

CALL TO ACTION:

ATTENTION... This Newsletter is unusual! READ THIS WHOLE NEWSLETTER. Every article is important to you if you are active with the Liberty Dollar. And, of course, if you are not active, you are probably not reading this notice.

Welcome new readers, Associates, Merchants and RCOs! From the Exposé to WW III to the new site and all the problems you should know about, plus the new \$5 Quarter Libertys... this is a blockbuster issue! Every month I doubt that there is a need for yet another issue of Liberty Dollar News... there is no doubt that this one was necessary. Please read this whole Newsletter. Then send it to your email list. Tell someone new about the "inflation proof" Liberty Dollar. Change your money or lose it.

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1. Exposé on the Money Master

Once again I am indebted to my mentor, Liberty Associate and friend G. Edward Griffin, for addressing a situation that has long disturbed me and should disturb you. Below is Ed's exposé on Bill Still, fiat money advocate and no friend of the Liberty Dollar. Even more disturbing is that Bill Still was advocated at Peymon Mottahedeh's recent 2005 Atlanta Freedom Conference on November 11-14, 2005, will be featured at Steve Hempfling's upcoming 2006 Freedom Rally August 18-20, 2006, in San Jose, California, and often in Willis Carto's American Free Press, in lieu of the Liberty Dollar. I urge you to question your organization if they support Bill Still and his Fiat Money Masters video. One reason I introduced the Liberty Dollar solution to regular people like you and I, was my horrible experiences with faux organizations and do-nothing leaders. Always asking for money but never doing anything really concrete to solve the money problem. Regardless of who you put your trust in, Lew Rockwell, Mark Skousen, John Birch, John Kotmyer, etc., if your organization is not actively supporting the Liberty Dollar solution and its mission to return America to a value based monetary system, then I encourage you to run like hell from that faux leadership and find an organization worthy of your support. Please read Ed's following exposé and take appropriate action immediately. Stop giving money to organizations that don't do anything to solve the problem!

MEET BILL STILL, FIAT-MONEY ADVOCATE

An analysis of the documentaries Money Masters and Capital Crimes

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Those of you who have seen the video documentary, *The Money Masters*, written and produced by Bill Still, will be surprised to know that Mr. Still is a strong advocate of fiat money, and you may have missed that message in his video. In any event, anyone interested in the concept of false leadership and non-solutions should find my analysis of his works worth reading.

The purpose of this analysis is to evaluate two video documentaries on monetary issues that were written and produced by Bill Still. One is *The Money Masters* and the other is *Capital Crimes*. They are excellent productions with a great deal of history and professionally created images. They tell the story of our debauched monetary system based on fractional-reserve banking. There is just one problem. They offer a false solution - which is to say they offer no solution at all. The alleged solution is that we abandon our present fiat money system and adopt another one similar to it. Yes, they actually advocate FIAT money! The proposal is that we should take the power to create money-out-of-nothing away from big, bad bankers and turn it over to nice, trustworthy politicians. In my view, it is very naïve to think that politicians are more trustworthy than bankers. The problem with money created out of nothing is not who does it but that it is done at all.

These documentaries remind me of William Greider's book, *Secrets of the Temple*, which was offered to the public as a scathing exposé of the Federal Reserve System. Greider's history was excellent, but his conclusion was fatally flawed. After having proved that the Fed was conceived as a weapon of the banking elite against the common man and having shown that this is exactly the function it has always served, his conclusion was not to abolish the Fed or even to make serious changes to it. His "call to action" was simply to stop worrying about it. The Fed has made mistakes, he said, but we have learned many lessons along the way. All we need now are wiser men to run it! That is the kind of solution that made his book acceptable to the giant publishing house, Simon and Schuster. It is no solution at all. The elite do not care what we know about a problem they have created if we do nothing to solve it. They are good at putting forth their own opposition - writers like Greider - who will sound the alarm and rally the troops but lead them - nowhere.

More recently, Simon and Schuster published another book in this same genre, *Day of Deceit; The Truth about FDR and Pearl Harbor*, by Robert Stinnett. It is a blockbuster of facts and previously hidden documents proving conclusively that FDR, Secretary-of-War Henry Stimson, General George Marshall, and many others in the Roosevelt Administration secretly plotted to cause Japan to successfully attack Pearl Harbor. They did this to create an excuse for bringing the United States into World War II, which they desired for political reasons. So, what was Stinnett's conclusion? Was it to condemn these men for their treachery? Not at all. It was that this act was justified because it helped put a stop to Hitler in Europe. In other words, to halt totalitarianism in Europe, it was necessary to adopt totalitarianism in America, and to do so was an act of statesmanship! Once again, Simon and Schuster provided the American people with a false opinion leader. What's the point of getting all frothed up over a president lying to the voters and deliberately causing thousands of Americans to be killed if we are then to decide that he was a hero for doing so?

