

Making Sense of the Liberty Dollars NORFED's Plan to Empower the People

By Kylene Wolfstein
State
March 6, 2003

The United States Federal Reserve is not the only agency issuing currency these days. NORFED, also known as the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue seeks to provide Americans with an alternative form of money that is not backed by a government promise, but by silver. The question: is this a scam or a good plan?

"My goal with the Liberty Dollar is to give people a choice," said Denet, head of the American Liberty Dollars West Coast Redemption Center, to City on a Hill Press (CHP). "I think it would be healthy for people to use something other than the government's money."

NORFED's stated intention for the Liberty Dollar is to take the power away from the government and give it back to the people. However spokesperson for the Federal Reserve Bank in San Francisco Carol Eckert told CHP the threat the Liberty Dollar poses to the Federal Reserve "is unlikely to be an issue."

So, why use the Liberty as a trade commodity instead of Federal Reserve Notes, or chicken eggs for that matter?

"Federal Reserve Notes are really an imaginary system," Lewis said. "It is not backed by anything by government promise. Liberty Dollars are backed by silver."

While Liberty Dollars are not illegal, they are not legal tender either. "Merchants don't have to accept them," Eckert said. "It is the Federal Reserve that issues legal tender."

The fact that Liberty Dollars are not accepted by banks, and can be turned down by anybody does not stop Jason Pratt Liberty Dollar advocate, from using them. Pratt said seven out of 10 places accept the Liberty Dollar.

"One disadvantage exchange is you can't exchange them at banks, but the upside to this is that it keeps money circulating within the communities", said Lewis, head of the American Liberty Dollars West Coast Redemption Center.

Many stores choose to accept the Liberty Dollar, and there are currently over 2,000,000 Liberty Dollars floating around the U.S. according to a NORFED press

release. Lewis hopes to get New Leaf and Bookshop Santa Cruz to begin using the Liberty Dollar.

USCS Economics Professor David Kaun does not believe the Liberty Dollar is backed by silver nor does he plan to use it. "I've heard of groups that create money to keep it within communities, and help achieve a self-sufficient community. However, I have never group creating money to repeal the Federal Reserve Act."

Although it is perfectly legal for NORFED to issue one currency in exchange for Federal Reserve notes as a plan to repeal the Federal Reserve Act, it is not guaranteed that Liberty Dollars will be accepted everywhere. Kauri said, "They might as well sell insurance for the sky in case it falls one day."