

**12 DECEMBER 2001**

**EDITOR'S NOTE:** Other than being late for the second time in three years, the biggest news this month is without a doubt the introduction of NORFED's first Executive Director, Mr. Scott Harkness.

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## **1. Introducing NORFED's first Executive Director**

First, many thanks for all the inquiries regarding the Executive Director position. As everyone who inquired found out, the number one requirement was a proven 20-year history of professional marketing. For that reason, the search became especially well focused.

Second, even though the position for NORFED's first Executive Director was filled in January, I include it here as this Newsletter is late unfortunately.

Third, it is my pleasure to introduce Scott Harkness as our Executive Director. Scott is a bright, dedicated, proven marketer who is anxious to take on a challenging situation and make a difference. Scott is different than me and that is to be expected. He is not extremely knowledgeable about "patriot issues" YET, but he has a deep moral sense and stands ready to apply his abilities to the challenging task of marketing a proactive alternate currency to bring about a monetary system that is in keeping with our Constitution. He is the right man for the job at hand and willing to learn. So I ask everyone who have any ideas, thoughts or suggestions to please email him at [Scott@libertydollar.org](mailto:Scott@libertydollar.org).

Please join with me in welcoming Scott and helping him succeed with NORFED's goals.

## 2. Federal Reserve (F\*R\*) Cuts Interest Rates

Can you believe this? On December 11<sup>th</sup>, the F\*R\* cuts the Prime Interest Rates for the eleventh time in a year to 4.75%. We now have the lowest interest rate since July 1961. Too bad we don't have the same cost of living as 1961. Or even the moral bearing that existed at that time which looks so innocent now. The most unfortunate part is the future. When I discussed this with my Mother, the first thing she said was "that guy (Greenscum) is going to destroy the country!" Wow, that is quite a statement, so I inquired. As she explained, most elderly people like her and Eric Miller who was featured in the Fort Myers News Press, rely on the interest from their savings to live on. I immediately saw her point. But to read the News Press article, you are given to believe that the F\*R\* has done this, "in an attempt to reverse America 's falling production of goods and services." Oh it sounds sooooo goood. And it is sooooo muuuuch bs. For we all know that the welfare of the common man is not the objective of the F\*R\*. This misrepresentation exemplifies the sorry state our country and the "free press" is in. And with the government's recent grab for power, the future dims with every daily "not so news paper". Please do what you can to grow The Liberty Dollar base, as a value backed currency represents a genuine solution to the current situation.

## 3. Where do I find such info as...?

Last month I featured a brief quote by Frederick Hayak, Nobel laureate, regarding private currency. I got some inquires regarding Hayak's work and "where do I find such info..." Well in this particular case, I was reading [Barter & the Future of Money](#) by Terry L. Neal that reminded me of Hayak's work and gave me easy access to the quote. And as Hayak's comment fit the scope of the NORFED Newsletter, I simply thought it an interesting addition. If you have further interest, you may well find Terry's three latest books of keen interest. [The Offshore Advantage](#), [The Offshore Solution](#), and [The Nevada Advantage](#) (which is due out in March) all offer good, easy to use information. Terry has a long and distinguished history as a major figure in the development of barter in the digital age and is an outspoken patriot. You cannot go wrong in following his work, which is also available through a monthly newsletter, <http://offshore-advantage.com/nswiz/news-form.htm> with additional info at: [www.sovereigncrest.com](http://www.sovereigncrest.com).

## 4. 3PGold Launches 3PPay(ment) System

Well, on the same day that the F\*R\* was cutting the senior's retirement income, 3PGold launched 3PPay - its payment system. Now you can send dollar amounts of digital gold money to anyone in the world via their email address. The recipient does not even have to have an account or even know about 3PGold to receive the money! And on top of that, it is soooo easy to use; it is totally private and outside of the banking structure. This private system, that Hayak could only theorize about, is extremely inexpensive and works instantaneously. Please consider opening an account at [www.3PGold.com](http://www.3PGold.com). It costs nothing to open an account and provides a totally digital value system that was designed to work with the increasing Internet commerce business.

