

NORFED NEWSLETTER: VOL. 3 NO. 2 FEBRUARY 2001

EDITOR'S NOTE: The biggest news this month is that I have survived a really busy schedule. The Texas trip is still on, as of this newsletter. 3PGold.com has not launched yet...but it sure is getting close. Here is a very quick update on the month.

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1. TOTO Event in DC - February 17^s

My compliments and thanks to Bob Schultz for the well organized Conference. I spoke in support of NORFED's Currency and received many compliments. The We The People Conference was very well attended and further evidence that a change to the current IRS is eminent. Just remember that "all of a sudden" the Iron Curtain fell...I would not be the least bit surprised that the same fate befalls the IRS.

2. Manhattan/NYC Event - February 21st

Yes, I actually spoke in Manhattan after parking my car for \$30.00 per day. In keeping with the strangle hold that the East Coast Establishment has on their sacred territory, the Event was attended by only about a dozen dedicated people on a incredibly cold night. My sincere thanks to Harry D'Antonio who organized the event.

3. Philadelphia Freedom Conference - February 24th

My sincere thanks to Al Wagner for organizing such an exciting event and Ed Griffin for his three outstanding presentations. The day-long event had many surprises that even included authentic Revolutionary Army uniforms for Al, Ed and myself. Wow! Are those thing heavy! NORFED opened nine new Redemption Centers and counter-struck all Silver Libertys with a special PFC die to commemorate this First Annual event. Video tape of the event is available at: www.awesumexchange.com. In light of the attendance of well over 100 people and the information shared, it should be noted that this is yet another example of the level of activism that is currently peaking in our Great Country and how dedicated Redemption Centers are taking an active lead to repeal the F*R* and the IRS. Thanks you Al, Ed, and all those who support NORFED by actually doing something. Please consider growing your RC by sponsoring a Conference in your area. Remember all sponsorship fees go to the event's sponsor

to make the event profitable.

4. **Snap shot of NORFED**

So where is NORFED at this moment in history? With the "B" Series of the American Liberty Currency now issued, that means that over 100,000 individual Silver Certificates have been issued. There are approximately 10,000 users of the Currency as we are getting close to our first 1000 Redemption Centers! Congratulations NORFED for doing such an outstanding job in less than three years! I wonder what will happen in the next three years? It should be interesting, especially if there is any kind of monetary crisis. Just you wait...NO DON'T WAIT. Get out there and show the Liberty Dollar to someone every day. Please do something good for your country and yourself by sponsoring a Redemption Center today. Thanks again for your support!

5. **Sunshine Mining closes!**

Have you seen this news item?

"Kellogg, Idaho (AP) -- The Sunshine Mine, the nation's largest and most prolific silver producer and the site of one of the nation's worst mining disasters, has closed, throwing 130 miners out of work after years of low metal prices and foreign competition. General Manager Harry F. Cougher shook hands with the mechanics and contract miners as they left the mine -- perhaps for the last time -- after a final fire drill Friday morning." Well now that I have your attention, please be informed that there is absolutely no relationship between Sunshine Mining and Sunshine Minting, which is the warehouse for all the gold and silver that backs NORFED's American Liberty Currency. Yes, Sunshine Mining bought the old Tentex Mint some 10 to 12 years ago and then about 8 years ago it sold the re-named Sunshine Mint back to the original owner. Sunshine Minting remains privately owned and has no relation to the troubled Sunshine Mining Company. Please do not be concerned.

6. **Redemption Center of the Month**

While some new Redemption Centers are concerned, "Are they going to get me?" others prefer to blaze away. Such is the case with this month's Redemption Center - Mr. Nick Jesson. Mr. Jesson has distinguished himself to being one of the growing legions of employers who do not act as the taxman, as they do not withhold from their employees. Mr. Jesson has also become our latest Advisory Board Member with a \$10,000 order of American Liberty Currency. Another sign of NORFED's continued, steady, evolutionary growth towards repealing the fraudulent F*R*. Thank you Nick for making a stand to return America to value - one Liberty Dollar at a time.

7. **Quote of the Month**

"In a republic, what species of knowledge can be equally important? And what duty more pressing ... than ... communicating it to those who are to be the future guardians of the liberties of the country?" George Washington.

8. **Question of the Month**

Is the American Liberty Currency and Gold and Silver Libertys taxable?

