

# **State Monetary Initiative for New Hampshire**

*“A private solution for a public problem”*

## **Preamble**

Given the People’s concerns about the purchasing power of the US dollar, their interest in a secure inflation proof currency, and the States of New Hampshire and Nevada’s recent monetary initiatives in addition to other concerned Americans action, the supporters of the Liberty Dollar offer this “State Monetary Initiative” as a legal, viable, and proven plan for all concerned parties to consider.

Whereas during the past seven years the Liberty Dollar has offered a proven solution in competition to the current debt based currency issued by the Federal Reserve, the Liberty Dollar organization now offers a positive State based solution by providing each State with its own coinage. The new State based currency will have the same “unit of accounting” as the Federal Reserve Notes and will function in parallel on a one-to-one basis within the current economic system. The system is scalable and designed to establish an interrelated national monetary system that is compatible with the banking system within each State and between the States. In other words, as the private gold and silver currency grows in each State and is eventually officially adopted by each State, the currency will return our great country to a sound monetary system based on value.

## **A benefit to the People is a benefit to the State**

Whereas taxes are an accepted cost of government and whereas it is necessary to have some form of government to provide for the general welfare, the People should be responsible for both the form of taxation and method of collection. As human nature is opposed to both taxation and abuse by the State, the best tax system is one that is fair and the least invasive as possible. The State Monetary Initiative (SMI) is based on the tenant that the least government is the best government. Fore: a benefit to the People is a benefit to the State. Minimum taxes should provide maximum services.

## **Introduction**

Where Do We Begin? As the Monetary Architect who designed and developed the Liberty Dollar over a 23-year period and has provided a proven monetary model for the past ten years, it is my pleasure to present this “State Monetary Initiative” for a new gold and silver State currency based on the Liberty Dollar model. A value backed State currency, as described below, would provide each State with a very large and steady “tax-free” income, while protecting the People and all the business interests from any national monetary crisis, plus positioning each State with a currency that is consistent with its State Constitution and that of the US Constitution. Now each State has the ability, legal basis, and a moral imperative to provide a value based currency that turns our great country away from a destructive inflationary future.

How Would It Work? Building on the successful track record of the Liberty Dollar, a new, legal, “private labeled” State Dollar would be made available to the banking institutions within the state via the State office of Treasury. While a State cannot issue its own currency, it can legally contract to have its currency provided by a third party, just as the US government has permitted the Federal Reserve to provide the US dollar. Given the popularity of the current “State Quarters Series”, which commemorates each State, the new State Dollar will attract many new supporters who are now collecting the State Quarters.

## **Main Points**

### **Regarding the Adoption and Usage of a State Dollar**

**Point of Law:** States cannot issue its own money. It can use any form of money within the state but only Federal Reserve Notes with the US government. For these reason, only an independent monetary source could provide the type of currency herein discussed.

**Monetary System:** For example: Based on the current Liberty Dollar model, an independent monetary company under contract with New Hampshire could provide a gold and silver New Hampshire Dollar (NHD) at a discount (to the face value). Such a currency would be provided directly to the State Treasury. As the sole distributor of the NHD, the Treasury would profit as it offered and accepted the new currency at face value for all taxes, services, and employment. The Treasury would also distribute the NHD to the banks at a lesser discount, so that the banks would profit as they provided widespread acceptance and circulation for the new NHD, and exchanged the NHD back into Federal Reserve Notes. Please note additional info on profiting in “Future” and “Profit” below.

**Currency:** In keeping with the US Constitution and the principles of “sound money”, the New Hampshire Dollar would be 100% backed and 100% redeemable in gold and silver. Both a Gold and Silver New Hampshire Dollar would be issued and circulated as a “free market currency” ala the proven Liberty Dollar model. The discount rate would change daily or inter-daily depending on the market conditions, while the face value would be “based” so that the NHD would exchange on a dollar-to-dollar basis with the Federal Reserve Notes and be used interchangeably, i.e. parallel, in the marketplace.

