

New Currency Popular with Patriot Movement Could Mean End of Fed's Control

The Spotlight

November 16th, 1998

The newly-introduced American Liberty Currency (ALC) may provide Americans with what a front-page story in the Oct. 19 edition of Coin World described as a "private alternative to Federal Reserve Notes." Interest in the ALC has spread like wildfire in the populist and patriot movement, and even well-established local private currency groups such as the "Ithaca Hours" unit in Ithaca, New York, have affiliated with the ALC. The story of the success of the Ithaca Hours currency was reported in The SPOTLIGHT on Nov. 4, 1996. What's more, such mainstream media voices as Parade magazine (as recently as July 5, 1998) and the Wall Street Journal of June 27, 1996 have reported on the development of the Ithaca Hours, as well as other independent currencies outside the control of the Federal Reserve System.

On Oct. 18, Bernard von NotHaus, the spark plug behind, the long-term development and planning for the ALC, was the guest on The SPOTLIGHT'S weekly call-in talk forum, Radio Free America, with host Tom Valentine and he described the ALC program in some detail. Valentine's comments are in bold type, von NotHaus' replies are in regular type.

To find out more about the new currency you may call 1-888-421-6181. American Liberty Currency is available in introductory packets (at \$20 per set) containing one \$10 certificate, one \$5 certificate and five \$1 certificates. Write: NORFED, 4900 Tippecanoe, Suite 6. Evansville, Indiana 47715. NORFED also maintains a website at www.norfed.org. E-mail is truth@norfed.org.

I have before me the new American Liberty Currency. It is marked "negotiable" and appears in \$1, \$5, and \$10 unit that carry the notation "warehouse receipt." Is this what is called "free market currency"?

Yes, that is actually the philosophy behind the American Liberty Currency (ALC). If we look back over history; you will see that gold and silver have always been commodities that have been controlled by the royalty or the government, regardless of its name, throughout history. It wasn't until the Bretton Woods accord in 1944 that gold began a steady drive toward becoming a free market commodity and, at that time, there were more controls over our currency. When the government controls the commodity, it's obviously a no-brainer that they can come along and issue a currency against a controlled commodity, which they did and have done throughout history.

What's unique here is the question of how we come up with a free market currency that works with a free market in metals. There are fluctuation problems that had to incorporate into the currency so that can be used readily by the people. And that's what ALC is an example of.

Let's get down to basics. Right now I can use my Federal Reserve "dollars" and I know that unless inflation comes along very suddenly, I'm going to be able to buy a couple of

gallons of gas with my \$5 Federal Reserve Note (FRN). I know that the FRN will be recognized and accepted everywhere and it will be used as the currency.

To me, the FRN doesn't need any intrinsic value as long as it is accepted by everyone else in my society. With the ALC you are talking about free market receipts for a metal. The free market has never been free. Bretton Woods was anything but free. Everything is controlled by various governments or the Federal Reserve System (which isn't even a government agency).

What I'm interested in knowing, and what SPOTLIGHT readers are interested in as well, is how you intend to make the ALC a stable currency that people will want to use.

Using the word "stable" may not be the right word to use. "Organic" is probably a better word to use rather than "stable." The word "stable" means that it is locked in and controlled. "Organic" means that it is free to grow to be able to meet demand, which is a very important part of any economic system.

If we have an organic currency, does it mean that the government will not meddle with the ALC? Look at what happened when billionaire speculator George Soros meddled with the economies of several foreign nations. He broke those countries.

There you have a real clear case of the Council on Foreign Relations (CFR) and its shenanigans. Soros is a CFR operative and the whole situation in Asia is a whole replay of what the bankers did to the American farmers in 1920 and 1921. They pumped in a lot of money, loaded up the farmers with a lot of cheap credit, stepped back, raised the rates and pulled the rug right out from underneath them, and scooped up the farms. The bankers have simply gotten bigger and bigger, until now they play this same routine out with regions of the world. This ties in with the Bilderberg group and the Trilateral Commission. It's all part and parcel of the same plan.

So the ALC would essentially be owned by the people and not by the bankers?

That's striking to the heart of it. The ALC is very simple. It is a warehouse receipt. It is your title of ownership for a stated amount of silver. A \$10 ALC certificate has an ounce of silver backing. This \$10 ALC certificate is your receipt for your ownership of one ounce of silver. You own that silver.

Isn't that an inflated price for an ounce of silver? Isn't that what skeptics of the ALC plan will ask?

It is an important thing to cover, but I want to convey this first: An ALC certificate is a warehouse receipt that is fully negotiable. This currency is owned by the bearer. That piece of silver represented by the ALC certificate is actually owned by you. That ties in with the old saying: "He who owns the gold makes the rules."

While the government owned the gold and silver they issued the certificates. That was no problem. The real problem was that when the people owned the money, they could control the government. When the government owns the money, as is the case now, they control the people. It's a real clear difference here.

NORFED is issuing the ALC certificates. What is NORFED?

NORFED is the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code. It is a non-profit member-based organization dedicated to returning America to a value backed currency. Today this nation has a currency with no value behind it. We have a debt-based money system. That's the mechanism by which the currency is created. When someone, takes out a loan, the money is created. .

The ALC plan will create currency differently?

This is actually a conversion. When someone converts FRNs into ALC certificates, they receive warehouse receipts, which are already backed by silver. So we make that exchange and take the FRNs and buy some more silver and we put that in the warehouse. Then the warehouse issues NORFED some more certificates and we take those and exchange those for more FRNs. It's a conversion process that's very evolutionary, not revolutionary, and one that starts out from one American to another.

