

# **LIBERTY DOLLAR NEWS: November 2004 Vol. 6 No. 11**

## **CALL TO ACTION:**

Welcome new readers, Associates, Merchants and RCOs! This is an important time - one that must be understood to be on the winning side. Please read the first item, "Where Are We Now?" which I hope you will follow quickly with items 3 and 4. Item 2 should not be missed either, as all your Liberty Dollars may double soon. In short, this is another longer newsletter because these are historic times and there is much to say. Thank you for discovering and now using the Liberty Dollar. It can bring a great positive, prosperous, and peaceful effect to your life, family and community, if you simply take action! Please read this whole Newsletter. Share it and the Liberty Dollar with your fellow Americans. The more people who use the Liberty Dollars, the better your community and our great country will be prepared for the times discussed in item 1. Good luck if you're trusting in the "full faith and credit of the United States" - you are going to need it!

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### **1. Where Are We Now?**

To make an informed decision, we need to understand where we are. When it comes to money, we need to know where we are in the monetary cycle. What does that mean?

It means that the continuum we call 'time' moves in cycles. Times change. History records this as 'good times and bad times'. Over time, our mind works wonders and we tend to forget the bad times and yearn for the 'good old times' even though they were not so good when we were experiencing them. Monetary history, or at least our memory of it, seems to function along similar lines.

Unfortunately, such memory loss will not serve us so well this time. These are critical times for our money and us. This time will be remembered as a turning point in world events. A time that we cannot turn away from. For that reason, we must turn to monetary history to become informed, if we are to make the best of the immediate future and guarantee that these will be 'good old times'.

On November 3, 1918, Germany signed a conditional surrender and brought the First World War to a close. As such, Germany accepted responsibility for the destruction of Europe and agreed to pay an enormous sum to rebuild the Continent. To compound this impossible task, the Allies barred Germany from exporting goods to the rest of Europe.

Well, Germany was a bombed out country. It had no money. And without exports, it had no income coming into the country. It was destitute. But it had a solution! In spite of the fact that the Gold Standard was still the standard, Germany would simply continue to print 'Notgeld' (German for emergency money) to make the first payment which was due six months after surrendering. Of course, this issue of un-backed paper currency was followed by others and others.

Soon Germany was awash with emergency paper money. For indeed, Germany was in an emergency. And it grew worse. Much worse. Workers were paid twice a day and quickly ran out to give the money to their wives so they could buy food before the prices went up. Often, for those who went to a restaurant, they paid for their food when it was ordered, because prices changed while they were eating! Even worse were the people who didn't eat. Many would descend on an unguarded horse standing at a hitching post with meat cleavers and knives, and hack off pieces of horsemeat, right in the street. Times were terrible.

But money was so plentiful that a wheelbarrow was often used to cart it around. And when someone went into the bakery for bread and left the wheelbarrow full of money outside, the wheelbarrow was stolen, but not the money! Money simply depreciated to such a point that it became worthless.

Did anyone see this coming? Did anyone witness his or her own decent into a totalitarian Nazi regime? Of course not. Sure things were 'crazy', but the world had just experienced its First World War - the war to end all wars! Most people, reasoned that if it were really bad, they would know it. That was not the case. Nor is it the case now.

During this time money changed. Just like it is doing now. Laws changed. Just like they are doing now. And just like then, most people saw little change, because it happened gradually. The phrase is 'incrementalism'.

In the beginning it was simply expeditious for the Germans to print some paper money and get on with the reparations as per the terms of the 'conditional surrender'. Don't you understand? It was like the old Perry Mason plot, they 'had to do it'. Not much has changed today.

On January 1, 1919, before all the craziness started, Germans could have bought an ounce of silver for 12 marks. (Remember that number: 12 marks.) Few did. "Why should I have silver?" was the common question. But as the value of the paper currency was diluted with more money, it depreciated and its purchasing power nose-dived. It was only later that the Germans were driven to hacking at horses in the street.

