LIBERTY DOLLAR NEWS: January 2004 Vol. 6 No. 1

CALL TO ACTION:
Welcome new readers, Associates, Merchants and RCOs! These are historic times. Happily, they are not the times that try men's souls, but instead times of peaceful change. While our great country is not at peace, its people are bringing about a powerful change to their money, which will have a positive effect on the whole world. Congratulations to all of you who have discovered and now use the Liberty Dollar. May it have a great positive, prosperous, and peaceful effect to your life, family and community. Please take action! Read this whole Newsletter. Share the Learning Channel video with your fellow Americans. Rejoice and spend more Liberty Dollars. And last, get ready for the new $20 Silver Base Currency - your Liberty Dollar is getting closer to DOUBLING…thereby demonstrating what "inflation proof currency" really means!

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1. The Learning Channel Says It Right!
As reported last month when we announced The Learning Channel's "Super Structures: Making Money" show would cover The Liberty Dollar, we had no idea what to expect. I certainly did not expect to be the first person on camera or the first to speak. But that was the case. In a word, the special was SUPER. Well done, with very good graphics, voice, and content. It covered four monetary institutions: US Treasury, US Mint, Federal Reserve and NORFED. The segment on our favorite currency lasted over five minutes and was not only well done, it was very accurate. Please check the video out for yourself on our home page at www.LibertyDollar.org. If you like the viedo, please forward it to everyone who is still using those dreaded Federal Reserve Notes so they can get the rest of the story, as Paul Harvey said a few months ago. We have been permitted to duplicate the video, but we can't sell it. So please help us and abide by that agreement. If you would like to get a complete copy, please send an email to ALD-Forum@yahoogroups.com and we'll explain how you can get one.

2. New Secret Service Story
You've gotta love the government when its people do what's right. With that said, here's our latest Secret Service Story: last week a woman, we'll call her Jane Doe, called from the bank where she worked. It was obvious from the tone in Jane's voice that she was definitely not a supporter of the Liberty Dollar. In fact, very quickly she told Cynthia in our office that she had found our site some four years ago and that she had just rediscovered it again, and was amazed that the government allow us to stay open! Jane was so amazed that she called the Secret Service to report us (thanks for nothing!) Well, out of her own mouth, Jane tells Cynthia that not only was the Secret Service aware of us when she called, but they were even complimentary of our work and us! Now, how about that! So why did Jane call us? I guess just to tell us what we have heard from so many other people, that the Secret
Service is doing a fine and honest job. Thank you, Secret Service!

3. Higher Silver Prices Drives ALD to Be Market Driven
Originally we had planned to convert the Liberty Dollar from the current bracketed currency to a truly market driven currency (with the discounts adjusted daily to the gold and silver market) when we moved from the $10 Silver Base to the $20 Silver Base currency. But as silver has moved up and squeezed the margin between the market price for silver and the current Face Value of $10 on a one ounce Silver Liberty, and reduced the exchange rate from USD to ALD for Associates and Merchants, it has become clear the only way to respond to the market was to introduce a truly market-driven currency now, not later. Not only will this change accommodate the market, it also distributes the pain of a shrinking margin fairly, and will ease the move to the $20 Silver Base currency, which will certainly be a major event for the Liberty Dollar.

And although it may appear that with shrinking margins this is the worst time to get into Liberty Dollars - in fact - this is the BEST TIME to get Liberty Dollars! Why? Because although you may not profit as much now, when the Liberty Dollar moves to the $20 Silver Base, your Liberty money will DOUBLE!! So there is no better time to get into the Liberty Dollar than right now. He who waits is not only lost, but will lose.

Luckily, this topic was intensely discussed at the latest Liberty University event, so I was fortunate to have the input of some of the best and brightest participants in the Liberty Economy for peer review. I would especially like to thank: Dan Rose, Phil Hart, Arnie Schmid, Jeff Hoffmaster, Wayne Hicks, and Jason Pratt for their input.

Here is a brief summary of the change, written by Jason Pratt:

"In Berryville, the RCOs and NORFED decided to make the entire ALD discount structure market-driven, in response to the price of silver. This is a nice preparation for the $20 Silver Base, which will also be market-driven. So you could say, we're getting a preview of what's to come!

Here's how the new market structure works now (and for the foreseeable future): Every weekday the exchange rate for Liberty Associates and Merchants is calculated based on the spot price of silver at 9am EST, and posted at www.LibertyDollar.org. The formula to derive the exchange rate is somewhat involved, but with spreadsheets, any formula can be conquered. (For the math-oriented: it's Exchange Rate [ER] = Face Value [FV] - (Spot + Fab Charge) divided by 4. Merchants get the currency at FV-ER. Associates get the currency at double the discount: FV- (2)(ER).