First, the ALC is not sold; there is no sell as it is a currency exchange. Just as you exchange yen, marks, pounds, or dollars there is no (sales) tax, there is no (sales) tax on the exchange of FRNs into or out of ALDs currency. But this may be different when you exchange FRNs for Gold and Silver Libertys as this may be deemed a "sell" by either your state or city. Many states exempt the sale of gold and silver as an investment. This exemption may be outright or have some qualifying requirement such as "all sales, or sales that accumulate over \$1000". Some requirements accumulate while others are within a period of time i.e., per year. In short, while it is clearly defined for "currency" it is not as easy to ascertain for the commodity, i.e. gold and silver. As NORFED has acknowledged many times before, it is the obligation of each Redemption Center to become aware of the local laws and be in compliance of them. Case in point, when Ed Griffin became a RC, he was also concerned with this fine point and contacted the Taxing Authority for the State of California. I am pleased to inform you that their reply to Ed was a wonderful letter that explained in great detail how the ALD was exempt. Unfortunately, it did not address the issue of "selling" Gold and Silver Libertys. But usually a call to a local coin shop, "I am thinking about buying some silver...is there a sales tax on it?" will get you the info you need to feel comfortable. If you report your finding back to NORFED's Fulfillment Office (888.421.6181 or sarah@libertydollar.org) we will establish a Tax Data Log to answer this question.

9. **3PGold.com Update:**

It seems to be the nature of the Internet Beast to be late. And although I find this totally unacceptable...there has been little for me to do but to keep working through the problems and knowing that we will launch asap....which remains to be very soon. Thank you for your patience and understanding.

10. **Gold Libertys available again**

Now for the first time in a couple months, we are again offering the Gold Liberty again. Each Gold Liberty contains one ounce of .9999 fine gold as a near Proof quality at \$330 each. Please call Sarah or Michelle to reserve some Liberty Gold in our next minting.

11. **Sovereign Individual**

I often get asked about being a "Sovereign Individual". On the 3PGold.com site you can read about being a "Sovereign Investor". So, what is a "sovereign"? It is any individual who is aware that he IS sovereign and takes responsibility for being sovereign. It has been clearly acknowledged by even those God-awful hacks on our Supreme Court that Americans are the real sovereigns and the power of the United State government rests not with itself but with the People as they hold the real sovereign powers. And as sovereigns, we have many rights that are not acknowledged in any other country. It is indeed amazing to be an American. For a better understanding of what a sovereign is, I encourage you to read this short definition that was emailed to me:

Sovereign Individuals

By Donald D. Henson" wepin@wepin.com

Individual sovereigns are just people and, as such, have all the foibles, shortcomings, and irritating manners of any other person. You should not expect a sovereign to be "better" or "worse" than any other human being. Your only expectation should be that an individual sovereign will not try to "force" you to do things his (or her) way. An individual sovereign

knows that any action he takes is his own choice and is ready to accept the consequences of that choice. (For example, an individual sovereign may refuse to file tax returns but understands that this choice may land him in jail.) An individual sovereign also accepts that it is immoral to initiate force or fraud against other sentient beings. The good news is that you are one. The bad news is that it may take several years of reading, studying, and introspective thought before you can convince yourself of that.

12. **New York Times Anti-IRS article**

On February 10, 2001, just days before the We The People Conference at the Crystal City Hilton just across the Potomac River from Washington DC, the *New York Times* ran an article titled: *I.R.S. Going After Businesses on Withholding Tax* by David Cay Johnston. Well if "they" thought that would scare off this movement they must be sadly mistaken as it only throws gas on an already raging fire. Please read the whole text in Appendix A at the end of this Newsletter.

13. **Still looking for RC in Delaware**

Tirelessly we continue to quest for that first lone Redemption Center in our Country's first state, the great patriotless State of Delaware. Many thanks for all whom have tried.

14. **Texas Tour during March / Personal**

Even though, the Dallas Event has been rescheduled for May, I will continue to tour Texas during March as planned. I am now planning to attend the Sovereign Society in Dallas on March 7 and then work my way South then back up North and on to Oklahoma. As usual, if you want to meet me, hear more about NORFED and its Currency, or sponsor a get together to turn your friends on to the potential of denying your money to the government and growing your Redemption Center, or if you have a place for me to stay, then by all means please email me at bernard@libertydollar.org. As I am "retired" I usually play my schedule rather loosely until I make a definite commitment. I look forward to meeting you in the great State of Texas!

APPENDIX A

NEW YORK TIMES: February 10, 2001

I.R.S. Going After Businesses on Withholding Tax

By David Cay Johnston

The Internal Revenue Service plans to announce next week that it is actively pursuing small-business owners who are bragging on the Internet and in seminars that they do not withhold taxes from their employees' paychecks, arguing that the tax laws do not apply to them.

