

M I S C E L L A N Y

THE SILVER LINING

How you can profit from the coming monetary apocalypse!

By Sam Shaw

The feds collared the Monetary Architect in Florida, on a Thursday morning last June. The site was the Fort Myers branch office of the United States Marshals Service, on the shore of the Caloosahatchee River; the charges were conspiracy and fraud. Silver-bearded and pony-tailed, with a silver tongue and silver in his pockets, Bernard von NotHaus presented for his arraignment and was led into the courtroom in handcuffs. That the Monetary Architect had come to such an end shocked no one familiar with his case, least of all the Architect himself. It was the fulfillment of a plot he had been spinning, in sales spiels and interviews and folksy email newsletters, for years. He had been predicting America's descent into a fascist police state since the Clinton Administration. In the fall, he had addressed the Silver Summit, in Coeur D'Alene, Idaho, while wearing novelty prison stripes. The handcuffs were, if anything, belated.

I had met von NotHaus in January

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2008, at the annual synod of the Free State Project, a band of "pro-liberty" activists who hoped to transform New Hampshire into a right-wing utopia. The lineup of panelists and exhibitors was motley. Alongside the conservative stalwarts John Sununu and Ron Paul, and such dusty "constitutionalists" as John Birch Society president John McManus, there were the anti-tax gurus Jeffrey Dickstein and Peymon Mottahedeh (whose \$6,000 "Royal Freedom Package" promised shelter from harassment by the IRS and state tax agencies, "For those who wish to live free NOW and to be treated like royalty!"), the science-fiction novelist F. Paul Wilson, at least four minor talk-radio personalities, and the shaggy apostate narcotics officers Peter Christ and Barry Cooper, the latter pushing copies of his popular instructional DVDs *Never Get Busted Again* and *Never Get Busted Again Vol. 2: Never Get Raided*.

Not to be upstaged, von NotHaus arrived to deliver his keynote speech in a navy wool frock-coat with epaulets and gilt buttons. In the guise of "Captain Roughseas," a "crusty old veteran" of the American Revo-

lution, he charged onstage brandishing a three-foot saber that would tumble from the rostrum a few minutes into his address. Missing from this burlesque was his tricorn hat, FedExed from Miami but mislaid by the hotel concierge. It was a getup commensurate with the grandiosity of von NotHaus's dream. His product was the imminent hyperinflationary crash of the U.S. dollar and the death of civilization as we know it, and by every indication his audience was buying.

"Do you remember the last time, and the only time, that the global currency—the whole global monetary system—collapsed?" von NotHaus asked, and in the ballroom of the Crowne Plaza Hotel, three hundred libertarian pilgrims shifted to attention in their seats. "It's only happened once. Anybody remember? It's a four-letter word." He peered out at the crowd, a salad of gun nuts, lapsed Republicans in chinos and cordovan loafers, affable poli-sci wonks, and neck-bearded patriots with the haunted mien of Civil War infantrymen. "Rome!" he growled. "Rome!" With practiced ease, von NotHaus synopsised the history of

the debasement of the silver denarius and the fall of the Roman Empire, begetting the Dark Ages. "Five hundred years of Dark Ages. They groped around. They had no money, they didn't have any trade. There was marauding. It was dangerous. Five hundred—that's fifteen generations, folks! And what happened after that? Things really picked up. We had five hundred years of the Middle Ages! Oh yeah, we can call it medieval times and romanticize them. They were only better because we were all serfs living on somebody else's property and we had enough to eat!"

It was a preview, he said, of the wretchedness to come. We were at war—not with terrorists or insurgents but with central bankers. Between 1913, when Woodrow Wilson signed

the Federal Reserve Act into law, and 2001, the dollar had shed 96 percent of its purchasing power. Under the stewardship of George W. Bush, it had declined again by half. And that was if you believed the government's figures. For the better part of a century, America had been fettered to the sinking ship of a moribund currency. Now we had a choice.

"What would you rather have?" he asked. "A currency that depreciates in value or a currency that appreciates in value?"

"Appreciates," came a voice from the crowd.

"Appreciates—I like that word. Would you rather live well or die poor and have the government live off your children?"

"Live well!"

"Maybe some of you think that world peace is a dream," he announced, shifting from hellfire to redemption. "World peace is not a dream, but it is a dream without real money. God did not intend us to be here and to be slaves to the monetary system." But God helped those who helped themselves. "You must take action. Trust me."

As if to underscore the difficulty of the road ahead, the PA system cut out. Captain Roughseas began to yell. It was the rhetoric of dugouts and battlefields, of victory stolen from the jaws of defeat. Our darkest hour since the Revolutionary War was at hand. "Make our original Founding Fathers proud." He picked up his saber and waved the blade at the fluorescent panels in the ceiling.



"Some would have you believe that the pen is mightier than the sword. But I'm here to tell you—it takes money to buy both of them!" The audience exploded in applause. On a tide of acclamation, they rose to their feet, a pistol joggling at the hip of my nearest tablemate. Von NotHaus chopped at the air with the brio of a sloshed cavalry general. "Death to fiat!" he thundered, again and again, but his refrain was drowned out by the din.

