

LIBERTY DOLLAR NEWS: December 2005 Vol. 7 No. 12

CALL TO ACTION:

WOW... Vol. 7, No. 12... another year! Welcome new readers, Associates, Merchants and RCOs! I trust your orders are arriving as the Office digs out from all the orders from thousands of people, hip to the Liberty Dollar, that rushed to "double their money" before the Liberty Dollar moved up from the \$10 to the \$20 Silver Base and doubled in Face Value. Creating monetary history while developing a new value based currency is just part of our noble purpose. Happily, you have discovered that the Liberty Dollar and it will have a positive, prosperous, and peaceful effect on your life, family, and community. So please take action! Start by reading this whole Newsletter.

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1. Rebirth of Profit - Margin Returns

Without a doubt, regardless of your motive to use the Liberty Dollar for patriotism or profit - as both are acceptable reasons - this is the best time and the most profitable time to use the Liberty Dollar. Here's why:

Of course, in the beginning, back in 1998 when the Liberty Dollar was introduced, we started at Square One. Jim Thomas, Sarah Bledsoe and I were the first three "Redemption Centers" which have since become Liberty Associates. At that time there was very little support from all the talking heads who said they wanted "real money" but really didn't. And while it only cost \$30 to join and get the new currency at a discount, very few people took action at that time.

To make matters worse, during October of 1998, silver averaged below \$5 per ounce! (Chart: http://www.kitco.com/scripts/hist_charts/goldyear_new2.cgi). So while we had a great margin between silver (cost of materials) and face value (retail), we didn't have very many supporters (customers)! All we had was margin because very few people took the currency seriously. And their biggest complaint was "Why should I pay twice the price for silver?" Of course that question was dispelled with our classic paper, which positioned the Liberty Dollar as a currency, not as an investment or even as a substitute for buying silver.

So the company had great margin, i.e. great profit potential to pay its bills, but no volume. No customers. But somehow the invisible hand of Providence, in the all-knowing marketplace, provided. The Liberty Dollar grew as the price of silver went up. More and more people discovered the little currency and our number of supporters grew as they enjoyed the benefits of a value-backed currency. Eventually the rising price of silver (in FRNs of course) squeezed the margin against its \$10 Face Value and most of the profit disappeared. And while there was "no money to be made with the Liberty Dollar," Providence continued to provide the company with enough volume to survive and prosper.

Praise the Lord!

During the first seven years, first it was no volume, then it was no margin that provided for the company's success. I am happy to tell you that now we have both! YOU have both! The Liberty Dollar market is the biggest and the margin is the best it has ever been. While some talking heads in 1998 said that people would not accept an ounce for \$10 with only \$5 of silver in it, we proved them very wrong. Likewise, again today there are the same talking heads who say that people will not accept an ounce for \$20 with only \$10 of silver in it, or a half ounce for \$10! So people just don't get it. Unfortunately, some just don't want to get it. I am glad you are not one of those people.

Currently, with silver under \$9, Liberty Associates can get the new \$20 Silver Liberty Dollar for less than \$16.00. That's a \$4.00 margin with over 20% profit. The largest ever and just for using the currency! Remember that even a 10% profit at the new \$20 Silver Base is twice the dollar amount than 10% profit at the old \$10 Silver Base. Anybody want to make some money? Start using the Liberty Dollar.

Please be advised: Margin and Volume have united to provide profit and a genuine solution to our country's monetary problems. Without a doubt - this is the best time and the most profitable time to protect your own money. As Adam Smith so poignantly presented in "Wealth of Nations" in 1776: "when we each do what is best for ourselves, we create the 'common good' in the marketplace that is best for everyone." Don't believe the talking heads. Display unabashed patriotism and take action now. We can save the country's monetary system and re-establish its founding values. We don't have to have a monetary crisis, although history surely indicates we will. And if that unfortunate history is our future, then by all means, you should get as many Liberty Dollars as possible. You should tell everyone about the Liberty Dollar. Change the money / Change the country.

2. Fall back to \$10 or Move Up to \$50

Will the Liberty Dollar "fall back" to the \$10 Silver Base? Will the U.S. government bring back a gold and silver currency and balance the budget? Neither is likely. It is an unfortunate state of affairs our country finds itself in. And like Rome, most of the people are totally unaware of the problem. For the Liberty Dollar to return to the \$10 Silver Base, the 30-day moving average for silver must stay below \$6.00 an ounce for 90 consecutive calendar days. This seems as unlikely as the government returning their money to value anytime soon.

