

## **NORFED REPORT: VOL. 2 NO. 5      MAY 2000**

Welcome and an especially warm welcome to the new Redemption Centers from the Private Society that I spoke to in Las Vegas.

**THE BIG NEWS:** Certainly the biggest news is the DOUBLING of NORFED at the recent conference in Las Vegas...US Government silver stockpile is running out...Why gold can not be confiscated again...CSE ...Winning Stories...Errors on Silver Liberty...

**PLEASE READ THE FIRST FOUR ARTICLES:**

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### **1. Private Society Conference in Las Vegas:**

WOW!!! You just never know what is going to happen. Last weekend I journeyed to Las Vegas and gave a talk on the American Liberty Currency and NORFED DOUBLED in size over night. There are now close to 800 Redemption Centers! It was fun, it was exciting, it was evidence that we are not alone. I wish everyone in NORFED could have been there. (Please read #2 as I am doing the next best thing.) My sincere thanks to J. W. Zidar and the Private Society International for their support of NORFED and a value backed currency. For those of you who are not familiar with Private Society International, I encourage you to get more information at: [www.privateassets.com](http://www.privateassets.com). For new RCs, you may want to access past NORFED Reports for a wealth of information, the 1966 article on gold by none other than Alan Greenspan, etc...

### **2. New introductory video on the NORFED currency.**

The Las Vegas talk was video taped and will be made available to all the Redemption Centers ASAP. For those of you who have used the earlier video with Dennis Grover and my self, I think you will be favorably impressed. The results should also be impressive. Please let me know your feed back after you have shown it. There is also a training tape in the works about how the Redemption Centers can use the currency. It too will be available ASAP.

### **3. US Government silver stockpile is running out!**

*Liberty's Outlook*, a newsletter by Liberty Coin Service in Michigan, re-published an article by The Silver Institute. The article should be of keen interest to all of us as the document shows the US Government has used almost 120 million ounces of silver from its strategic stockpile for the Silver Eagle program. More importantly is that they only have 21.2 million ounces left as of December 1999. But the best part is that they use about a million ounces a month and when they run out, they will have to go to the free market! Hot damn! And even though a million ounces a month only accounts for 1 to 2% of the world demand, it will add to the demand that has exceeded mine production for the past ten years. This could be the trigger for inevitable higher silver prices. You may want to get more of the "\$10 silver based" ALCs before we go to a "\$20 silver based". The complete article by the Silver Institute is also available at <http://www.silverinstitute.org/news/pr02242000.html>. Liberty Coin Service can be reached at: 300 Frandor Avenue, Lansing, MI 48912 or call 800.933.4720. Please mention NORFED and The Liberty Dollar when you call.

#### **4. Why gold can not be confiscated again.**

It is this writer's opinion that gold can not be confiscated for three reasons. 1.) When gold was confiscated in 1933 our country was blessed with a peaceful society. The people trusted the government. So when the government said that they had to turn in their gold, they did. We simply do not have that society today. 2.) The government did not steal the gold, they can't. They had to reimburse the people for the gold they turned in. That was relatively easy because they set the price of gold and paid in paper money. There was no free market in gold as there is today. (Yes, I know the gold price is manipulated but it is a lot freer than when the government set the price). So if the government ever tried to confiscate the gold, the price would explode. They might pay \$300 on the first day or first hour, but the gold market would explode and make it impossible for the government to pay for the gold. The government is a lot more vulnerable than they let on and the impossibility of gold confiscation should be a very empowering insight. The government is not God, although those b\*st\*rds would have us think so! 3.) Quite simply, can you possibly conceive that the American people would ever respond to a government order to turn in their gold? That would be like turning in our guns. Fool me once, shame on me. Fool me twice, shame on you! The government can not steal the gold nor can they pay for it. The cat is out of the bag. Now if we simply stop using "their" money, we would change the money / change the country.

#### **5. Why gold and guns are inseparable?**

Gold is indispensable to the financial sphere as it brings discipline to the monetary system. Without gold the government or monetary authority is free to steal as much as the people will bear. Likewise, the gun provides the same discipline in the social sphere as gold does in the financial sphere. When there is chaos, the gun provides discipline to restore order. It is best when this comes from the people themselves. Systems are like spoiled children, they must have discipline.

