

LIBERTY DOLLAR NEWS: February 2007 Vol. 9 No. 2

Welcome new Readers, Associates, Merchants and RCOs!

CALL TO ACTION:

If you do only one thing: Please recommend a site where we can advertise. Now want your own Liberty Dollar? Why not? It's the perfect present for someone who has everything. And it might just be the perfect currency too. Learn more below. Plus, great articles about Private Money from the Federal Reserve and Germany. How about a Liberty Dollar radio? Please contact me to address your group as part of my Semi-annual tour. Bottom line... please read this Newsletter and share it with someone so they can start protecting their purchasing power too.

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1. Liberty Dollar Set to Explode?

In what may be our darkest hour... with the full force of the oppressive US Mint position against the Liberty Dollar... there is this ray of hope... that undeniable human quality that will not surrender to government persecution... expressly when we know we are right. That great human quality that has empowered man to seek, create, build, and, yes, overcome intolerable opposition and do great things. I feel that the Liberty Dollar is a great effort. Many of you have obviously agreed by your persistent efforts and noteworthy accomplishments. And that is the ray of hope that I see and so dearly enjoy about the great men and women in the Liberty Dollar organization.

What is that ray of hope? New projects. Acting within a group of RCOs and other interested parties, we have decided to answer the call to action by decentralizing the Liberty Dollar concept and developing a common monetary platform that will provide a Liberty Dollar to anyone. Yes, anyone! Hopefully everyone! Want a Liberty Dollar for your family, town, business or organization? How about an anniversary or your state? In fact, we already have about a half dozen projects in the talking stage, from a coffee shop

who may issue their own half ounce \$10 Silver Jitter Bucks in direct competition to Starbucks, to three commemoratives (\$20, \$10 and \$5 face values) to commemorate a well-known town's anniversary, to a brand new California Silver Liberty, which will be available very soon for presale at: <http://www.hchq.biz>

Where is all this going? In the largest context, Private Liberty Dollars exemplifies the further decentralization that we have been witnessing in other industries for many years and has been turbo charged by the Internet. Why use a depreciating currency when you can use your "own" appreciating money? And as Bill Gates so aptly demonstrated with the Microsoft platform, if there is commonality, there can be mass usage, regardless of any large (IBM or gov) oppressive outdated entity. Money stands at the same point, and it is our hope you will support the common platform the Liberty Dollar offers and order your own Liberty Dollar. The use of the obverse die is free and only \$1000 for a custom reverse die, with all design and artwork included. Minimum order 500 ounces. Plus by pre-selling First Day of Issues and Limited Numbered Editions to your financial backers, friends and Liberty Dollar collectors, you can be profitable before you even place a silver order! No kidding! A \$1000 deposit required to get started. Let the explosion begin.

2. US Mint's new \$1 coin – Review

[Editor Note: This commentary was provided by Matthew Pitagora, the RCO for the Liberty Dollar of San Jose]

U.S. Mint Stands to Make a Killing With New \$1 Coin

On February 15, 2007, the United States Mint put the first Presidential \$1 Coin into circulation. Composed of a copper, zinc, manganese and nickel alloy, this new, golden-colored \$1 coin possesses the same metal content as the Sacagawea Dollar.

Of course, according to the Coinage Act of 1792, which is the Currency Constitution of the United States, a dollar, or unit, is clearly defined as 371.25 grains of pure (.999) silver, thus widening the chasm of disparity between the Mint's new \$1 coin, and that called for in the Rule of Law.

I find it fascinating that the U.S. Mint finds new ways to mass-market coins whose face value is FAR in excess of their metal value, while at the same time slandering competitors such as the Liberty Dollar. Of course, the mint lavishes millions of Federal Reserve Notes each year on private marketing firms, and with profit margins such as those to be experienced moving Presidential Coins and state quarters, it is money well spent. Make no mistake that the Mint is truly in business to make money, and in keeping with its mission, in fact remains the most profitable U.S. government agency each year.

So let's find out just exactly how the United States Mint remains profitable, and the new \$1 coin is by far the best example.