Meanwhile, it is far more likely that silver will continue to move up in an upward trending, saw-tooth manner. Expect leaps up and downward corrections. Some will be major as the silver market is volatile. Do not watch the market. Live the market. The trend is your friend.

The next major planned event for the Liberty Dollar would be the Move Up to the \$50 Silver Base. WOW! That will be a leap as the currency will not just double, it will Move Up 2-1/2 times! Why? Simply because the Federal Reserve does not make any \$40 bills. And while the Liberty Dollar is NOT linked to the FRN, it is designed to mirror the Federal Reserve system so it will function in parallel in the marketplace.

To Move Up to the \$50 Silver Base, the 30-day moving average must stay over \$16 for 45 consecutive calendar days. Please note that each Move Up requires a longer time period to accommodate the increased volatility of the silver market. If the market were any indicator, it would appear that the Move Up to the \$50 Silver Base could happen in less time (seven years) that it took to Move Up to the current \$20 Silver Base. Time will tell. Get ready! Silver is going way past \$50. It is going to the moon. How much money do you have to protect?

3. Running Balance on eLD Account

Have you checked out the View History function on your electronic Liberty Dollar (eLD) account?

Ever wonder where your eLDs went? Well we thought it would be handy for you to see a running balance and added that feature to the View History page. Check it out. Just log in to your eLD account and click on View History in the bottom navigation tray and poof! There it is! Your running balance at the left end of every transaction line in your eLD account. Hope this helps. As always, when you have an idea to improve our currency, please let us know.

4. Ex-Treasury Secretary: Economic Outlook Bleak

Recently, the free online service NewsMax ran this interesting article from BusinessWeek:

Robert Rubin is once again happily ensconced on Wall Street, serving as director and chairman of the executive committee at Citigroup.

From that perch, the former Clinton Treasury Secretary told Maria Bartiromo in her weekly BusinessWeek column that the U.S. economy is at a critical juncture.

Rubin says we must be concerned with "the enormous global imbalances, particularly those focused on the U.S. - the fiscal imbalances, trade imbalances, virtually [nonexistent] personal savings compared with debt."

"[It faces] a competitive challenge of historic dimensions coming from China, India and many other emerging-market economies," says Rubin.

"India, China, Korea and Southeast Asia will be the most robust part of the global economy and will become the center of it over the decades ahead. At some point in that period, China will likely become the world's largest economy."

Later, Bartiromo asks how can anything get done, given the disarray and disruptions at the White House.

"The things we most powerfully need to do are difficult politically, and I don't see any movement," Rubin responds.

"The projections of mainstream forecasters haven't changed: \$4.5 trillion to \$5 trillion of deficit over the next 10 years if the 2001-02 tax cuts are made permanent. When you get to the middle of the next decade, the rate of growth of Medicare and Social Security all of a sudden increases rapidly because baby boomer retirements increase dramatically," he says.

"The federal health-care challenges represent five or six times the problem of Social Security. Meantime, you have competition from emerging markets. Can you get things done? I suppose. But we need a vastly improved education system, basic research ... and nothing is being addressed."

On deficits, Rubin isn't that much more optimistic. He tells Bartiromo that the U.S. deficit just doesn't add up in good economic terms. "It's not indefinitely sustainable to have these deficits and imbalanced accounts. If you had enormous savings rates, then maybe. But we don't have enormous savings," says the former Treasury Secretary.

Rubin does give the thumbs-up on Federal Reserve Chairman-in-Waiting Ben Bernanke, calling him a good choice.

"I've said that I thought the next chairman, in addition to being deeply knowledgeable about macroeconomic theory and insightful about reading data, could well need the experience to deal with market disruptions, given the enormous global imbalances we have...and [Bernanke] doesn't have that experience around markets."

"But he is fortunate because the Fed bank of New York has a long tradition of good capability with respect to markets, so he has a lot of [experience] he can call on."

Editor note: Only if you are familiar with the Council on Foreign Affairs can you truly appreciate the hidden message of urgency in this article. Please google the CFR to learn who really runs the government, owns the Federal Reserve, and tries to control your life.

5. Special Reminting Fees to End

Please be advised that the actual date for the 60-day Special Reminting Fees is January 20th as the actual 60 days falls on a Sunday. The Special with reduced reminting fees will expire on Friday, January 20th. All orders must be postmarked or arrive via the Internet by Midnight, on Friday, January 20th.

