

Few take Liberty Dollars

By Paul Clark
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ASHEVILLE — Amanda Teer got in trouble with her boss at Port City Java for accepting a Liberty Dollar a couple of weeks ago.

The coin, a gleaming spot of nearly pure silver stamped with a Statue of Liberty head, is a curiosity among some business owners in downtown Asheville -and—elsewhere who have, been approached by Liberty Dollar "associates" or their agents to buy into the alternative currency system.

Liberty Dollars are distributed by the National Organization for the Repeal of the Federal Reserve Act, a national, nonprofit, educational organization. First introduced in 1998, it is a private, voluntary currency for personal and business use only. You can't use them to pay your taxes.

About \$6 million worth of Liberty Dollars are being used by more than 100,000 people in the United States, accepted by businesses and individuals who see them as inflation-proof and good for the local and national economy.

They have value — the \$1, \$5, \$10 and \$500 coins, are made of silver or gold. The certificates, in the same denominations, are redeemable for the coins or for Federal Reserve Notes — the bills in your pocket — on a dollar-for-dollar basis.

The Better Business Bureau of Asheville-Western North Carolina has talked with the Asheville Police Department and has been told that the currency is not illegal, BBB President Norma Messer said.

"We can barter for anything that anyone is willing to take for goods and services," Messer said.

The Secret Service office in Charlotte, a division of the Department of Homeland Security, has not investigated Liberty Dollars, so cannot say whether they are legal or not, said Daniel Paulson, assistant special agent in charge.

The Secret Service is charged with suppressing counterfeit currency.

LIBERTY: Money backed by gold, silver

"The only recognized currency is what is authorized by the U.S. Department of Treasury and printed by the Bureau of Engraving and Printing," Paul-son said.

"If a private group wants to issue 'scrip' or what they call 'money' and a merchant or a person is willing to accept it in payment of goods and services, it is their business," said Claudia Dickens, a spokesperson for the Bureau of Engraving and Printing in Washington, D.C.

NORFED said it has received legal opinions from that department that indicate that, as long as the currency doesn't claim to be legal tender, it's legal.

That doesn't mean it's widely accepted.

A representative of one of the Liberty Dollar agents in the area was in Cookies By Design last week trying to enroll owner Tamra Strentz. But it was no sale.

"I said I wasn't interested in it now, because I keep a set amount of money in my register," Strentz said, "so that if I was accepting Liberty Dollars and had to give change back with my normal currency, my register would end up being short.

"I could end up with a register full of these coins, then I have no money" to take to the bank.

She could exchange Liberty Dollars for real money if she went to visit Kevin Innes across the street hi the Flat Iron Building.

Innes is one of several Liberty Dollar associates in the area who will redeem them for folding money. Jennifer Flynn works hi his office.

Liberty Dollars are backed by gold and silver, like U.S. dollars used to be until the country went off the gold standard in 1913, she said. Now, U.S. dollars are backed by government debt.

"People who use (Liberty Dollars) are trying to make a comment on our current economic system, how it's based on debt, rather than something of tangible value," Flynn said. Because nearly all national corporations do not accept the dollars, they stay in the local economy, giving it a boost, she said.

Paying with alternative currencies isn't unusual, Innes said. Many businesses in Europe accept American dollars and English pounds. Some U.S. businesses along the Canadian border accept Canadian currency.

Maggie Connelly Hill, a Liberty Dollar associate in Asheville, has spent them downtown. She said no one she's offered them to has refused them.

"I grew up with my grandmother not believing in banks," Hill said. "She had hoarded gold coins when they became 'illegal tender' in 1913. She had socks filled with \$1, \$2 and \$5 gold pieces.

"She always told me that only money with weight had any 'real' value. So the move to spending Liberty Dollars was very easy for me."

Port City Java isn't accepting them anymore, after Teer took the one com, she said.

"One of the owners took it to put with a collection of strange coins," she said.

Liberty Dollars

What are Liberty Dollars?

Liberty Dollars, a private currency backed by precious metal, are \$1, \$5 and \$10 coins made of silver and a \$500 coin made of gold, or certificates redeemable for coins or U.S. currency. The \$10 certificate is backed by 1 troy ounce of .999-pure silver. The \$500 gold certificate is backed by 1 ounce of .9999-pure gold.

Where is the silver that backs the notes?

The silver is stored at the Sunshine Minting Inc. warehouse in Coeur d' Alene, Idaho. Sunshine Minting is an independent company that is the supplier of silver products to the U.S. Mint.

Who issues them?

The National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code, a nonprofit organization that wants to return the country's monetary system to gold and silver.

Why does NORFED want to do that?

The current Federal Reserve notes are based on debt, not value, according to the organization.

Are Liberty Dollars legal?

NORFED has gotten an opinion from the U.S. Treasury Department's Bureau of Engraving & Printing that says they are.

On the Net To learn more about Liberty

Dollars: vAvw.fibertydoUar.org

To learn which Asheville merchants accept

Liberty Dollars:

www.ashevillefibertydollar.com