As the once noble German mark continued to sink in value, the price of silver in marks increased, as silver always does because it represents 'real' value. Do you have any idea, what the price of the same ounce of silver was as the mark reached zero in 1923? Pause for a moment and pick out a figure, any figure. 100? Maybe a 1,000? Or even a million? No, none of these will do. What do you think the price was only four years later, on November 7, the day when a little guy with a mustache jumped on a table in a beer hall in Munich and yelled that the revolution had begun? Could an ounce of silver cost more than a million marks? Impossible, would be a reasonable answer. But these were not reasonable time. This was pre-Nazi Germany.

It may surprise you then to learn that it cost 543,750,000,000 (543 BILLION, 750 MILLION) marks to buy the same ounce of silver! In four short years, the price in German marks of silver became all but impossible. The people simply could not outrun the runaway inflation. Nor can we! Do you 'think' silver is expensive now? You know nothing about survival. Unfortunately, we may all find out, all too soon.

Why? Because America now stands at the same place in the monetary cycle as pre-Nazi Germany. We stand at the edge of a precipice and the void before us is so deep that we cannot see the bottom. Not since Rome fell in A.D. 476 and the civilized world was plunged into disorder, have we had such a worldwide problem. The last time the fallout lasted almost thousand years! Now with over 50 percent of the countries holding the US dollar as their 'reserve currency' to protect them from an economic collapse, we face an undeniable emergency. Very few see it. And worse, not many people are doing much about it.

Just like the 'poor Germans' after the First World War, they had no money so they didn't see any reason to buy silver. Soon they had Nazism, less of a life and no money. But the few Germans who knew where they were in the monetary cycle and changed their German marks into the gold and silver backed US dollar, British pound, Swiss franc, or anything even wheelbarrows, not only protected their money, they prospered! After the American stepped in and established a new mark and put Hitler in power, the Germans with the 'smart money' bought back the industries for much less than pennies on the mark. But there were few 'smart' German buyers, most of Germany was bought by the Americas! The same 'Americans' who financed and profited both sides of World War II!

But the current situation is much worse now. Not only is half the world dependent on the fraudulent fiat US dollar, and not only are the Chinese and Russians now dumping the US Dollar, but there is nobody to save us. Trust me, the government cannot, and will not save you. If you don't save yourself, you will be left with nothing more than the motive that drove the Germans to hack at horses in the street.

If this decorum is not quite acceptable for you, then please understand where you are in the monetary cycle and make an informed decision before it is too late. I would like to think that since Americans engineered such a disaster, that 'damn Yankee' can-do spirit will lead mankind away from such a frightening future. If the dollar is not changed, if we do not return our money to a disciplined value backed currency, we will live and die to see runaway inflation, with a tyrannical government protecting us.

What will it take to drive the mindless Americans who accepted the Patriot Act to accept any relief from the disorder? What will it take for Americans to accept a new, high tech feudal order with a security camera everywhere? Initially home cameras would be available but optional. What would it take for Americans to demand a New Order? Simply the disorder of a monetary meltdown. When there is disorder, people cry out for order. Any order! Even order from a Hitler. Remember everything Hitler did was authorized by the German legislature and was legal.

Our future does not have to be so dire. You can simply adopt a plan to move an increasing amount of your money to value - to gold and silver. Will you protect your money? Probably not. Like the human nature exemplified by the 'poor Germans', very few will understand where we are in the monetary cycle and profit. Even fewer will grasp the potential of the Liberty Dollar that would gradually move America towards a peaceful solution for such an ugly worldwide problem.

Please take action! There is nobody to save us, but ourselves. Head off the coming disorder. Get some Silver Libertys for yourself and help preserve civil order. Only by banding together and adopting a free and independent currency which provides us with "just weights and measures" will we be able to throw off the yoke of a manipulated monetary system and generate a peaceful and prosperous society.

We choose, therefore we are free. Either change your money or lose it.  
That is the choice. Please choose your future wisely.

## 2. Crossover Advances

In the April Newsletter, when the Liberty Dollar did not Crossover, I termed it a 'shot across the bow' and said, "Next time it could be for real."

