

"Alternative" Money

By Jim Kerr

The Liberty Tree

October, 2006

Imagine if you had a business where you produced a product where your profit margins ranged from 2,380% to as much as 238,100%! Impossible, you say? The federal Reserve System has just such a business. However, inflation is driving up the cost of printing those bills, since the cost has risen from below three cents per unit to the current 4.2 cents per unit. The new color bills cost about 7 cents per unit. Nonetheless, they have a pretty good racket—a monopoly, actually—and they jealously guard it.

However, NORFED, outfit that coins silver and makes notes substantially backed by silver, is beginning to make the Federal Reserve nervous, as evidenced by the U.S. Mint's announcement that it is illegal to use non-"legal tender" known as "Liberty Dollars." Mint Spokesperson Becky Bailey said, "We don't want consumers to be fooled." The government contends it is the only entity that is allowed to "coin Money, [and] regulate the Value thereof..." (Article I Sec. 8 Cl. 5, U.S. Const.) Of course, it is the epitome of hypocrisy for government officials to say this, since silver and gold are intrinsically money, the federal government does not coin money with a value set near its intrinsic value, and Federal Reserve Notes are mere scraps of paper; but the fact is, people have always had the right to barter(1) using silver and gold without resort to "legal tender."

It is not only the Federal Reserve crowd that disturb our liberty, though. Daniel Buczek and his son, who use Liberty Dollars all the time in their town to purchase things, were arrested at a Buffalo Sabres game_ when they offered them in exchange for beer. An ignorant security officer filed a complaint (they were offering silver in exchange for beer) against the men, and the Buffalo police charged the two with felony counts of criminal possession of forged instruments.

Of course, any prosecutor would be an idiot to take such a case before a jury. There were no forged documents ("counterfeit" Federal Reserve Notes), and there was no counterfeiting, since NORFED coins in no way resemble any coins the federal government has ever produced. But bringing such charges demonstrates that Barney Fife "wannabes" shall not be on the endangered species list any time soon.

Insofar as I know, NORFED is not a "warehouse bank" and makes no loans or anything of the kind, so as to make it "fractional reserve." NORFED coins and currency appear to be quite sound. And while Gresham's Law (after Sir Thomas Gresham, 1519-1579) states that "Bad money drives out good," many people want their store of value to be tangible. And there is no escaping the fact that

people worldwide are starting to lose faith in the Federal Reserve Note. It must eventually suffer the fate all fiat currencies⁽²⁾ have throughout history, since its value is based only upon people's faith in it. For example, if you presented confederate money to pay for a basket of groceries, you would be laughed right out of the store.

Among the many reasons Bush et al. are going to war against Iraq and harassing other countries is that successfully decoupling of oil and the dollar ("petrodollar") could wreck the Federal Reserve's racket. Upstarts like Saddam started taking "Euros," and now Iran and others are talking about selling oil in exchange for non-"Dollar" currencies. This could ruin the "Dollar." If this happens, of course, all those American "Dollars" held by people overseas would wind up coming home, and inflation⁽³⁾ would inevitable go through the roof. Of course, this is no secret, as the increasing price of gold and silver reveals. Therefore, to maintain the petrodollar, we must rely upon the benevolence of oil producing countries, or we must bully them. Being an international "bully-boy" is characteristic of an empire, and history shows us that empires end in tragic collapses.

Yes, Congress passed a law that says only the Federal Reserve Note is legal tender (forcing us to use them to pay taxes, for instance); and that to refuse them for payment renders a debt void.⁽⁴⁾ But they are still only worthless pieces of paper.⁽⁵⁾ Ideally, I prefer to tender real money—gold and silver—as legal tender (the way God intended it); and failing that, I will barter with gold, silver and even Liberty Dollars (or their equivalent), even though they are not legal tender. At least their intrinsic value is 100%, or nearly so, as in the case of NORFED. And, as necessary, I will use Federal Reserve Notes for daily expenditures and to pay taxes. Let the Federales have the bad money. Nonetheless, I prefer to boycott the fiat currency monopoly to the extent feasible. I would encourage other Americans to do the same; and to use gold, silver, and NORFED or its equivalent, in the absence of laws making gold and silver legal tender. Doing so is not only patriotic, it is biblical.

Visit our website at: www.Save-A-Patriot.org

TITLE 18 U.S.C. § 486.

Uttering coins of gold, silver or other metal

Whoever, except as authorized by law, makes or utters or passes, or attempts to utter or pass, any coins of gold or silver or other metal, or alloys of metals, intended for use as current money, whether in the resemblance of coins of the United States or of foreign countries, or of original design, shall be fined under this title or imprisoned not more than five years, or both.

Black's Law Dictionary (7th ed.) definitions: > Current money. Money that circulates throughout a country; currency.

- > Currency. An item (such as a coin, government note, or banknote) that circulates as a medium of exchange. See LEGAL TENDER.
- > Legal Tender. The money (bills and coin) approved in a country for the payment of debts, the purchase of goods, and other exchanges for value. See TENDER
- > Tender. 1. An unconditional offer of money or performance to satisfy a debt or obligation.... The tender may save the tendering party from a penalty for nonpayment of nonperformance or may, if the other party unjustifiably refuses the tender, place the other party in default.

(INSERT)

"How is the faithful city become an harlot! it was full of judgment; righteousness lodged in it; but now murderers. Thy silver is become dross , thy wine mixed with water: Thy princes are rebellious, and companions of thieves..."

_____ Isaiah Ch. i: 21-23 (KJV)

Dross, n 1: worthless material that should be removed; impurity. 2: the scum formed by oxidation at the surface of molten metals.

-
1. That is, the right to freely exchange goods and services, and the right to contract.
 2. Fiat currency: money by decree, generally base metal coins and paper money not backed by precious metal value.
 3. Strictly speaking, the inflation already happened when the Federal Reserve Bank system loaned the "dollars" into existence (i.e., made them out of thin air) and thus expanded the supply of money and credit, but the result of rapidly rising consumer prices is yet to be fully felt. It is that resultant rise in prices that has come, in common language, to be termed inflation.
 4. Some of our members own rubber stamps that state: "This Federal Reserve Note is a worthless piece of paper."
 5. John Kotmair has told me of a story of a man by the name of Klosterhaus who allegedly owed the IRS ~ 40,000 FRNS. They went down to the offices of the IRS, put the FRNS on the table, and asked the assessor to sign a paper verifying the liability and receipt of the funds. The assessor was ordered not to sign the document by his superior, resulting in refusal to accept FRNS to pay a "debt." According to the legal tender laws, this made the "debt" void. Mr. Klosterhaus packed up his FRNS, and he and Mr. Kotmair headed for the elevator. Realizing their mistake, one of the agents ran for the elevator, and said that they would accept the FRNS after all. As the elevator door was closing, Mr. Kotmair informed him that he had his chance to accept the FRNS, and he declined; that the "debt" was now void. The elevator door closed, and that was the end of the alleged tax liability.

(INSERT)

"There is no law that says goods and services must be paid for with Federal Reserve notes. Parties entering into a transaction can establish any medium of exchange that is agreed upon."

Andrew Williams, a spokesman for the Federal Reserve in Washington, D.C.