

# ***New money doesn't bug Federal Reserve***

By: Trevor Warner, Staff Writer  
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The Federal Reserve Bank is not worried about Bernard von NotHaus and his new money, the liberty dollar.

Von NotHaus said he was tired of seeing the value of the American dollar, called a Federal Reserve Note, constantly depreciate and hurt the economy.

Instead of shrugging his shoulders and saying, "what can I do?" he decided to do something and founded NORFED, which distributes the liberty dollar.

NORFED stands for the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code.

Von NotHaus and local users like Charles Douglas and Paradise Natural Foods Store owner, Don Maydole, said the liberty dollar is backed by silver, not debt, as they claim Federal Reserve Notes are.

Federal Reserve Spokeswoman Carol Eckord said what von NotHaus and NORFED are doing is not illegal.

"It is similar to a gift certificate at a department store," she said, "and people accept them at their own risk."

Von NotHaus, who has been working on the silver-backed currency concept for 23 years and implemented it in October of 1998, said the whole point of the liberty dollar is to educate people about the Federal Reserve and its money scam.

"There is a gigantic bubble in the debt-based currency," von NotHaus said. "We need to return value to our monetary system. A government that does not control the money is a government that can be controlled."

He said Federal Reserve Notes, commonly called "dollars," are not owned by the American People or the United States Government, they are owned by the Federal Reserve Bank, which he said is a private bank and not federal at all.

The Federal Reserve Bank loans the notes to the government with interest, which causes inflation, he said.

He said the more Federal Reserve Notes that go into circulation, the more the government owes the Federal Reserve in interest, which puts America into an unpayable debt.

Eckord said "fiat money" (Federal Reserve Notes) is decreed to be legal tender of the land and though it is not backed by precious metals like silver or gold, it is backed by the "full faith and credit of the U.S. government."

In other words, Federal Reserve Notes have value because people believe they do and trust the government, she said.

Eckord said the magnitude of the U.S. dollar and the fact that it is recognized world wide as viable currency shows that it is still valuable and people don't have to worry about losing faith in the good old greenback.

She said a dollar will always be worth a dollar to merchants and consumers and the dollar has never gone down in value.

"There are 660 billion dollars circulating worldwide," she said. "Two-thirds of that is probably over seas. Most people believe in the full faith and credit of the United States."

She said could not speculate on what would happen if the liberty dollar caught on and people did lose faith in Federal Reserve Notes.

Von NotHaus said it is better that people catch on to the liberty dollar idea slowly and admits if everyone suddenly quit using Federal Reserve Notes it would be very bad for the country.

"That would be the worst thing for the county and the people," he said. "This isn't anti-government. This isn't a revolutionary process; it is a slow, evolutionary process. We're trying to do it peacefully."

He said economic collapses in Russia, Mexico and Argentina prove that money backed by debt is destined to fail.

He believes Japan is next in line for an economic collapse and America will not be far behind.

"In the next monetary crisis, more people's money will be protected (with liberty dollars)," he said. "Before five years ago (when NORFED started), people had no choice but to bend over."

Von NotHaus said there are over 3 million liberty dollars in circulation compared to trillions of Federal Reserve Notes.

The liberty dollars are on a one to one trade with Federal Reserve Notes because he said NORFED acknowledges that the notes are the big gorilla of the world.

The silver that backs each liberty dollar is kept in a warehouse in Coeur d'Alene, Idaho, he said, and an auditor does a monthly audit of the warehouse to ensure there is enough silver to back each liberty dollar.

The liberty dollars, which are warehouse receipts for the silver, are not issued until the auditor confirms the silver is available to back it.

Liberty dollars come in \$1, \$5 and \$10 denominations with the \$10 liberty dollar backed by one ounce of silver.

The \$1 liberty is worth one-tenth ounce of silver and the \$5 is worth a half ounce of silver.

Ridge resident David Smith thinks he smells a scam because one ounce of silver on the market is worth about \$4.

A person with a \$10 liberty dollar would ultimately lose out on \$6, Smith said.

However, von NotHaus said Smith is confusing the bulk price of silver and the manufactured price.

Von NotHaus said no one can buy silver for the spot price from the New York Commodity Exchange, where NORFED gets its silver.

Furthermore, he said the price of a liberty dollar certificate includes the market value of the silver, storage, printing, distribution and other expenses of a free market enterprise.

"Besides, what will you get if you tried to trade in your Federal Reserve Note?" he asked.  
"Nothing."

More information on NORFED and the liberty dollar can be found at [www.norfed.com](http://www.norfed.com).