Well, on Friday, November 12, 2004, the spot price of silver crossed \$7.50 for the first time since last April and the Liberty Dollar advanced towards the \$20 Silver Base and the purchasing power doubling. The most amazing part about Friday's price was that while the spot price just went over \$7.50, the 30-Day Moving Average (DMA) was already \$7.22! This simple fact confirms that an enormous base has been built for \$7.50 silver and now supports the Liberty Dollar model to Crossover to the new \$20 Silver Base. Wake up! The US Dollar is sliding into a pit. You are going to wake up poorer than when you went to sleep. Please don't follow the 'poor' German example after the First World War. Please

take action.

Ladies and Gentlemen, this time is much different than April. The country is different after the election. The silver market is different. We are headed towards the most exciting development since the birth of the Liberty Dollar... it is about to DOUBLE!! Unfortunately, when I announced this earlier, very few responded. Most people don't like to buy when the price is low. No, the crowd always looks for a sure thing. And that sure thing is always bought at a higher price...

So hold on, ponder the next article, and please, please don't be like the 'poor Germans' after the First World War. Get silver! You must protect yourself and your money, right now because nobody is going to do it for you. Trust me, the government is not going to protect you! They can't! Their money is the problem. The silver Liberty Dollar is the solution. Your choice, like it or not, is either: Change your money - or lose it. Which will it be?

### 3. Debt Ceiling Explodes

In the last few weeks, King George was re-elected by the masses...no comment is worthy. The wholesale prices increased a whopping 1.7% in October, the fastest pace in nearly 15 years. Remember this is wholesale and retail inflation could be double. What do you think about 3% retail inflation per month? How about 36% inflation per year?! Lets all spell M-O-N-E-T-A-R-Y M-E-L-T-D-O-W-N together. Unfortunately, this time we are not going to have horses in the street to hack at. Hopefully it will not be at each other. Meanwhile, in case there is any doubt, the Federal Reserve has already raised the interest rates because they know inflation is coming! Why? Because they created it by pumping up the economy with the greatest money expansion since our Constitution was signed. Greenscam and the Federal Reserve are telling you - inflation is coming. No! That is a lie. Inflation is not coming! It is here! I just paid \$3.49 per pound for tomatoes! \$4.43 for four tomatoes!

On November 10th James Turk, the founder of GoldMoney said, "From its peak on July 5th, 2001, the US Dollar Index has now lost 30.3% of its value, based on its New York closing price yesterday. It is an alarming statistic, but even more shocking is the following chart, which suggests that the dollar has much further to fall." A few days later, on November 18th Turk again reported, "The US Dollar Index closed in New York today at the lowest level since October 1995. It looks like new lows are on the way." The US dollar is sinking without a lifeline. Why? Because there is no backing, nor discipline associated with this green piece of paper "they" call money. And to cap it all off, those !@# \$! idiots in Congress raised the "debt ceiling". Have you read "Fiat Money Inflation in France" by Andrew Dickson White? White was the Ambassador to France at the turn of the 20th century, and later co-founded Cornell University. When he returned to the States, he toured and his speeches were compiled into this incredible book. Not only is it the single best, small book, that exposes inflation, but he also points out that the course of inflation - economically, psychologically, politically and morally - follows the same course! Please don't be an idiot. Please read this book. Order \$100 Liberty Dollars or more, and we will give it to you.

Just like the idiots after the French Revolution, our !@# \$! idiots in Congress, raised the debt ceiling by \$800 billion, almost another TRILLION DOLLARS. They have no conscience! They can't! They are idiots! Our money is doomed. But it will not happen this year, and maybe not next year as Greenscam mentions in the following article. Rome did not fall in a day. But in a high tech environment, the fall can happen much faster. Rome did not have faxes, emails, or instant messaging. Actually it could happen as quickly as the Federal Reserve pulls the plug. And why would they do that? Why? To fight inflation of course! Don't let this affect you, your family, and your retirement. Get out of "their" money now! Rediscover 'old time religion'. Get back to value. Get silver.

### 4. Greenscam Speaks & Lies

As if Article #3 above is not enough, the old great one babbles. On Friday, November 19th Alan

Greenspan uttered the truth. You can tell he is getting old, when the truth comes out, but then to cover it up, he lies. The Editor's remarks follow the article reported by CNN/Money.

Greenspan concerned with weak dollar

Federal Reserve chairman says U.S. must address trade, budget deficits or face future woes.

