

Liberty Dollar Raid Calls to Question Constitutionality of Independent Currency

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Independent currency producer and opponent of the Federal Reserve Board's inflationary monetary policy Liberty Dollar raided as the constitutionality of non-governmental currency circulation comes to the forefront.

Federal Agents have [raided](#) (http://ap.google.com/article/ALeqM5jZHepUhX3cYLnSqZV2tm_byrun3AD8SUSGC80) the corporate headquarters of Indiana based currency producer [Liberty Dollar](#), seizing company records, equipment and inventory following [authorization](#) (http://www.libertydollar.org/legal/pdf/seizure_warrent_20071114.pdf) from an United States District Court Judge.

It is yet unclear if charges have been filed in the case, however a [statement](#) (<http://www.usmint.gov/consumer/index.cfm?action=hotitems>) posted on the US Mint's website indicates that officials there view Liberty Dollar's issuance of 100% gold and silver backed currencies to be in violation of the US Constitution, specifically [Article 1, Section 8, Clause 5](#) (http://www.archives.gov/national-archives-experience/charters/constitution_transcript.html), which reads "The Congress shall have the power to coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures."

As the wording of the clause does not address currencies distributed by private individuals or establishments, the Mint also cited federal statute [18 U.S.C. § 486](#) (<http://www.usmint.gov/consumer/index.cfm?action=Law18USC486>), which reads "Whoever, except as authorized by law, makes... any coins of gold or silver...intended for use as current money... shall be fined under this title or imprisoned not more than five years, or both."

The constitutionality of that law will likely be addressed should the Liberty Dollar case be brought to trial, as the Constitution does not clearly indicate who by law is permitted to produce currency outside of the expressly authorized Congress.

According to the monetary architect of Liberty Dollar, Bernard von NotHaus, the inflationary policies of the United States Federal Reserve Board have caused the value of the US Dollar to lose 96% of its purchasing power since the creation of the FED in 1913, generating a need for an alternative, commodities backed currency.

Liberty Dollar's website reports that currently as much as \$20 million of the independent currency is in circulation with as many as 100,000 users. Interestingly, variations of the coinage include \$1, \$20 and \$1,000 coins bearing the likeness of Republican Presidential

Candidate Ron Paul, a current member of the US House of Representatives Financial Services Committee.

Paul's Presidential platform includes a condemnation of the FED's inflationary policies similar to NotHaus's, however in a statement made to the Associated Press the campaign's spokesman Jesse Benton indicated that Paul is not affiliated with the company nor was his permission requested for the use of his likeness on the coins.

Liberty Dollar encourages that If you are owed an order and want to get your money back, or have paper certificates or digital Liberty Dollars, that you demand redemption or the return of your money by joining a Class Action Lawsuit favoring the company's activities. More information on the lawsuit can be obtained from their [website](http://www.libertydollar.org/ld/legal/raid.htm) (<http://www.libertydollar.org/ld/legal/raid.htm>).

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