#### **6. New American Dollar is out/ The Liberty Dollar is in.**

With the introduction of the government's Sacagawea Dollar that has been referred to as the "new American dollar", NORFED has stopped using "New American Dollar" as the nickname for the American Liberty Currency. We certainly would not want any confusion with that fraudulent, ugly, "Golden Dollar" from the government that contains no gold whatsoever! And just as soon as the current brochure is gone, we will bring out a new brochure with "The Liberty Dollar" as the currency's nickname. Meanwhile, please begin using Liberty Dollar or ALC when referring to the American Liberty Currency.

#### **7. Citizens for a Sound Economy (CSE)**

I became aware of Citizens for a Sound Economy (CSE) when I was invited to one of their meetings in Florida earlier this year. Oh! What a spread it was! Somebody put out a lot of money...as if they have all the money in the world. Complete with a high power speaker, it had all the trappings of a well run political machine. But wait! It was supposed to be grass roots. It was supposed to be of, by and for the people. I classified it as a government front for diversionary action. Something to feed you (there was lots of good food), make you feel like you are really doing something and divert your energy nowhere so those seeking the truth are kept from learning the truth. Well as it turns out CSE appears to be another suck-off government backed organization. The very slick, very expensive CSE booklet proudly identifies the Board and the Foundation staff. Chairman of it all is one "C. Boyden Gray" of

Winston-Salem who happens to be an attorney with Wilmer, Cutler & Pickering of Washington DC. No real problem there except that he is George Bush's personal attorney! And you know who George Bush is and what he did in the basement of the White House. You can learn more from "Family Bloodlines of the Illuminati", a book by Fritz Springmeier. If you have time I invite you to delve into this and let me know what you find. CSE is a government front. Get involved at your own risk.

## 8. Errors on the Silver Libertys

Please be aware that there is a serious error on the obverse (front) of the new Silver Liberty - 2000 and you may be in possession of an "ungodly" collectable. Errors are a fact of life for numismatics and for us too. Unfortunately, when Sunshine made the new obverse die they omitted the phrase: TRUST IN GOD. Not knowing that they had erred, they minted 2000 Silver Libertys just in time for the Las Vegas Conference. So if you were in Las Vegas, or received an order recently, please check, you may have an "ungodly" collectable as only 2000 were minted before the error was noticed. Of course, if you want to exchange any of these hot errors, we would be most happy to do so. And in addition, there are errors on the reverse too! The engraver was supposed to use the same design that is on the Gold Liberty for the new Silver Liberty - 2000. If you have any of the "ungodly" Silvers, then you have samples of a mix-mash of the old design with the lettering of the new design. Due to the nature of this error it will take some time to re-engrave a new die. So the next few batches of Silver Libertys will have the correct-ed obverse and the erred reverse will eventually be changed to the correct design. The benefit will be that we will now be able to add "Liberty Dollar" to the reverse. Enjoy.

## 9. Silver Liberty in your pocket?

Do you carry a Silver Liberty in your pocket or in your coin purse? Although I love the new currency, I find that carrying a silver is very advantageous to explaining the idea of a silver backed currency. Just dropping it in someone's hand is a very convincing statement and always draws a positive response. So if you are not carrying a Silver, I encourage you to give it a try. Many people have also passed the \$10 Silver in trade and received their change in those dreaded Federal Reserve Notes. But be forewarned, the beautifully minted Silver Libertys are almost "Proofs" and probably have a sharp edge on them. So please burnish (rub) all the sharp spots with the shank of a screwdriver. If you don't get all the sharpness the first time, then just re-burnish it until it is smooth and user-friendly. If you are like me, I don't want you to get any holes in your pants or clothing.

## 10. "Winning Stories"

We are still looking for "Winning Stories". The stories of how you used the currency. It does not have to be long. A sentence or two is fine. If you remember the date, that helps. Just give us any particulars like the amount, item bought, name of store, etc. And we will add it to our list of "Winning Stories" on our web site. Visit [www.libertydollar.org/winning.htm](http://www.libertydollar.org/winning.htm) to see samples and get ideas as to how the currency has been used. Most importantly, email us your own story. (No faxes please.) Thank you so much in advance as stories of how the currency is circulated is extremely important.

## 11. Gold Promotion

Well, with continued low gold prices, the gold promotion rolls on. I can't say how long it will be available, but as of this Report the Gold Libertys are still only \$330 cash or \$350 on a credit card. To place an order, just call/email/fax NORFED.

## 12. Media Bypass Promotion

As you know, NORFED's national fulfillment office is located in the same building as [Media Bypass Magazine](#). In fact, Jim Thomas - the publisher's office is right next to mine. They are currently having a subscription drive and I ask for your support. It is an outstanding publication that publicizes many of the censored stories. If you are not familiar with Media Bypass, I encourage you to call: 812.477.7887. You will not be disappointed and could earn more ALCs in the process. And YES, you can pay for your subscription with ALCs.