## 5. Question of the Month.

QUESTION: A gentleman asks, "Why is a commodity backed currency virtually inflation-proof? I can understand, due to the reserve system we currently use, how fiat currency can trigger inflation. But, what prevents the same from happening with gold-backed currency?"

ANSWER: A commodity backed currency is inflation-proof because neither the government, issuer (of the currency) nor anyone can make gold out of paper. The commodity component provides the discipline to keep the currency from being inflated by multiples of bogus pieces of paper which is usually called "inflation" but should really be called "theft". Unfortunately there is no way of preventing the same thing from happening with even a gold-backed currency when the government or anyone else thinks they are above the law unless it is independently audited. That is why the NORFED model is so strong. The warehouse is independent and it is audited by yet another independent CPA organization. Not only is NORFED bound by law, it is an outstanding example of why only competing private currencies (ala Hayak) will work and that the only real solution is NO GOVERNMENT MONEY. Those b\*\*\*ards can not be trusted and do not deserve our money.

## 6. RC of the Month

I don't know what it is about Austin , Texas but the patriotic spirit runs wide and deep there. Among an outstanding group of Redemption Centers, Chris Athanas is one that has distinguished himself several times and has accommodated me on several occasions. So this is a quick note to wish Chris and all the RCs in Austin the best. Thanks again Chris for your hospitality. You make every trip to Austin a memorable one. Keep up the great work and keep sponsoring RCs!

## 7. Quote of the Month

"I am only one, but I am one. I cannot do everything, but I can do something. And because I cannot do everything, I will not refuse to do the something that I can do.

What I can do, I should do. And what I should do, by the grace of God, I will do."

Edward Everett Hale

## 8. Perspective on Gold & Silver

On December 20<sup>th</sup>, James Turk, posted an interesting reply to an observation by "Bob" about gold and silver. James is a twenty-year veteran investment newsletter writer and a friend of mine who launched GoldMoney.com - another Internet based digital gold currency that is similar to 3PGold just a month before 3PGold was launched on March 12<sup>th</sup>.

Evidently, "Bob", an interested party, had written to James: "That bottom is higher than the June bottom, which is higher than the significant February/March bottom. A series of higher lows is happening (so far)."

James replies, "I agree that gold looks bullish here. Also, silver looks good too. Look at the following Comex settlement prices for silver.

12/20/00 12/19/2001 12/18/2001  
SI 12 01 12/27/2001 439.30 430.30 441.50  
SI 01 02 01/29/2002 438.60 429.40 440.60  
SI 02 02 02/26/2002 439.30 430.10 441.30

Note that the spot price for December is ABOVE the Jan futures price. This "backwardation" in precious metals is rare and suggests that there is a squeeze occurring on the Comex. The Comex/physical market for 1000 oz. bars is often an important leading indicator of the silver price. Therefore, I would put considerable importance on this Comex "backwardation". Bottom line - In my view the shorts are clearly feeling stress in the silver market. Normally, I would expect this stress to be relieved by higher silver prices, but the precious metals are not normal these days. Nevertheless, and regardless of yesterday's sell-off, I think the silver market presently offers more upside potential than downside risk."

Thank you James for this timely observation. And might I add that because of this and many other factors, there are many more reasons to be in silver than gold.

## **9. Omnicorp Financial Group**

I am sure that you have heard about the fabulous returns (interest, profits, etc.) that are possible "offshore". And I hope you have also heard about the terrible rip-offs that are not only possible but rather common in that environment. Both are true. It is also true that there are genuine advantages to be gained by going offshore where a much freer environment provides unique opportunities to those who are nimble and well guided. With that said, the offshore environment is NOT the place for everyone. There are certainly good reasons to simply "keep your money in the bank". But with the current bank savings accounts paying about a 3% return and the fraudulent inflation figures from the government, that option is also not only a suckers bet it is fraud, plain and simple.