

NORFED NEWSLETTER: MAY 2002 VOL. 4 NO. 5

ACTION ITEM: READ EMERGENCY NOTICE BELOW

1. The eLibertyDollar (eLD)... DELAYED!

EMERGENCY NOTICE: As you may know, NORFED had planned to launch the eLibertyDollar with this newsletter. Unfortunately, it has been delayed...

Little Eddy Gray, our new Information Technology person was always psychotic, and I don't use that word in jest. I knew that before we hired him but doesn't everyone deserve a chance? Plus he had done an outstanding job as NORFED's outside support person for about a year and he really wanted to join NORFED. And I felt that in a smaller, non-corporate, highly motivated environment like the NORFED office that he would be able to keep his head together. I was wrong. To put it kindly as the work he did was quite good, Eddy Gray had a nervous breakdown. Not only did he not deliver the software for the eLibertyDollar and the Liberty Card on time, even worse, he hid his massive shortcomings until it was too late. Until yesterday. And as the in-house IT person, Eddy's damage is far worse than any government action to date and cast an emergency upon NORFED. Unfortunately, because we have a fully integrated system, his actions have effected practically every computer program, delayed orders and even this Newsletter. In spite of all this and family emergencies by the office staff, we are working to resolve the continuous stream of orders ASAP. Please rest assured, NORFED will not coward from the difficulties inflicted by little Eddy Gray. We will not be deterred from issuing an electronic version of The Liberty Dollar. We will not fail. As George Washington knew all so well, failure is not an option. We simply pray for a strong, programmer to rise to this emergency and complete the eLibertyDollar at an affordable cost. If you have a referral for Access (database) or know of anyone knowledgeable about the StoreFront software, please call Sarah at NORFED: 888.421.6181.

SPECIAL NOTE: Please accept our apologies for the late orders. But with silver climbing, please don't delay in placing a new order. The sooner it is in the sooner it will be shipped. The good news to all this is that we are getting caught up and with every order we are gaining on the F*R* boys !!! Thanks again for your patience.

2. LibertyYellowPages DOES Launch!

Thanks to the Herculean efforts by Jason Pratt/RC, NORFED announces LibertyYellowPages is now available on our newly revised home page at www.libertydollar.org. To accelerate the use of The Liberty Dollar, now you can quickly and very efficiently search on 1.) Goods or Services, 2.) Liberty Merchant, 3.) Redemption Center or 4.) simply by Name. Now you can find what you want and use Liberty Dollars to pay for it. Read #8 about the 200+ Liberty Merchants in Maine alone.

Simply select national or state field for your search, then one of the four particular searches available and enter the word or phrase you wish to search on. It is really that simple. Of course what is missing are the thousands of businesses who have accepted The Liberty Dollar. Please list your Redemption Center and any other business with whom you have exchanged Liberty Dollars with so we may provide

the best service. And be sure to come back often as this site is bound to grow daily.

3. ATTENTION RC & Liberty Merchants

As the Beatles said, HELP!!! As you read, we have a little computer problem... As Liberty Merchants can not edit the memo field and LibertyYellowPages search on key words in the memo field, please send an email to truth@libertydollar.org with the key and we will enter them for you. This is VERY IMPORTANT as the LibertyYellowPages will not work without this development. Attention all Redemption Centers, please go to <https://secure.sitehosting.net/norfed/merchant.htm> and add your business as a Liberty Merchant and be sure to include all your key words that describes your goods and services. IF YOU DON'T PUT IT IN - YOU WILL NOT BE FOUND. Meanwhile, we are working to provide access to existing Liberty Merchants so that their memo fields can be edited at will by any Liberty Merchant. Thank you for your support to grow the LibertyYellowPages! Now that LibertyYellowPages is now available, please encourage other value based business to list their business.

4. Liberty Card Debuts ... Soon

The new Liberty Card at www.libertydollar.org provides a peaceful, voluntary and private means for people to exchange eLibertyDollars for an equal value of goods and services while providing a positive insular effect to the customer, merchant and the community. Although the new eLibertyDollar (eLD) will be used in three ways, the Liberty Card is by far the most unique and holds the most promise for the future. The Liberty Card is a state of the art "Smart Card". It contains a small computer (chip) which is actually larger than the old Commodore computer of years ago! The chip actually stores eLibertyDollars, which can be exchanged "chip to chip". Simply by using a small hand-held "Transactor", which is about the size of a calculator, and inserting two cards, actual eLibertyDollars are moved from one card to the other card. Transaction fees are free for any transaction under \$10 and are only \$0.34 per transaction per \$100 or fraction thereof, about one-tenth the cost of the average fee by the current banking empire. Unfortunately, the Liberty Card can not be activated at this time but stay tuned, the Liberty Card system will be ready to roll very soon. Meanwhile, for those RC's who can't wait to get their own Liberty Card or want to get one of the first at half price, you are invited to take a step into the future and get your own Liberty Card for only \$5.00. All cards come pre-loaded with \$20.00 eLD which can always be exchanged for Silver Libertys or Silver Certificates, your choice.