### 13. Salt Lake Tribune article

Another major article with new quotes from the US Treasury. It follows after the US Treasury running out of silver.

### 14. Personal

I'm finally back after 4-1/2 months in Florida. There is absolutely no truth that I stayed because it was warm and beautiful, which in itself is true. Actually I found a lot of very interesting people and greatly appreciated their "Aloha" while it just happened to be winter up here in Indiana. As most of you know I will be participating in a Treasure Hunt off the coast of Florida this summer. Then I will be doing the Annual Inspection and Audit at Sunshine in early September, before I head off to the East Coast for about two months.

If you would like to meet me, invite me to speak to your group or organization, please email me directly at [bernard@libertydollar.org](mailto:bernard@libertydollar.org) and I will add you to the list. Meanwhile I encourage you to show the currency to someone everyday. Take a sample to your local newspaper and ask them to do an article about their local Redemption Center. With your continued help we can Change the Money / Change the Country.

Thanks again for all your support and efforts to return America to value and take back our inalienable rights to freedom – one dollar at a time.

That's it. Wishing you a great day.

### **National Defense Silver Stockpile Nearly Depleted**

*February 24, 2000*

(Washington, DC - February 24, 2000) The US Mint consumed nearly 10.3 million ounces of silver in 1999 for its coinage programs, dramatically reducing stocks of silver from the US National Defense Stockpile. Once exhausted, the US Mint must purchase silver for its coinage programs from the open market, boosting silver demand by up to 1 percent annually. This increased demand would further widen the gap between overall silver supply and fabrication demand. Between 1990 and 1999, cumulative silver fabrication demand far exceeded mine production, which resulted in reducing above-ground silver bullion inventories by an estimated 1.25 billion ounces during that period.

In 1999, the Mint issued nearly 9.5 million ounces of American Eagle Silver bullion coins and proofs and consumed roughly 460,000 ounces in the manufacture of commemorative coins. Approximately 360,000 ounces of silver were used in the production of 1999 Commemorative Silver Proof Coin Sets. Some silver is also used in gold coinage alloys, as in the production of American Eagle Gold Bullion coins, proofs, and gold coin commemoratives.

As of December 1999, the Defense Department's silver stockpile totaled 21.2 million ounces, down 85 percent from its opening balance of 139.5 million ounces. The silver stockpile once posed a serious threat to the market when government officials determined it was no longer needed and that domestic silver production combined with reliable imports could sustain the United States in the event of an emergency.

In the early 1980s, the General Accounting Office (GAO), an investigative arm of Congress, recommended that silver from the stockpile be used for coinage rather than sold on the open market. GAO's proposal assured that using silver to mint a bullion coin and other forms of coinage would minimize or eliminate any short-term market

price disruption by developing new demand to offset the increased supply. GAO's proposal was implemented when Congress created the American Silver Eagle bullion coin in 1986 and specified that metal for the coin be drawn from the stockpile, unlike the Gold Eagle for which the US Mint is required to use newly mined gold from domestic mines. Annual Silver Eagle sales have significantly accelerated the reduction of silver from the stockpile, using nearly 91 million ounces since it was created 14 years ago.

As bullion coins, Eagles are considered legal tender by the United States government and their silver content is guaranteed. The \$1 face value of an Eagle is largely symbolic since its market value depends totally on the silver content. In addition to the Eagle, the US Mint has struck silver coins commemorating events and people ranging from Christopher Columbus, Dolley Madison, the Olympics, and the Yellowstone National Park Silver Dollar.

The United States was the largest single user of silver for coinage in 1999. Having consumed almost 120 million ounces of silver over the past 19 years, the US Mint is one of the largest silver users in the world accounting for more than 1 percent of worldwide demand during that period.

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**For Further Information Contact:**

For Further Information Contact:

**Mike DiRienzo**  
**The Silver Institute**  
1112 16th Street, N.W., Suite 240  
Washington, D.C. 20036  
Tel: (202) 835-0185  
Fax: (202) 835-0155

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## **Y2K Threat Has Passed, But Utahns Holding On to Silver-Backed Liberty Currency**

BY MICHAEL VIGH  
THE SALT LAKE TRIBUNE

While the rest of the country celebrates the creation of the new Sacagawea coin, a handful of Utahns proudly display their maroon and brown silver-backed notes.