That is exactly what Bill Still has done in his documentaries. The solution to fiat money is not MORE fiat money. It is REAL money based on tangible assets, and none has yet been discovered that serves as well as gold or silver. The assertion in the videos that wooden sticks were successfully used in England as money is grossly misleading. Tally sticks were occasionally used like government-issued script that could be applied to the payment of taxes, but at no time in history were they ever used as a medium of exchange for substantial economic transactions. To propose that we now can live with fiat money based on that myth is a non-solution of the highest order.

Still points with admiration to some of the darkest days of the American Republic. He praises Lincoln for issuing debt-based money, called Greenbacks, during the Civil War even though this was a blatant violation of the Constitution. His argument is not that this was a desperate expediency required by the urgency of war, but that this was an act of brilliant monetary statesmanship. In a similar vein, he approvingly surveys the early colonial period in which colonial governments resorted to printing-press money without silver or gold backing. It led to disastrous inflation and was devastating to the common man; but he says this was caused, not by flooding the colonies with fiat money, but by England forcing the colonies to STOP the practice! He relies on the words of Benjamin Franklin to support his case, and, indeed, Franklin speaks forcefully. Still does not explain that, although Franklin was an advocate of fiat money in the early years, after the experience of rampant inflation had taught its painful lesson, such a view was in the extreme minority. Still makes it appear that Franklin was expressing the consensus of the Founding Fathers when, in fact, it was just the opposite.

Still claims that it would be a mistake to return to a gold-backed monetary system because most of the world's gold now is held by the bankers. This is a deceptively appealing argument. First, it is not true. Central banks do hold more gold than any other single entity; but the total inventory of gold in the hands of private citizens, as bullion or coins or jewelry or known deposits in working mines, is much larger. If money were to be restored to a precious-metal base, this largely invisible reserve would be more than adequate to supply the demand. We must remember that the limited supply of gold as a monetary base is an advantage, not a disadvantage. If it were not scarce, it would not have utility as money. The smaller the supply, the more valuable it is. As pointed out in *The Creature from Jekyll Island*, any amount of gold or silver will work just as well as any other amount. The only difference is how valuable each unit of measure will be. The argument that "we don't have enough gold in the world" is without foundation, and those who say this do not understand the fundamental mechanics of money.

Bill Still does not make this argument but he comes close when he says that most of the world's gold is held by the bankers. Even if this were true (which it is not) we need to ask a question: If gold is so useless as a backing for money, why are the bankers trying to acquire it as fast as they can? And why are central bankers so strongly opposed to gold or silver-backed currencies? The answer is obvious. It is because precious metals still are, and will continue to be, a universally recognized storehouse of value, and that value cannot be manipulated by bankers OR free-spending politicians. But fiat money CAN be - and always will be.

This brings us to the crux of the matter. Still claims that, because the bankers have operated a gigantic monetary scam for hundreds of years, it is time to break their grip over our lives and establish a fair and honest monetary system. We could not agree more on that point. But then, in the tradition of Greider and Stinnett, he attempts to lead us to a non-solution. He claims that we should take this power from the bankers and give it to the politicians, because they are chosen by the people and, therefore, can be trusted.

In my view, this is the most naïve concept since Adolph Hitler won the elections in Austria as "the man you can trust." We must not forget that politicians gave this monopoly to the bankers in the first place. Politicians continue to cooperate with the system in all of its corruption. Politicians derive huge benefits from this system and repeatedly place their careers above the public good. Politicians vote the bills that spend more than comes in from taxes and thereby create that hidden tax called inflation. Politicians write the laws that take away our liberty in the name of fighting terrorism or crime or drugs. It is the height of folly to design a plan of monetary reform based on the assumed wisdom and incorruptibility of politicians.

If this morning we were to give politicians the right to create money out of nothing, by noon they would be swarmed by lobbyists from the banking industry, and by nightfall, most of them would have sold their souls. Nothing would change except appearances. The only solution that the power brokers fear is a system that does not allow bankers OR politicians to manipulate the money supply - and the only system that prevents that is one based on something of tangible value, something that, itself, cannot be created out of nothing. The only way to remove the temptation from both bankers AND politicians is to restrain them with a money system that is backed 100% by precious metal. Period! And all the half-truths about Talley Sticks and Greenbacks and Ben Franklin quotes cannot change that.

