

New Money Gives Hope For Return To Value

By Wayne Hicks
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In one of the first episodes of "The Beverly Hillbillies", cantankerous hillbilly Jed Clampett, explains to his sister-in-law that some big company wants to buy out the old homestead (and the recently discovered oil underneath it), paying in "some new kinda dollar..." In this case he was referring to the company's offer to pay him several "million" dollars for his land, which turned out to be not new, but merely a much larger number than he had ever had to consider before.

Jed might find some of today's events sounding familiar. Because there's a "new kinda dollar" in town.

American Liberty Currency, from the National Organization for the Repeal of the FEDERAL Reserve Act and the Internal Revenue Code (NORFED), is gaining acceptance all over the country, as more and more people are becoming aware that it is available, and that it is backed by Silver and Gold... just as America's monetary system was, originally.

The currency is beautiful, it's attractive ... we're representing America," said Bernard von NotHaus, who is the founder and senior economist for NORFED.

NORFED launched its new currency in 1998. The paper money, issued as Silver Certificates in increments of \$1, \$5, and \$10, is all 100% silver-backed. Together with the 100% gold-backed \$500 Gold Certificate, and the \$10 Silver Liberty, a coin-like silver "ten-dollar-piece", is today available from a thousand or more "Redemption Centers", and is accepted in lieu of Federal Reserve Notes at businesses all over the nation! With more than a half-million dollars of Liberty Currency in circulation, it is rapidly becoming noticed as a way to purchase goods and services for its users. Each Silver Certificate and Gold Certificate is a legal warehouse receipt for the silver or gold backing it, and is 100% redeemable for the metal itself.

Federal Reserve Notes are backed by "the good faith and credit of the government", a phrase with oxymoronic overtones to many Americans, and are redeemable for... well, for absolutely nothing. Their only backing is a debt of our government to the Federal Reserve Bank.

Von Nothaus got the idea for the new money, he says, while running the Hawaiian Royal Mint in Waikiki.

Disgusted with what he calls the fraud perpetuated by the Federal Reserve and the banking industry — an operation that he says has devalued the dollar and made money off the backs of working Americans for the benefit of a few elite - von Nothaus decided to take action.

"When the people own the money, they control the government. When the government controls the money, they control the people," he said, noting that his idea "struck a nerve" with all types of people — mostly those who were sick and tired of sending more tax money to the Internal Revenue Service, paying increasing interest rates to the bank and encountering inflated costs in all areas of life.

"NORFED has a simple solution to the problem, the fraud, the devaluation of the money: stop using their money, start using the Liberty Currency and take back the government, one dollar at a time," he exclaimed.

There are hundreds of Americans who have taken von NotHaus up on his offer and become redemption centers for the currency. There's the restaurant in New Hampshire and the carwash in Austin, Texas. There's the locksmith in Indiana and the chiropractor in California. Von NotHaus says the NORFED offices, based in Indiana, are already getting calls from banks that have received Liberty dollars in customer deposits.

"It's popping up all over the place," he declared.

In addition to providing Americans with an alternative and value-backed currency, NORFED's many Redemption Centers and supporters are spreading the word that the Government is no longer swayed by the will of the people... a situation that von Nothaus says can be corrected if the people take back the money from the hands of a government appointed private institution! In this way, American Liberty Currency has become an educational tool, as well, enlightening Americans to the truth about how their nation's money is created, almost literally, out of thin air.

One Redemption Center Operator says, "Whenever I go into a store or a restaurant, and it comes time to pay up, I show the clerk some FRN's, explaining that these are backed only by the creditworthiness of the government, and then I show them some ALC, explaining that they are backed by silver. I show them how each American Liberty Dollar bears a warehouse receipt for actual silver that they can claim if they wish. About half the time, they take the ALC."

"No one really knows how bad the Federal Reserve really is," he said, insisting that profit-hungry multi-national bankers run the seven-member board, which is appointed to 14-year terms by the president and confirmed by the Senate. This

board is charged with regulating the banks and adjusting interest rates to maintain the stability of the country's financial system.

The board also sets the rates at which U.S. currency is supplied to each of the 12 Federal Reserve banks that represent different regions of the country, thereby controlling the nation's monetary policies.

