

LIBERTY DOLLAR NEWS: May 2005 Vol. 7 No. 5

CALL TO ACTION:

Welcome new readers, Associates, Merchants and RCOs! Please join in for all the new efforts that are happening with the Liberty Dollar and don't miss Liberty Dollar University and Michael Badnarik's Constitution Class in Austin, Texas. Join the party and share the Liberty Dollar solution with a friend. It presents a peaceful, positive, and profitable solution to our country's current monetary situation.

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1. LDU-6, RCO Congress, & Michael Badnarik's Constitution Class Set for Austin
Final arrangements have been made for the Liberty Dollar University 6, RCO Congress, PLUS Michael Badnarik's Constitution Class in Austin, Texas, June 29 - July 3rd and 4th if you stay on!

If you really want to find out about the Liberty Dollar, the RCO Business Plan, or attend Michael Badnarik's famous Constitution Class... THIS IS THE TIME! Three events at the same time in Austin, home of Jason Pratt's equally famous Liberty Dollar of Austin.

All events will be held at the Best Western Seville Plaza Inn at 4323 South I-35, Austin, Texas 78744-1801. Phone 800-780-7234 or 512-447-5511 to make your reservations. Don't forget to mention the Liberty Dollar to receive your room discount.

LDU-6 starts with a Meet & Greet any time after 6:00 PM on Wednesday, June 29 and concludes with Lunch on Saturday, July 2nd.

The second annual RCO Congress will be from 1:30 to 4:00 PM on Saturday, July 2nd.

Dinner on Saturday is open... but I am sure a bunch of us will get together. Place and time TBA...

The cost to attend LDU-6 is as follows: \$200.00 for Liberty Associates and \$100.00 additional for a spouse. Free to RCOs who are required to attend or who have previously attended. Please call the office at 888.421.6181 to prepay and reserve your place at LDU-6.

Michael Badnarik's Constitution Class will begin at 10:00 (this time to be confirmed) on Sunday, July 3rd. This will be an ALL DAY event and then some! Luckily, I am going to be able to finally attend Michael's Class! Now I hope I pass!!! And although Michael does not "drink," I am sure that by 8:00 or 10:00 PM on Sunday...it will be time to celebrate a super time in Austin.

And of course, the following day is The Fourth of July!!! I plan to stay late and fly home that evening. Hope you can join us. It will be SUPER!!!

Many thanks to Jason Pratt for hosting the sixth LDU and Michael Badnarik for making it even more special.

2. New Brochure at Special Price

Hard to imagine that we just printed our ninth full color Liberty Dollar brochure. There are now a half million in print! Get the "new and improved" brochure at a discount. Usually they cost a dime each, now only 7-1/2 cents for 50, 7 cents for 100, and 6 cents for 250 more plus FREE shipping. This Special Offer is good till the next month's newsletter is published. Please get a bunch and spread them around...

And don't forget about Ron Goodger's Four Gallon T-shirt. It has a message that works!
Contact Ron at Ronald.Goodger@Nav-International.com, or 269.228.1516.

3. New Chat Room Now Available

That ever resilient and happening Jeff Kotchounian, RCO extraordinaire Liberty Dollar of Lapeer, Michigan has started a Yahoo Chat room for the Liberty Dollar. The name of the chat room at yahoo is "American Liberty Dollar". It is in Yahoo Chat under government /Users Room. Just look on the list for American Liberty Dollar. Jeff's user names are Chooney5830 or American Sovereign.

RCOs, Liberty Associates, and anyone who is interested in the Liberty Dollar are encouraged to come in the room and chat as Jeff and his supporters share the Liberty Dollar with all the visitors. The chat room is open from 10:00 AM EST to around 7:00 PM EST and 9:00 PM EST to 12:00 PM EST. Jeff is looking for someone with a cable modem that can add a roombot so the room can be open 24/7.

Jeff reports that an usual wide assortment of visitors have already discovered the chat room and he is expecting many more as more people hear about it. Most of the visitors have been thrilled to discover such an interesting monetary concept as the Liberty Dollar and very few disruptive visitors. So if you are into chatting, please stop by and visit Jeff who is spearheading this new way to get the word out about the Liberty Dollar. Many thanks, Jeff!

4. Gold & Silver vs. Bank Savings Accounts

We all hear a lot of figures about the advantage of gold and silver over fiat paper. So I wondered what the actual statistics were of gold vs. interest from a bank saving account and asked Jim Davidson of The Indomitus Report for an independent opinion. He reported:

Gold has out performed traditional bank savings accounts available in the USA by 844% since 1999. In other words, \$1000 invested in gold on 21 May 1999 would have appreciated in value by 53.15% by 22 May 2005 whereas the same amount placed in a passbook savings account would have grown by just 6.3% assuming monthly compound interest. Over the past five years, gold has been more than eight times better for the average American than interest from a Federal Reserve bank.

