

Some Ridge residents now using “Liberty Dollars”

By: Trevor Warner, Staff Writer
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It used to be that America’s ever-loved money was worth something.

It was backed by precious metals, specifically silver or gold, and a person could trade it in and get its face value in these metals per the instructions printed on a bill, “will pay to the bearer on demand.”

Now what the public is stuck with is “debt-backed” Federal Reserve Notes that aren’t worth the paper they are printed on, said Paradise resident Charles Douglas.

“It costs the same in ink and paper to make a \$100 bill that it does to make a \$1 dollar bill,” Douglas said.

He said that is one of the reasons the United State is in such debt; the more Federal Reserve Notes, commonly called “dollars,” that are in circulation, the more the US government owes the Federal Reserve Bank in interest.

“(Federal Reserve Notes) belong to the Federal Reserve and they loan it to the government with interest,” he said. “It is a debt instrument and the government has to pay the debt on the backs of the American people.”

By the way, Douglas and many others attest that the Federal Reserve Bank is a private run bank and not “federal” at all.

The June 10, 1932 Congressional Record page 12595 seems to give weight to that argument stating, “some people think the Federal Reserve Banks are United States Government Institutions, they are not government institutions, they are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers.”

However, Douglas thinks he has found a way to circumvent at least part of the national debt and educate people about the Federal Reserve at the same time.

An avid coin collector, he has been interested in silver and gold as a commodity in general for most of his life.

About five years ago came across what is called the Liberty dollar, issued by NORFED, which claims that each Liberty dollar is worth 100 percent of its face value in silver and is 100 percent redeemable.

In fact, each Liberty dollar boldly states the old “Redeemable by bearer on demand” instructions.

NORFED stands for the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code started in October of 1998 by Bernard von NotHaus, the organization's senior economist.

Each Liberty dollar states that it is a receipt for one-tenth (\$1), one-half (\$5) or one (\$10) of .999 fine Troy ounce of silver and is signed by Von NotHaus.

According to the organization's web sight, <http://www.libertydollar.org/>, the silver is stored in a warehouse in Idaho.

Von NotHaus or representatives from his organization were not available for comment at press time.

Each Liberty dollar further states that it is an exercise in the First Amendment Right to petition the government for a silver-based currency as mandated in the United States Constitution.

They come in \$1, \$5 and \$10 denominations and can be exchanged "dollar for dollar" with Federal Reserve Notes.

However, what good is money if you can't spend it?

Federal Reserve Notes are everywhere and everybody uses them to buy goods and services. After all, they are the national currency.

The common use of Federal Reserve Notes gives them their value and trading power.

Though NORFED claims to have 500,000 to a million liberty dollars in circulation, that is next to nothing compared to the billions of Federal Reserve Notes used in America on a daily basis.

Though liberty dollars are the second most used currency in the nation, few people know about them and even fewer will accept them, effectively devaluing their trading power.

That doesn't stop Don Maydole, owner of Paradise Natural Foods for 17 years, from accepting them or using them himself.

Maydole said he likes the premise of the Liberty dollar and its potential to knock down the national debt; however he knows it will take some time to catch on.

"People don't like change," he said. "Sometimes it is hard to get people to try something new."

He likens the Liberty dollar to credit cards and the dominance of Visa and MasterCard over newer cards like Discover.

"When Discover first came out people wouldn't take it," he said. "But people got used to it and most places will take it, now."

He said the liberty dollar is a grassroots effort to get rid of the national debt and he believes that awareness about the liberty dollar will kick start its popularity.

Once people realize that Federal Reserve Notes aren't backed by anything, he said he thinks the liberty dollar will start gaining popularity.

So, what is the point of carrying around paper notes when it is the silver that has the actual value?

Maydole said the weight of the coins could easily wear holes in someone's pockets and a person could lose the money.

Aside from that, it is just more convenient.

"That is why they went to the paper system in the first place," he said.

Though Liberty dollars can be used dollar to dollar with Federal Reserve Notes, Chico insurance agent Ed Black said they are not legal tender.

Black uses the Liberty dollar himself and said legal tender can only be issued by the government and has to be accepted for goods and services.

The Liberty dollar is used voluntarily and people are not forced to accept it for goods and services he said.

So as long as a Liberty dollar user doesn't claim that the liberty dollar is legal tender, the liberty dollar is perfectly legal to use if people choose to accept it, he said.