Von NotHaus said the way the monetary system is now set up (the U.S. dollar has not been gold-backed domestically since 1933 and internationally since 1971) allows more money to flow into the market on credit, without actual money in the banks to back it up. That's why even the threat of Y2K could have spelled such a disaster -- if everyone ran to the bank to liquidate their accounts, there wouldn't have been enough cash to pay them all.

American Liberty Currency, on the other hand, can be exchanged dollar for dollar with the "dreaded" Federal Reserve notes and is 100 percent backed. A warehouse mint located in Idaho stores the gold and silver and produces the (notes) upon receipt. A third party certified professional accountant conducts a monthly audit, the results of which can be found on the NORFED Web site.

"We're actually returning the money to the people," von NotHaus claims. "What's the government to do if everyone stopped using Federal Reserve notes?"

Producing one's own currency for exchange is perfectly legal, according to U.S. government officials, and NORFED isn't the first one to do it — though it may just be the first group to circulate such currency nationally.

The town of Ithaca, N.Y., is probably most famous for its own currency, which is traded all over the community for goods and services. Ithaca Hours, the name of the currency, has been in circulation since 1991 "because we watched federal dollars come to town, shake a few hands, then leave to buy rainforest lumber and fight wars," wrote one columnist on the subject in 1999.

There, the credit union accepts Hours for mortgage payments and loan fees — people even pay their rent with the local currency.

Von NotHaus understands that it will take much effort to flood the market with American Liberty dollars, and that the seemingly prosperous economy today doesn't necessarily prompt folks to bellow for change. But he and the others at NORFED are committed to making that change "one dollar at a time." Recent unemployment increases, unexpected drops in interest rates by the Fed, and a wildly fluctuating market may well indicate that the prosperity is not going to remain so high, however, making it likely that more and more people will seek the more stable currency that is backed up with precious metals!

"We've been sowing the seeds against the wind of a very prosperous time in America," he says. "When the manure hits the fan, that'll be our time. That's when this currency will shine and that's when things heat up."

Precious metals have a long history where money is concerned, as almost every nation on earth has used coin made from gold, silver, copper and other metals, as a medium of exchange. In fact, the relationship of precious metals to money was actually stated plainly in the Constitution: Article 1, Section 10 states:

"No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit letters of credit; make any thing but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility."

Current monetary economic theory holds that precious metals are not necessary to the viability of a nation's money supply. In the case of the United States, the government maintains confidence in the currency by putting "full faith and credit" of the government behind it. As long as the government is politically stable, spends within its means, has a productive economic system, and is not overly threatened by foreign invasion or other international threats, the government-backed (rather than precious-metal-backed) currency remains stable as a store of value.

But then, what could current Federal Reserve Director Alan Greenspan have meant with this statement?

The abandonment of the gold standard made it possible for the welfare statist (government bureaucrats) to use the banking system as an unlimited expansion of credit. In the absence of the gold standard, there is no way to protect savings from confiscation through inflation... Deficit spending is simply a scheme for the "hidden" confiscation of wealth. Gold stands in the way of this insidious process."

All of this being considered, what does the Federal Reserve have to say about NORFED and American Liberty Currency? In January of 2000, the Federal Reserve was confronted with this intriguing question, when the Missoulian, a Montana newspaper, contacted the nation's Central Bank to ask its "Official Position" on the new Money floating around America.

"The way I would respond to NORFED is this:" said Art Rolnick, director of research for the Federal Reserve Bank of Minneapolis, part of the nation's quasi-public, quasi-private central banking system. "The economy is incredibly productive. There's low inflation. The unemployment rate is the lowest in 30 years. What's broke?"

When asked for a more specific response, he said, "If these (NORFED) people want to issue their own money, so be it. It will be interesting to see what the public thinks!"

Claudia Dickens, spokeswoman for the U.S. Treasury Department's Bureau of Engraving and Printing, concurs, saying American Liberty Currency is legitimate. "There's nothing illegal about this," Dickens said after the Treasury Department's legal team reviewed the currency. "As long as it doesn't say legal tender there's nothing wrong with it."

So, there's new currency in town... and it's out to give the Federal Reserve... a run for its money.

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