The new \$1 coin has a metal value of almost a Nickel, which means that the coin's face value of \$1 is a whopping 1000% HIGHER THAN THE METAL VALUE, and taking into account marketing, administration, manufacturing and distribution costs, given the sheer scales of economy involved in producing millions of coins per year, the Mint is left

with a conservative 750% profit on each \$1 coin sold to the public. In order to recoup this profit “loss,” the U.S. Mint also sells rolls of brilliant uncirculated coins, at a price significantly higher than face value.

Contrasting this profitability with that of the Liberty Dollar®, we find that the \$20 Silver Liberty, even when first issued in late 2005, provided a 100% profit to the top level regional distributors, and at today’s silver spot price, that profit margin has narrowed to about 15%, thus demonstrating the increase in value that the Silver Liberty has afforded to those who obtained them early on.

I have no problem with the U.S. Mint’s seeking a profit for their product, as the Liberty Dollar® is a free-market product whose profit margin provides the capital for sustainability and growth. I believe that the two currency systems can peacefully co-exist, and even complement one another.

I do, however, have a problem with the Mint’s new “product.” First of all, it is not a real dollar, in accordance with the legal definition for a dollar. Secondly, the U.S. Mint has devoted a portion of its obscene profits, and committed public service resources in sending letters personally informing each Liberty Dollar® RCO that we are engaged in illegal activity by promoting a private, voluntary, barter currency. The Mint continues to publish a warning regarding the Liberty Dollar® on their web site, which may have curtailed Liberty Dollar® sales, but has at the same time tempered the resolve for those of us seeking to propagate HONEST MONEY which is comprised of the precious metals silver and gold.

Back in September, when the U.S. Mint issued their warning, I speculated that the Liberty Dollar® was considered a threat to the U.S. Mint’s coin-collecting business, and sure enough, my suspicions have turned out to be quite valid.

Not only is it reprehensible that those officials charged with the safeguarding of our national currency have instead debased our coinage to a tiny fraction of its lawful value, but these same guardians of coinage have also blatantly displayed their disregard for lawful money by attempting to stifle the legitimate and noble business endeavors of the Liberty Dollar® Organization and its proponents.

So the next time you receive a handful of change, remember that the United States Mint’s new \$1 Presidential Coin is worth less than a nickel (or even five pennies) and then ask yourself which currency system is the most honest, and which type of money provides the best value to the public.

[Editor Note: Please check out Matt’s site at: <http://www.hchq.biz> for the new California Silver Liberty... it is HOT!]

3. Private Money by the Federal Reserve

Private Money in Our Past, Present, and Future

by Bruce Champ an economic advisor at the Federal Reserve Bank of Cleveland

Who is allowed to issue money in the United States? The Founding Fathers made it clear that the power to create money would not be taken lightly. Their experiences with money and inflation during the Revolutionary War made them wary of paper money and conscious of the power wielded by those authorized to create it. They gave Congress the right to issue money and forbade the states from doing so. But the federal government isn't the only entity that has, in practice, issued money. Private citizens and private companies have, too.

In the 1800s, for example, much of the country's paper currency consisted of notes issued by private banks. Nowadays, commercial banks don't print their own notes, but they create money just the same — in the form of checking accounts. People and companies other than banks have also occasionally seen the need to create their own forms of money.

Private money — money issued by individuals or companies — can be seen as an innovation that arises to fill a void left by the federally provided money of the day. Studying various examples of private money that have arisen throughout U.S. history has taught economists much about the qualities money must have to be useful. In this Commentary, we describe some of the needs private money has arisen to fill and some of the problems people have encountered when making or using private money. We consider the lessons our experiences with private money imply for our money today and in the future.

[Editor Note: Please read this important and exciting article by Bruce Champ who is an economic advisor at the Federal Reserve Bank of Cleveland. And while Champ's views are "not necessarily those of the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System, or its staff" it is abundantly clear that the Federal Reserve is aware that the nature of money is changing... to a concept as modeled by Liberty Dollar. Please read this whole article on our Commentary Page at: <http://www.libertydollar.org/commentary/pdfs/1170878323.pdf>

4. Germans take pride in local money

By Tristana Moore with BBC News, Magdeburg, Germany

The next time you venture out for lunch in Magdeburg, check what kind of loose change you have in your wallet.

