

Silver: Real money, or tinhorn trickery?

By: Rick Thomas

Coeur d'Alene Press

September 23rd, 2006

Silver coin dealer says his Liberty Dollars are better than U.S. mint notes

COEUR d'ALENE -- He's not exactly America's Most Wanted, but he's certainly among the most notorious.

A week after making the front page of USA Today, following a warning from the U.S. Mint that his Liberty Dollars are illegal and that circulating them as money is a federal crime, Bernard von NotHaus celebrated his newfound notoriety at the Silver Summit at the Coeur d'Alene Inn on Thursday.

"The U.S. Mint has handed me a wonderful marketing opportunity," he said. "They put us on the front of USA Today. How can you bitch about that?"

Traffic on his Web site is up 10-fold and orders are way up, he said.

"It seems like everybody wants to be a criminal. The feds said they'll lower the boom on the alternative movement. I haven't seen the boom yet."

Your cash ain't nothing but trash.

Calling the Libertys an inflation-proof currency, von NotHaus is promoting them as an alternative to Federal Reserve Notes because they are backed by the precious metals they contain.

"Federal Reserve Notes are plunging in value," von NotHaus said. "That shows how poorly government money is performing.

"We don't have inflation. We have downright theft."

The Mint warned that because of its similarity with U.S. currency, Liberty Dollars are sometimes confusing and can be passed off as official currency. The dollars are also produced in paper form as "warehouse receipts," which von NotHaus says are backed by silver in a Coeur d'Alene warehouse. The supply is audited monthly by a Coeur d'Alene accounting company, he said, but there was nobody at the firm who could confirm that on Friday.

"There is no confusion between their money and the Liberty Dollar," von NotHaus said. "I'm not with the government -- praise the Lord."

Produced in Coeur d'Alene for the Evansville, Ind., National Organization for the Repeal of the

Federal Reserve Act and the Internal Revenue Code, the medallions are marked in \$5, \$10, \$20 and \$100 denominations in silver and \$1,000 one-ounce gold coin.

A year ago the Liberty dollar was being made on the \$10 base for a one-ounce coin -- though he doesn't like to call them that -- selling for \$10. "I don't plead guilty to circulating coins."

Once the market price went over \$7.50 per ounce for 30 days straight, he went to the \$20 base, with a one-ounce coin at that price.

When the price of silver goes above \$15 for 45 consecutive days, he will convert to a \$50 base -- the next highest official denomination.

"You have to exist within the existing system if you're going to replace it," he said. "If the underlying commodity increases in value, the purchase value increases."

Without a denomination, metals are not suitable as currency, von NotHaus said.

"We live in a denominated system. We're not in the bullion business, we're in the currency exchange business. We accept trash like this," he said, showing a paper bill, "and convert it into silver."

Paper, plastic, or silver?

The next alternative to greenbacks proposed by von NotHaus is possibly the ultimate gold card -- not paper, but a plastic Visa card backed by precious metals.

"The gold in the account appreciates or depreciates at market rate," he said. Users who purchase gold and place it in an account could use the card to buy back the gold, or convert to silver in any proportion.

Otherwise it will function just like a regular card -- but it's still only an idea, not approved by Visa. Von NotHaus said he hopes to have it up and running before Christmas, however.

"The potential of silver is off the charts," von NotHaus said. "You either change your money or you lose it. You need to get out of the U.S. dollar and into silver."

Praise the Lord, and pass the silver bullion.

While von NotHaus believes his Liberty Dollars are the ultimate replacement for the paper bills officially circulated, Jason Hommel, editor of silverstock report.com, brings a zealous religious view to the table, and believes silver bullion is the ultimate replacement for money.

"The Liberty Dollar is over-valued," he told the Silver Summit. "I wouldn't put my money into it. If you're selling a one-ounce coin at \$20, that's good business."

Citing dire biblical warnings of Revelations, markets shut down for months on end and paper money will lose all value because everyone will try to cash in all at once.

"Paper dollars are not money," he said.

"The dollar has not only fallen as a store of value, it's failing."

He predicts silver will hit \$8,000 per ounce in 15 years.

"We have nearly consumed it all, and we use more than we mine," he said.

"Silver is the only real money there is. Gold is not used as a currency except among kings. How many \$500 bills do you see?"

He said he's hauled truckloads of silver to various locations, prompting one listener to ask, "What's your address?"

"Smart money is going into gold," Hommel said. "Smarter money is going into silver."

He said silver is cheap, a great store of value in the future rapidly growing in popularity for that purpose.

"Buy out your bullion dealer, buy a safe, bolt it to your garage floor," he said.

Listeners to the two presentations voted with their cash, gathering around von NotHaus to buy his book and Liberty Dollars, though the coins were far more popular than the warehouse receipts.

"It's worth a lot to support anything having to do with sound currency," said David Keyston of Sandpoint.

An investor in metals and metal stocks, Keyston bought von NotHaus' book for \$5, and took the change from his \$20 in the form of \$5 and \$10 Liberty Dollars.

Silver closed at \$11.20 Friday on the New York Mercantile Exchange.

"I like silver," Keyston said. "As the price of silver goes up, it will appreciate. Only 19 months ago silver was around \$5.50, and it's already doubled. I don't know anything else that preserves value better."