His solution to the evil of inflation—and to its cousin vices of degeneracy, war, and metastatic government—fit in the palm of your hand. Its buffed silver glint betokened better days ahead. Available for \$20 at a booth in the vendors' bourse, it was America's "second-most popular and fastest-growing" currency: the "100% inflation proof" Liberty Dollar.

By his own lights, von NotHaus (né Bernard Notthaus) was an unlikely right-wing firebrand. After an adolescence spent wrecking cars, of which, by his accounting, he owned eighteen before he could vote, he managed theaters at Kansas State, where he studied art and architecture, and in London. Now sixty-five, he lived like a yogi, sleeping four hours a night, taking neither breakfast nor lunch, and avoiding caffeine in all forms. His cultural touchstones—John Lennon, Jethro Tull, Jimi Hendrix—were not exactly staples of conservative approbation, and it was hard to imagine William F. Buckley Jr. endorsing von NotHaus's pronouncement, regarding the 1960s, that "the sex was always good after the riots." Although he persisted as a bohemian itinerant, dropping in on Liberty Associates and Regional Currency Officers across the country, his spiritual homeland remained Hawaii, where he raised his sons, Random and Xtra, and developed the business model for the Liberty Dollar. He projected the breeziness of a colada-stoned pleasure cruiser, and in the time I spent with him I never heard him refer to the end of the workweek as anything other than "Aloha Friday."

The particulars of von NotHaus's

graduation from counterculture sybarite to Monetary Architect are slightly mysterious, shrouded in his fuzzy self-mythology, but he is precise about the date. On September 11, 1974, while living on the Big Island, he was compelled by an otherworldly force to write an "economic research paper" entitled "To Know Value," a rambling meditation on Wall Street, inflation, and the New Age philosophy of Swami Kriyananda. He inscribed the paper with a circular logo traced from the bottom of a Chivas Regal bottle. Soon thereafter, he uprooted to Honolulu and founded Liberty Dollar's precursor, the Royal Hawaiian Mint, an operation he ran for twenty-five years despite having no economic training whatsoever. "I have a psychic streak in me," he explained.

In 1998, convinced that fiat currencies like the U.S. dollar¹ were dragging the world into a black hole of dissipation and violence, von NotHaus filed papers of incorporation with the state of Nevada and leased an office in Evansville, Indiana, to serve as the fulfillment center for his "philanthropic project," the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code (NORFED). Later reborn as Liberty Numismatics, the outfit—which eventually settled down in a strip-mall storefront next to a pistol range—distributed his private currency to a network of dealers and businesses nationwide. Besides the flagship silver, gold, and copper Liberty Dollars,² with the namesake statue's flaming torch on their reverse, he had issued the limited-edition Peace Dollar, California Bear Dollar, Evansville Dollar, Chiropractic Dollar, Ron Paul Dollar, and Hawaii Dala. There were also paper Liberty Dollars, colorful notes that entitled their bearers to treasure stored in the vault of a private mint in Coeur D'Alene. This same vault housed pallets of bullion and specie

¹ Known to the hard-money set as the Federal Reserve Note, or FRN.

² For legal reasons, von NotHaus avoids the terms "coin," "current money," and "legal tender" in discussing the Liberty Dollar. The embargo sometimes flummoxes his supporters, rendering conversation a lexical minefield.

backing the eLibertyDollar, which could be hoarded and exchanged via secure online accounts.

Von NotHaus liked to call Liberty Dollar "the FedEx of money," suggesting its place in a continuum of American free enterprise and ingenuity. But the legality of the business was murky. It is true that private currencies circulate in dozens of cities, from Ithaca to San Luis Obispo. (Nearly all of these are fiat monies, dismissed by von NotHaus as "fucking the same girl—she just looks different.") But in November 2007, FBI and Secret Service agents stormed the Evansville office and Idaho warehouse, confiscating records, computers, dies, and a fortune in silver and gold, including the stockpile backing the paper and electronic currency. It was the government's position that his specie, with its familiar image of Lady Liberty and its injunction to TRUST IN GOD, deliberately mimicked U.S. currency—in other words, that von NotHaus was a counterfeiter.