American Liberty Currency originally was billed as survival money for a potential Y2K disaster. Although the cataclysmic computer failures never materialized on New Year's Day, boosters of the loot have not lost their zeal for the alternative cash.

"Why do I believe in it?" asks Murray's Hal Massey, who boasts that he is the first Utahn to discover the new currency. "Have you watched the stock market lately?"

Nationwide, there are more than 300 redemption centers where people can exchange traditional U.S. Federal Reserve notes for the currency, which is purportedly backed 100 percent by a large cache of Idaho silver. The currency can be bought on a dollar-for-dollar basis and is actually a "warehouse receipt" redeemable in pure silver.

In Utah, there are two redemption centers -- in Murray and Vernal. There are also five redemption centers each in Idaho and Colorado and several more in Utah's other neighboring states.

American Liberty Currency (ALC) is the brainchild of Bernard von NotHaus, a self-acclaimed "senior economist" for the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Service (NORFED), an Indiana organization whose unabashed aim is to bring the Federal Reserve to its knees.

Last year, von NotHaus published a book about the currency, *Y2K Money: Your Survival Currency*, explaining the value of the newly minted dollars in the event of a year 2000 cash meltdown.

Each bill contains von NotHaus' signature, a picture of the Statue of Liberty and a phone number to the NORFED organization.

Because worldwide chaos didn't occur at the century switch, many people have been left with a large amount of the alternative cash. But Utahns contacted by the The Salt Lake Tribune didn't seem to mind.

Manti's Peggy Layton, who dabbles in the "New American" currency, says she is not trying to make a political statement. Instead, she bought some of the unique-looking bills and coins at a trade show because she thought they were "cool."

"It's more of a novelty thing," says Layton, who sells food-storage cookbooks from her home. "[The NORFED people] seemed to have a cause, they seemed pretty weird to me. We just bought some bills because we thought they were neat."

Layton accepts the currency -- \$1, \$5 and \$10 bills -- as payment for her cookbooks, though no one has actually done so. Her business is even listed on the NORFED Web site, [www.libertydollar.org](http://www.libertydollar.org).

Tom Curtis of Salt Lake City's Healthy Choices, another company that accepts ALC, says he has used the bills at businesses in Oregon and California. He declined to name the stores, however.

"We accept the currency because it's real money, that's the real reason," Curtis says. "It's not really a political thing. When I was young we had silver-backed currency and I think we should have it again. That is what this new currency offers."

Indeed, the silver is stored at the Sunshine Minting Inc. warehouse in Coeur d' Alene, Idaho, according to an official NORFED statement. Sunshine Minting Inc. is totally independent, conducts independent audits and is not part of NORFED, according to the organization.

The alternative money is perfectly legal tender, says Claudia Dickens, a spokeswoman with the U.S. Department of Treasury's Bureau of Engraving and Printing in Washington, D.C. But holders of the money might have difficulty finding a business owner that accepts it -- or has even heard of it.

"The U.S. government cannot tell a merchant what not to accept," Dickens says. "It is illegal, however, for someone to say this is the same as U.S. currency minted by the Bureau of Engraving and Printing."

The United States has been off the gold standard since the early 1930s. Backers of ALC say the new notes give them choice -- the new, stable currency vs. the Fed, and what they contend are "worthless" greenbacks.

"This money is backed by silver; greenbacks are backed by nothing," says Massey, who runs the only redemption center on the Wasatch Front. "Roosevelt took away the gold and Nixon the silver."

Massey, a former state chairman of the conservative American Party, says he made the discovery almost by happenstance.

"I found it on the Internet," Massey says. "It looked good and it sounded good. I'm in it for what value it is to me."

Only "one or two people" have exchanged their Federal Reserve notes for ALC, Massey says. "I'm not out pushing this. It's just a personal interest."

Although hard to find because so few people have heard about it, there are critics. One organization, calling itself the "Militia Watchdog," says there is a danger that no actual silver is behind the notes and coins, despite the "independent audits" that NORFED assures people are conducted. In this case, people would be exchanging good money for worthless money, the organization says. The group, which maintains it is not alleging any illegal activity, says there are "many other potential problems as well, all of which cry out for careful scrutiny of NORFED and its operations," according to a statement by the nonprofit watchdog organization.

But supporters of the currency say they are careful to follow all laws.

And von NotHaus swears his new currency is 100 percent legitimate.

"Legal opinions have been obtained by prominent attorneys who say the American Liberty Currency complies with all U.S. laws and the Uniform Commercial Code," the NORFED leader says.