5. 70 New Redemption Centers!

Thanks to "Lonnie from Mississippi" Brasher, NORFED was invited to make a presentation at the Institute of Global Prosperity's recent "G-II" Seminar in Cancun, Mexico. WOW!!! Yet again, when we were afforded the opportunity to explain the advantages and pluses of The Liberty Dollar, we were swamped with interest and Redemption Centers. Approximately 70 new RC's signed up in one weekend! My personal thanks to Lonnie, IGP and all the new RC for their dedication to the ideals that make our country great. The Liberty Dollar returning America to value - one dollar at a time.

6. Put a Naked Silver Liberty in Your Pocket, Please!

That's right!!! If you are a RC, please put a naked Silver Liberty in your pocket. I am still amazed to find RC's who are still carrying Silver Libertys in the plastic envelope. Get it out of the plastic and in the hands of your friends, please. And don't hand it to them...drop it into their hands and watch their eyes light up! This never fails to catch their attention and often leads to exciting discussions and of course more usage and more Redemption Centers. Although not required, I hope all RC's carry a naked Silver Liberty in your pocket at all times. And don't hesitate to trade it! Although we never encourage anyone to give it away, just use it and get more. As the saying goes, "Get it at a discount - use it at a profit!" One of the most unique features of The Liberty Dollar is that it rewards the People to spend the currency into circulation. And this often starts by dropping a naked Silver Liberty in someone's hand.

7. FLAME ON Austin!

I must confess, when I first heard about this phenomenon, I was alarmed for NORFED. Here was a group of anonymous people who were saying alarming (yet truthful) things about the dreaded (non)Federal Reserve Notes and using NORFED's URL! Like any national organization, we try to be on guard so that someone does not put a vital NORFED body part in the proverbial ringer. And low and behold, before I can respond the *American Statesmen*, the newspaper in Texas' capital city of Austin, runs a story. None other than Jane Greig discussed NORFED as the second feature in her question and answer column on May 21, 2002.

The question was, "I have a \$1 bill on which a message was stamped in red ink. "I am issued by a private run for profit corporation. Printed for nothing. Backed by nothing...www.libertydollar.org." Any idea who these people are? And is it illegal to deface currency?

Jane's answer: "These people are the National Organization for the Repeal of the Federal Reserve Act. They issue something called Liberty Currency - dollars and coins. It is illegal to render a bill unfit, but printing a message on a bill does not render it unusable. You can still put it in a vending machine for example, says James Wagoner, resident Secret Service agent. Most banks will probably pull a bill marked like this from circulation when it hits the till."

Shall we say, Thank God for the Secret Service? Well at least they are being truthful and that is a long way from the other parts of the government! OK, Thank God for those dedicated individuals who dare to go where no man has gone before! The complete phrase is, "I am issued by a private, run for profit corporation, printed for nothing, backed by nothing. I am a completely fraudulent, perpetual debt slavery instrument. We deserve better! www.libertydollar.org." If you would like your own red stamp, please call NORFED to order.

8. Article - 200 Liberty Merchants in Maine

Any state that has 200 Liberty Merchants deserves an article and that is just what happened! Hillary

Lister, a bright young lady who learned the truth about the Federal Reserve from her grandfather, just published Fighting the Fed in the *Maine Commons* - a weekly statewide newspaper. Of course, none of this would have happened without the wonderful efforts of Dale McAvey, probably the most noted RC in Maine, who single handily sponsored over 200 Liberty Merchants in Maine. And that is not all, Dale probably has close to another 100 Liberty Merchants outside of Maine! Again like those dedicated NORFEDERS in Austin, there is nothing we can't do if we simply set our course and don't waver until we succeed. It is the same with the repeal of the Federal Goliath. Thank you Dale and Hillary! Please note the very fine article in Appendix A. "Fighting the Fed" is also available on line at: <http://media.maineindymedia.org/content/MaineCommons/06-MECommonsJunJuly02.pdf>

9. Changes to First RC Order

It has become increasingly obvious that there is no comparison to dropping the naked Silver Liberty in someone's hand as the best way to spend it into circulation at a profit. So the contents of the RC's first order has changed to FOUR Silver Libertys, two \$20 packs of paper currency and one Liberty Card with \$20 eLibertyDollars on it. Of course this is quite a bit different from the old mix and should bring about greater usage and more Redemption Centers. Remember, just as before, a RC can change any form of Liberty Dollars into any other denomination or redeem it for the silver upon demand. If you do not want to wait for the Liberty Card (which costs \$10.00 each and has \$20 eLD on it) to be activated, please return it to NORFED and we will send two Silver Libertys to you. So lets get out there and use The Liberty Dollar and by all means, if you are a new Redemption Center, please get out of debt by sponsoring two new RC as soon as possible.