Dale Hart, the I.R.S. deputy commissioner for small businesses and the self-employed, said the agency was now looking for business owners who have stopped withholding and turning over income, Social Security and Medicare taxes, and was "stepping up" the pressure on them.

Workers at these companies, who Mrs. Hart said "are being scammed by their bosses," will also be pursued and will be assessed penalties unless they send in the taxes that should have been withheld from their paychecks.

Some of the business owners, as well as the promoters who advise them, will be prosecuted for tax evasion and other crimes, said Mark E. Matthews, chief of the I.R.S. criminal investigation division. Indictments may take months.

In addition, the agency has tightened its procedures for issuing refunds to business owners who say they are exempt from the tax laws, said John Buchanan, the I.R.S. executive responsible for ferreting out sham trusts and similar commercial tax evasion schemes.

The changes, and an effort to encourage workers to turn in bosses who stop withholding taxes, come as proponents of theories that the tax laws are a hoax prepare to meet in Washington.

The New York Times reported in an article on Nov. 19 that at least 23 small-business owners had publicly declared on the Internet that they did not withhold taxes from their workers' paychecks. These owners told The Times that the I.R.S. was making no effort to make them pay.

One company named in the report, the Kristi Tool Company of Magnolia, Mass., advertises that it has not withheld taxes since 1979. Its owner, Dick Celata, said in an interview that the I.R.S. had never tried to make him pay and he said he took that as proof that he was correct in his belief that he was not required to pay taxes.

In recent weeks Dick Simkanin, owner of Arrow Plastics in Bedford, Tex., who maintains a Web site with the names of businesses that say they do not withhold taxes, has added three more businesses to his list.

Another business, Jon Peters Plumbing in Omaha, said it stopped withholding nine years ago. The Candleberry Creek Company in Cheona, Ill., stopped withholding in 1998.

Frank Keith, the senior I.R.S. spokesman, said in November that "with limited resources the I.R.S. must often choose which cases to pursue" and that it focused on those that would generate the most revenue.

Several former I.R.S. commissioners, as well as tax policy officials who had served in both Republican and Democratic administrations, said at the time that they were shocked at the failure of the I.R.S. to move against these business owners and warned that unless enforcement action was taken swiftly the movement would grow, threatening the integrity of the income tax system.

Days before the article was published about 60 business owners gathered in Huntington Beach, Calif., at the invitation of Nick Jesson, owner of N.T.D. Electronics in Huntington Beach, to plan strategies to expand their movement.

Next Saturday hundreds of people, including business owners, are expected to meet at the Hilton Hotel in Arlington, Va., to discuss ways to "expose and end the illegal operation of the income tax system," according to the event's sponsor, Robert L. Schulz of the We the People Foundation in Queensbury, N.Y. Among the tactics urged by some of those who have announced they will attend is persuading

more business owners to stop income tax withholding, which is the source of more than 80 percent of federal income tax, Social Security and Medicare revenues.

Mrs. Hart, the I.R.S. deputy commissioner, said that arguments like the one that asserts that the income tax applies only to foreign-owned companies operating in the United States are "frivolous claims that have no legal authority" and have been thoroughly rejected by the courts.

But she said the agency had concluded it must conduct a public education program, especially for "poorly educated workers" who may tend to accept statements by their employers that income taxes are voluntary.

She said that while penalties would be assessed against workers who fail to turn over taxes that should have been withheld from their paychecks, an exception might be made for workers who pay but do not file promptly or pay less than they owe.

"We would have to consider that on a case-by-case basis," Mrs. Hart said.

The agency has also tightened scrutiny of requests for withholding tax refunds, said Mr. Buchanan, the I.R.S. executive assigned to police commercial evasion schemes.

Two companies that do not withhold taxes, Bosset Partners Marketing in Clearwater, Fla., and N.T.D. Electronics, said the I.R.S. promptly refunded more than \$200,000 in withholding tax refunds when they asked for their money back.

Mr. Buchanan said the I.R.S. had tightened procedures for processing withholding tax refund claims.

"We have pretty good filters to intercept these refund requests and only a handful are getting through," he said. "And those that do get through we are finding posthaste afterward because we now have a mechanism in place" to identify such errors.

<http://www.nytimes.com/2001/02/10/business/10IRS.html?pagewanted=all?ex=982827606&ei=1&en=cf3f1efce1d2c4d7>

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