Like any other city in Germany, the normal currency here is the Euro. But bizarrely, they also have another currency in circulation: the "Urstromtaler."

Before you doubt its existence, it is not "Monopoly" money - it is very real. At a jewellery shop in the city centre, Gerfried Kliems explained how people use the regional currency.

"It's quite simple," he said. "The money you spend stays in the region. When I accept

Urstromtaler in my shop, I then have to see how I can spend the local banknotes. You get to know everyone who's participating in this project, and at the end of the day, you have a good feeling about life."

More than 200 businesses are using the regional currency, including shops, bakeries, florists, restaurants. There is even a cinema which accepts Urstromtaler.

"Local boost"

Frank Jansky, a lawyer, launched the regional currency in Magdeburg. "We are fostering links with businesses in the whole region and through the contacts that we develop, we are supporting the domestic German market," he said.

"All the businesses have signed contracts, and it's official. We have our own banknotes and we have an issuing office in the city centre."

At the Urstromtaler "central bank" in Magdeburg, which is no larger than a small office, the banknotes are issued at a rate of 1:1 against the Euro.

The banknotes have a time limit and lose value after a certain date, so people are encouraged to spend their money quickly.

Campaigners argue that the currency can help boost the local economy.

[Editor Note: Sound familiar? Please read the whole article on our Commentary Page at: <http://www.libertydollar.org/commentary/pdfs/1172611040.pdf>

5. Semi-Annual Tour... WTP... & LDU-13

Well it is that time again. Time for my semi-annual visit to the Liberty Dollar office in Evansville. In the later part of March, I will venture out of nice warm South Florida to visit my office. This year's mini-tour will also include a visit to Washington, DC, to check in with Bob Schulz's "Give Me Liberty" Conference by We The People, March 29-31. As usual, I will be driving up the coast to DC, over to Evansville and back down through the South. So if you want to cross paths with me, let me know... the schedule is already set... but I will do my best to accommodate your request for a meeting.

Liberty Dollar University - 13 will be in Evansville April 11-14. So if you want to hang with the movers and shakers... and find out what is happening with the US Mint, etc... Liberty Dollar University is the place to be for only \$200. I hope many of you will find that Evansville will be a handy place to visit. Please call the office to register: 888.LIB.DOLLAR (888.421.6181). Please note: LDU-13 will be limited to only 25 people.

"Give Me Liberty" Conference by We The People and Bob Schulz will be held at the Hilton Alexandria Mark Center in Alexandria, Virginia from March 29 through 31. At \$495 or \$125 for a single day plus \$548.55 for the room for three nights, it is a bit pricy

but the price includes food and if you share a room for about \$275, it is a real steal in the overpriced Washington hotel market. So I encourage you to join me and let's find out what happens. Hopefully Bob will have received a positive decision by the U.S. Court of Appeals in his case, *We The People v. The U.S. Government* and we can all celebrate! Certainly wishing Bob and We The People, of which I am a member, all the best.

Complete info and registration is available at:

<http://givemeliberty.org/CONVENTION/GML2007/Registration.aspx>

Attention: Just as we are ready to post... Bob has sent an urgent request for donations of \$159 to help pay for people who can't come due to the steep costs. If you can't go and want to help others attend, Bob is offering a copy of the event for a \$159 donation... please consider supporting WTP. We are all trying to make our country better...

6. New Ads with Reason and Coinflation

BREAKING NEWS... check out our ads! Now for the first time, the Liberty Dollar is advertising on the Net. Of course, the Liberty Dollar has been carried on hundreds and hundreds of sites thanks to your wonderful support. But now we are paying for it... and getting results. More people are learning about the Liberty Dollar and taking a stand for a value based currency. Some are actually putting their money where their mouths are and getting some Liberty Dollar! Amazing! So we are looking for more places to advertise. Know of a good site that is not too expensive? Please let me know!