NEW YORK (CNN/Money) - Federal Reserve Chairman Alan Greenspan warned the U.S. must deal with the causes of the weak dollar -- the U.S. trade deficit and the federal budget deficit -- or the country could run into economic problems down the line.

Greenspan said that while history has shown that developed countries are not necessarily hurt by a weak currency, "we cannot become complacent. History is not an infallible guide to the future," he said in a speech delivered in Europe.

"More will need to be done in Europe as well as in the United States to ensure that our economies are sufficiently resilient to respond effectively to all the shocks and adjustments that the future will surely bring," he concluded.

Greenspan focused on the nation's current account deficit, the measure of both trade and investments across the national board, which he said has risen to more than 5 percent of gross domestic product, the broad measure of the nation's economy.

"It seems persuasive that, given the size of the U.S. current account deficit, a diminished appetite for adding to dollar balances must occur at some point," he said.

Greenspan said it is therefore important that the U.S. budget deficit be cut, a move that would reduce the current account deficit.

"Reducing the federal budget deficit (or preferably moving it to surplus) appears to be the most effective action that could be taken to augment domestic saving," he said.

"Corporate saving in the United States has risen to its highest rate in decades and is unlikely to increase materially. Alternative approaches to reducing our current account imbalance by reducing domestic investment or inducing recession to suppress consumption obviously are not constructive long-term solutions."

Remarks send dollar lower

The value of the U.S. dollar, which has been hitting a series of four-year lows versus the yen and record lows against the euro during the last couple of weeks, fell following Greenspan's remarks.

The Fed chairman, "left little imagination to currency traders other than to sell the US currency," said Ashraf Laidi, chief currency analyst at MG Financial Group. He said Greenspan's comments warnings about future declines in the dollar unless the federal budget deficit is reduced were particularly telling to the markets.

"This last comment is crucial, especially when the U.S. Congress last night rejected restrictions on tax cuts and spending, and raised the federal debt limit by \$800 billion, to \$8.18 trillion," Laidi said.

Economist Robert Brusca of FAO Economics suggested that he doesn't agree that the speech is a warning from Greenspan about a weak dollar.

"If anything Greenspan is afraid that the dollar will not get weak enough, and as a result the U.S. current account deficit could stay too large for too long," he said.

Brusca concedes that his interpretation is reading between the lines and is not the way some others are interpreting the remarks. But he argues that while Greenspan voiced support for closing the budget deficit, it's really the current account deficit that worries him more. And one way to close the current account deficit is see the dollar drop even farther compared to the other major currencies.

A call to shrink the US current account deficit, as long as we conclude that it is not a call for a recession in the U.S., is also a call for stronger growth abroad and for a weaker dollar," said Brusca.

Not a crisis

Greenspan said that so far the evidence is that there is still strong demand for U.S. assets by overseas investors and central banks. Those investments help limit the current account deficit and keep the dollar from sinking further.

"We see only limited indications that the large U.S. current account deficit is meeting financing resistance," he said. He added, however, "Net claims against residents of the United States cannot continue to increase forever in international portfolios at their recent pace.

"This situation suggests that international investors will eventually adjust their accumulation of dollar assets or, alternatively, seek higher dollar returns to offset concentration risk, elevating the cost of financing of the U.S. current account deficit and rendering it increasingly less tenable," said Greenspan.

Greenspan said he did not foresee a crisis in markets if the United States does not close its so-called twin deficits. While he didn't identify what potential crisis he was referring to, some economists have suggested that a sudden collapse in the value of the dollar was possible without taking steps to close the deficits. Greenspan's comments seemed to dismiss that worst case scenario.

Greenspan began his comments saying he was speaking as an individual, not for the Federal Reserve. Editor's remarks. Friday's remarks by Alan Greenspan are very telling, and to quote Bill Murphy with GATA, "...will probably be a watershed event which will probably rank higher in historical importance than his "irrational exuberance" comment." When Greenspan said, "[The US] must address trade, budget deficits or face future woes." he spoke the truth. When Greenspan said that he "did not foresee a crisis in markets if the United States does not close its so-called twin deficits", he lied.