Remember: If you have one ounce \$10 Silver Libertys, you can exchange them for one ounce \$20 Silver Libertys with a reminting fee of only \$1.50 each through your RCO or the National Fulfillment Office in Evansville, Indiana. The \$1.50 reminting fee is a SPECIAL OFFER FOR ONLY 60 DAYS: from November 24 to Friday, January 20. After January 20th the reminting fee will be \$3.00 for each \$20 Silver Liberty and \$1.50 for each \$10 Half Liberty. And while still a great rate to "double your money," the Special represents a 50% saving.

The "2 for 2 Special Offer" is also available during the Special 60 Day Offer. For only \$2 FRN you can get TWO \$10 Half Libertys when you trade in ONE old one-ounce \$10 Silver Liberty. Having two Libertys could double the Libertys you use and introduce twice as many people to the Liberty Dollar. Just think, now you can double your impact for only a half a dollar more than the \$1.50 reminting price. This offer also expires on Friday, January 20th.

6. Badnarik at Liberty Dollar University 8

Signed up for LDU8? Well this one promises to be the best to date. It will be professionally video taped by Wayne Hicks' production crew! Plus Michael Badnarik will teach his famous Constitution Class on Sunday. Plus, a "Liberty Dollar Night" is planned at a local nightclub on Saturday. Still only \$200 for 2-1/2 days of mega info on the Liberty Dollar, Saturday night live, and \$100 for the Constitution Class. Open to any Associate or required of all RCOs who have not attended before. If you are serious about the Liberty Dollar, and its goals to return America to a value based currency, please come to LDU8 in Pensacola, Florida. LDU8 starts with a Meet/Greet on Wednesday evening, January 18 and concludes with a working lunch on Saturday, January 21, 2006. Please call the Office for hotel info, etc., and to register. Hope to see you there! You must register to attend.

7. New \$20 Silver Base Brochure in January

Announcing a new brochure featuring the new \$20 Silver Certificate and \$20 Silver Liberty will be available in mid-January. As usual, we would like to get as many of these new, updated brochures in circulation as possible. Please note all new brochures ordered in the next 30 days will be specially priced at only \$7 for 100 including shipping. No maximum, so load up, as these will be good until we Move Up to the \$50 Silver Base.

This Offer expires on January 31, so please order now, and the brochures will be shipped as soon as they arrive in mid-January.

8. Letter / Article to the Editor

Every so often the ALD Forum shines with real insights and rallies to the aid of newbies' questions about the Liberty Dollar. Recently Steve Gus, a Liberty Associate, penned a post that addresses the "Difference between Spot and Face Value" of the Liberty Dollar. Here is his explanation:

#1) The Liberty Dollar is not valued by its silver weight alone. To make an argument which values it by its silver weight alone- is like arguing with a gun dealer that you will only pay the value of the weight of the materials in the gun - as that is its "intrinsic" value, and that you disregard any further

markup, design, and purpose in the gun or money as deception and a rip-off.

The Liberty Dollar is a currency system, in which part of its design is silver backing - there is a lot more to the currency besides the backing - to include a completely different purpose that is above and beyond a store of value and market-based return on a silver investment. Arguments that do not address the entire value of the Liberty Dollar - such as those that focus on the value of the silver backing - are misrepresenting the value of the Liberty Dollar - whether that is the intention or not. Those that do so, after having learned that the Liberty Dollar is not just valued by the backing in it, rather that it is something other than an investment in silver - are being intellectually dishonest, or perhaps are just a bit slow on the uptake.

#2) The Liberty Dollar (ALD) is proven in the marketplace, and significantly more than 1% of the population - given the opportunity to accept a Liberty Dollar at face value - does so. In fact, you might be surprised to learn that much of the market accepts an unbacked piece of paper that cost \$0.042 to print, regardless of its face value is \$20, \$50, or \$100. Stunning things like this happen all the time - so let's move off of the theory that is not necessary, and onto actual practice where we can make more progress.