It is only when we have the freedom to make a comparison like between the likes of the Liberty Dollar and the Federal Reserve Notes, do we get a glimpse of the extensive damage (theft) that is done to our own pocket book by the government's fiat currency. The federal money is a disgrace if not an outright crime.

Thanks Jim. The Indomitus Report can be found at: www.indomitus.net.

5. Persistence, Persistence, Persistence

As more people are using the "How to Approach..." article posted at

http://www.libertydollar.org/html/How_To_Approach.asp to attract more merchants to use the Liberty Dollar, it is becoming clear that the real secret to signing up more merchants is persistence, persistence, persistence...

In advertising there is the "Rule of Three" that states you must advertise three times: Once to see, once to read, and once to order. And while this is generally true in print advertising, it seems to be true in person with merchants too. Lets face it, all kinds of people walk into businesses, selling all kinds of merchandise. Merchants have become suspicious of anyone if not everyone. So, we should not expect many merchants signing up on an unannounced visit. After all, the Liberty Dollar is still a bit head turning, even after seven years. The jury is in, most merchants become Liberty Merchants from multipliable visits. The merchant who is visited two, three, or four times, knows you are serious and has the time to get acquainted with the idea of using a different currency greatly enhances your success. So if you are one of the thousands who now take an active role in re-introducing real money to your merchants, please adjust your expectations that several visits will be much more rewarding than just one visit. To win, our new "Rule of Three" should be: Persistence, Persistence, Persistence. Good Luck and let us know your results. We are all questing after the prefect way to grow the Liberty Dollar and we want to hear your results so we can all get better results.

6. Annual Audit Set for September 20th

Now that the date for the Annual Audit and Inspection Tour of the Warehouse has been set with Sunshine Minting, we will get the guest list together shortly. Again the Tour starts at 10:00 AM sharp and is followed by a lunch with local Liberty Dollar supporters. There is also a dutch dinner that evening with the Sunshine officials. As there is no commercial air service into Coeur d'Alene, the Tour requires a two-night stay, unless you have your own plane. This year is unique because the third annual Silver Summit Conference starts the day after the Tour. So you may want to stay on for both. We will publish more info on the Silver Summit when it is available or visit David Morgan at: www.silver-investor.com.

7. Will the Liberty Dollar Slump after Crossover?

Recently, there has been much discussion about what will happen to the Liberty Dollar after it crosses over to the new \$20 Silver Base. Oh there have been concerns about the margins being too big and discouraging people. Or that people will not "buy" a Silver Liberty for \$20 when silver is "only" \$10 or \$12 per ounce. Some have even wondered if the Liberty Dollar will slump after the crossover.

Not surprisingly, most of these concerns come from people who were not involved with the Liberty Dollar in the beginning when silver was only \$4 per ounce. Oh, the same such worries if anyone would "pay twice the price" gave rise to an article by that name at <http://www.libertydollar.org/html/silvertwice.asp>. Well as the Liberty Dollar is still here, you can rest assured that people did indeed get the Liberty Dollar when it was explained that 'the bulk material costs should never be confused with the manufactured price'. Just as you can't buy a loaf of bread for the eight cents worth of wheat, you can't buy a manufactured Silver Liberty at spot!

And what is so different from Silver Libertys with a \$10 face value when silver is \$5 an ounce than Silver Libertys with a \$20 face value with silver at \$10 per ounce? None! It is exactly the same. But at the \$20 it will be even better. A whole lot better! Why because of the higher rate and better margin. A 10% margin at the \$10 Base is only \$1.00 while 10% at the \$20 base is \$2.00.

Plus the real kicker will be the psychology factor. What do you think is going to be happening in the world to drive higher silver prices? What do you think will be on people's mind? No one knows the future, but history is ripe with examples when a fiat currency fails and our current monetary system is ripe for a fall. The world will be different. People's attitude will be different.

Rest assured that all these factors and our previous experiences indicate that we will be roaring along

like never before at higher silver prices. Why? Simply because most people do not like to buy silver when it is low. It is a fact that most people only become interested in silver when it is well along to higher prices.

So I encourage you to think out of the box. Get as many Silver Liberty Dollars as possible. And use them at a profit, to get more silver. Increase your activity and expose more people to the value of silver as a value based currency and profit.

Remember in 1964 an ounce of silver bought 4 gallons of gas and it still does today. That just proves silver holds its value and it is the little green pieces of paper "money" that is now worth a lot less. As a matter of fact, when you think about it, you realize that gas, food, and almost everything else has NOT gotten more expensive. It only seems that way because the value of the little green pieces of paper "money" is worth less and less and so it takes more and more of it to buy the same goods and services.

8. Success Stories, Writers and Articles Please

Got a Success Story about using the Liberty Dollar? We want to see it. Please email it to Sarah@LibertyDollar.org. It does not have to be long but we all love to hear the details, please. Got a quick article or story you wish to share about silver or the Liberty Economy? We would like to include more articles and stories in the Newsletter, so please send them in so we can share your story with our thousands of readers.