A more truthful opinion was offered by Robert McTeer, the outgoing President of the Dallas Federal Reserve Bank, at a speech in New York on October 7, when he said, "The record U.S. current account deficit will lead to an inevitable decline in the value of the dollar, a drop that might be rapid and provoke a financial crisis."

Of course, we do not know if Greenspan was referring to the same 'crisis' that McTeer mentioned, but if he didn't lie about the coming crisis, he must be living on a different planet. Maybe he is still paying less than a buck for a gallon of gas. In fact, I bet the Chairman is chauffeured everywhere and has not bought gas in years! Talk about being out of touch! Just like most idiots. Let us hope this crisis touches him... as it will certainly touch all of us.

5. Christmas Comes

This is a very special time of the year, regardless of your faith. Praise the Lord! So I wish everyone a very special Merry Christmas and Seasons Greeting. Thinking of gift giving? Silver makes a wonderful gift. Giving "real value" means so much more than just a gift. And the beautiful Silver Liberty is even more special because of the ideals it represents. Please consider giving silver RIGHT NOW because there is a limited number of Liberty Dollars on hand for Christmas. All orders will be filled on a first come - first served basis. For example, I think we only have 19 Beautiful \$50 Silver Libertys and about the same number of Commemorative Sets with the \$10, \$5, \$1 Silver Libertys for only \$44 each set are available. Please order TODAY, if you want delivery before Christmas. We have a limited amount of stock available between now and Christmas, so please order now so you are not disappointed...

6. How to Use the Liberty Dollar

Are you having fun with the Liberty Dollar? Thousands of people just like you have discovered the solution to understanding money and are using the Liberty Dollar. And you can too! Here are a few tips to help you use the new currency successfully.

1. Please don't attempt to educate people about money when using Liberty Dollars.

2. Although prudence would seem to indicate that people would refuse a currency they've never seen, this is simply not the case. After thousands of transactions, the Liberty Dollar is readily accepted most of the time. It is meant to be SPENT!

3. Simply offer The Liberty Dollar with the confidence that it will be accepted. After all, why wouldn't it? When you offer the American Express Card, if it is not accepted, they tell you. Likewise, if the store does not accept Liberty Dollars, the cashier will tell you and you can simply pay another way.

4. "Do the Drop!" The best way to introduce the Liberty Dollar is to drop the Silver Liberty in someone's hand. Do not hand it to the cashier, Drop it! Hold the one-ounce Silver Liberty a couple inches above the outreached palm and drop it so it lands flat in the person's palm.

5. Now the hardest part - don't say anything! Just wait. Let the person marvel at its beauty, weight, and discover it says TEN DOLLARS. If you are asked anything, just keep your answers short. Remember to KISS - Keep it Short and Simple.

6. When asked "Is it real?" Answer: "Yes, one ounce of silver, 10 dollars." Do not rush. Just stand there and wait, patiently. No need to smile. Just wait.

7. After 30 seconds, say, "I have the paper [show the cashier FRN cash], but would prefer to pay with silver." If the cashier hands it back immediately, you may ask her to show the currency to the manager, or just pay some other way.

8. Never use a Silver Liberty alone unless the sale is greater than \$5 and less than \$10. If the total is greater than \$10, include the Silver Libertys with FRNs.

9. The Federal Reserve does not require anyone to understand the monetary system to use their currency. In fact, they thrive on the people's ignorance about money. The Liberty Dollar simply brings competition to money in the marketplace.

10. Read hundreds of Success Stories online that tell how the Liberty Dollar has been actually used in commerce by people, just like you.

11. Email your own Success Story when you have an outstanding experience using the Liberty Dollar. We want to hear from you!

12. IMPORTANT: Regardless of how you choose to use the new currency, never misrepresent the Liberty Dollar as US currency or legal tender. It is neither.

Now, give the Liberty Dollar a try. Discover the fun for yourself! Make money, do good, and have fun while returning America to value - one dollar at a time.