Meanwhile please check out the Liberty Dollar ad at www.Reason.com. If you are not familiar with Reason – Free Minds and Free Markets, it is time to tune into this terrific nonprofit think tank. Since 1978 when Robert Poole founded the Reason Foundation, it has been dedicated to individual liberty, limited government, and advancing free minds and free markets. Who can disagree with that?!

Our second big ad is at www.Coinflation.com. This is a wonderful site! Alec, all the way up in Alaska, has put together the best site to figure out the actual intrinsic market amount of value in the government coins... and it does it all automatically. Plus there is a host of additional info on money and inflation on this super site. I visited it often before our VP of IT suggested advertising.

Please let us know where we can advertise next.

7. Liberty Dollar Radio and Pins

I am just constantly amazed by Liberty Associates! If for nothing else, the Liberty Dollar has given us a great stage to voice our opinion on money and more importantly, a great opportunity to flex our own personal monetary desires. Now comes the Liberty Dollar Radio! Leave it to Nic Leobold, Liberty Associate extraordinaire to create a really cute little radio with a bigger message on it that I would have thought possible. We have a few left... and I encourage you to get one and add it to your Liberty Dollar collection. No, wait... the radio really works... get and use it... just like the Liberty Dollar! BIG thanks to Nic for all his efforts and wonderful products.

But Nic is not alone. Why are there so many Liberty Dollar items? Because of people like Mike Parkin, RCO for Liberty Dollar of Hollister, California. At the recent LDU, Mike showed me a custom label pin that was super. Amazingly well done. And while we have not had time to order some, you may want to contact Mike at mparkin@bhit.com and ask him for one. And if we don't have what you want, do as Karl did with the Counter Mat, or Sarah did with a Liberty Pillow, and dozens of other items created by Liberty Associates... make it yourself and let me know! Remember one of the BIG three parts of the Liberty Dollar is to "Have Fun" and if you are not having fun with the Liberty Dollar... you are just missing out.

8. Letter / Article to the Editor

No Letter or Article this month as there is both a Success Story and an Incident below.

9. Success Story / Incident of the Month

On February 7, Dan Doering filed this Success Story:

I went to a gas station last night. There were two young men, Josh said he was 22, and his buddy was about the same age. I usually use a persona like "Columbo." I look for money in several pockets.

Acting a little like I'm confused. While digging, I (intentionally) find some Libs somewhere. Josh asked me if I misplaced my money. I said, "No, I use silver." He said, "Wow man, I save silver!" He then produced a pre-1960 quarter and dime. They had a real nice ring when he dropped them on the counter.

I showed him the \$10 and \$5 Libs. His buddy came over and said, "We can't take those, Josh, remember the memo we got from the regional office?" I then showed them the article from the Fed of Cleveland and the BBC article. I said, "Your company is not being honest with you. Private money has [been] acknowledged by the Federal Reserve..."

Both of these guys were astounded! Josh said "Man, where can I get some of these?" I said, "I'll be right back"

I returned with my "bucket" of all three denominations. Josh's eyes were wide as I presented them to him. He went through them and took a 20, one 10 and two fives, pushing two \$20 fed notes in my hand. I gave him the website and thanked him. He then said "NO, THANK YOU!" As I turned to leave, he said, "Wait, man, I want some more." He then took out his plastic card and went to the ATM. Went through the same process, another \$40 face value in silver was exchanged, \$80 total.

I showed Josh the "SOLUTION" book. Another Believer in the Liberty Dollar!

Now the Incident of the Month: Marvin Dence Arrest as Reported:

On Sunday evening, 2-11-07, Marvin Dence offered to pay for nine gallons of gasoline at a small town in Tennessee with a one troy ounce \$20 Silver Liberty. The MAPCO station clerk went out and showed the \$20 Silver Liberty to a parked patrolman. She returned, declined the offer and asked for FRNS, which he gave her. As he was leaving, the patrolman then entered the station and started questioning him about the Silver Liberty.