10. Chart - Liberty Dollar vs. FRN

Last month we featured the "NORFED Chart" with the Silver Liberty Dollar vs. the Federal Reserve Note. Unfortunately this outstanding work by Jason Pratt, a RC in Austin, did not reproduce well in the newsletter. So we have posted the Chart in PDF on our new Media Page or you may still find it at <http://www.libertydollar.org/press/norfedchart.pdf> Please copy and email it to your friends and let them see just what has happened to our money! Please note that if you divide \$3.31, which was the price of 0.78 ounce of fine silver last month by 0.04, which is the current purchasing power of the 1913 dollar, there is a 8275% difference!!! This is very telling image about the statist's rise to power and the fall of our country's money! Please share this outstanding work with those who "think" there has been no harm by the Federal Reserve and that gang of thieves in Washington.

11. Question of the Month

QUESTION: What is NESARA and is NORFED related to it?

ANSWER: NESARA is available at www.nesara.org. As G. Edward Griffin/RC has replied to this question: "In the NESARA Executive Summary, point number one says that the bill would establish Treasury credit notes. That means money based on debt, not bullion. It is fiat money. And, incidentally, credit notes are forbidden by the Constitution, so the claim that NESARA is Constitutional is totally false.

Point number three calls, not for abolishing the Fed, but for merely turning it over to the Treasury. Point number five calls for continuing the operation of the Open Market Committee, which is the primary mechanism by which the Fed creates money out of nothing.

Don't fall for this trap. It is not a solution. The preliminary wording is very strong and positive sounding, but it is deception. It would give people the false impression that something is being done but, in the end, the same people would be perpetuating the same scam as before.

From NORFED's perspective, the bottom line is that all these alleged "solutions" never return the power of the money to the people where it belongs. It doesn't matter if some private organization issues fiat currency or if it is the government, fiat is unacceptable, period. Please don't be distracted by these government fronts of dis-information. The NORFED model currency is the only genuine Solution to the current monetary powers.

12. Quote of the Month

"Tyranny, like hell, is not easily conquered." Thomas Paine

13. Thank you Rob Del Genio

Many thanks to Rob Del Genio for all the efforts he brought to NORFED. Rob will long be remembered for "making people first where the money is worth the most. Unfortunately, his family situation has changed and he is no longer the Executive Director but remains a Redemption Center and supporter after receiving a head-turning tour at NORFED. Meanwhile, I will be the acting Executive Director.

Bernard von NotHaus

Senior Economist / Editor

14. Appendix A

Available on line at: <http://media.maineindymedia.org/content/MaineCommons/06-MECommonsJunJuly02.pdf>

Fighting the Fed

American Liberty Dollars Spread in Maine

By Hillary Lister

Maine Commons

May 24, 2002

Want to buy gasoline in Houlton? Groceries in Island Falls? Seafood in Southwest Harbor? Airline tickets in Waterville? If so, you now have an alternative to using Federal Reserve notes, the American dollars that you probably don't think twice about using elsewhere. Businesses in these towns, as well as at least a couple hundred other businesses in Maine, have begun to accept American Liberty Dollars (ALD), a silver-backed currency that came into nationwide circulation in October 1998. Topping the lists for reasons for creation and usage of ALDs is opposition to the Federal Reserve System (the Fed). Proponents of ALDs explain that the dollars are meant to be a give people an alternative to dependence on the Fed's dollar, and bring control of money to the people.

The Debt Institutions

It has come to be expected that meetings of the World Bank and International Monetary Fund (IMF) and their organizers the G8 will be greeted with large protests wherever they occur. In just the last few months, hundreds of Mainers have traveled down to NYC and Washington, DC to protest these institutions. Many more plan to travel to Canada in June to protest the G8 meetings. Throughout all this, the Federal Reserve continues to meet without any similar sign of opposition; however, all the above institutions share many common purposes, support systems, profiting groups, and structures.

