

## Debates in the Federal Convention: James Madison

*If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures, both which are condemned by the laws of God and man.*



*Roger Sherman*

Roger Sherman, Connecticut; James Wilson, Pennsylvania

M<sup>r</sup>. WILSON & M<sup>r</sup>. SHERMAN moved to insert after the words "coin money" the words "nor emit bills of credit, nor make any thing but gold & silver coin a tender in payment of debts" making these prohibitions absolute, instead of making the measures allowable (as in the XIII art:) *with the consent of the Legislature of the U. S.*

M<sup>r</sup>. GHORUM thought the purpose would be as well secured by the provision of art: XIII which makes the consent of the Genl. them from an equal rank Legislature necessary, and that in that mode, no opposition would be excited; whereas an absolute prohibition of paper money would rouse the most desperate opposition from its partizans.

M<sup>r</sup>. SHERMAN thought this a favorable crisis for crushing paper money. If the consent of the Legislature could authorise emissions of it, the friends of paper money, would make every exertion to get into the Legislature in order to licence it.

The question being divided; on the 1st. part — "nor emit bills of credit"

N. H. ay. Mas. ay. Ct. ay. Pa. ay. Del. ay. Md. divd. Va. no. N. C. ay. S. C. ay. Geo. ay. [13](#)

The remaining part of Mr. Wilson's & Sherman's motion was agreed to nem: con:

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## Colorado Honest Money Act

HB-1206 buys an inflation-resistant checkbook for the State of Colorado.

What happens to \$20 billion when inflated?

5% per year = \$1 billion loss

10% per year = \$2 billion loss

15% per year = \$3 billion loss

20% per year = \$4 billion loss

HB-1206 protects value while holding money.

Federal dollars are not protected. Over-supply of money directly reduces its value.

Need to protect state assets and state workers.

Would state employees rather be paid in dollars or in gold?

Brings state back into compliance with the U.S. Constitution:

On August 28, 1787, Sherman and another convention delegate proposed that the states sacrifice the power to participate in paper money schemes. When it was counter-proposed that the states be allowed by Congress to make things other than gold and silver coin a tender in payment of debts, we're told by James Madison that Sherman exclaimed, *"We are making these measures absolute. This is a favourable crisis for crushing paper money. If the consent of the Legislature could authorize emissions of it, the friends of paper money would make every exertion to get into the Legislature in order to license it."* Sherman's motion unconditionally prohibiting any state from making "any Thing but gold and silver Coin a Tender in Payment of Debts" was quickly approved and became the Supreme Law of the Land.

Other states running similar bills: Indiana, Missouri, Georgia, New Hampshire, Montana.

As gold and silver are used as hard currencies, demand for Colorado minerals increases.

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