Incidentally, in 2005, Liberty International Entertainment released a made-for-TV documentary that echoed this same call for a new American fiat money to be issued by the government. That's not surprising inasmuch as Bill Still was one of the writers and also appeared as an on-camera expert. The program included a segment devoted to Hewey Long in which he passionately advocates the classic Marxist nostrum of redistribution of wealth as a solution to the ills of society - and no one challenged it.

Lincoln's issuance of fiat money, called Greenbacks in violation of the Constitution, once again was presented as an act of statesmanship. There were numerous other flaws that seriously marred this otherwise excellent production, including the acceptance of the myth that JFK was assassinated because he opposed the international bankers. (For an analysis of this myth, go to www.freedom-force.org/freedomcontent.cfm?fuseaction=jfkmyth&refpage=issues.) If someone wanted to derail a movement for true monetary reform, they could not do better than to promote myths like this coupled with the ultimate non-solution called fiat money.

It is not my intent to attack Bill Still as a person. I have met him on several occasions and, although we are at opposite poles regarding our view of fiat money, I consider him to be well informed and sincere. Nor do I have any desire to become embroiled in endless debate on this topic. The publications and recordings listed below present just about everything I have to say on the topic. If I haven't made my case by now, it is unlikely that further verbiage would help. My purpose in preparing this analysis is simply to accommodate those who have contacted me and wanted to know my opinion of these documentaries. My short answer is this: Fiat money is the problem, not the solution.

Closing Editor note: Of course the "real solution" is "real money" like the Liberty Dollar. So please know that Bill Still's argument that most of the world's gold is held by the bankers is simply false. From many sources, of the roughly 100 thousand tons of gold mined from the beginning of time, the central bankers only claim to own about a third. James Turk, creator of GoldMoney, editor of Free Market Gold and Silver Report, and a friend set the official amount of central bankers' gold ownership at 31%. Bill Murphy, gold supporter, founder of GATA, and a friend shows in his research that the actual in hand amount is less than half of that amount. Only 12 to 15% of all the gold is actually owned by the banksters. Over 85% of all the gold on the planet is in private hands. We can, and we are, returning the global monetary system to value. Every time you use a Liberty Dollar, it is a vote for value and vote against government fiat money, faux leadership, and their agents of fiat ala Bill Still's "Money Master."

For more info on "official" gold held by central banks, visit the World Gold Council at: www.gold.org. For more info on how the government has manipulated the gold and silver markets and stolen your purchasing power, please visit the Gold Anti-Trust Action Committee at: www.GATA.org. For more info on the world of gold and gold investments please visit: www.fgmr.com. And for more info on GoldMoney, please visit: www.GoldMoney.com

2. World War III

Newt Gingrich says, "Let's face it, it's WWII" and urges the President to declare World War III. Let me

be very clear on this deplorable and detestable point. The Liberty Dollar organization is opposed to any war. I don't give a damn for Newt Gingrich, this puppet president or the damn Council on Foreign Relations (CFR) who are creating the Iranian situation just like they created the situation with Japan to draw USA into WWII. One of the key points that I like about the Liberty Dollar is that it is a deterrent to war. In fact, war is all but impossible with a 100% value based currency. The main reason why the USA went off the gold standard was to enter the First World War. During that "First Great War" (if you dare to call any war "great"), JP Morgan was head of all war materials. We now have Henry M. Paulson, the former head of Goldman Sacks, head of the US Treasury. Why do you think he left his \$38 million a year job to be the 74th Secretary of the Treasury? Was it because he is such a great patriot? I don't think so. He's no patriot, he's a damn warmonger. He is there to make more war and make more money. Who handles more paper US Treasury bonds that are monetized into depreciating paper FRNs and steals our purchasing power than Goldman Sacks? Nobody! Who has been at the center of the war against gold and silver a la its manipulation? Goldman Sacks. This whole thing stinks! War is only possible when the damn government can make their money out of thin air to finance their damn war. This simply tells you that if war is not supported by value based currency and peace and gold/silver currency is, that war is not in keeping with God's Law. War is nothing more than murder sanctioned by a government. War and murder are against God's Law. Where are my brothers and sisters of the 60s who smoked the noble herb and proclaimed "Make love - not war!""? Where is America's righteous indignation? Please deter war - use a Liberty Dollar today. Peace be with you.

3. All New Web Site

Announcing a major new site for the Liberty Dollar! For over a year, our dedicated team has worked overtime to revise and update the existing Liberty Dollar site. So I am thrilled to announce that it will launch on August 1st. And when I say a new site... I mean new! The new site will have a new database, new shopping cart, new dedicated server, new layout, new format from ASP to PHP, new SSL certification. Everything will be new except for the URL, masthead, product and content.

