

US Mint, Norfed squabble over 1 oz silver coin's validity

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Platts Metals Week

September 25th, 2006

Coeur d'Alene, Idaho—Bernard von NotHaus, architect of the eight-year-old Liberty Dollar silver coin program, has told Platts that the US Mint did him a huge favor when it declared his 1 oz, 0.999 fine silver coins illegal. “They hit us a home run, out of the park,” he said. “What the Mint did for us is terrific. The traffic on our website is up 10 times and the orders are skyrocketing. I am glad they did this.”

What the Mint did, in a September 14 press release captioned “Liberty Dollars Not Legal Tender,” was say: “Department of Justice prosecutors have determined that the use of Liberty dollars is a crime.”

Joyce Harris of the Mint's Public Affairs department told Platts that the press release was aimed at heading off consumer confusion. “There's plenty of confusion in the marketplace about these silver coins,” Harris said. “They are not legal tender.”

Harris said she was unaware that the Mint's press release had touched off a flurry of new business for the Liberty Dollar, issued by the non-profit National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code (Norfed), based in Evansville, Indiana.

Norfed's coins, which sell for \$15 each retail, can be exchanged for \$20 worth of goods and services at participating merchants. Both the US Mint's own \$1-denominated American Eagle 1 oz silver coins and Norfed's coins originate at the Sunshine Mint in Coeur d'Alene, Idaho, as coin blanks. The US Mint strikes its 1 oz American Eagle rounds itself; Sunshine Mint applies the finish to Norfed's Liberty coins. The silver content in both coins is identical.

Von NotHaus was in Coeur d'Alene last week to conduct his annual physical audit of Liberty silver at the Sunshine Mint. Sunshine stores some of Norfed's silver in its vaults and issues warehouse receipts for Liberty Dollar customers who prefer to trade in paper or electronically. He said sales of the Liberty coins were up fivefold in the wake of the US Mint's press release.

“The bottom line is, the Mint had to do something about us,” said Von NotHaus. “They determined that we are not a coin and not an issue of the United States government. Well, praise the Lord. I may be an SOB but I am not the government, and that's official.”

In August, von NotHaus led a protest to the New York branch of the Federal Reserve Bank in lower Manhattan. During the demonstration, a huge black balloon entitled “Federal Debt” gradually inflated, then exploded. He told Platts he was unaware of any connection between the demonstration and the Mint's sudden concern for consumers. “People have suggested

there might be a connection, but I don't think we've done anything to offend the Fed. All we're offering is a free market alternative to the money that is in circulation now. Isn't that what America is all about?"—*David Bond*