Is this similar to the program in Ithaca, New York, where they have their own city currency, the Ithaca Hours (which was described in an article in the November 4, 1996 issue of The SPOTLIGHT)?

That's an outstanding example. The Ithaca Hours were established by a small group in 1991. At that time there were only six people involved in the program. In the last seven years over a thousand businesses-virtually all of Ithaca- accept Ithaca Hours. As a matter of fact, there's a really great videotape aired on CNN, showing the mayor of Ithaca in his restaurant, accepting an American Express card from one customer, Ithaca Hours from another customer, and FRNs from another customer.

Essentially, then, the ALC plan is basically the same thing, only it won't be limited (as the Ithaca Hours are limited to the city of Ithaca).

The only reason that the Ithaca Hours are limited to the city of Ithaca is because their currency is backed up by the labor of people in Ithaca. Obviously, if you were outside of Ithaca you would not be willing to accept the Ithaca Hours because, of course, how are you going to redeem someone's labor in Florida, for example?

Your system has a warehouse containing silver that will back up the ALC?

The warehouse is there and the currency has already been issued and has been well received. Given Ithaca as an example, I would say we are well along on our road. We launched the program on Oct. 1, so Radio Free America is bringing this to its listeners on the leading edge of history in the making.

Where could I get a sandwich today with an ALC certificate?

It depends on where you are. If you were in Ithaca and had those Ithaca Hour notes within the first two weeks, you would probably only be able to go one or two places-if that many. The point is that this is a brand new system and it does take time to build up the infrastructure. Most of your audience has never even heard about them until now and they don't even have

any ALC. So that is phase two of the program and that is already underway, just as we are already setting up the redemption centers.

What are the redemption centers?

A redemption center is run by patriotic Americans who feel as we do that America would be a lot better off if we had a value-based currency. We all hunger for value in our lives and when we don't have it in our economic system, we see that roll over into our social system at the same time. The redemption centers are a national network of organizations that exchange FRNs for ALC and when you want to redeem your ALC for silver, you present them with your ALC and they give you the silver. And there are already over two dozen redemption centers in place.

If I wanted to set up a redemption center, what would that entail?

We are requesting the initial order to include some silver, but in reality the silver is stored in the warehouse. The redemption centers are convenience centers. They handle up to ten ounces of silver, but they don't, have all of the silver on hand. You may buy the certificates in New York but you may go to a redemption center in Indiana.

Does NORFED have the silver?

No, the warehouse holds the silver.

Who is the warehouse?

The warehouse is Sunshine Minting in Coeur d'Alene, Idaho. It is a minting facility but they also provide warehouse services. We have designed a vast number of checks and balances throughout the whole system. Obviously, if NORFED was issuing and redeeming and functioning as the warehouse, I would feel very uncomfortable because it would be a one-man show and there would be no checks and balances.

So in our review of the problems that could result in consultation with a vast number of people, we have created a system, which is engineered to have more than adequate checks and balances. Plus there is an independent monthly audit by a company that comes in and checks the amounts of silver against the number of outstanding certificates.

Why did you pick silver?

Silver is a very unique metal. Not only is it the poor man's gold, but the other thing is that the central banks exert too much control over gold, but they don't have that control over silver. So we felt silver was a better choice.

If we had chosen gold and we had a one dollar ALC certificate, you would be getting a very small amount of gold and it wouldn't work nearly as well when you turn in a \$10 certificate and get a nice big ounce silver American Liberty silver piece. It is not a coin. This puts the power of the money back in the hands of the people.

Now people will be skeptical, however. What happens to the silver when the price of silver goes up?

Right now, on the ALC certificates, there is an eye-catching hologram (one of many anti-counterfeiting devices worked into the ALC, which has actually more anti-counterfeiting devices than even the new FRNs). On the \$10 ALC certificate it, says "\$10 Silver Base." What that means is that the \$10 piece is backed up by an ounce of silver.

So as long as silver is substantially below \$10 an ounce, then we will continue to issue a \$10 ALC certificate for one ounce of silver. When silver begins to get close to \$10 an ounce, obviously the cost of minting, storage, etc, would prohibit us from issuing a \$10 ALC certificate representing an ounce of silver. At that point we would bring out a \$20 silver base certificate backed by an ounce of silver.

The immediate question, then, is "What do I do with this ten dollar ALC certificate?"

As you pointed out, people are smart with their money and they would take their \$10 ALC certificate and exchange it for a \$20 certificate.

Ithaca has a very good program working up there. But you should know that there are over 40 different local currencies in the United States right now. This is not a kooky idea at all. Two local currencies out in Utah called when they heard about ALC and they want to convert their local currency to ALC.

Now, to go back to something mentioned earlier: Why would anyone want to buy a \$10 ALC certificate for basically twice the price of silver?

The reason is because we are not selling an investment. We are exchanging a silver certificate that is backed by silver. We are providing a value-based currency. If your purpose is to buy silver, you should be buying silver bullion. But when you buy bullion, you find it is very difficult to use in daily commerce because of its high weight-to-value ratio and because of its indeterminate value in everyday transactions. Sure, you may know that the price of silver is \$5.17 on a given day. But does that mean the other person knows that or is agreeable to that?

We put 23 years of research into this, including a year of setting up the legal foundation for this warehouse receipt system that we have in place. All of this has been done. And we're looking toward to setting up redemption centers across America to service the needs of the people in local communities.

I am responsible for the vast majority of the project. I became a concerned American about 20 years ago. About five years ago I started becoming a lot more active. However, Jim Thomas, the publisher of Media Bypass, has had a lot to do with our project and he is the national coordinator and co-founder of ALC, along with me.