9. Incident of the Month

Dave Hodges reports that he had a "Run-in with Cumming Police Dept. on 21 May 2005": Here is his story:

I went to the local Papa John's last night, as was my custom on all Saturday nights, and paid for my pizza with a couple Silver Libertys and some change, as was also my custom. While driving back with the pizza in my car, the manager called and explained that I had given her invalid money. So I said I would come back before they closed to exchange the real money with paper. Then she said that the police would be waiting for me.

I parked my car and walked into the establishment with a \$20 check. An officer was waiting in the lobby and after I walked in and greeted him, he followed me out to my car for my driver's license.

"You know this is not sanctioned U.S. currency," he said.

"Absolutely," I replied.

"So you've been going around trying to pass these off as real currency?" he asked.

"Hardly. I've never represented them as legal tender. When I'm asked, I explain. Some people accept them. Some people don't."

We walked back into the establishment and I exchanged my little piece of paper with some ink on it for two solid Silver Libertys. The manager sported a fatuous grin.

"Well, we're pretty sure that you're violating some currency statute but we don't know which one, and we have a guy who used to be on the Georgia Bureau of Investigation who would know all that, but he's not there. So we're gonna let you off, but if I were you, I would quit trying to spend these."

"Yes, sir," I replied and explained that the Secret Service has already investigated the matter and found it completely lawful.

"But," he continued, "I have to ask you - why would you do this? Why not just use regular money?"

"Do you really want to know?"

"Yes," he said insistently.

"Okay, Officer, it's like this. The money that you're carrying in your pocket has no intrinsic value. It has a declared value that becomes weaker and weaker over time as the government prints more and more of it. Do you know how much a movie cost in 1955? About one dollar, which back then, was one ounce of silver. Nowadays, it will cost you upwards of \$8 to \$10, about one ounce of silver. Silver keeps its purchasing power. The paper stuff becomes more worthless as the clock goes around."

He was listening intently. Suddenly, the rest of the on-duty police force showed up, all asking to see the Libertys. I humored them of course. The Officer I was just talking to finally seemed to understand and explained to the others, "He's just bartering. He's offering an ounce of silver for goods and services."

Another Officer piped up, "Barter's great. Barter all you want - just make sure the people know that it's not legal tender."

I agreed to do so.

Finally one officer, holding the Liberty said, "I'll get you a pizza for two ounces of silver!"

Editor's Note: Well done Dave. Not only did you keep your cool, your explanations went a long way towards drawing the police into seeing your point of view and the value of the Liberty Dollar. Both points are always critical when dealing with the authorities. So lets all stay the course as we grow the Liberty Economy and report any "incidents" which happen to the Office in Evansville. Thanks Dave for reporting your successful and informative incident.

10. Question of the Month

QUESTION: Why is the Liberty Dollar "inflation proof"?

ANSWER: As Dave just explained in the Incident above and was mentioned in the article about will the Liberty Dollar Slump, silver holds its value. In other words silver, itself is inflation proof. So any currency, which is backed by a commodity that has intrinsic value, is by its nature "inflation proof". This is so simple that its simplicity is often simply overlooked. While we have all been mis-educated to think that economics is oh so difficult and complicated to understand that we need the government involved... nothing could be further from the truth! As the volume of the paper money goes up and its purchasing power goes down, the real money, like gold and silver, increases in value in terms of the depreciating paper money. Because the Liberty Dollar holds its value it is by nature "inflation proof".

11. Liberty Associate of the Month

Some people clown around with the Liberty Dollar. Others do amazing things with the new currency. So this month it is my pleasure to acknowledge a real professional clown who has brought many rich efforts to the Liberty Dollar and helped grow the Liberty Economy in many ways. In real life Jeff Kotchounian is indeed a clown and although I have not seen him in that role, I know he must be great because he was marvelous at the Liberty Fair in Evansville last year. In fact, I can't remember when Jeff was not absolutely on top of the Liberty Dollar. Thank you Jeff for all the Press Releases, promo, and so many efforts. It is real leaders like you using the real money that will really lead our country to having just weights and measures in our money. It is a pleasure and a lot of fun having your support. Congrats on being the Liberty Associate of the month and an outstanding RCO.

12. Quote of the Month

"It became clear to governments that they could not afford to allow people to own and keep their gold. Government could never cement its power over a nation's currency, if the people, when in need, could repudiate the fiat paper and turn to gold for money." Murray N. Rothbard in "What Has Government Done to Our Money?"

Closing Remarks:

As we near our 7th Anniversary and the Liberty Dollar matures, lets congratulate ourselves on developing such a successful model currency. We have taken the Liberty Dollar further than any other

alternate currency in monetary history. Plus we have had a lot of fun doing it! There are some amazing things to come.

Many thanks to all the Liberty Associates, Merchants, and RCOs 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!

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