#3) The Liberty Dollar is worth what the market will give for it, what you are willing to accept for it, and what you can spend it toward. Given this scenario - if you only see the ALD as valued by its silver backing - you are ripping yourself off, because you do not need to accept merely spot plus a few points for an ALD - that is a choice. The market has already demonstrated it will accept unbacked, printed paper at face. Why would you think that they wouldn't accept a similar thing that is also backed by one ounce of silver? Well, the market has demonstrated that it will accept the money, at face value, and in doing so they are getting significantly better money. Additionally, they are putting more money in the hands of the merchant, further helping the economy, and helping to return the power of people's money back into their own hands.

#4) The ALD is voluntary. If you are in the situation of point #3, where you believe the ALD is not representative of what you paid for it (never mind the FRN has much less backing and is spent every day), then you are ripping yourself off - and if you can not/will not wrap your mind around the entire ALD concept rather than just the silver backing - then you probably SHOULD NOT use it, for your own sake. Consider that advice to protect you from yourself - to prevent you from ripping yourself off.

#5) The ALD solution is not an either/or logical fallacy - you can continue to use the FRN while you use the ALD in manageable bits and pieces - and in fact, I recommend this.

Editor note: Thank you Steve for the well-reasoned answer to a post on the ALD Forum, which is available at ALD-forum@yahoo.com.

9. Success Story / Incident of the Month

As the Office recovers from the Move Up, it is temporarily behind on posting the Success Stories, but please keep sending them in. It is important to hear of all the ways the Liberty Dollar is being used.

Meanwhile, would you believe it that the Associated Students of UCLA have banned the Liberty Dollar? What else can you expect from a "state" school? This simply confirms that denial is a key stop on the road to discovering the truth.

As Lue reports: Liberty Dollar Banned at UCLA:

The Associated Students of UCLA is the organization that runs and maintains the student stores and restaurants on the UCLA campus. Recently a security alert was sent out to the campus stores ordering them to not accept the Liberty Dollar. ASUCLA stores can be reached at (310) 825-6064. I would hope that other large institutions could be prevented from taking this unfortunate stance on the Liberty

Dollars.

Editor note: Thanks Lue. I don't know if such action can be prevented, but certainly by informing the merchant that he can use the Liberty Dollar at a profit and because it is silver based that it may not be accepted for deposit by a bank, usually goes a long way to safeguarding this situation from developing.

10. Question of the Month

QUESTION: Why is my credit/debit card charged before my order is shipped?

ANSWER: First, let me apologize for the late orders since the Move Up. Although it is good that the Liberty Dollar is so busy and gaining acceptance, it is disappointing that the Office has been slow in recovering after the historic Move Up. But now that we know what to expect, we will be much better prepared for the Move Up to the \$50 Silver Base.

Second, as the Associate Rate is based on the daily silver price, the only way the Office can "lock in" that rate is to charge your credit/debit card. Higher silver prices would mean higher rates for the cardholder. Likewise, cardholders should be rewarded if there are lower silver prices. Charging the card at the time of exchanging FRNs into ALD is usually not a problem, while orders are filled within a month. This becomes more acute when the orders are not filled as expected. We apologize for the delays and promise to continuously grow the organization to meet the need for Liberty Dollars.

11. Liberty Associate of the Month

Like the millionaire next door, it is often not the biggest name that makes the most money or does the most good. Sure, having a big base to work from is an asset, but America was built by ordinary people doing extraordinary things because they have the freedom to do what they wanted to do. Kind of sounds like the Liberty Dollar, doesn't it? And so it is with the Liberty Associate of the Month. Without creating a stir, and just by casually explaining the benefits of the Liberty Dollar, this successful RCO has made big strides in developing a successful Liberty Dollar model for everyone in our "Free Money Movement" to follow. And for those reasons, I am very proud of name Pete Hallock as our Liberty Associate of the Month. If you ask Pete why he is so successful, he will probably tell you that he doesn't do much... just presents the benefits to the merchant and consumers with consistent and steady support of the Liberty Dollar. Congratulations Pete and thank you for your well-paced support. You are an outstanding example of why the Liberty Dollar is succeeding.

12. Quote of the Month

"A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy, followed by a dictatorship. The average age of the world's greatest civilizations has been 200 years." Alexander Fraser Tytler, Founding Father

Closing Remarks:

Now well into our 8th year and with the \$20 Silver Base working its way into the local economies, it is time to plan another great year. Got an idea of what we should do? Well, let us hear it. Still have some questions about the Liberty Dollar and how it can save America, if not the world from a major monetary crisis? Please call the Office.

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" will we be able to throw off the yoke of a manipulated monetary system and generate a peaceful and prosperous society.

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

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