7. New Toll Free Phone Number: 1.800.NEW.DOLLAR

Yes, we have our own vanity phone number, but I don't want you to use it. We got 1.800.NEW.DOLLAR because it is easy to remember for marketing the Liberty Dollar - indeed the New Dollar. But it is very expensive for us to use. So as you are reading this newsletter, you must already know about the Liberty Dollar and that it is distributed by a non-profit with a mission to save our country's monetary system and the people it serves. As such we don't need to increase our phone bill, please. So if you are going to call, please call on our regular toll free number: 888.421.6181. That way we will have another Liberty Dollar to return America to value - one dollar at a time. Thank you.

8. Use New "Hero" Image

Have you been to [www.LibertyDollar.org](http://www.LibertyDollar.org) recently? What the government says about the Liberty Dollar is linked to the actual article. The masthead is also improved. Now look again at the big "Hero" image on the home page. Looks the same? It isn't. Pause for a moment and look at the Gold Liberty, it is different. It is BEAUTIFUL! The image has been updated and if you use this image on your site, please

upgrade your image with this one. You may not notice much difference, but trust me, to a new viewer, it will look more impressive. Plus the new image has no background, i.e. 'no fill' so it is easier to use. And of course, we will have a new Hero image when the Liberty Dollar crosses over to the new \$20 Silver Base and we add the new \$20 Silver Certificate. So stay tuned. We are going to keep changing until we change our money back to a value backed currency for ye shall have "just weights and measures".

#### 9. Incident of the Month

Although we have heard some rumors of potential incidents, we have not received any confirmed reports to announce. Please continue to notify the NORFED office via phone or email as soon as you have any incident with any government official. This remains very important to our overall success. Thank you for your support.

#### 10. Question of the Month

QUESTION: Jim Thelen comments and asks: Here is what I don't understand. An ounce of silver that had \$10 stamped on it will now have \$20 stamped on it. It is still an ounce of silver. Why would I want to spend \$20 FRN for a Liberty when I can still buy a US silver dollar for around \$10, or [generic] round for \$9? I agree with you that the US dollar is going down and silver is a good store of wealth, but would I not be better served getting the most silver I can for the present FRNs?

ANSWER: First, as a Liberty Associate you will not exchange those dreaded FRNs at \$20 for ALDs because you can get the Liberty Dollars at a discount. Second, by the time that the ALD Crossovers to the \$20 Silver Base you will not be able to buy US Silver Eagles at \$10. And while you may be able to buy generic one-ounce rounds for less, you will not be able to use them in commerce, nor will they do anything to resolve our country's monetary problem and the impending crisis. What differentiates the Liberty Dollar from its competition is that it provides a working model and profitable solution for anyone who wants to protect their purchasing power, make more "real money" AND take an active role in returning America to value - one dollar at a time. I would hope that would include you, Jim.

#### 11. Liberty Associate of the Month

The Liberty Dollar is continuously blessed with bright, gifted, and active Associates. Every once in a while, they become RCOs. And some times, they do amazing things. Such is the case of this Month's Liberty Associate. Ever since Karl Reile has discovered the Liberty Dollar he has been hot with fresh new ideas. When I visited him and his family in Buffalo, New York while on tour this year, I was impressed with Karl's efforts in support of the Liberty Economy. From getting a good group together, blowing up a chart for my use, which has become standard in my presentations, to his latest development of a "Merchant Placemat" which increased usage of the Liberty Dollar by 800%! Karl has set a high water mark in Associate activism. Thank you Karl for all your efforts, they are the very heart of our movement and the reason for our success.

#### 12. Quote of the Month

"The best argument against democracy is a five minute conversation with the average voter." Sir Winston Churchill

#### Closing Remarks:

Now in our seventh year, let us acknowledge our success and be focused on 2005. It is encouraging how many more people are waking up to the validity of the Liberty Dollar as a new functioning currency. If you are still on the fence about accepting the value-backed currency, then ask yourself, what will it take for you to join the party? Please call NORFED or your local RCO and get your questions answered. Then get some Liberty Dollars. It is truly fun to use the new gold and silver currency!

Many thanks to all the Liberty Associates, Merchants, and RCOs for your continued support. For it is



only by banding together and adopting a free and independent currency which provides us with "just weights and measures" that we will be able to throw off the yoke of a manipulated monetary system and generate a peaceful and prosperous society.

Thanks again for all your efforts to return America to value - one dollar at a time!

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