Of course, if there is an RCO in your area, it is best, fastest and cheapest to get your ALD from your RCO. The RCO's price will not change daily. It will change based on the inventory that the RCO has in stock for your region. This is similar to how gasoline pricing works: oil prices change daily, but the gas station on the corner near your house sets its price based on cost of the gas in its storage tanks. So the local price will be more 'sticky' than the NORFED price, assuming nothing radical happens in the silver market.

The exchange rate posted at www.LibertyDollar.org is a good reference point to use if you don't have an RCO near you. It also will show you how the Liberty Dollar is responding to the changing price of silver. What is significant is that when the Silver Base doubles to $20, the system will continue to work just the same. And remember, when we go to the new $20 Silver Base, all of your $10 Base Liberty Dollars will double in Face Value - showing how a truly "inflation proof currency" puts you and your money ahead of the curve.

In short, the new market-driven exchange rates are the future of the ALD economic structure. A currency based on a free-market commodity should fluctuate as the value of the commodity changes, and that's exactly what the ALD does.
If you have any questions about the new discount structure, please ask your RCO, or post them in the ALD-Forum (http://groups.yahoo.com/group/ald-forum) and we'll do our best to get them answered.

Onward and upward - as we return America to value one dollar at a time!"

Contact Jason Pratt of Austin Silver Center, the RCO for North Austin, Texas, region at jason@austinsilver.com.

4. Pay Your Phone Bill with Liberty Dollars
I asked Jeff Hoffmaster of Rochester Exchange, RCO for the northern Detroit region, to explain how, using another new ALD development, you can pay all your bills using Liberty Dollars! Here's what Jeff wrote:

"There doesn't seem to be many out there who understand the benefit of the Electronic Liberty Dollar (eLD). Most people don't seem to understand that with the inception of the Liberty Dollar in digital form we can now send actual Liberty Dollars to anyone across the country or around the world in a matter of seconds! What do I mean by 'Actual' Liberty Dollars? Well simply put, every eLD is backed and redeemable for real silver, just like the paper Silver Certificates. You can redeem eLD online from the NORFED office or from your local RCO. This adds the convenience of the Internet to the security of the Silver backed currency.

In the past, some Liberty Associates have complained that the eLD costs more than the Silver Certificates or Silver Libertys. So they would rather just deal with the silver. Now that has all changed. With the move to the new 'Market Driven' structure, the eLD, paper certificates, plus the gold and silver specie are all offered to associates at the same discount!!!

This gives the eLD a distinct advantage. It's far more convenient than the Silver Liberty and backed by the same amount of silver as the certificates. And the recipient can simply redeem it for Silver Libertys or Silver Certificates if they so choose.

NORFED has began working with ICIS (Integral Currency Interchange System) and created a method for eLD users to pay their bills with Liberty Dollars. The solution is simple. Simply open an account with ICIS, logon to your ICIS account, and have an actual Money Order in US Dollars issued and paid for with Liberty Dollars. ICIS will mail the Money Order to your recipient or you can print it and mail it to anyone yourself! Yes, exchange fees do apply, but if you consider that you get the eLD at a discount you'll see it is still worth it to pay your bills using Liberty Dollars.

Special accounts have been set up for RCOs to print Money Orders in exchange for Liberty Dollars in any form. That's right! Now if you need to convert some of your silver currency to US dollars you can contact your RCO who can issue you a money order right on the spot! Please contact your local RCO for details about this new service.

With the advent of the RCO structure, new market driven discounts, Merchant contract, the eLD, and now ICIS (Integral Currency Interchange System), one can see that we are creating a silver backed currency that is incredibly powerful and convenient to use. These changes add far more liquidity to the currency than we've ever seen before. With more convenience will come more usage. And with more usage, will come the end of the Federal Reserve."

Thank you, Jeff (jeff@rochesterexchange.com) for this fine explanation.

5. NEW Debit/ATM Card for Liberty Dollars
ALFII has announced that it is marketing a new Debit Card, which is available without a SSN to Liberty Associates and payable in Liberty Dollars! While some limits and exchange rates apply, this is your opportunity get a genuine Maestro Debit Card that you can fund with Liberty Dollars, in physical or digital form.
Now, you can get a pair of the cards for only $75.00 ALD, and fund them with up to $800.00 per month using Liberty Dollars, at a flat 15% discount exchange rate. The cards have fees that are similar to other popular debit cards.

