

Money in the Bank

By: Danielle Smith / Staff Writer

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Michael Parkin wants you to know that he is not a crook. He simply wants you to give him your U.S. Treasury-issued money for a new form of currency - one that's at least worth its weight in silver.

Sound strange? It is, but Parkin is one of many people throughout the country on a mission to bring a new currency to the United States, one shining silver coin at a time.

"I'm worried about our current monetary system, and I'm worried about inflation," he said. "Hopefully we can start some change here in Hollister as well as around the country."

Parkin promotes and distributes Liberty Dollars, a currency invented by self-described "money architect" Bernard von NotHaus in 1998. Liberty Dollars are backed by the value of silver and gold, all of which is stored in a vault in Idaho, Parkin said. The premise behind the novel idea is that while the value of the U.S. dollar fluctuates based on a variety of factors such as the national debt, whereas a currency directly tied to value of precious metal is bound to be much more stable.

"When you take a minute and think about it, it makes a lot of sense," said Parkin.

U.S. Treasury dollars are not linked to gold or silver like the Liberty Dollars, Parkin said. If Treasury money was directly related to gold reserves, the federal government would need to have 120,504,158 lbs. of gold stockpiled to cover the approximately \$1.3911 trillion dollars the Federal Reserve reported was in circulation as cash, travelers checks, and checkable currency in April of 2006. It would take almost 50 times the amount of silver to cover Treasury-issued currency. Gold traded at the close of Wall Street yesterday for \$11,544 a pound (\$721.50 per ounce), up 40 percent since November. The Federal reserve uses a ratio to decide how much money is circulating at any given time.

The most popular form of the Liberty Dollar is the fairly large, silver-alloy coin available in \$10 and \$20 denominations, depicting Lady Liberty on one side and a symbolic torch on the other, imprinted with the words "Trust in God." A gold-alloy \$100 coin is also available. Brightly colored paper notes in denominations from \$1 to \$1,000 are also available, and feature some of the most advanced anti-counterfeiting technology available, according to Parkin. Features such as a specific DNA code, silver thread, and the text of the preamble of the United States Constitution all work together to thwart would-be counterfeiters.

"We believe this is actually more difficult to counterfeit than a federal reserve note," said Parkin.

While to the uninitiated the Liberty Dollar might look like "funny-money," no one has yet contested its legality, Parkin said. Rather, von NotHaus compares it to the arrival of FedEx as competition to the U.S. Postal Service. The Liberty Dollar's official website quotes a Federal Reserve official stating that there is no law against alternate forms of currency, and the New York town of Ithaca has long touted their own currency, based on the value of one hour of labor.

After watching a program featuring von NotHaus on the Discovery Channel, Parkin decided to learn more about the Liberty Dollar, and eventually chose to become a Regional Currency Officer, in charge of spreading the good word about the new currency in San Benito County. Currently, there are 300 RCOs in the United States, the most successful of which is located in Austin, Texas, Parkin says.

California boasts 7 RCOs, who recently introduced the California Liberty Dollar, intended to be used only within the state, at a ceremony near the steps of the Capitol Building in Sacramento. The first California Liberty was reserved for Governor Arnold Schwarzenegger, who did not attend the

ceremony.

"We have extended an open invitation for him if he would still like it, we're reserving it," said Parkin.

Parkin only has been affiliated with the Liberty Dollar since January. Though no local businesses currently accept the Liberty Dollar, he is not discouraged, and believes it is only a matter of time before merchants start to realize how they and the community can benefit by a new form of currency.

"When you tell people there's no national currency, they tend to shut down right off the bat," he said. "But Liberty Dollars tend to stay within the community where they are accepted, so it really benefits people who get involved."

For those itching to spend their Liberty Dollars, however, several establishments in San Jose will accept them, and DH Precision, a Morgan Hill-based machinery company, has accepted them for six months.

"Silver is valuable in and of itself, as opposed to paper dollars, I think we might be in some real trouble soon with the current monetary system," said Darrell Holmdahl, who owns the company.

Holmdahl says he doesn't get too many too many customers paying with liberty dollars, but those that do find him from his listing on online directories of Liberty Dollar supporters. He believes that in the long run, however, his decision will pay off.

"These things just go slowly, a little bit at a time, like anything that's new," he said.

To spread the word and prove his legitimacy, Parkin is visiting with local business owners and even plans to be available at the Spotlight on Hollister and San Benito County Trade Show and Job Fair next weekend.

And for those convinced Parkin is working a con, he says he's only interested in reform.

"This isn't a joke, and it isn't a scam," he said. "We're just trying to change the way people look at their money."

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