Probably the most important change will be the Shopping Cart. We will finally be able to accept eLD on our own site! Plus it will take e-gold, GoldMoney and any other currency we wish to accept. Discounts and specials will be allowed. More photos will be possible. No Liberty Associate will be able to place an order on the Liberty Dollar site if they are in a RCO region. All Liberty Associates in a RCO region who try to order will be redirected to the RCO whose region they are in.

So check out our new leading edge site! And be aware that it will be problematic for all Affiliate links, as the old ASP links will not work with the new PHP format. Please note the next article... BIG Problems... All Affiliate links are dead!

4. BIG Problems... All Affiliate links are dead!

Get ready... for big problems with your Affiliate links and \$100 Referrals when your site sponsors a new Liberty Associate. I regret to tell you that the old ASP links, banners, ads and text links will not work with the new PHP format on our new site. I really regret this development, but we could not continue with ASP and could not let this inconvenience stop us from moving forward with a premium site.

PLEASE login to your Affiliate Page and copy and paste all the new PHP links in place of the old ASP links. My apologies for this inconvenience. Trust me... we will not do this very often... in fact this is the first time in eight years! Of course, if you have any insurmountable problems, please call the office before you get totally frustrated. Thanks for all the links... a key ingredient in making the Liberty Dollar site one of the most popular money sites on the net. Good luck with the change!

5. \$5 Quarter Libertys debuts

They are beautiful... they are HOT... and they are only about \$4 each! Of course, I am referring to the just issued \$5 Quarter Libertys with a quarter ounce of .999 fine silver. Joining the \$20 Silver Liberty and the \$10 Half Liberty, the new \$5 Quarters really round out the specie set of the three denominations. At 3 mm over the size of the US quarter, the \$5 Qtr Lib is of good size and looks right at home with the two other silver Libs. Please order NOW, while silver is low, and get a great rate and a handful to share with everyone you know. Going, going, gone. The very first order was for over 25,000 Libs. This tells you something about how popular these goodies will be. Please order while silver is down... it will not be there long...

6. Liberty Dollar - "Forbidden Payment" on eBay

The Liberty Dollar has finally arrived! Yes, like Google payments and so many other payment systems and currencies, it is now specifically named as a "forbidden payment" currency by eBay. If you know much about PayPal or have read the story of its early years in PayPal Wars, then you know that being declared a "forbidden payment" currency has nothing to do with the currency and has everything to do with eBay pushing PayPal that they own.

Note that the eBay payment policies page has been updated and specifically names the Liberty Dollar as an example of a forbidden payment method:

<http://pages.ebay.com/help/policies/accepted-payments-policy.html>

7. CBS News and We The People feature Liberty Dollar

Pete Hallock, the ever-active RCO in Harrisburg, Pennsylvania, reports that CBS News covered the Liberty Dollar for the second time. (The first time was in Austin, Texas, in 2003.) On Friday, July 14, 2006, at approximately 6:20 pm, CBS NEWS 21 (Harrisburg) devoted 90 seconds of airtime to the Liberty Dollar and the Liberty Dollar Dispensing Machine, which was also covered in the June issue of the Liberty Dollar News.

The clip is fast moving, emphasizing the silver backing, the inflation-proof quality of the Liberty Dollar, and features the prototype Liberty Dollar Dispensing Machine in action! It's a jam-packed 1 1/2 minutes that tells why Chambersburg Area Merchants are switching to the Liberty Dollar.

Pete plans to use the DVD in his portable DVD player, as it is a great tool for introducing the Liberty Dollar to prospective Liberty Dollar Merchants. You can contact Pete Hallock of Marion, Pennsylvania, at phallock@innernet.net.

Kevin Innes, another very active RCO in Asheville, North Carolina, reports that Bob Schultz with the We The People organization is doing great work and has become very supportive of the Liberty Dollar! Let's support him too! He even interviewed Kevin about the Liberty Dollar and archived the web cast at: <http://www.wethepeoplecongress.org/webcast/Archive.htm>.

Just Click on "Asheville" to view the video. Please check on Bob Schultz and We The People nationwide tour schedule in your area at:

<http://www.givemeliberty.org/RTP2/MISC/2006WHYschedule.htm>.

WTP organization's objective is to: Reclaim Popular Sovereignty by enforcing the long forgotten First Amendment "Right To Petition." Of course, since 1998 every Liberty Dollar paper Silver Certificate have included: "The acceptance and use of this One (1.00) Liberty Dollar

Receipt is an exercise of the bearer's First Amendment right to petition the government for a silver based currency as mandated by the U.S. Constitution."