Maestro Cards are issued by MasterCard, and are accepted at almost every location, both online and offline, where the MasterCard is welcomed. They're also usable at almost any ATM worldwide, and can be mailed to any address in the world. The pair of cards share the same account, so you can keep one and give one to another family member, business associate or loved one. Funding your card here at home, while a family member far away has the other, means that they can immediately access the money.

One significant difference between a Maestro and a regular MasterCard is that the Maestro Card is easily identified as a debit card, and cannot be used as a credit card to make hotel or rental car reservations.

Please contact Wayne Hicks, of Ozark Monetary Services of Berryville, Arkansas fame, for more information on this new development at admin@alfii.com.

6. Liberty University (LibU2) Wrap Up

The recent Liberty University event was a smashing success. Once again it proved to be the learning ground for anyone who wants to work the RCO Business Plan and make money using the Liberty Dollar. So if you operate an RCO or are considering starting an RCO please read this report send by Arnie Schmid, RCO for Pigeon Forge, TN region:

"To my friends and colleges around the nation, the future looks positively great for the American Liberty Dollar. I just came back from the Liberty University in Berryville, Arkansas. I am so proud to be a part of this ground floor opportunity. This is really exciting! While, I missed the Microsoft ground floor opportunity, I'm not going to miss this one. I have been marginally involved with the American Liberty Dollar for about three years thinking I had it fairly well figured out. After all, why should I spend the money to attend Liberty University? Well, now that I have attended the latest LibU2, I found a whole new way to expand this as a business and a way to create a healthy residual income. My class consisted of other success minded businessmen from Washington to Maine, from Florida to Michigan and even Tennessee (that's me). Together we learned what others are doing to make their RCO profitable. We listened, laughed, shared, learned and left with a new vision for our future and the future of the Liberty Dollar. It is written that there is wisdom in a multitude of counselors. Well the new group of men & women starting RCOs had the privilege of exchanging the dynamics and direction of the American Liberty Dollar, as we found NORFED and Bernard were receptive to our input. We learned that the organization really cares about every individual RCO's success. We heard Paul Harvey and saw the new video by The Learning Channel that featured the US Treasury, Federal Reserve and the Liberty Dollar.

I personally want to encourage every Liberty Associates to get involved in the new RCO (Regional Currency Office) program to accelerate your business and income. I strongly encourage each of you to attend the Liberty University and join the winning team. I truly believe you can get on top with the RCO program and repeal the Federal Reserve."

Thank you Arnie (kattkatt@bellsouth.net) very much for that report. There you have it. Please consider becoming a Regional Currency Office and turbo charge your efforts to return America to value - one dollar at a time.

7. Visit to WTP and CPAC near Washington DC
2004 started off with a bang! Two great events, back to back in adjoining hotels and at the same time. I spoke at We The People's first annual conference, which was held at the Marriott just across the Potomac in Arlington, Virginia. It was well attended with a very large collection of speakers including my friend G. Edward Griffin who presented me with my membership certificate in Freedom Force International. If you are not familiar with this new organization, then I strongly encourage you to consider Ed's plan to replace the collectivist's global plan with the force of freedom. My support and thanks to Bob Schultz for inviting me to present the Liberty Dollar Solution to his group. It was nice to be mobbed by we the people seeking gold and silver currency after the event. And a special 'thank you' to Hutton Gibson for his kind words and friendship after the event too.

And right down the underground passageway, in the joining Marriott, CPAC (Conservative Political Action Conference) held their 31st Annual Conference. Including the likes of Vice President Dick Cheney, and enough speakers to fill three-day conference, it presented The Liberty Dollar with many contacts and lots of future growth potential. As you can imagine, many of the CPAC attendees had never heard of the new head-turning currency. But they got a great show, as Sarah Bledsoe and Michelle Jones (from the NORFED office) held down our showcase booth with its red-white-and-blue bunting, silver tablecloth, banners, etc. Special thank you to Beverly Boykin, a nearby RCO, who gave it her all as people stopped by the booth.

While each event was different in tone and focus, both events were worth visiting and many attendees of each visited both events. Just the sheer volume underscores the rising popularity of patriotism in this great country. We are witnessing historic times - times when the political system must accommodate the demands of the people or suffer the consequences. And as so much is based on money, it is our fervent hope that one of the first mega-changes will be a peaceful, voluntary change to our monetary and tax systems.

