

Liberty Dollars' money trail uses Nevada

By: Jim Hook / Senior Writer

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The National Organization for the Repeal of the Federal Reserve Act (NORFED) mints and markets the Liberty Dollar.

"We don't put much emphasis on NORFED," said Bernard Von NotHaus, president of NORFED. "It doesn't communicate well. The Liberty Dollar really communicates."

NORFED is a nonprofit organization chartered in Nevada. Nevada requires little corporate disclosure, does not charge corporate income tax and does not share information with the Internal Revenue Service, according to the Nevada Secretary of State Web site.

NORFED operates on a slim profit margin, according to the company's 2002 profit statement posted on www.libertydollar.com. About half the cost in a Silver Liberty is for the precious metal. The remainder is for overhead, shipping, staff, minting and marketing.

Three years ago NORFED began using regional currency offices, according to Von NotHaus. The distributors can make a profit, he said.

An associate buys a membership for \$250 and gets \$100 in Liberty Dollars. The remaining \$150 is divided -- \$100 to the member who referred the new associate and \$50 to NORFED.

Associates can purchase more Liberty Dollars at wholesale and sell them at retail in their stores. The wholesale price on Wednesday was \$18.17 for a \$20 piece.

The spot price of silver fluctuates, so the value of silver in a Silver Liberty also fluctuates. Six months ago, merchants exchanged their \$10 Silver Liberty pieces for \$20 pieces.

The value of the silver in a Silver Liberty fluctuates. On Wednesday, the silver in a \$20 Liberty Dollar was worth \$13.33 on the spot market.

Chambersburg jeweler Reed Runk said he cut into a Liberty Dollar and tested it. The piece turned white under nitric acid, a sign of pure silver. He keeps the repaired Silver Liberty as a good luck charm.

"I like the idea of using silver to buy and sell things," he said. "We haven't had many sales where people buy with the Liberty Dollars."

Hot VonHaus fears that the U.S. dollar will deflate faster than the Liberty Dollar can grow. That would mean hyperinflation, he said, then tyranny, as people look for someone to lead them out of the economic chaos.

"We are returning America to value, one dollar at a time," he said.

On the Web

www.libertydollar.org

www.chambersburglibertydollar.com