Patrolman Waylon Inman chose to arrest Marin under the pretext of violation of Tennessee Code 39-14-115 entitled Criminal Simulation, "attempting to pass counterfeit coin" "with intent to defraud." "Criminal Simulation is punishable as theft," (Blacks 6th Law Dictionary: Theft - "the act of taking or stealing property without the owner's consent.")

Pursuant to Tennessee Code 39-14-105 as a Class E felony. Under T.C.A. 39-14-115 NOTES TO DECISIONS 7. Nature of Offense. Page 560. "To constitute the offense of passing counterfeit coin, the spurious coin passed must be a representation of genuine coin on both sides." Robert v State, 39 Tenn. 501.

This was an ignorant, if not blatant attempt by Patrolman Inman, to "call evil good, and good evil"...and to "bear rule by their means"...Isa 5:20; Jer 5:31.

There was no injured party! There was no fraud or attempted theft, only an offer in barter. The \$20 Silver Liberty Dollar is not a counterfeit facsimile of any US Coin, past or present. \$20 on the one once Silver Liberty is a suggested market value and may be traded at a higher or lower rate for goods or services. Marvin never claimed the Liberty Dollar to be legal tender, coin, or currency. He simply offered it to be used as a Private Voluntary Barter Currency.

Unfortunately, Marvin was arrested and confined for three days. Finally the Sheriff realized the injustice and called the Judge who agreed to release Marvin on his own recognizance.

[Editor Note: Currently, I am happy to report that Marvin Dence is out of jail. This is the most serious Incident to date. I hope it is dropped when Marvin appears in court shortly.]

10. Question of the Month

QUESTION: 1) What prevents the government from seizing the silver/gold that's stored in Sunshine Minting before or after the customer purchases it? The Government has seized it before so are they allowed to do it again?

ANSWER: The opportunity for the government to seize the gold/silver at Sunshine "before or after" any purchase is very small due to the quick turn-around time on all orders. Plus all Associate orders and general orders are filled by the Fulfillment Office in Evansville, not by Sunshine. The only perceived risk is to the gold/silver that is stored for the Gold and Silver Certificates issued as warehouse receipts. "Perceived risk" because the government has never seized any warehouse receipts because there has never

been a warehouse receipt like the Liberty Dollar. Plus it is doubtful that the government would want to risk any seizure and hand Liberty Dollar the enormous publicity and draw their unbacked currency into the public spotlight.

As for a general seizure like the Roosevelt Confiscation of 1933, this is utterly impossible simply because the public attitude towards the government has changed and most importantly because gold is now a free market commodity traded around the world. Any seizure by any government, particularly the US government, would drive gold and silver to unheard of prices. And as the government cannot confiscate without paying market value, it would be impossible for the government to outrun the escalating prices on the world market. To learn more why confiscation is utterly impossible, please read Chapter 28, page 244 in "Liberty Dollar Solution" book available for only \$5 if you mention this issue of the Liberty Dollar News within the next 30 days.

11. Liberty Associate of the Month

As I often like to remark, "Just as good food takes time – good money takes time." Such is the case with this month's Liberty Associate. In fact, this Associate has a dynamite all night restaurant. Now, at first, you might think of some greasy spoon, truck stop... but that is not the case about the place or the food. In fact, I always try to visit it every time I am in Michigan. Our Liberty Associate offers a great place with plenty of down home food with lots of Liberty Dollars. For that reason, I am very proud to name Dave Gillie, owner/operator of Gillie's Coney Island Restaurant, just north of Flint, Michigan, the Liberty Associate of the Month. And if you are ever nearby, be sure to stop in. Dave not only accepts Liberty Dollars, he uses a lot for change too. Congrats, Dave, and thank you for your outstanding support and good food too!

12. Quote of the Month

"Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our wants, and government by our wickedness; the former promotes our happiness positively by uniting our affections, the latter negatively by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher." Thomas Paine

Closing Remarks:

Please stay tuned for more as we strive to resolve the matter with the US Mint and develop our successful model 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" will we be able to throw off the yoke of a manipulated monetary/tax 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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