8. Annual National Tour (ANT) Shaping Up
There is no time to slow down. In fact, Bernard's Annual National Tour is already shifting into high gear. What is usually a three-month, 15,000 mile driving tour, this year's tour will top out at over four months and countless miles. Already, a week in New Hampshire has been set aside to include the Free State Project's first annual Porcupine Freedom Fest Thursday, June 24, 2004 through Sunday, June 27, 2004. Plus Michigan, Wisconsin and Minnesota have been added to this year's tour, July through October.

The main body of the 2004 tour will focus around visiting all the Regional Currency Offices and supporting their efforts to grow the Liberty Economy within their region. And as always, if you are wondering how to get me to visit your group, all you have to do is email me at Tour@LibertyDollar.org. With so much going on and the growth of the RCOs and the rising tide of citizen activism, if I don't hear from you, you will probably not hear from me. So please let me know you would like to cross paths. The sooner I hear from you, the more likely I can fit your request into my schedule.

9. Incident of the Month
There were two incidents this month. The first one involved Glenn Hammell with Monroe Township Police Department in Williamstown, New Jersey. He called with "questions". And although I tried numerous times to return his call, we never connected, and this incident has now been filed as a non-issue. The second, and "worse incident" of the month was when Deputy Sheriff Randy Smith in North Carolina called. Of course, we never know what to expect from the police, and even now in our sixth year, we return each call with a certain about of intrepidation. So I was pleasantly surprised when I retuned Officer Randy Smith's call, only to find out that he was at a merchant's store and wanted to know where he could get some more Liberty Dollars! Praise the Lord. I wish every American would call with such an inquiry - it would be the single best thing for this great country. Maybe, with your
added involvement it just might happen!

10. Question of the Month
QUESTION: Why don't we wait until the price of silver reaches $10 per ounce to change the ALD to the new $20 Silver Base?
ANSWER: Since the Liberty Dollar is issued at a discount to its Face Value (FV) to overcome Greshman's Law and reward its users with a profit, $7.50 silver is the trigger point for the base change, not the face value. If we waited for $10 silver, there would be no way to produce the currency profitably, much less offer a discount.

11. Liberty Associate of the Month
How fast can you get started with the Liberty Dollar? What happens when a high spirited individual discovers the Liberty Dollar? How quickly can you use thousands of Liberty Dollars with hundreds of merchants? Who is our latest star in the Liberty Economy? Well, it is my pleasure to identify Arlo Pignotti of Austin, Texas, as is this month's Associate of the Month! Arlo operates AJ Processing - a transcribing, word processing, and printing company and accepts Liberty Dollars, of course! Arlo has been very active in Austin since becoming an Associate only three months ago and has signed up over a dozen Liberty Merchants, just by talking to the places he buys from! As Arlo explains, "I've been offering silver everywhere I shop, have found three out of every four managers/owners happily accept and admire the concept." Very simple! Very successful! Now that Austin Silver Center (the local RCO) has implemented a Berryville-style Merchant Signup Premium, he'll probably sign up Merchants to www.austinlibertymerchants.org twice as fast! Arlo and his wife Gundega are both very plugged-in and active on many fronts. Arlo hopes to have spent more silver than he can lift at any one time! Of course we hope he and thousands more will do the same thing. Good for them and good for our great country. Congratulations Arlo for setting the standard for a new Associates!

You can contact Arlo at arlo@ajprocessing.com or visit his well-done site at www.ajprocessing.com for word processing and color printing services.

12. Quote of the Month
"Those who make peaceful revolution impossible will make violent revolution inevitable." President John F. Kennedy

Closing Remarks:
Now in our sixth year, with over $5 million in circulation and 100,000 people using the new currency, let us acknowledge our success and put our hope in the future for 2004. The Liberty Dollar is maturing, and many of the "Doubting Thomases" are coming around to accepting the fact that we can have a value-backed currency if we simply start using it. If you are still on the fence, then ask yourself, "What will it take for you to join the party?" Please call NORFED or your local RCO and get your questions answered. Then join the party. It is truly fun and rewarding to use the new gold and silver currency!

Many thanks to all the RCOs, Liberty Associates and Merchants for your continued support. For it is only by banding together and adopting a free and independent currency which provides us with "just weights and measures" that we will be able to throw off the yoke of a manipulated monetary system and generate a peaceful and prosperous society.

Thank you again for all your efforts to return America to value - one dollar at a time!

Bernard von NotHaus
Monetary Architect/Editor