The Federal Reserve System was created in 1913 to become the central banking authority of the United States. Prior to the Federal Reserve act, Congress held the power to coin money. The Fed is a fiscal agency for the U.S. Government and a custodian of the reserve accounts of commercial banks, it formulates and executes monetary policy, and is authorized to issue Federal Reserve Notes (FRNs). The Fed is made up of 12 regional Federal Reserve banks, each of which is a corporation as well as an independent regulatory agency, responsible to Congress. The corporations' shares are sold to commercial banks within the Bank's district. Shareholders, who are representatives of the banking industry, elect a representative to the Federal Advisory Council (FAC). Decisions are made by a Board of Governors, appointed to the position by the President and Senate. The FAC meets regularly with the board to consult and advise on all matters within the Board's jurisdiction. Like World Bank and IMF, these meetings are held in secret with no oversight.

The Fed makes money by, quite literally, making money. When the government or a bank (or in some cases a business or investors) needs money, and it is agreed by the Board that new money should be created, the government or bank purchases money from the Fed. The Fed prints the needed amount of money (at a cost of approximately \$0.03 a bill), and loans the newly created money to the government or bank at face value plus interest, from which the Fed then profits.

The Fed differs from regular corporations in that profits are not its stated purpose; yet if the Fed were a single firm, it would qualify it as one of the most profitable companies in the world. In 1995 it made about \$23.9 billion in profit. The Fed does not get to keep most of the profit, though, and about 98% of its income is transferred to the U.S. Treasury, with the remaining profits divided between the Federal Reserve banks and stockholders.

When people hear the word "reserve" it usually conjures images of vaults full of gold that back up the paper notes which are issued. This is far from the reality of the Federal Reserve. The Federal Reserve notes are fiat money, irredeemable paper currency that is not backed by any commodity such

as gold, but which derives purchasing power simply by order of the government issuing it. It is worth something, in other words, because the government says it is. You cannot bring your ten-dollar bill to the bank to exchange for some set amount of silver or gold or other solid commodity - you can only exchange it for more fiat currency.

The Fed does require that there be assets in its reserve to back up 10% of the dollars in circulation, but those assets do not have to be gold or any other solid commodity. Government Securities also count as reserves. Since government securities are certificates of debt issued by a government guaranteeing payment of the original investment plus interest by a specified future date, the reserves are really just made up of more interest and debt.

Essentially the Fed is able to sell, and profit from, debt. As more dollars are printed into circulation, the value of the dollar decreases. According to international currency expert Franz Pick, "...From 1940 to now, the dollar has lost 96.8% of its purchasing power. It's a horrible statistic." That was written in 1985, and the dollar has only lost purchasing power since then.

The Fed also has the authority to approve or deny mergers of major banks. With former Bank executives on its board, as FAC representatives, and as shareholding members, the Fed's bias is questioned. Major shareholders include such large banking corporations as Citigroup and J.P. Morgan, who are also the major lenders and profiteers for World Bank projects. In 1998, the Fed approved an application by Travelers Group to become a bank holding company by acquiring Citicorp, allowing the creation of the largest financial services firm in the world and the first combination of a large insurance underwriter with a large commercial bank.

Some background on the World Bank and IMF may help illuminate the connections between all the institutions. In some ways, they are the international arms of the Fed. The World Bank and IMF were created just after WWII, at the Bretton Woods Conference, with the stated purpose of supplying loans to member countries to aid in rebuilding their economies after the war. The loans are made available only after the recipient governments have agreed to policy reforms, such as opening their countries' economies to foreign corporations for officially determined types of "development", cutting social spending, selling publicly owned assets such as water, allowing the corporations to convert profits made in the receiving country into their home currency (usually American Federal Reserve dollars), making their currency fully exchangeable with the US dollar, and requiring the nation to devalue its currency. Private banks profit greatly off the interest from loans made to these countries, the US dollar gains dominance, and the countries, facing a drain of local resources and a weakened monetary system, become dependent upon the loans. Very few of these countries find their way out of the newly imposed debt, dependence on the American dollar, and ever-increasing interest owed to the private banks.

Rather than allow these countries to default on their loans -- which would be a loss of billions or trillions of expected profits for the loaning banks -- the Federal Reserve comes into play to bail out the banks. The Fed approves massive low-interest loans to the banks such as Citigroup and JP Morgan (who, if you remember, also happen to be major Fed shareholders) to help bail them out directly. It also lowers interest rates and expands the money supply in the US -- thus devaluing the dollar -- which usually leads to the increased sales of these private banks' stocks as well. Then, the IMF pushes the country's government to take on the debts of failing corporations, and provides billions of dollars (much of those billions taken from American "public" tax dollars) to the country's government to pay off the debts owed to the private lenders.