**Future:** Due to the unavoidable depreciation of the FRN, government action, world events, and the responding rise of commodity prices in terms of FRNs, the purchasing power of the NHD would also rise to maintain parity with the FRN in the marketplace thereby providing an additional profit to the State, business and all the people within that State. As exemplified by the proven Liberty Dollar model, the purchasing power of the NHD would rise, thereby providing New Hampshireites with a true “inflation proof currency”. In fact, in any given monetary crisis, New Hampshire, all its people and businesses will actually profit from inflation. At the time when other States would be suffering from any monetary crisis, New Hampshire will be protected by it own value-backed NHD.

**Cost:** Surprisingly, the cost to initially create a NHD and generate such a monetary windfall for the State of New Hampshire, its people and businesses, is surprisingly low

due to this use of free enterprise in the creation of money. While many services such as the auditing and the currency designs can be provided by state employees, the costs for a contracted private monetary company and the initial stock of gold and silver for an official New Hampshire Dollar could be as low as \$100,000. And while that would not provide for many NHDs, the entire costs could be entirely funded by pre-orders from banks and third party distributors at no cost to the State.

**Profit 2005:** The New Hampshire Dollar would be based on free enterprise and generate a profit for the State. Just as an outside vendor provides all the fabricated silver to the US Mint, an outside vendor could provide the minted NHD, paper Gold and Silver Certificates and a secure digital currency to the State of New Hampshire. For example: at the current silver price of \$7.00, a \$10 Silver NHD with one ounce of .999 fine silver may cost NH \$8.00. With a face value of \$10, the State would spend it for \$10 for a profit of \$2.00 or 20%. This profit should go a long way to eliminating current tax systems. The State would accept it for taxes and complete the cycle. The State would also distribute the \$10 NHD to banks at \$9.00 so they would profit and provide the necessary distribution network. In addition to the specie currency, a genuine warehouse receipt of Gold and Silver Certificates should be issued to provided in convenient denominations of \$1, \$5 and \$10 in paper currency. Plus a digital NHD would prove to be a fountainhead for both banking and the State as it provides limitless denominations for debit/credit card, wire, and EFT usage. Given New Hampshire's Gross Sales Product now projected to be \$87 billion for 2006, there is no doubt that introducing such a parallel currency in competition to the debt based, depreciating Federal Reserve Note would yield a significant income to the State while protecting it from any monetary crisis.

The State Monetary Initiative could actually enable a state to reduce taxes, balance its budget, eliminate its debt, and provide the civil services for a civil society.

**Benefit:** The real benefit is to the People of the New Hampshire. Not only will the People sidestep the personal pain of a monetary crisis, the savings in less taxes will be noticeable. And while society has grown to demand more government services from street lights, to helicopter medical services, to countless other services and taxes have escalated to match these raging demands; a new NHD would not only help pay for such services, it could stabilize the costs in real terms during an inflationary period and save the State a lot of money. The New Hampshire Dollar would be a huge benefit to the People and State.

**Success:** Given the success of the Liberty Dollar and the government's acknowledgement that it is legal and as Andrew Williams, spokesman for the Federal Reserve Board in Washington DC has said: *"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."* – it is clear that the State of New Hampshire can and should implement a new gold and silver State dollar as soon as possible. To paraphrase New Hampshire's motto, it will *"Live free of fiat money or die."*

With the dire outlook for the US Dollar and its disastrous effect on every State's own finances, I pray that each State will review past monetary crisis, capitalize on their unique position, and seize the bright future based on value for its own good, for the good of its People and businesses by adopting a gold and silver based currency as demanded by both their own Constitution and the US Constitution.

Whereas the Liberty Dollar was developed upon peer review, I would appreciate your comments, suggestions and questions regarding this State Monetary Initiative so that the best money and least taxes can be provided for the People's common welfare.

I am available for further in-depth consultation.

Thank you for your interest and support.

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