice
Washington, D.C. 20530

ASSISTANT ATTORNEY GENERAL
CIVIL DIVISION

January 20, 1975

Philip W. Buchen, Esquire
Counsel to the President
The White House
Washington, D. C. 20500

Thomas P. Wolf, Esquire
Special Assistant to the Administrator
General Services Administration
Office of Presidential Papers
Old Executive Office Building
Washington, D. C. 20500

Gentlemen:

Enclosed find the following documents for your files
in connection with the referenced actions.

Re: Richard M. Nixon v. Arthur F. Sampson,
et al., C.A. No. 74-1518
The Reporters Committee for Freedom of
the Press, et al. v. Arthur F. Sampson,
et al., C.A. No. 74-1533
Lillian Hellman, et al. v. Arthur F.
Sampson, et al., C.A. No. 74-1511

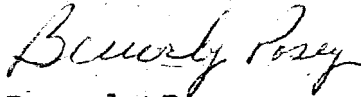
1. Copy of page 27 of Plaintiff Nixon's Statement of Genuine Issues, which was omitted from the service copy.
2. Letter to William H. Jeffress, Jr. from Andrew S. Krulwich dated January 14, 1975, concerning contracts of individual plaintiffs J. Anthony Lukas and James MacGregor Burns.



Re: Richard Nixon v. Administrator of General
Services and The United States of America
USDC, D. D.C., Civil Action No. 74-1852

1. Plaintiff Nixon's Opposition to Motion of Proposed
Intervenor-Defendants Reporters Committee for Freedom
of the Press, et al., For Extension of Time to Respond
to Plaintiff's Motion for Preliminary Injunction.
2. Reply to Oppositions to Motion to Intervene of Jack
Anderson.

Sincerely,



Beverly Posey, secretary to

CARLA A. HILLS
Assistant Attorney General
Civil Division

bp
Enclosures



Justice

THE WHITE HOUSE

WASHINGTON

March 3, 1975

Dear Mr. Deutschmann:

This is in response to your letter of December 23, 1974 to the President concerning the trial of Russell Means and Dennis Banks for crimes allegedly committed during the Wounded Knee occupation.

As you are probably aware, the Justice Department has decided to appeal the court's dismissal of the charges against Mr. Means and Mr. Banks. Comment about the merits of this case would therefore be inappropriate. Similarly, it is not proper to discuss specifics of criminal matters left to be tried. However, attorneys responsible for these cases have reviewed them and have decided that many should be dismissed. On February 4, 1975, prosecutors stated that in the near future the government would move to dismiss cases against approximately 50 of the 73 remaining defendants who were not regarded as leaders of the occupation. Cases against four persons other than Mr. Means and Mr. Banks who were regarded as principal leaders are still awaiting disposition although the number of charges against three of the four has been greatly reduced.

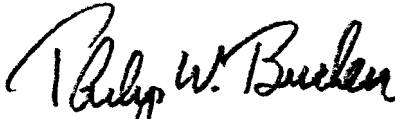
No doubt you are familiar with the serious nature of some of the crimes alleged such as assault and robbery. While the Justice Department is cognizant of the views expressed by the group of jurors in the Means and Banks trial who traveled to Washington, that Department will continue to evaluate the remaining cases arising out of Wounded Knee and take appropriate action. While there have been a number of acquittals and dismissals, six persons have been convicted and are awaiting sentencing and a seventh has pled nolo contendere and been sentenced to ten years confinement for the offense of assaulting a Federal officer with a firearm.

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March 3, 1975

Your concern and that of your associates with respect to this sensitive matter is appreciated. In view of the careful screening currently being given to the cases arising out of Wounded Knee, I trust that the real need for a meeting with any representative from the White House will have dissipated.

Sincerely,



Philip W. Buchen
Counsel to the President

Mr. William M. Deutschmann
Service/Mission Director
The American Lutheran Church
608 America City Building
Columbia, Maryland 21044



THE WHITE HOUSE
WASHINGTON
March 4, 1975

Justice

MEMORANDUM FOR: MARK L. WOLF
FROM: PHILIP W. BUCHEN *P.W.B.*
SUBJECT: CORRESPONDENCE REGARDING
UNITED STATES AGAINST STATE OF
CALIFORNIA, ET. AL., NO. 74-739

Thank you for drafting a reply to Mr. Philip Wesley's letter concerning the above referenced matter.

After further consideration, I believe this response should come directly from the appropriate office at the Department. Therefore, I am returning the draft reply for such direct handling. This office has acknowledged Mr. Wesley's letter.

Also, I received another letter from Congressman Roybal on the same subject, and I would appreciate an appropriate response to his letter from the Solicitor General's office, if possible.

Thank you for your assistance.

Enclosures



THE WHITE HOUSE

WASHINGTON

March 4, 1975

Dear Mr. Roybal:

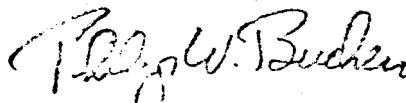
This letter is in further response to your correspondence of January 30 to the President concerning the Federal court case which involves a pay increase for California State employees.