The raid landed the Architect on the front page of the *Washington Post* and, among the conspiracy-minded, confirmed his bona fides as a political martyr. In interviews, he vowed to put the monetary system itself on trial. The Evansville fulfillment office reported unprecedented walk-in trade, and on eBay, one-ounce silver Liberty Dollars were selling for \$700, forty-seven times their melt value:

Chambersburg, Pennsylvania, lies southwest of Harrisburg in the Great Appalachian Valley. In 1859 it was the staging ground for John Brown's doomed raid on Harpers Ferry, and in 1864 it was burned to cinders by Confederate cavalrymen, a unique distinction among towns north of the Mason-Dixon line. Recently, through the efforts of Pete Hallock, a former commodities trader and logging entrepreneur, Chambersburg has become perhaps the country's liveliest hub of hard-money commerce. Some seventy local businesses purport to accept and dispense Liberty Dollars, including Snoko's Florist & Greenhouses, KFB Jewelers, John's Stump Grinding Service ("Kiss that ugly stump goodbye"), Swamp Fox

Trailers, M J Bogle's Wheel Shop, Tom's Tanning Studio ("Put a little light where the sun don't shine!"), and Fort Chambers Black Powder Gun Shop. Like von NotHaus, Hallock has devoted his retirement to the cause of hard money, both as a Regional Currency Officer (RCO) for Liberty Dollar and as a novelist, having self-published in 2004 the monetary thriller *Dupez: A Story of Deception and Concealment*.

Hallock moved to Chambersburg in 1974, three years after Nixon closed the gold window and a year after the OPEC oil embargo; the specter of ransacked grocery aisles, price controls, and gas lines remained fresh in his memory. He learned the value of self-sufficiency and the danger of its absence. The town, he told me, was full of savvy patriots. There were farms nearby and plenty of skilled tradesmen. Besides the Liberty currency that he continued to circulate, a good deal of "junk silver" lay hoarded in the town's closets and drawers—Franklin and Kennedy half-dollars, Washington quarters, and Mercury and Roosevelt dimes, mined before 1965, when the silver content of such coins dropped from 90 percent to nil. Hallock hoped to spare Chambersburg some of the hardship he knew would come. In that spirit, he organized Patriot Days weekend, a gathering at which Liberty Dollar devotees would learn "how to successfully 'network' and prosper during the coming financial crisis."

On an Aloha Friday afternoon in February of 2008, all Liberty Associates, RCOs, and Merchants were invited to a private session with the Monetary Architect at Boss's Outlet, a purveyor of office goods, toys, push mowers, rehabbed golf carts, and "medium-size animal cages." There was the feeling of an Amway party populated by grandfatherly Cassandras in flannel shirts and work boots. A half dozen local businessmen and retirees sat in folding chairs around a table covered with a plastic cloth. White-haired and taciturn, Hallock was a hesitant emcee. Hundreds of people had been told about this meeting, he said. Evidently he had expected a better crowd. The men waited hopefully for stragglers, lingering in conscientious small talk.

At twenty past one, Hallock reluctantly called us to order. A metal box containing a roll of Liberty Dollars had been stolen from Claudio's Pizza in nearby Aspers, he announced. We were urged to look out for a young person attempting to cash in or spend them. It was one more intimation of a planet devolving into chaos, and Hallock sounded tired as he reported the news. He invited us, by way of thanking our host, to stock up on pens and paper at Boss's, and then ceded the floor to von NotHaus.

In his black leather jacket, the Monetary Architect looked a little like a roadie. He stood up to address the group. He had for many years presided over what he called Liberty Dollar University, a roving seminar for RCOs and Associates. It offered—for minimal tuition—lectures, Q&As, and brainstorming sessions on such topics as Salesmanship 101 and Importance of Perseverance/Winning. Today's clinic was billed as a special "mini" LDU, and it commenced on an encouraging note. If the recent bull market in silver held, Liberty Dollar would shortly revalue, in accordance with the long-standing business model posted on its website. We would be able to mail our \$20 troy-ounce silver Libertys to the home office in Evansville, and—for a limited-time fee of \$4 apiece—they would be melted, rolled, blanked, stamped, and returned with a new face value of \$50, more than doubling our money overnight.³ At this stage, the "move-up" was all but inevitable, von NotHaus said. The same model provided for the devaluation of the currency if the price of silver crashed, but he downplayed that prospect.

I was relieved, on Pete Hallock's account, to see a latecomer appear in the doorway. "Ned, you made it. Far out!" called the Monetary Architect. Bald, gray-bearded, and sporting two terrifically woolly eyebrows, Dr. Ned Van Valey motored into the room in an electric wheelchair. He greeted the men with an elaborate semaphore of jollity.

³ "Is there anybody who does not want to double his or her money?" a recent Liberty Alert newsletter had asked. "If so, please continue to use the depreciating U.S. dollar."

UNTERBERG POETRY CENTER 09/10 SEASON

January

21 Thu Sam Shepard and Patti Smith

February

- 1 Mon The Immigrant Experience: Becoming Americans with Jamaica Kincaid, Norman Manea and others
22 Mon The Tenth Muse with John Ashbery
24 Wed John Banville and Colum McCann

March

- 1 Mon Words & Music: Péter Esterházy and Andrés Schiff
8 Mon Suzan-Lori Parks
22 Mon The Critic's Voice: James Wood

April

- 6 Thu Louise Glück and Dúnya Mikhail
19 Mon The Poets' Theatre: The Correspondence of Elizabeth Bishop and Robert Lowell with Kate Burton and Michael Cumpany
26 Mon Terrance Hayes and Natasha Trethewey
28 Wed PEN World Voices Festival: Opening Night
30 Fri PEN World Voices Festival

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