Fighting the Fed

The nonprofit "National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Service" (NORFED) is the brainchild of writer and economics researcher, Bernard von NotHaus. NotHaus studied failed economic systems throughout history ("You learn the most from a failed relationship," he explains), and studied the problems inherent to the Federal Reserve System. The American Liberty Dollar is the product of this research. ALDs come as warehouse receipts, the \$10.00 silver-backed receipt, and \$500 Gold Certificate, all 100% redeemable for the metal itself. There is also an eLibertyDollar for online transactions.

The currency is legal, although businesses cannot be required to accept it (thus, it cannot bear the phrase "legal tender.") It is put into circulation in communities through businesses and individuals who become "redemption centers" and exchange the ALDs at face value for Federal Reserve Notes.

There are over 40 other alternative currencies being used in the US, but most, if not all, are limited to local use. The ALD is designed for use nationwide and possibly worldwide. At the same time, users hope it will help strengthen local communities, since the businesses that accept it are almost entirely locally owned.

There are 9 Maine redemption centers and over 200 merchants in Maine listed on the NORFED web site, www.libertydollar.org, as accepting ALD's. A few who were contacted are no longer using or accepting the currency; however, more Maine merchants are being added to the list each week, and some businesses have accepted the currency, but not been listed online, so the 200 business estimate for Maine is probably relatively accurate.

A majority of the Maine businesses accepting the currency are in rural Northern and Central Maine, with several on the coast. When asked why this regionalized use exists, Ivan Shapiro of Fort Fairfield-based Shapiro Hay Sales theorized, "I think as you get further away from liberal New England [southern and/or urban] to conservative New England [northern and/or rural], you'll find people more concerned with the status of our country, our economy, etc. If they're more concerned, they're more liable to take action in something such as NORFED." Founder NotHaus emphasizes, though, that using ALDs is a non-partisan action. Also responsible for the positive response in Northern and Central Maine, is Dale McAvey, the Bangor Redemption Center representative who has been active in traveling and talking to business owners about the ALD, and has sponsored more Liberty Merchants than anyone else.

Currently most Maine businesses accepting the currency report that they see only a couple repeat customers who use the dollars. Most agree that it will take time to reach a critical mass where the currency is familiar and in active use in a region, and feel that is the biggest hurdle the currency faces -- simply becoming familiar. Most are hopeful that the young currency will catch on from town to town. The delicate balance is to see if people remain convinced of the effectiveness of the currency while it is going through what supporters hope to be just a temporary, but possibly lengthy, growth period.

Users of ALDs offer a wide range of reasons they use the money. Most use the ALD for any combination of the following reasons: Some have used barter in their past, and see the ALD as being more tangible than Federal Reserve Notes, since it is essentially barter by proxy. Others have religious convictions, which teach that usury is a sin, and do not wish to support the government-sponsored usury that is the Fed. Some see an inevitable collapse of the dollar, and see ALDs as a currency that can't be affected by the market and inflation. NotHaus feels that the currency "provides an insular effect for merchant, consumer, and community. The more people in any community that use the currency, the better insulated that community is going to be for the next monetary crisis. [A monetary crisis] is inherent in a fiat system." Some proponents describe themselves as Constitutionalists, and see ALDs as more in line with the ideals outlined in the Constitution than the Federal Reserve Notes are. James

Duclos, of Maine Catch Lobster Company in Saco, who has been using ALDs for over two years, explains that he uses the currency, "...to help return our nation's currency of something of value." Others simply started collecting the \$10 Silver Liberty coin, and learned more about the issues surrounding the currency as a result. Jack McCarthy, who owns Nature's Pantry in Houlton, echoes others who feel that this will bring much needed change to the US monetary system by offering competition, saying, "Spread the word. Competition works here also." Others are simply long-time critics of the Fed for many of the same reasons they are critics of the World Bank, IMF and related institutions, and hope that using this currency can be a small action leading to the eventual dismantling of the Federal Reserve System.

The actions by individuals and communities working against what they see as unjust and unsustainable institutions raises questions. Will the growing movement against the international debt-creating organizations like the World Bank and IMF converge with the growing movement against the American debt-creation organization, the Federal Reserve? Do the hundreds of Mainers who have traveled to demonstrate in the streets of NYC and DC have anything in common with the hundreds of Mainers who are starting to use an alternative currency system like ALDs? Neither issue is truly a partisan one, yet the divisions between people working on these different, yet connected issues, seem to be drawn on partisan lines. These connections take time, though, and as the American Liberty currency, a tangible product, becomes more common around the state, it may spark discussion and exchange between people who, through lack of contact, once felt their beliefs were far more at odds than they truly are.

Other fine articles are available at www.MaineCommon.com