The Solicitor General has determined that an appeal of the decision of the Temporary Emergency Court of Appeals is necessary. In order to insure that you are fully informed of the reason for this appeal, I have forwarded your letter to the Solicitor General's office for further response.

You may be assured that the points which are raised in your letter are appreciated. However, it is the President's policy not to interfere in such litigation except in the most unusual circumstances. After you have received a more detailed explanation, I hope you will understand why the Federal government finds it necessary to take this action.

With appreciation,

Sincerely,



Philip W. Buchen
Counsel to the President

The Honorable Edward R. Roybal
House of Representatives
Washington, D. C. 20515



THE WHITE HOUSE

WASHINGTON

March 4, 1975

MEMORANDUM FOR:

PHILIP W. BUCHEN

FROM:

JAY T. FRENCH



Phil Areeda and Dudley suggest that where detailed responses are necessary, they come directly from the appropriate agency. I agree with their thought. Therefore, the attached materials are forwarded to you with the recommendation that you sign them.

I would point out that in this instance these materials are being sent to Mark Wolf at Justice because of his familiarity with this subject. Otherwise, these materials would have been sent to the Attorney General.

Enclosures



WHITE HOUSE
WASHINGTON

Feb. 21, 1975

ATTORNEY GENERAL
WASHINGTON, D.C. 20530

To: Jay

From: Eva

Feb. 20, 1975

Attached is the draft reply
to our referral of 2/3 to
Larry Silberman.





OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

February 20, 1975

MEMORANDUM FOR

Philip W. Buchen, Esq.
Counsel to the President
The White House

As requested in your memo dated February 3, 1975, enclosed is a draft response, prepared by the Solicitor General's office, to Mr. Phillip Wesley, President of the California State Employees Association. Also enclosed is the petition for a writ of certiorari referred to in the draft letter.

Mark L. Wolf
Special Assistant to the
Deputy Attorney General

Enclosures



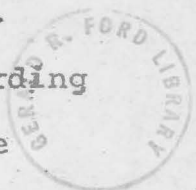
Mr. Phillip Wesley, President
CSEA, Chapter 189
California State College
Dominguez Hills
5151 State College Dr.
Los Angeles, California 90032

Dear Mr. Wesley:

Thank you for your recent letter to the President concerning the California State employees' pay raise litigation.

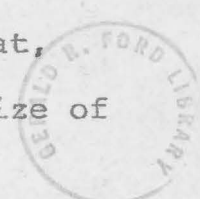
As you know, this matter arose as a result of the California Budget Act of 1973, providing wage increases of from 6.8 to 11.5 percent commencing July 1, 1973. Following an administrative proceeding, the Cost of Living Council allowed an overall 7 percent increase for the period July 1, 1973, through April 30, 1974 -- which exceeded the 5.5 percent general limitation then in effect -- and ordered that the difference between the 7 percent authorized and the higher amounts provided by California not be paid for the 10-month period. The additional amounts thus ordered withheld were put in escrow by the State Assembly. A subsequent California statute directed that a lump-sum payment of these additional amounts to be paid to California State employees in September 1974.

Because of the serious questions that exist regarding the legality of a payment after the expiration of the Economic Living Council had authorized while the Act was in effect, and the impact that permitting such payments would



have upon a large number of other limitations upon wages that had been applied when the Economic Stabilization Act was in effect, the government concluded that the holding of the Temporary Emergency Court of Appeals that such payments could now be made warranted review by the Supreme Court. The reasons for believing that Supreme Court review is warranted are set forth in the government's petition for a writ of certiorari, a copy of which is enclosed.

In your letter you suggest that it would aid the economy to permit these payments to be made and therefore urge that the government should not continue to press this case in the Supreme Court. If, however, as the government believes, it would be inconsistent with the objectives of the Economic Stabilization Act to permit payments of sums in excess of those authorized by the Cost of Living Council once the statute has expired, it would not be appropriate for the government to permit such payments to go unchallenged, even though the effect of making them might be to aid California employees. Congress made the determination in the Economic Stabilization Act that, in order to combat inflation, limitations upon the size of wage increases were necessary; the position which the government is urging the Supreme Court in its view serves to effectuate that purpose.



- 3 -

I do not know whether the Supreme Court will agree to hear this case, but if it does, we shall make every effort to have it heard as promptly as possible.

I appreciate your concern about this matter and assure you that the President does also. For the reasons given above, however, it would be appropriate for us to withdraw our request for Supreme Court review.

Sincerely,

Philip W. Buchen
Counsel to the President

in

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74-5-79
In the Supreme Court of the United States
OCTOBER TERM, 1974

UNITED STATES OF AMERICA, PETITIONER

v.

STATE OF CALIFORNIA, ET AL.

PETITION FOR A WRIT OF CERTIORARI TO THE
TEMPORARY EMERGENCY COURT OF APPEALS
OF THE UNITED STATES

ROBERT H. BORK,
Solicitor General,

C. A. HILLS,
Assistant Attorney General,

JEWEL LAFONTANT,
Deputy Solicitor General,

HARRIET S. SHAPIRO,
Assistant to the Solicitor General,

WILLIAM C. WHITE,
*Attorney,
Department of Justice,
Washington, D.C. 20530.*