Please contact Bob and get the Liberty Dollar involved with his tour. Kevin got a table and an interview at Bob's Asheville event... see what you can do when he stops in your town too.

8. Letter / Article to the Editor

Editor note: This outstanding article was posted on Fri Jun 9, 2006, 2:38 pm, by Matthew Pitagora, RCO for San Jose East. He can be contacted via hardcash4hire@yahoo.com or 408.223.6688. Thank you Matt for your many positive efforts.

Let us not forget why we are here as RCOs

A few months back, Marco Island RCO Al Wagner posted his opinions regarding the negative effects of government bashing in relation to the positive marketing potential of the Liberty Dollar.

We now have 74 RCOs, and of course, as Al alluded, most of us have entered into this organization due to our displeasure with the current monetary regime, and all of its consequent injustices.

However, in order to break free from the stereotypically vilified anti-government groups, we must endeavor to present the Liberty Dollar in a positive light, focusing on the local economic impact, the fun, the intrinsic value, and when possible, the differences between an honest currency and fiat money.

We have all come to this place from different paths. Each of us has a different perspective from which we are working, and I believe that each of us also has something positive to add. Because we are a rapidly growing, national organization, we will have spurts and sprints, as well as speed bumps and roadblocks, but we must strive to grow with our original intent for participation always in mind.

I also realize that there are some RCOs for whom financial gain is of primary import, and within a free-market system, this is absolutely expected. I also observe a good deal of political dialogue, which demonstrates that some RCOs are looking purely at the socio-political impact of our new currency system. I see my involvement with Liberty Currency as a balance between doing what I firmly believe to be the right thing, and earning enough in profits in order to continue my involvement.

Although I haven't seen much collaborative activity on this forum of late, I will wax optimistic that the spirit of cooperative posts will once again outnumber the divisive discourse, which, although sometimes necessary, tends to create an atmosphere of doom and gloom.

I am not recommending that we sugarcoat the occasional bitter pill, but in my mind, there is always a positive outcome, even with what appears to be negative input, but only when we focus on the positive.

If I have one admonition, it is that we as RCOs restrain ourselves, hesitate in responding negatively, and instead focus our energies toward adding constructive criticism where necessary.

Let's remain positive, maintain our focus, and continue impacting our world, one Liberty Dollar at a time.

Matthew Pitagora

www.libertydollarofsanjose.org

9. Success Story / Incident of the Month

Due to the length of this Newsletter this article will resume next month.

10. Question of the Month

QUESTION: Why does it take so long to get an order from the Evansville office?

ANSWER: Quite frankly, I think this question is out of date. While there is no doubt that the office was swamped and definitely behind schedule after the Liberty Dollar Moved Up to the \$20 Base and that this situation continued well into 2006, since Michael has been in charge of the Shipping Department, I am happy to report that all orders are now processed quickly... usually within a week. The only disclaimer is that the 2006 \$1000 Gold Certificates have become very problematic... just like the earlier \$20 Base Silver Certificates... and they should finally be available from the security printer soon. We will continue our efforts to improve our shipping time, knowing that you are excited about the Liberty Dollar, and we want you to have your order ASAP.

11. Liberty Associate of the Month

Most often it is not the planned that is most exciting... but the unplanned. That wonderful surprise to find that someone special has discovered the Liberty Dollar and is now bringing their energy to bear toward our common goal. Of course, this has happened many times and it is always enjoyed because of the surprise factor. One reason why the Liberty Dollar is so great, is because it has become a real brain magnet for bright, dedicated, concerned Americans who do not want to bitch about the monetary problem, but really want to solve the problem, and solve it with the Liberty Dollar. For these reasons and for all his efforts, I am very pleased to acknowledge Matt Pitagora as the Liberty Associate of the Month. Congratulations Matt and thank you for your support and all the positive vibes you bring to the Liberty Dollar. You are a treasure and an asset to the honest money movement.

12. Quote of the Month

"Never doubt that a small, group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has." Margaret Mead.

Closing Remarks:

There you have it! Another important issue of news about the Liberty Dollar. Before we went to press with this one... more things have happened... so it looks like another issue of breaking news will be necessary next month. Here is a special offer to thank you for reading this whole issue: The first 50 people to reply within 48 hours after posting with "\$5 Quarter Liberty Offer" in the subject field will receive a brand new \$5 Quarter Liberty with our thanks for reading this whole Newsletter.

Meanwhile, with only two months to go until our 8th Anniversary... many thanks for all 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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