

Issuing new money is a money-maker for banker insiders

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By, Fred E. Foldvary

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I previously wrote about the raid and seizure of the property of Liberty Dollar and its customers by the FBI on November 14, 2007. FBI agents took two tons of Ron Paul medallions along with gold, silver, and the company's records. The property seized by the FBI belonged not only to the Liberty Dollar firm but also to its customers.

The FBI has been reported as moving swiftly to forfeit the seizure. With asset forfeiture, a government can confiscate property without any conviction or trial. Any government in the USA can confiscate any asset at any time if government officials merely suspect that the property has been involved in a crime. Forfeiture makes the Fourth Amendment, "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures," null and void in the USA.

A November 30 article in the Evansville Courier Press reports that Bernard von Nothaus, creator of the "liberty dollar," believes that the timing of the raid in Evansville was politically motivated, as it came just after the arrival of the Ron Paul medallions.

On December 13, 2007, Congressman Ron Paul introduced the Free Competition in Currency Act (H. R. 4683)(Congressional Record Page H15467). Paul stated, "This act would eliminate two sections of US Code [18 USC 486 and 489] that, although ostensibly intended to punish counterfeiters, have instead been used by the government to shut down private mints."

Ron Paul added that "One particular egregious recent example is that of the Liberty Dollar, in which federal agents seized millions of dollars worth of private currency held by a private mint on behalf of thousands of people across the country... As a proponent of competition in currencies, I believe that the American people should be free to choose the type of currency they prefer to use... As monopolists..., the Federal Reserve and the Mint fear competition, and would rather force competitors out using the federal court system and the threat of asset forfeiture than compete in the market."

The claim by the Federal Government that people would confuse a Ron Paul medallion for government dollars is almost too ridiculous to discuss. If someone engages in a trade and offers a Ron Paul medallion, explaining that this is a privately issued disk, there is no fraud. Also, the claim by the government that Ron Paul dollars could be used for money laundering applies even more so to governmental currency.

Ron Paul, Congressman from Texas and Republican Party candidate for president, has long been a staunch advocate of a free market in money. In a free market, there should be no restriction in the honest use of any currency or the use of any goods for barter.

Ron Paul previously introduced legislation to abolish the Federal Reserve system. The transition towards a free market in money and banking could be accomplished by freezing the monetary base -- the federal currency existing at the time the Fed is abolished. This could also be done even if the Fed is not totally abolished, but ceases its role in creating money, becoming only a regulatory and data-collection agency.

The U.S. monetary base or "base money" consists of currency (paper bills and coins) and the reserves or funds banks hold with the Federal Reserve Banks. Since Americans are used to transacting in U.S. dollars, the easiest transition to a free market in currencies would not be immediately to a wide use of gold or silver, but continue with dollars. A frozen, fixed supply of Federal Reserve notes could act like gold, as the "real money." Any future expansion of money would be done by private banks, which would issue private dollars convertible into Federal Reserve dollars.

The convertibility at a fixed rate, one for one, would prevent inflation, since the banks could not expand their private notes by more than the public is willing to hold. The "free banking" system would also be flexible, as the private bank notes could expand to accommodate a higher demand for money. Later, as other economies move to free banking, gold could well emerge as an international currency and replace the governmental base monies.

The immediate need is to stop the federal government from confiscating precious metals, and private medallions, and private notes used for exchanges. We can see why Ron Paul has such an enthusiastic and growing following, as no other candidate is supporting freedom anywhere near to the extent done by Ron Paul. Any time you hear a politician or candidate utter the words "freedom" "liberty" or "justice," you can tell they are insincere if they do not support the freedom to own gold, silver, medallions, and private notes, and use them for honest transactions.

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*Dr. Fred Foldvary teaches economics at Santa Clara University and is the author of several books: *The Soul of Liberty*, *Public Goods and Private Communities*, and *the Dictionary of Free-Market Economics*.*